

## Press Talk regarding the Economic Year 2008/09

### TRIPLICATION OF THE ANNUAL PROFIT

By slightly increasing the turnover (presently 42 million Euros) the wine trade chain WEIN & CO is pleased to announce a considerably higher annual profit. During the economic year 2008/09, which terminates in September, a triplication of the previous year's profit could be achieved.

Heinz Kammerer, the owner of the wine trade chain with presently 17 shops in Austria, assigns the reasons for this surprising result to the **qualitative measures** which have been made during the last 20 years. *"Many small but accurately analyzed steps have been realized and are responsible for the qualitative impulse within the whole company."*

- While well-thought-out process chains led to a considerable reduction of **logistic costs**, the number of staff members remained the same. However, staff programmes, organized with the assistance of external consultants, verifiably resulted in a higher degree of staff satisfaction in addition to higher profits.

*"Quantitative expansion is certainly not the solution for problems created by an economic crisis, only a serious discussion of the process chains, structures and, above all, the flow of costumers.",* says Heinz Kammerer.

By the way, the "WEIN & CO Movie Star", a series which weekly introduces a certain wine via internet, started this Monday. In addition to the respective wine, an enthusiastic wine consultant from WEIN & CO can be admired:

[www.weinco.at/moviestar](http://www.weinco.at/moviestar)

### Less turnover per customer – but many, many new customers

- One of the effects of the economic crisis is expressed in a slightly reduced average purchase due to an increased demand of low priced wines. WEIN & CO has recognized this factor in due time and developed cooperation projects with cultural institutions, such as the Konzerthaus Vienna or the Museum in the Belvedere Castle, which brought advantages to all partners involved. WEIN & CO was able to gain 2.500 new customers due to the cooperation measures; during the previous economic year, the total WEIN & CO customer database increased by 36.500 new customers to a presently active number of customers of 250.000. 150.000 customers are active VinoCard-holders.
- WEIN & CO executes parallel **data mining programmes** which determine what type of customer has failed to purchase for a certain period of time. A total of 20.000 inactive customers could be regained as regular purchasing customers.

### Specified product range

- The wine and product range at WEIN & CO has changed during the last year. The position of the products has been even more accurately defined. Particularly the low cost range has been expanded. Here the broad selection of South-African wines has particularly proved to be successful.

*"There is a great variety of attractive and individual wines which are sold at a retail price between five and eight Euro. Only experienced wine specialists are able to find, recognize and differentiate them from industrial wines and make them available to the consumer. That's exactly why all staff member of WEIN & CO are perfectly trained, and our buyers count doubtlessly among the top wine experts in this country", states Heinz Kammerer.*

## PREVIEW: QUALITATIVE EXPANSION IN 2010

Following the opening of an additional (the 17<sup>th</sup>) store in Vienna Hitzing at the beginning of December, WEIN & CO plans to massively reconstruct and expand three existing locations in the present economic year 2009/10. WEIN & CO intends to invest a total of more than 3 million Euro into the expansion to three "Mega-Stores". This investment is made in close cooperation with Unibail-Rodamco, Europe's largest owner of shopping centres and, since the previous year, also owner of the SCS (Shopping City South) and the Donauzentrum (Danube Centre).

The new **Megastore in the Shopping City South** will open its doors in May; generously improved tasting possibilities will be offered on a doubled area of 400 m<sup>2</sup> – the new Enomatic system allows keeping up to 40 wines in permanently perfect tasting conditions. This system also makes it possible to serve samples of top-quality wines of more than 30 Euro.

Furthermore, the results of an internal study, which analyzes purchasing motifs of customers, will be put into practice for the first time.

Parallel to the expansion to a mega store, the WEIN & CO headquarters will be transferred from the 22<sup>nd</sup> district to the SCS.

The other mega stores will open in October 2010: in the new section of the Donauzentrum and in the Mariahilfer Straße, where a totally diverse urban wine centre will be opened in a landmark building planned by the architects Henke and Schreieck. This will further develop the successful WEIN & CO bar concept.

## **GASTRONOMY PLATFROM WWW.GLEICHESRECHTFUERALLE.AT**

The present legislation stipulates, with regard to smoking regulations in a gastronomy, that restaurants with more than 50 m<sup>2</sup> floor area must establish a "hermetically closed" separate room for smokers or operate the location as a non-smoking restaurant/bar. Restaurants or bars with a floor area of less than 50 m<sup>2</sup> are not subject to those regulations, but can maintain the present situation and decide whether they wish to operate as smoking or non-smoking.

This regulation affects free competition and obliges more than 50% of gastronomies to make enormous investments (on the average 30.000 to 50.000 Euro) – or the renouncement of smoking guests, which, depending on WEIN & CO experiences and type of restaurants, would involve a customer reduction of 15 -50%. A real lose-lose situation which will prove fatal for many gastronomic locations – particularly in the present economic crisis and its already massive affects on regional gastronomy.

The effects of the present legislation –

### **Chronology of a legally regulated fiasco:**

- 15.000 restaurants and bars with a floor area of more than 50 m<sup>2</sup> are obliged to either senseless reconstructions (each about 30.000 to 50.000 Euro) or the renouncement of smoking guests.
- Approximately 50% belong to a "single-room-gastronomy" or "communication gastronomy" respectively – locations which are massively impaired by this legislation (less affected are restaurants or locations with several rooms)
- At least 50% of the locations (approximately 3.500 locations) cannot dispose of sufficient means for reconstruction and will not be granted further loans due to the widely known banking crisis.
- They are for this reason forced to become a non-smoking location.

- WEIN & CO (voluntary non-smoking-rule in all bars from January to September 2008) knows from experience that smoking guests change to locations where smoking is allowed, if this alternative exists.
- For this reason, un-voluntary, non-smoking-locations will experience massive sales collapses and cause a loss of 7% of jobs in gastronomy. (a total of 20.000 jobs!)
- Smoking will be allowed in 15.000 "small" locations **with no regulations regarding exhaust air**. This causes the health-related aspect of the legislation to become ridiculous.

In order to collect solid arguments for the alteration of the legislation prior to its final effective deadline, the gastronomies **Heinz Kammerer** (WEIN & CO), **Stefan Gergely** (Schlossquadrat), **Bernd Schlacher** (Motto) and **Matthias Kamp** (Passage) have founded the gastronomy platform [www.gleichesrecht fuer alle.at](http://www.gleichesrecht fuer alle.at) (the same right to all) which is open to all interested gastronomies to jointly form a critical mass in favour of a modified legislation.

### **Platform aims**

- a **suspension of the legislation until the economic crises** has been overcome (at least until the end of 2011)
- utilizing this gained time to elaborate a balanced and intelligent regulation which does not interfere with competition but creates the same right for all gastronomies in Austria and adequately considers the health aspects
- taking into account the developments in Brussels (new Commission from 2010 on!) with regard to the new expected regulations on this topic