



Press releases

IBM Providing Integration for METRO Group's Project to Introduce RFID across Its Entire Company

METRO Group To Be First Retailer to Employ RFID Throughout Its Entire Process Chain

NEW YORK & DUESSELDORF, Germany -- Jan. 12, 2004 -- IBM will provide the systems integration for a groundbreaking RFID (Radio Frequency Identification) project with the world's fifth largest retailer, METRO Group, IBM announced today.

As part of its Future Store Initiative, METRO Group plans to become the first retailer to begin using RFID technology throughout its entire process chain. The project is scheduled to begin in November 2004, and initially, 100 suppliers will tag all their pallets and transport crates for delivery to 10 of Metro's central warehouses and 250 stores.

As the RFID system integrator, IBM will lead the strategy, consulting, implementation and rollout for the project.

This follows the success of the METRO Group's Extra Future Store, which opened in Rheinberg in Germany last year as a "living laboratory" for the latest technology innovations in retail. The Future Store was the first project in the METRO Group's Future Store initiative, with IBM's leading edge middleware and integration services for RFID technology as a key component.

At the Rheinberg store, all RFID components communicate through one flexible central system hub developed specifically by IBM for METRO Group. During the past few months, the benefits of RFID technology have been proven in the supply chain at the Future Store.

"We see RFID as a crucial technology for the future of retailing," said Dr Gerd Wolfram, Project Manager of the METRO Group Future Store Initiative. "New technologies enable new ways of doing business and IBM is helping us to continue leading the retail industry with new capabilities. With IBM's expertise and the cooperation of our suppliers, we hope to make significant strides in the establishment of international standards for RFID."

The first step in the project is the establishment of an RFID test laboratory for Retail, created in a programme led by IBM for METRO Group. Equipped with typical retail technology, the METRO Group laboratory will allow suppliers to test their readiness for RFID while evaluating emerging technologies for their readiness for the retail market. In this way, suppliers will be able to learn from the experience METRO Group has already gained in the RFID field.

"The use of innovative technologies is one of the key competitive factors in the retail industry," said Alain Benichou, IBM Distribution Sector Vice President for Europe, the Middle East and Africa, "The RFID solution is already transforming how METRO Group tracks and manages their inventory at the Future Store, and this roll-out will enable METRO Group to streamline their entire process chain. METRO Group's leadership will hasten the adoption of these new technologies by retailers across the world."

About IBM

IBM, the world's largest information technology company, is the leader in providing the Retail Industry with a full range of e-business solutions, including: point-of-sale systems, automated self-checkout 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 Solutions, please visit <http://www.ibm.com/industries/retail>

About METRO Group

The METRO Group is the world's fifth-largest trading and retailing group. With its powerful brands, the METRO Group operates successfully in 28 different countries around the world - at over 2,300 locations and with almost 240,000 employees. The METRO Group's six sales divisions operate independently on the market with their own specific sales concepts: Metro/Makro Cash & Carry - the world's market leader in self-service wholesaling -, Real hypermarkets, Extra supermarkets, Media Markt and Saturn - the leading consumer electronics centers in Europe, Praktiker home improvement and DIY centers, and the department stores of Galeria Kaufhof. More information at www.metrogroup.de and www.future-store.org.