



April, 2014  
San Juan, Puerto Rico

To whom it may concern:

Econo Riago; founded un 1987, operates 5 stores from the Econo Supermarkets (Comerio, Naranjito, Barranquitas, Humacao and Naguabo), the leading independently owned chain in Puerto Rico.

During the moths from November 2013 throug April 2014 **London Consulting Group** and Riago engaged in a project as a second phase of "Cumbre" project with the main target to increase the category gross profit and reduce the sales of products in the weekly shopper with negative gross profit.

The annualized Return Of Investment (ROI) in this project is **2.5:1**. I would like to highlight some of the main achievements:

**Quantitative improvements:**

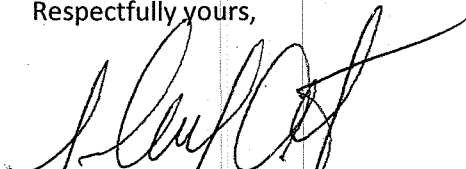
- **1.9%** gross profit increase in the produce department.
- **1.6%** gross profit increase in the categories where the shelf was reconfigured.
- **0.6%** gross profit recovery due to reduce the impact of weekly shopper.

**Qualitative improvements:**

- Increase of inventory turns.
- More exposition of products with best gross profit.
- Implementation of new products agreement process.
- Low profit product reduction.

This experience with LCG has been highly satisfactory, and the main reason we have decided to develop a project extension which will be equally challenging and with high benefits for our company.

Respectfully yours,



Juan Carlos Agosto  
Executive Director  
Econo Riago