

**REWE****INFORMATION
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**Rewe goes on the offensive with 240 grand openings in Germany
Modern supermarkets with excellent chances**

Despite the relentless pressures of predatory competition from discount chains, supermarkets have a future in Germany. Rewe CEO Hans Reischl provided support for this thesis by pointing to the successful development of modern HL and miniMAL own chain multiples and Rewe supermarkets, all of which are increasing their turnover at a far above average pace. Among the 240 new stores Rewe Group plans to open in Germany over the year, 110 are in the format of a supermarket (Rewe, HL, miniMAL). "We would like to open even more such locations for supermarkets and smaller grocery stores if the codes for building usage were not standing in the way of building modern full-range stores with the necessary retail sales area of 1,500 square metres," said Reischl at the annual press conference on Ash Wednesday (February 25) in Cologne. Accounting to Reischl, discount stores continued to enjoy massive advantages in the designation of store sites in Germany as discounters only required around 700 square metres for their narrow product ranges. This was the main cause of this segment's growth.

Rewe Group intends to invest several million euros in modernising its supermarkets again in 2004. The new concepts are aimed at the needs of customers. The supermarket of tomorrow concentrates on a product range that has clear advantages over the discounters. These include above all fresh products such as meats, sausages, bread, baked goods, fruits, vegetables, and a wide variety of drinks, including those in reusable packaging. Tomorrow's supermarket offers a growing range of fresh convenience products. The presentation of the product assortment creates a distinct atmosphere, is well organized, and simplifies customer orientation. Rewe Group supermarkets have also been offering their own range of exclusive private label products – from Erlenhof to Salto, from Today to a comprehensive range of Füllhorn organically grown products – alongside the manufacturer brand articles available in their stores. The Ja!-brand products also clearly signal their discount entry-level pricing to the customer.

Customer service in the supermarkets begins as soon as the doors open. The large majority of the supermarkets – and all the miniMAL supermarkets in Germany – offer their customers stress-free shopping for the maximum allowed opening hours, from eight in the morning to eight in the evening. Ever since December 2003, customers throughout Germany can also "get cash back" at the HL and miniMAL supermarkets. The attractive Rewe household card introduced in May of last year makes it even more appealing to shop in Rewe stores. For the sake of privacy protection and in contrast to other customer card systems, Rewe avoids recording the basket of goods individuals buy: "The see-through customer is a taboo for Rewe," Reischl stated.

In the hotly contested German discount store business, the Penny discount stores of the Rewe Group are to solidify their position by opening 100 new stores in 2004. Penny not only offers its customers "more for the money", but also provides unusual services, such as customer-friendly opening hours from eight in the morning to eight in the evening. Penny is the main trendsetter among discounters again and again. The stores were the first to offer fresh meats in their stores, and the first to offer fresh-baked breads and bread rolls. At the beginning of this year, Penny also started offering discount travel arrangements at Penny's low prices.