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Cologne, February 25, 2004

**Rewe Touristik: Travel climate brightens
New impetus expected in long-distance destinations**

In a year as bad for the overall travel and tourism industry as 2003 was – with terrorist attacks, the war in Iraq, the SARS lung disease in Asia, and natural disasters such as forest fires in the USA – Rewe Touristik managed not only to maintain its position as the number three in the industry despite falling turnover figures, but also to close in on the top two. "Whereas the other two large tour operators faced turnover losses in the twodigit percentage range, we came through last year comparatively well because we are organised flexibly enough in order to react quickly to changing market conditions," said Rewe CEO Hans Reischl at Rewe's annual press conference on Ash Wednesday (February 25) in Cologne. Yet a brightening up of the travel market was clearly to be seen. For 2004, Reischl expected significantly over 4.4 million travellers, and an increase in the tour operator turnover for the Rewe brands ITS, Jahn Reisen, Tjaereborg, Dertour, Meier's Weltreisen, and ADAC Reisen, which, with 2.6 billion euros, ended the year in 2003 with a fall of around three per cent in comparison to the previous year. "Particularly in the market for long-distance trips, where our operators Dertour, Meier's Weltreisen, and ADAC Reisen are the market leaders, we are observing an encouraging unmet level of demand," Reischl said. Despite a fall in total turnover of 6.9 per cent to 4.1 billion euros, Rewe Touristik maintained its share of the market at 17 per cent.

The rigours competition became obvious in the sales figures for the travel agencies of Rewe Touristik, which declined by 10.4 per cent, or 210 million euros, below the previous year's figures, to 1.85 billion euros. With a decrease of 6.4 per cent, DER Business Travel returned better-than-average performance.

Considering the far-reaching challenges facing the industry, the targeted structural adjustments and optimisation of the travel agency chains Atlas Reisen and DER were all the more important. The agency base was tightened by a net of 28 locations, or 3.4 per cent, to a total of 807 company-owned travel agencies. The unconsolidated turnover including DER Business Travel came to around four billion euros. The number of employees decreased by three per cent to 7,740 workers at Rewe Touristik.

After seeing through a tough but successful revitalisation programme over the past two years, the holiday airline LTU, in which Rewe holds a 40 per cent stake, anticipates a return to a small profit on the balance sheet again in 2004. After the rapid shift to a pure Airbus fleet of 24 aircraft, LTU now has one of the newest and most modern set of airplanes in Europe. Total capacity use in 2003 was at 87 per cent. Turnover was kept nearly even despite the poor industry performance. The holiday airline expects a substantial increase in turnover for 2004, thanks to its improved capacity utilisation on long-haul flights.