



The Company in 2015



ROSSMANN
Mein Drogeriemarkt



In the Spirit of the Centaur



At the beginning of 2015, 1920 stores in Germany displayed the ROSSMANN logo (pictured: store at the Spitaler Straße in Hamburg).

DIRK ROSSMANN GmbH is the second largest health and beauty retailer in the Federal Republic of Germany and one of Germany's ten most important food retailers in terms of turnover¹.

In 2014, the 3,253 retail outlets operated by the ROSSMANN Group in Germany, Poland, Hungary, Czech Republic, Albania and Turkey generated a turnover of 7.2 billion euros.

ROSSMANN is featured in the "Global Powers of Retailing 2015" comparative study carried out by the management consultancy Deloitte in 141st place in the ranking of the 250 largest global retailers.

DIRK ROSSMANN GmbH is an owner-operated company with the Rossmann family holding 60 percent. The company headquarters are located in the German town of Burgwedel near Hanover. Alongside the Rossmann family, the international A.S. Watson Group has a 40 percent share in the company.

ROSSMANN health and beauty stores currently each boast an average sales area of 500 m². They use the colours white and red for their high-quality interior and exterior presentation and feature a modern and trendsetting store construction concept, efficient air conditioning technology, bright lighting systems and seasonal window decorations.

The red company logo also contains ROSSMANN's emblem in the form of a centaur in the letter O. This legendary creature from Greek mythology is a symbolic representation of the name of the company's founder and owner: half horse (German: "Ross") and half man (German: "Mann").

The ROSSMANN locations with the most stores²

	Stores		Stores
Berlin	109	Frankfurt	19
Munich	42	Dresden	17
Hamburg	38	Kiel	17
Hanover	32	Nuremberg	15
Bremen	25	Lübeck	13
Cologne	24	Magdeburg	13
Düsseldorf	21	Rostock	11

¹ source: TradeDimensions/"Lebensmittel Zeitung"

² as of 01/2015





The centaur logo is also a key feature of the company's headquarters, which are located directly by the A7 motorway ("Großburgwedel" exit) and have housed the company since September 1992. After four extensions between 2000 and 2007, the building's floor space is now comprised of a storage area covering around 40,000 m² and an office area of 8,000 m². In the year 2010, a total of 17 million euros was invested in the construction of a brand-new building next to the existing headquarters. This facility provided the company with new office space covering a total area of 5,000 m² and was officially opened in 2011. The site in Burgwedel is also home

to the company's Northern Regional Distribution Centre, which contains a total storage area of 27,700 m². In 2007, the functions of the logistics headquarters were moved to the Logistics Centre in the German town of Landsberg near Halle, which was put into operation in August 2002 and extended to provide a total storage area of 68,000 m² between summer 2005 and spring 2007. ROSSMANN invested a total of 50 million euros in its new logistics headquarters, making them the largest building investment in the company history and the second largest storage logistics investment in the entire German state of Lower Saxony. The overall storage area

was increased to around 100,000 m² in 2013. The company's other regional distribution centres in Germany are located in Bergkirchen (near Munich), Kiel, Cologne-Niehl, Rodgau (near Frankfurt/Main) and Wustermark (near Berlin).



The staff at the central Logistics Centre in Landsberg near Halle (large photo) and at six other regional distribution centres help ensure that the distribution of goods runs smoothly.



ROSSMANN moved into its newly constructed headquarters in Burgwedel in 2011.





Ideas, People and Growth



The first ROSSMANN "Markt für Drogeriewaren" opened in the heart of Hanover (at the address Jakobsstrasse 6) on 17th March 1972.



One of the company's first retail outlets in East Germany: a ROSSMANN health and beauty store in Staßfurt (Saxony-Anhalt) in July 1990.

ROSSMANN's company history began on 17th March 1972, when the 25-year-old Dirk Roßmann opened his first "Markt für Drogeriewaren" (Market for Health and Beauty Products) in the German city of Hanover. The fact that this store was also the first ever self-service health and beauty store in Germany means that Dirk Roßmann has been known as the inventor and pioneer of the health and beauty store concept ever since. The store started selling perfume products in July 1984. By avoiding resale price maintenance and depot systems, ROSSMANN was also able to implement its self-service principle with fine fragrance brands and has retained its position as one of the most successful self-service retailers of fragrance brands in the upper price range in terms of total sales right through to the present day. As a result of this development, the "Markt für Drogeriewaren" was able to develop into a more upper-class "Parfümerie-Drogerie-Discounter" (Perfumery and Health and Beauty Discount Store) as early as the 1980s. Nowadays, ROSSMANN has achieved such a high degree of popularity that it no longer needs such an additional description alongside its company name. ROSSMANN is therefore simply known as ROSSMANN, with the additional text "Mein Drogeriemarkt" (My Health and Beauty Store) only used for advertising purposes.

The company continued to expand consistently and on the occasion of its tenth anniversary in 1982,

THE ROSSMA

1972 Dirk Roßmann opens the first "Markt für Drogeriewaren" in Hanover and invents the principle of the self-service health and beauty store.

1976 The ROSSMANN headquarters move from Hanover to Burgwedel. The new headquarters are responsible for the management of 20 ROSSMANN stores.

1982 ROSSMANN is the market leader in northern Germany with a total of 100 retail outlets.

1984 ROSSMANN enters into the perfume business and also incorporates its self-service principle into this area. The "Markt für Drogeriewaren" develops into a more upper-class "Parfümerie-Drogerie-Discounter".

1990 The opening of the first two ROSSMANN health and beauty stores in the German States of Thuringia and Saxony-Anhalt signals the start of the company's extensive expansion throughout the former East Germany.

1993 The first ROSSMANN health and beauty stores in Eastern Europe open in the Polish city of Lodz and the Hungarian city of Debrecen.

1997 The company celebrates its 25th anniversary. ROSSMANN now operates 444 health and beauty stores in Germany and 55 stores in Eastern Europe. The first ROSSMANN quality brands, "babydream" and "sunozon", are introduced.

1999 ROSSMANN becomes the first company in the industry to sell health and beauty products online.



ROSSMANN was the market leader in northern Germany with a total of 100 retail outlets.

After the reunification of Germany, ROSSMANN began the construction of its health and beauty stores throughout the former East Germany in 1991. By ROSSMANN's 25th company anniversary in 1997, "ROSSMANN Ost Drogeriemärkte GmbH" (the arm of the company in Eastern Germany and Eastern Europe) had already opened 300 stores and ROSSMANN's overall number of retail outlets had reached a total of 450.

In the following years, the company continued to grow as a result of both systematic expansion and acquisitions, for example the purchase of 90 "idea" health and beauty stores from the REWE retail group in May 2000. In September 2003, ROSSMANN initially took over 72 "Kaisers Drugstore" ("kd") stores from the Tengelmann Group before going on to purchase another 300 kd stores in May 2005. By the time the takeover was complete, these additional stores had already been completely incorporated. ROSSMANN also owns the 160 health and beauty stores run by the company Kloppenburg from the German State of Schleswig-Holstein since January 2008. The company's most recent acquisition took place in the second half of 2012, when it purchased 90 "Ihr Platz" stores, 20 of which were located in train stations,

from the bankruptcy assets of the former industry leader Schlecker. ROSSMANN developed its new outlet chain "ROSSMANN EXPRESS" for the stores in train stations. In fact, a current total of 33 retail outlets in central, intercity and regional stations has enabled ROSSMANN to establish a reputation as the main German drugstore in railway stations.

At the end of 2013, ROSSMANN opened Europe's 3000th health and beauty store in Hanover. The company now employs 43,700 members of staff in six European countries (Germany, Poland, Hungary, Czech Republic, Albania and Turkey).

ROSSMANN has also been successfully operating in the field of online business since 1999. "ROSSMANN Versand", the first German health and beauty store to go into mail order business, now offers a comprehensive range of health and beauty products online at www.rossmannversand.de.



The entrepreneur Dirk Roßmann (68) is considered to be the inventor of the self-service health and beauty store in Germany.

ANN TIMELINE

2000 ROSSMANN opens the 500th health and beauty store in Germany. It also takes over 90 "idea" stores from the REWE Group in the same year. The ROSSMANN training initiative begins with the employment of 104 trainees.

2002 The company's new Logistics Centre in Landsberg is put into operation. The construction of an additional high-bay warehouse begins in Burgwedel.

2003 A total of 72 "kd" stores in the ROSSMANN sales area are initially purchased from the Tengelmann Group. The company acquires around 300 additional "kd" stores in south-west Germany in May 2005.

2005 ROSSMANN opens its 1,000 German health and beauty store in Frankfurt am Main.

2008 ROSSMANN purchases the 160 health and beauty stores

run by the company Kloppenburg from the German State of Schleswig-Holstein. The first health and beauty store in Albania is opened.

2010 ROSSMANN enters the Turkish market by opening its first store in Ankara.

2011 The newly constructed ROSSMANN headquarters in Großburgwedel are completed and occupied.

2012 ROSSMANN celebrates its 40th anniversary and becomes number 2 in the industry after the industry leader Schlecker goes bankrupt. The company takes over 90 "Ihr Platz" stores.

2013 ROSSMANN opens its 3,000 European health and beauty store in Hanover.

2014 ROSSMANN opens its biggest store with 1,300 m² in Berlin.





Social Responsibility...



ROSSMANN's "Waldhof" seminar centre in the Lüneburg Heath region

The ROSSMANN culture is shaped by social responsibility both within and outside of the company. 43,700 individuals currently work for ROSSMANN, 27,400 of whom are located in Germany. Staff training and development are considered to be extremely important at ROSSMANN. In as early as the 1980s, the company opened its own seminar centre in the Lüneburg Heath region of Germany. With the „Waldhof“, ROSSMANN created a meeting place stretching across all of its corporate divisions that is still used intensively today. Individual promotion programmes such as the „Jahresgruppen“ (Year Groups), a comprehensive range of professional training seminars and „Kulturfahrten“ (Cultural Trips) to the Dessau-Wörlitz Garden Realm are just some of the activities organised by the company in order to support its employees' personal development.

Over 1000 young people are currently completing vocational business training at ROSSMANN and the number of trainees at the company has increased sixfold since the year 2000. More than 80 percent of all trainees are taken on by ROSSMANN after completing their training. In the „Pupils Barometer 2014“ survey, ROSSMANN achieved 80st place in the list of Germany's 100 most popular training companies.

Two examples of the company's conscious social commitment are its partnership with the „Deutsches Kinderhilfswerk“ (German Children's Fund) and its work as a sponsor of the musical project „Klasse! Wir singen“. ROSSMANN is currently the most important partner of the „Deutsches Kinderhilfswerk“,

a German children's rights organisation based in Berlin, and generates more than a third of the organisation's total incoming donations with the 11,374 collection tins located in its stores. In the year 2014, the overall amount of donations collected at ROSSMANN stores increased to 354,776 euros.

ROSSMANN has been supporting the initiative „Klasse! Wir singen“, which works to prevent singing from becoming extinct in today's society, since 2009. Over the last four years, over 290,000 pupils from 3000 schools have participated in more than 130 concerts held in the German states of Lower Saxony, Berlin and Westphalia. ROSSMANN recently donated an additional sum of 280,000 euros to support the continuation of these „Liederfeste“ song festivals in 2015, for example in the German States of Lower Saxony and Berlin.



The closing concert of „Klasse! Wir singen“ in the TUI Arena in Hanover, featuring 4,000 children joining together to sing children's, folk and pop songs



ROSSMANN and the „Deutsches Kinderhilfswerk“ use the opening of selected new stores to support local projects for children and young people by donating €1,000.



...and Environmental Awareness

ROSSMANN has installed more than 2,200 digital electricity meters in all of its German health and beauty stores as part of its corporate energy management activities since 2011. These meters not only record and provide a clear overview of the stores' overall energy use, but also their consumption values for light, air conditioning and ventilation. The incorporation of these metering points into the company's very own specially developed energy management system enables it to evaluate and analyse its consumption data, which in turn enables it to immediately identify any peculiar consumption developments and significant deviations between its branches. Once it has identified these problems, ROSSMANN develops and implements measures to reduce its energy consumption. On the basis of this approach to sustainable economic management, ROSSMANN has been awarded the energy efficiency seal of approval from the German Energy Agency (dena).



On top of this, a survey conducted among a multitude of German companies by the German environmental association "Deutsche Umwelthilfe" recently revealed that the 460 cars in the ROSSMANN fleet already comply with the guideline value for carbon dioxide emissions of 130 g/km CO₂. The fact that the vehicles are updated on a regular basis, namely every five



years, means that they were able to achieve a value of 120 g/km by as early as 2014. So ROSSMANN has met the next limit of 125 g/km one year before it officially comes into force in 2015. Over 50 percent of the cars used by the company are also now equipped with "BlueMotion" technology, which uses technical

ROSSMANN is involved in a number of educational campaigns for sustainability issues.

(Photo: „Pupils Plant Trees – A Tree for Every Child“ campaign)



improvements to make the vehicles particularly economical in terms of fuel consumption and pollutant emissions. ROSSMANN not only sets an excellent example when it comes to the cars in its fleet, but also with the lorries used for its logistics activities, which are some of the most state-of-the-art vehicles in the market and most of which also comply with the current Euro 5 or Euro 6 toxic emission standards. Optimised logistics processes are additionally used to reduce the number of kilometres travelled and in turn achieve significant reductions in CO₂ emissions.



Growth Creates the Future

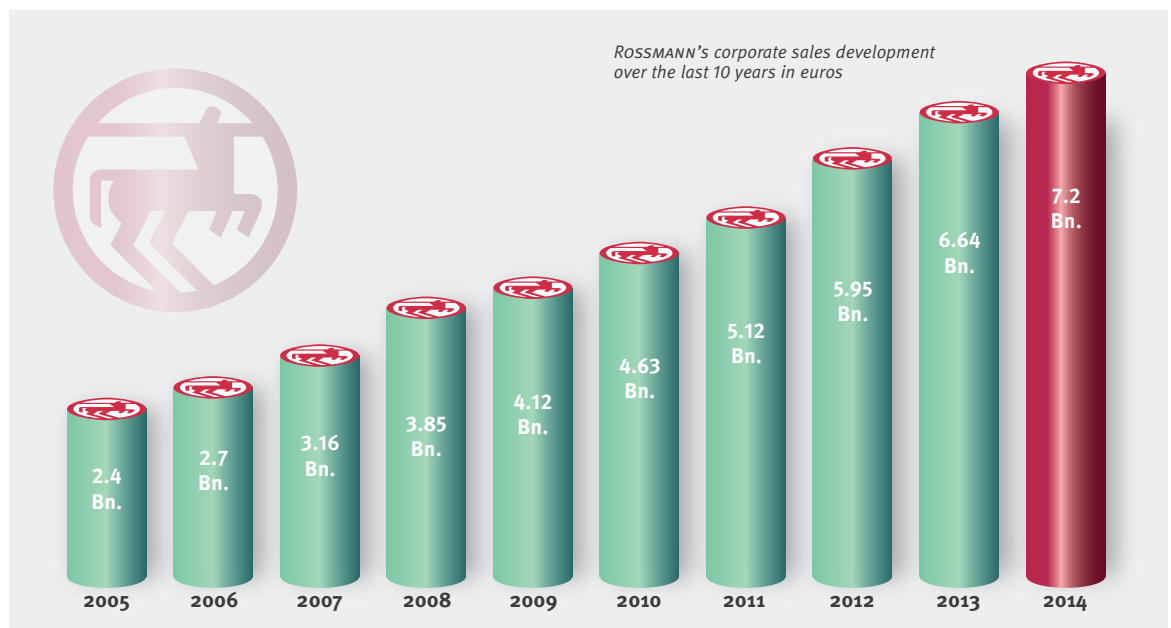
The turnover and expansion of the ROSSMANN health and beauty stores have continuously gained momentum in recent years. In 2014, ROSSMANN achieved corporate growth of 8.7 percent with an overall turnover of 7.2 billion euros. Its total sales in Germany increased by 7.9 percent to a sum of 5.38 billion euros while the sales achieved by its foreign subsidiaries in Poland, Hungary, Czech Republic, Albania and Turkey rose by 11.7 percent to 1.85 billion euros. These foreign subsidiaries therefore generated a quarter of ROSSMANN's overall corporate sales.

At the start of the year 2015, ROSSMANN operated a total of 1.334 health and beauty stores outside of Germany (993 in Poland, 183 in Hungary, 121 in the Czech Republic, 31 in Turkey and 6 in Albania).

This high rate of expansion will be maintained throughout the year with an investment volume of 170 million euros and plans to increase the number of ROSSMANN stores by opening an additional 340 branches. The company also plans to achieve corporate sales of over 7.8 billion euros in 2015.

ROSSMANN currently boasts a share of 12 percent in the German health and beauty market. Around 1.5 million customers shop in a ROSSMANN store every day.

In Germany, the company now plans to use an investment volume of 120 million euros to open a total of 155 new stores.



Brands, Products and Offers

The range of products available at ROSSMANN stores is very much oriented towards branded articles and enables the company to stand out from the competition in terms of the depth and breadth of the product groups on offer. The largest ROSSMANN stores offer a total of 17,500 health and beauty products. The range of products available at each ROSSMANN branch varies according to the sales area and location of the store in question.

ROSSMANN's current total of around 300 suppliers includes a number of well-known companies such as Beiersdorf, Colgate, Palmolive, GlaxoSmithKline, Henkel, Hipp, Johnson & Johnson, Klosterfrau, Unilever, L'Oréal, Milupa, Nestlé and Procter & Gamble, all of which have been supplying the company ever since the opening of its very first store. Alongside a competent range of health and beauty articles focusing on the areas of skin care, body care, hair care, baby products and health



The "ROSSMANN IDEENWELT" offers a range of selected special-offer products.



An extensive range of toys and stationery products is currently available in around 800 ROSSMANN stores.

products, ROSSMANN also offers a selection of special-offer products in the "ROSSMANN IDEENWELT" (ROSSMANN World of Ideas), the "ROSSMANN Fotoservice" and an extensive range of natural foods and wines. ROSSMANN's world of perfumes offers customers around 200 well-known brands with 1,000 different products presented in a manner that corresponds with their high level of quality.

Around 800 larger retail outlets now also offer a comprehensive range of toys, school supplies and stationery, as well as an extensive selection of household goods. These new ranges are smoothly incorporated into the ROSSMANN store layout. They are particularly successful in ROSSMANN stores located in rural regions, in which the company takes on the role of a classic corner shop or small department store.



The ROSSMANN Quality Brands



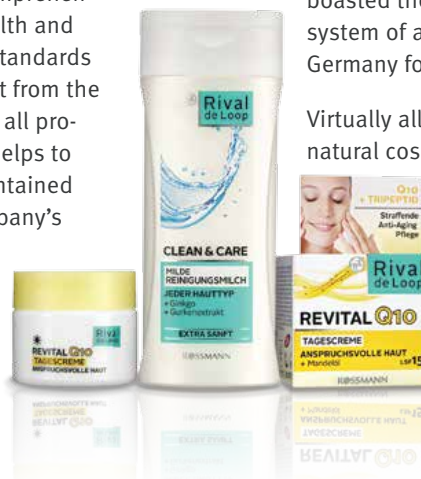
The “ROSSMANN Qualitätsmarken” (ROSSMANN Quality Brands) have been key to the company’s success over the past few years. ROSSMANN introduced its first own brands, namely babydream, facelle, sun-ozon and Winston, in 1997. These own brands are on a par with comparable industry brands in all respects but cost between 30 and 50 percent less than the market leader in each product group. ROSSMANN’s current selection of products contains 36 of its own brands with around 4,200 different articles in all health and beauty ranges.

The company therefore boasts the most comprehensive range of own brands in the field of health and beauty products in Germany. High quality standards have been a top priority for ROSSMANN right from the very start and the permanent monitoring of all products from the ROSSMANN Quality Brands helps to ensure that this high level of quality is maintained on a long-term basis. The fact that the company’s own brand products have been awarded the marks of “very good” and “good” from the German consumer organisations Öko-Test and Stiftung Warentest more than 370 times over the last 10 years is

clear evidence that this strategy is a success. In fact, the ROSSMANN brands often even achieve better results in quality comparisons than some of the top products in the branding industry.

The best-known ROSSMANN Quality Brands are “Isana” (skin, hair and body care), “domol” (cleaning and washing agents) and “alouette” (tissues, kitchen roll and toilet paper). The cosmetics from “Rival de Loop” combine the latest research findings in the field of skin physiology with maximum skin care comfort and convenience. As a result, the Rival de Loop brand has boasted the highest-quality cosmetics system of all cosmetic brands in Germany for many years.

Virtually all of the products in the natural cosmetics range “Alterra” bear the NATRUE Label. The basic principle behind NATRUE’s activities is the belief that natural cosmetics should contain as many natural raw materials as possible.





Motif from the Quality Brands advertising campaign in 2015

The ROSSMANN Quality Brands “Alterra” and “enerBiO” were both awarded the international “Green Brands 2013” seal of approval for their green product policy. This seal focuses on brands’ conservation of natural resources and commitment to sustainability. A three-stage validation process is used to evaluate factors such as energy consumption, transport, emissions, resource protection, water consumption, packaging and the production of raw materials. Both Alterra and enerBiO were able to impress the Green Brands jury as everyday “green brands” with product ranges that are oriented towards buyers’ awareness of the importance of environmental protection and a healthy life-style. The Alterra brand focuses on using high-quality organic raw materials and ingredients that

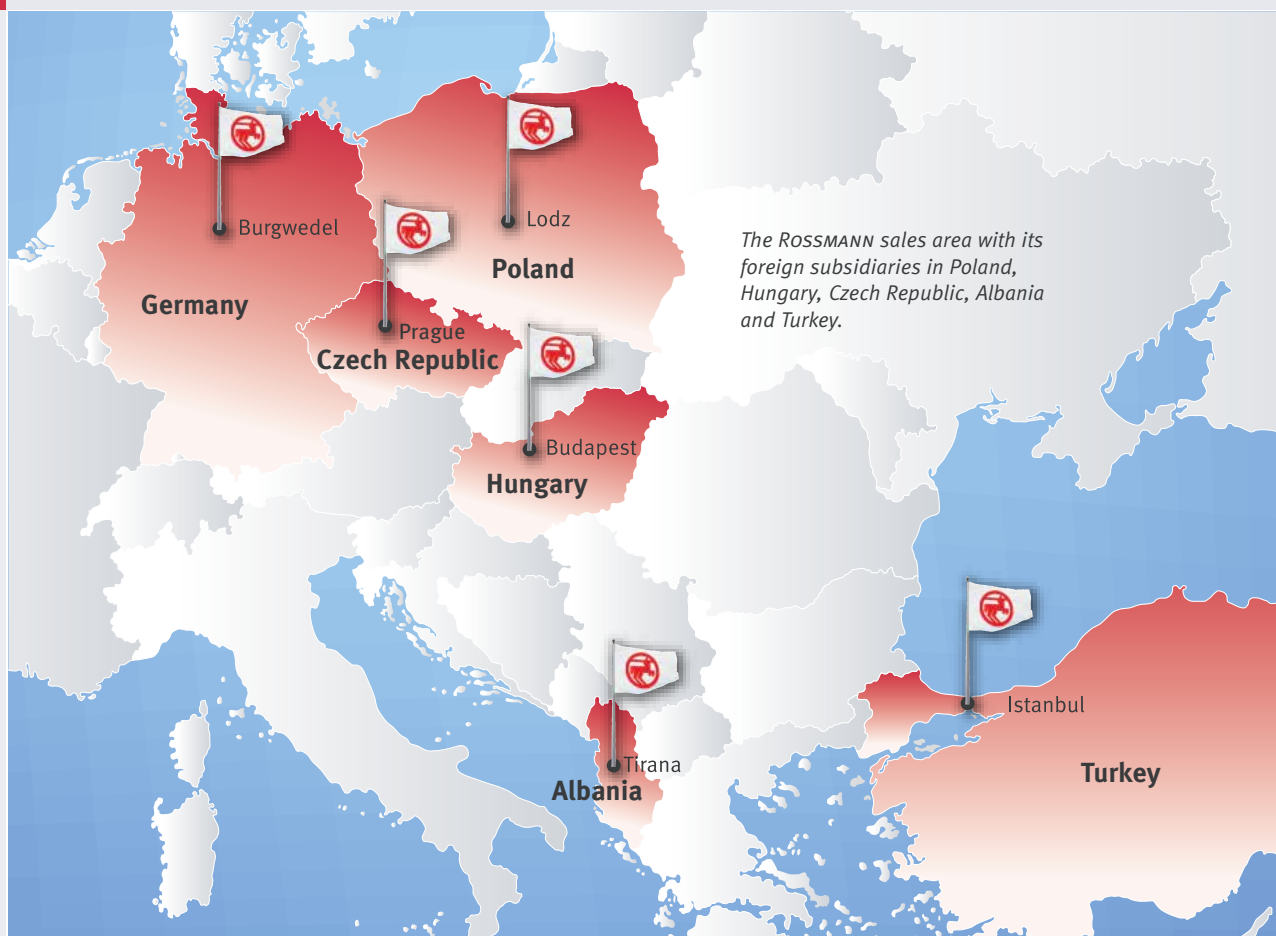
are mild on the skin in its more than 170 different products. The natural cosmetics line also uses no animal testing.

The 350 products in the enerBiO range all comply with the EU regulations for organic foodstuffs. All of the products sold under ROSSMANN’s enerBiO brand name are sourced from certified organic growers and are not genetically modified. The brand also favours German and regional farming projects and clearly marks all products suitable for allergy sufferers or vegans. ROSSMANN’s own brands additionally feature successful packaging, with all folded boxes displaying the FSC logo with the additional text “Mix”, meaning that the wood used to produce the packaging is sourced solely from controlled forests or that the box is made of recycled material. The aim is to use 80 percent of this material in all folded boxes.

A number of other well-known seals of approval such as the “Bio” label for organic products, the Blue Angel, the FSC logo, the PEFC logo and the Vegan Trademark all help to reinforce trust in the company’s own brands. With its “babydream” baby milks, foods, juices and sparkling drinks of certified organic quality, fair-trade products from “enerBiO” and its own coffee products from “Laudatio”, ROSSMANN has established its own innovative product ideas in extremely sensitive areas.

The high quality and significant price advantage offered by the ROSSMANN Quality Brands have enabled them to become a real customer magnet in the core range of products available from the health and beauty retailer. They guarantee strong customer loyalty and a successful future for the ROSSMANN health and beauty stores.





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