

Cologne, 9 June 2009

## **The REWE Group expands nationally and internationally**

### **2008 was a successful year with record sales and strong growth**

During FY 2008, the REWE Group was able to strengthen its position in Europe as a leading trading and travel company. Within the food trade, the Cologne-based group of companies both enhanced its ability to compete and also increased its capacities. It achieved this by allowing the Group to grow organically and by carefully selecting their national and international acquisitions. Within the travel and tourism business segment, too, the REWE Group was able to increase revenue considerably, which served to strengthen its leading position.

In 2008, the REWE Group's total foreign revenue increased by 10.5%, from 45.1 billion euros to 49.8 billion euros. The number of outlets (in Germany and 15 other European countries) increased by 15.7% to 14,714. The workforce increased by 9.6% to 319,292.

On the German market, the REWE Group increased revenue by 7.4% to 33.9 billion euros. The Group employed 211,296 people (+7.3%) at 10,305 stores (+8.6%).

On the foreign market, the Group earned 15.9 billion euros in 2008, equalling revenue growth of 17.9%. In this market, the REWE Group employed 107,996 workers (+14.4%) at 4,409 stores (+36.6%).

"Last year, we continued on our successful and profitable growth course," CEO Alain Caparros said on Tuesday in Cologne, where the Group presented its annual results. "Given that there will be many challenges for us to face in the future, we are now focussing all our attention on our strengths - on our operative business, which we will continue to optimise. Despite the difficult economic environment, the Group has the potential of continuing to grow profitably in 2009. We do not intend to let this chance go."

As Norbert Fiebig, CFO and head of REWE Group's tourism division, explained: "The REWE Group's financial strategy is conservative, and the past few months have shown that this is exactly the right strategy to follow. Some companies have lost a lot of freedom in the

decisions they can make, and others still are merely fighting to stay alive, but the REWE Group has actually gained financial power.“

At Group level - leaving aside independent retailing or at-equity investments - revenue grew 12% last year to 35.6 billion euros (2007: 31.8 billion euros). Before interest, tax and amortisation (EBITA), REWE's earnings were a record 708 million euros. Operating cash flow increased 14.7% to 1.3 billion euros (2007: 1.2 billion euros). A new high was achieved in investments, which (including all acquisitions) increased to 3.2 billion euros (2007: 1.4 billion euros).

Under the umbrella of the REWE Group, national and international independent retailers saw an 11% increase in revenue to 8.4 billion euros. The number of stores supplied both nationally and internationally saw an increase of 23.5% from 4,820 to 5,951.

#### **Business segment: full product range (national)**

With revenues of 12.4 billion euros (2007: 11.1 billion euros), the full product range (national) business segment was once again the most profitable for the Group in 2008. The 11.3% increase is due to the Group's acquisition of Accord and Extra, and also its decision to grow organically. The number of REWE and toom stores increased in 2008 by 13% to include 1,779 locations. By integrating 296 Extra, Comet and Bolle stores into the Group, the Group expanded its market share in Germany even further.

#### **Business segment: full product range (international)**

The full product range (international) business segment includes foreign supermarkets, consumer markets (Billa, MERKUR, Standa and ADEG), as well as specialty drugstores (BIPA). Altogether, the 2,443 stores (+ 7.5%) in Austria, Italy, the Czech Republic, Slovakia, Russia, Romania, Croatia, Ukraine, Bulgaria and Poland saw a 15.3% increase in revenue to 8.5 billion euros (in 2007, it was 7.4 billion euros)

In comparison to 2007, revenue from the 1,761 superstores, consumer markets and specialty drugstores in Austria (in 2007, there were 1,651) saw an increase of 14.5% to 5.1 billion euros.

By taking over the Italian supermarket chain store UNICA, the REWE Group strengthened its supermarket division in the Piedmont region. The number of stores in Italy (BILLA, Standa, IperStanda and BIPA) increased in 2008 to 194 (2007: 24 stores). Revenue increased 9% to 1.2 billion euros.

In 2008, the market developed just as quickly in Russia. With a 35% growth in revenue, the supermarkets there have developed dynamically. Revenue from the 56 stores (2007: 36) was nearly a quarter of a billion euros.

#### **Business segment: discount stores**

The REWE Group's second most profitable business segment is its discount stores. The 3,144 PENNY stores (+ 8.6%) in Germany, Austria, Italy, the Czech Republic, Hungary and Romania saw an 11% growth in revenue to 9.5 billion euros (2007: 8.6 billion euros). In Germany, the number of stores increased by 2% to 2,049; revenue increased 7.9% to 6.34 billion euros. Acquiring 155 PLUS stores in the Czech Republic was a milestone for the Group. With 274 stores (2007: 258), PENNY in Austria has (after the Czech Republic) the second-largest network of stores abroad. In comparison to 2007, stores in Austria revenue rose to 680 million euros. In 2008, PENNY operated 268 stores in Italy (2007: 245) whose overall revenue increased by approximately 10%. The 172 stores in Hungary (2007: 165) saw nearly a 6% increase in revenue. With more than a 40% jump in revenue, Romania proved to be developing the most dynamically for PENNY in 2008.

#### **Business segment: retail warehouse (national)**

The REWE Group's retail warehouses and partnerships saw a 22.2% increase in revenue to 2.8 billion euros. As the third most successful home improvement store in Germany, toom found itself in a difficult economic environment following cutbacks in private consumption. Despite this, the DIY chain was able to strengthen its position. The 325 home improvement stores earned revenue of nearly 1.8 billion euros. In entertainment electronics, the 58 ProMarkt retail warehouses earned revenue of 538 million euros - a 5.6% increase in 2008 over the previous year.

#### **Business segment: B2B**

During FY 2008, both wholesale delivery and cash-and-carry stores had an important impact on the development of the REWE Group as a whole. B2B revenue increased by 4.3% (including the at-equity companies) to 6.2 billion euros. Included in this business segment are all activities on the national and international food service markets (Germany, France and Switzerland) as well as the cash-and-carry stores operating in Germany, Poland, Romania and Russia as Fegro/Selgros, and in Switzerland as Prodega/Growa.

All cash-and-carry activities have developed successfully. The total of 97 locations (2007: 93) - in Germany (43), Romania (17), Poland (12), Russia (1) and Switzerland (Prodega/Growa:

24) - all saw a 3.7% increase in revenue to 3.8 billion euros. In 2008, the very first Selgros cash-and-carry store was opened in Moscow.

The REWE bulk consumer service is the delivery specialist leader for restaurants, bars, hotel businesses, company catering and social institutions in Germany. By the end of FY 2008, this segment had increased revenue by 5.3% to more than one billion euros.

At the beginning of 2009, the transGourmet Holding SE was established - the second largest B2B trading company in Europe. It was formed as a joint venture with Coop Switzerland and has 21,000 employees. Its annual revenue is roughly 6.2 billion euros.

### **Business segment: tourism**

Tourism is the REWE Group's second core business, and in 2008, the Group was able to achieve its ambitious goals for this segment as well. Its consolidated total revenue saw a 6.9% increase to 4.6 billion euros, a definite sign that the Group was good at finding the right balance between price and performance. This is something that has become increasingly important in the tourism industry when catering to price-sensitive German customers.

The six travel businesses in the REWE Group - ITS, Jahn Reisen, Tjaereborg, Dertour, Meier's Weltreisen and ADAC-Reisen - rank third in the German travel industry, with total revenue of 2.9 billion euros. The Group's tourism division consists of 2,567 chain travel agencies and partner agencies. It remains the number one in Germany.

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