UNIVERSES
GERMANY 2008

Information Resources GmbH
Suedwestpark 63
90449 Nuremberg

E-Mail: iri.info@infores.com
http://de1.infores.com

Content

Introduction

This Universes 2008 booklet, provided by Information Resources, is a brief but comprehensive summary covering the most important retail Classes of Trade in the Federal Republic of Germany. The data reflects the retail landscape in 2007/2008 and form the basis for the projection of Information Resources Retail Audit for the current year.
The **annual figures in the subsequent charts** are to be interpreted as follows:

- **Number of Stores: as of January 1 of the given year**
- **Turnover: Gross Revenue of the previous year**

Background sources used for the production of this booklet include: updated and projected data, Information Resources own retailer research, official statistics, publications from various organizations and associations related to the retail industry, as well as data provided to Information Rescources by the retail industry itself.

Contact: Sonja Öhring

Tel.: 0911 / 88182-194
Fax: 0911 / 88182-452
E-Mail: sonja.oehring@infores.com

Breakthrough Insights.
Breakthrough Results.

Total Retail Food Trade – Development

Continued Consolidation

Value Sales in the Grocery Class of Trade (excl. Aldi) increased by 3.9 % to € 104.7 bn in 2007. This trend continues with an increase of 2.7 % to € 131.7 bn when including Aldi.

The number of stores in Germany continues to decline; in total, the number of stores decreased by 5.1 %. This decline is driven by the continuing negative trend among smaller traditional Grocery stores. The number of Discounters however continued to grow. At the end of 2007, Germany posted a total of 40,700 Grocery stores (excl. Aldi), with Aldi itself ending the year with a total of 4,200 stores nationwide.

The causes for this trend are plain to see: A relentless price war, the continuing expansion of selling space and the reluctance of consumers to spend are the critical factors in an already difficult competitive environment. Revenue Growth could only be realized by means of driving out competition.

As always, this review of the Grocery Trade does not include the following Classes of Trade: Department Stores, Cash&Carry Outlets and Aldi. The Hypermarket Non-food sales are not included in the stated (gross) revenues.

Total Retail Food Trade – excl. Aldi

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number	63,300	61,100	58,600	56,200	53,500	50,700	48,100	45,500	42,900	40,700
Change in %		-3.5	-4.1	-4.1	-4.8	-5.2	-5.1	-5.4	-5.7	-5.1
		-0.9	0.0	1.4	-1.6	0.7	-0.6	-0.1	1.3	3.9
Sales in Billion €	100.62	99.76	99.75	101.10	99.50	100.20	99.60	99.50	100.80	104.70

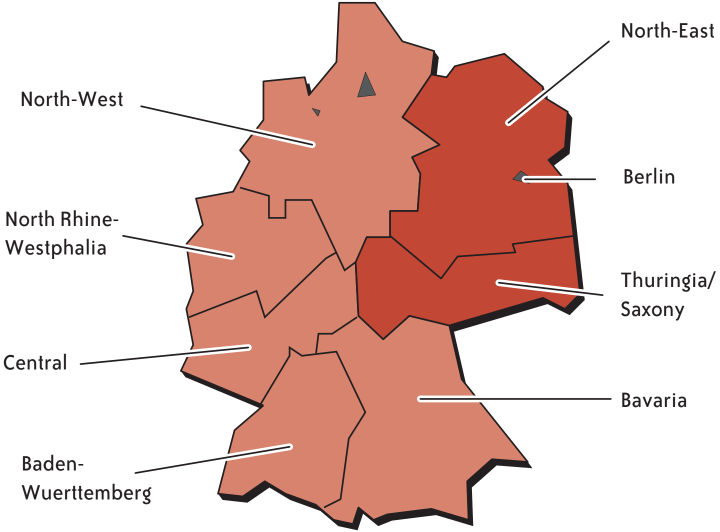
Breakthrough Insights. Breakthrough Results.

Regions – excl. Aldi

Regions	Number of Stores					Sales in Billion €				
	01.01.2007		08:07	01.01.2008		2006		07:06	2007	
	abs.	%	%	abs.	%	Billion €	%	%	Billion €	%
North-West	6,705	15.6	-5.1	6,365	15.6	17.640	17.5	3.9	18.325	17.5
North Rhine-Westphalia	8,325	19.4	-5.2	7,890	19.4	20.860	20.7	3.8	21.660	20.7
Central	6,110	14.2	-5.2	5,790	14.2	13.710	13.6	3.9	14.240	13.6
Baden-Wuertemberg	5,100	11.9	-5.0	4,845	11.9	13.205	13.1	3.9	13.715	13.1
Bavaria	7,025	16.4	-4.9	6,680	16.4	14.110	14.0	3.9	14.660	14.0
Nord-Ost	4,275	10.0	-5.4	4,045	10.0	8.870	8.8	3.8	9.210	8.8
Thuringia/Saxony	4,390	10.2	-5.4	4,155	10.2	8.265	8.2	3.9	8.585	8.2
Berlin	970	2.3	-4.1	930	2.3	4.140	4.1	4.0	4.305	4.1
Total Germany	42,900	100.0	-5.1	40,700	100.0	100.800	100.0	3.9	104.700	100.0

- North-West: Schleswig-Holstein, Hamburg, Lower Saxony, Bremen
- Central: Hesse, Rhineland-Palatinate, Saarland
- North-East: Mecklenburg-Western Pomerania, Brandenburg, Saxony-Anhalt

Regions


North-West
North Rhine-
Westphalia
Central
Baden-
Wuerttemberg
North-East
Berlin
Thuringia/
Saxony
Bavaria

Store Types – Definitions

Hypermarkets

Hypermarkets are self-service retail stores with large selling spaces (800 m^2 and more, as long as they are not discounters) offering groceries as well as consumer durables and consumer goods mostly for short to middle term use. Large hypermarkets, also known as self-serve department stores, carry a range similar to that of department stores including groceries and semiluxuries for short, middle and long term use. In general, hypermarkets have central check-out areas and spacious customer parking lots. They are frequently situated on the outskirts of cities.

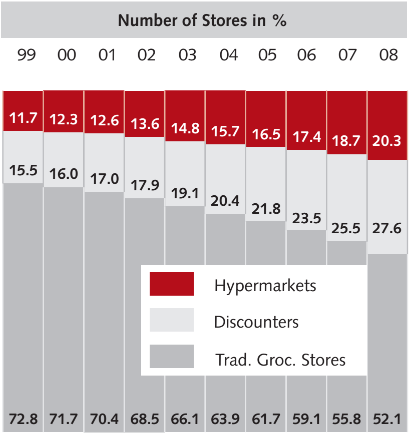
Discounter

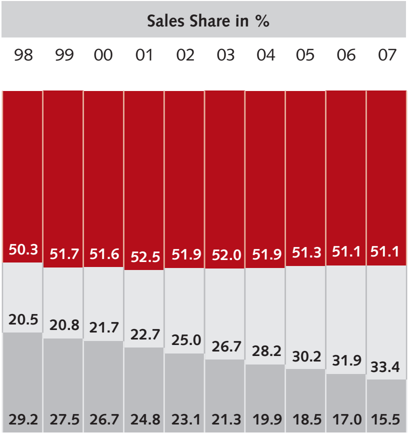
Discounters are self-service stores carrying mainly groceries in a limited range with the emphasis on low prices. They are simply furnished and have central check-outs. The most important representatives of this type of store are Plus, Penny, Lidl, Norma and Netto.

Traditional Grocery Stores

Outlets of the traditional retail food trade are stores with a range of goods that consists mainly of groceries. Stores of this type are neither hypermarkets nor discounters. Specialty shops offering groceries on the side are excluded (e.g. bakeries, confectioneries, etc.).

Store Types – excl. Aldi





61,100 56,200 50,700 45,500 40,700 Ret.Groc.Trade 99.76 101.10 100.20 99.50 104.70

63,300 58,600 53,500 48,100 42,900 No./€ in Bn 100.62 99.76 99.50 99.60 100.80

-3.5 -4.1 -4.1 -4.8 -5.2 -5.1 -5.4 -5.7 -5.1 Change in % -0.9 -0.0 1.4 -1.6 0.7 -0.6 -0,1 1,3 3.9

Hypermarkets – Development

Growth based on Store openings and Selling space expansions

Hypermarkets were among the winners in Total Grocery in 2007 again.

Due to the openings and selling space expansions the number of stores increased to 8,260. Nevertheless, it should be noted that 51.6% of the Hypermarkets sales volume is generated by the smaller markets (selling spaces ranging from 800 to 1,499 m² respectively from 1,500 to 2,499 m²), which account for 78.0% of all Hypermarkets.

Value sales increased to € 53.5 bn in 2007; hence the average turnover for hypermarkets slightly increased to € 6.47 million as well.

Regional Distribution of Hypermarkets at the end of 2007, by IRI regions:

• North-West	1,610	(+ 0.9 %)
• NRW	1,730	(+ 2.4 %)
• Central	1,205	(+ 4.3 %)
• South	2,255	(+ 5.4 %)
• East	1,460	(+ 2.1 %)
Total:	8,260	(+ 3.1 %)

Hypermarkets

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number	7,390	7,505	7,380	7,650	7,935	7,980	7,940	7,930	8,010	8,260
Change		1.6	-1.7	3.7	3.7	0.6	-0.5	-0.1	1.0	3.1
in %		1.9	-0.2	3.1	-2.7	1.0	-1.0	-1.3	1.0	3.9
Sales in Billion €	50.62	51.59	51.49	53.10	51.65	52.15	51.65	51.00	51.50	53.50

Discounters – Development

Discounters – once again the Winner in 2007

Discounters (excl. Aldi) again showed positive growth in 2007, as pricing remained the deciding factor among competition.

The increase in the number of Stores by 2.6% to 11,250 was accompanied by an increase in Value Sales by 8.7% to € 35.0 bn.

This Class of Trade continues to grow in its significance, posting in 2007 a Value Share of Total Grocery of 33.4% (Year Ago: 31.9%) which positions Discounters even more ahead of traditional grocery. When Aldi is added in, Discounters + Aldi represent nowadays 47.1% of the total Grocery Value Sales in Germany (€ 131.7 bn).

Regional Distribution of Discounters at the end of 2007, by IRI regions:

• West	8,005	(+ 2.6 %)
• East	3,245	(+ 2.9 %)
Total:	11,250	(+ 2.6 %)

Discounters – excl. Aldi

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number	9,800	9,760	9,960	10,055	10,205	10,330	10,490	10,700	10,960	11,250
Change in %		-0.4	2.0	1.0	1.5	1.2	1.5	2.0	2.4	2.6
		0.5	4.4	5.6	8.7	7.4	5.0	7.1	7.0	8.7
Sales in Billion €	20.66	20.76	21.68	22.90	24.90	26.75	28.10	30.10	32.20	35.00

Traditional Grocery Stores – Development

Number of Outlets and Value Sales Continue to Decline

The number of traditional grocery stores in all selling space classes (up to 199 m², 200 to 399 m² and 400 to 799 m²) declined, whereby the size category first mentioned, with by far the largest number of stores of this type (13,670 stores), also experienced the greatest decrease (-14.5%).

The entire traditional grocery store category again suffered losses in value sales in 2007:

Sales fell by 5.3% to € 16.2 bn. Traditional grocery stores thus account for only 15.5% of total retail grocery sales (excl. Aldi).

Regional Distribution of Traditional Grocery Stores at the end of 2007, by IRI Region:

• West	16,765	(– 11.2 %)
• East	4,425	(– 12.4 %)
Total:	21,190	(– 11.5 %)

Traditional Grocery Stores

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number	46,110	43,835	41,260	38,495	35,360	32,390	29,670	26,870	23,930	21,190
Change in %		-4.9	-5.9	-6.7	-8.1	-8.4	-8.4	-9.4	-10.9	-11.5
		-6.6	-3.0	-5.6	-8.6	-7.2	-6.8	-7.3	-7.1	-5.3
Sales in Billion €	29.35	27.41	26.59	25.10	22.95	21.30	19.85	18.40	17.10	16.20

Breakthrough Insights. Breakthrough Results.

Store Types

	Number of Stores					Sales in Billion €				
	01.01.2007		08:07	01.01.2008		2006		07:06	2007	
	abs.	%	%	abs.	%	Billion €	%	%	Billion €	%
Hypermarkets	8,010	18.7	3.1	8,260	20.3	51.50	51.1	3.9	53.50	51.1
Discounters	10,960	25.5	2.6	11,250	27.6	32.20	31.9	8.7	35.00	33.4
Trad. Grocery Stores	23,930	55.8	-11.5	21,190	52.1	17.10	17.0	-5.3	16.20	15.5
Total	42,900	100.0	-5.1	40,700	100.0	100.80	100.0	3.9	104.70	100.0
Aldi	4,150		1.2	4,200		27.40		-1.5	27.00	

Discounters

		Discounters incl. Aldi		Discounters excl. Aldi	
		Number 01.01.2008	Sales 2007	Number 01.01.2008	Sales 2007
		15,450	€ 62,00 Billion	11.250	€ 35,00 Billion
Company	Name	Share in %		Share in %	
Classic Discounter					
Aldi	Aldi	27	44		
Lidl & Schwarz	Lidl	19	20	26	35
Norma	Norma	8	5	11	8
Brand Name Discounter					
Tengelmann Group	Plus	19	11	25	20
Rewe Group	Penny	13	10	18	19
Edeka Affiliated Comp./Coop.	Netto	10	8	14	15
Edeka Retailers	Diska, NP, Treff	4	2	6	3

Selling Space Categories – Development

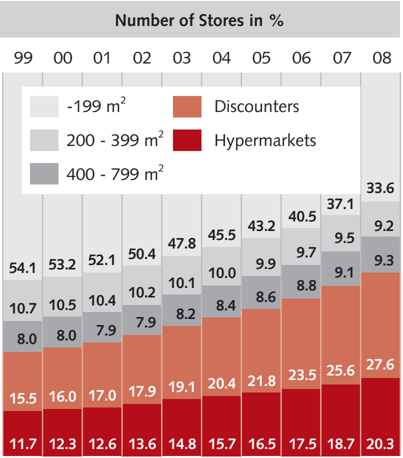
Information Resources distinguishes among seven different categories of selling space. Additionally discounters are classified as a category unto themselves regardless of their actual size.

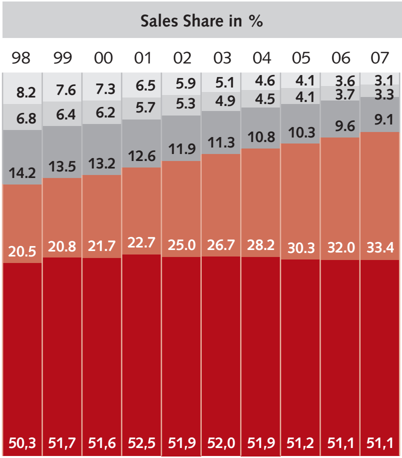
Traditional grocery stores are divided into three categories according to size:
- up to 199 m^2
- 200 to 399 m^2
- 400 to 799 m^2 (supermarkets).

The hypermarket segment is divided into markets of:
- 800 to 1,499 m^2
- 1,500 to 2,499 m^2
- 2,500 to 4,999 m^2
- 5,000 m^2 and more (self-service department stores).

While the traditional grocery store categories suffered losses both numerically and in terms of value sales, both the discounters and the hypermarkets continued to expand.

Selling Space Categories – excl. Aldi





63,300 58,600 53,500 48,100 42,900 Ret.Groc.Trade 100.62 99.76 99.50 99.60 100.80

61,100 56,200 50,700 45,500 40,700 No./€ in Bn 99.76 101.10 100.20 99.50 104.70

-3.5 -4.1 -4.1 -4.8 -5.2 -5.1 -5.4 -5.7 -5.1 Change in % -0.9 0.0 1.4 -1.6 0.7 -0.6 -0.1 1.3 3.9

Selling Space Categories – excl. Aldi

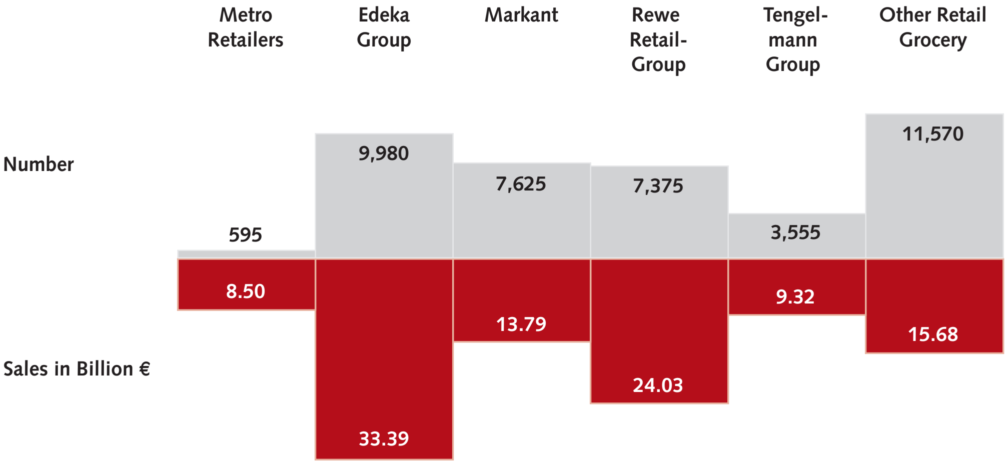
Size Categories	Number of Stores					Sales in Billion €				
	01.01.2007		08:07	01.01.2008		2006		07:06	2007	
	abs.	%	%	abs.	%	Billion €	%	%	Billion €	%
up to 199 m²	15,980	37.2	-14.5	13,670	33.6	3.65	3.6	-12.3	3.20	3.1
200 to 399 m²	4,060	9.5	-7.6	3,750	9.2	3.75	3.7	-6.7	3.50	3.3
400 to 799 m²	3,890	9.1	-3.1	3,770	9.3	9.70	9.6	-2.1	9.50	9.1
800 to 1499 m²	4,665	10.9	1.3	4,725	11.6	17.35	17.2	2.9	17.85	17.1
1500 to 2499 m²	1,560	3.6	9.9	1,715	4.2	8.80	8.7	10.8	9.75	9.3
2500 to 4999 m²	1,075	2.5	3.3	1,110	2.7	10.60	10.5	4.7	11.10	10.6
5000 m² a. m.	710	1.7	0.0	710	1.8	14.75	14.7	0.3	14.80	14.1
Discounters	10,960	25.5	2.6	11,250	27.6	32.20	32.0	8.7	35.00	33.4
Total	42,900	100.0	-5.1	40,700	100.0	100.80	100.0	3.9	104.70	100.0

Key-Accounts – Survey of Change in the Organization Landscape 2007/2008

Company	Key-Account-Group 2007	Key-Account-Group 2008	Type
Dohle	Other Retail Groc.	Rewe	Trad. Grocery
Tegut	Other Retail Groc.	Markant	Trad. Grocery
Distributa (Accord)	Markant	Rewe	Trad. Grocery
Ihr Platz	Other Retail Groc.	Markant	Drugstores
Kloppenburg	Edeka	Markant	Drugstores
coop (Kiel)	Markant	Rewe	Trad. Grocery
Extra	Metro	Rewe*	Trad. Grocery

* The Extra-Outlets have been sold to Rewe Group first of July 2008.

Key-Accounts – excl. Aldi, Drugstores



Key-Accounts – excl. Aldi, Drugstores

Average Sales per Store in Million €	2007
Metro Retailers	14.28
Edeka-Group	3.35
• Retailers	3.16
• Affiliated Companies/Cooperations	4.34
Markant	1.81
Rewe Retail Group	3.26
Tengelmann Group	2.62
Other Retail Grocery	1.36
Total	2.57

Key-Accounts – excl. Aldi, Drugstores

Key Accounter	Number of Stores		Sales in Billion €		Number of Stores > 200 m^2		Sales in Billion € > 200 m^2	
	01.01.2008		2007		01.01.2008		2007	
	abs.	%	Billion €	%	abs.	%	Billion €	%
Metro Retailers	595	1.5	8.495	8.1	595	2.2	8.495	8.4
Edeka Group	9,980	24.6	33.385	31.8	6,060	22.4	32.045	31.5
• Retailers	8,400	20.7	26.520	25.3	4,480	16.6	25.180	24.8
• Affiliates Companies/Coop.	1,580	3.9	6.865	6.5	1,580	5.8	6.865	6.7
Markant	7,625	18.7	13.790	13.2	4,205	15.6	12.920	12.7
Rewe Retail Group	7,375	18.1	24.030	23.0	6,775	25.1	23.830	23.5
Tengelmann Group	3,555	8.7	9.320	8.9	3,555	13.1	9.320	9.2
Other Retail Grocery	11,570	28.4	15.680	15.0	5,840	21.6	14.890	14.7
Total	40,700	100.0	104.700	100.0	27,030	100.0	101.500	100.0

Key-Accounts – excl. Aldi, incl. Drugstores

Key Accounter	Number of Stores		Sales in Billion €		Number of Stores > 200 m^2		Sales in Billion € > 200 m^2	
	01.01.2008		2007		01.01.2008		2007	
	abs.	%	Billion €	%	abs.	%	Billion €	%
Metro Retailers	595	1.1	8.495	7.9	595	1.4	8.495	8.2
Edeka Group	10,090	18.4	33.695	28.7	6,170	15.0	32.355	28.3
• Retailers	8,400	15.3	26.520	19.7	4,480	10.9	25.180	19.0
• Affiliates Companies/Coop.	1,690	3.1	7.175	9.0	1,690	4.1	7.175	9.3
Markant	20,750	37.8	22.915	19.2	17,330	42.0	22.045	18.9
Rewe Retail Group	8,345	15.2	27.045	20.9	7,745	18.8	26.845	21.3
Tengelmann Group	3,555	6.4	9.320	8.1	3,555	8.6	9.320	8.4
Other Retail Grocery	11,575	21.1	15.680	15.2	5,845	14.2	14.890	14.9
Total	54,910	100.0	117.150	100.0	41,240	100.0	113.950	100.0
of which Drugstores	14,210		12.450		14,210		12.450	

IRI Breakthrough Insights. Breakthrough Results.

Metro Retailers – Definition and Development

Definition
Stores with a product range consisting predominantly of grocery products and belonging to companies in the Metro Group.

Entwicklung
With currently 595 sales outlets, which account for sales of € 8.50 bn, Metro Retailers occupy a middle position among key accounts. In terms of average turnover, the group ranks now first among all key accounts with sales of € 14.29 million per store.

The Extra-Outlets have been sold to Rewe Group first of July 2008.

Metro Retailers – Organizational Classification and Sales Channels

Metro Retailers	Headquaters	Type	Sales Channels
Real (incl. Extra)	Mönchen-gladbach	Hypermarkets	Extra real,-
		Discounters	–
		Trad. Groc. Store	Extra
		Drugstore	–

Breakthrough Insights. Breakthrough Results.

Edeka Group – Definition and Development

Definition

Stores with a product range consisting mainly of food and whose managers are members of an Edeka cooperative association or pass to account through the Edeka purchasing office.

Overall Development

The Edeka Group in its entirety (Edeka Retailers, Edeka Affiliated Companies/Cooperations) continues to occupy first place by a wide margin in the German retail food trade. The group's share of value sales is 31.9 %.

Development of Edeka Retailers

Edeka Retailers are split into seven Edeka commercial companies (german abbreviation: EHG). The respective wholesale companies have merged. In this booklet Edeka Denmark and ADEG are integrated into these companies for the sake of completeness only.

With 9,265 Grocery Stores, Edeka retains its position as the largest Key Account group. Together with the Rewe Group Edeka tops the Grocery Class of Trade with Sales of € 26.52 bn and a share of 25.3%.

The Marktkauf self-service department stores have been integrated into the according Edeka commercial companies.

Edeka Group – Definition and Development

Development of Edeka Affiliated Companies and Cooperations
After integrating the Marktkauf self-service department stores into the Edeka commercial companies, now Globus, both Netto Schels and Netto Dansk and the Budnikowsky drugstores are summarized in this Keyaccounter group.

They add up to 1,580 stores representing value sales of € 6.87 bn.

The merger of the discounters Netto and Plus was authorized by Federal Cartel Office on the first of July 2008; due to the according obligations the realization will be done by the end of 2008.

Edeka Group – Organizational Classification

Company	Headquaters
a) EHG Nord/Danmark	
Edeka Nord	Neumünster
(Edeka Danmark)	
b) EHG Minden-Hannover	
Edeka Minden-Hannover	Minden
Lüning	Rietberg
c) EHG Hessenring	
Edeka Hessenring	Melsungen
Hoppe	Hann.-Münden
d) EHG Rhein-Ruhr	
Edeka Rhein-Ruhr	Moers
Stroetmann	Münster

Company	Headquaters
e) EHG Südwest	
coop Göppingen	Göppingen
coop Nordschwarzwald	Calw
Edeka Südwest	Offenburg
f) EHG Nordbayern-Sachsen-Thüringen	
Edeka Nordbayern	Rottendorf
Röger	Altenstadt
g) EHG Südbayern/ADEG	
Edeka Südbayern	Gaimersheim
Feneberg	Kempten
(ADEG)	

Edeka Group – Sales Channels

Type	Sales Channels
Hypermarkets	Comet Depot E-Center E-Neukauf Herkules Kaufmarkt Kupsch Marktkauf Reichelt SB-Halle V-Markt
Discounters	Diska NP Treff

Type	Sales Channels
Trad. Groc. Stores	coop E-aktiv Edeka EKA-frisch E-neukauf F-Markt Kupsch Lüning Schnellkauf
Drugstores	–

Edeka Group – Organizational Classification and Sales Channels

Company	Headquaters	Type	Sales Channels
h) Edeka Affiliates Comp./Coop.		Hypermarkets	Globus
Budnikowsky	Hamburg		
Globus	St. Wendel	Discounters	Netto
Netto Nord (Dansk)	Stavenhagen		
Netto Süd (Schels)	Maxhütte	Trad. Groc. Stores	–
		Drugstores	Budnikowsky

Markant – Definition and Development

Definition

Stores with a range of mostly grocery products and drugstores whose owners make their purchases through this accounting office.

Development

The key-account group Markant consists of 7,985 retail food stores, which attained sales of € 13.79 bn. With those figures Markant is the third largest key-account group in terms of sales after Edeka and Rewe.

The Retail Food Trade has suffered from the loss of the coop (Kiel) stores which couldn't be fully compensated by the key account switch of Tegut.

The drugstore sector has been strengthened by the acquisition of Ihr Platz (by Schlecker) and Kloppenburg (by Rossmann).

Among the activities of the companies organized in this group the continued expansion of Kaufland is particularly worth mentioning. In 2007 Schlecker continued succeeding in the reassessment of the branch-network. Both companies furthermore occupy by far the top position in the group in terms of value sales.

Markant – Organizational Classification

Markant	Headquaters	Markant	Headquaters
Bartels-Langness	Kiel	LHG Eibelstadt	Eibelstadt
Bünting	Leer	Lupus	Pforzheim
Cames	Neuss	Minipreis	Salzkotten
Citti	Kiel	Müller	Ulm
Frey & Kissel	Landau	Okle	Singen
Giehl	Nistertal	Ratio	Münster
Ihr Platz	Osnabrück	Rossmann	Burgwedel
Jibi	Bielefeld	Schlecker	Ehingen
Kaes	Mauerstetten	Tegut	Fulda
Kaufland	Neckarsulm	Utz	Ochsenhausen
Klaas & Kock	Gronau	Wasgau	Pirmasens
Kloppenburg	Kiel		

Markant – Sales Channels

Type	Sales Channels	Type	Sales Channels	Type	Sales Channels
Hypermarkets	Citti	Hypermarkets	Schlecker	Trad. Groc.	A&O
	Coma		Tegut	Stores	Cames
	Combi		V-Markt		Coma
	Famila		Wasgau		Combi
	Handelshof				Gutkauf
	Jibi	Discounters	–		Ihre Kette
	Kaufland				IK
	Kaufmarkt	Drugstores	Drospa		Jibi
	K+K Markt		Ihr Platz		K+K Markt
	Markant		Kloppenburg		Markant
	Minipreis		Müller		SBK compact
	Ratio		Rossmann		Sky
	SBK		Schlecker		Tegut
					Um's Eck

Rewe Retail Group – Definition and Development

Definition
Stores with a range consisting primarily of grocery products and drugstores which are operated and supplied by Rewe Zentral AG or other Rewe central offices.

Development
The Rewe Retail Group is the second largest group within the German Retail Food Trade after Edeka Group. Last year 7,375 outlet stores generated a sales volume of € 24.03 bn. This leads to a corresponding share of 23.0% of the Total Retail Food Sales.

coop (Kiel) and Dohle are cooperating with the Rewe Headquarter.

Rewe Retail Group – Organizational Classification and Sales Channels

Rewe Retail Group	Headquarters	Type	Sales Channel	Type	Sales Channel
Brücken	Hagen	Hypermarkets	Accord	Trad. Groc. Stores	Akzenta
coop	Kiel		Eins A		Rewe
dm Werner	Karlsruhe		Hit		Rewe-Nahkauf
Dohle	Siegburg		Kaufpark		
Penny	Köln		Plaza	Drugstores	dm
Petz	Wissen		Rewe		
Rewe Dortmund	Dortmund		Rewe Center		
Rewe Zentrale	Köln		Sky-Wandmaker		
Toom	Köln		Toom		
		Discounters	Netto		
			Penny		

Tengelmann Group – Definition and Development

Definition
Stores offering mainly groceries belonging to the individual Tengelmann companies and their drugstores.

Development
Compared to the previous year the Tengelmann Group was not able to broaden its position:

The number of retail food outlets within this group was slightly decreasing down to 3,555. These markets account for sales amounting of € 9.32 bn and hence 8.9% of total German retail grocery sales.

The merger of the discounters Netto and Plus was authorized by Federal Cartel Office on the first of July 2008. However a purchasing cooperative between Tengelmann and Edeka was prohibited.

Tengelmann Group – Organizational Classification and Sales Channels

Tengelmann-Group	Headquaters	Type	Sales Channels
Kaiser's Tengelmann	Viersen	Hypermarkets	Kaiser's Tengelmann
Plus	Mülheim	Discounters	Plus
		Trad. Groc. Stores	Kaiser's Tengelmann
		Drugstores	–

Other Retail Grocery Stores – Definition and Development

Definition
All other stores with a product range that consists mainly of groceries and which do not belong to any of the key-account groups described above.

Development
Other retail grocery stores as a group recorded irregular development compared to the previous year:

The number of stores was once again reduced and the decline among the smaller non-organized outlets continued.

Due to the loss of Dohle, Tegut (and Ihr Platz) value sales in the group consisting of other retail grocery stores decreased compared to the previous year, although the discounters Lidl and Norma have developed strongly positive. The average turnover per store is € 1.36 million.

At present the group consisting of other retail grocery stores comprises approximately 28.4% of all retail food stores. With sales of € 15.68 bn they account for 15.0% of total retail grocery sales.

Other Retail Grocery Stores – Organizational Classification and Sales Channels

Other Grocery Stores	Headquarters
KG Königs Wusterhausen	Königs Wusterh.
KG Leipzig	Leipzig
KG Sachsen Nord	Eilenburg
KGV Magdeburg	Magdeburg
Konsum Altenburg	Altenburg
Konsum Dresden	Dresden
Lidl Discount	Neckarsulm
Norma	Fürth
Other (not affiliated)	

Type	Sales Channels
Hypermarkets	AEZ NEZ
Discounters	Lidl Norma
Trad. Groc. Stores	Konsum NEZ
Drugstores	Roth-Drogeriemarkt

Drugstores/Perfumeries and Specialized Retailers – Definitions

Drugstores/Perfumeries Specialized Retailers: In this group are the traditional specialty trade, drugstores, and the drugstore and perfume departments of department stores.

Traditional Specialty Trade: The traditional specialty trade is comprised of specialty drugstores and specialty perfumeries.

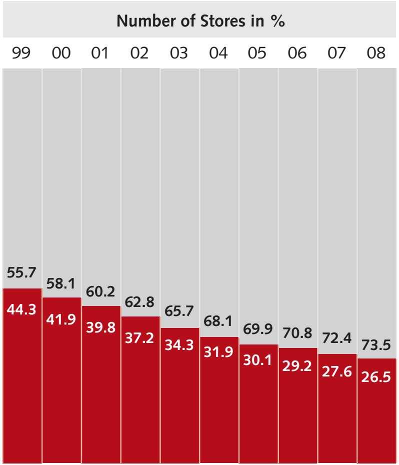
Specialty Drugstores: Traditional drugstores and drugstores with marginal perfume range.

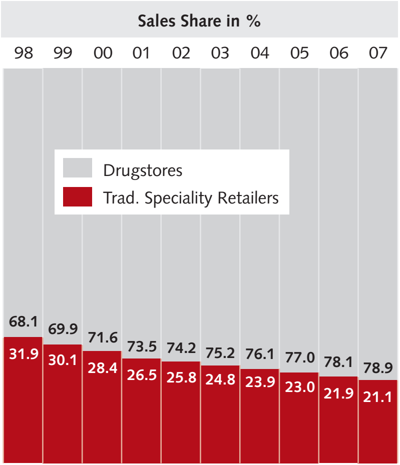
Specialty Perfumeries: Affiliated and non-affiliated stores with sales almost exclusively from the depot cosmetics area and which offer a marginal range of other products in addition to the depot business.

Discount Drugstores: Retail outlets that carry drugs and cosmetics as their core product range. As a rule, these stores operate on the discounter principle (limited, relatively low-price range), offering on a self-service basis a fast-moving brand-name product range that is relatively free of problems.

Drugstore and Perfumery Departments in Department Stores: Specialty perfumery and drugstore departments at Karstadt, Kaufhof and Hertie (Karstadt Kompakt).

Drugstores/Perfumeries and Specialized Retailers – excl. Chain Department Stores





Tot. Spec. Ret No.	99	00	01	02	03	04	05	06	07	08
Number	19,455	20,030	20,480	20,760	20,900	20,870	20,650	19,850	19,750	19,335
Change in %		3.0	2.2	1.4	0.7	-0.1	-1.1	-3.9	-0.5	-2.1

Tot. Spec. Ret €in Bn	98	99	00	01	02	03	04	05	06	07
€ in Bn	12.27	12.94	13.49	14.09	14.21*	14.29	14.38	14.61	15.33	15.72
Change in %		5.5	4.3	4.4	-	0.6	0.6	1.6	4.9	2.5

* 2004 updated based on newly gathered information

Drugstores/Perfumeries and Specialized Retailers – Development

The Drug and Specialty Perfumery sectors posted versus Year Ago an increase in Value Sales of 2.4% to € 16.35 bn.

After a further decline in the number of Specialty Drug Stores (9.9%), only 3,045 Specialty Drug Stores remained at the beginning of 2008.

Likewise the number of Discount Drug Stores decreased by 90 to a total of 14,210 stores.

The Discount Drug Stores increased their share of Total Drug and Specialty Perfumery (excl. Department Stores) to 73.5% and Value Share to 78.9%.

Regional Distribution of Discount Drug Stores and Specialty Perfumery (excl. Chain Department Stores) at the end of 2007, by IRI regions:

• North-West	3,135	• North-East	1,720
• NRW	3,930	• Thuringia/Saxony	1,605
• Central	2,565	• Berlin	995
• Baden-Wuerttemberg	2,465		
• Bavaria	2,920	Total:	19,335

Drugstores/Perfumeries and Specialized Retailers

	Number of Stores					Sales in Billion €				
	01.01.2007		08:07	01.01.2008		2006		07:06	2007	
	abs.	%	%	abs.	%	Billion €	%	%	Billion €	%
Spec. Drugstores	3,380	16.9	-9.9	3,045	15.5	1.37	8.6	-6.6	1.28	7.8
Spec. Perfumeries	2,070	10.3	0.5	2,080	10.6	1.98	12.4	2.5	2.03	12.4
Chain Depart. Stores *	280	1.4	0.0	280	1.4	0.63	3.9	0.0	0.63	3.9
Drugstores	14,300	71.4	-0.6	14,210	72.5	11.98	75.1	3.6	12.41	75.9
Total	20,030	100.0	-2.1	19,615	100.0	15.96	100.0	2.4	16.35	100.0

* includes 25 Hertie Stores (Perfumery Departments run by Beauty Alliance)

Drugstores – incl. Schlecker

	Number 01.01.2008	Sales 2007
	14,210	€ 12.450 Billion
	Shares in %	
Schlecker (inkl. Ihr Platz)	79	41
dm	7	24
Rossmann (inkl. Kloppenburg)	10	22
Müller	3	10
Budnikowsky	1	3
Restl. DM	0	0

Drugstores – incl. Schlecker

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number	10,830	11,640	12,330	13,030	13,730	14,210	14,440	14,060	14,300	14,210
Change		7.5	5.9	5.7	5.4	3.5	1.6	-2.6	1.7	-0.6
in %		8.0	7.1	7.1	1.9	1.9	1.8	2.8	6.5	3.9
Sales in Billion €	8.36	9.02	9.66	10.35	10.55	10.75	10.94	11.25	11.98	12.45

Aldi

	1999	2000	2001*	2002	2003	2004	2005	2006	2007	2008
Number	3,250	3,350	3,560	3,695	3,805	3,940	4,050	4,100	4,150	4,200
Change		3.1		3.8	3.0	3.5	2.8	1.2	1.2	1.2
in %		1.5		12.2	11.8	4.5	1.6	-1.1	6.2	-1.5
Sales in Billion €	16.87	17.13	19.60	22.00	24.60	25.70	26.10	25.80	27.40	27.00

* New data on the basis of released company reports

Department Stores*

	1999	2000	2001*	2002	2003	2004	2005	2006	2007	2008
Number	675	655	305	300	295	290	285	280	280	280
Change		-3.0		-1.6	-1.7	-1.7	-1.7	-1.8	0.0	0.0
in %		-3.2		0.1	-3.2	-3.0	-9.2	-5.3	2.5	-1.5
Sales in Billion €	14.27	13.81	11.09	11.10	10.75	10.43	9.47	8.97	9.19	9.05

* as of 2001: Karstadt, Kaufhof only
as of 2006: incl. Hertie (Karstadt Kompakt)

Beverage Speciality Stores

	1999	2000	2001	2002**	2003	2004***	2005	2006	2007	2008
Number	9,790	10,290	10,910	11,450	11,650	12,600	12,350	12,100	11,850	11,600
Change		5.1	6.0		1.7		-2.0	-2.0	-2.1	-2.1
in %		1.6	3.2		4.7		-9.9	-2.3	-0.2	-3.8
Sales* in Billion €	3.12	3.17	3.27	3.44	3.60	6.80	6.13	5.99	5.98	5.75

* Sales: Categories Beer and Nonalcoholic Beverages
** incl. Categories Beer Mix Drinks, Energy Drinks and Vegetable juices
*** Base Study: Updating of store numbers and sales volume; additionally incl. Categories Spirits, Sparkling Wine, Wine; introduction of a mandatory refundable bottle deposit as well as an unusually hot summer 2003.

C&C Outlets

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number	395	385	385	385	385	370	370	370	380	390
Change		-2.5	0.0	0.0	0.0	-3.9	0.0	0.0	2.7	2.6
in %		-0.9	0.0	4.4	5.3	-0.8	-2.8	0.4	0.0	-0.4
Sales in Billion €	11.61	11.50	11.50	12.01	12.65	12.55	12.20	12.25	12.25	12.20

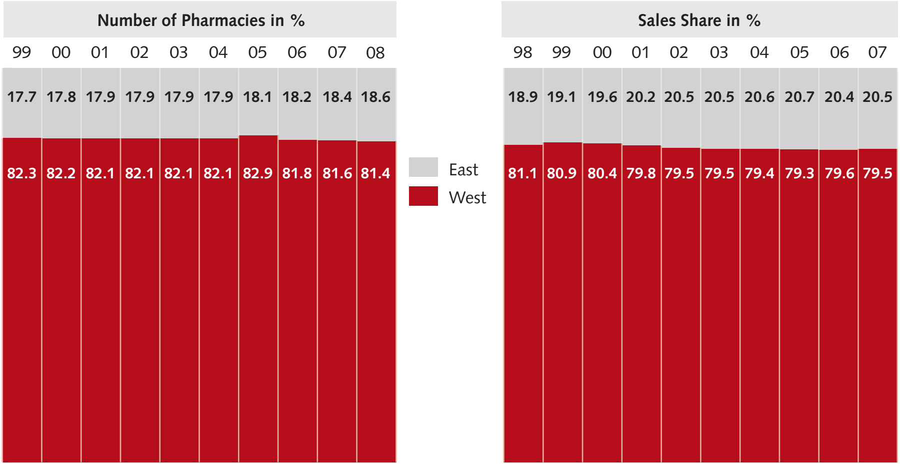
Breakthrough Insights. Breakthrough Results.

Total Market

	Number of Stores					Sales in Billion €				
	01.01.2007		08:07	01.01.2008		2006		07:06	2007	
	abs.	%	%	abs.	%	Billion €	%	%	Billion €	%
Hypermarkets	8,010	10.1	3.1	8,260	10.8	51.50	32.1	3.9	53.50	32.6
Discounters	10,960	13.8	2.6	11,250	14.7	32.20	20.0	8.7	35.00	21.3
Aldi	4,150	5.2	1.2	4,200	5.5	27.40	17.1	-1.5	27.00	16.4
Trad. Groc. Stores	23,930	30.2	-11.5	21,190	27.7	17.10	10.6	-5.3	16.20	9.8
Spec. Ret. Drugstores	19,750	24.9	-2.1	19,335	25.3	15.33	9.6	2.5	15.72	9.6
Chain Depart. Stores	280	0.4	0.0	280	0.4	1.97	1.2	-1.5	1.94	1.2
Beverage Spec. Stores	11,850	14.9	-2.1	11,600	15.1	5.98	3.7	-3.8	5.75	3.5
C&C Outlets	380	0.5	2.6	390	0.5	9.12	5.7	0.5	9.17	5.6
Total	79,310	100.0	-3.5	76,505	100.0	160.60	100.0	2.3	164.28	100.0

Chain Department Stores and C&C Outlets **only FOOD Sales**

Pharmacies



Pharm. total No.	99	00	01	02	03	04	05	06	07	08
No.	21,618	21,692	21,659	21,578	21,455	21,557	21,363	21,440	21,515	21,579
Change in %		0.3	-0.2	-0.4	-0.6	0.5	-0.9	0.4	0.3	0.3

Pharm. total €in Bn	98	99	00	01	02	03	04	05	06	07
€ in Bn	24.34	25.92	27.51	29.69	30.94	32.44	32.01	33.92	34.30	35.70
Change in %		6.5	6.1	7.9	4.2	4.8	-1.3	6.0	1.1	4.1

Source: IMS Health Frankfurt/Main

Pet Stores and Shops – Definition

Retail outlets which offer zoological supplies such as pet food, accessories and also live animals. A distinction is made between pet stores and pet shops as follows:

- Pet stores include multiple stores, that is zoological specialty retailers with at least four branch stores and independent zoological specialty retailers with selling space of over 300 m^2.
- Pet shops are independent zoological specialty retailers having selling space of less than 300 m^2.

	Number of Stores					Sales in Billion €				
	01.01.2007		08:07	01.01.2008		2006		07:06	2007	
	abs.	%	%	abs.	%	Billion €	%	%	Billion €	%
Freßnapf	625	25.2	8.8	680	27.4	0.597	48.7	12.9	0.674	52.1
Petstores (excl. Freßnapf)	440	17.7	1.1	445	18.0	0.361	29.5	1.7	0.367	28.3
Petshops	1,420	57.1	-4.6	1,355	54.6	0.267	21.8	-4.9	0.254	19.6
Total	2,485	100.0	-0.2	2,480	100.0	1.225	100.0	5.7	1.295	100.0

Rural Trade/Do-It-Yourself Stores/Garden Centers – Definition and Development

Rural Trade

Sales outlets that usually belong to cooperative associations (e.g. Raiffeisen, BayWa) and offer a range of agricultural supplies such as seeds, feed, and fertilizer.

Do-It-Yourself Stores

Retail outlets with covered selling space of 1,000 m² and greater and having their own cash registers, and which sell primarily to private consumers. These retail outlets carry a wide range of products for the Do-It-Yourself market.

Garden Centers

Retail outlets with selling space of 400 m² and greater whose turnover results mostly from the sale of garden tools and supplies (incl. fertilizer and pesticide). The outlet must have at least one own cash register.

Number of Stores 01.01.2008

- Rural Trade 2,500
- Do-It-Yourself Stores 2,460
- Garden Centers 450

Gas Stations

The number of gas stations in Germany continues to decline:

At the beginning of the year there were 14,902 gas stations (incl. interstate gas stations) in Germany, which is 134 less than there were at the beginning of 2007.

Gas Stations	Number		
	01.01.2007	08:07	01.01.2008
	abs.	%	abs.
Street Gas Stations	14,659	-0.9	14,527
Interstate Gas Stations	377	-0.5	375
Total	**15,036**	**-0.9**	**14,902**
of which organized Street Gas Stations	13,070	-0.7	12,975

Source: Energie Informationsdienst, Hamburg

Bakeries and Butcher Shops

In the area of bakeries and butcher shops a decrease in the number of independent shops goes along with a decrease (bakeries) and a stagnation (butcheries) in the number of affiliated shops.

Bakeries	Number of Stores 01.01.2008	Sales in Billion € (without VAT) 2007
Independent Shops	15,781	
Affiliated Shops	30,219 *	
Total Speciality Bakery Shops	46,000 *	12.34

Source: Zentralverband des Deutschen Bäckerhandwerks e.V., Bad Honnef; * estimated

Butcher Shops	Number of Stores 01.01.2008	Sales in Billion € (without VAT) 2007
Independent Shops	16,761	
Affiliated Shops	10,796	
Total Speciality Butcher Shops	27,557	15.33 *

Source: Deutscher Fleischer-Verband, Frankfurt/M.; * estimated

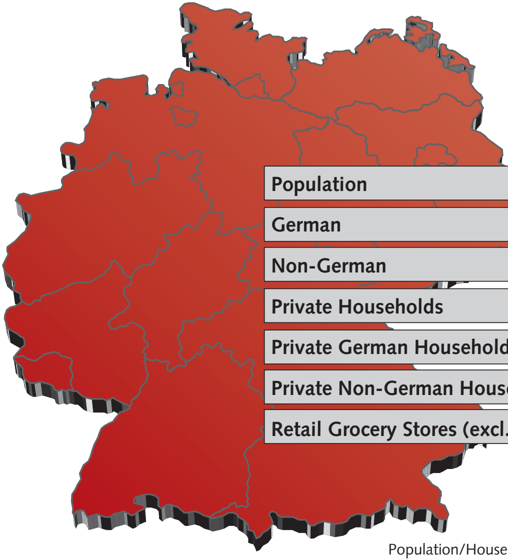
Products and Services – of Information Resources GmbH

InfoScan – InfoScan Promotion – InfoScan Retailer	
Classic Retail Grocery Stores	Beverage Speciality Stores
• Stores up to 199 m²	Cash & Carry Outlets
• Hypermarkets 200 – 799 m²	Pet Shops
• Hypermarkets	Rural Trade
• Discounters	Do-It-Yourself Stores
- Brand-Name Discounters	Garden Centers
- Hard Discounters (Aldi, Norma, Lidl)	Kiosks, Snack-Bars
Drugstores	Gas Stations
Chain Department Stores	
Perfumeries and Traditional Drugstores	

Markets	
Nonalcoholic Beverages	Fragrance/Cosmetics
Beer	Bodycare
Spirits/Sparkling Wine/Wine	OTC
Hot Beverages	Detergents, Cleansers, and Cleaning Agents
Sweets/Confectionary/Long-Lasting Baked Goods	Petfood
Chilled Food	
Food	

Breakthrough Insights. Breakthrough Results.

Basic Data – Germany



Population	82.2 Mio.
German	75.0 Mio.
Non-German	7.2 Mio.
Private Households	39.1 Mio.
Private German Households	36.2 Mio.
Private Non-German Households	2.9 Mio.
Retail Grocery Stores (excl. Aldi)	40,700

Population/Households: GfK-Prognosis 01.01.2008

Basic Data – Total Germany

IRI-Regions	Population in Thousands	Population in Million	Population %-Distribution	Area km^2	Inhabitants km^2
North-West*	13,235	13.2	16.1	64,600	205
Nord Rhine Westfalia	18,029	18.0	21.9	34,086	529
Center**	11,171	11.2	13.6	43,531	257
Baden-Wuerttemberg	10,739	10.7	13.0	35,752	300
Bavaria	12,493	12.5	15.2	70,552	177
North-East***	6,683	6.7	8.1	73,109	91
Thuringia/Saxony	6,561	6.6	8.0	34,589	190
Berlin	3,404	3.4	4.1	891	3,820
Total Germany	82,315	82.3	100,0	357,108	231
• West	65,667	65.7	79.8	248,519	264
• East	16,648	16.6	20.2	108,589	153

* Schleswig-Holstein/Hamburg/Bremen/Lower Saxony ** Hesse/Rhineland-Palatinate/Saarland
*** Mecklenburg-Western Pommerania/Brandenburg/Saxony-Anhalt
Source: Official Statistics; as of 01.01.2007

Basic Data – Total Germany

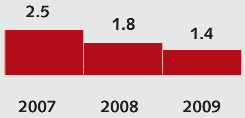
IRI-Regions	No. of Ref. Groc. Stores absolute	%	Sales in Billion € absolute	%	Population/Thousands[1] absolute	%	Inh. per Store	Stores per 1000 Inh.
North-West*	6,365	15.6	18.325	17.5	13,235	16.1	2,076	0.48
Nord Rhine Westfalia	7,890	19.4	21.660	20.7	18,029	21.9	2,291	0.44
Center**	5,790	14.2	14.240	13.6	11,171	13.6	1,936	0.52
Baden-Wuerttemberg	4,845	11.9	13.715	13.1	10,739	13.0	2,207	0.45
Bavaria	6,680	16.4	14.660	14.0	12,493	15.2	1,860	0.53
North-East***	4,045	10.0	9.210	8.8	6,683	8.1	1,688	0.61
Thuringia/Saxony	4,155	10.2	8.585	8.2	6,561	8.0	1,611	0.63
Berlin	930	2.3	4.305	4.1	3,404	4.1	3,644	0.27
Total Germany	40,700	100.0	104.700	100.0	82,315	100.0	2,028	0.49
• West	31,570	77.5	82.600	78.9	65,667	79.8	2,079	0.48
• East	9,130	22.5	22.100	21.1	16,648	20.2	1,852	0.55

* Schleswig-Holstein/Hamburg/Bremen/Lower Saxony ** Hesse/Rhineland-Palatinate/Saarland
*** Mecklenburg-Western Pommerania/Brandenburg/Saxony-Anhalt
[1] Source: Official Statistics; as of 01.01.2007

Key Economic Data – Total Germany

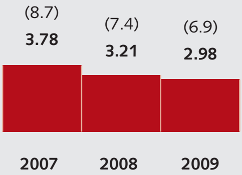
on Economic Growth

Change in real Gross National Product
(comp. to prev. year in %)



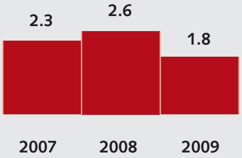
on the Employment Market

Unemployment in million
(rate in %)*



on Price Development

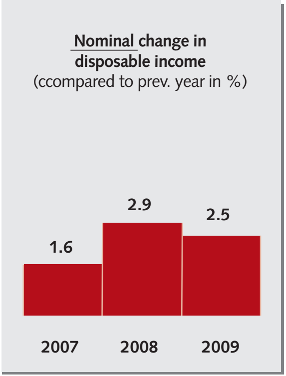
Pricelevel of Private consumption
(change compared to prev. year in %)



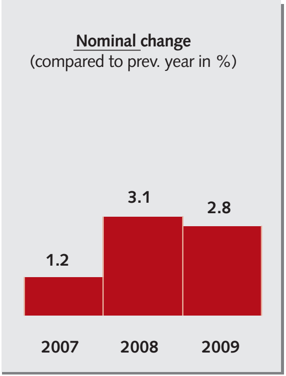
Source: ifo Institute, Conjoint Spring Report projecting 2008 (17.04.2008)
* Share of Unemployed compared to domestic employable persons (residency concept)

Key Economic Data – Total Germany

on Income



on Private Consumption



on Private Savings

Source: ifo Institute, Conjoint Spring Report projecting 2008 (17.04.2008)

IRI and Partner Companies – Worldwide Retail Tracking FMCG

Europe	Europe	Middle East/ North Africa	North America	Asia
Albania	Serbia	Algeria	USA	Japan
Bosnia	Slovakia	United Arab Emirates		
Bulgaria	Slowenia	Bahrain		
Germany	Spain	Egypt	**Latin America**	
France	Czech Republic	Iran	Argentinia	
Greece	Ukraine	Jordan	Bolivia	
Great Britain	Hungary	Kuwait	Paraguay	
Italy	White Russia	Lebanon	Peru	
Croatia		Libya	Puerto Rico	
Macedonia		Oman	Uruguay	
Moldavia		Pakistan	Venezuela	
Montenegro		Qatar		
Netherlands		Saudi Arabia		
Poland		Sudan		
Romania		Syria		
Russia		Yemen		

IRI Breakthrough Insights. Breakthrough Results.

IRI and Europanel – Retail Tracking and Consumer Panel

Country	Retail Tracking	Consumer Tracking	Country	Retail Tracking	Consumer Tracking	Country	Retail Tracking	Consumer Tracking
Austria		✔	Great Britain	✔	✔	Russia	✔	✔
Belgium		✔	Hungary	✔	✔	Serbia		✔
Bosnia-Herzegovina		✔	Ireland		✔	Slovakei	✔	✔
Bulgaria	✔	✔	Italy	✔	✔	Spain	✔	✔
Croatia	✔	✔	Kazakhstan		✔	Sweden		✔
Czech Republic	✔	✔	Netherlands	✔	✔	Switzerland	✔	✔
Denmark		✔	Norway		✔	Turkey		✔
France	✔	✔	Poland	✔	✔	Ukraine		✔
Germany	✔	✔	Portugal		✔			
Greece	✔	✔	Rumania	✔	✔			

Breakthrough Insights. Breakthrough Results.

ORDER FORM

Universes Germany 2008

Information Resources GmbH
Mrs. Petra Weidinger

Tel.: 0911/88182-149
Fax: 0911/88182-452

E-Mail: **petra.weidinger@infores.com**
Internet: **http://de1.infores.com**

Company: _

Contact Partner: _

Street/No.: _

ZIP/City: _

Fon.: _ _ _ _ _ _ _ _ _ _ _ _ _ _ Fax: _ _ _ _ _ _ _ _ _ _ _ _ _ _

Please send me _ _ _ _ _ _ copy(ies) of the
»Universes Germany 2008« (Booklet – available only in German)

Prices (not including sales tax or postage):

up to 2 copies:	**No Charge**
3 or more copies:	€ 8,– per copy
50 or more copies:	€ 7,– per copy
100 or more copies:	€ 6,– per copy

_ _

Date/Signature

IRI
Breakthrough Insights.
Breakthrough Results.

Information Resources GmbH
Suedwestpark 63
90449 Nuremberg

E-Mail: iri.info@infores.com
http://de1.infores.com

Breakthrough Insights.
Breakthrough Results.