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otto.de turns 20 – Germany's most adaptable retailer celebrates online shop's anniversary and invests further in technology

The single company OTTO was one of the first German retailers to recognize the significance of the Internet for the sector as early as in 1995, when it launched an initial version of what today is the largest German online shop for Fashion and Lifestyle (B2C). Fast-forward 20 years and the online shop, now based on proprietary software using Responsive Design, has received the 2015 German Online Retail Award. The Hamburg-based company's ongoing journey into the digital future will be further speeded by a co-determined corporate vision, the creation of a new Corporate IT Division and investments in Business Intelligence.

The October 1995 issue of OTTO's employee magazine reported on a step into a new world that sounded like an experiment – and one to which very few customers had access at the time: "Since 5 September Otto Versand has been present on the Internet, the world's largest computer network. This step will allow us to gather additional experience in handling interactive media." At that moment few could have predicted the role that this "interactive medium" was to play for retail, and to what extent it would shake up the competitive environment.

Some 20 years later, OTTO is a leading online retailer – and is reporting profitable growth for the fifth year in a row, with revenue of 2.335 billion euros for the 2014 / 2015 financial year.

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The company's entrepreneurial vision, its courage in testing new technologies early on and its implementation of these for the benefit of its customers have all paid off:

- OTTO is the largest German online retailer in the Fashion and Lifestyle (B2C) sector
- OTTO is the German market-leader in online furniture retail
- almost one in two washing machines ordered online today comes from OTTO
- otto.de has now reached about one million visits a day
- customers have more than 2.1 million items to choose from
- the online share of the single company OTTO's revenue already exceeds 85 percent
- around one in two visitors accesses otto.de via a smartphone or tablet

"20 years of otto.de are 20 years of successful change. We are proud to be the only 'Big Book' mail-order retailer to have truly mastered the transformation of its business model," summarises Alexander Birken, Member of the Executive Board Otto Group, Multichannel Distance Selling, Spokesman OTTO, on the occasion of the anniversary. "We know that we are just starting out on our journey – and that the destination is uncertain, as it is impossible to forecast today how we are going to be shopping in 2035. But we are facing this challenge with confidence. OTTO's recipe for success is to be where the customers are, and to accompany them going forward according to their needs and preferences. And this is what we will keep doing."

A major milestone in the company's transformation was the switch to online-shop software for otto.de that was developed in-house and rolled out in October 2013. Dr Thomas Schnieders, Vice President E-Commerce, Innovation & Platform, remembers: "The fact that we as a retailer dared to develop our own Enterprise E-Commerce platform did cause quite a stir in the industry." With this step, OTTO laid the foundation for the subsequent implementation of Responsive Design for its online shop, which today guarantees that otto.de is optimised for use on very different end-terminals.

In this anniversary year the company is not taking much time to sit back and reminisce, however; rather it continues to focus consistently on the way ahead. In order to accelerate the company's journey into the digital future, on 1 August Dr Michael Müller-Wünsch will strengthen the OTTO Management Board as an additional Member exclusively responsible for IT. The company is making major investments into the further use of Business Intelligence, for instance to be able to provide otto.de customers with even more relevant

real-time offers in future. In the current financial year the company intends to make a tripledigit million-euro investment in assortment design, technology and brand development.

A jointly defined and clearly formulated company vision unites employees: they want to make OTTO the best and most personal digital retailer – with customer proximity in its daily business, innovative technology and genuine passion. To help realise this vision, OTTO is looking for around 300 new employees at its Hamburg location in 2015, especially IT, online marketing and e-commerce experts.

For customers, the anniversary party starts now and will last throughout the entire Autumn / Winter season at <u>www.otto.de/20jahre</u>. This will bundle a succession of attractive anniversary special offers, customer advantages, entertainment, campaigns and prize competitions. In addition, OTTO will invite its customers repeatedly to join in the celebration through newsletters, social media channels and catalogues. The linking element is the anniversary symbol and 'iconofetti' specially created to go with it, which will be scattered both online and offline. The company's 'Good reasons – found at otto.de' campaign will continue to supply customers with creative, tongue-in-cheek arguments to go on a shopping spree on otto.de, while encouraging its community to invent their own. From September all these arguments will be gathered under the #GuterGrund hashtag at a social-media hub created specifically for the anniversary.

Further information about the topic is available at www.otto.de/unternehmen.

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