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Gartner Announces Ranking of Top European Supply Chain Organisations for 2012

Region's Supply Chain Leaders Revealed at Supply Chain Executive Conference 2012, London, UK, 17-18 September

Egham, UK, 18 September, 2012 — Gartner, Inc. has revealed its annual ranking of the top 15 supply chain organisations headquartered in Europe at its Supply Chain Executive Conference, currently underway in London. The goal of Gartner's Supply Chain Top 15 in Europe research initiative is to raise awareness of the supply chain discipline and how it impacts businesses.

Gartner identified the top 15 performers headquartered in Europe, based on a combination of financial metrics (revenue growth, return on assets [ROA] and inventory) and opinion (Gartner supply chain analyst and peer opinion). Unilever, Inditex, H&M and Nestlé were the leaders, which are also listed in the global Gartner Supply Chain Top 25. Six new companies entered the European top 15 ranking this year: H&M, AstraZeneca, Reckitt Benckiser, Syngenta, Roche and Volkswagen (see Table 1).

"The ranking comprises companies headquartered in a variety of European countries, predominantly the UK and Switzerland," said Christian Titze, research director at Gartner. "Top European supply chains span the automotive, chemical, consumer goods, life sciences and retail industries. Leading companies have the right combination of organisational structure and governance to balance global reach with the ability to take local characteristics into account."

Table 1. Gartner Supply Chain Top 15 — Europe, 2012

| 2012 EMEA Rank | 2012 Overall Rank | Company | Return on Assets (1) | Inventory Turns (2) | Revenue Growth (3) | Composite Score (4) |
|-------------------------------|----------------------------------|------------------------|---------------------------------|--------------------------------|-------------------------------|--------------------------------|
| 1 | 10 | Unilever | 10.2% | 6.0 | 5.5% | 4.21 |
| 2 | 15 | Inditex | 17.3% | 4.0 | 10.3% | 3.37 |
| 3 | 17 | H & M Hennes & Mauritz | 28.6% | 3.6 | 5.7% | 3.09 |
| 4 | 18 | Nestlé | 15.9% | 4.9 | -9.5% | 3.06 |
| 5 | 28 | AstraZeneca | 16.5% | 3.1 | 1.7% | 2.01 |
| 6 | 29 | Tesco | 5.5% | 16.4 | 6.4% | 2.01 |
| 7 | 30 | BASF | 7.9% | 5.6 | 11.6% | 1.98 |
| 8 | 33 | Reckitt Benckiser | 13.0% | 5.1 | 12.4% | 1.93 |
| 9 | 35 | BMW | 2.9% | 5.7 | 11.8% | 1.92 |
| 10 | 41 | Novartis | 8.1% | 2.9 | 13.1% | 1.77 |
| 11 | 47 | Anheuser-Busch InBev | 6.1% | 6.4 | 14.7% | 1.72 |
| 12 | 51 | Syngenta | 8.8% | 1.7 | 7.7% | 1.67 |

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|----|----|--------------------------|-------|-----|-------|-------------|
| 13 | 53 | Roche | 14.4% | 2.5 | -4.9% | 1.64 |
| 14 | 58 | British American Tobacco | 11.8% | 0.9 | 6.6% | 1.54 |
| 15 | 59 | Volkswagen | 4.2% | 5.6 | 17.5% | 1.54 |

1. **ROA:** ((2011 net income/2011 total assets)*50%) + ((2010 net income/2010 total assets)*30%) + ((2009 net income/2009 total assets)*20%)
2. **Inventory Turns:** 2011 cost of goods sold/2011 quarterly average inventory
3. **Revenue Growth:** ((change in revenue 2011-2010) *50%) + ((change in revenue 2010-2009) *30%) + ((change in revenue 2009-2008) *20%)
4. **Composite Score:** (peer opinion*25%) + (Gartner opinion*25%) + (ROA*25%) + (inventory turns*15%) + (revenue growth*10%)

Source: Gartner (September 2012)

Unilever is ranked No. 1 in the European Supply Chain Top 15. This company has a global virtual manufacturing network that can quickly cater to fluctuations in local demand. Unilever also has the ability to design its products proactively for profitability.

At No. 2, Inditex is the highest-ranked retailer. This company keeps in tune with its customers in order to sense and shape ideas, trends and tastes around the world. To this end, Inditex has made conscious trade-offs between higher production costs and speed-to-market, with manufacturing capabilities in Spain for some products.

H&M, the No. 3, is the world's second-largest clothing retailer. As a fast-moving retailer, it takes an innovative approach to designer events, one that pools consumer interest. It has also started experimenting with augmented-reality technology, which links the growth of social media and sales to determine how consumers will use virtual technologies in the future.

Food giant Nestlé is No. 4. Nestlé complements its successful Nespresso model with plans to manage its different types of coffee with segmentation strategies and different routes to market.

"Earlier this year we announced Gartner's Global Supply Chain Top 25, but regional analysis identifies issues and best practices unique to each region," said Vladimir Krasojevic, research director at Gartner. "Supply chain leaders in Europe are focusing on cost reductions, supply chain innovation and the increasing business importance of sustainability, and the need to balance global reach with local needs".

Additional information is available in the report entitled "2012 Gartner Supply Chain Top 25: Europe " at <http://www.gartner.com/resId=2161815>.

About the Gartner Supply Chain Top 25

The Gartner Supply Chain Top 25, now in its eighth year, uses a methodology with two main components: financial and opinion. Public financial data provides a view into how companies have performed in the past, while the opinion offers insight into the supply chain leadership of the future. These components are combined to reach a total composite score for each company considered. The list of companies derives initially from a combination of the Fortune Global 500 and the Forbes Global 2000, with a revenue cut-off of \$10 billion. This list is then pared down to the manufacturing, retail and distribution sectors to eliminate certain industries, such as financial services and insurance, that do not have physical supply chains.

For more information about the Gartner Supply Chain Top 25 or to register on the global panel of voters, please visit <http://www.gartner.com/technology/supply-chain/top25.jsp>.

About Gartner Supply Chain Executive Conference 2012

Supply chain executives face an unprecedented challenge: to balance the need for cost-efficiencies with the growing demand for agility. For most, this requires a fundamental shift in strategy, planning and implementation — and a new ability to provide guidance and leadership to every member of their global

supply chain team. Gartner analysts will provide advice to help organisations to succeed at everything from strategy and planning to distribution and logistics.

The Gartner EMEA Supply Chain Executive Conference 2012 is being held from 17 to 18 September at the Park Plaza Westminster Bridge hotel in London. For additional information about this conference, please visit <http://www.gartner.com/technology/summits/emea/supply-chain/>. Join the discussion on Twitter using #GartnerSCC.

About Gartner

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