



Cisco Systems METRO Group Future Store Initiative Backgrounder

Cisco Systems is the worldwide leader in networking for the Internet. Cisco Systems Internet Protocol based (IP) networking solutions are the foundation of the Internet and most corporate, commercial networks around the world.

By working with Cisco and its network of resellers, integrators, and other technology partners, Cisco is helping retailers to build the best possible solutions for increasing productivity, reducing operational costs, and improving customer satisfaction.

Building the Store of the Future

On April 28th 2003 the first METRO Group supermarket showcasing the future of retailing will open. The METRO Group Future Store Initiative is launching a specially constructed store, in the town of Rheinberg, Germany. It has been designed with the assistance of almost forty partners to house the latest in retailing applications.

The Extra Future Store, an inner-city size supermarket will use Cisco Systems Real Time Retail solutions including Cisco's Architecture for Voice, Video and Integrated Data (AVVID), IP telephony, wireless technology, and Content Delivery Network (CDN) technologies to improve communication with employees, enhance the customer experience to drive new revenue streams and bring new efficiencies and cost savings to managing their supply chain with suppliers.

Cisco System's scalable secure IP technology supports the high bandwidth applications that Metro will use within the store such as Radio, Frequency Identification (RFID) and electronic labeling; multichannel communications, customer self checkouts and personal shopping assistants. It will support METRO Group using the store as a medium; by streaming adverts directly to the aisle and building information portals for employees and staff.

"The Future Store combines a complex and innovative interplay of most modern applications in retail for the first time ever, integrating the latest retailing applications over a single, manageable and secure IP architecture. IP communication means voice, data and video are converged onto a single line so that cost efficiencies, manageability, and user mobility are delivered as part of an overall practical solution for us," said Zygmunt Mierdorf, Member of the Management Board of METRO Group. "We are very happy that Cisco with its high international reputation is a core partner of the METRO Group Future Store Initiative."



In Store Mobility

Cisco is providing Wireless LAN (WLAN) infrastructure to deliver store mobility solutions to the Extra store. These offer a dependable, high quality platform for store mobile / scanning devices that run on secure IP networks.

These mobility solutions will improve efficiency throughout the store, both at the point of sale through self scanning devices, and mobile checkouts which will improve the productivity of cashiers reducing checkout times, improving customer satisfaction while reducing costs.

Mobile solutions will bring to life new applications to the store such as RFID Picking & Labelling which will enable real time stock control, “smart shelf” which allows the store to easily and quickly recalculate the size assigned to any product due to seasonal change, or sales figures, or “customer counting” which will enable the store to calculate how many visitors and customers the store receives and how long they stay.

Multichannel Communications

Cisco Systems IP Telephony will deliver significant cost savings to the METRO Group through the convergence of data, voice and video systems. IP Telephony will also give purchasing managers, sales associates and other staff access to new productivity-enhancing services such as integrated messaging and voicemail, access to store inventories, the provision of directory and web services directly on their telephone and the flexibility of moving to any phone and retaining their user profile. It means giving store staff who don't use a PC access to email and the web.

Improving Supply Chain and customer tracking visibility will help the METRO Group maximise sales for examples if a customer needs help locating a product store staff can easily access product descriptions, pricing and availability all without leaving the customer.

Store as a Medium

Cisco Systems Content Delivery Networking (CDN) technology broadcasts audio and video content and data, typically from a central source, to any number of network-based delivery points. In the case of the METRO Group this will be throughout the store sat on kiosks, plasma screens, and Personal Shopping Assistant. Being able to deliver video across the network provides the flexibility to be able to change the content at will – for example broadcasting different presentations for different times of the day and days of the week, using the same infrastructure METRO Group will be able to deliver employee communications or staff e-learning, or providing nutritional information on food.



About Cisco Systems

Cisco Systems, Inc. (NASDAQ: CSCO) is the worldwide leader in networking for the Internet. Cisco news and information are available at <http://www.cisco.com>. Cisco equipment in Europe is supplied by Cisco Systems International BV, a wholly owned subsidiary of Cisco Systems, Inc.

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About METRO Group

METRO Group is a capital market-orientated, highly-competitive retail group with an international profile. The fifth largest trading group in the world operates at more than 2,300 locations in 26 countries – with concepts that meet the highest quality demands. METRO Group has a structured portfolio of group companies: Metro and Makro Cash & Carry wholesale stores, Real hypermarkets, Extra food stores, Media Markt and Saturn electronic consumer stores, Praktiker DIY-stores, Kaufhof department stores. In the year 2002 METRO Group has generated sales of €51.5 billion, employing 235,000 staff. For more information on METRO Group, please visit www.metrogroup.de.

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