

**Associated Wholesale Grocers, Inc. Chooses IBM and IBM  
Independent Software Vendor TCI Solutions, Inc.  
as Preferred Technology Vendors for Its Members**

*AWG Member Falley's Supermarkets Rings Up Increased Sales with IBM  
SurePOS 700 System*

WHITE PLAINS, N.Y. June 4, 2004 ... Associated Wholesale Grocers, Inc., the nation's second largest retailer-owned grocery wholesaler serving over 1500 stores in 21 states, has chosen IBM's advanced SurePOS 700 point-of-sale system, IBM ACE point-of-sale software and back-office, store-level and enterprise-level software solutions from IBM Independent Software Vendor TCI Solutions, Inc. for a new technology initiative designed to help its members improve customer service, increase sales and reduce costs, IBM announced today.

Associated Wholesale Grocers, Inc.'s (AWG) new initiative called "The Paragon Partnership" helps its grocery retailers to purchase, deploy and administer enterprise-wide solutions including hardware, software, data management and support services.

Falley's Inc., operating over 30 supermarkets across Kansas and Missouri and a wholly owned subsidiary of AWG, recently upgraded its entire chain to IBM and TCI Solutions, Inc. technology from previous PC cash drawers and disparate, heterogeneous technology systems that limited the company's control of information, pricing, cost and sales.

"In today's rapidly changing retail systems environment, it is extremely difficult to keep up on the ongoing changes in technology. As a result, AWG is constantly evaluating for members the latest, most advanced retail technologies in hardware and software solutions based on everything from concept and design to flexibility, reliability and cost," said Keith Martin, CIO of Associated Wholesale Grocers, Inc.. "We know that The Paragon Partnership is successful with early feedback from our members like Falley's, which is already seeing double total sales per IBM SurePOS 700 point-of-sale system per week."

The IBM SurePOS 700 ensures shoppers speed through grocery checkout lanes significantly faster due to advanced processing power. Additionally, the IBM SurePOS 700 features the plug-and-play convenience of powered Universal Serial Bus (USB), an IBM innovation that allows multiple peripherals to be connected to the system unit with only one power cord. This new technology allows Falley's to change peripherals without experiencing reduced speed or systems failure.

Falley's installed the IBM SurePOS 700 Series terminals connected with IBM SureMark printers in the checkout lanes. Each store's POS systems are supported by two IBM eServer\* xSeries\* 205 controllers running IBM 4690 OS and the IBM SurePOS ACE application. IBM SurePOS ACE integrates data across enterprise systems, including the POS, and provides comprehensive capabilities such as electronic marketing, checkout support and data management.

### **About IBM**

IBM, the world's largest information technology company, provides the retail industry with a full range of e-business solutions, including: point-of-sale systems, other hardware and software technology, consulting focused on business transformation, IT strategy and planning, store operations improvement, and supply chain optimization, and with services, such as outsourcing, managed operations, systems integration, and application development and design. IBM has a list of retail customers in 100 countries worldwide that reads like a "Who's Who" of retailing. For more information on IBM retail store solutions, please visit [www.ibm.com/industries/retail/store](http://www.ibm.com/industries/retail/store)

### **About AWG**

Associated Wholesale Grocers, Inc. is the nation's second largest retailer-owned grocery wholesaler in the United States serving over 1500 stores in a 21 state distribution area with posted consolidated sales of \$3.7 billion for 2003. AWG supplies customers from seven modern and efficient distribution centers totaling more than 5 million square feet.

\*Indicates trademark or registered trademark of International Business Machines Corporation in the United States, other countries, or both.

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