

METRO Group

The Spirit of Commerce



ANNUAL REPORT 2007

Annual Financial Statements of METRO AG



RETAILING – IT'S ABOUT PEOPLE

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MANAGEMENT REPORT

OVERVIEW OF THE FINANCIAL YEAR 2007 AND OUTLOOK

METRO Group met its sales and earnings targets in the financial year 2007, marking the strongest growth since 1998. The company remained on its course of profitable growth and rigorous international expansion.

As the management holding company of METRO Group, METRO AG is reliant on the direction of METRO Group in terms of business trends, position and anticipated developments, including risks and opportunities.

EARNINGS POSITION

- Regular earnings amount to €535.2 million compared to €830.8 million a year earlier
- Investment result declines to €696.6 million from €894.2 million in the previous year
- The sale of intangible assets had a positive effect on prior-year results

FINANCIAL AND ASSET POSITION

- The asset situation depends primarily on financial assets of €8,000.0 million as well as receivables from associated companies of €3,244.3 million
- Equity increases by €199.7 million to €5,112.5 million
- At €12,266.6 million, total assets are slightly lower than a year earlier

OUTLOOK OF METRO GROUP

In the context of its profitable growth strategy, METRO Group expects to be able to increase sales by more than 6 percent during the current financial year 2008 as well as over the medium term. In the process, the company plans to open about 40 Metro Cash & Carry stores a year as well as over 70 Media Markt and Saturn stores and around 15 Real hypermarkets. EBIT before special items is expected to increase faster than sales. Investments of METRO Group are likely to exceed the prior-year level.

METRO Group also aims to achieve another increase in Economic Value Added (EVA), its key measure of corporate success.

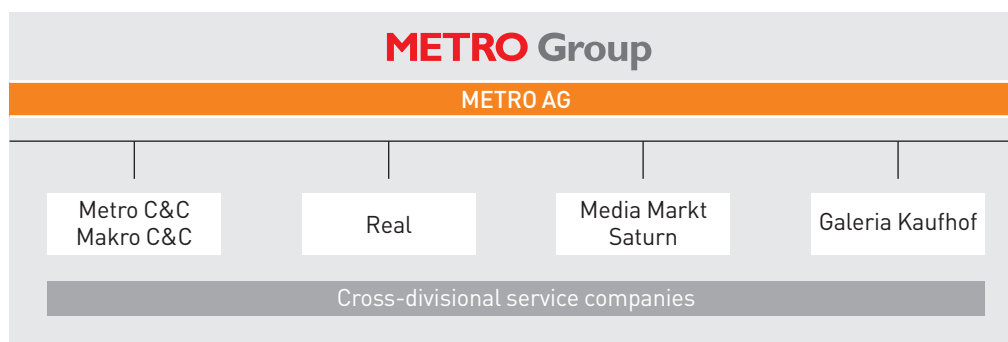
1. GROUP STRUCTURE

Our Group of companies is headed by METRO AG, which is based in Düsseldorf and acts as a strategic management holding company. The Group's operative business is handled by four sales divisions that operate independently with specific merchandising concepts and, in some cases, several sales brands in their respective market segments.

The Extra sales brand was sold to the Rewe Group on 17 January 2008 with effect from 1 July 2008. This concerns 245 supermarkets and a sales volume of €1.6 billion in 2007. The transaction is subject to the approval of the merger control authority. Extra is no longer part of METRO Group's portfolio of sales brands and is shown as a discontinued operation. The 2007 financial results have been adjusted for the results of the Extra sales brand. The previous year's figures – with the exception of the balance sheet – have been adjusted accordingly.

Cross-divisional service companies support the sales divisions by providing Group-wide and cross-divisional services in areas such as procurement, logistics, information technology, real estate management and business solutions.

METRO Group and its sales brands at a glance



OUR SALES BRANDS

Metro Cash & Carry is the global market leader in self-service wholesaling. Operating under the Metro and Makro brands, it is our biggest and most international sales division with operations in 29 countries. Its product assortment is geared exclusively towards commercial and wholesale customers.



Real is the market leader in the German and Polish hypermarket sectors. The sales brand has also successfully established itself in Turkey, Russia and Romania.



Europe's No. 1 consumer electronics retailer: the Media Markt and Saturn sales brands convince with their innovative, powerful and large-scale sales and marketing concepts. Both have been posting strong growth in recent years and are rigorously expanding their market-leading position in Europe.



Galeria Kaufhof is the concept and system leader in the German department store sector and the market leader in Belgium. The sales division's department stores help boost the appeal of shopping zones and city centres with their sophisticated, high-quality assortment presented in product worlds that reflect a modern lifestyle-orientated sales approach.



GROUP-WIDE BUNDLING OF CENTRAL FUNCTIONS

Over the past 10 years, we have implemented a cross-divisional organisation of central retail functions and have bundled these in cross-divisional service companies. This pooling of skills and know-how creates synergies that benefit all of our sales brands – through such things as cost advantages in procurement or special quality standards.

Business solutions for METRO Group

Due to the dynamic internationalisation of METRO Group and the increasing integration of concepts, processes and IT systems, MGS METRO Group Solutions took on a number of additional functions in the financial year 2007 to complement MGS's role as a sub-holding company of all cross-divisional service companies. MGS defines and harmonises operative as well as administrative processes and provides the sales divisions and cross-divisional service companies of METRO Group with standardised turnkey solutions. These business solutions consist of specialist process know-how as well as IT systems and implementation support. The range of business solutions offered extends from improved procurement and logistics processes through standard solutions for merchandise management or check-out processes in the sales divisions' stores to uniform working and information platforms for administrative employees. This means that MGS is responsible for the definition, harmonisation and continued development of business processes along the entire value chain of METRO Group.

Procurement

Procurement is one of the core competencies of a retailing company. MGB METRO Group Buying organises and is responsible for the procurement of food and nonfood products on a national and international level. Strategic procurement provides decisive competitive edges: low prices, optimal conditions and consistently high quality standards. Our suppliers regard this procurement company as a strong and reliable partner that values long-term business relationships built on mutual trust.

Low procurement costs allow us to offer our customers low retail prices. This is why the competitiveness and profitability of retailing companies depend to a great extent on the professional usage of synergies in procurement. As early as 2006, MGB optimised its organisational structure in order to better exploit cross-country and cross-divisional potential: as an umbrella organisation, MGB METRO Group Buying International sets the strategic direction of four regional organisations – South, East, West and Central. These organisations bundle the procurement activities for up to eight countries at a time. Thanks to their close regional proximity to customers and suppliers, they can gain substantial market intelligence and respond even more flexibly to local customer needs. MGB METRO Group Buying Hong Kong is responsible for import and export trade with Asia.

Logistics

As the logistics service provider of METRO Group, MGL METRO Group Logistics is responsible for providing the sales divisions with the right product to the right place at the right time and in the right quantity and quality. The broad merchandise assortment and related specific logistics challenges mean that MGL must handle heterogeneous and complex demands from the sales brands. Aside from

cost efficiency and quality assurance, speed and flexibility play a key role in the processes. In its work, MGL relies on the bundling of merchandise volumes, standardised logistics solutions, and optimal use of ground, air and sea transport.

The successful bundling of merchandise flows is based on the procurement logistics concept, which has won much praise from experts. Under the central management of MGL, the lion's share of merchandise flows in procurement logistics makes its way from the suppliers via networks of high-performance logistics partners to the stores of METRO Group, without any interim storage. This system offers such benefits as cost savings and lower transport-related environmental damage thanks to the reduction of tonne-kilometres. At the same time, the number of deliveries at the stores' loading ramps declines – which also produces cost advantages and helps the environment.

In the context of its warehousing and distribution logistics, MGL also achieves additional synergies and efficiency gains from the management of 11 own nonfood and food warehouses in Germany. In addition, MGL manages all central warehousing activities outside Germany.

Information technology

Managing Group-wide data and information flows is just as demanding as managing merchandise flows. MGI METRO Group Information Technology, which has five subsidiaries in Poland, Romania, Russia and Turkey, handles this task. MGI develops merchandise management, logistics and data warehousing systems, among others, and pioneers innovative technologies such as Radio Frequency Identification (RFID) in the context of Advanced Retailing. In addition, MGI operates one of Europe's biggest Group networks and guarantees the functionality and performance of the IT infrastructure across all divisions both on a national and international level.

Real estate management

METRO Group Asset Management combines a high level of expertise in the real estate business with retail-specific know-how. The company is one of Germany's major retail real estate managers and oversees more than 750 properties totalling 8 million square metres of commercial space worldwide. Its facility management activities for about 1,700 locations cover 16 countries. METRO Group Asset Management focuses on the continuous development of METRO Group properties, the creation of sustained value added and potential divestments of property. In the process, economic efficiency and environmental sustainability do not contradict each other. Architects, engineers, economists and property experts work hand in hand to fulfil the Group's responsibility toward society and the environment. For example, a growing number of locations use central building control systems to deploy and monitor low-energy heating and ventilation systems. In Turkey, a shopping centre with one of the Mediterranean area's biggest geothermal facilities was opened in August 2007. Individual locations already generate electricity from photovoltaic systems. In this way, METRO Group Asset Management sets standards for future-orientated commercial real estate properties on an international level.

2. BUSINESS DEVELOPMENTS

a) OVERVIEW OF GROUP BUSINESS DEVELOPMENTS

METRO Group can look back on a positive business development in 2007. The company continued to strengthen its position as one of the most important and largest international retailing groups in terms of sales strength. With a significant increase in the German and international business, Group sales reached a record of €64.3 billion, with the help of the acquisitions of Wal-Mart Germany and the Polish Géant hypermarkets in 2006 and adjusted for the sales of the Extra supermarkets. The foreign share of Group sales climbed to 59.1 percent. Our continued international expansion made the key contribution to the business success of METRO Group. Group EBIT totalled €2,098 million, exceeding the prior-year amount adjusted for Extra and one-time effects in 2006 (€1,928 million) by 8.8 percent.

b) BUSINESS DEVELOPMENTS AT METRO AG

In the financial year 2007, the development of METRO AG's investments largely set the course for the company's business development. At €696.6 million, the total investment result is lower than the year-earlier figure of €894.2 million. It should, however, be noted that the prior-year amount included one-time effects of €143.1 million from the sale of all stakes in Praktiker Bau- und Heimwerkermärkte Holding AG remaining after the company's initial public offering.

3. EARNINGS POSITION

a) GROUP SALES

In the financial year 2007, METRO Group raised Group sales by 10.4 percent to €64.3 billion (previous year: €58.3 billion). This was the highest growth rate since 1998. Sales growth accelerated significantly compared with the previous year, thanks partly to the acquisitions of Wal-Mart Germany and Géant's Polish business. The sales volume generated by the acquired Géant hypermarkets and Wal-Mart stores contributed to our positive business development, reaching €2.3 billion. Without these acquisitions, Group sales rose by 7.4 percent in the reporting year.

On 17 January 2008, the Extra sales brand was sold to the Rewe Group, effective 1 July 2008. This transaction concerns 245 supermarkets with a combined sales volume of €1.6 billion in 2007. As a result, Extra is no longer included in METRO Group's portfolio of sales brands and is accounted for a discontinued operation of METRO Group. The financials were adjusted for the results of the Extra sales brand, and the previous year's figures – with the exception of the balance sheet – were adjusted accordingly.

In Germany, METRO Group raised its sales by 6.1 percent to €26.3 billion in 2007 (previous year: €24.8 billion). This increase was attributed mostly to the acquisition of Wal-Mart. Adjusted for this acquisition, sales were 0.7 percent higher than a year earlier. Group sales abroad rose by 13.6 percent to €38.0 billion (previous year: €33.5 billion). At 59.1 percent, the foreign share of Group sales reached a new record high. Excluding the acquired Géant hypermarkets in Poland, foreign sales were up 12.3 percent. Exchange rate effects supported foreign sales by +0.4 percentage points. Group sales in Western Europe were up by 5.7 percent to €20.5 billion (previous year: €19.4 billion). Dynamic growth was again generated in Eastern Europe, where sales increased by 24.4 percent to €15.7 billion (previous year: €12.6 billion). Even excluding the acquisition of Géant's Polish stores, sales in Eastern Europe rose by 21.0 percent. Organic growth was 3.4 percentage points higher than a year earlier. METRO Group increased sales by 26.8 percent to €1.8 billion in Asia and Africa.

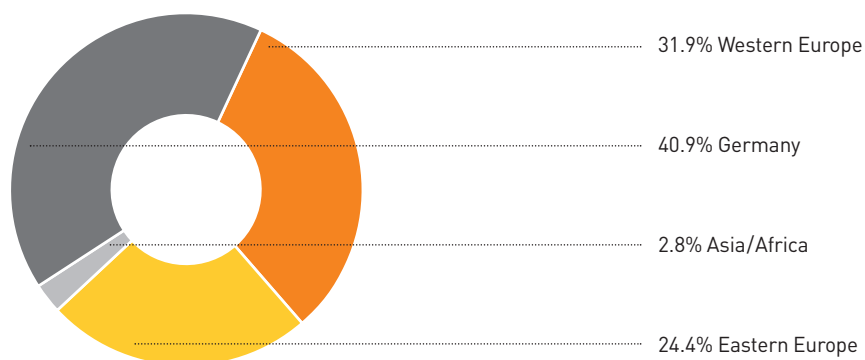
Development of Group sales by sales divisions and regions

| | 2007 € million | 2006 ¹ € million | Change | |
|------------------------|-------------------|--------------------------------|--------------|-------------|
| | | | € million | % |
| Metro Cash & Carry | 31,698 | 29,907 | 1,791 | 6.0 |
| Real | 11,003 | 8,775 | 2,228 | 25.4 |
| Media Markt and Saturn | 17,122 | 15,156 | 1,966 | 13.0 |
| Galeria Kaufhof | 3,556 | 3,609 | (53) | (1.5) |
| Other companies | 958 | 832 | 126 | 15.1 |
| METRO Group | 64,337 | 58,279 | 6,058 | 10.4 |
| of which Germany | 26,330 | 24,824 | 1,506 | 6.1 |
| of which abroad | 38,007 | 33,455 | 4,552 | 13.6 |
| Western Europe | 20,539 | 19,439 | 1,100 | 5.7 |
| Eastern Europe | 15,663 | 12,592 | 3,071 | 24.4 |
| Asia/Africa | 1,805 | 1,424 | 381 | 26.8 |

¹Adjustment of previous year's amounts due to discontinued operations

Group sales 2007

by region



b) GROUP EBIT

Group EBIT of METRO Group increased by €90 million to €2,098 million in 2007. Adjusted for Extra and one-time effects in 2006 from the repositioning of Real, including the acquisitions of Wal-Mart Germany and the Géant business in Poland, EBIT rose by €170 million, or 8.8 percent, in the financial year 2007.

EBIT in Germany decreased to €582 million from €692 million. This decline was due mostly to the earnings effects related to the acquisition of the Wal-Mart Germany group in the previous year. Key growth driver of the business development came once again from the Group's foreign business, which posted a strong increase in earnings of 15.5 percent to €1,514 million. Particularly in Eastern Europe, EBIT rose by 26.4 percent to €805 million.

Group EBITDA increased from €3,242 million to €3,381 million in the reporting year. Adjusted for Extra as well as one-time effects in 2006 from the repositioning of Real including the acquisitions, EBITDA rose from €3,162 million to €3,381 million.

Development of Group and divisional EBIT

| | 2007 € million | 2006 ¹ € million | Change | |
|--|--------------------|--------------------------------|-------------|--------------|
| | | | € million | % |
| Metro Cash & Carry | 1,243 | 1,111 | 132 | 11.9 |
| Real | (16) | 70 ² | (86) | – |
| Media Markt and Saturn | 614 | 587 | 27 | 4.5 |
| Galeria Kaufhof | 107 | 82 | 25 | 31.3 |
| Other companies/consolidation | 150 | 158 ² | (8) | (5.2) |
| METRO Group | 2,098 | 2,008² | 90 | 4.5 |
| Financial result | (519) | (444) | (75) | (16.9) |
| Earnings before taxes | 1,579 | 1,564 | 15 | 1.0 |
| Income taxes | (568) ³ | (485) | (83) | (17.2) |
| Earnings from continuing operations | 1,011 | 1,079 | (68) | (6.3) |

¹Adjustment of previous year's amounts due to discontinued operations and the preliminary accounting for business combinations in 2006

²EBIT of METRO Group in 2006 adjusted for the effects of the repositioning of Real including the acquisitions of the Wal-Mart Germany group and Géant's Polish business amounted to €1,928 million. The adjusted EBIT amounted to €19 million at Real and €129 million at the other companies/consolidation

³Includes special tax items of €–68 million

c) EARNINGS POSITION OF METRO AG AND PROFIT APPROPRIATION

The earnings position of METRO AG is impacted most heavily by investment income which, at €696.6 million, was €197.6 million lower in 2007 than in the previous year. However, this decline is partly due to the fact that the prior-year result includes book gains of €143.1 million from the sale of the Praktiker Bau- und Heimwerkermärkte Holding AG shareholding remaining after the company's initial public offering.

The investment result includes income from profit and loss transfer agreements of €690.7 million (previous year: €781.8 million) as well as income from investments of €98.0 million (previous year: €129.9 million). Aside from income absorption from the Metro Cash & Carry, Media Markt and Saturn and Kaufhof sales divisions and other companies, earnings from profit and loss transfer agreements also include loss absorption from the food retail business. Investment income results mostly from real estate companies.

Losses of €91.9 million absorbed during the reporting year (previous year: €161.9 million) are primarily attributable to METRO Group service companies.

Other operating income declined to €167.5 million from €264.7 million in the previous year. This decline is due mostly to the realisation of extraordinary earnings from the divestment of intangible assets during the previous year.

After consideration of other income, expenses and taxes, net profit amounted to €566.0 million (previous year: €831.5 million).

After transferring €240.0 million to revenue reserves and considering €69.1 million in profit carried forward from the previous year, the balance sheet profit of METRO AG amounts to €395.1 million.

The Management Board of METRO AG will propose to the Annual General Meeting that, from the reported balance sheet profit of €395.1 million, a dividend of €385.9 million will be paid and that the balance of €9.2 million will be carried forward to the new account. The dividend proposed by the Management Board amounts to

- €1.180 per ordinary share
- €1.298 per preference share.

d) DEVELOPMENT OF ECONOMIC VALUE ADDED (EVA)

Value-creating management forms the foundation for sustainable profitable growth

METRO Group is committed to value-creating management based on Economic Value Added (EVA). This is an internationally recognised control and management system that makes it possible to measure all strategic and operational activities on the basis of their contribution to increasing company value and to make decisions according to it. This applies, in particular, to investment decisions. METRO Group introduced the EVA system across the Group in 2000.

METRO Group's strength is reflected in its ability to continuously increase the company's value through growth and the efficient deployment of its capital.

Positive EVA is achieved when the Net Operating Profit after Tax (NOPAT) exceeds the cost of capital needed to finance the capital employed. NOPAT is defined as operating profit before financing costs, but after income taxes. The cost of capital reflects the expected remuneration to investors for the capital they provide and for their investment risk. It is calculated by multiplying the capital employed by the Weighted Average Cost of Capital (WACC). In 2007, the cost of capital rate of METRO Group remained unchanged from the previous year at 6.5 percent.

Calculation of Weighted Average Cost of Capital (WACC)

(Weighted total cost of capital, or Group WACC)

EQUITY COST OF CAPITAL

| | |
|---|------|
| Risk-free rate of return | 4.2% |
| + | |
| Market risk premium | 5.0% |
| x Beta factor | 1.0 |
| (specific risk premium for METRO Group) | |
| = | 9.2% |

DEBT COST OF CAPITAL

| | |
|---------------------------------|-------|
| Risk-free rate of return | 4.2% |
| + | |
| Average, long-term risk premium | 1.5% |
| = | 5.7% |
| - Tax effect (40%) | -2.3% |
| = | 3.4% |

Weighting at market rates 54%

Weighting at market rates 46%

6.5% of Group WACC

Delta EVA, the difference between current EVA and prior-year EVA, plays the key role in evaluating corporate success. As a result, the development of delta EVA forms a key basis of the variable remuneration system for METRO Group executives.

DEVELOPMENT OF EVA

In 2007, METRO Group once again achieved positive EVA and thus made successful use of its capital employed. METRO Group's EVA reached €538 million, compared with €426 million in the previous year. Metro Cash & Carry as well as Media Markt and Saturn once again posted a significant increase in EVA compared with the previous year's total. Galeria Kaufhof also markedly increased its EVA and, for the first time since the introduction of EVA, earned its cost of capital in 2007.

At 9.0 percent, the RoCE (Return on Capital Employed) exceeded the previous year's result.

| | NOPAT € million | Capital employed € million | EVA € million | RoCE % | Delta EVA ¹ € million |
|-------------------------------|--------------------|----------------------------------|------------------|------------|--|
| Metro Cash & Carry | 1,005 | 6,891 | 557 | 14.6 | 88 |
| Real | 113 | 6,215 | [291] | 1.8 | [4] |
| Media Markt and Saturn | 480 | 2,557 | 314 | 18.8 | 20 |
| Galeria Kaufhof | 76 | 1,071 | 6 | 7.1 | 33 |
| Other companies/consolidation | 257 | 4,693 | [48] | – | [25] |
| METRO Group | 1,931 | 21,427 | 538 | 9.0 | 112 |

¹Delta EVA is based on adjusted previous year's amounts

The cost of capital was reduced by €79 million to €1,393 million, due mostly to the divestment of Extra being taken into account within the EVA calculation. NOPAT rose by €33 million to €1,931 million.

4. FINANCIAL AND ASSET POSITION

a) FINANCIAL MANAGEMENT

Principles governing Group-wide financial activities

METRO AG is responsible for the centralised financial management of METRO Group. METRO AG ensures that METRO Group companies have access to the necessary financing for their operating and investment activities at all times and in the most cost-efficient manner possible. The necessary information is provided by a rolling financial budget for the Group covering all relevant companies over a 12-month planning period. It is updated quarterly and complemented by rolling 14-day liquidity plans.

Loan placement and provision of security as well as the granting of financial support in the form of guarantees and letters of comfort for Group companies are also controlled centrally by METRO AG. The following principles apply to all Group-wide financial activities:

Financial unity By presenting one face to the financial markets, the Group can optimise its financial market conditions.

Financial leeway In its relationships with banks and other business partners in the financial arena, METRO Group consistently maintains its leeway with regard to financial decisions. In the context of the Group's bank policy, limits have been defined to ensure that the Group can replace one financing partner with another at any time.

Centralised risk management The METRO Group's financial transactions are either based on financing requirements or are concluded to hedge risks related to underlying business transactions. METRO Group's total financial portfolio is controlled by METRO AG.

Centralised risk monitoring The potential effects of changes in financial parameters for the Group, such as interest rate or exchange rate fluctuations, are quantified regularly in the context of scenario analyses. Open risk positions, including the conclusion of financial transactions without an underlying business activity, may be held exclusively after accordant approval by the Management Board of METRO AG.

Exclusively authorised contractual partners METRO Group conducts financial transactions only with contractual partners who have been authorised by METRO AG. The creditworthiness of these contractual partners is tracked regularly. The risk controlling unit of METRO AG's finance department monitors the relevant limits.

Approval requirement All financial transactions of METRO Group are concluded with METRO AG. In cases where this is not possible for legal reasons, these transactions are concluded directly between a Group company and a financial partner, but only after METRO AG has given its approval.

Audit security The two-signature principle applies within METRO Group. All processes and responsibilities are laid down in Group-wide guidelines. The conclusion of financial transactions is separated from settlement and controlling in organisational terms.

Financial market communication and rating

Transparent and open communication with financial market participants and rating agencies is a crucial success factor for tapping the debt capital market in order to meet the Group's financial requirements. The purpose of ratings, for example, is to communicate METRO Group's credit rating to potential debt capital investors. As in the previous year, METRO Group is rated as follows by two major international rating agencies:

Rating

| Category | 2007 | |
|------------|---------|-------------------|
| | Moody's | Standard & Poor's |
| Long-term | Baa2 | BBB |
| Short-term | P-2 | A-2 |
| Outlook | stable | stable |

Based on its current ratings, METRO Group has access to all debt capital markets.

Despite the global financial market turmoil caused by the U.S. subprime crisis in the second half of the year, METRO Group was able to generate sufficient liquidity via its established issuing programmes and/or credit lines at all times.

Financial liabilities

The "Debt Issuance Programme" launched in 2000 serves as a source of long-term financing. METRO AG conducted no transactions within the context of this programme in 2007.

For short- and medium-term financing, METRO Group uses ongoing capital market issuance programmes such as the "Euro Commercial Paper Programme" launched in 1999 with a usable volume of up to €3 billion. Another "Commercial Paper Programme" geared especially toward French investors was launched in May 2003 with a volume of €2.0 billion. The average amount utilised from both programmes was €1.7 billion (previous year: €1.7 billion) in 2007.

In addition, METRO Group has access to syndicated lines of credit totalling €2,975 million with terms ending between November 2008 and February 2012. If the credit lines are used, the interest rates range between EURIBOR +20.0 basis points (bps) and EURIBOR +30.0 bps.

The contract terms for the syndicated lines of credit provide for a decrease of 2.5 bps in the spread if METRO Group's credit rating is raised one step. If the rating is lowered by one step, the spread would increase by 5 to 7.5 bps.

Additional bilateral bank lines of credit totalling €791 million (previous year: €834 million) with terms up to one year were available to METRO AG as of 31 December 2007.

On the closing date, €100 million (previous year: €198 million) of the bilateral lines of credit had been utilised.

The following table shows the maturity structure of the financial liabilities. The book and fair values (market values) indicated include the interest accrued when the maturity is less than one year.

| Type of financing | Currency | Total amount issued in Mio. € | Maturity | Nominal values 31 Dec 2007 in € million | Book values 31 Dec 2007 in € million | Fair Values 31 Dec 2007 in € million |
|-------------------------|----------|-------------------------------|--------------|---|--------------------------------------|--------------------------------------|
| Debt Issuance Programme | EUR | 1,000 | up to 1 year | 1,000.0 | 1,055.6 | 1054.3 |
| | | 950 | 1 to 5 years | 950.0 | 950.0 | 956.6 |

The following table depicts the interest rate structure of the financial liabilities:

| Type of financing | Interest terms | Currency | Maturity | Weighted effective interest rate when issued (%) | Issuanc volume in € million |
|-------------------|-------------------|----------|--------------|--|-----------------------------|
| Bonds | Fixed interest | EUR | up to 1 year | 5.13 | 1,000.0 |
| | | | 1 to 5 years | – | – |
| | | | over 5 years | – | – |
| | Variable interest | EUR | up to 1 year | – | – |
| | | | 1 to 5 years | 4.13 | 950.0 |
| | | | over 5 years | – | – |

The fixed interest rate of short- and medium-term financial liabilities essentially corresponds to the displayed remaining terms. The repricing dates for variable interest rates are less than one year.

b) CASH FLOWS

During the reporting year, material cash inflows resulted from the redemption of loans to Group companies in the amount of €44.2 million and from higher liabilities to banks in the amount of €150.4 million. Considering financial transactions within METRO Group and other transactions, cash flows decreased by €108.0 million as of the closing date compared to the previous year.

c) CAPITAL STRUCTURE

Liabilities are made up of €5,112.5 million (previous year: €4,912.8 million) in equity and €7,154.1 million (previous year: €7,194.1 million) in debt and deferred income. The equity ratio amounted to 41.7 percent as of the closing date compared to 40.6 percent a year earlier. Provisions declined by €81.6 million, totalling €380.3 million as of the closing date. Liabilities to banks rose by €150.4 million to €158.3 million. Liabilities to associated companies declined to €4,420.0 million from €4,584.4 million a year earlier, while other liabilities increased by €56.4 million to €185.7 million as of the closing date.

5. ASSET POSITION

As of the closing date, assets total €12,266.6 million and are comprised mostly of financial investments to the amount of €8,000.0 million and receivables from associated companies to the amount of €3,244.3 million. The decline in financial assets by €46.1 million from €8,046.1 million was primarily attributable to redemptions of loans to associated companies. Financial assets now make up 65.2 percent of total assets. Receivables from associated companies increased by €334.4 million compared to the previous year, totalling 26.4 percent of all assets as of the closing date.

Cash on hand, bank deposits and checks declined by €108.0 million to €794.1 million compared to the previous year.

6. EVENTS AFTER THE BALANCE SHEET DATE (SUPPLEMENTARY REPORT)

EVENTS AFTER THE BALANCE SHEET DATE

By contractual agreement, Real SB-Warenhaus GmbH sold its Extra supermarkets to the Rewe Group as of 17 January 2008. The contract is subject to the approval of the merger control authorities.

Further events that are of material importance to an assessment of the earnings, financial and asset position of METRO AG and METRO Group did not occur by 25 February 2008.

7. RISK AND OPPORTUNITIES REPORT

METRO Group aims to seize opportunities and limit risks. As a result, it regards risk management as an integral part of value-creating business management. It is based on a systematic process of risk identification, assessment and control for the entire Group. This allows us to recognise unfavourable developments early on and promptly take corrective action. We also ensure that opportunities are identified, assessed and seized in a targeted manner throughout the company.

Centralised management and efficient organisation

METRO Group's risk management officer continuously and promptly informs the Management Board of METRO AG of important developments in risk management. Based on an annual Group-wide risk audit, the risk management officer writes the risk report. An essential function of central risk management at METRO Group is to ensure the Group-wide exchange of information on risk-relevant issues and to develop risk management in all sales divisions and Group units. This involves coordinating the Group-wide recording and systematic assessment of all essential risks according to uniform standards. The risk management officer compiles the results in a risk portfolio that provides the basis for determining METRO Group's total risk and opportunities situation.

Group-wide risk management tasks and responsibility for risk management are clearly regulated and mirror METRO Group's corporate structure. This combines centralised management by the management holding company METRO AG with the decentralised operative responsibility of the individual sales divisions. The sales divisions and consolidated subsidiaries are thus responsible for the risks, in particular operative risks. They oversee risk management, while METRO AG supervises its implementation. Risk management is discussed by the Supervisory Board and its Accounting and Audit Committee.

Economic value added (EVA) as a risk assessment factor

The crucial benchmark for corporate success is the principle of Economic Value Added (EVA) that is used across the Group. EVA, i.e. the sustainable increase in enterprise value, is also METRO Group's guiding principle when deciding whether to accept specific risks. In particular, EVA is an important criterion for investment decisions. Entrepreneurial risks are taken only if the concomitant risks are manageable and where the opportunities involved promise reasonable value added.

Strict risk policy principles

Risks incurred in conjunction with the core processes of wholesale and retail trading are borne by METRO Group. Core processes in this context are the development and implementation of business models, decisions on store locations, the procurement of merchandise and services, human resources development relating to specialists and managers, as well as liquidity protection. As a matter of principle, METRO Group does not assume risks that are not related to core or support processes.

Clearly defined risk management details

To guarantee the coordinated implementation of risk management measures, all relevant facts have been laid down in several sets of rules, including the Articles of Association and by-laws of the Group companies, internal Group procedures and the risk management manual of METRO AG. The latter provides information on how the risk management system works. It offers a comprehensive overview of potential risk areas, assigns responsibility for risk monitoring and provides instructions on how to act. A bottom-up process of risk – and opportunity – identification covering all management levels across the Group ensures that relevant business risks do not go unnoticed. An early warning system assesses business risks in terms of scope for the three-year planning period.

Group reporting promotes internal risk communication

Group reporting is the essential vehicle for the internal communication of risks and opportunities. Annual risk audits, financial statements and monthly forecasts as well as regular contacts among the operating units and their controlling companies ensure the continuous and timely exchange of information. The ongoing monitoring of risk areas is achieved with the help of specified indicators. Sudden material risks are communicated immediately to the responsible decision-making bodies by means of an emergency notification system created specifically for such situations.

Consistent risk monitoring

Within METRO Group, each manager is responsible for overseeing the implementation and effectiveness of risk management in his or her particular area. Risk management officers ensure that the risk management system as a whole is operational and monitor the up-to-dateness of standards and stipulations. In compliance with the provisions of KonTraG (the German Control and Transparency Law), external auditors submit our risk management system to a periodic review. The Management Board and the Supervisory Board are informed about the result of this assessment.

For METRO Group, this results in the consecutively stated internal and external risks that are consistently tied to opportunities arising from our entrepreneurial activities:

Retail business Intense competition in the German and Western European retail sectors, in particular, produces factors that could influence business developments and represent natural business risks. Another general risk is the fluctuating propensity to consume; a factor that depends on numerous political, social and economic parameters. The continuing internationalisation of METRO Group offers the opportunity to offset fluctuating demand in individual countries. At the same time, the Group may be confronted with economic, legal or political risks in other countries.

Constant changes in consumption patterns and customer expectations offer opportunities as well as create risks. They call for a continuous adaptation and optimisation of merchandising concepts. To recognise market trends and changing consumer expectations early on, we regularly analyse internal information and select external sources. Our Group's own market research uses quantitative methods such as time series analyses and market trend forecasts based on the analysis of internal sales figures and market research. The time series analyses include the observation of product segments on the market over a certain period of time. Our sales brands initially test the practicability and acceptance of innovative concept modules in test stores before introducing them systematically and swiftly across all stores. Continuous fund allocation allows for the optimisation of merchandising concepts and the modernisation of stores. These measures help all sales brands maintain their competitive strength.

Locations We consider a presence in the large growth regions of Eastern Europe and Asia as a key investment in our Group's future. By entering these markets, we are using our entrepreneurial opportunity to profit from the rising purchasing power of millions of consumers. However, our rigorous expansion in these economic regions also entails location risks. Comprehensive feasibility studies, which analyse the parameters and opportunities of a foreign market entry in great detail, are one example of how METRO Group identifies these risks.

Suppliers As a retailing company, METRO Group depends on external providers for the supply of goods and services. To prepare for contingencies related to the procurement of goods and services, our company cooperates with a sufficiently large number of suppliers. These suppliers are continuously monitored and have to adhere to the procurement policy standards of METRO Group. These include, for example, the requirements of the Food Safety Initiative, which must be observed by all our suppliers and safeguard food safety standards for all production, processing and distribution levels.

IT and logistics The highly diverse selection of goods in bricks-and-mortar retailing and the high merchandise turnover rate entail fundamental organisational, IT and logistics risks. METRO Group's international focus and our concentration on national, regional and local product assortments in the respective countries add to these risks. Any disturbances in the supply chain, for example involving the supply of goods, could lead to business interruptions. METRO Group minimises these risks, with the help of internal backup systems and specific contingency plans, by working with several parallel service providers to reduce its dependency on individual suppliers and service providers, and by following the principle of efficient internal division of labour.

Human resources The expertise, dedication and motivation of our employees are key success factors that have a decisive impact on our competitive position. To implement its strategic goals, METRO Group depends on highly qualified experts and managers. It is an ongoing challenge to recruit and retain such valuable human resources for the Group, in particular in the face of intense competition for the best people. The demand for qualified personnel is particularly high in markets where METRO Group is expanding. This calls for appropriate programmes for in-house employee qualification. Continuing education and employee training activities promoted at all Group levels are designed to guarantee the professional competence of Group employees. METRO Group offers training and targeted staff development programmes to foster the requisite entrepreneurial skills among its employees. The incorporation of variable pay components linked to business performance levels also serves this purpose, because direct participation in business success increases employees' identification with METRO Group and enhances their awareness of risks and opportunities in all entrepreneurial decisions.

Litigation and taxes Tax risks arise in particular from tax audits. Litigation risks result from labour and civil law proceedings, among others. METRO Group protects itself against both types of risks by setting up special provisions.

Financial risks The finance department of METRO AG manages the financial risks of METRO Group. These include

- price risks,
- liquidity risks,
- creditworthiness risks and
- cash-flow risks.

Price risks For METRO Group, price risks result from the impact of changes in market interest rates, foreign currency exchange rates or share price fluctuations on the fair value of a financial instrument.

Interest rate risks are caused by deteriorating cash flows from interest and potential changes in the fair value of a financial instrument due to changes in market interest rates. Interest rate swaps and interest limitation agreements are used to cap these interest rate risks.

METRO AG's financial liabilities serve mostly to finance its investments in associated companies and loans to Group companies. Non-interest-bearing and fixed-interest assets are thus netted against equity, non-interest-bearing and long-term fixed-interest debt capital. Part of the assets available to the company over the long term are financed via floating-rate debt in the amount of €2,394.0 million. This results in an imbalance between fixed revenues and variable expenses which means that an increase in interest rates will entail an increase in interest expenses (combined with an accordingly higher cash outflow). The notes to the consolidated financial statements include the statement that the Group currently does not face any material interest rate risks.

METRO Group faces **currency risks** in its international procurement of merchandise and because of costs that are incurred in a currency other than the relevant local currency or are pegged to the price of another currency. The resulting currency risk exposure must be hedged at the time it is incurred. Forex futures, interest rate swaps and currency swaps are used in these cases to limit currency risks. the Group currently does not face any material currency risks.

Share price risks result from stock-based compensation of METRO Group executives. The remuneration (monetary bonus) is essentially based on the stock price development of the Metro ordinary shares. Share options on METRO AG ordinary shares are used to cap this risk.

Interest and currency risks are substantially reduced and limited by the principles laid down in the internal treasury guidelines of METRO Group. These include, for example, a regulation that is applicable throughout the Group whereby all hedging operations must adhere to predefined limits and may by no means lead to increased risk exposure. METRO Group is aware that this severely limits the opportunities to exploit current or expected interest rate and exchange rate movements to optimise results.

Hedging may be carried out only with standard financial derivatives whose correct actuarial and accounting mapping and valuation in the treasury system is guaranteed.

To quantify the potential market value losses of all financial instruments, METRO AG uses Value-at-Risk calculations (VaR). A variance-covariance approach is used to determine potential changes in the value of financial positions triggered by changes in interest rates and exchange rates within probable fluctuation bands. In accordance with the treasury guidelines, the observation period used to calculate the potential loss is 10 days and is subject to the supposition that because of the extent of the positions not all positions can be liquidated within a shorter period of time. Other parameters include the historical market data for the past 100 days and a 99 percent confidence level.

Liquidity risks METRO AG acts as financial coordinator for METRO Group companies to ensure that they are provided with the necessary financing to fund their operating and investing activities at all times and in the most cost-efficient manner possible. The necessary information is provided by

means of a rolling Group financial forecast, updated quarterly, and checked monthly for deviations. This financial forecast with a planning horizon of 12 months is complemented by a short-term, weekly rolling 14-day liquidity plan.

Funding needs are met by a mix of money market and capital market instruments (time deposits, call money, commercial paper and bonds sold as part of ongoing issue programmes) as well as bilateral and syndicated bank loans. METRO Group has access to sufficient liquidity at all times so that there is no danger of liquidity risks even if an unexpected event has a negative financial impact on the company's liquidity situation.

Intra-Group cash pooling reduces the amount of debt and optimises the money market and capital market investments of METRO Group, which has a positive effect on net interest income. Cash pooling allows the surplus liquidity of individual Group companies to be used to fund other Group companies internally.

In addition, METRO AG draws on all the financial expertise pooled in its finance department to advise the Group companies in all relevant financial matters and provide support. This ranges from the elaboration of investment financing concepts through supporting the responsible financial officers of the individual Group companies in their negotiations with local banks and financial service providers. This ensures, on the one hand, that the financial resources of METRO Group are optimally employed in Germany and abroad and, on the other hand, that all Group companies benefit from the strength and credit standing of METRO Group in negotiating their financing terms.

Creditworthiness risks Creditworthiness risks arise from the total or partial loss of a counterparty, for example through bankruptcy, in connection with monetary investments and derivative financial instruments with positive market values.

Within the scope of creditworthiness management, all of METRO Group's counterparties must comply with certain minimum creditworthiness requirements. In addition, individual maximum exposure limits have been defined.

The basis for creditworthiness management is a system of limits laid down in the treasury guidelines, which are based mainly on the ratings of international rating agencies or internal credit assessments. An individual limit is allocated to every counterparty of METRO Group; compliance is constantly monitored by the treasury systems.

The following table shows a breakdown of counterparties by credit ratings:

| Grade | Moody's | Rating classes | Volume in % | | Total |
|----------------------|--------------|-------------------|----------------------|---------------------------------------|--------------|
| | | Standard & Poor's | Monetary investments | Derivates with positive market values | |
| Investment grade | Aaa | AAA | 18.1 | 0.0 | 97.0 |
| | Aa1 to Aa3 | AA+ to AA- | 47.8 | 3.7 | |
| | A1 to A3 | A+ to A- | 25.4 | 2.0 | |
| | Baa1 to Baa3 | BBB+ to BBB- | 0.0 | 0.0 | |
| Non investment grade | Ba1 to C | BB+ to C | 0.0 | 0.0 | 0.0 |
| No rating | | | 3.0 | 0.0 | 3.0 |
| Total | | | 94.3 | 5.7 | 100.0 |

The table shows that as of the closing date about 97 percent of the capital investment volume, including the positive market value of derivatives, had been placed with investment-grade counterparties, in other words, those with good or very good credit ratings. Most of the counterparties that do not yet have an internationally accepted rating are respected financial institutions whose creditworthiness can be considered flawless based on our own analyses.

METRO Group's level of exposure to creditworthiness risk is thus very low.

Cash flow risks A future change in interest rates may cause cash flow from variable interest rate asset and debt items to fluctuate. Part of the variable interest rate debt has been hedged with derivative financial instruments. The Treasury Committee, which includes the CFO of METRO AG, determines the extent of these hedging measures on a regular basis. In addition, stress tests are used to determine what impact interest-rate changes may have on cash flow.

For information on uncompleted and unrecognised transactions, please refer to the explanations on derivative financial instruments in the notes.

Summary of the risk situation at METRO Group

On the whole, the assessment of the current risk situation has shown that there are no potentially ruinous risks for the company and presently no risks can be identified that could endanger the company's existence in the future.

8. OUTLOOK

FORECAST ON BUSINESS DEVELOPMENT OF METRO GROUP

We plan to rigorously continue our profitable growth course in the financial years 2008 and 2009. Based on assessments of future economic developments, sector trends and the development of our sales divisions, we project a positive business development of METRO Group in 2008. We are determined to continue to advance our position as one of the leading international retail groups.

In the context of our strategy of profitable growth, METRO Group projects sales growth of more than 6 percent for the Group during the current financial year 2008 as well as over the medium term. To this end, the Group plans to open about 40 new Metro Cash & Carry stores per year, more than 70 Media Markt and Saturn stores as well as around 15 Real hypermarkets. EBIT before special items is expected to increase higher than sales. METRO Group's investments are likely to exceed the prior-year's level.

We also strive for a further increase in Economic Value Added (EVA), the key indicator of our business success.

Investments of about €3.0 million are scheduled for METRO AG during the current the financial year.

9. REMUNERATION REPORT

STOCK-ORIENTED COMPENSATION FOR EXECUTIVES

METRO AG has been implementing stock-based remuneration programmes since 1999. The members of the Management Board and other executives of METRO AG as well as managing directors and executives of the operative METRO Group companies are eligible.

Stock option programme (1999–2003)

In the past, the executives of METRO AG and the cross-divisional service companies received options from a **stock option programme**. The executives of the sales divisions received so-called **stock appreciation rights** that result in a cash payment when exercised.

Participation in the stock option programme gave participants the right to acquire METRO AG ordinary shares at a previously determined basis price for a set period of time. The exercise terms and conditions of the stock options granted stipulated that the company may grant the qualifying beneficiaries cash compensation in lieu of the delivery of new ordinary shares, which is equal to the difference between the opening price and the applicable closing price of Metro shares at the time the options are exercised. This option was used by all beneficiaries of the programme with regard to all subscription rights issued.

The stock options and stock appreciation rights held in the Group during the financial year 2007 changed as follows:

Stock options/stock appreciation rights tranche 2003

| | 2007 | | 2006 | |
|-----------------------|------------------------|------------------------------------|------------------------|------------------------------------|
| | Stock options units | Stock appreciation rights units | Stock options units | Stock appreciation rights units |
| Outstanding on 1 Jan | 30,930 | 88,580 | 507,420 | 1,460,120 |
| Issued | – | – | – | – |
| Executed | 27,950 | 87,780 | 471,020 | 1,263,650 |
| Expired/forfeited | 2,980 | 800 | 5,470 | 107,890 |
| Outstanding on 31 Dec | – | – | 30,930 | 88,580 |

The rights with a maturity of approximately one year could be exercised following the end of a three-year blocking period. The rights could be exercised only if the share price of METRO AG exceeded the basis price by at least 30 percent (exercise hurdle) during the last 20 consecutive trading days before the options were exercised after the end of the blocking period.

The terms of the tranches existing in 2007 are listed in the following table:

| Tranche | Expiration date | Basis price | Exercise price | Stock options | | Stock appreciation rights | |
|---------|---------------------------|-------------|----------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | | | | 31 Dec 2007 units outstanding | 31 Dec 2006 units outstanding | 31 Dec 2007 units outstanding | 31 Dec 2006 units outstanding |
| 2003 | 8 weeks after AGM in 2007 | €26.99 | €35.09 | – | 30,930 | – | 88,580 |

In the reporting year, 27,950 stock options and 87,780 stock appreciation rights were exercised from the 2003 tranche. The average strike price per right was €54.33. A total of 2,980 stock options and 800 stock appreciation rights were forfeited. The contractual residual maturity of the rights from the 2003 tranche ended on 18 July 2007.

Share bonus programme (2004–2008)

In the financial year 2004, a five-year **share bonus programme** was introduced to replace the stock option programme. In contrast to the previous granting of subscription rights, this programme provides the entitlement to share bonuses. The size of the cash bonus depends on the performance of the Metro share price and the parallel consideration of benchmark indices.

The stock bonus programme is divided into a tranche for each year, with the target parameters being calculated separately for each tranche. The maturity of each tranche is three years. The last tranche will be granted in 2008.

The size of the bonus initially depends on the ratio of opening price and target price.

The opening price of each tranche corresponds to the arithmetic mean of the closing prices of METRO AG ordinary share in Xetra trading of Deutsche Börse AG on the 20 last consecutive trading days before the closing date (eight weeks after the respective Annual General Meeting).

The target price, upon which the full bonus is granted, is calculated based on the opening price and assumes a share price increase of 15 percent over the course of three years. A determination about whether the target price has been reached is made by means of the arithmetic mean of the closing prices of the company's ordinary share in Xetra trading at Deutsche Börse AG on the last 20 consecutive trading days before expiration of the relevant three-year period. The bonus increases or decreases proportionately when the share price exceeds or falls below the 15 percent price target.

The size of the respective bonus also depends on the performance of the Metro share compared with relevant share indices. When the Metro share has outperformed these indices, the share bonus is raised to 120 percent. When it underperforms, it is reduced to 80 percent. Outperformance or underperformance applies when the average performance of the Metro share exceeds or lags the performance of the relevant share indices by more than 10 percent. Outperformance or underperformance is determined analogous to the determination of whether the target price has been reached.

The share bonus is principally granted only if the terms of employment within METRO Group have not been ended unilaterally or a contract termination has not been reached by mutual consent at the time of maturity. In addition, the payment of share bonuses can be limited to the gross amount of the annual fixed salary. Any potential excess amounts are used to raise the share bonus during the following three years if the latter is lower than the individually agreed gross annual fixed salary.

The conditions of the tranches granted to executives so far are shown in the following table:

Share bonus

| Tranche | Due date | Basis price | Target price | Total target |
|---------|-----------|-------------|--------------|--------------|
| 2004 | July 2007 | €37.14 | €42.71 | €21,610,000 |
| 2005 | July 2008 | €41.60 | €47.84 | €21,975,000 |
| 2006 | July 2009 | €43.15 | €49.62 | €23,750,000 |
| 2007 | July 2010 | €61.61 | €70.85 | €18,705,000 |

The target bonus values are based on the assumption that the target prices are attained. The value of the share bonuses granted in 2007 was €28.14 million at the time of granting and was calculated by independent experts using recognised financial-mathematical methods (Monte Carlo simulation).

COMPENSATION OF MANAGEMENT BOARD MEMBERS

Compensation for members of the Management Board is a component of an integrated compensation system for executives of METRO Group. It creates performance incentives for the long-term growth of the company's value, and contains both fixed and variable elements. Total remuneration and the individual compensation components are geared appropriately to the responsibilities of each individual board member, his personal performance, the performance of the entire board and the economic situation of METRO AG.

Performance-based compensation

The performance-based compensation for members of the Management Board is determined in large part by the development of economic value added (EVA) and can also include the achievement of individually determined targets.

Positive EVA is achieved when the net operating profit exceeds the cost of capital needed to finance capital employed. NOPAT (Net Operating Profit After Tax) is defined as operating profit before financing costs, but after income taxes. The cost of capital represents the compensation of the investors for the capital they provide and for their investment risk. It is calculated by multiplying the capital employed by the weighted average cost of capital (WACC). In the financial year 2007, the weighted average cost of capital of METRO Group was unchanged from the previous year at 6.5 percent.

Delta EVA, the difference between current EVA and year-earlier EVA, plays the key role in the evaluation of corporate success. The development of delta EVA is therefore also the key basis of the EVA-based remuneration system for members of the Management Board. The EVA compensation system is based on a comparison of delta EVA with defined targets that were set by the Supervisory Board's Personnel Committee under consideration of capital market expectations of value creation. If a target is achieved, an agreed-upon target bonus is paid in full (bonus factor 1.0).

Balanced remuneration systems consider not only the short-term, but also the medium- and long-term development of enterprise value. This is why the annual bonus entitlements from the EVA-based remuneration system are combined with a medium-term bonus bank. Even if the calculated bonus for any one year exceeds the target, it is only paid in full up to the target bonus. Any bonus amount in excess of the target bonus is initially credited to the bonus bank. Irrespective of the payment of the target bonus, a fixed percentage of the bonus bank deposit is paid out each year, with the remaining amount being carried forward. A negative bonus results in a reduction of bonus bank deposits. The negative bonus bank deposit for the sales divisions and METRO AG is capped at a value of -1.0. If a bonus factor of more than +2.0 is generated in one or both of the two the financial years following the capping, the remuneration share resulting from the bonus factor in excess of +2.0 is offset against the capping of the bonus bank. The bonus bank thus serves to balance bonus payments and to promote sustainable management decisions favouring long-term value creation.

The Personnel Committee of METRO AG's Supervisory Board sets the conditions for EVA-based Management Board remuneration, in particular the targets for the development of delta EVA, the target bonuses and the bonus bank system. The concept of value-oriented remuneration and the concrete EVA calculations were reviewed and confirmed by the consulting company Stern Stewart & Co. The Personnel Committee monitors their systematic application to Management Board remuneration.

Share-based compensation with long-term incentives

A stock option programme forms another variable component of Management Board remuneration. It is tied to the direction of METRO AG share price and the sustained success of METRO Group, and measures up to ambitious relevant benchmarks. The actual receipt of compensation from this programme is linked to the fulfillment of all preconditions.

The stock option programme was introduced in the financial year 2004 as a result of a decision by the Presidential Committee and the Personnel Committee of the Supervisory Board at METRO AG for members of the Management Board. It corresponds to the previously mentioned stock option programme for executives of METRO Group. The target bonuses for members of the Management Board are set each year by the Personnel Committee. The payment of the bonus can be limited by a committee decision.

Remuneration in the financial year 2007

The relevant individual amounts for the members of the Management Board are as follows¹:

| €1,000 | Fixed salary | Performance-based entitlements | Share bonuses 2007 | Other remuneration | Total |
|--|--------------|--------------------------------|--------------------|--------------------|---------------|
| Dr. Eckhard Cordes (as of 1 Nov) | 167 | 409 | 0 | 2 | 578 |
| Dr. Hans-Joachim Körber (until 31 Oct) | 833 | 2,044 | 602 | 8 | 3,487 |
| Zygmunt Mierdorf | 800 | 1,635 | 497 | 21 | 2,953 |
| Frans W. H. Muller | 800 | 1,635 | 497 | 151 | 3,083 |
| Thomas Unger | 800 | 1,635 | 497 | 3 | 2,935 |
| Total | 3,400 | 7,358 | 2,093 | 185 | 13,036 |

¹The target bonuses for the share bonus tranches existing during the financial year amounted to: €330,000 each from the 2004, 2005, 2006 and 2007 tranches for Mr. Mierdorf and Mr. Unger, respectively; €330,000 each from the 2006 and 2007 tranches for Mr. Muller, and €400,000 each from the 2004, 2005, 2006 and 2007 tranches for Dr. Körber. The company's pro rata expenses for share-based remuneration with maturities in the financial year 2007 or later can be shown as follows: €1,666,000 for Mr. Mierdorf; €469,000 for Mr. Muller; €1,666,000 for Mr. Unger and €2,044,000 for Dr. Körber (until 31 October 2007).

The amount of the performance-based compensation for the financial year 2007 results from EVA-based compensation entitlements and thus from the company's performance during the current the financial year. As a result of the bonus bank system, full payout for active members of the Management Board depends on EVA factors and, thus, on the company's performance in future years.

Entitlements with long-term incentives (share bonuses) that were granted in the financial year 2007 are posted at their fair value at the time of granting (see table above).

Due to the granting of a monetary target bonus, a number of subscription rights in accordance with §§ 285 Sentence 1 Subsection 9a, 314 Section 1 Subsection 6a German Commercial Code cannot be released.

The payment of the bonuses depends on the previously described conditions of the stock option plan.

Other remuneration includes non-cash benefits from the provision of company cars and benefits related to guidelines for promoting international mobility among executives of METRO Group.

The members of the Management Board did not hold any rights from the stock option programme in the financial year 2007.

Services after the end of employment

In the financial year 2007, a total €0.65 million was used for remuneration of active members of the Management Board of METRO AG for services after the end of their employment. The previously listed amount also covers allocations to reserves for payments following the end of the employment contract of Mr. Mierdorf. These commitments materially provide for a one-time capital sum to be granted when he leaves the company. This will be determined on the basis of the average compensation from the past two calendar years, consisting of salary and performance-based compensation. It will amount to at least the annual salary and performance-based compensation on the basis of a simple EVA bonus.

Furthermore, this provision concerns provisions for pension commitments that will be paid out when Mr. Mierdorf turns 60 or if he were to become permanently incapacitated or his employment contract were to be terminated prematurely or not renewed. In the latter two cases, other income will be deducted from the pension commitments. The pension commitment for Mr. Mierdorf is adjusted annually to cover the increased cost of living. The commitment was made before his appointment to the Management Board.

Should the employment contract be canceled prematurely as a result of changes in oversight and strategy, Mr. Mierdorf will retain the entitlements arising from the employment contract even if he terminates the contract. No such agreements have been reached with employees.

Total compensation of former members of the Management Board

Former members of the Management Boards of METRO AG and the companies that were merged into METRO AG as well as their surviving dependents received €22.9 million. Provisions for current pensions and pension entitlements made for this Group totaled €39.9 million.

COMPENSATION OF THE MEMBERS OF THE SUPERVISORY BOARD

Remuneration of members of METRO AG Supervisory Board is regulated by § 13 of METRO AG's articles of association.

In addition to reimbursement of cash expenses, the members of the Supervisory Board of METRO AG receive a fixed payment and a performance-based payment. Fixed compensation amounts to €35,000 per board member. The performance-related remuneration component is based on earnings before taxes and minorities (EBT) in the METRO AG financial statements. Each member of the Supervisory Board receives €600 per €25 million in EBT exceeding an EBT (before regular goodwill amortisation) of €100 million for the average of the financial year 2007 and the two preceding the financial years. The sales tax payable on the fixed and performance-based compensation is reimbursed to the members of the Supervisory Board in accordance with § 13 Section 5 of METRO AG Articles of Association.

The individual size of fixed and performance-based Supervisory Board remuneration takes into account the duties and responsibilities of the individual Supervisory Board members by consideration of special assignments. The compensation of the chairman of the Supervisory Board is three times higher than that of an ordinary member of the Supervisory Board; that of the Vice Chairman and the Chairmen of the Committees is twice as high; and that of the other members of the committees one and a half times higher, respectively. A Supervisory Board member who holds several offices receives compensation for only one office, in the case of different levels of remuneration for the most highly paid office.

The total compensation of all members of the Supervisory Board amounted to €1.8 million in the financial year 2007. The fixed and the performance-based component accounted for €0.9 million each. The performance-based compensation will be payable after METRO AG's Annual General Meeting on 16 May 2008.

The following individual totals applied in the financial year 2007:

Compensation of the members of the Supervisory Board

| In € | Fixed compensation | Performance- based compensation |
|---|-----------------------|---------------------------------------|
| Franz M. Haniel, Chairman (since November 2007) | 17,500 | 16,684 |
| Dr. Eckhard Cordes, Chairman (until October 2007) | 87,500 | 83,420 |
| Klaus Bruns, Vice Chairman | 70,000 | 66,736 |
| Dr. Wulf H. Bernotat | 35,000 | 33,368 |
| Prof. Dr. Dr. h. c. Klaus Brockhoff | 35,000 | 33,368 |
| Ulrich Dalibor | 52,500 | 50,052 |
| Hubert Frieling (since July 2007) | 17,500 | 16,684 |
| Prof. Dr. Dr. h. c. mult. Erich Greipl | 52,500 | 50,052 |
| Jürgen Hennig | 35,000 | 33,368 |

Chart continued on next page

Compensation of the members of the Supervisory Board

| In € | Fixed compensation | Performance-based compensation |
|---------------------------------------|--------------------|--------------------------------|
| Anja Kiehne-Neuberg (until June 2007) | 26,250 | 25,026 |
| Werner Klockhaus | 52,500 | 50,052 |
| Peter Küpfer | 35,000 | 33,368 |
| Rainer Kuschewski | 35,000 | 33,368 |
| Dr. Klaus Mangold | 35,000 | 33,368 |
| Marianne Meister | 35,000 | 33,368 |
| Dr. rer. pol. Klaus von Menges | 35,000 | 33,368 |
| Dr.-Ing. e. h. Bernd Pischetsrieder | 36,458 | 34,758 |
| Sylvia Raddatz | 35,000 | 33,368 |
| Renate Rohde-Werner | 35,000 | 33,368 |
| Dr. jur. Hans-Jürgen Schinzler | 53,958 | 51,442 |
| Dr. Manfred Schneider | 52,500 | 50,052 |
| Peter Stieger | 43,750 | 41,710 |
| Total | 912,916 | 870,348 |

In the financial year 2007, the members of the Supervisory Board of METRO AG received €0.1 million in compensation from the Group companies for Supervisory Board mandates (and in one case for an advisory council mandate) at Group companies. The amounts listed in the following table apply to the individual members of METRO AG Supervisory Board. Beyond this, the members of the Supervisory Board were not granted any remuneration or benefits for work performed, in particular consulting and brokerage services, on behalf of companies of METRO Group in the sense of Subsection 5.4.7 of the German Corporate Governance Code.

Other intragroup compensation

| in € | |
|--|----------------|
| Ulrich Dalibor | 33,200 |
| Prof. Dr. Dr. h. c. mult. Erich Greipl | 49,800 |
| Rainer Kuschewski | 6,136 |
| Marianne Meister | 9,000 |
| Sylvia Raddatz | 9,000 |
| Peter Stieger | 9,203 |
| Total | 116,339 |

The above amounts did not include the remuneration entitlements of one Supervisory Board member from intragroup Supervisory Board mandates of which the Supervisory Board member waived the payment.

10. NOTES PURSUANT TO § 289 SECTION 4 HGB (GERMAN COMMERCIAL CODE) AND EXPLANATORY REPORT OF THE MANAGEMENT BOARD

COMPOSITION OF CAPITAL

On 31 December 2007, the capital stock of METRO AG totaled €835,419,052.27. It is divided into a total of 326,787,529 no-par-value bearer shares. The proportional value per share amounted to about €2.56.

The capital stock is broken down into the following types of shares:

| | | | |
|---------------------|--|-------------|-----------------|
| Ordinary shares | Shares | 324,109,563 | |
| | Proportional value of the share capital in € | 828,572,941 | (Yields 99.18%) |
| Preference shares | Shares | 2,677,966 | |
| | Proportional value of the share capital in € | 6,846,111 | (Yields 0.82%) |
| Total capital stock | Shares | 326,787,529 | |
| | € | 835,419,052 | |

Each ordinary share of METRO AG grants an equal voting right. In addition, ordinary shares of METRO AG entitle the holder to dividends. In contrast to ordinary shares, preference shares do not carry any voting rights and give a preferential entitlement to profits in line with § 21 of the Articles of Association of METRO AG, which state:

- „(1) Holders of non-voting preference shares will receive from the annual net earnings a preference dividend of €0.17 per preference share.
- (2) Should the net earnings available for distribution not suffice in any one the financial year to pay the preference dividend, the arrears (excluding any interest) shall be paid from the net earnings of the future financial years in an order based on age, i.e. in such manner that any older arrears are paid off prior to any more recent ones and that the preference dividends payable from the profit of a financial year are not distributed until all of any accumulated arrears have been paid.

- (3) After the preference dividend has been distributed, the ordinary shareholders will receive a dividend of €0.17 per ordinary share. Thereafter, a non-cumulative extra dividend of €0.06 per share will be paid to the holders of non-voting preference shares. The extra dividend shall amount to 10 percent of such dividend as, in accordance with section 4, will be paid to the holders of ordinary shares inasmuch as such dividend equals or exceeds €1.02 per share of ordinary shares.
- (4) The holders of non-voting preference shares and of ordinary shares will equally share in any additional profit distribution at the ratio of their shares in the share capital.”

Other rights associated with ordinary and preference shares include in particular the right to attend the Annual General Meeting (§ 118 Section 1 Stock Corporation Law), the right to information (§ 131 Stock Corporation Law) and the right to file a legal challenge or a complaint for nullity (§§ 245 Sub-section 1–3, 246, 249 Stock Corporation Law). In addition to the previously mentioned right to receive dividends, shareholders have a subscription right when the share capital is increased (§ 186 Section 1 Stock Corporation Law), a claim to liquidation proceeds after the closure of the company (§ 271 Stock Corporation Law) and claims to compensation and settlements as a result of certain structural measures, particularly those pursuant to §§ 304 ff., 320b, 327b of the Stock Corporation Law.

LIMITATIONS RELEVANT TO VOTING RIGHTS

An agreement exists among O.B. Betriebs GmbH, Overpart GmbH, BVG Beteiligungs- und Vermögensverwaltung GmbH, Franz Haniel & Cie. GmbH, Haniel Finance B.V., Haniel Finance Deutschland GmbH, Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Haniel Beteiligungs-GmbH, METRO Vermögensverwaltung GmbH & Co. KG, METRO Vermögensverwaltung GmbH, the 1. HSB Beteiligungsverwaltung GmbH & Co. KG and 1. HSB Verwaltung GmbH to coordinate the exercise of voting rights associated with shares of METRO AG.

An agreement among BVG Beteiligungs- und Vermögensverwaltungs GmbH, Supra Holding AG, Franz Haniel & Cie. GmbH, Haniel Finance Deutschland GmbH and Haniel Finance B. V. has not taken effect so far for cartel law reasons.

The above-mentioned agreements can be regarded as restrictions in the sense of § 289 Section 4 Sub-section 2 German Commercial Code.

CAPITAL INTERESTS

Notes pursuant to § 289 Section 4 Subsection 3 German Commercial Code – direct and indirect (pursuant to § 22 German Securities Trading Act) capital interests that exceed 10 percent of the voting rights:

| Name/company | Direct/indirect stakes exceeding 10 percent of voting rights |
|---|--|
| METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf | direct and indirect |
| METRO Vermögensverwaltung GmbH, Düsseldorf | indirect |
| 1. HSB Beteiligungsverwaltung GmbH & Co. KG, Schönefeld-Waltersdorf | direct and indirect |
| 1. HSB Verwaltung GmbH, Schönefeld-Waltersdorf | indirect |
| Haniel Finance B.V., Venlo/Netherlands | indirect |
| Haniel Finance Deutschland GmbH, Duisburg | indirect |
| Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Duisburg | direct and indirect |
| Haniel Beteiligungs-GmbH, Duisburg | indirect |
| Franz Haniel & Cie. GmbH, Duisburg | indirect |
| Prof. Otto Beisheim Stiftung, Baar/Switzerland | indirect |
| O.B. Betriebs GmbH, Munich | indirect |
| O.B.V. Vermögensverwaltungs GmbH & Co. KG, Düsseldorf | indirect |
| O.B.V. Vermögensverwaltungs GmbH, Düsseldorf | indirect |
| Overpart GmbH, Baar/Switzerland | indirect |
| Prof. Dr. Otto Beisheim, Baar/Switzerland | indirect |
| BVG Beteiligungs- und Vermögensverwaltung GmbH, Essen | indirect |
| Gebr. Schmidt GmbH & Co. KG, Essen | indirect |
| Gebr. Schmidt Verwaltungsgesellschaft mbH, Essen | indirect |
| Dr. Michael Schmidt-Ruthenbeck, Zurich/Switzerland | indirect |

The above information is based on notifications under § 21 of the German Securities Trading Act that METRO AG received and released in the financial years 2006 and 2007.

Notifications of voting rights published by METRO AG can be found on the website www.metrogroup.de under Investor Relations.

REGULATIONS GOVERNING THE APPOINTMENT AND REMOVAL OF MANAGEMENT BOARD MEMBERS, AND CHANGES TO THE ARTICLES OF ASSOCIATION

In instances when members of the Management Board are appointed and removed, legal regulations laid down in §§ 84, 85 of the German Stock Corporation Act and §§ 30, 31, 33 of the German Co-determination Act apply. A supplementary regulation is contained in § 5 in METRO AG's Articles of Association. It states:

- “(1) The Management Board shall consist of at least two members.
 (2) Apart from this, the Supervisory Board shall determine the number of members on the Management Board.”

Changes to the articles of association at METRO AG are determined principally in accordance with §§ 179, 181, 133 of the German Stock Corporation Act. Numerous other sections of the Stock Corporation Act would apply to a change to the articles of association, and modify or supersede the previously mentioned regulations, e.g., §§ 182 ff. of the Stock Corporation Act during capital increases, §§ 222 ff. of the Stock Corporation Act during capital reductions or § 262 of the Stock Corporation Act during the dissolution of the AG. Pursuant to § 14 of METRO AG's Articles of Association, changes that would affect only the text of the articles of association may be decided by the Supervisory Board without a vote by the Annual General Meeting.

AUTHORITIES OF THE MANAGEMENT BOARD

Authorities to issue new shares

In accordance with § 202 Section 1 of the Stock Corporation Act, the Annual General Meeting can authorise the Management Board to increase the share capital through the issuance of new shares against deposit. Four such authorisations exist at the moment, with two authorisations each authorising the Management Board to increase the share capital by issuing new ordinary shares in exchange for cash contributions and non-cash contributions, respectively. These authorisations are designed to enable the company to tap additional equity as a long-term means of finance. Adequate equity capital is of critical importance for the company's financing and, in particular, its continued international expansion. At the moment, no concrete plans exist to make use of these authorisations. The following details apply:

Authorised capital I

On 23 May 2007, the Annual General Meeting resolved to authorise the Management Board to increase the share capital, with the approval of the Supervisory Board, by issuing new ordinary bearer shares in exchange for cash contributions in one or several tranches for a total maximum of €40,000,000 (authorised capital I) by 23 May 2012. A subscription right is to be granted to existing shareholders. However, the Management Board has been authorised to restrict this subscription

right, with the approval of the Supervisory Board, to the extent required to grant the holders of option bonds and convertible bonds issued by METRO AG and its wholly owned direct or indirect subsidiaries a right to purchase the number of new ordinary shares to which they would be entitled upon exercise of their option/conversion rights and to further exclude the subscription right to compensate for fractions of shares from rounding. In addition, the Management Board has been authorised to restrict the shareholders' subscription rights, with the prior approval of the Supervisory Board, for one or several capital increases under the authorised capital, provided that the total par value of such capital increases does not exceed 10 percent of the share capital registered in the commercial register at the time the authorised capital is first utilised, and further provided that the issue price of the new ordinary shares is not substantially below the market price of the company's listed ordinary shares of the same category at the time the initial offering price of the new issue is finally fixed. The Management Board is authorised to determine all further details of the capital increases with the prior approval of the Supervisory Board. To date, authorised capital I has not been used.

Authorised capital II

On 23 May 2007, the Annual General Meeting resolved to further authorise the Management Board, with the approval of the Supervisory Board, to increase the company's share capital by issuing new ordinary bearer shares in exchange for non-cash contributions in one or several issues for a maximum total of €60,000,000 by 23 May 2012 (authorised capital II). The Management Board is authorised, with the approval of the Supervisory Board, to decide on the restriction of the subscription rights and to determine all further details of the capital increases. To date, authorised capital II has not been used.

Authorised capital III

On 4 June 2004, the Annual General Meeting further authorised the Management Board, with the prior approval of the Supervisory Board, to increase the company's share capital by issuing new ordinary bearer shares in exchange for cash contributions in one or several issues for a maximum total of €100,000,000 by 3 June 2009 (authorised capital III). Existing shareholders shall be granted a subscription right. However, the Management Board has been authorised to restrict the subscription right, with the prior approval of the Supervisory Board, to the extent required to grant the holders of option bonds and convertible bonds issued by METRO AG and all direct or indirect subsidiaries in which METRO AG holds at least 90 percent of the share capital a right to purchase the number of new shares they would be entitled to upon exercise of their option/conversion rights and to further rule out subscription rights to compensate for fractions of shares from rounding. In addition, the Management Board has been authorised to restrict the shareholders' subscription rights, with the prior approval of the Supervisory Board, for one or several capital increases under the authorised capital, provided that the total par value of such capital increases does not exceed 10 percent of the share capital registered in the commercial register at the time the authorised capital is first utilised, and further provided that the issue price of the new shares is not substantially below the market price of listed shares of the same category at the time the initial offering price of the new issue is finally fixed. The maximum limit of 10 percent of the share capital decreases in proportion to the amount of share capital that is comprised of the company's treasury stock issued

as part of the authorised capital III under exclusion of the subscription right of the shareholders pursuant to § 71 Section 1 Subsection 8 Sentence 5, § 186 Section 3 Sentence 4 of the German Stock Corporation Act. The maximum limit also falls in proportion to the amount of share capital that is comprised of those shares issued to service option bonds and/or convertible bonds with option or conversion rights or with conversion duties if the bonds were issued during the duration of authorised capital III under the exclusion of the subscription right in the corresponding application of § 186 Section 3 Sentence 4 of the Stock Corporation Act. To date, authorised capital III has not been used.

Authorised capital IV

The Annual General Meeting held on 4 June 2004, further authorised the Management Board, with the approval of the Supervisory Board, to increase the company's share capital by issuing new ordinary bearer shares in exchange for non-cash contributions in one or several issues for a maximum total of €125,000,000 by 3 June 2009 (authorised capital IV). The Management Board has been authorised, with the approval of the Supervisory Board, to decide on the restriction of the subscription right. To date, authorised capital IV has not been used.

Stock option programme

The Annual General Meeting of 6 July 1999, approved a stock option programme for executives.

Within the framework of METRO AG's stock option programme, the Management Board distributed stock options to executives in the years 1999–2003. On 31 December 2007, no options remained in effect. In compliance with the agreed terms of exercise, it was decided that cash compensation would be provided to executives entitled to the options in place of new shares of ordinary shares when the existing subscription rights were exercised.

Authority to acquire the company's own stock

METRO AG is authorised to acquire its own shares in accordance with § 71 of the German Stock Corporation Act.

On the basis of § 71 Section 1 Subsection 8 of the Stock Corporation Act, the Annual General Meeting decided on 23 May 2007:

- „a) On or before 23 November 2008, the company is hereby authorised to acquire the company shares of any share class. The authorisation shall be limited to the acquisition of shares that make up a maximum of 10 percent of the share capital that existed as of the date that this resolution was adopted. The authorisation may be exercised in whole or in part, in the latter case several times. It also may be exercised either for ordinary shares or for preference shares only.
- b) The stock may be acquired on the stock exchange or through a public tender offer made to all company shareholders.

- If the shares are acquired on the stock exchange, the price per share paid by the company (excluding incidental transaction prices) may not exceed or fall below the arithmetic average of the closing auction price of the company shares of the same class in the Xetra trading system (or in a comparable system that replaces the Xetra system) at the Frankfurt Stock Exchange during the last three trading days immediately preceding the acquisition by more than 10 percent.
 - If the shares are acquired through a public tender offer made to all shareholders of the company, the offered purchase price per share may not exceed or fall below the arithmetic average of the closing auction price of company shares of the same class in the Xetra trading system (or in a comparable system that replaces the Xetra system) at the Frankfurt Stock Exchange during the last three trading days immediately preceding the date of the announcement of the offer by no more than 20 percent. In case of oversubscription of the public tender offer, shares will be accepted in quotas. A public tender offer may provide for preferred acceptance of sell offers for small numbers of stock up to 100 shares per shareholder.
- c) In addition to selling acquired shares on the stock exchange or by offer to all shareholders, the Management Board is authorised, subject to approval of the Supervisory Board, to use the company shares acquired in accordance with the authorisation granted in paragraph a) above for any of the following purposes:
- (1) Listing of ordinary shares of the company on international stock exchanges where they had not been admitted to trading yet;
 - (2) Transfer of ordinary shares of the company to a third party as part of a company merger or of the acquisition of companies, divisions of other companies or interests in other companies;
 - (3) Redemption of company shares, without the redemption and implementation of such being subject to another decision by the Annual General Meeting;
 - (4) Sale of ordinary shares of the company through means other than the stock exchange or an offer to all shareholders provided that the shares are sold for a cash payment and at a price that is not substantially lower than the stock market price for the company's already listed ordinary shares with the same attributes at the time of the purchase. The foregoing authorisation shall be limited to the acquisition of ordinary shares collectively representing no more than 10 percent of the share capital. The limit of 10 percent of the share capital shall be reduced by the amount of share capital represented by any shares issued (a) during the effective period of this authorisation in the course of any capital increase by exclusion of subscription rights pursuant to § 186 Section 3 Sentence 4 of the German Stock Corporation Act or (b) to service option bonds and/or convertible bonds with option or conversion rights or conversion obligations if such bonds were issued during the effective period of the authorisation by exclusion of the subscription rights by analogous application of § 186 Section 3 Sentence 4 of the Stock Corporation Act.

- (5) Issuance of ordinary stock to holders of option bonds or convertible bonds of the company or its affiliates in accordance with the terms and conditions applicable to such bonds, including the issuance of ordinary shares based on the exercise of subscription rights that, in the event of a sale of treasury ordinary shares through an offer to shareholders may be granted to holders of option or convertible bonds of the company or any of its affiliates to the same extent that holders of such option or convertible bonds would have had a subscription right to ordinary shares of the company after exercising their option and conversion rights or performing their option or conversion obligations. The ordinary shares issued on the basis of this authorisation shall collectively not exceed 10 percent of share capital if such ordinary shares are used to service conversion and option rights or conversion obligations that were issued or created by analogous application of § 186 Section 3 Sentence 4 of the German Stock Corporation Act. Shares issued or sold by direct or analogous application of § 186 Section 3 Sentence 4 of the German Stock Corporation Act during the effective period of this authorisation to the date of use of treasury shares shall count toward the aforementioned limit.
- d) The authorisations granted in Paragraph c) may be exercised on one or several occasions, in whole or in part. The price at which ordinary shares of the company are initially listed on foreign stock exchanges pursuant to the authorisation in Paragraph c) No. (1) shall not fall below the arithmetic average of the closing auction price of already listed company shares with the same attributes in the Xetra trading system (or in a comparable system that replaces the Xetra system) at the Frankfurt Stock Exchange during the last five trading days immediately preceding the date of the listing on the exchange by more than 5 percent.
- e) Subscription rights shall be excluded if treasury ordinary shares are used for any of the purposes authorised in Paragraph c) No. (1), (2), (4) and (5).“

The authorisation for the repurchase of own stock serves the possible applications listed in Paragraph c):

Among other things, the authorisation is supposed to enable the company to buy back own ordinary shares for listings, by exclusion of subscription rights, at foreign exchanges where the company's ordinary shares are not yet listed. In addition, the authorisation is supposed to enable the company to use treasury ordinary shares as payment by exclusion of subscription rights in the context of business combinations or acquisitions of companies, corporate units or holdings in companies. The company is also supposed to be able to retract own shares without a renewed resolution by the Annual General Meeting. In addition, the authorisation shall allow the company to sell treasury ordinary shares by exclusion of subscription rights other than via the exchange or an offer to shareholders against cash payment. This is supposed to enable the company, in particular, to issue treasury ordinary shares at short notice. The Annual General Meeting of 4 June 2004, authorised the Management Board, with the approval of the Supervisory Board, to issue option bonds and convertible bonds. Rather than implementing a capital increase, it may prove sensible to fully or partly serve the resulting subscription rights with treasury ordinary shares.

Authorisation for issuing option bonds and convertible bonds

The Annual General Meeting on 4 June 2004, authorised the Management Board, with the approval of the Supervisory Board, to issue bearer and/or registered option and/or convertible bonds by 3 June 2009, in one or several tranches totalling up to a nominal value of €1,000,000,000 with a maturity of at most 15 years and to grant the option bond holders option rights or owners of convertible bonds conversion rights for new ordinary shares in the company in proportion to the share capital of up to €127,825,000 pursuant to option bond or convertible bond conditions.

In addition to euros, the option bonds and/or convertible bonds may be issued – limited to the equivalent euro value – in the legal currency of an OECD country. The option bonds and/or convertible bonds may also be issued by the affiliates (§ 18 of the German Stock Corporation Act) of METRO AG in which METRO AG directly or indirectly holds at least 90 percent of the share capital. In this case, the Management Board is authorised to assume the guarantee for the option bonds/convertible bonds on behalf of the company and to grant option or convertible bond rights for new shares of METRO AG ordinary shares to the holders of option or convertible bonds.

All shareholders are entitled to a subscription right. The option bonds or convertible bonds should be assumed by a lending institution or a consortium under the condition that they will be offered to the shareholders. The company must also ensure the shareholders' legal subscription right when the option bonds and/or convertible bonds are issued by a 90 percent direct or indirect Group company of METRO AG. The Management Board, however, is authorised, with the approval of the Supervisory Board, to exclude odd-lot amounts resulting from subscription conditions from the subscription right of shareholders and to preclude the subscription right insofar as it is necessary to grant holders of previously issued option and convertible rights at the time of the new issue or holders of option or convertible bonds containing option and conversion obligations a subscription right to the extent that they would be entitled after exercising the option or conversion rights or after fulfilling option and conversion obligations.

The Management Board is further authorised, with the approval of the Supervisory Board, to exclude the subscription right of shareholders to option and/or convertible bonds insofar that the Management Board has concluded after a mandatory review that the issue price of the option or convertible bonds does not significantly fall below their hypothetical market value as calculated by recognised financial-mathematic methods. This authorisation to issue option or convertible bonds under the exclusion of the subscription right in accordance with § 186 Section 3 Sentence 4 of the German Stock Corporation Act applies only so far as the shares being issued to satisfy conversion option rights do not collectively exceed 10 percent of the share capital that existed as of the date of the initial exercise of this authorisation. The maximum limit of 10 percent of the share capital decreases in proportion to the amount of share capital that is comprised of the company's shares issued during the authorisation period under the exclusion of the subscription right in accordance with § 186 Section 3 Sentence 4 of the Stock Corporation Act in connection with a capital increase or sold from a pool of treasury stock.

In the case of the issuance of option bonds, one or several options are added to every partial debenture that, according to the option conditions, entitle the owner to acquire the company's ordinary shares. The proportionate share of share capital that is allotted to the subscription shares for each partial debenture may not exceed the nominal value of the option bond. Under the option and bond conditions, fractional amounts of shares may be turned into complete shares, including upon the payment of an additional sum. The maximum period of the option right is 15 years.

In the case of the issuance of convertible bonds, the holders of the debentures receive the indefeasible right to transform their convertible debentures under the conditions of the convertible bonds into the company's ordinary shares. The conversion ratio results from dividing the nominal value or the issue amount of a partial debenture that is below the nominal value by the fixed conversion price for a ordinary shares of company shares. The convertible bond conditions can stipulate that the conversion ratio is variable and the conversion price can be altered within a fixed band depending on the course of the ordinary shares' price during the authorisation period. In any case, the conversion ratio can be rounded up or down to a whole number. In addition, a cash payment can be set. Furthermore, it can be stipulated that non-convertible amounts will be combined and/or settled with a money payment.

The convertible bond or option conditions can constitute a convertible or option obligation at the end of the duration period or at some other point in time, or provide for the right of the company to grant, at the time of maturity of the convertible or option bonds, ordinary shares in the company or in another listed business to bondholders completely or partially in the place of the payment of the due amount upon maturity.

In each case, the bond conditions can stipulate that, in the case of the exercise of conversion or options (including as a result of a conversion or warrant option or as a result of the company's exercise of a stock issuance option) some treasury shares can be granted. It can further be stipulated that the company will not provide company shares to people entitled to conversions or options. Rather, the amount will be paid in cash. Under the bond conditions, this amount will correspond to the volume-weighted average of the price of METRO AG's ordinary shares in Xetra trading on the Frankfurt Stock Exchange or in an equivalent successor system on at least two successive trading days during the period of 10 trading days before and 10 trading days after the announcement of the conversion or the exercise of the option.

The individually fixed option or conversion price for a share of ordinary shares must amount to at least 80 percent of the volume-weighted average of the price of METRO AG's ordinary shares in Xetra trading on the Frankfurt Stock Exchange or an equivalent successor system on 10 trading days before the Management Board's decision about issuing option bonds or convertible bonds. Deviations may be made for cases of option and conversion obligations or the issuance of shares on the basis of the exercise of a company voting right. In this case, the bond conditions must provide for a warrant or conversion price for a share of the company's ordinary shares that is at least 80 percent of the volume weighted average of the price of METRO AG's shares in Xetra trading on the Frankfurt Stock Exchange

or in an equivalent successor system during the reference time period of 3 to 20 trading days before the maturity of the option bond or convertible bond or the start of an option obligation. For the concession of the subscription right, the individually determined option and conversion price for ordinary shares (subject to the special regulation covering cases of option or conversion obligation or the transmittal of shares on the basis of a voting right of the company) must amount to at least 80 percent of the volume-weighted average of the price of METRO AG's ordinary shares in Xetra trading on the Frankfurt Stock Exchange or in an equivalent successor system during the days on which the subscription rights to option bonds and convertible bonds were traded on the Frankfurt Stock Exchange, with the exception of both final days of the subscription right trading. In each of the described cases, § 9 Section 1 of the German Stock Corporation Act shall remain unaffected.

Irrespective of § 9 Section 1 of the German Stock Corporation Act, the option and conversion price will be discounted as a result of an antidilution clause following a more detailed determination of the option or convertible-bond conditions if the company, during the option or conversion term, increases the share capital including a subscription right to its shareholders or raises capital from the company's financial resources or issues or guarantees further option bonds or convertible bonds or option rights and does not grant a subscription right to holders of option and conversion rights to the extent to which they are entitled after the exercise of the option or conversion right. In addition, the conditions could provide for, in cases of a reduction in capital or other exceptional measures or events, including unusually high dividends or a takeover by a third party, an adjustment of the option and conversion rights or option or conversion obligations or the regulations concerning the exercise of company options for a supply of shares.

The Management Board is authorised to clarify the additional details concerning the issue and conditions of option bonds and/or convertible bonds, particularly the interest rate, issue price, maturity and denominations, option or conversion price and option or conversion period, or to determine in consultation with the departments of the Group companies issuing the option bonds and/or convertible bonds.

The authorisation to issue option and/or convertible bonds is designed to expand METRO AG's financing leeway and provide the company with flexible and short-term access to financing upon the emergence of favourable capital market conditions, in particular. Issues of bonds with convertible or option rights on METRO AG shares provide a means of raising capital at attractive conditions. The convertible and option premiums attained flow to the company. The additionally foreseen possibility of granting not only convertible and option rights, but also introducing option and convertible duties, and allowing the company to opt for the full or partial redemption of bonds with treasury shares rather than cash, extends the company's leeway in the design of this financing instrument.

FUNDAMENTAL AGREEMENTS RELATED TO THE CONDITIONS OF A TAKEOVER AND COMPENSATION AGREEMENTS IN CASE OF A TAKEOVER

As a borrower, METRO AG is a party to three consortium loan contracts that the lender may cancel in the case of a takeover inasmuch as the credit rating of METRO AG also drops in a way stipulated in the contract. The requirements of a takeover are, first, that the shareholders who controlled METRO AG at the time when each contract was signed lose this control. The second requirement is the takeover of control of METRO AG by one or several parties. The lending banks may cancel the contract and demand the return of the loan only if the takeover and the drop in the credit rating occur cumulatively. In 2007, the average amount used from the consortium loan contracts was €125 million. The hedging of consortium loans in the manner described above is standard market practice and serves the purpose of creditor protection.

In the event that a takeover led to a significant change in strategy, the Management Board member Mr. Mierdorf would be authorised to resign from his board positions at the end of the third month that followed the change in control and strategy and to terminate his employment contract. In the event of such an extraordinary termination of his employment contract, Mr. Mierdorf would retain the remuneration entitlements arising from his contract.

11. DECLARATION PURSUANT TO § 312 AKTG (GERMAN STOCK CORPORATION ACT)

Pursuant to § 312 of the German Stock Corporation Act, the Management Board of METRO AG prepared a report about relations with associated companies for the financial year 2007. At the end of the report, the Management Board made the following statement:

“The Management Board of METRO AG declares that in every legal transaction the company received an equitable quid pro quo under the circumstances known to the Management Board at the time when these businesses were transacted. Any other actions requiring reporting were neither taken nor omitted.”

This report received an unqualified audit opinion from KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Cologne. The Management Board will immediately submit this report to the Supervisory Board together with the auditor's report.

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BALANCE SHEET PER 31 DECEMBER 2007

ASSETS

| € million | Note no. | 31 Dec 2007 | 31 Dec 2006 |
|--|----------|-------------|-------------|
| Fixed assets | 2 | | |
| Intangible assets | 3 | 2.5 | 7.8 |
| Tangible assets | 4 | 6.2 | 6.8 |
| Financial assets | 5 | 8,000.0 | 8,046.1 |
| | | 8,008.7 | 8,060.7 |
| Current assets | | | |
| Receivables and other assets | 6 | 3,462.2 | 3,141.0 |
| Cash on hand, bank deposits and checks | 7 | 794.1 | 902.1 |
| | | 4,256.3 | 4,043.1 |
| Prepaid expenses and deferred charges | 8 | 1.6 | 3.1 |
| | | 12,266.6 | 12,106.9 |

LIABILITIES

| € million | Note no. | 31 Dec 2007 | 31 Dec 2006 |
|------------------------|----------|-------------|-------------|
| Equity | | | |
| Share capital | 9 | 835.4 | 835.4 |
| Ordinary shares | | 828.6 | 828.6 |
| Preference shares | | 6.8 | 6.8 |
| (Contingent capital) | | [142.1] | [142.1] |
| Capital reserve | 10 | 2,558.0 | 2,558.0 |
| Revenue reserve | 11 | 1,324.0 | 1,084.0 |
| Balance sheet profit | 25 | 395.1 | 435.4 |
| | | 5,112.5 | 4,912.8 |
| Provisions | 12 | 380.3 | 461.9 |
| Liabilities | 13 | 6,773.2 | 6,729.0 |
| Deferred income | 14 | 0.6 | 3.2 |
| | | 12,266.6 | 12,106.9 |

INCOME STATEMENT FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2007

| € million | Note no. | 2007 | 2006 |
|---|-----------|--------------|--------------|
| Investment income | 19 | 696.6 | 894.2 |
| Net financial result | 20 | (64.4) | (69.1) |
| Other operating income | 21 | 167.5 | 264.7 |
| Personnel expenses | 22 | (82.6) | (66.2) |
| Depreciation/amortisation on intangible and tangible assets | 2 | (3.4) | (4.9) |
| Other operating expenses | 23 | (178.5) | (187.9) |
| NOPAT | | 535.2 | 830.8 |
| Income tax | 24 | 31.2 | 2.5 |
| Other taxes | | (0.4) | (1.8) |
| Net income | | 566.0 | 831.5 |
| Profit carried forward from the previous year | 25 | 69.1 | 3.9 |
| Additions to revenue reserves | 11 | (240.0) | (400.0) |
| Balance sheet profit | 25 | 395.1 | 435.4 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. DISCLOSURE, ACCOUNTING AND MEASUREMENT PRINCIPLES

Various items in the balance sheet and the income statement have been grouped together for the purpose of clarity. To underscore the holding company character of METRO AG, the order of grouped income statement items pursuant to § 275 HGB (German Commercial Code) has been altered in some cases. These items are listed separately in the notes.

Intangible assets are recognised at cost. Tangible assets are stated at cost of purchase or production less cumulative scheduled and non-scheduled write-downs. Scheduled write-downs are conducted on a straight-line basis. Non-scheduled write-downs to the lower of cost or market are effected when an impairment is likely to be sustained. Low-value assets are fully written down in the year of acquisition.

Investments and shares in associated companies are recognised at cost or, if a sustained impairment can be assumed, at the lower of cost or market. Lower valuations are maintained insofar as a higher valuation up to the original cost of purchase is not required.

Loans are recognised at their nominal values or at the lower of cost or market. Non-interest-bearing or low-interest loans are discounted to the net present value.

As a matter of principle, receivables and other assets are recognised at their nominal values. The risks inherent in the receivables are considered by means of bad debt allowances. Non-interest-bearing receivables are discounted. Income from investments is, as far as admissible, posted and capitalised in the year in which the cash dividend is paid.

Receivables and liabilities in foreign currency are recognised at cost in adherence to the parity principle as of the closing date. Hedged foreign currency positions are valued at the respective hedging rate.

Provisions are formed for uncertain obligations and anticipated losses from uncompleted transactions on the basis of a reasonable evaluation. Long-term provisions for anticipated losses from uncompleted transactions are recognised at their discounted values. Pension provisions are formed based on a basic interest rate of 6 percent corresponding to the actuarial fraction value pursuant to § 6a EStG METRO AG has made adequate provisions to cover underfunded benevolent funds.

Liabilities are recognised at amounts repayable.

Derivative financial instruments that are part of an economically necessary and accordingly documented hedge relationship with other derivative or primary financial instruments are valued together pursuant to § 264 Section 2 Sentence 1 HGB in consideration of the historical cost principle. Unrealised losses within formed valuation units are offset up to the level of unrealised profits. Excess losses are anticipated (accrued), and excess profits remain unrecognised. The formation of valuation units presupposes individual risk compensation, the congruency of interest term and currency, an equal credit rating and relative congruency of maturities.

Provisions are formed for anticipated losses from the individual valuation of derivative financial instruments that are not part of hedges. Unrealised profits are not recognised in the balance sheet.

NOTES TO THE BALANCE SHEET OF METRO AG

2. FIXED ASSETS

| € million | 31 Dec 2007 | 31 Dec 2006 |
|--|----------------|----------------|
| Intangible assets | | |
| Rights and licenses | 2.5 | 4.8 |
| Advance payments made | 0.0 | 3.0 |
| | 2.5 | 7.8 |
| Tangible assets | | |
| Leasehold improvements | 0.8 | 1.0 |
| Other plant, business and office equipment | 5.4 | 5.8 |
| | 6.2 | 6.8 |
| Financial assets | | |
| Shares in associated companies | 6,480.5 | 6,483.2 |
| Loans to associated companies | 1,492.8 | 1,534.6 |
| Investments | 13.3 | 13.3 |
| Other long-term loans | 13.4 | 15.0 |
| | 8,000.0 | 8,046.1 |
| Total | 8,008.7 | 8,060.7 |

The following table outlines the development of fixed assets:

| € million | Cost of purchase | | | | Deprecia- tion (cumu- lative) | 31 Dec 2007 | Deprecia- tion for fiscal year |
|--|------------------|--------------|-----------------------------------|--------------|-------------------------------------|----------------|--------------------------------------|
| | 1 Jan 2007 | Addition | Reclassi- fication transfer | Disposal | | | |
| Intangible assets | | | | | | | |
| Rights and licenses | 11.2 | 0.4 | 2.5 | 4.8 | 6.8 | 2.5 | 1.9 |
| Advance payments made | 3.0 | 0.0 | (2.5) | 0.5 | 0.0 | 0.0 | 0.0 |
| | 14.2 | 0.4 | 0.0 | 5.3 | 6.8 | 2.5 | 1.9 |
| Tangible assets | | | | | | | |
| Leasehold improvements | 2.3 | 0.0 | 0.0 | 0.0 | 1.5 | 0.8 | 0.2 |
| Other plant, business and office equipment | 11.6 | 1.5 | 0.0 | 1.2 | 6.5 | 5.4 | 1.3 |
| | 13.9 | 1.5 | 0.0 | 1.2 | 8.0 | 6.2 | 1.5 |
| Financial assets | | | | | | | |
| Shares in associated companies | 6,614.9 | 72.6 | 0.0 | 75.3 | 131.7 | 6,480.5 | 0.0 |
| Loans to associated companies | 1,534.6 | 28.0 | 0.0 | 44.2 | 25.6 | 1,492.8 | 25.6 |
| Investments | 16.5 | 0.0 | 0.0 | 3.2 | 0.0 | 13.3 | 0.0 |
| Other long-term loans | 15.9 | 0.0 | 0.0 | 1.6 | 0.9 | 13.4 | 0.0 |
| | 8,181.9 | 100.6 | 0.0 | 124.3 | 158.2 | 8,000.0 | 25.6 |
| Total | 8,210.0 | 102.5 | 0.0 | 130.8 | 173.0 | 8,008.7 | 29.0 |

3. INTANGIBLE ASSETS

Rights and licenses essentially concern software systems. Disposals result mostly from the sale of intangible assets to MGS METRO Group Solutions GmbH.

4. TANGIBLE ASSETS

The additions relate to equipment, PC systems and motor vehicles. Disposals refer to assets that were either sold or are no longer being used by the company.

5. FINANCIAL ASSETS

Additions to shares in associated companies amounting to €72.6 million relate to capital increases in the amount of €43.0 million and the purchase of additional stakes in METRO Group Asset Management GmbH & Co. KG in the amount of €29.6 million.

Disposals of shares in associated companies to the amount of €75.3 million essentially concern the capital reduction conducted in the process of a merger in the real estate area.

The additions in loans to associated companies of €28.0 million result from the granting of long-term loans within METRO Group.

The disposals in loans to associated companies concern scheduled and early redemptions.

Write-downs on loans to associated companies of €25.6 million include €10.0 million from the discounting of a non-interest-bearing loan and €15.6 million from the valuation of a foreign currency loan at the lower closing date price.

The disposals in other long-term loans are related to redemptions.

6. RECEIVABLES AND OTHER ASSETS

| € million | 31 Dec 2007 | 31 Dec 2006 |
|--|----------------|----------------|
| Receivables from associated companies | 3,244.3 | 2,909.9 |
| Other assets | 217.9 | 231.1 |
| thereof with a remaining term of over one year | [14.5] | [17.2] |
| Total | 3,462.2 | 3,141.0 |

The item receivables from associated companies results from METRO AG's financing function as a holding company. It includes short-term interest-bearing receivables to METRO Group companies.

Interest-bearing tax refund entitlements accounted for the major share, or €121.5 million, of other assets. In addition, this item includes €38.9 million in interest claims, €25.7 million in receivables from a benevolent fund as well as €14.2 million in stock options to hedge the stock bonus plan.

7. CASH ON HAND, BANK DEPOSITS AND CHECKS

This item includes essentially bank deposits of €794.1 million resulting from cash-pool income toward the end of the year.

8. PREPAID EXPENSES AND DEFERRED CHARGES

Prepaid expenses and deferred charges include prepaid cost accounts and rents in the amount of €0.7 million as well as discount as the difference between the repayment amount and the loan amount of the euro bonds issued under the “Debt Issuance Programme” amounting to €0.5 million.

9. SUBSCRIBED CAPITAL

In terms of amount and composition, i.e. the ratio of ordinary to preference shares, subscribed capital has not changed versus 31 December 2006 and totals €835,419,052.27. It is divided as follows:

| No-par-value bearer shares, accounting par value approx. €2.56 | | 31 Dec 2007 | 31 Dec 2006 |
|--|--------|-------------|-------------|
| Ordinary shares | Shares | 324,109,563 | 324,109,563 |
| | € | 828,572,941 | 828,572,941 |
| Preference shares | Shares | 2,677,966 | 2,677,966 |
| | € | 6,846,111 | 6,846,111 |
| Total capital stock | Shares | 326,787,529 | 326,787,529 |
| | € | 835,419,052 | 835,419,052 |

Each share of ordinary shares of METRO AG grants an equal voting right that allows the shareholder to participate in resolutions at the Annual General Meeting. In addition, ordinary shares of METRO AG entitles the holder to dividends. In contrast to ordinary shares, preference shares does not carry any voting rights and is equipped with a preferential right to profits in line with § 21 of the Articles of Association of METRO AG, which state:

“(1) Holders of non-voting preference shares will receive from the annual balance sheet profit a preferred dividend of €0.17 per preference share.

- (2) Should the balance sheet profit available for distribution not suffice in any one financial year to pay the preferred dividend, the arrears (excluding any interest) shall be paid from the balance sheet profit of future financial years in an order based on age, i.e. in such manner that any older arrears are paid off prior to any more recent ones and that the preferred dividends payable from the profit of a financial year are not distributed until all of any accumulated arrears have been paid.
- (3) After the preferred dividend has been distributed, the ordinary shareholders will receive a dividend of €0.17 per ordinary share. Thereafter, a non-cumulative extra dividend of €0.06 per share will be paid to the holders of non-voting preference shares. The extra dividend shall amount to 10 percent of such dividend as, in accordance with section 4 herein below, will be paid to the holders of ordinary shares inasmuch as such dividend equals or exceeds €1.02 per share of ordinary shares.
- (4) The holders of non-voting preference shares and of ordinary shares will equally share in any additional profit distribution at the ratio of their shares in the capital stock."

Contingent capital I and II

On 4 June 2004, a contingent increase in capital stock of €127,825,000 was resolved (contingent capital I). This contingent capital increase is related to the authorisation given to the Management Board to issue by 3 June 2009, and with the consent of the Supervisory Board option bonds and/or convertible bonds for a total par value of €1,000,000,000 and to grant the bond holders option or conversion rights for up to 50,000,000 new shares of ordinary shares in the company, to establish the corresponding option or conversion duties or provide for the right of the company to repay the bond either in whole or in part with ordinary shares in the company rather than in cash. To date, no option bonds and/or convertible bonds have been issued under the aforementioned authorisation of the Management Board.

On 6 July 1999, the Annual General Meeting resolved to carry out a contingent capital increase of up to €14,316,173 by issuing up to 5,600,000 ordinary shares to be used for Metro's stock option plan (contingent capital II).

Under METRO AG's stock option plan, stock options were granted on 3 September 1999, 19 August 2000, 23 July 2001, 19 July 2002, and 23 June 2003. None of these options were still outstanding as of 31 December 2007. In line with the exercise terms, it was until now determined that eligible participants would be granted cash compensation in lieu of new ordinary shares upon exercise of existing options. The exercise of subscription rights from the stock option plan therefore did not result in an increase in capital stock.

Authorised capital I

On 23 May 2007, the Annual General Meeting resolved to authorise the Management Board to increase the capital stock, with the prior approval of the Supervisory Board, by issuing new ordinary bearer shares in exchange for cash contributions in one or several tranches for a total maximum of €40,000,000 (authorised capital I) by 23 May 2012.

A subscription right is to be granted to existing shareholders. However, the Management Board has been authorised to restrict this subscription right, with the prior approval of the Supervisory Board, to the extent required to grant the holders of option bonds and convertible bonds issued by METRO AG and its wholly owned direct or indirect subsidiaries a right to purchase the number of new shares to which they would be entitled upon exercise of their option/conversion rights and to further exclude the subscription right to compensate for fractions of shares from rounding.

In addition, the Management Board has been authorised to restrict the shareholders' subscription rights, with the prior approval of the Supervisory Board, for one or several capital increases under the authorised capital, provided that the total par value of such capital increases does not exceed 10 percent of the capital stock registered in the commercial register at the time the authorised capital is first utilised, and further provided that the issue price of the new shares is not substantially below the market price of listed shares of the same category at the time the initial offering price of the new issue is finally fixed. The Management Board is authorised to determine all further details of the capital increases with the prior approval of the Supervisory Board. To date, authorised capital I has not been used.

Authorised capital II

On 23 May 2007, the Annual General Meeting resolved to authorise the Management Board, with the prior approval of the Supervisory Board, to increase the company's capital stock by issuing new ordinary bearer shares in exchange for non-cash contributions in one or several tranches for a maximum total of €60,000,000 by 23 May 2012 (authorised capital II). The Management Board is authorised, with the prior approval of the Supervisory Board, to decide on the restriction of the subscription rights and to determine all further details of the capital increases. To date, authorised capital II has not been used.

Authorised capital III

On 4 June 2004, the Annual General Meeting authorised the Management Board, with the prior approval of the Supervisory Board, to increase the company's capital stock by issuing new ordinary bearer shares in exchange for cash contributions in one or several tranches for a maximum total of €100,000,000 by 3 June 2009 (authorised capital III). Existing shareholders shall be granted a subscription right.

However, the Management Board has been authorised to restrict the subscription right, with the prior approval of the Supervisory Board, to the extent required to grant the holders of option bonds and convertible bonds issued by METRO AG and all direct or indirect subsidiaries in which METRO AG holds at least 90 percent of the capital stock a right to purchase the number of new shares they would be entitled to upon exercise of their option/conversion rights and to further rule out subscription rights to compensate for fractions of shares from rounding.

In addition, the Management Board has been authorised to restrict the shareholders' subscription rights, with the prior approval of the Supervisory Board, for one or several capital increases under the authorised capital, provided that the total par value of such capital increases does not exceed 10 percent of the capital stock registered in the commercial register at the time the authorised capital is first

utilised, and further provided that the issue price of the new shares is not substantially below the market price of listed shares of the same category at the time the initial offering price of the new issue is finally fixed. The maximum limit of 10 percent of the capital stock decreases in proportion to the amount of capital stock that is comprised of the company's treasury stock issued as part of the authorised capital III under exclusion of the subscription right of the shareholders pursuant to §§ 71 Section 1 Subsection 8 Sentence 5, 186 Section 3 Sentence 4 AktG (German Stock Corporation Act). The maximum limit also falls in proportion to the amount of capital stock that is comprised of those shares issued to service option bonds and/or convertible bonds with option or conversion rights or with conversion duties if the bonds were issued during the duration of authorised capital III under the exclusion of the subscription right in the corresponding application of § 186 Section 3 Sentence 4 AktG. To date, authorised capital III has not been used.

Authorised capital IV

The Annual General Meeting held on 4 June 2004, further authorised the Management Board, with the prior approval of the Supervisory Board, to increase the company's capital stock by issuing new ordinary bearer shares in exchange for non-cash contributions in one or several tranches for a maximum total of €125,000,000 by 3 June 2009 (authorised capital IV). The Management Board has been authorised, with the prior approval of the Supervisory Board, to decide on the restriction of the subscription right. To date, authorised capital IV has not been used.

Stock buyback

Pursuant to § 71 Section 1 Subsection 8 AktG (German Stock Corporation Act), the Annual General Meeting held on 23 May 2007, authorised the company to acquire treasury stock up to the equivalent of 10 percent of the capital stock on or before 23 November 2008.

To date, neither the company nor any company controlled or majority-owned by METRO AG or any other company acting on behalf of METRO AG or any company controlled or majority-owned by METRO AG has exercised this authorisation.

10. ADDITIONAL PAID-IN CAPITAL

As of 31 December 2007, additional paid-in capital was unchanged at €2,558.0 million.

11. REVENUE RESERVES

Following an addition of €240.0 million, the other revenue reserves included in this item amount to €1,324.0 million at the closing date.

12. PROVISIONS

| € million | 31 Dec 2007 | 31 Dec 2006 |
|---|--------------|--------------|
| Provisions for pensions and similar commitments | 132.7 | 136.5 |
| Tax provisions | 82.2 | 118.7 |
| Other provisions | 165.4 | 206.7 |
| | 380.3 | 461.9 |

Provisions for pensions and similar commitments of €111.5 million (previous year: €118.2 million) provide for direct pension commitments, while €21.2 million (previous year: €18.3 million) has been set aside to cover shortfalls of underfunded benevolent funds. The actuarial valuation of pension provisions was based on the 2005 G reference tables of Prof. Dr. Klaus Heubeck.

Tax provisions adequately provide for tax audit risks.

Other provisions provide for the following:

| € million | 31 Dec 2007 | 31 Dec 2006 |
|-----------------------------------|--------------|--------------|
| Litigation risks | 34.4 | 25.0 |
| Interest on taxes due | 32.7 | 42.1 |
| Commitments to employees | 31.9 | 23.2 |
| Investment risks | 30.3 | 54.4 |
| Interest on taxes due | 25.5 | 35.9 |
| Cost accounts not yet received | 6.5 | 5.5 |
| Risks from financial transactions | – | 16.8 |
| Other | 4.1 | 3.8 |
| | 165.4 | 206.7 |

Provisions for commitments to employees include mostly variable compensation entitlements.

Risks from investments include obligations related to the divestment of METRO AG investments.

13. LIABILITIES

| € million | 31 Dec 2007 total | Remaining term | | | 31 Dec 2006 total |
|-------------------------------------|----------------------|----------------|-----------------|-----------------|----------------------|
| | | up to 1 year | 1 to 5 years | over 5 years | |
| Bonds | 2,005.6 | 1,055.6 | 950.0 | – | 2,003.1 |
| Liabilities to banks | 158.3 | 158.3 | – | – | 7.9 |
| Trade payables | 3.6 | 3.6 | – | – | 4.3 |
| Liabilities to associated companies | 4,420.0 | 4,420.0 | – | – | 4,584.4 |
| Other liabilities | 185.7 | 179.7 | 6.0 | – | 129.3 |
| thereof taxes | [129.6] | [129.6] | – | – | [86.4] |
| thereof social security | [0.0] | [0.0] | – | – | [1.7] |
| | 6,773.2 | 5,817.2 | 956.0 | – | 6,729.0 |

Aside from the nominal amounts of bond issues, the bonds item also includes pro-rata interest liabilities in the amount of €55.6 million.

Trade payables include €3.6 million in cost and expense accounts.

Liabilities to associated companies relate to short-term monetary investments of METRO Group companies.

The increase in other liabilities is primarily attributable to higher sales tax liabilities.

There are no liabilities secured by rights of lieu or similar rights.

14. DEFERRED INCOME

Deferred income includes agio from bonds and one-time payments from the conclusion of interest rate swaps.

15. CONTINGENT LIABILITIES

| € million | 31 Dec 2007 | 31 Dec 2006 |
|--|----------------|----------------|
| Liabilities from guarantee or warranty contracts | 3,557.6 | 3,817.7 |
| thereof for liabilities of associated companies | [3,340.1] | [3,807.2] |
| Liabilities from sureties and guarantees | 138.9 | 99.7 |
| thereof for liabilities of associated companies | [99.9] | [99.6] |
| | 3,696.5 | 3,917.4 |

Liabilities from guarantee and warranty contracts include rental guarantees of €225.4 million. These liabilities are recognised at the respective annual rental rates. They are granted over the full rental term.

16. OTHER FINANCIAL LIABILITIES

| € million | 31 Dec 2007 total | Remaining term | | | 31 Dec 2007 total |
|--|----------------------|----------------|-----------------|-----------------|----------------------|
| | | to 1 year | 1 to 5 years | over 5 years | |
| Commitments from stock tender rights | 306.4 | 1.0 | 305.4 | – | 301.2 |
| Obligations from loans granted | – | – | – | – | 0.4 |
| thereof to associated companies | [–] | [–] | [–] | [–] | [0.4] |
| Obligations from rental contracts and leases | 310.6 | 35.8 | 121.9 | 152.9 | 402.5 |
| thereof to associated companies | [2.9] | [2.3] | [0.6] | [–] | [3.8] |
| Other | 0.6 | 0.6 | – | – | 0.1 |
| | 617.6 | 37.4 | 427.3 | 152.9 | 704.2 |

Commitments from stock tender rights are recognised under consideration of the anticipated sales price at the time of exercise as well as the anticipated exercise date.

Unlimited financial obligations from rental contracts were considered up to the earliest possible termination.

17. DERIVATIVE FINANCIAL INSTRUMENTS

As at the closing date, the following derivative financial instruments were being used to reduce risks:

Interest rate transactions

| € million | Nominal volume | Fair values | | Book values | |
|--|----------------|-------------|----------|-------------|----------|
| | | positive | negative | positive | negative |
| Interest rate swaps | | | | | |
| Interest rate swaps as valuation unit with derivative financial transactions | | | | | |
| thereof with associated companies | | | | | |
| thereof with external counterparties | | | | | |
| Interest rate swaps as valuation unit with primary financial transactions | 850.0 | 16.5 | | | |
| thereof with external counterparties | [850.0] | [16.5] | | | |
| Other interest rate swaps | 500.0 | 15.1 | | | |
| thereof with external counterparties | [500.0] | [15.1] | | | |
| thereof included in: | | | | | |
| Other assets | | | | 17.7 | |
| Prepaid expenses and deferred charges | | | | | |
| Other liabilities | | | | | |
| Deferred income | | | | | 0.1 |
| | 1,350.0 | 31.6 | | 17.7 | 0.1 |
| Caps | | | | | |
| Caps as valuation unit with primary financial transactions | 750.0 | 11.0 | | | |
| thereof with external counterparties | [750.0] | [11.0] | | | |
| thereof included in: | | | | | |
| Other assets | | | | 2.2 | |
| | 750.0 | 11.0 | | 2.2 | |

Currency transactions

| € million | Nominal volume | Fair values | | Book values | |
|--|-------------------|----------------|----------|-------------|----------|
| | | positive | negative | positive | negative |
| Forex futures | | | | | |
| Forex futures as valuation unit with derivative financial transactions | 125.2 | 2.0 | 2.0 | | |
| thereof with associated companies | [62.6] | [2.0] | [–] | | |
| thereof with external counterparties | [62.6] | [–] | [2.0] | | |
| Forex futures as valuation unit with primary financial transactions | 340.4 | 1.2 | 1.4 | | |
| thereof with external counterparties | [340.4] | [1.2] | [1.4] | | |
| | 465.6 | 3.2 | 3.4 | | |
| Currency options | | | | | |
| Currency options as valuation unit with derivative financial transactions | 0.6 | – | – | | |
| thereof with associated companies | [0.3] | | [–] | | |
| thereof with external counterparties | [0.3] | [–] | | | |
| | 0.6 | – | – | | |
| Interest rate/currency swaps | | | | | |
| Interest rate/currency swaps as valuation unit with derivative financial transactions | 427.4 | 34.0 | 34.0 | | |
| thereof with associated companies | [213.7] | [34.0] | | | |
| thereof with external counterparties | [213.7] | | [34.0] | | |
| Interest rate/currency swaps as valuation unit with derivative financial transactions | 40.4 | | 4.6 | | |
| thereof with external counterparties | [40.4] | | [4.6] | | |
| Other interest rate/currency swaps | 377.5 | 16.8 | | | |
| thereof with associated companies | [327.7] | [14.6] | | | |
| thereof with external counterparties | [49.8] | [2.2] | | | |
| thereof included in: | | | | | |
| Other assets | | | | 4.6 | |
| Other liabilities | | | | | 5.2 |
| | 845.3 | 50.8 | 38.6 | 4.6 | 5.2 |

Equity transactions

| € million | Nominal- volume | Fair values | | Book values | |
|----------------------|--------------------|----------------|----------|----------------|----------|
| | | positive | negative | positive | negative |
| Stock options | | | | | |
| Tranche 2005 | 3.5 | 66.6 | | | |
| Tranche 2006 | 1.5 | 29.6 | | | |
| thereof included in: | | | | | |
| Other assets | | | | 14.2 | |
| | 5.0 | 96.2 | | 14.2 | |

The fair values of derivative financial instruments are calculated according to the net present value method and recognised option pricing models based on interest rates and currency exchange rates published by Reuters.

The nominal volume of derivative financial instruments is shown in absolute amounts.

The nominal volume of stock options used to hedge the stock bonus programmes represents the number of stock options, whereby the ratio of stock options to subscription right is 1:1.

Please refer to no. 1 for details on the balance sheet treatment and measurement of derivative financial instruments.

18. OTHER LEGAL ISSUES

Status of legal challenge

The share exchange ratio set for the incorporation of Asko Deutsche Kaufhaus AG and Deutsche SB-Kauf AG into METRO AG in 1996 is undergoing judicial review in appraisal processes initiated by former shareholders. The former shareholders maintain that the exchange ratio was set too low, putting them at a disadvantage.

These two legal challenges are pending in district courts located in Saarbrücken and Frankfurt/Main.

Resolutions of the Annual General Meeting of 22 May 2003

The 2006 ruling of the District Court of Düsseldorf in the appeals procedure on the legal challenge against the resolutions of the Annual General Meeting in 2003 became effective in 2007. The ruling does not impact the effectiveness and existence of the annual financial statements for 2003.

NOTES TO THE INCOME STATEMENT OF METRO AG

19. INVESTMENT RESULT

| € million | 2007 | 2006 |
|--|--------------|--------------|
| Income from profit and loss transfer agreements | 690.7 | 781.8 |
| Income from investments | 98.0 | 129.9 |
| thereof from associated companies | [98.0] | [129.9] |
| Expenses from loss absorption | [91.9] | [161.9] |
| Book losses (previous year book gains) from the disposal of financial assets | [0.2] | 1.3 |
| Book gains from the disposal of marketable securities | – | 143.1 |
| | 696.6 | 894.2 |

Aside from profits of the Metro Cash & Carry, Media Markt and Saturn, and Kaufhof sales divisions as well as from other companies, income from profit and loss transfer agreements also includes losses of the grocery retail segment.

Income from investments relates mostly to real estate investments.

Expenses from loss absorption comprise the results of METRO Group service companies.

20. FINANCIAL RESULT

| € million | 2007 | 2006 |
|-----------------------------------|---------------|---------------|
| Other interest and related income | 166.8 | 162.5 |
| thereof from associated companies | [139.8] | [131.7] |
| Income from long-term loans | 79.4 | 44.2 |
| thereof from associated companies | [78.6] | [42.6] |
| Other financial income | 30.8 | 29.9 |
| thereof from associated companies | [1.1] | [19.1] |
| Interest and similar expenses | [308.4] | [269.8] |
| thereof to associated companies | [[126.8]] | [[112.1]] |
| Write-downs on financial assets | [25.6] | – |
| Other financial expenses | [7.4] | [35.9] |
| thereof to associated companies | [[2.9]] | [[10.82]] |
| | (64.4) | (69.1) |

As in the previous year, other interest and similar income result mainly from financial settlement transactions with METRO Group companies.

At €57.6 million, income from long-term loans in financial assets relates mostly to long-term loans to Asset Immobilienbeteiligungen GmbH as well as to METRO Finance Holding Ltd.

A total of €213.6 million in interest and related expenses was due to interest from current monetary transactions, while €94.8 million related to interest on long-term liabilities.

Write-downs on financial assets refer to loans to associated companies and, at €10.0 million, result from the discounting of a non-interest-bearing loan and, at €15.6 million, from the measurement of a foreign currency loan at the lower closing date price.

21. OTHER OPERATING INCOME

| € million | 2007 | 2006 |
|--|--------------|--------------|
| Administrative services for subsidiaries | 81.4 | 22.1 |
| Rental income | 40.1 | 40.5 |
| Write-back of provisions | 24.3 | 8.4 |
| Dissolution of rental contracts | 10.9 | – |
| Investment subsidies | 6.9 | 6.0 |
| Disposal of intangible assets | 0.3 | 176.5 |
| Write-back of a write-down from previous years | – | 3.6 |
| Other income | 3.6 | 7.6 |
| | 167.5 | 264.7 |

The items rental income, income from the dissolution of rental contracts and investment subsidies are netted against corresponding other operating expenses.

Income from administrative services for subsidiaries includes €76.3 million in charged-on services rendered by METRO AG to MGS METRO Group Solutions GmbH.

A ruling in favour of METRO AG and the resulting elimination of the risk of payment obligations accounts for the major share, or €16.9 million, of income from write-backs of provisions.

22. PERSONNEL EXPENSES

| € million | 2007 | 2006 |
|---|--------|--------|
| Wages and salaries | 59.3 | 47.4 |
| Social security contributions, expenses for pensions and related benefits | 23.3 | 18.8 |
| thereof for pensions | [19.8] | [15.1] |
| | 82.6 | 66.2 |

The stock bonus plan launched in 2004 as a long-term remuneration component was continued during the reporting year. The expenses for these transactions amounted to €6.4 million in the financial year 2007 (previous year: €2.9 million).

Wages and salaries included year-end payments and provisions for additions to provisions and extraordinary payments totalling €30.9 million (previous year: €17.7 million).

23. OTHER OPERATING EXPENSES

As of the closing date, other operating income was made up of the following items:

| € million | 2007 | 2006 |
|---|-------|-------|
| General administrative expenses | 45.5 | 54.4 |
| Real estate rents | 44.7 | 45.3 |
| Service fees charged by subsidiaries to METRO AG | 22.3 | 24.0 |
| Litigation risks | 12.8 | 8.9 |
| Legal and other consultancy | 12.4 | 15.0 |
| Dissolution of rental contracts | 10.9 | 0.0 |
| Allocation of positive synergy effects to sales divisions | 0.0 | 10.2 |
| Other items | 29.9 | 30.1 |
| | 178.5 | 187.9 |

The auditor's fee can be broken down as follows:

| € million | 2007 |
|---|------------|
| KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft | |
| Audit | 1.9 |
| Other certification or evaluation services | 0.3 |
| Tax consultation services | 0.3 |
| Other services | 0.8 |
| | 3.3 |

Only services that are consistent with the task as the auditor of the annual financial statements and the consolidated financial statements of METRO AG were provided.

24. INCOME TAXES

This item shows tax expenses netted against tax refunds. The balance of €31.2 million results from a claim of €19.9 million to the tax office on account of a corporation tax credit.

25. APPROPRIATION OF BALANCE SHEET PROFIT, DIVIDENDS

As resolved by the Annual General Meeting on 23 May 2007, a dividend of €1.120 per ordinary share and €1.232 per preference share, for a total of €366.3 million, was paid in the financial year 2007 from the reported balance sheet profit of €435.4 million for 2006. The remaining amount of €69.1 million was carried forward to the new account.

The Management Board of METRO AG will propose to the Annual General Meeting to pay from the reported balance sheet profit of €395.1 million for 2007 a dividend of €1.180 per ordinary share and €1.298 per preference share, for a total of €385.9 million, and to carry the remaining amount of 9.2 million forward to the new account. The balance sheet profit of €395.1 million for 2007 includes profit carried forward of €69.1 million.

OTHER NOTES

26. EMPLOYEES

METRO AG's workforce averaged 319 in the financial year 2007, calculated from the four quarters. Part-time and temporary employees have been converted to full-time equivalents.

27. SHARE OWNERSHIP

The disclosures required pursuant to § 285 Sentence 1 Subsection 11 and 11a HGB (German Commercial Code) are included in a separate list of share ownership. In accordance with § 287 Sentence 2 HGB, this list is included in the notes.

28. GROUP AFFILIATION

As the parent company, METRO AG prepares the financial statements of METRO AG. The annual financial statements of METRO AG are included in the consolidated financial statements, which were prepared in accordance with International Financial Reporting Standards (IFRS). They are presented to the operator of the electronic Federal Gazette and then published in the electronic Federal Gazette.

29. DISCLOSURES PURSUANT TO § 160 SECTION 1 SUBSECTION 8 AKTG (GERMAN STOCK CORPORATION ACT)

METRO AG was informed of existing participations pursuant to § 21 Section 1 WpHG (German Securities Trading Act) by means of written notifications as per 17 February 2006, 24 February 2006, 7 March 2006, 26 May 2006, 8 September 2006, 12 April 2007, 3 May 2007, 15 May 2007, 16 May 2007, 18 May 2007, 29 May 2007, 6 June 2007, 14 June 2007, 26 October 2007, 30 October 2007, 2 November 2007 and 5 November 2007.

The contents of the notification of 17 February 2006 were published as follows:

"Franz Haniel & Cie. GmbH, Franz-Haniel-Platz 1, 47119 Duisburg, sent us, METRO AG, Schlüterstraße 1, 40235 Düsseldorf, in accordance with §§ 21 Section 1, 24 of the German Securities Trading Act, a notification dated 17 February 2006, with the following contents:

'We, Franz Haniel & Cie. GmbH, hereby notify you in accordance with § 24 in connection with § 21 Section 1 of the German Securities Trading Act on behalf of our subsidiary, Haniel Finance Deutschland GmbH, Franz-Haniel-Platz 1, 47119 Duisburg, that on 13 February 2006, the share of the voting rights of Haniel Finance Deutschland GmbH in METRO AG, Düsseldorf, exceeded the 5%, 10%, 25% and 50% thresholds and has amounted to 55.62% since this time. A total of 55.62% of the voting rights is attributable to Haniel Finance Deutschland GmbH in accordance with § 22 Section 2 Sentence 1 of the Ger-

man Securities Trading Act, whereas 39.51% of the voting rights are also attributable in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.”

The contents of the notification of 24 February 2006 were published as follows:

“Freshfields Bruckhaus Deringer, Taunusanlage 11, 60329 Frankfurt am Main, sent us, METRO AG, Schlüterstraße 1, 40235 Düsseldorf, in the name of and on behalf of the persons and companies listed below in accordance with § 21 Section 1 of the German Securities Trading Act and in part also in accordance with § 41 Section 2 of the German Securities Trading Act a notification dated 24 February 2006, with the following contents:

‘METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf, has made notifications to you in its own name as well as in the name of and on behalf of the persons and companies listed below, in accordance with §§ 21 ff. of the German Securities Trading Act and in part also in accordance with § 41 Section 2 of the German Securities Trading Act, which we, Freshfields Bruckhaus Deringer, Frankfurt, hereby amend in the name of and on behalf of the persons and companies listed below, without there having been a change in the meantime in the participation rights of the persons and companies listed below requiring notification, and which completely read as follows:

1. METRO Vermögensverwaltung GmbH & Co. KG

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 22 July 1996), we notify you that on 22 July 1996, the date of first admission of the shares of METRO AG, Düsseldorf, to official trading, the share of voting rights held by METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf (address: Metro-Straße 1, 40235 Düsseldorf), amounted to more than 5%, 10%, 25% and 50% of the voting rights and in fact amounted at that time to 67.16% of the voting rights. A total of 66.97% of the voting rights was held directly by METRO Vermögensverwaltung GmbH & Co. KG, an additional 0.19% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 22 July 1996).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 20 November 1998), we further notify you that on 20 November 1998, the share of voting rights held in METRO AG, Düsseldorf, by METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf (address: Metro-Straße 1, 40235 Düsseldorf), fell below the threshold of 50% and amounted at that time to 43.34% of the voting rights. A total of 43.20% of the voting rights was held directly by METRO Vermögensverwaltung GmbH & Co. KG, an additional 0.14% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 20 November 1998).

The share of voting rights held in METRO AG, Düsseldorf, by METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf (address: Metro-Straße 1, 40235 Düsseldorf), on 28 December 2000, amounted, without change, to more than 5%, 10% and 25% of the voting rights and in fact amounted at that time to 45.83% of the voting rights. A total of 40.21% of the voting rights was held directly by METRO Vermögensverwaltung GmbH & Co. KG. An additional 0.13% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act

(in the version applicable on 28 December 2000), and an additional 5.49% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf (address: Metro-Straße 1, 40235 Düsseldorf), exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. A total of 40.21% of the voting rights was held directly by METRO Vermögensverwaltung GmbH & Co. KG, and an additional 0.13% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 23 May 2001), and an additional 16.27% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf (address: Metro-Straße 1, 40235 Düsseldorf), amounted to 55.68% of the voting rights. A total of 39.39% of the voting rights was held by it directly, 16.17% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act and an additional 0.13% of the voting rights was attributed to it in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

The share of voting rights held in METRO AG, Düsseldorf, by METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf (address: Metro-Straße 1, 40235 Düsseldorf), on 1 July 2004, amounted, without change, to more than 5%, 10%, 25% and 50% of the voting rights and in fact amounted at that time to 55.68% of the voting rights. A total of 14.51% of the voting rights was held by it directly. An additional 41.17% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 25% of the voting rights plus one single vote was attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf, amounted to 55.62% of the voting rights. A total of 14.51% of the voting rights was held by it directly. An additional 41.11% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 25% of the voting rights plus one single vote was attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

2. METRO Vermögensverwaltung GmbH

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 22 July 1996), we notify you that on 22 July 1996, the date of first admission of the shares of METRO AG, Düsseldorf, to official trading, the share of voting rights held by METRO Vermögensver-

waltung GmbH (address: Metro-Straße 1, 40235 Düsseldorf), in respect of its capacity as general partner of METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf, amounted to more than 5%, 10%, 25% and 50% of the voting rights and in fact amounted at that time to 67.16% of the voting rights. A total of 67.16% of the voting rights was attributed to METRO Vermögensverwaltung GmbH, Düsseldorf in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 22 July 1996).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 20 November 1998), we further notify you that on 20 November 1998, the share of voting rights held in METRO AG, Düsseldorf, by METRO Vermögensverwaltung GmbH, Düsseldorf (address: Metro-Straße 1, 40235 Düsseldorf), in respect of its capacity as general partner of METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf, fell below the threshold of 50% and amounted at that time to 43.34% of the voting rights. A total of 43.34% of the voting rights was attributed to METRO Vermögensverwaltung GmbH in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 20 November 1998).

The share of voting rights held in METRO AG, Düsseldorf, by METRO Vermögensverwaltung GmbH, Düsseldorf (address: Metro-Straße 1, 40235 Düsseldorf), in respect of its capacity as general partner of METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf, amounted on 28 December 2000, to more than 5%, 10% and 25% of the voting rights and in fact amounted at that time to 45.83% of the voting rights. A total of 45.83% of the voting rights was attributed to METRO Vermögensverwaltung GmbH in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000), whereof 40.34% of the voting rights was attributed to it at the same time in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by METRO Vermögensverwaltung GmbH, Düsseldorf (address: Metro-Straße 1, 40235 Düsseldorf), in respect of its capacity as general partner of METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf, exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. A total of 56.61% of the voting rights was attributed to METRO Vermögensverwaltung GmbH in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001), whereof 40.34% of the voting rights was attributed to it at the same time in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by METRO Vermögensverwaltung GmbH, Düsseldorf (address: Metro-Straße 1, 40235 Düsseldorf), in respect of its capacity as general partner of METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf, amounted to 55.68% of the voting rights. A total of 55.68% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights were attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1.

On today's date, 24 February 2006, the share of voting rights held by METRO Vermögensverwaltung GmbH, Düsseldorf (address: Metro-Straße 1, 40235 Düsseldorf), in respect of its capacity as general partner of METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf, amounted to 55.62% of the voting rights. A total of 55.62% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

3. METRO Holding AG

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 22 July 1996), we notify you that on 22 July 1996, the date of first admission of the shares of METRO AG, Düsseldorf, to official trading, the share of voting rights held by METRO Holding AG, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), amounted to more than 5%, 10%, 25% and 50% of the voting rights and in fact amounted at that time to 67.16% of the voting rights. A total of 67.16% of the voting rights was attributed to METRO Holding AG, Baar, Switzerland, in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 22 July 1996).

We further notify you that on 20 November 1998, the share of voting rights held in METRO AG, Düsseldorf, by METRO Holding AG, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), amounted, without change, to more than 5%, 10%, 25% and 50% of the voting rights and amounted at that time to 53.44% of the voting rights. A total of 53.44% of the voting rights was attributed to METRO Holding AG in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 20 November 1998).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on October 13, 2000), we further notify you that on October 13, 2000, the share of voting rights held in METRO AG, Düsseldorf, by METRO Holding AG Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), fell below the thresholds of 50% and 25% and amounted at that time to 16.18%. A total of 16.18% of the voting rights was attributed to METRO Holding AG in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on October 13, 2000).

We further notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by METRO Holding AG, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), amounted, without change, to more than 5% and 10% of the voting rights and in fact amounted to 10.79% of the voting rights. A total of 10.79% of the voting rights was attributed to METRO Holding AG in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 28 December 2000).

Furthermore, we notify you in accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001) that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by METRO Holding AG, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), fell below the thresholds of 10% and 5% and has since then, without change, amounted to 0%.

4. Ligapart AG

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 20 November 1998), we notify you that on 20 November 1998, the share of voting rights held in METRO AG, Düsseldorf, by Ligapart AG, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), exceeded the thresholds of 5% and 10% of the voting rights and amounted at that time to 10.10%. A total of 10.10% of the voting rights was held directly by Ligapart AG.

We further notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Ligapart AG, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), amounted, without change, to more than 5% and 10% of the voting rights and in fact amounted at that time to 10.79% of the voting rights. A total of 10.79% of the voting rights was held directly by Ligapart AG.

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 9 May 2001), we further notify you that on 9 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Ligapart AG, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), fell below the thresholds of 10% and 5% of the voting rights and has since then amounted to 0%.

5. 1. HSB Beteiligungsverwaltung GmbH & Co. KG

In accordance with § 21 Section 1 of the German Securities Trading Act, we notify you that on 1 July 2004, the share of voting rights held in METRO AG, Düsseldorf, by 1. HSB Beteiligungsverwaltung GmbH & Co. KG, Schönefeld-Waltersdorf (address: Am Pechpfuhl 1b, 12529 Schönefeld-Waltersdorf), exceeded the thresholds of 5%, 10%, 25% and 50% and amounted at that time to 55.68% of the voting rights. A total of 25% of the voting rights plus one single vote was held directly by 1. HSB Beteiligungsverwaltung GmbH & Co. KG, and an additional 30.68% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by 1. HSB Beteiligungsverwaltung GmbH & Co. KG, Schönefeld-Waltersdorf, amounted to 55.62% of the voting rights. Without change, 25% of the voting rights plus one single vote was held by it directly, and an additional 30.62% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

6. 1. HSB Verwaltung GmbH

In accordance with § 21 Section 1 of the German Securities Trading Act, we notify you that on 1 July 2004, the share of voting rights held in METRO AG, Düsseldorf, by 1. HSB Verwaltung GmbH, Schönefeld-Waltersdorf (address: Am Pechpfuhl 1b, 12529 Schönefeld-Waltersdorf), in respect of its capacity as general partner of 1. HSB Beteiligungsverwaltung GmbH & Co. KG, Schönefeld-Waltersdorf, exceeded the thresholds of 5%, 10%, 25% and 50% and amounted at that time to 55.68% of the voting rights. A total of 55.68% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 25% of the voting rights plus one single vote was attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by 1. HSB Verwaltung GmbH, Schönefeld-Waltersdorf, in respect of its capacity as general partner of 1. HSB Beteiligungsverwaltung GmbH & Co. KG, Schönefeld-Waltersdorf, amounted, without change, to 55.62% of the voting rights. A total of 55.62% of the voting rights was, without change, attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 25% of the voting rights plus one single vote was attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

7. Haniel Finance B.V.

We further notify you in accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000) that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Haniel Finance B.V., Venlo, Netherlands (address: Hakkesstraat 23A, 5916 PX Venlo, Netherlands), exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83% of the voting rights. A total of 5.39% of the voting rights was held directly by Haniel Finance B.V. and an additional 40.43% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Haniel Finance B.V., Venlo, Netherlands (address: Hakkesstraat 23A, 5916 PX Venlo, Netherlands), exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. A total of 5.39% of the voting rights was held directly by Haniel Finance B.V. and an additional 51.22% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Haniel Finance B.V., Venlo, Netherlands (address: Hakkesstraat 23A, 5916 PX Venlo, Netherlands), amounted to 55.68%. A total of 5.39% of the voting rights was held by it directly and an additional 50.29% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

On today's date, February 24, 2006, the share of voting rights held in METRO AG, Düsseldorf, by Haniel Finance B.V., Venlo, Netherlands, amounted to 55.62% of the voting rights. A total of 5.39% is held directly by it and an additional 50.23% of the voting rights is attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

8. Franz Haniel & Cie. GmbH

We further notify you in accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000) that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Franz Haniel & Cie. GmbH, Duisburg (address: Franz- Haniel-Platz 1, 47119 Duisburg), exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83%

of the voting rights. A total of 45.83% of the voting rights was attributed to Franz Haniel & Cie. GmbH in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000), whereof 5.39% of the voting rights was attributed to it at the same time in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Franz Haniel & Cie. GmbH, Duisburg (address: Franz-Haniel-Platz 1, 47119 Duisburg), exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. A total of 56.61% of the voting rights was attributed to Franz Haniel & Cie. GmbH in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001), whereof 5.39% of the voting rights was attributed to it at the same time in accordance also with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Franz Haniel & Cie. GmbH, Duisburg (address: Franz-Haniel-Platz 1, 47119 Duisburg), amounted to 55.68%. A total of 55.68% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 44.91% of the voting rights was attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by Franz Haniel & Cie. GmbH, Duisburg, amounted to 55.62% of the voting rights. A total of 55.62% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 44.91% of the voting rights was attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

9. Beisheim Holding GmbH

Furthermore, we notify you in accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000) that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Beisheim Holding GmbH, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83% of the voting rights. A total of 45.83% of the voting rights was attributed to Beisheim Holding GmbH in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act, we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Beisheim Holding GmbH, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. A total of 5.39% of the voting rights was held directly by Beisheim Holding GmbH and an additional 51.22%

of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Beisheim Holding GmbH, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), amounted to 55.68% of the voting rights. A total of 5.29% of the voting rights was held by it directly, and an additional 50.40% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by Beisheim Holding GmbH, Baar, Switzerland, amounted to 55.62% of the voting rights. A total of 5.29% of the voting rights was held by it directly, and an additional 50.34% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

10. Prof. Otto Beisheim Stiftung

Furthermore, we notify you in accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000) that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Prof. Otto Beisheim Stiftung, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83% of the voting rights. A total of 45.83% of the voting rights was attributed to Prof. Otto Beisheim Stiftung in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Prof. Otto Beisheim Stiftung, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. A total of 5.39% of the voting rights was attributed to Prof. Otto Beisheim Stiftung in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 23 May 2001) and an additional 51.22% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Prof. Otto Beisheim Stiftung, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), amounted to 55.68% of the voting rights. A total of 5.29% was attributed to it in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, and an additional 50.40% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by Prof. Otto Beisheim Stiftung, Baar, Switzerland, amounted to 55.62% of the voting rights. A total of 5.29% of the voting rights was attributable to it in accordance with § 22 Section 1 Sentence 1 Sub-

section 1 of the German Securities Trading Act and an additional 50.34% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

11. Suprapart AG

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000), we notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Suprapart AG, Baar, Switzerland (address: Mühlegasse 36, 6340 Baar, Switzerland), exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83% of the voting rights. A total of 45.83% of the voting rights was attributed to Suprapart AG in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Suprapart AG, Baar, Switzerland (address: Mühlegasse 36, 6340 Baar, Switzerland), exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. A total of 5.39% of the voting rights was held directly by Suprapart AG, and an additional 51.22% was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Suprapart AG, Baar, Switzerland (address: Mühlegasse 36, 6340 Baar, Switzerland), amounted to 55.68% of the voting rights. A total of 5.39% of the voting rights was held by it directly, and an additional 50.29% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by Suprapart AG, Baar, Switzerland, amounted to 55.62% of the voting rights. A total of 5.39% of the voting rights was held by it directly, and an additional 50.23% was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

12. Supra Holding AG

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000), we notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Supra Holding AG, Baar, Switzerland (address: Mühlegasse 36, 6340 Baar, Switzerland), exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83% of the voting rights. A total of 45.83% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Supra Holding AG, Baar, Switzerland (address: Mühlegasse 36,

6340 Baar, Switzerland), exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. A total of 5.39% was attributed to Supra Holding AG in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 23 May 2001), and an additional 51.22% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Supra Holding AG, Baar, Switzerland (address: Mühlegasse 36, 6340 Baar, Switzerland), amounted to 55.68% of the voting rights. A total of 5.39% of the voting rights was attributed to it in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, and an additional 50.29% was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by Supra Holding AG, Baar, Switzerland, amounted to 55.62% of the voting rights. A total of 5.39% of the voting rights was attributable to it in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, and an additional 50.23% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

13. Baluba Investment S.A.

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000), we notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Baluba Investment S.A., Panama (address: c/o Arosemena Noriega & Contreras, Elvira Mendez Street No. 10, Banco do Brasil Building, City of Panama, Republic of Panama), exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83% of the voting rights. A total of 45.83% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Baluba Investment S.A., Panama (address: c/o Arosemena Noriega & Contreras, Elvira Mendez Street No. 10, Banco do Brasil Building, City of Panama, Republic of Panama), exceeded the threshold of 50% and amounted at that time to 56.61% of the voting rights. A total of 5.39% of the voting rights was attributed to Baluba Investment S.A. in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 23 May 2001), and an additional 51.22% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

Furthermore, we notify you in accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 19 July 2001) that on 19 July 2001, the share of voting rights held in METRO AG, Düsseldorf, by Baluba Investment S.A., Panama (address: c/o Arosemena Noriega &

Contreras, Elvira Mendez Street No. 10, Banco do Brasil Building, City of Panama, Republic of Panama], fell below the thresholds of 50%, 25%, 10% and 5% and has since that time amounted, without change, to 0% of the voting rights.

14. Baluba Investment Ltd.

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 19 July 2001), we notify you that on 19 July 2001, the share of voting rights held in METRO AG, Düsseldorf, by Baluba Investment Ltd., St. Peter Port, Guernsey (address: Granary House, The Grange, St. Peter Port, Guernsey GY1 2QQ, Guernsey), exceeded the thresholds of 5%, 10%, 25% and 50% and amounted at that time to 56.61% of the voting rights. A total of 5.39% of the voting rights was attributed to Baluba Investment Ltd. in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 19 July 2001), and an additional 51.22% was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 19 July 2001).

We further notify you in accordance with § 41 Section 2 of the German Securities Trading Act that as of 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Baluba Investment Ltd., St. Peter Port, Guernsey (address: Granary House, The Grange, St. Peter Port, Guernsey GY1 2QQ, Guernsey), amounted to 55.68% of the voting rights. A total of 5.39% of the voting rights was attributed to Baluba Investment Ltd. in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, and an additional 50.29% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by Baluba Investment Ltd., St. Peter Port, Guernsey, amounted to 55.62% of the voting rights. A total of 5.39% was attributable to Baluba Investment Ltd. in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, and an additional 50.23% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

15. Supra Trust (formerly WEKA Trust)

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000), we notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by CorTrust Reg. as trustee of WEKA Trust, Vaduz, Liechtenstein (address: Pflugstrasse 10, FL-9490 Vaduz, Liechtenstein), exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83% of the voting rights. A total of 45.83% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by CorTrust Reg. as trustee of WEKA Trust, Vaduz, Liechtenstein (address: Pflugstrasse 10, FL-9490 Vaduz, Liechtenstein), exceeded the threshold of 50% of the voting rights and amounted at this time to 56.61% of the voting rights. A total of 5.39% of the voting rights was attributed to WEKA Trust in accordance with § 22 Section 1 Subsection 2 of the German Securities

Trading Act (in the version applicable on 23 May 2001), and an additional 51.22% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by CorTrust Reg. as trustee of WEKA Trust, Vaduz, Liechtenstein (address: Pflugstrasse 10, FL-9490 Vaduz, Liechtenstein) amounted to 55.68% of the voting rights. A total of 5.39% of the voting rights was attributed to it in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, and an additional 50.29% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

In accordance with § 21 Section 1 of the German Securities Trading Act, we further notify you that on January 1, 2005, the share of voting rights held in METRO AG, Düsseldorf, by CorTrust Reg. as trustee of WEKA Trust, Vaduz, Liechtenstein (address: Pflugstrasse 10, FL-9490 Vaduz, Liechtenstein), fell below the thresholds of 50%, 25%, 10% and 5% of the voting rights and has since then amounted to 0% of the voting rights.

In accordance with § 21 Section 1 of the German Securities Trading Act, we notify you that on 1 January 2005, the share of voting rights held in METRO AG, Düsseldorf, by R&H Trust Co. (Guernsey) Ltd. as trustee of Supra Trust, St. Peter Port, Guernsey (address: Granary House, The Grange, St. Peter Port, Guernsey GY1 2QQ, Guernsey), exceeded the thresholds of 5%, 10%, 25% and 50% and amounted at that time to 55.68% of the voting rights. A total of 5.39% of the voting rights was attributed to it in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, and an additional 50.29% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by R&H Trust Co. (Guernsey) Ltd. as trustee of Supra Trust, St. Peter Port, Guernsey, amounted to 55.62% of the voting rights. A total of 5.39% of the voting rights was attributable to it in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, and an additional 50.23% was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

16. O.B. Betriebs GmbH

In accordance with § 21 Section 1 of the German Securities Trading Act, we notify you that on 14 February 2002, the share of voting rights held in METRO AG, Düsseldorf, by O.B. Betriebs-GmbH, Munich (address: Helene-Wessel-Bogen 39, 80939 München), exceeded the thresholds of 5%, 10%, 25% and 50% of the voting rights and amounted at that time to 55.79% of the voting rights. A total of 0.06% of the voting rights was held by it directly. The additional 55.73% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by O.B. Betriebs-GmbH, Munich (address: Helene-Wessel-Bogen 39, 80939 München), amounted to 55.68%. A total of 0.06% of the voting rights was held by it directly. The additional 55.62% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by O.B. Betriebs-GmbH, Munich, amounted to 55.62% of the voting rights. A total of 55.62% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

17. O.B.V. Vermögensverwaltungs GmbH & Co. KG

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000), we notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by O.B.V. Vermögensverwaltungs GmbH & Co. KG, Düsseldorf (address: Mörsenbroicher Weg 200, 40470 Düsseldorf), exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83% of the voting rights. A total of 0.06% of the voting rights was held by it directly, and an additional 45.77% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by O.B.V. Vermögensverwaltungs GmbH & Co. KG, Düsseldorf (address: Mörsenbroicher Weg 200, 40470 Düsseldorf), exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. A total of 0.06% of the voting rights was held by it directly, and an additional 56.55% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further inform you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by O.B.V. Vermögensverwaltungs GmbH & Co. KG, Düsseldorf (address: Mörsenbroicher Weg 200, 40470 Düsseldorf), amounted to 55.68%. A total of 0.06% of the voting rights was attributed to it in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act. The additional 55.62% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by O.B.V. Vermögensverwaltungs GmbH & Co. KG, Düsseldorf, amounted to 55.62% of the voting

rights. A total of 55.62% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

18. O.B.V. Vermögensverwaltungs GmbH

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000), we notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by O.B.V. Vermögensverwaltungs GmbH, Düsseldorf (address: Mörsenbroicher Weg 200, 40470 Düsseldorf), in respect of its capacity as general partner of O.B.V. Vermögensverwaltungs GmbH & Co. KG, Düsseldorf, exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83% of the voting rights. A total of 0.06% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 28 December 2000), and an additional 45.77% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by O.B.V. Vermögensverwaltungs GmbH, Düsseldorf (address: Mörsenbroicher Weg 200, 40470 Düsseldorf), in respect of its capacity as general partner of O.B.V. Vermögensverwaltungs GmbH & Co. KG, Düsseldorf, exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. A total of 0.06% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 23 May 2001), and an additional 56.55% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by O.B.V. Vermögensverwaltungs GmbH, Düsseldorf (address: Mörsenbroicher Weg 200, 40470 Düsseldorf), in respect of its capacity as general partner of O.B.V. Vermögensverwaltungs GmbH & Co. KG, Düsseldorf, amounted to 55.68%. A total of 0.06% of the voting rights was attributed to it in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act. The additional 55.62% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by O.B.V. Vermögensverwaltungs GmbH, Düsseldorf (address: Mörsenbroicher Weg 200, 40470 Düsseldorf), in respect of its capacity as general partner of O.B.V. Vermögensverwaltungs GmbH & Co. KG, Düsseldorf, amounted to 55.62% of the voting rights. A total of 55.62% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights were attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

19. Prof. Dr. Otto Beisheim

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000), we notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Prof. Dr. Otto Beisheim, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83% of the voting rights. A total of 0.06% of the voting rights was attributed to him in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 28 December 2000), and an additional 45.77% of the voting rights was attributed to him in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Prof. Dr. Otto Beisheim, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), exceeded the threshold of 50% and amounted at that time to 56.61% of the voting rights. A total of 0.06% of the voting rights was attributed to him in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 23 May 2001), and an additional 56.55% of the voting rights was attributed to him in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Prof. Dr. Otto Beisheim, Baar, Switzerland (address: Neuhofstr. 4, 6341 Baar, Switzerland), amounted to 55.68%. A total of 0.06% of the voting rights was attributed to him in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act. The additional 55.62% of the voting rights was attributed to him in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributed to him at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by Prof. Dr. Otto Beisheim, Baar, Switzerland, amounted to 55.62% of the voting rights. A total of 55.62% of the voting rights was attributable to him in accordance with § 22 Section 2 Subsection 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributable to him at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

20. BVG Beteiligungs- und Vermögensverwaltung GmbH

In accordance with § 21 Section 1 of the German Securities Trading Act, we notify you that on 14 February 2002, the share of voting rights held in METRO AG, Düsseldorf, by BVG Beteiligungs- und Vermögensverwaltung GmbH, Essen (address: Huyssenallee 44, 45128 Essen), exceeded the thresholds of 5%, 10%, 25% and 50% of the voting rights and amounted at that time to 55.79% of the voting rights. A total of 0.03% of the voting rights was attributed to it in accordance with § 22 Section 1 Sentence 1 Subsection 2 of the German Securities Trading Act. The additional 55.76% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German

Securities Trading Act, whereof 39.51% of the voting rights was attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by BVG Beteiligungs- und Vermögensverwaltung GmbH, Essen (address: Huyssenallee 44, 45128 Essen), amounted to 55.68%. A total of 0.03% of the voting rights was attributed to it in accordance with § 22 Section 1 Sentence 1 Subsection 2 of the German Securities Trading Act. The additional 55.65% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by BVG Beteiligungs- und Vermögensverwaltung GmbH, Essen, amounted to 55.62% of the voting rights. A total of 0.03% of the voting rights was attributable to it in accordance with § 22 Section 1 Sentence 1 Subsection 2 of the German Securities Trading Act, and an additional 55.59% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

21. Gebr. Schmidt GmbH & Co. KG

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000), we notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Gebrüder Schmidt GmbH & Co. KG, Essen (address: Huyssenallee 44, 45128 Essen), exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83% of the voting rights. A total of 0.03% of the voting rights was held by it directly, and an additional 45.79% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that the share of voting rights held in METRO AG, Düsseldorf, by Gebrüder Schmidt GmbH & Co. KG, Essen (address: Huyssenallee 44, 45128 Essen), exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. A total of 0.03% of the voting rights was held by it directly, and an additional 56.58% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Gebrüder Schmidt GmbH & Co. KG, Essen (address: Huyssenallee 44, 45128 Essen), amounted to 55.68% of the voting rights. A total of 0.03% of the voting rights was held by it directly. The additional 55.65% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by Gebrüder Schmidt GmbH & Co. KG, Essen, amounted to 55.62% of the voting rights. A total of 0.03% of the voting rights was held by it directly. The additional 55.59% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights were attributable to it at the same time also in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

22. Gebr. Schmidt Verwaltungsgesellschaft mbH

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000), we notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Gebr. Schmidt Verwaltungsgesellschaft mbH, Essen (address: Huyssenallee 44, 45128 Essen), in its capacity as general partner of Gebr. Schmidt GmbH & Co. KG, Essen, exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83% of the voting rights. A total of 0.03% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 28 December 2000), and an additional 45.79% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Gebr. Schmidt Verwaltungsgesellschaft mbH, Essen (address: Huyssenallee 44, 45128 Essen), in its capacity as general partner of Gebr. Schmidt GmbH & Co. KG, Essen, exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. A total of 0.03% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 23 May 2001), and an additional 56.58% of the voting rights was attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Gebr. Schmidt Verwaltungsgesellschaft mbH, Essen (address: Huyssenallee 44, 45128 Essen), in its capacity as general partner of Gebr. Schmidt GmbH & Co. KG, Essen, amounted to 55.68%. A total of 0.03% of the voting rights was attributed to it in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act. The additional 55.65% of the voting rights was attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by Gebr. Schmidt Verwaltungsgesellschaft mbH, Essen, in its capacity as general partner of Gebr. Schmidt GmbH & Co. KG, Essen, amounted to 55.62% of the voting rights. A total of 0.03% of the voting rights was attributable to it in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act. The additional 55.59% of the voting rights was attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the

voting rights was attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

23. Dr. Michael Schmidt-Ruthenbeck

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000), we notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Dr. Michael Schmidt-Ruthenbeck, Zurich, Switzerland (address: Gartenstr. 33, 8002 Zurich, Switzerland), exceeded the thresholds of 5%, 10% and 25% and amounted at that time to 45.83% of the voting rights. A total of 0.03% of the voting rights was attributed to him in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 28 December 2000), and an additional 45.79% of the voting rights was attributed to him in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Dr. Michael Schmidt-Ruthenbeck, Zurich, Switzerland (address: Gartenstr. 33, 8002 Zurich, Switzerland), exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. A total of 0.03% of the voting rights was attributed to him in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 23 May 2001), and an additional 56.58% of the voting rights was attributed to him in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Dr. Michael Schmidt-Ruthenbeck, Zurich, Switzerland (address: Gartenstr. 33, 8002 Zurich, Switzerland), amounted to 55.68%. A total of 0.03% of the voting rights was attributed to him in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act. The additional 55.65% of the voting rights was attributed to him in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributed to him at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

On today's date, 24 February 2006, the share of voting rights held in METRO AG, Düsseldorf, by Dr. Michael Schmidt-Ruthenbeck, Zurich, Switzerland, amounted to 55.62% of the voting rights. A total of 0.03% of the voting rights was attributable to him in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act. The additional 55.59% of the voting rights was attributable to him in accordance with § 22 Section 2 Subsection 1 of the German Securities Trading Act, whereof 39.51% of the voting rights was attributable to him at the same time in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

We point out that as far as the mentioned percentage rates, which were added in accordance with the respective attribution regulations, do not sum up to at least the respectively named overall share of voting rights, this is exclusively due to the rounding off to two positions behind the decimal point.”

The contents of the notification of 7 March 2006, were published as follows:

"METRO Vermögensverwaltung GmbH & Co. KG, Metro-Straße 8, 40235 Düsseldorf, sent us, METRO AG, Schlüterstraße 1, 40235 Düsseldorf, in accordance with § 21 ff. of the German Securities Trading Act and also in accordance with § 41 Section 2 Sentence 1 of the German Securities Trading Act, a notification dated 7 March 2006, with the following contents:

'We, METRO Vermögensverwaltung GmbH & Co. KG, hereby notify you in the name of and on behalf of the companies listed below as follows:

1. Ritter und Partner Holding Anstalt

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000) we notify you that on 28 December 2000 the share of voting rights held in METRO AG, Düsseldorf, by Ritter und Partner Holding Anstalt, Vaduz, Liechtenstein (address: Pflugstrasse 12, FL-9490 Vaduz, Liechtenstein), amounted to more than 5%, 10% and 25% of the voting rights and in fact amounted at that time to 45.83% of the voting rights. 45.83% of the voting rights were attributed to Ritter und Partner Holding Anstalt in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 18 December 2000).

We further notify you in accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001) that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Ritter und Partner Holding Anstalt, Vaduz, Liechtenstein (address: Pflugstrasse 12, FL-9490 Vaduz, Liechtenstein), exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. 5.39% of the voting rights were attributed to Ritter und Partner Holding Anstalt in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 23 May 2001) and a further 51.22% of the voting rights were attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Ritter und Partner Holding Anstalt, Vaduz, Liechtenstein (address: Pflugstrasse 12, FL-9490 Vaduz, Liechtenstein), amounted to 55.68% of the voting rights. 5.39% of the voting rights were attributed to Ritter und Partner Holding Anstalt in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act and a further 50.29% of the voting rights were attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

Furthermore, we notify you in accordance with § 21 Section 1 of the German Securities Trading Act that on 1 January 2005, the share of voting rights held by Ritter und Partner Holding Anstalt, Vaduz, Liechtenstein (address: Pflugstrasse 12, FL-9490 Vaduz, Liechtenstein), fell below the thresholds of 50%, 25%, 10% and 5% of the voting rights and has since then, without change, amounted to 0%.

2. Praesidial Stiftung

In accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000) we notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Praesidial Stiftung, Vaduz, Liechtenstein (address: Pflugstrasse 12, FL-9490 Vaduz, Liechtenstein), amounted to more than 5%, 10% and 25% and in fact amounted at that time to 45.83% of the voting rights. 45.83% of the voting rights were attributed to Praesidial Stiftung in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

We further notify you in accordance with § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001) that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Praesidial Stiftung, Vaduz, Liechtenstein (address: Pflugstrasse 12, FL-9490 Vaduz, Liechtenstein), exceeded the threshold of 50% of the voting rights and amounted at that time to 56.61% of the voting rights. 5.39% of the voting rights were attributed to Praesidial Stiftung in accordance with § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 23 May 2001) and a further 51.22% of the voting rights were attributed to it in accordance with § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

In accordance with § 41 Section 2 of the German Securities Trading Act, we further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Praesidial Stiftung, Vaduz, Liechtenstein (address: Pflugstrasse 12, FL-9490 Vaduz, Liechtenstein), amounted to 55.68% of the voting rights. 5.39% of the voting rights were attributed to Praesidial Stiftung in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act and a further 50.29% of the voting rights were attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

Furthermore, we notify you in accordance with § 21 Section 1 of the German Securities Trading Act that on 1 January 2005, the share of voting rights held by Praesidial Stiftung, Vaduz, Liechtenstein (address: Pflugstrasse 12, FL-9490 Vaduz, Liechtenstein), fell below the thresholds of 50%, 25%, 10% and 5% of the voting rights and has since then, without change, amounted to 0%.

3. Rawlinson & Hunter Limited

In accordance with § 21 Section 1 of the German Securities Trading Act, we notify you that on 1 January 2005, the share of voting rights held in METRO AG, Düsseldorf, by Rawlinson & Hunter Limited, St. Peter Port, Guernsey (address: Granary House, The Grange, St. Peter Port, Guernsey GY1 2QQ, Guernsey), amounted to more than 5%, 10%, 25% and 50% of the voting rights and in fact amounted at that time to 55.68% of the voting rights. 5.39% of the voting rights were attributed to Rawlinson & Hunter Limited in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act and a further 50.29% of the voting rights were attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.

At today's date, 7 March 2006, the share of voting rights held in METRO AG, Düsseldorf, by Rawlinson & Hunter Limited, St. Peter Port, Guernsey, amounts to 55.62% of the voting rights. 5.39% of the vot-

ing rights are attributed to Rawlinson & Hunter Limited in accordance with § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act and a further 50.23% of the voting rights are attributed to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act.”

The contents of the notification of 26 May 2006, were published as follows:

“By letter dated 26 May 2006, METRO Vermögensverwaltung GmbH & Co. KG, Metro-Straße 1, 40235 Düsseldorf, sent us, METRO AG, Schlüterstraße 1, 40235 Düsseldorf, a notification pursuant to §§ 21 ff. of the German Securities Trading Act and § 41 Section 2 Sentence 1 of the German Securities Trading Act, concerning the shares of voting rights held in METRO AG, Düsseldorf, a correction to the notification of 7 March 2006 concerning Praesidial Stiftung, a party obliged to notify, with the following content:

‘In the name of and on behalf of Praesidial Stiftung, Vaduz, Liechtenstein, we, METRO Vermögensverwaltung GmbH & Co. KG, provided notifications to you on 7 March 2006 (published on 14 March 2006) pursuant to §§ 21 ff., 41 Section 2 of the German Securities Trading Act. Due to a clerical error of Praesidial Stiftung, there was a mix-up of the numbers with regard to the shareholdings of Ritter and Partner Holding Anstalt, a party also obliged to provide notification, and with regard to the notifications of Praesidial Stiftung which we hereby amend in the name of and on behalf of Praesidial Stiftung and Dr. Peter Ritter Familienstiftung, Vaduz, Liechtenstein, as follows:

On 28 December 2000, 23 May 2001 and 1 April 2002, Praesidial Stiftung held no voting rights in METRO AG, Düsseldorf.

Pursuant to § 21 Section 1 of the German Securities Trading Act (in the version applicable on 28 December 2000), we hereby notify you that on 28 December 2000, the share of voting rights held in METRO AG, Düsseldorf, by Dr. Peter Ritter Familienstiftung, Vaduz, Liechtenstein (address: Pflugstrasse 12, FL-9490 Vaduz, Liechtenstein), exceeded the thresholds of 5%, 10% and 25% and amounted to 45.83% of the voting rights at that time. 45.83% of the voting rights were attributed to Dr. Peter Ritter Familienstiftung pursuant to § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 28 December 2000).

Pursuant to § 21 Section 1 of the German Securities Trading Act (in the version applicable on 23 May 2001), we hereby further notify you that on 23 May 2001, the share of voting rights held in METRO AG, Düsseldorf, by Dr. Peter Ritter Familienstiftung, Vaduz, Liechtenstein (address: Pflugstrasse 12, FL-9490 Vaduz, Liechtenstein), exceeded the threshold of 50% of the voting rights and amounted to 56.61% of the voting rights at that time. 5.38% of the voting rights were attributed to Dr. Peter Ritter Familienstiftung pursuant to § 22 Section 1 Subsection 2 of the German Securities Trading Act (in the version applicable on 23 May 2001) and a further 51.22% of the voting rights were attributed to it pursuant to § 22 Section 1 Subsection 3 of the German Securities Trading Act (in the version applicable on 23 May 2001).

Pursuant to § 41 Section 2 of the German Securities Trading Act, we hereby further notify you that on 1 April 2002, the share of voting rights held in METRO AG, Düsseldorf, by Dr. Peter Ritter Familienstiftung, Vaduz, Liechtenstein (address: Pflugstrasse 12, FL-9490 Vaduz, Liech-

tenstein), amounted to 55.68% of the voting rights. 5.39% of the voting rights were attributed to Dr. Peter Ritter Familienstiftung pursuant to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act and a further 50.29% of the voting rights were attributed to it pursuant to § 22 Section 2 Sentence 1 of the German Securities Trading Act.’

Pursuant to § 21 Section 1 of the German Securities Trading Act, we hereby further notify you that on 1 January 2005, the share of voting rights held by Dr. Peter Ritter Familienstiftung, Vaduz, Liechtenstein (address: Pflugstrasse 12, FL-9490 Vaduz, Liechtenstein), fell below the thresholds of 50%, 25%, 10% and 5% of the voting rights and has since then amounted to 0%.’’

The contents of the notification of 8 September 2006, were published as follows:

“By letter dated 8 September 2006, Dr. Mutter Rechtsanwaltsgesellschaft mbH, Metzlerstraße 21, 60594 Frankfurt am Main, sent to us, METRO AG, Schlüterstraße 1, 40235 Düsseldorf, for and on behalf of Suprapart AG, Supra Holding AG, Baluba Investment Ltd. Guernsey and R&H Trust Co. (Guernsey) Ltd., as trustee of Supra Trust and of Rawlinson & Hunter Limited, notifications pursuant to §§ 21 f. of the German Securities Trading Act with the following content:

‘In accordance with § 21 Section 1 of the German Securities Trading Act, we inform you that on 7 September 2006, the share of voting rights held by Suprapart AG, Baar, Switzerland (address: Mühlegasse 36, 6340 Baar, Switzerland), in METRO AG, Düsseldorf, fell below the thresholds of 50%, 25%, 10% and 5% of the voting rights and, since then, has amounted to 0%.

In accordance with § 21 Section 1 of the German Securities Trading Act, we further inform you that on 7 September 2006, the share of voting rights held by Supra Holding AG, Baar, Switzerland (address: Mühlegasse 36, 6340 Baar, Switzerland) in METRO AG, Düsseldorf, fell below the thresholds of 50%, 25%, 10% and 5% of the voting rights and, since then, has amounted to 0%.

In accordance with § 21 Section 1 of the German Securities Trading Act, we also inform you that on 7 September 2006, the share of voting rights held by Baluba Investment Ltd., St. Peter Port, Guernsey (address: Granary House, The Grange, St. Peter Port, Guernsey GY1 2QQ, Guernsey) in METRO AG, Düsseldorf, fell below the thresholds of 50%, 25%, 10% and 5% of the voting rights and, since then, has amounted to 0%.

In accordance with § 21 Section 1 of the German Securities Trading Act, we further inform you that, on 7 September 2006, the share of voting rights held by R&H Trust Co. (Guernsey) Ltd., as trustee of Supra Trust, of St. Peter Port, Guernsey (address: Granary House, The Grange, St. Peter Port, Guernsey GY1 2QQ, Guernsey) in METRO AG, Düsseldorf, fell below the thresholds of 50%, 25%, 10% and 5% of the voting rights and, since then, has amounted to 0%.’’

In accordance with § 21 Section 1 of the German Securities Trading Act, we also inform you that on 7 September 2006, the share of voting rights held by Rawlinson & Hunter Limited, St. Peter Port, Guernsey (address: Granary House, The Grange, St. Peter Port, Guernsey GY1 2QQ, Guernsey), in METRO AG, Düsseldorf, fell below the thresholds of 50%, 25%, 10% and 5% of the voting rights and, since then, has amounted to 0%.’’

The contents of the notification of 12 April 2007 were published as follows:

“On 12 April 2007, UBS AG, Zurich, Switzerland (address: P.O. Box, 8098 Zurich/Switzerland) informed us according to § 21 Section 1 of the German Securities Trading Act that via shares its voting rights in METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, exceeded the 3% threshold of voting rights on 4 April 2007 and amount to 3.27% (this corresponds to 10,594,001 voting rights).

According to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, 0.55% of the voting rights (this corresponds to 1,776,776 voting rights) is to be attributed to UBS AG.”

The contents of the notification of 3 May 2007 were published as follows:

„On 3 May 2007, UBS AG, Zurich, Switzerland (address: P.O. Box, 8098 Zurich/Switzerland) informed us according to § 21 Section 1 of the German Securities Trading Act that via shares its voting rights in METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, fell below the 3% threshold of voting rights on 26 April 2007 and amount to 2.68% (this corresponds to 8697629 voting rights). According to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, 0.54% of the voting rights (this corresponds to 1,740,232 voting rights) is to be attributed to UBS AG.”

The contents of the notification of 15 May 2007 were published as follows:

„On 15 May 2007, UBS AG, Zurich, Switzerland (address: P.O. Box, 8098 Zurich/Switzerland) informed us according to § 21 Section 1 of the German Securities Trading Act that via shares its voting rights in METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, exceeded the 3% threshold of voting rights on 9 May 2007 and amount to 3.18% (this corresponds to 10,298,260 voting rights).

According to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, 0.57% of the voting rights (this corresponds to 1,836,018 voting rights) is to be attributed to UBS AG.”

The contents of the notification of 16 May 2007 were published as follows:

“On 16 May 2007, UBS AG, Zurich, Switzerland (address: P.O. Box, 8098 Zurich/Switzerland) informed us according to § 21 Section 1 of the German Securities Trading Act, that via shares its voting rights in METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, fell below the 3% threshold of voting rights on 10 May 2007 and amount to 2.91% (this corresponds to 9,428,134 voting rights).

According to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, 0.57% of the voting rights (this corresponds to 1,844,083 voting rights) is to be attributed to UBS AG.”

The contents of the notification of 18 May 2007 were published as follows:

“On 18 May 2007, UBS AG, Zurich, Switzerland (address: P.O. Box, 8098 Zurich/Switzerland) informed us according to § 21 section 1 of the German Securities Trading Act that via shares its voting rights in

METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, exceeded the 3% threshold of voting rights on 11 May 2007 and amount to 3.67% (this corresponds to 11,908,733 voting rights).

According to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, 0.57% of the voting rights (this corresponds to 1,863,188 voting rights) is to be attributed to UBS AG."

The contents of the notification of 29 May 2007 were published as follows:

On 29 May 2007, UBS AG, Zurich, Switzerland (address: P.O. Box, 8098 Zurich/Switzerland) informed us according to § 21 Section 1 of the German Securities Trading Act that via shares its voting rights in METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, fell below the 3% threshold of voting rights on 21 May 2007 and amount to 1.84% (this corresponds to 5,975,312 voting rights).

According to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, 0.57% of the voting rights (this corresponds to 1860112 voting rights) is to be attributed to UBS AG."

The contents of the notification of 6 June 2007 were published as follows:

On 6 June 2007, UBS AG, Zurich, Switzerland (address: P.O. Box, 8098 Zurich/Switzerland) informed us according to § 21 Section 1 of the German Securities Trading Act that via shares its voting rights in METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, exceeded the 3% threshold of voting rights on 1 June 2007 and amount to 3.099% (this corresponds to 10,044,903 voting rights).

According to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, 0.56% of the voting rights (this corresponds to 1,827,889 voting rights) is to be attributed to UBS AG."

The contents of the notification of 14 June 2007 were published as follows:

On 14 June 2007, UBS AG, Zurich, Switzerland (address: P.O. Box, 8098 Zurich/Switzerland) informed us according to § 21 Section 1 of the German Securities Trading Act that via shares its voting rights in METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, fell below the 3% threshold of voting rights on 11 June 2007 and amount to 1.95% (this corresponds to 6,315,320 voting rights).

According to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, 0.56% of the voting rights (this corresponds to 1,805,994 voting rights) are to be attributed to UBS AG."

The contents of the notifications of 26 October 2007 and 30 October 2007 were published as follows:

„Franz Haniel & Cie. GmbH, Franz-Haniel-Platz 1, 47119 Duisburg, informed us, METRO AG, Germany (Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, about the following:

- I. By letter dated 26 October 2007, Franz Haniel & Cie. GmbH transmitted to us, METRO AG, a voting rights announcement pursuant to § 24 of the German Securities Trading Act in connection with §§ 21 Section 1, 22 of the German Securities Trading Act with the following content:

- “1. The proportion of voting rights of our group company Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Franz-Haniel-Platz 1, 47119 Duisburg, in METRO AG, Schlüterstraße 1, 40235 Düsseldorf, exceeded the 3%, 5%, 10%, 15%, 25%, 30% and 50% thresholds on 26 October 2007 and has since amounted to 68.47%. Of this, it holds 16.01% of the voting rights directly. The further 52.46% of the voting rights are attributed to it pursuant to § 22 Section 2 Sentence 1 of the German Securities Trading Act.

Voting rights of the following shareholders, whose proportion of voting rights in METRO AG amounts to or exceeds 3% in each case, are attributed to Haniel Beteiligungsfinanzierungs GmbH & Co. KG:

- Haniel Finance B.V., Venlo/Netherlands;
- Overpart GmbH, Baar/Switzerland;
- METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf;
- 1. HSB Beteiligungsverwaltung GmbH & Co. KG, Waltersdorf.

2. The proportion of voting rights of our group company Haniel Beteiligungs-GmbH, Franz-Haniel-Platz 1, 47119 Duisburg (in its capacity as general partner of Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Duisburg), in METRO AG, Schlüterstraße 1, 40235 Düsseldorf, exceeded the 3%, 5%, 10%, 15%, 25%, 30% and 50% thresholds on 26 October 2007 and has since amounted to 68.47%. These voting rights are attributed to it pursuant to § 22 Section 2 Sentence 1 of the German Securities Trading Act.

Voting rights of the following shareholders, whose proportion of voting rights in METRO AG amounts to or exceeds 3% in each case, are attributed to Haniel Beteiligungs-GmbH:

- Haniel Finance B.V., Venlo/Netherlands;
- Overpart GmbH, Baar/Switzerland;
- METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf;
- 1. HSB Beteiligungsverwaltung GmbH & Co. KG, Waltersdorf.

Furthermore, 16.01% of the voting rights are attributed to Haniel Beteiligungs-GmbH also pursuant to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act via Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Duisburg, which it controls as general partner.’

- II. By letter dated 30 October 2007, Franz Haniel & Cie. GmbH transmitted to us, METRO AG, a voting rights announcement pursuant to § 24 of the German Securities Trading Act in connection with §§ 21 Section 1, 22 of the German Securities Trading Act with the following contents:

‘In addition to our voting rights announcement dated October 26, 2007, we, Franz Haniel & Cie. GmbH, inform you pursuant to § 24 of the German Securities Trading Act in connection with §§ 21 Section 1, 22 of the German Securities Trading Act that the proportion of voting rights of our group companies Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Haniel Beteiligungs-GmbH, both Franz-Haniel-Platz 1, 47119 Duisburg, (the latter in its capacity as general partner of Haniel

Beteiligungsfinanzierungs GmbH & Co. KG, Duisburg) in METRO AG, Schlüterstraße 1, 40235 Düsseldorf, also exceeded the 20% threshold on 26 October 2007 and has amounted to 68.47% since then.

All further statements and provisions for attribution mentioned in our voting rights announcement dated 26 October 2007 remain unchanged.”

The contents of the notifications of 2 November 2007 and 5 November 2007 were published as follows:

Franz Haniel & Cie. GmbH, Franz-Haniel-Platz 1, 47119 Duisburg, informed us, METRO AG, Deutschland (Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, about the following:

I. By letter dated 2 November 2007, Franz Haniel & Cie. GmbH transmitted to us, METRO AG, a voting rights announcement pursuant to §§ 21 ff., 24 of the German Securities Trading Act regarding proportions of voting rights in METRO AG, Düsseldorf (correction announcement) with the following content:

“We, Franz Haniel & Cie. GmbH, hereby correct the voting rights announcement issued on 26 October 2007 as well as its amendment dated October 30, 2007 and inform you pursuant to § 24 of the German Securities Trading Act in connection with §§ 21 Section 1, 22 of the German Securities Trading Act about the following:

1. The proportion of voting rights of our group company Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Franz-Haniel-Platz 1, 47119 Duisburg, in METRO AG, Schlüterstraße 1, 40235 Düsseldorf, exceeded the 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% thresholds on 26 October 2007 and has amounted to 65.87% since then. Of this, it holds 16.01% of the voting rights directly. The further 49.86% of the voting rights are attributed to it pursuant to § 22 Section 2 Sentence 1 of the German Securities Trading Act.

Voting rights of the following shareholders, whose proportion of voting rights in METRO AG amounts to or exceeds 3% in each case, are attributed to Haniel Beteiligungsfinanzierungs GmbH & Co. KG:

- Haniel Finance B.V., Venlo/Netherlands;
- Overpart GmbH, Baar/Switzerland;
- METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf;
- 1. HSB Beteiligungsverwaltung GmbH & Co. KG, Waltersdorf.

2. The proportion of voting rights of our group company Haniel Beteiligungs-GmbH, Franz-Haniel-Platz 1, 47119 Duisburg (in its capacity as general partner of Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Duisburg), in METRO AG, Schlüterstraße 1, 40235 Düsseldorf, exceeded the 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% thresholds on 26 October 2007 and has amounted to 65.87% since then. These voting rights are attributed to it pursuant to § 22 Section 2 Sentence 1 of the German Securities Trading Act.

Voting rights of the following shareholders, whose proportion of voting rights in METRO AG amounts to or exceeds 3% in each case, are attributed to Haniel Beteiligungs-GmbH:

- Haniel Finance B.V., Venlo/Netherlands;
- Overpart GmbH, Baar/Switzerland;
- METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf;
- 1. HSB Beteiligungsverwaltung GmbH & Co. KG, Waltersdorf.

Furthermore, 16.01% of the voting rights are attributed to Haniel Beteiligungs-GmbH also pursuant to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act via Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Duisburg, which it controls as general partner.'

- II. By letter dated 5 November 2007, Franz Haniel & Cie. GmbH transmitted to us, METRO AG, Germany (Schlüterstrasse 1, 40235 Düsseldorf), a voting rights announcement pursuant to §§ 21 ff., 24 of the German Securities Trading Act regarding proportions of voting rights in METRO AG, Düsseldorf (correction announcement) with the following content:

'We hereby correct our voting rights announcements issued on 26 and 30 October 2007 and on 2 November 2007 and inform you pursuant to § 24 of the German Securities Trading Act in connection with §§ 21 Section 1, 22 of the German Securities Trading Act about the following:

1. The proportion of voting rights of our company Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Franz-Haniel-Platz 1, 47119 Duisburg, in METRO AG, Schlüterstraße 1, 40235 Düsseldorf, exceeded the 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% thresholds on 26 October 2007 and has amounted to 65.87% (213,488,360 voting rights) since then. Of this, it holds 16.01% of the voting rights (51,886,270 voting rights) directly. The further 49.86% of the voting rights (161,602,090 voting rights) are attributed to it pursuant to § 22 Section 2 Sentence 1 of the German Securities Trading Act.

Voting rights of the following shareholders, whose proportion of voting rights in METRO AG amounts to or exceeds 3% in each case, are attributed to Haniel Beteiligungsfinanzierungs GmbH & Co. KG:

- Haniel Finance B.V., Venlo/Netherlands;
- Overpart GmbH, Baar/Switzerland;
- METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf;
- 1. HSB Beteiligungsverwaltung GmbH & Co. KG, Waltersdorf.

2. The proportion of voting rights of our company Haniel Beteiligungs-GmbH, Franz-Haniel-Platz 1, 47119 Duisburg (in its capacity as general partner of Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Duisburg), in METRO AG, Schlüterstraße 1, 40235 Düsseldorf, exceeded the 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% thresholds on 26 October 2007 and has amounted to 65.87% (213,488,360 voting rights) since then. Of this, 50.19% of the voting rights (162,682,636 voting rights) is attributed to it pursuant to § 22 Section 2 Sentence 1 of the German Securities

Trading Act in which 0.33% (1,080,546 voting rights) are included which are attributed to Haniel Beteiligungs-GmbH also pursuant to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act.

Voting rights of the following shareholders, whose proportion of voting rights in METRO AG amounts to or exceeds 3% in each case, are attributed to Haniel Beteiligungs-GmbH:

- Haniel Finance B.V., Venlo/Netherlands;
- Overpart GmbH, Baar/Switzerland;
- METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf;
- 1. HSB Beteiligungsverwaltung GmbH & Co. KG, Waltersdorf.

Furthermore, another 15.68% of the voting rights (50,805,724 voting rights) are attributed to Haniel Beteiligungs-GmbH pursuant to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act via Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Duisburg, which it controls as general partner.”

The following information relates to a notification which was received after the closing date but before the preparation of the annual financial statements.

The contents of the notification of 14 February 2008 were published as follows:

“On 14 February 2007, UBS AG, Zurich, Switzerland (address: Bahnhofstr. 45, 8098 Zurich/Switzerland) informed us according to § 21 Section 1 of the German Securities Trading Act that via shares its voting rights in METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, exceeded the 3% threshold of voting rights on 8 February 2007 and amount to 3.16% (this corresponds to 10,225,869 voting rights).

According to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, 1.50% of the voting rights (this corresponds to 4,837,391 voting rights) is to be attributed to UBS AG.”

30. MANAGEMENT BOARD AND SUPERVISORY BOARD

Company expenses for Management Board compensation in the financial year 2007

The company's expenses for the remuneration of the active members of the Management Board essentially consist of a fixed salary and performance-based entitlements as well as the prorated expenses on all share-based remuneration with expiry dates in the financial year 2007 or later.

The size of the variable, performance-based compensation for the financial year 2007 results from EVA-based remuneration entitlements and thus from the company's performance during the current financial year. Due to the bonus bank system, the full payout of EVA-based compensation entitlements depends on EVA factors in the coming years and thus on the company's performance in the coming years.

In accordance with statutory requirements, the value of share-based compensation allocated to activities during the financial year is the main determinant of the amount that flows into overall compensation. If the remuneration is granted for board member activities relating to future periods, only the portion of the value of share-based compensation that applies to the respective financial year is to be disclosed. Accordingly, the share bonuses granted in 2007 and the share-based compensation granted in previous years must be considered in prorated amounts as long as their expiry dates are in financial year 2007 or later. In this context, hedging transactions carried out by the company are not considered.

Due to the granting of a monetary target bonus, a number of subscription rights in accordance with §§ 285 Sentence 1 Subsection 9a, 314 Section 1 Subsection 6a of the German Commercial Code cannot be disclosed. The payment of the bonuses depends on the previously described conditions of the stock option plan.

The company's expenses for the remuneration of active members of the Management Board in the financial year 2007 amount to €16.8 million. This includes €3.4 million in fixed salaries, €7.4 million in performance-based entitlements, €5.8 million in variable entitlements with long-term incentives and €0.2 million in other remuneration.

Other remuneration includes non-cash benefits from the provision of company cars and benefits related to guidelines for promoting international mobility among executives of METRO Group.

Compensation of former members of the Management Board

Former members of the Management Board of METRO AG and of the companies merged into METRO AG as well as their surviving dependants received €22.9 million. METRO AG has made pension provisions of €39.9 million for this Group.

The disclosures pursuant to § 285 Sentences 1 Subsection 9a Sentence 5 to 9 of the German Commercial Code can be found in the extensive remuneration report in item 9 of the management report.

Supervisory Board compensation

The total compensation of all members of the supervisory board amounted to €1.8 million for the financial year 2007.

Additional information on Supervisory Board compensation can be found in the extensive remuneration report in item 9 of the management report.

31. DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

The Management and Supervisory Boards of METRO AG at year's end 2007 made the annual declaration of compliance with the recommendations of the government commission German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act, which shareholders can access on the METRO AG website (www.metrogroup.de) at any time.

CORPORATE BOARDS OF METRO AG AND THEIR MANDATES¹

Members of the Supervisory Board

Dr. Eckhard Cordes (Chairman)²

until 31 October 2007 – Chairman of the Management Board of Franz Haniel & Cie. GmbH

a) Celesio AG (Chairman)

Rheinmetall Aktiengesellschaft
TAKKT AG

b) FIEGE Holding Stiftung & Co. KG –

Advisory Board (Chairman), until 30 October 2007
Air Berlin PLC, London, United Kingdom –
Board of Directors
Aktiebolaget SKF, Gothenburg, Sweden –
Board of Directors

Franz M. Haniel (Chairman)

since 1 November 2007, since 4 November 2007 Chairman
Chairman of the Supervisory Board of
Franz Haniel & Cie. GmbH

a) BMW AG

Delton AG (Vice Chairman)
Franz Haniel & Cie. GmbH (Chairman)
Heraeus Holding GmbH
secunet Security Networks AG

b) None

Dr. Wulf H. Bernotat

Chairman of the Board of Management of E.ON AG

a) Allianz SE

Bertelsmann AG
E.ON Energie AG (Chairman)
E.ON Ruhrgas AG (Chairman)
Evonik Industries AG (Chairman), until 30 November 2007
RAG AG (Chairman), until 30 November 2007

b) E.ON Nordic AB, Malmö, Sweden –

Board of Directors (Chairman)
E.ON Sverige AB, Malmö, Sweden –
Board of Directors (Chairman)
E.ON UK plc, Coventry, United Kingdom –
Board of Directors (Chairman)

E.ON US Investments Corp., Delaware (OH), USA –
Board of Directors (Chairman)

Prof. Dr. Dr. h. c. Klaus Brockhoff

Honorary professor for business affairs at the Management
University "Wissenschaftliche Hochschule für
Unternehmensführung – Otto-Beisheim-Hochschule"

a) Steuler Industrierwerke GmbH (Chairman)

b) Bucerius/WHU MLB gGmbH – Supervisory Board
(Vice Chairman)

Norddeutsche Private Equity GmbH – Advisory Board

Klaus Bruns (Vice Chairman)

Chairman of the Group Works Council of METRO AG
Chairman of the General Works Council of
Kaufhof Warenhaus AG

a) Tourismus & Marketing Oberhausen GmbH

b) None

Ulrich Dalibor

National Chairman of the Retail Section of the Ver.di union

a) Kaufhof Warenhaus AG

b) None

Hubert Frieling

since 20 July 2007

Section Head of Payroll Accounting at
Real SB-Warenhaus GmbH

a) None

b) None

Prof. Dr. Dr. h. c. mult. Erich Greipl

CEO of Metro Vermögensverwaltung GmbH & Co. KG

a) Kaufhof Warenhaus AG

Metro Großhandels-gesellschaft mbH
Real Holding GmbH

b) BBE Unternehmensberatung GmbH –

Board of Directors, until 1 March 2007
Der Grüne Punkt – Duales System Deutschland GmbH –
Supervisory Board (Chairman), until 19 October 2007

¹Status of the information on memberships of other statutory supervisory boards of domestic companies and memberships of comparable German and foreign bodies of business enterprises: 31 January 2008

²The information on Dr. Cordes relates to the date of his resignation from the Supervisory Board.

a) Member of other statutory supervisory boards of domestic companies

b) Member of comparable German and foreign boards of business enterprises

BHS Verwaltungs AG, Baar, Switzerland –
Board of Directors (President)
Bürgschaftsbank Bayern GmbH – Board of Directors
(first Vice Chairman)

Jürgen Hennig

Department Head at Metro Großhandelsgesellschaft mbH

- a) None
- b) None

Anja Kiehne-Neuberg¹

until 30 June 2007

Section Head of Personnel Development of
Kaufhof Warenhaus AG

- a) None
- b) None

Werner Klockhaus

Vice Chairman of the Group Works Council of METRO AG

Vice Chairman of the General Works Council of
Real SB-Warenhaus GmbH

- a) None
- b) None

Peter Küpfer

Business Consultant

- a) None
- b) Gebr. Schmidt GmbH & Co. KG – Advisory Board
Bank Julius Bär & Co. AG, Zurich, Switzerland –
Board of Directors
Brändle, Missura & Partner Informatik AG, Zurich,
Switzerland – Board of Directors
Holcim Ltd., Jona, Switzerland – Board of Directors
Karl Steiner AG, Zurich, Switzerland – Board of Directors
Karl Steiner Holding AG, Zurich, Switzerland –
Board of Directors (Vice President)
LB (Swiss) Privatbank AG, Zurich, Switzerland –
Board of Directors
Peter Steiner Holding AG, Zurich, Switzerland –
Board of Directors
Supra Holding AG, Baar, Switzerland – Board of Directors
Suprapart AG, Baar, Switzerland – Board of Directors,
until 19 June 2007

Valora Holding AG, Bern, Switzerland –
Board of Directors, until 26 April 2007
Travel Charme Hotels & Resorts Holding AG, Zurich,
Switzerland – Board of Directors (President),
since 17 January 2008
Julius Bär Holding AG, Zurich, Switzerland –
Board of Directors

Rainer Kuschewski

Secretary of the National Executive Board of the Ver.di union

- a) Real Holding GmbH
- b) None

Dr. Klaus Mangold

Chairman of the German Committee on Eastern European
Economic Relations

Chairman of the Supervisory Board of Rothschild GmbH

- a) Drees & Sommer AG
Jenoptik AG, until 6 June 2007
Leipziger Messe GmbH
Universitätsklinikum Freiburg (public corporation)
- b) Rothschild GmbH – Supervisory Board (Chairman)
Chubb Corporation, Warren (NJ), USA – Board of Directors
Magna International Inc., Toronto, Canada –
Board of Directors
Rothschild Europe B.V. – Raad van Commissarissen
(Vice Chairman)
Alstom S.A. – Conseil d'Administration, since 26 June 2007

Marianne Meister

Chairwoman of the General Works Council of
Metro Großhandelsgesellschaft mbH

- a) Metro Großhandelsgesellschaft mbH
(Vice Chairwoman)
- b) None

Dr. rer. pol. Klaus von Menges

Businessman and agronomist

- a) DEG Deutsche Investitions- und Entwicklungs-
gesellschaft mbH, until 21 June 2007
MAN Ferrostaal AG
- b) None

¹The information on Ms. Kiehne-Neuberg relates to the date of her resignation from the Supervisory Board.

a) Member of other statutory supervisory boards of domestic companies

b) Member of comparable German and foreign boards of business enterprises

Dr.-Ing. e. h. Bernd Pischetsrieder

Consultant to the Board of Management of Volkswagen AG

- a) Dresdner Bank AG
Münchener Rückversicherungs-Gesellschaft
Aktiengesellschaft
- b) Scania AB, Södertälje, Sweden – Board of Directors
(Chairman), until 3 May 2007
Tetra-Laval Group, Pully, Switzerland – Board of Directors

Sylvia Raddatz

Commercial Clerk, Extra Verbrauchermärkte Deutschland GmbH

- a) None
- b) Extra Verbrauchermärkte Management GmbH –
Advisory Board (Vice Chairwoman)

Renate Rohde-Werner

Trained Retail Saleswoman, Kaufhof Warenhaus AG

- a) None
- b) None

Dr. jur. Hans-Jürgen Schinzler

Chairman of the Supervisory Board of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft

- a) Münchener Rückversicherungs-Gesellschaft
Aktiengesellschaft (Chairman)
- b) UniCredit S.p.A., Genoa, Italy – Board of Directors

Dr. Manfred Schneider

Chairman of the Supervisory Board of Bayer AG

- a) Bayer AG (Chairman)
Daimler AG
Linde AG (Chairman)
RWE AG
TUI AG
- b) None

Peter Stieger

Chairman of the General Works Council of Real SB-Warenhaus GmbH

- a) Real Holding GmbH (Vice Chairman)
- b) None

Committees of the Supervisory Board and their mandates**Presidential Committee**

Franz M. Haniel (Chairman), since 4 November 2007
Dr. Eckhard Cordes (Chairman), until 31 October 2007
Klaus Bruns (Vice Chairman)
Werner Klockhaus
Dr. Manfred Schneider

Personnel Committee (formerly Personnel and Nominations Committee)

Franz M. Haniel (Chairman), since 4 November 2007
Dr. Eckhard Cordes (Chairman), until 31 October 2007
Klaus Bruns (Vice Chairman)
Werner Klockhaus
Dr. Manfred Schneider

Accounting and Audit Committee

Dr. jur. Hans-Jürgen Schinzler
(Chairman since 10 December 2007)
Dr. Eckhard Cordes (Chairman), until 31 October 2007
Klaus Bruns (Vice Chairman)
Ulrich Dalibor
Prof. Dr. Dr. h. c. mult. Erich Greipl
Franz M. Haniel, since 4 November 2007
Anja Kiehne-Neuberg, until 30 June 2007
Peter Stieger, since 31 July 2007

Nominations Committee

Franz M. Haniel (Chairman), since 10 December 2007
Dr.-Ing. e. h. Bernd Pischetsrieder, since 10 December 2007
Dr. jur. Hans-Jürgen Schinzler, since 10 December 2007

Mediation Committee pursuant to § 27 Section 3 Co-determination Act

Franz M. Haniel (Chairman), since 4 November 2007
Dr. Eckhard Cordes (Chairman), until 31 October 2007
Klaus Bruns (Vice Chairman)
Prof. Dr. Dr. h. c. mult. Erich Greipl
Werner Klockhaus

a) Member of other statutory supervisory boards of domestic companies

b) Member of comparable German and foreign boards of business enterprises

Members of the Management Board

Dr. Eckhard Cordes (Chairman and CEO)

since 1 November 2007

a) Celesio AG (Chairman)

Rheinmetall Aktiengesellschaft, until 31 December 2007
TAKKT AG

Kaufhof Warenhaus AG (Chairman),
since 1 November 2007

Real Holding GmbH, since 1 November 2007

b) Air Berlin PLC, London, United Kingdom –
Board of Directors, resigned on 30 April 2008
Aktiebolaget SKF, Gothenburg, Sweden –
Board of Directors, resigned on 16 April 2008

Dr. Hans-Joachim Körber (Chairman)¹

until 31 October 2007

a) Bertelsmann AG

Kaufhof Warenhaus AG (Chairman), until 31 October 2007
Real Holding GmbH, until 31 October 2007

b) LP Holding GmbH – Supervisory Board,
until 31 October 2007

Air Berlin PLC, London, United Kingdom –
Board of Directors

Skandinaviska Enskilda Banken AB, Stockholm,
Sweden – Board of Directors

Zygmunt Mierdorf (Executive Vice President Human Resources)

a) Adler Modemärkte GmbH (Chairman)

Praktiker Bau- und Heimwerkermärkte AG
Praktiker Bau- und Heimwerkermärkte Holding AG
Real Holding GmbH (Chairman)
TÜV SÜD AG

b) Extra Verbrauchermärkte Management GmbH –

Advisory Board (Chairman)

METRO Group Asset Management GmbH & Co. KG –
Shareholders' Committee (Chairman)

MGP METRO Group Account Processing International AG,
Baar, Switzerland – Board of Directors (President),
until 13 November 2007

Wagner International AG, Altstätten, Switzerland –
Board of Directors

Tertia Handelsbeteiligungsgesellschaft mbH –
Supervisory Board (Chairman)

LP Holding GmbH – Supervisory Board, since 1 January 2008

Frans W. H. Muller

a) Dinea Gastronomie GmbH (Chairman)

Real Holding GmbH

b) Metro Distributie Nederland B.V. – Raad van Commissarissen
Metro International AG, Baar, Switzerland –
Board of Directors, since 2 February 2007

Thomas Unger

a) Real Holding GmbH

b) Assevermag AG, Baar, Switzerland –
Board of Directors (President)

Metro Euro Finance B.V., Venlo, Netherlands –
Raad van Commissarissen

Metro Finance B.V., Venlo, Netherlands –
Raad van Commissarissen

Metro International AG, Baar, Switzerland –
Board of Directors (President)

Metro International Finance B.V., Venlo, Netherlands –
Raad van Commissarissen, until 1 June 2007

Metro Reinsurance B.V., Amsterdam, Netherlands –
Raad van Commissarissen

MGP METRO Group Account Processing International AG,
Baar, Switzerland – Board of Directors (President),
since 13 November 2007

25 February 2008

THE MANAGEMENT BOARD



Dr. Cordes



Muller



Unger



Mierdorf

¹The information on Dr. Körber relates to the date of his resignation from the Management Board

a) Member of other statutory supervisory boards of domestic companies

b) Member of comparable German and foreign boards of business enterprises

STATEMENT OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the company management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

25 February 2008



Dr. Cordes



Mierdorf



Muller



Unger

AUDITOR'S REPORT

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of METRO AG, Düsseldorf, for the business year from 1 January 2007 to 31 December 2007. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law and supplementary provisions of the articles of incorporation are the responsibility of the company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB ["Handelsgesetzbuch": "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary provisions of the articles of incorporation and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Cologne, 27 February 2008

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft



Siemes
Wirtschaftsprüfer (Auditor)



Dr. Böttcher
Wirtschaftsprüfer (Auditor)

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

METRO Group¹ has completed another successful business year. Compared with the previous year, Group sales rose by 10.4 percent to €64.3 billion in 2007, excluding the Extra supermarkets. The foreign share of sales reached 59.1 percent.

The sustained growth of METRO Group and its notable successes in the international trade and retail business confirm that the company has set the correct course. Reaching the company's goals continues to require the personal commitment of each individual within METRO Group. After all, people make retail and trade move. This is why the Supervisory Board of METRO AG would like to especially thank the company's more than 280,000 employees from 150 nations for their dedication and hard work.

Supervision of executives and cooperation with the Management Board

During the reporting period, the Supervisory Board of METRO AG carried out the consultation and monitoring duties set forth by law and the company's Articles of Association. It regularly advised the Management Board on the management of METRO AG and METRO Group during the financial year 2007, and constantly supervised the management. The Supervisory Board was involved in all decisions that were of material importance to METRO AG or METRO Group.

The work of the Supervisory Board was based on the oral and written reports pursuant to § 90 of the German Stock Corporation Act, which the Management Board gave both during and outside meetings held by the Supervisory Board and its committees. The Management Board provided the Supervisory Board with detailed and timely reports about all developments of material importance to METRO Group. The reports covered in particular proposed business policies and fundamental questions about company planning and strategic development. Other report topics were profitability, current business developments, including the position of METRO Group, risk management and compliance, operations of material importance for the profitability and liquidity of METRO Group, as well as important investment and divestment decisions. The reports were provided regularly pursuant to § 90 Section 2 of the German Stock Corporation Act. Any deviations in business developments from set plans and objectives were explained in detail by the Management Board.

The Supervisory Board approved all matters that were submitted to it by the Management Board pursuant to the by-laws of the Supervisory Board and Management Board as a subject for authorisation. These matters included divestments of real estate and an investment plan as well as amendments to the by-laws of the Management Board. The Supervisory Board also endorsed the Group's annual

¹Metro Group including METRO AG

budget for the financial year 2008 submitted by the Management Board. In these and other instances, the Supervisory Board regularly received written documentation for preparing the decision. No use was made of the rights of inspection and audit granted under § 111 Section 2 Sentence 1 and 2 of the German Stock Corporation Act because no matters requiring clarification arose.

The chairmen of the Supervisory Board who held office during the reporting period were in regular contact with the respective chief executive officer. The Chairmen of the Supervisory Board were kept abreast of important business developments and pending decisions by the chief executive officers during regular face-to-face meetings.

The Supervisory Board thoroughly discussed and reviewed all reports and documents that were submitted to it. Further details will be provided in the following sections. No objections about the Management Board's activities were raised.

Meetings and decisions of the Supervisory Board

In the financial year 2007, the Supervisory Board met six times, including four regularly scheduled meetings and two extraordinary meetings. No member of the Supervisory Board attended fewer than half of the meetings. The Supervisory Board made one decision in a written procedure.

During each regular meeting, the Supervisory Board thoroughly discussed the current business development of METRO Group. In addition, the Chairman of the Supervisory Board gave a report about the contents and results of earlier committee meetings. Special focal topics in the financial year 2007 included the potential effects of a change in the shareholder structure of METRO AG as well as personnel issues concerning the Management Board.

March 2007 – The focus of the Supervisory Board's meeting in March 2007 was the annual financial statements of METRO AG and the consolidated financial statements for the financial year 2006, the management report of METRO AG for 2006, the Group's management report for 2006, the Management Board's proposal on the appropriation of the balance sheet profit to the Annual General Meeting 2007 as well as the report of the Management Board about relations with associated companies in 2006. The auditors attended this meeting and gave a report about the key findings of their review. Other items on the agenda of the March meeting were preparations for the Annual General Meeting 2007, including the Supervisory Board's report to the Annual General Meeting, and the Corporate Governance Report. In addition, the Supervisory Board decided, at the suggestion of the Management Board, to subject the half-year report 2007 for METRO Group and the half-year reports of subsequent years to an audit review. Subject to the election of the auditors by the Annual General Meeting in 2007, the audit assignments for the annual financial statements and the consolidated financial statements for 2007 as well as the Group's half-year report 2007 were also adopted during the March meeting. In addition, the Supervisory Board endorsed the sale of a real estate portfolio.

May 2007 – In May 2007, the Supervisory Board convened immediately before the Annual General Meeting. In this meeting, the Management Board also gave a report about current business developments. In addition, the Supervisory Board approved the Management Board's proposal to revoke the Corporate Governance Code of METRO AG introduced in 2002. Its contents largely matched the recommendations of the German Corporate Governance Code, which are already addressed in the annual declaration of compliance pursuant to § 161 of the German Stock Corporation Act. In addition, the Management and Supervisory Boards of METRO AG provide a report about corporate governance practices at METRO Group in each annual report. There was no additional practical need for a company-specific Corporate Governance Code.

July 2007 – In July 2007, the Supervisory Board approved the construction of a logistics centre in the Moscow region by way of written procedure. In addition, a Supervisory Board meeting was held. The key item on the agenda was the completion of the Accounting and Audit Committee following the departure of one Supervisory Board member. The Supervisory Board also solicited a report on executive development at METRO Group and conducted an efficiency test pursuant to Subsection 5.6 of the German Corporate Governance Code.

September 2007 – An extraordinary meeting of the Supervisory Board was held in September 2007 on the occasion of Dr. Körber's request to be released from his duties as Chairman of the Management Board following a change in the shareholder structure.

The Supervisory Board complied with Dr. Körber's request and amicably terminated his appointment to the Management Board as of 31 October 2007. Following the change in the shareholder structure and the associated speculation regarding a possible strategic shift, the Supervisory Board also saw the need to clarify the management situation at METRO Group as quickly as possible. During the same meeting, Dr. Cordes – at the time Chairman of the Supervisory Board of METRO AG – was appointed to the Management Board and to the position of Chairman of the Management Board as of 1 November 2007. The allocation of responsibilities among Management Board members was adjusted accordingly.

In this context, the Supervisory Board thoroughly examined the activities of Dr. Cordes as Chairman of the Management Board of Franz Haniel & Cie. GmbH. The Supervisory Board concluded that the continued exercise of this office could be reconciled with the high demands placed on the Chairman of the Management Board of METRO AG and would not run counter to the company's interests. Dr. Cordes' pledge to resign from other hitherto exercised offices – e.g., on the supervisory boards of listed companies – was a key condition for this move.

November 2007 – Following the appointment of Dr. Cordes to the Management Board of METRO AG, the office of Supervisory Board Chairman that he had held became vacant. In an extraordinary meeting at the beginning of November 2007, the Supervisory Board elected Franz M. Haniel as its new Chairman.

December 2007 – In December 2007, the Supervisory Board after thorough discussion adopted the annual Group budget for the financial year 2008 submitted by the Management Board. It includes the company's sales, earnings, investments and financial planning. In the process, personnel and location planning as well as the goals for the financial year 2008 were also discussed. In a separate point, the Management Board reported on its review of strategic options for the Extra sales brand. The Supervisory Board in December 2007 also approved the sale of suitable real estate properties and discussed the risk management system. Corporate governance at METRO Group represented another focal point of this meeting. A separate Nominations Committee was established. This committee proposes suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting. In addition, the Supervisory Board discussed the issue of a sufficient number of independent Supervisory Board members and adopted its declaration of compliance with the recommendations of the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act.

Meetings and resolutions of Supervisory Board committees

In the financial year 2007, the Supervisory Board of METRO AG initially had four committees: the Presidential Committee, the Personnel and Nominations Committee (subsequently: Personnel Committee), the Accounting and Audit Committee as well as the Mediation Committee pursuant to § 27 Section 3 of the German Co-determination Act. A fifth committee, the Nominations Committee, was established in December 2007. Its duties had previously been assumed by the shareholder representatives in the Personnel Committee.

Accounting and Audit Committee – The Accounting and Audit Committee primarily handled accounting and auditing issues as well as risk management and compliance. In the financial year 2007, the committee met five times. Regular meetings were held in March, May, July and October 2007. On two occasions, the Accounting and Audit Committee convened with the Presidential Committee. In December 2007, the Accounting and Audit Committee convened for an unscheduled meeting.

In March 2007, in the presence of the auditors, the Accounting and Audit Committee, together with the Presidential Committee, discussed the annual financial statements for METRO AG and the consolidated financial statements for the financial year 2006, the management report of METRO AG, the Group management report for the financial year 2006, the audit of the half-year report, the Management Board's proposal on the appropriation of the balance sheet profit to the Annual General Meeting as well as the Management Board's report on relations with associated companies in 2006. The committee recommended that the Supervisory Board approve the compiled financial statements as well as the Management Board's proposal on the appropriation of the balance sheet profit. Other points on the agenda of the March meeting also served to prepare the Supervisory Board's balance sheet meeting. This included the recommendation of the Accounting and Audit Committee to the Supervisory Board on the assignment of the auditing mandates for the annual and Group financial statements 2007 as well as for the Group's half-year report 2007.

The focal point of the other regular committee meetings was the review of financial reports prior to their release, i.e. of the quarterly reports and the half-year report of METRO AG. Other significant subjects of discussion during the reporting period included METRO Group's risk management and compliance programme as well as the potential impact of a ruling by the higher district court in Düsseldorf on the election of the auditor by the Annual General Meeting of 2003. In December 2007, the Accounting and Audit Committee elected a new committee chairman. The office had been vacant since Dr. Cordes' move to the Management Board of METRO AG. With the election of Dr. Schinzler, it was filled with an independent member of the Supervisory Board.

Personnel Committee – The Personnel Committee deals primarily with personnel issues concerning the Management Board. In the financial year 2007, four committee meetings were held. The Personnel Committee convened for regular meetings and also together with the Presidential Committee in March and July 2007. The Personnel Committee held extraordinary meetings in September and December 2007. One resolution was made outside of a meeting.

The Personnel Committee's work during the reporting period was dominated by the personnel changes on the Management Board. The Supervisory Board's decisions on the change of office at the head of the Management Board were prepared by the recommendations of the Personnel Committee. The Personnel Committee also discussed and decided on a contract termination agreement with the departing Management Board Chairman Dr. Körber as well as on the employment contract with Dr. Cordes. In this context, Dr. Cordes' other activities on the Management Board of Franz Haniel & Cie. GmbH were also the subject of thorough discussions and considerations. In addition, a recommendation was made to the Supervisory Board to endorse Mr. Mierdorf's continued appointment to the Management Board. Other focal areas of the committee work included the remuneration and remuneration system for the members of the Management Board and their outside jobs.

Presidential Committee – The Presidential Committee prepares the meetings of the Supervisory Board when the chairman of the Presidential Committee deems it necessary and makes decisions, pursuant to § 107 Section 3 Sentence 2 of the German Stock Corporation Act, about urgent matters and about those issues that have been submitted to it by the Supervisory Board in separate actions.

During the reporting period, the Presidential Committee met four times, including two joint meetings with the Accounting and Audit Committee (in March and May 2007) and the Personnel Committee (in March and July 2007).

Nominations Committee, Mediation Committee – The Nominations Committee has the responsibility of proposing suitable candidates for the Supervisory Board's election proposals to the Annual General Meeting. By resolution of the Supervisory Board, the committee was established in December 2007. No committee meeting was convened in the financial year 2007.

The Mediation Committee formulates proposals for the appointment or dismissal of members of the Management Board in cases pursuant to § 31 of the German Co-Determination Act. The Mediation Committee did not have to meet in the financial year 2007.

Corporate Governance

The Management Board and the Supervisory Board report on METRO Group's corporate governance in the Corporate Governance Report for 2007.

In December 2007, the Management Board and the Supervisory Board of METRO AG issued an unlimited declaration of compliance with regard to the recommendations of the Government Commission on the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act and made it permanently available to shareholders on the Internet site www.metrogroup.de. The full declaration of compliance appears in the Corporate Governance Report 2007.

Before the Supervisory Board's meeting in March 2007, the auditor issued a declaration of autonomy, required under Clause 7.2.1 of the German Corporate Governance Code. The requirements of Clause 7.2 of the German Corporate Governance Code governing the contractual relationship between the company and its auditors have thus been fulfilled. Among other things, it was agreed that the auditors would promptly inform the Chairman of the Supervisory Board about any disqualification or bias issues that might arise during the audit. Throughout the audit cycle, the auditor never reported any disqualification or bias issues to the Supervisory Board. Furthermore, the Supervisory Board never had any reason to believe that there were ever any disqualification or bias issues.

Annual and consolidated financial statements 2007, report on relations with associated companies 2007

The annual financial statements of METRO AG, in consideration of accounting, for the financial year 2007 that were submitted by the Management Board pursuant to regulations laid down in the German Commercial Code, the METRO AG management report for 2007, the consolidated financial statements 2007 compiled by METRO AG according to International Financial Reporting Standards (IFRS) and the Group's management report 2007 were reviewed by KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft and were given unqualified approval. The auditor provided a written report on the findings.

The Supervisory Board reviewed the annual financial statements of METRO AG and the consolidated financial statements for the financial year 2007, the management report of METRO AG and the Group's management report for the financial year 2007 as well as the Management Board's proposal to the Annual General Meeting 2008 on the appropriation of the balance sheet profit. For this purpose, these documents and the reports of the auditor were provided in a timely manner to the Supervisory Board, and were discussed and reviewed in detail during the Supervisory Board's annual accounts meeting held in March 2008.

The auditor attended this meeting, reported the key findings of the reviews, and was at the Supervisory Board's disposal to answer questions and to provide additional information. The Supervisory Board concurred with the findings of the auditor's review. In a concluding finding of its own review, the Supervisory Board determined that no objections were necessary. The Supervisory Board, in particular, supports the conclusions reached by the Management Board in the management report of

METRO AG and the Group's management report. The Supervisory Board endorses the annual financial statements made by the Management Board. As a result, the annual financial statements of METRO AG 2007 have been adopted. The Supervisory Board also supports the Management Board's proposed appropriation of the balance sheet profit after considering shareholders' interest in a disbursement and the company's interests in further retained earnings.

Pursuant to § 312 of the German Stock Corporation Act, the Management Board of METRO AG prepared a report about relations with associated companies for the financial year 2007. The auditor reviewed this report, issued a written statement about the findings of the review and issued the following opinion:

"After our due audit and assessment, we confirm that

1. the factual information in the report is correct,
2. in the legal transactions listed in the report, the company's expenses were not inappropriately high."

This report was submitted to the Supervisory Board together with the audit report in a timely manner, and was discussed and reviewed particularly in terms of thoroughness and accuracy during the annual accounts meeting that the board held in March 2008. The auditor attended this meeting, reported the key findings of the review, and was at the Supervisory Board's disposal to answer questions and to provide additional information. The Supervisory Board concurred with the findings of the auditor's review. In a concluding finding of its own review, the Supervisory Board determined that no objections have to be made with respect to the statement of the Management Board at the conclusion of the report.

The aforementioned reviews by the Supervisory Board of the 2007 annual and consolidated financial statements, the 2007 management reports, the proposed appropriation of the balance sheet profit and the Management Board's 2007 report about relations with associated companies were prepared during a joint meeting by the Presidential Committee and the Accounting and Audit Committee in March 2008. During this meeting, the committees thoroughly reviewed and discussed the annual and consolidated financial statements, the management reports, the auditing reports of the auditor, the proposal on the appropriation of the balance sheet profit, the Management Board's report on relations with associated companies and the associated auditing review in the presence of the auditor. The Accounting and Audit Committee recommended that the Supervisory Board approve the prepared financial statements and endorse the Management Board's recommendation for appropriation of the balance sheet profit.

Appointments and resignations

Ms. Anja Kiehne-Neuberg resigned from her position as a member of the Supervisory Board effective 30 June 2007. With the resolution of the Düsseldorf District Court, she was succeeded by Mr. Hubert Frieling, who joined the Supervisory Board on 20 July 2007.

Before his move to the Management Board of METRO AG, Dr. Eckhard Cordes resigned from his positions as a member and chairman of the Supervisory Board as of 31 October 2007. With the resolution of the Düsseldorf District Court, he was succeeded by Mr. Franz M. Haniel, who joined the Supervisory Board on 1 November 2007. In an extraordinary meeting at the beginning of November 2007, the Supervisory Board elected Mr. Haniel as its new Chairman.

Dr. Manfred Schneider resigned from his position as a member of the Supervisory Board effective 3 April 2008. The Management Board of METRO AG will file a petition with the competent court for judicial appointment of a succeeding member.

Düsseldorf, March 2008

THE SUPERVISORY BOARD

A handwritten signature in black ink, appearing to read 'Franz M. Haniel', written in a cursive style.

Franz M. Haniel
Chairman

SUPPLEMENTARY INFORMATION

FINANCIAL CALENDAR

| | |
|--|-----------------|
| Annual business press conference/analysts' meeting | 18 March 2008 |
| Quarterly report Q1 | 29 April 2008 |
| Annual General Meeting | 16 May 2008 |
| Half-yearly report H1/Q2 | 31 July 2008 |
| Quarterly report Q3 | 30 October 2008 |

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