

Press Release

Woolworth with a new concept for brand sports goods

- During the first roll-out phase, 60 stores will receive brand sports goods at a discount price -
- Insolvency administrator enhances attractiveness for customers with a new presentation concept -

Frankfurt a. M., on 18 August 2009. Woolworth will be the first in the trade to offer brand sports goods at discount prices within a separate prominent presentation concept, under the name 'Jump an Run'. It will, for instance offer sports shoes from the well-known brands Nike, Adidas, Puma and Reebok at particularly favourable prices, in the sports goods presentation areas furnished especially for this purpose. The first 60 stores will step-by-step start offering brand sports goods in addition to the established Woolworth product range within the next few weeks. "If you can buy your favourite brand of sports shoes at a 40 to 60 per cent lower price, this is an offer you can't refuse. With this concept we can show that Woolworth faces competition with innovative plans and that it also has positive prospects, with a new store concept and new ideas", says Heinz Thünemann, manager of Deutsche Woolworth GmbH based in Frankfurt am Main. About 60 percent of The Woolworth 'Jump and Run' offers will be sports textiles, 40 percent will be sports shoes and sports accessories for ladies, men and children, thus ideally complementing its concept as a family discount store.

The sale of the brand goods at discount prices is made possible through an exclusive contract with Sports Concept GmbH from Oberhausen, who will completely take over purchasing and product management. The 'Jump an Run' presentation areas will not be designed according to the classical shop-in-shop concept with personnel provided by the brand manufacturer. Rather, Woolworth will sell the sports goods with its own staff, and the customer will also pay for the brand goods at the Woolworth cash register. The 'Jump and Run' areas between 300 and 500 square meters are an optimum addition to the medium-sized Woolworth stores. Therefore, the Woolworth stores with more than 1500 square meters fit perfectly into the continuation concept. By the end of October, Woolworth will conceptually restructure all of the approximately 150 stores which will continue in business, will visually redesign them, and invest an eight-figure sum in the process. "This is a clear sign for the employees and the customers that Woolworth will be able to successfully face the competition by means of the restructuring", insolvency administrator Ottmar Hermann says. Sales in the newly redesigned test stores (Offenbach, Ludwigshafen, Frankfurt-Sachsenhausen and Frankfurt-Hoechst) were said to be very stable, and in some cases even to have increased considerably, so that after the modernisation of all stores which will continue in business, black figures can be expected for the second half of the year.

HERMANN Rechtsanwälte, Wirtschaftsprüfer, Steuerberater is a law firm specialising in insolvency law, re-organisation and company law, and, with its ten domestic offices, has been cooperating with international law firms in Zurich, Milan, Amsterdam and London for years. The law firm also is a member of the independent network Lawyers Associated Worldwide (LAW).

Press contact:

dictum law communications Tel. +49-221-37 99 49 50

Pietro Nuvoloni mobile: 0171-310 3025 and **Micha Guttman** mobile: 0171-547 11 60

nuvoloni@dictum-law.com

guttman@dictum-law.com