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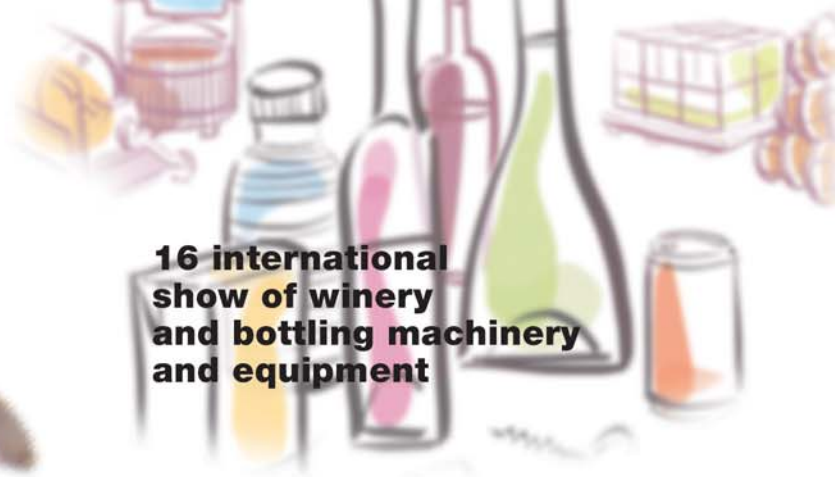
tecnovid 2007

5th vine-growing techniques and equipment show



16 international show of winery and bottling machinery and equipment

ENOMAQ 2007



Editorial

ENOMAQ and TECNOVID 2007: A NEW MEETING FOR THE WINEMAKING SECTOR

ENOMAQ and TECNOVID will again be at the service of the winemaking sector between the 13th and the 16th February 2006 at the Zaragoza Trade Fair Centre. It has taken a justified break in order to adapt the event to the European fair schedule in the interests of the sector and as a result of this, the fairs will now be held during odd-numbered years. Both shows, which are individually defined yet perfectly complement each other, will again be an important meeting point for wine professionals and companies. They will have the chance to discover and display the most complete offer available today with regards the technology, equipment and machinery for vinegrowing in the case of the now classic ENOMAQ, the International Show of Winery and Bottling

Machinery and Equipment, and with regards vinegrowing equipment and technology in the case of TECNOVID. One important new aspect of this 2007 event is the opening of OLEOMAQ and OLEOTEC, two new shows dedicated to oil which will be incorporated into ENOMAQ and TECNOVID respectively. Together, they will present the largest offer of equipment and technology for the production, preparation and bottling of wine and oil. The high level of company participation in the two shows, both on a national and international level, combined with their capacity for attracting professional visitors due to their years of experience, makes this a crucial and strategic meeting for the vinegrowing, oil and beverage sectors.

ENOMAQ, a great business generator

ENOMAQ, the International Show of Winery and Bottling Machinery and Equipment, is back. Now a classic this event, which is currently preparing for its sixteenth edition, has become an important international reference for the wine sector. After many successful years of sustained growth, the last 2004 show managed to yet again exceed all participation expectations. The star attraction was the huge offer of new solutions with regards machinery and equipment for vinegrowing and this was reflected in the intense business activities and opportunities. The fair is divided into the following areas to facilitate the participation and activity of the visiting professionals:



- Bottling machinery and auxiliary equipment.
- Vats and other containers.
- Wine treatment machinery.
- Oenological products and laboratory material.
- Wine cellar conditioning, design and construction and auxiliary industries.
- Grape processing machinery.

The ENOMAQ 2004 presented many innovations such as new intelligent hydraulic and pneumatic presses, new machinery for capping and bottling, multi-function monoblock equipment, the latest in automation and electronic control systems, various IT applications for wine cellar management and the latest applied technology for machinery used in the wine and beverage industry.

TECNOVID's drive towards innovation

TECNOVID has experienced a more than satisfactory growth in each of its shows. With the fifth show in sight, this now completely consolidated event continues to hold the wine sector's interest, which is heightened by each show. The new grape growing techniques and the most modern and functional equipment for tilling, grape transport and management will be the focus of this year's event, as always promoting the innovation and modernisation of the vinegrowing sector. With regards exhibition sectors, TECNOVID is organised as follows:

- Tractors, tilling and preparing the terrain.
- Planting, fertilising and irrigating vineyards.
- Pruning and protecting vineyards.
- Stakes and wire for training vines.
- Grape harvesting.
- Grape transport and management.
- Vine nurseries.
- Agrochemical products.
- Institutions, Associations, Services.

With regards its innovations, TECNOVID 2004 presented the latest machinery in grape growing techniques, including the new all-terrain grape harvesters, tractors and machines for vine pruning, crushing and fertilisation. The section



dedicated to advanced irrigation equipment and automation was very complete, as was the section presenting vineyard control and management systems based on the latest information and communication technology.

Current affairs

OLEOMAQ and OLEOTEC, two new shows

OLEOMAQ promotes quality, technology and research into the most modern industrialisation and management methods. Therefore manufacturers, importers, exporters, technicians, mills, PSR regulating councils (produced in specific regions) and professionals from the oil industry will come from all over the world. With regards exhibition sectors, OLEOMAQ will be organised as follows:

- Bottling machinery and auxiliary equipment.
- Vats and other containers.
- Oil treatment machinery.
- Olive oil products and laboratory material.
- Oil processing machinery.

OLEOTEC, on the other hand, is the professional event which has been much in demand by the olive-growing sector as it will exhibit under one roof the largest existing offer of specialised machinery, phytosanitary treatments, equipment and all kinds of auxiliary material required in olive-growing. The exhibition areas of OLEOTEC will be as follows:

- Tractors.
- Tilling and preparing the terrain.
- Planting, fertilising and irrigating olive trees.
- Pruning and protecting olive trees.
- Harvesting.
- Olive transport and management.
- Nurseries.
- Agrochemical products.
- Institutions, Associations, Information Technology and Services.



The Zaragoza Trade Fair Centre carried out a detailed analysis on the olive and oil sector in close contact with its professionals and as a result has decided to give more weight to this sector by including it in its shows. In this way and within the framework of ENOMAQ and TECNOVID 2007, the two new shows OLEOMAQ and OLEOTEC will be created, dedicated to olive oil in the case of OLEOMAQ - the Show for Oil Mill Machinery and

Equipment which will be integrated into ENOMAQ, and dedicated to olive growing in the case of OLEOTEC - the Show for Olive-growing Technology and Equipment, which will be integrated into TECNOVID. The existing links between the wine and oil sectors and the accumulated experience in prior editions of ENOMAQ and TECNOVID permit and even favour synergy between the shows, as both industries use similar machinery, equipment and growing techniques.

Overview of the industry

The reform of the CMO of wine

One of the greatest challenges for the sector in the immediate future is with regards the reform of the Common Organisation of the Wine Market (CMO). The legislation should be drafted at the end of this year and approved by the Council during 2007 so that it becomes effective in 2008. The new CMO will provide the opportunity to establish a legal framework to the advantage of wine and Spain and which should function as a balancing tool in Europe. However, at the same time it will cause a certain amount of uncertainty in the sector, especially with regards the possible destruction of vines, the limitation of new plantations, the elimination of aid to distillers in times of crisis and the proper provision and distribution of funds. These points have already been discussed in the provisional document which was made public during the recent visit of the European commissioner of Agriculture and Rural Development, Mariann Fischer Boel,

to Spain. The commissioner, who learned about a part of the Spanish winemaking sector in Castilla La Mancha and Catalonia, asked Spanish vinegrowers for new ideas with respect the imminent reform.

A group of countries including Spain, Germany and Portugal have criticised these reforms, while other countries such as France see their positive side. Countries which produce little or no wine at all are in favour of this first proposal. In any case, at the moment this incomplete document is weighing up the various options and its approval will entail much discussion and negotiation by all the various countries and sectors affected.

In Spain, the majority of the professional associations pertaining to the sector have already presented proposals to be considered in future negotiations - negotiations which will undoubtedly be heated until the final document is completed.

Other beverages

The continued increase in packaged water

With regards both its production and consumption, bottled water is currently experiencing one of its best moments in Spain - the fourth producer and consumer in the EU after Italy, Germany and France. According to the latest information available from Spain's National Association of Drinking Water (ANEABE), in 2004 the Spanish production of packaged water rose to 5,202 million litres, a 2% increase on 2003. During this same period the consumption per capita had already reached 120 litres of packaged water a year. With regards the type of water, 92% of production corresponds to natural mineral water, 5.4% to spring water and the rest to prepared drinking water. Still water represents 95.8% of production, while sparkling water represents the remaining 4.2%.

Worth special note is the fact that more and more water is being sold through restaurants, a channel which has experienced an important increase over the last few years and where a water menu is becoming customary. According to information received from the Ministry of Agriculture, Fishing and Alimentation, 68% of bottled water in Spain is consumed in the home and 31% in restaurants and hotels. 70.21% of production is bottled or placed in

containers of up to two litres and the rest in large water containers. The majority are made out of plastic: 80% polythene terephthalate (PET), 10.1% in polythene. With regards glass, 6.6% use returnable glass and 1.1% non-returnable glass and the remaining 1.5 % is packaged in cardboard, polypropylene and polycarbonate.



Soft drinks: innovation and growth

The production of this sector grew by 6.03% in 2004 according to the statistics published by ANFABRA, Spain's National Association of Soft Drinks. These data show that the total production of soft drinks, including the traditional types, sports drinks, energy drinks and others from minor categories rose to 4,769 million litres, which were mainly sold on the Spanish market. The sales of this domestic market increased by 7.11%, while exports suffered a large decrease of 64% with respect the previous year of 2003. The majority of sales were performed through the food channel which comprised 67.57% of the total, with the hotel and catering industry taking 32.40%. With regards the most used containers, first place continues to be occupied by plastic (49.33%), followed by metal, mainly aluminium and steel (30.89 %), and by reusable glass (12.09 %). With respect the previous year, the usage of plastics other than PET decreased whereas the use of cardboard containers increased by 87%.

ENOMAQ in figures

With fifteen successful editions behind it, ENOMAQ continues to grow in all its parameters and in each event. The last 2004 event, with a total net surface area of 15,380 m² - 7% more than the previous edition - the show gathered a total of 661 exhibiting companies from 20 different countries, of which 316 were foreign. 90% were from Europe, while 6% were from America and 4% from Asia and Oceania. In ENOMAQ 2004, there was an important presence of foreign companies from Italy, France, Germany and Portugal, as well as a significant representation of US companies.



Increase in the export of packaged oil

According to information received from ASOLIVA, the Spanish Olive Oil Exporters Association, packaged oil exports saw a spectacular increase with regards the exported total. They have doubled over the last five years and this upward trend is continuing with a 9.9% increase registered for the last financial year. Spanish packaged oil is mainly exported to Australia, the USA, Brazil, Japan and France, while Italy continues to be the main market for olive oil, followed by France, Portugal and the United Kingdom.

Globally speaking and according to a foreign trade report, the 2004 season closed with 632,908 tonnes exported, which was an all-time record and a 17.7% increase with respect the previous year. The economic value was 1,582 million euros.

The 2005 campaign, however, was weak. Prices at origin rose drastically which caused a 14% decrease in exports. The most recent data available follows this same trend: the member companies of ANIERAC - Spain's Edible Oil Refiners and Industrial Bottlers Association, the most important association in the packaging sector - sold 52.6 million litres of edible oil in April, nine million litres less than the same month of 2005. Despite this, the sector is expected to recover soon as the harvest forecast for the next season points towards a very large production volume which will return the tone to the market.

Beer: a consolidated market

The consumption of beer in 2004 rose to 3,070 million litres, placing the consumption per capita at 59 litres per inhabitant per year. Despite the fact that the EU is currently experiencing a downward trend with regards beer consumption, the Spanish beer sector, now totally consolidated, has enjoyed a moderate increase of approximately 4% over the last twelve years. Spain continues to take third position as producer in Europe after Germany and the United Kingdom, and it is the leader in the production of alcohol-free beer.

According to the most recently available data from the Association of Beer Manufacturers of Spain, during 2003 beer production reached 30.7 million hectolitres, of which 16% were exported. In 2003 both Spanish consumption and exportation increased, compensating for the drop in the year before and registering a 6.5% increase in consumption to 78 litres per person. The turnover of the beer sector during this same period was 2,400 million euros, with 74% of sales performed through the hotel and catering channel, and the remaining 26% through the food channel. With regards packaging, glass is the most used material - 48% of beer is packaged in glass, of which 57% is reusable and the rest used only once. The can represents 22% of the containers used and the remaining 30% is contained in barrels.

TECNOVID in figures

The last 2004 edition of TECNOVID was once again extremely successful with 187 exhibitors, 78 of which were foreign from 19 different countries. The exhibition covered a total net surface area of 6,884 m², of which 84% was occupied by Spanish companies and the remaining 16% by foreign businesses. France and Italy held first place followed at a distance by Germany, Portugal and the United Kingdom.

Sector challenges and strategies

Promoting internationalisation

Conquering the markets is the most favoured alternative when it comes to giving the sector the boost it needs. To this end, it is necessary to define new business models and strategies to determine how to sell Spanish wine to the world.

According to the experts, quality and good marketing are the most effective strategies.

Quality is the best weapon when it comes to selling as the Spanish wine trend demonstrates, with marked increases in wines PSR sold on the domestic market and exported. Fortunately, the search for quality was initiated a long time ago by many Spanish vinegrowers and wine cellars, who have always been aware that quality is vital to compete in international markets and in the new competitive markets of the so-called "new wine countries", such as South Africa, Canada, Australia and New Zealand, whose exports continue on the up with the consequential increase in market share.

With regards marketing, in the current climate it is essential to elaborate a high-level plan to attract and convince the consumer. To this end and even though the main objective of the companies pertaining to this sector is to win over foreign markets, on the other hand they recognise the need of support and therefore demand more effort from Public Administration with regards funding for marketing overseas in addition to a flexible national winemaking policy in accordance with the future CMO reform, which serves to stimulate marketing and to improve competitiveness. In short, the winemaking sector is currently living a time of great economic and business challenge, for which it must find a way to support the business structures which can change the present situation and take advantage of the business opportunities presented.

The overseas market

Less volume but better value and quality

Following last year's trend when better quality wines were sold with the subsequent drop in table wines sold by the barrel, the first months of 2006 are maintaining the same market tone: an increase in the sales of wines produced in specific regions, but an overall decrease in the volume sold. The year 2005 closed with 1.25% increase in the value of Spanish exports



and a drop of 1.69% in the volume exported, which was 1,444 million litres at a value of 1,578 million euros. The four main markets as far as destination countries are concerned were Germany, the United Kingdom, the United States of America and France, which comprised over 50% of the exported value. In terms of volume, France, Germany, Portugal and the United Kingdom absorbed 57 % of the total.

This year (2006) is following the same trend and, according to information received from the Spanish Wine Federation (FEV), during the first quarter a total of 304.75 million litres have been exported - 3.2% less than during the same period of last year - for a value of 338.68 million euros - 3.5% more than last year. The average price was 1.11 euros per litre - an increase of 6.9%.

The increase in turnover is based on wines produced in specific regions, whose value increased by 13%, and on flavoured wines which are also developing positively, with an increase of 14.8%. Losses were suffered by table wines sold by the barrel, which registered a 6.8% drop, packaged table wines with a 4% drop and sparkling wines, with a drop of up to 10.5%. With regards markets, worth special mention was the increase in exports to the United States of America, which also had an excellent record in 2005: the year 2006 has seen a 29% increase in value and 22% increase in volume. UK sales are also growing, with an 11% increase in value and a 10% increase in volume and Canada has experienced a spectacular increase in exports of up to 64% in value and 59% in volume. All these markets are basically sustained by wines produced in specific regions.

ENOMAQ International Show of Winery and Bottling Machinery and Equipment
TECNOVID International Show of Vinegrowing Equipment and Techniques

Apartado de Correos 108
50080 SARAGOSSA (Spain)

Tel: +34 976 76 47 00
Fax: +34 976 33 06 49

E-Mail: comunicacion@feriazaragoza.com

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www.enomaq.com