

**REWE****INFORMATION  
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**Rewe sets a new record in 2004 with 40.8 billion Euros in turnover****Rewe Trading Group increases sales by 4.1 per cent – Stage set for more growth –  
Around one billion euros invested – Foreign turnover increased to 11.3 billion euros**

Cologne-based Rewe Trading Group achieved a new turnover record in the 2004 fiscal year with a total turnover of 40.8 billion euros (net). This meant an increase in sales in Europe of 1.6 billion euros, or 4.1 per cent, more than in the previous year. "2004 was an eventful year for Rewe, but for the systematic development of the Group it was also a very successful one. In our core businesses of food trading and travel and tourism, our growth exceeded our expectations, and we now anticipate a repeat of the successful overall results of the preceding year (EBIT 2003: 442 million euros)", said Gerd Bruse, Rewe's Chief Financial Officer, as he presented the figures for the 2004 business year at the annual Rewe press conference on Ash Wednesday (February 9) in Cologne. With an investment volume of around one billion euros, the three-member Rewe Management Board cleared the way for more growth. Rewe plans to expand its position among leading German and European food retailers and wholesalers as well as in its travel and tourism business by opening 580 new stores, 350 of them in Germany.

In international business, Rewe increased turnover by 13 per cent to 11.3 billion euros. This increased the proportion of the company's activities outside Germany by two per cent to 28 per cent. In 14 European countries, the Group operates 11,665 retail stores (+173) and employs a workforce of 196,224 employees, 3,365 or 1.7 per cent more than in the previous year. Retail turnover alone grew by 480 million euros, or 1.5 per cent, to 32.7 billion euros. Also in German retailing, which struggled under decreases in turnover for the third year in a row, Rewe managed to book turnover rises of almost one per cent to 24.2 billion euros.

## **Good developments at supermarkets**

"In a very difficult German market for food retailing, both the supermarkets of our independent Rewe retailers and our own-chain stores increased their turnover. As one of the two market leaders, we will position our supermarkets even better in the market by offering close proximity to customers, services, quality and the best extra service features", said Josef Sanktjohanser, Rewe' Chief Operating Officer responsible for the wholesale division.

In Germany, Rewe Trading Group achieved sales growth in 2004 of 1.1 per cent to 29.5 billion euros. The number of employees grew by 297 to 131,032. With an eye to the problems on the trainee job market, Rewe took on 2,800 new trainees, 400 more than the company itself needed. Rewe is among the largest firms offering vocational training with a total of 6,800 trainees.

Rewe's core businesses, food retailing and wholesaling, managed to put on a little more weight, now accounting for 83.6 per cent of overall turnover. Turnover in these businesses grew by 1.3 billion euros in 2004. This translated into a gain of 4.1 per cent to 33.9 billion euros. In the domestic food retail business, the 7,401 (+117) Rewe, HL, miniMAL, toom and Penny stores increased their turnover by a total of 1.1 per cent to 20.3 billion euros.

The main engine for growth was Rewe's activities outside Germany. The increase in turnover of 13.7 per cent to 10.7 billion euros was a definite result of the acquisition in the Swiss food retail and wholesale market. The foreign proportion of Rewe's turnover in food retailing and retailing grew to a total of 32 per cent.

## **Supplying commercial customers is an international growth business**

"Acquiring the Bon appétit Group was a decisive step towards internationalisation in selling to commercial customers and restaurants", said Rewe's Chief Merchandising Manager Hans Schmitz, who is in charge of Rewe's Trade, Discounters and Commercial Customer business. "With our partner Coop Switzerland, we will use our newly and jointly founded transGourmet Holding to extend our market lead in this field in Switzerland and in France."

Rewe's wholesale business developed quite positively, with a rise in turnover of 9.5 per cent to 12.3 billion euros. The full-range wholesale delivery business, which serves the independent retailers, increased its turnover by 5.4 per cent to 6.9 billion euros. Turnover for the bulk wholesale delivery business improved by 13.3 per cent to 1.9 billion euros. Rewe-Großverbraucher-Service (bulk wholesale service) in Germany and the Aldis Service Plus foreign subsidiary in France contributed to this trend.

The strongest brands in food retail sales were the supermarkets (Rewe, miniMAL, HL, Billa, Standa), achieving a turnover of almost 15 billion euros in Europe. In Germany, the supermarkets of the independent Rewe retailers grew at an above-average rate, countering the decline in sales from consolidating smaller retail stores.

### **Penny Discounter with above-average gains**

The 2,966 Penny discount stores of Rewe Trading Group in Germany and abroad expanded much faster than average, even against their system competitors. Turnover in this business grew by seven per cent to 8.4 billion euros. Even in their hotly contested German domestic market, the 2000-plus Penny stores increased their turnover to 5.7 billion euros. The 324 large-scale supermarkets and hypermarkets in Europe (toom, Globus, Merkur, IperStanda) maintained their market position with a turnover of 4.2 billion euros.

The specialist store business contributed to total proceeds with a stable turnover figure of 2.5 billion euros. The 258 toom DIY stores increased their turnover by two per cent to just over 1.3 billion euros. The 50 ProMarkt home electronics stores attained turnover growth after accounting for sales area changes, achieving a turnaround in their prospects with the concept "ProMarkt Discount+Service".

### **Foreign activities as the engine for growth**

Foreign activities (11.3 billion euros) continued to be the engine for growth again in 2004. In the "mature" markets of Western Europe (excluding Germany), turnover grew to 8.7 billion euros. The strongest foreign market is Austria, with a turnover of 4.3 billion euros. In Eastern Europe, turnover increased by ten per cent to 2.6 billion euros. Rewe considers this region to hold true growth potential, and not just since the company entered the Russian market. The number of stores in the 13 European countries where Rewe is active outside Germany rose by 115 to 2,999. Rewe now employs a workforce of 65,192 employees (+3,054).

After suffering losses in turnover as a result of terrorist attacks, the Iraq war and the SARS outbreak in previous years, Rewe Touristik again managed to increase the consolidated turnover from tour operators and sales markedly by 150 million euros, or 3.7 per cent, to 4.2 billion euros in 2004. The tour operators of the Rewe Trading Group (ITS, Jahn Reisen, Tjaereborg, Dertour, Meier's Weltreisen, and ADAC Reisen) managed to increase turnover by 6.3 per cent to over 2.7 billion euros. The number of travellers and holiday-makers increased by 9.2 per cent to 4.8 million.

Sales of Rewe's travel agencies also managed to reverse its negative trend. Despite a decrease in the number of company-owned travel agencies (Atlasreisen, DER Reisebüro, Derpart), the turnover of 1.9 billion euros was 1.1 per cent higher than the proceeds from the previous year. The travel and tourism business is once again making a positive contribution to the overall performance of Rewe Trading Group.

<b>Rewe Trading Group</b>	<b>Facts 2004</b>
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	<b>2004</b>	<b>Change 2003/2004</b>
<b>Total turnover in Europe</b> (in bn. euros, net)	<b>40.80</b>	<b>+ 4.13%</b>
<b>Retail turnover</b>	<b>32.67</b>	<b>+ 1.49%</b>
<b>Wholesale turnover</b>	<b>12.26</b>	<b>+ 9.46%</b>
<b>Number of retail stores</b>	<b>11,665</b>	<b>+ 1.51%</b>
Retail sales area in thousand sq. metres	<b>9,100</b>	<b>+ 2.64%</b>
Number of employees	<b>196,224</b>	<b>+ 1.74%</b>

<b>Turnover by business</b> (proportion) (in bn. euros, net)	<b>2004</b>	<b>Change 2003/2004</b>
<b>Food retailing (83.5%)</b>	<b>33.86</b>	<b>+ 4.06%</b>
Germany	<b>23.15</b>	<b>+ 0.13%</b>
Foreign activities	<b>10.71</b>	<b>+ 13.69%</b>
<b>Specialist stores (6.1%)</b>	<b>2.47</b>	<b>- 0.40%</b>
<b>Travel &amp; Tourism (10.4%)</b>	<b>4.21</b>	<b>+ 3.69%</b>

<b>Turnover by region</b> (proportion) (in bn. euros, net)	<b>2004</b>	<b>Change 2003/2004</b>
<b>Germany (72%)</b>	<b>29.48</b>	<b>+ 1.10%</b>
<b>Foreign activities (28%)</b>	<b>11.31</b>	<b>+ 12.99%</b>

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