

# 08

## ANNUAL FINANCIAL STATEMENTS

of METRO AG

What **really** matters.

**METRO** Group

*The Spirit of Commerce*



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# Overview of the financial year 2008 and forecast

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 material risks and opportunities.

## Earnings position

- Regular earnings rise to €575.2 million from €535.2 million in the previous year
- Investment result reaches €1,061.2 million after €696.6 million a year earlier
- Negative earnings effect of about €500 million from sale of Adler fashion stores

## Financial and asset position

- The asset position depends primarily on financial assets of €7,975.6 million as well as receivables from associated companies in the amount of €1,759.7 million
- Equity amounts to €5,313.0 million after €5,112.5 million a year earlier
- At €11,367.7 million, total assets are €898.9 million lower than a year earlier

## Forecast of METRO Group

### Sales

We continue to expect METRO Group to generate annual growth rates of more than 6 percent over the medium term. In consideration of the global economic downturn, the lower number of new store openings and negative currency effects, we expect our growth rate to fall significantly short of our medium-term goal of more than 6 percent in the current financial year.

### Earnings

Our strategy aims for long-term profitable growth, or disproportionately higher earnings than sales growth. Our goal is to achieve growth of more than 8 percent per year in EBIT before special items. Our efficiency- and value-enhancing programme "Shape 2012" aims to protect this level of growth over the long term. "Shape 2012" will unleash its positive impact on earnings from 2010 and become fully effective from 2012.

The high level of uncertainty caused by recent difficult economic developments makes a precise profit-and-loss forecast for the financial year 2009 impossible at this point. Although we expect the anticipated weaker sales growth to also impact our earnings, the cost-cutting measures and investment cutbacks introduced so far are aimed at minimising the impact on EBIT before special items.

# 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 in the market with specific concepts and, in some cases, several sales brands.

The Extra sales brand was sold to the Rewe Group on 17 January 2008 with effect from 1 July 2008. By contractual agreement of 13 February 2009, the Adler fashion stores were sold to the restructuring fund BluO beta equity Limited. The agreement is subject to the approval of the cartel authorities.

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.

The efficiency- and value-enhancing programme "Shape 2012" will simplify METRO Group's organisational structures to achieve the highest possible growth momentum and customer orientation. Additional information on "Shape 2012" can be found in the supplementary and forecast report.

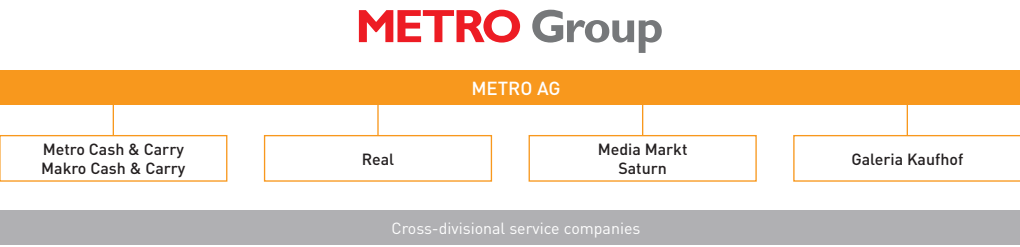
## Our sales brands

**Metro Cash & Carry** is the global market leader in the cash & carry sector. 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 one of the leading hypermarket operators in Germany and Poland. With locations in Germany, Poland, Romania and Turkey, Real represents the large-format hypermarket concept.

Europe's No. 1 in consumer electronics retailing: the **Media Markt and Saturn** sales brands compel with their innovative and powerful sales and marketing concepts with large-scale consumer electronics stores. Both have been posting strong growth for many years. They are represented in 16 countries and are rigorously expanding their 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 areas and city centres with their sophisticated, high-quality assortment presented in event-orientated product worlds.



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**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. It also operates more than 70 shopping centres. Its facility management activities for about 1,700 retail, administrative and warehousing locations currently cover 16 countries. METRO Group Asset Management focuses on the continuous development of METRO Group properties, the creation of sustained value added and active portfolio management. 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 towards society and the environment. For example, METRO Group is making continual advances in increasing the energy efficiency of its properties as well as using renewable energies around the world. In 2008, METRO Group Asset Management was awarded the highest honours in the European real estate sector for the innovative and sustainable concept for its M1 Meydan shopping centre in Istanbul. The centre operates one of Europe's largest geothermal plants and has a green roof with a space of 30,000 square metres. METRO Group Asset Management sets standards for future-orientated retail real estate.

## 2. Business developments

### a) Overview of Group business developments

METRO Group can look back on positive business developments in 2008. The company continued to strengthen its position as one of the most important and largest international retail groups in terms of sales strength. Group sales excluding sales of Adler and Extra reached €68.0 billion, with the German and international business growing by 2.0 percent and 8.4 percent, respectively. The international share of Group sales climbed to 60.8 percent. Our continued international expansion again made the key contribution to the business success of METRO Group. At €1,988 million, Group EBIT was €90 million lower than the previous year's figure. Adjusted for the special effect from the streamlining of the Real store network, Group EBIT amounted to €2,225 million, an increase of €147 million or 7.1 percent compared to the previous year.

### b) Business developments at METRO AG

The development of METRO AG's investments largely sets the course for the company's business development. The total investment result amounts to €1,061.2 million (previous year: €696.6 million). The financial result of €-409.5 million (previous year: €-64.4 million) is largely attributable to write-downs on receivables from Group companies in the context of the divestment of the Adler fashion stores. In total, the sale of the Adler fashion stores reduced net profit for the year by about €500 million. Net profit amounts to €586.4 million (previous year: €566.0 million).

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3. Earnings position

a) Group sales

In the financial year 2008, METRO Group raised Group sales by 5.8 percent to €68.0 billion (previous year: €64.2 billion). Adjusted for on balance negative currency effects, Group sales rose by 6.1 percent compared to the previous year. Adjusted for currency effects, the Group's sales growth thus met the forecast of more than 6 percent issued at the start of 2008, despite the fact that market conditions became increasingly challenging during the course of the year.

In Germany, METRO Group posted a 2.0 percent increase in sales to €26.7 billion for 2008 (previous year: €26.1 billion). Outside of Germany, Group sales rose by 8.4 percent to €41.3 billion (previous year: €38.1 billion). At 60.8 percent, the international share of sales reached a new all-time high. Negative currency effects reduced international sales growth by 0.3 percentage points. Group sales in Western Europe rose by 2.2 percent to €21.0 billion (previous year: €20.5 billion). Growth momentum remained dynamic in Eastern Europe where sales grew by 15.3 percent to €18.1 billion (previous year: €15.7 billion). METRO Group recorded 18.6 percent higher sales of €2.2 billion (previous year: €1.9 billion) in Asia/Africa.

Discontinued operations

The Extra supermarkets and the Adler fashion stores are included in these annual financial statements as discontinued operations. The business data have been adjusted accordingly and the previous year's figures – with the exception of the balance sheet – have been adjusted for Adler. Extra was already shown under discontinued operations in 2007.

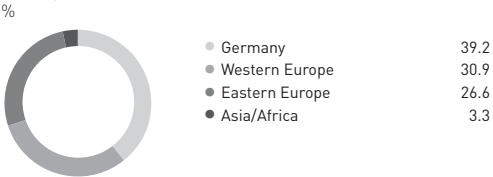
The 245 Extra stores that were sold to the Rewe Group with effect from 1 July 2008 had generated sales of €0.7 billion up to this date. By contractual agreement of 13 February 2009, the Adler fashion stores were sold to the restructuring fund Blu0 beta equity Limited. The agreement is subject to the approval of the cartel authorities. The 120 Adler stores accounted for sales of €0.5 billion in 2008.

Development of Group sales by sales divisions and regions

€ million	2008	2007 <sup>1</sup>	Change	
			€ million	%
Metro Cash & Carry	33,143	31,698	1,445	4.6
Real	11,636	11,003	633	5.8
Media Markt and Saturn	18,993	17,444	1,549	8.9
Galeria Kaufhof	3,516	3,556	(40)	(1.1)
Other companies	668	509	159	31.5
<b>METRO Group</b>	<b>67,956</b>	<b>64,210</b>	<b>3,746</b>	<b>5.8</b>
of which Germany	26,666	26,133	533	2.0
of which international	41,290	38,077	3,213	8.4
Western Europe	20,993	20,532	461	2.2
Eastern Europe	18,084	15,680	2,404	15.3
Asia/Africa	2,213	1,865	348	18.6

<sup>1</sup> Adjustment of previous year's figures due to discontinued operations and changed disclosure regulations (see notes to the Group accounting principles and methods in the notes to the consolidated financial statements)

Group sales of METRO Group 2008 by regions



b) Group EBIT/EBITDA

METRO Group's EBIT declined by €90 million or 4.3 percent to €1,988 million. This amount includes negative non-recurring effects from the streamlining of Real's German store network in the amount of €237 million. EBIT before special items rose by €147 million or 7.1 percent to €2,225 million. The increase thus fell within the 6 percent to 8 percent range forecast at the start of 2008.

EBIT in Germany declined by €177 million to €393 million. Adjusted for the above-mentioned non-recurring effect, EBIT exceeded the previous year's figure by €60 million, reaching €630 million. With earnings growth of €97 million, the international business remained a key growth driver of METRO Group. The weak nonfood business in Spain and Italy dampened earnings developments in Western Europe. EBIT in this region dropped by 17.7 percent. At the same time, EBIT in Eastern Europe rose markedly by 27.7 percent to €1,028 million.

Group **EBITDA** fell slightly short of the previous year's figure in the reporting year. EBITDA before non-recurring effects rose by 6.0 percent to €3,543 million from €3,343 million. EBITDA in Germany reached €1,094 million including negative effects from the streamlining of the Real store network. Excluding non-recurring items, EBITDA in Germany amounted to €1,297 million after €1,231 million a year earlier.

Development of Group and divisional EBIT/EBITDA<sup>1</sup>

€ million	EBITDA		EBIT	
	2008	2007	2008	2007
Metro Cash & Carry	1,728	1,631	1,328	1,243
Real	212 <sup>2</sup>	160	21 <sup>3</sup>	(16)
Media Markt and Saturn	839	818 <sup>4</sup>	603	610 <sup>4</sup>
Galeria Kaufhof	217	211	113	107
Other companies/consolidation	54 <sup>72</sup>	523	160 <sup>3</sup>	134
<b>METRO Group</b>	<b>3,543<sup>2</sup></b>	<b>3,343</b>	<b>2,225<sup>3</sup></b>	<b>2,078</b>

<sup>1</sup> Adjustment of previous year's figures due to discontinued operations  
<sup>2</sup> Adjusted for negative effects from the streamlining of the Real store network in the amount of €203 million, with Real accounting for €223 million and other companies/consolidation for €-20 million  
<sup>3</sup> Adjusted for negative effects from the streamlining of the Real store network in the amount of €237 million, with Real accounting for €224 million and other companies/consolidation for €13 million  
<sup>4</sup> Adjustment of previous year's figure due to changed disclosure regulations [see notes to the Group accounting principles and methods in the notes to the consolidated financial statements]

c) Earnings position of METRO AG and profit appropriation

The earnings position of METRO AG is impacted most heavily by investment income in the amount of €1,061.2 million (previous year: €696.6 million).

The investment result includes income from profit and loss transfer agreements of €743.4 million (previous year: €690.7 million) as well as income from investments of €432.3 million (previous year: €98.0 million).

Aside from income absorption from the Metro Cash & Carry, Media Markt and Saturn and Galeria Kaufhof sales divisions, income from profit and loss

transfer agreements also includes loss absorption from the food retail business as well as negative effects from the divestment of the Adler fashion stores.

Investment income stems mostly from real estate companies.

The financial result amounts to €-409.5 million after €-64.4 million a year earlier. The adverse development is due mostly to write-downs on receivables related to the divestment of the Adler fashion stores.

All in all, the divestment of the Adler fashion stores will dampen the earnings position of METRO AG by about €500 million.

Losses of €107.0 million (previous year: €91.9 million) absorbed during the reporting year are primarily attributable to METRO Group service companies.

Other operating income declined to €137.1 million from €167.5 million. This decline is due mostly to lower income from administrative services on behalf of subsidiaries.

After consideration of other income, expenses and taxes, net profit amounted to €586.4 million (previous year: €566.0 million).

After transferring €200.0 million to revenue reserves and considering 9.2 million carried forward from the previous year, the balance sheet profit of METRO AG amounts to €395.6 million.

The Management Board of METRO AG will propose to the Annual General Meeting that, from the reported balance sheet profit of €395.6 million, a dividend of €385.9 million will be paid and that the balance of €9.7 million will be carried forward to the new account. The dividend proposed by the Management Board amounts to

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



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Calculation of Weighted Average Cost of Capital (WACC)

EQUITY COST OF CAPITAL		DEBT COST OF CAPITAL	
Risk-free rate of return	4.1%	Risk-free rate of return	4.1%
+		+	
Market risk premium	5.0%	Average, long-term risk premium	1.5%
x Beta factor	1.0		
(specific risk premium for METRO Group)			
		=	5.6%
		- Tax effect	-1.7%
=	9.1%	=	3.9%
Weighting at market rates		Weighting at market rates	50%
50%		50%	
6.5% Group WACC			

d) Development of Economic Value Added (EVA)

Value-creating management forms the foundation for sustainable profitable growth

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 2008, the cost of capital rate of METRO Group remained unchanged from the previous year at 6.5 percent.

Development of EVA

In 2008, METRO Group once again achieved positive EVA and thus made successful use of its capital employed. METRO Group’s EVA reached €613 million, compared with €538 million in the previous year. Metro Cash & Carry and Real posted a significant increase in EVA compared with the previous year’s total. Galeria Kaufhof again earned its cost of capital and nearly doubled its EVA compared to the previous year.

At 9.3 percent, RoCE (Return on Capital Employed) was higher than the previous year’s result.

The cost of capital rose by €41 million to €1,434 million; NOPAT increased by €116 million to €2,047 million, due primarily to higher divisional EBIT.

€ million	NOPAT	Capital employed	EVA	RoCE %	Delta EVA
Metro Cash & Carry	1,076	7,393	596	14.6	39
Real	168	5,916	[217]	2.8	74
Media Markt and Saturn	469	2,814	286	16.7	[28]
Galeria Kaufhof	80	1,060	11	7.5	5
Other companies/consolidation	254	4,879	[63]	–	[15]
METRO Group	2,047	22,062	613	9.3	75

## 4. Financial position

### a) Financial management

#### Principles governing Group-wide financial activities

METRO AG is responsible for the centralised financial management of METRO Group. METRO AG acts to ensure that METRO Group companies have access to the necessary financing for their operating and investing activities at all times and in the most cost-efficient manner possible. The necessary information is provided by a financial budget for the Group, which covers all relevant companies and is updated monthly. In addition, METRO AG provides 14-day liquidity plans.

Loan placement and collateralisation 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

METRO Group's financial transactions either serve to cover 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, for example 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 continuously.

#### Approval requirements

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 after METRO AG has given its approval.

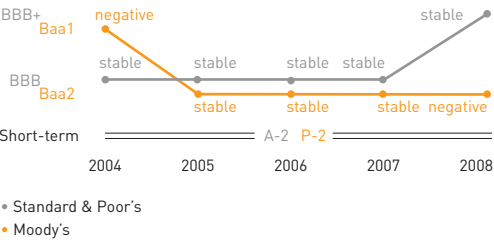
#### Audit security

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. Ratings thus communicate METRO Group's credit rating to potential debt capital investors. In May of the reporting year, rating agency Standard & Poor's upgraded METRO Group's long-term credit rating to "BBB+". In November 2008, Moody's revised its outlook on METRO Group's long-term and short-term rating "Baa2" from "stable" to "negative". The following table illustrates the development of long- and short-term ratings over the past five years:

#### Rating development and outlook



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

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METRO Group is currently rated as follows by the international rating agencies:

Category	2008	
	Moody's	Standard & Poor's
Long-term	Baa2	BBB+
Short-term	P-2	A-2
Outlook	negative	stable

Financing measures

A “Debt Issuance Programme” launched in 2000 serves as a source of long-term financing. In 2008, we conducted the following transactions in the context of this programme:

Type of trans-action	Issue date	Term	Maturity	Nominal volume	Coupon
Red-emption	Feb 03	5 years	Feb 08	€1,000 million	5.13%

For short- and medium-term financing, METRO Group uses ongoing capital market issuance programmes, among others. These include the “Euro Commercial Paper Program” and another “Commercial Paper Program” geared especially to French investors. The average amount utilised from both programmes in 2008 was €2,525 million. In addition, METRO Group used bilateral bank facilities totalling €256.0 million as per the balance sheet date.

In addition to the above-mentioned capital market transactions and despite the turmoil on international financial markets, METRO Group managed to refinance a €975 million syndicated loan due in November 2008 before maturity with a 5-year term in March 2008. Aside from the established issuance programmes – which METRO Group was able to use even in difficult market periods – METRO Group had access to sufficient liquidity via comprehensive, generally multi-year credit lines at all times. Increased risk premiums have led to markedly higher funding costs in a difficult financial market environment.

The following table depicts the maturity structure of the bonds. The stated carrying amounts and fair values (market values) comprise accrued interest with a remaining term of less than one year in each case.

Type of financing	Currency	Issue volume € million	Remaining term	Nominal amounts 31 Dec 2008 € million	Book values 31 Dec 2008 € million	Fair values 31 Dec 2008 € million
Bonds	EUR	1,849.2	up to 1 year	1,849.2	1,860.0	1,856.7
		200.0	1 to 5 years	200.0	200.0	201.7
			over 5 years	–	–	–

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

Type of financing	Interest terms	Currency	Remaining term	Weighted effective interest rate when issued [%]	Issue volume € million
Bonds	Fixed interest	EUR	up to 1 year	4.04	1,099.2
			1 to 5 years	–	–
			over 5 years	–	–
	Variable interest	EUR	up to 1 year	5.73	750.0
			1 to 5 years	3.93	200.0
			over 5 years	–	–

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

**b) Cash flows**

During the reporting year, cash inflows resulted primarily from financial transactions within METRO Group. Considering additional inflows from external financing as well as other transactions, cash flows increased by €460.9 million as of the closing date compared to the previous year.

**c) Capital structure**

Liabilities are made up of €5,313.0 million (previous year: €5,112.5 million) in equity and €6,054.7 million (previous year: €7,154.1 million) in provisions, debt and deferred income. As of the closing date, the equity ratio amounted to 46.7 percent compared to 41.7 percent a year earlier. Provisions declined by €77.0 million to €303.3 million as of the closing date. Liabilities to banks rose by €97.7 million to €256.0 million. Liabilities to associated companies declined to €3,304.8 million compared to €4,420.0 million a year earlier, while other liabilities were reduced by €57.4 million to €128.3 million as of the closing date.

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## 5. Asset position

As of the closing date, assets totalled €11,367.7 million and were comprised mostly of financial assets in the amount of €7,975.6 million, receivables from associated companies in the amount of €1,759.7 million as well as bank deposits of €1,255.0 million. Financial assets declined only slightly by €24.4 million from €8,000.0 million a year earlier and now make up 70.2 percent of total assets. Receivables from associated companies declined by €1,484.6 million compared to the previous year – as of the closing date, they accounted for 15.5 percent of total assets.

Cash on hand, bank deposits and cheques rose by €460.9 million to €1,255.0 million compared to the previous year.

## 6. Events after the balance sheet date

On 19 January 2009, METRO Group announced a comprehensive efficiency- and value-enhancing programme to secure the company's long-term profitable growth. In this context, the Group aspires to an earnings improvement potential of €1.5 billion until 2012 and beyond.

By contractual agreement of 13 February 2009, the Adler fashion stores were sold to the restructuring fund BluO beta equity Limited. The agreement is subject to the approval of the cartel authorities.

In February 2009, METRO Group issued a €1,000 million euro bond with a term of 6 years and an interest rate of 7.625 percent p.a. as well as a €156 million promissory note bond with a term of 5 years.

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 2 March 2009 (date of release of the accounts for presentation to and approval by the Supervisory Board).

## 7. Risk report

Risk management at METRO Group is an integral part of value-creating business management. It helps the company's management to exploit opportunities and limit risk, and is based on a systematic process of risk identification, assessment and control for the entire Group. Unfavourable developments are recognised at an early stage, and the necessary countermeasures are put into place. Opportunities are identified, assessed and seized in a systematic manner.

### 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. The most critical responsibilities of central risk management include ensuring the Group-wide exchange of information on risk-relevant issues and developing 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. The Supervisory Board and its Accounting and Audit Committee work intensely on risk management.

### Economic Value Added (EVA) as a risk assessment criterion

The crucial Group-wide benchmark for corporate success is Economic Value Added (EVA). The degree of readiness to assume risk also focuses on this key metric and thus follows the principle of sustainably increasing enterprise value. In particular, EVA is an important criterion for investment decisions. As a matter of principle, we take entrepreneurial risks only if they are manageable and if 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. The core processes include the development and implementation of business models, decisions on store locations, the procurement and sale 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

The coordinated application of risk-management tools is assured by the compilation of all relevant facts in guidelines. These include the Articles of Association and by-laws of Group companies, internal Group procedures and the risk management manual of METRO AG that provides information on how the risk management system works, offers a comprehensive overview of potential risk areas, assigns responsibility for monitoring and provides instructions on how to act. Risks, as well as opportunities, are identified in a bottom-up process that extends through all management levels. An early warning system assesses business risks in terms of scope for a planning period fixed at three years.

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**Group reporting promotes internal risk communication**

Group reporting is the central 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. Areas of risk are monitored on the basis of specified indicators. Fundamental risks that suddenly appear are immediately reported to the responsible decision-making bodies. An emergency notification system has been created specifically for this purpose.

**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 of responsibility. Risk management officers ensure that the risk management system as a whole is operational and monitor the completeness of standards and stipulations. In compliance with the provisions of KonTraG (the German Control and Transparency Law), external auditors submit our early detection system to a periodic review. The results of this review are presented to the Management Board and Supervisory Board.

**Opportunity management**

The timely recognition and exploitation of opportunities is a critical entrepreneurial duty and secures long-term success. At METRO Group, we view risk and opportunity management as two distinct responsibilities. Ascertaining and communicating opportunities is an integral part of the management and controlling systems between the consolidated subsidiaries and the holding company. It is the responsibility of the management of the sales divisions, cross-divisional service companies and the central holding units to identify, analyse and exploit operative opportunities. The individual management groups examine detailed market and competition analyses, market scenarios, the relevant cost drivers and critical success factors, including those in the company's political environment.

In the forecast report, we describe the opportunities that we expect to have in future years.

**Presentation of the risk situation**

METRO Group primarily faces the internal and external risks that are described in the following section.

**Business and sector risks**

During the reporting period, business parameters changed as a result of the general deterioration of the economic environment in METRO Group regions and capital market developments. The overall risks concerning short- to medium-term developments in the retail trade and thus at METRO Group are therefore likely to have increased. Although the effects of the global financial crisis on sales, procurement, currency and refinancing markets are difficult to gauge, we are determined to continue to strengthen our position as a leading international retailing group.

**Retail business**

The particularly intense competition in the German and Western European retail trade is creating conditions that could impact business developments and represent natural business risks. A fundamental business risk is consumers' fluctuating propensity to consume, a factor that depends on numerous political, social and economic parameters and represents a markedly higher risk in the current crisis environment. Consumers are likely to cut back their spending in anticipation of more difficult economic times. This applies both to consumer staples and to larger purchases such as household appliances and consumer electronics products. On the one hand, the international positioning of METRO Group requires it to consider possible economic, legal and political risks. On the other hand, the continuing internationalisation of METRO Group offers the opportunity to offset fluctuating demand in individual countries.

Constantly shifting consumer behaviour and customer expectations pose a risk and an opportunity, and 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 selected external sources – including Nielsen, GfK, Planet Retail and Ifo Institute. 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 examine the practicability and acceptance of innovative concept modules in test stores before introducing them systematically and swiftly in other stores. Continuous fund allocation allows for the optimisation of merchandising concepts and the modernisation of stores. These measures help all sales brands to secure and expand our competitive strength.

**Strategic company risks**

**Locations**

We consider the setting-up and expansion of our presence in the major growth regions of Eastern Europe and Asia as critical investments in the future of our business group. By entering these markets, we are using our entrepreneurial opportunity to profit from the rising purchasing power of millions of consumers. We identify the location risks associated with expansion into these economic regions, including changing fundamental conditions, by doing such things as conducting feasibility studies that carefully analyse the fundamentals and opportunities of an investment. Essentially, our growth aspirations remain intact in spite of current global economic developments. However, there is a risk that our growth rates will lag behind the targets set by our current planning over the next few years. This may be due to a lower number of new store openings or to weaker developments at existing locations.

**Portfolio changes**

In past years, METRO Group has continuously optimised its portfolio. All portfolio changes and the strategic and investment decisions related to them focus on value creation for our Group. As a result, risks associated with changes in the portfolio are minimised.

**Risks related to business performance**

**Suppliers**

As a retailing company, METRO Group depends on external providers for the supply of goods and services. In the current difficult economic environment, suppliers must protect their own liquidity. There is a higher risk of insolvencies among suppliers and thus of an at least temporary disruption to supplies of individual goods or groups of merchandise. To prevent disruptions in the supply of goods, we work with a variety of suppliers. We ensure that we do

not become dependent on individual companies. Our suppliers are continuously monitored and have to adhere to the procurement policy standards of METRO Group. In particular, these standards include the Global Food Safety Initiative's audited standards, like the International Food Safety Standard and the GLOBALGAP certification for agricultural products. These standards are binding for all our suppliers in every product group. They help to ensure the safety of foods at all levels of cultivation, production and sales.

**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 disruptions in the supply chain, for example in the supply of goods, could lead to business interruptions. METRO Group minimises these risks by using internal backup systems and specific contingency plans. In addition, it reduces its dependency on individual suppliers and service providers by expanding the group of business partners and follows 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 achieve our strategic goals, we depend on highly qualified experts and managers. It is an ongoing challenge to recruit and retain such valuable employees for the Group, in particular in the face of intense competition for the best people. The demand for good personnel is high, particularly in markets where METRO Group is expanding. This makes intragroup qualification measures indispensable. To foster the requisite business skills among our employees, we optimise training and professional development programmes for employees on all levels. Training courses and systematic measures promote entrepreneurial thinking and actions among employees; variable pay components linked to business performance levels serve as an incentive. Direct participation in business success increases employees' identification with METRO Group and enhances their awareness of risks and opportunities in all entrepreneurial decisions.



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**Legal risks, tax risks**

Legal risks arise primarily from labour and civil law cases. Tax risks are largely connected to external tax audits. To address both types of risk, we take adequate precautions by forming provisions.

**Financial risks**

The global financial crisis is having an impact on corporate refinancing. Raising new funds has become more difficult and entails higher spreads.

**Management of financial risks**

The finance department of METRO AG manages the financial risks of METRO Group. These include, in particular,  
→ 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 rises.

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, short- 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 €1,668.2 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 and financings 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 and options as well as interest rate swaps and currency swaps are used in these cases to limit currency risk. Exceptions from this hedging requirement exist only in the case of liabilities from finance leases as well as foreign currency transactions that cannot be hedged for legal or market-specific reasons.

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

Interest rate 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 are guaranteed.

To quantify the potential market value losses of all financial instruments, METRO Group uses Value-at-Risk calculations (VaR). A variance-covariance approach is used to determine the 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 monthly, and checked monthly for deviations. This financial forecast is complemented by a short-term, weekly rolling 14-day liquidity plan.

Financial instruments utilised include money and capital market products (time deposits, call money, commercial papers, promissory note loans and bonds sold as part of ongoing issue programmes) as well as bilateral and syndicated 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 were to have a negative financial impact on the company's liquidity situation.

Further details on financial instruments and credit lines are provided by the explanatory notes under the respective balance sheet items.

Intragroup 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 to 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 financial resources of METRO Group are optimally employed in Germany and internationally, 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.

In the course of the risk management of monetary investments and financial derivatives, minimum creditworthiness requirements and maximum exposure limits have been defined for all business partners of METRO Group. This is based on 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.

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The following table shows a breakdown of counter- parties by credit ratings:

Rating classes			Volume in %		
Grade	Moody's	Standard & Poor's	Investments	Derivates with posi- tive market values	Total
Investment grade	Aaa	AAA	0.0	0.0	
	Aa1 to Aa3	AA+ to AA-	44.3	1.3	
	A1 to A3	A+ to A-	49.1	1.4	
	Baa1 to Baa3	BBB+ to BBB-	0.0	0.0	96.1
Non-investment grade	Ba1 to Ba3	BB+ to BB-	0.0	0.0	
	B1 to B3	B+ to B-	0.0	0.0	
	C	C	0.0	0.0	0.0
No rating			3.9	0.0	3.9
Total			97.3	2.7	100.0

The table shows that as of the closing date about 96 percent of the capital investment volume, including the positive market value of derivatives, had been placed with investment-grade counter- parties, 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 credit- worthiness can be considered flawless based on our own analyses. For country-specific reasons as well as cost and efficiency considerations, co- operation with these institutions is unavoidable. These institutions account for about 3.9 percent of the total volume.

METRO Group's level of exposure to creditworthi- ness risks 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 finan- cial 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 deter- mine what impact interest rate changes may have on cash flow.

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

Summary of the risk situation at METRO Group

To evaluate the present risk situation, we have not only examined risks in isolation, but also analysed the interrelationships of risks and rated their prob- ability. The assessment has shown that there are no potentially ruinous risks for the company and no risks can be identified that could endanger the company's future existence.

## 8. Forecast

### Expected earnings position of METRO Group

#### Sales

We continue to expect METRO Group to generate annual growth rates of more than 6 percent over the medium term. In consideration of the global economic downswing, the lower number of new store openings and negative currency effects, we expect our growth rate to fall significantly short of our medium-term goal of more than 6 percent in the current financial year.

#### Earnings

Our strategy aims for long-term profitable growth, or disproportionately higher earnings than sales growth. Our goal is to achieve growth of more than 8 percent per year in EBIT before special items. Our efficiency- and value-enhancing programme "Shape 2012" aims to protect this level of growth over the long term. "Shape 2012" will unleash its positive impact on earnings from 2010 and become fully effective from 2012.

The high level of uncertainty caused by recent difficult economic developments makes a precise profit-and-loss forecast for the financial year 2009 impossible at this point. Although we expect the anticipated weaker sales growth to also impact our earnings, the cost-cutting measures and investment cutbacks introduced so far are aimed at minimising the impact on EBIT before special items.

"Shape 2012" is likely to cause non-recurring expenses in 2009, which, however, cannot be quantified at this point.

### Overall statement on the economic situation: management's assessment of the economic situation

Operating in a global market environment, METRO Group cannot fully separate itself from the economic situation in its respective markets. However, we can use our strong positions to continue to expand our market share. The global economic downturn is likely to deepen in 2009. The strong interconnections between different economies in the course of advancing globalisation have meant that the economic downturn has hit nearly all markets simultaneously. We have responded appropriately and have revised downward our investment budget for 2009 and introduced cost-cutting measures early on. We expect the global economy to recover from 2010 onwards.

### Planned investments of METRO AG

Investments of about €3.0 million are planned at METRO AG in the current financial year.

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9. Remuneration Report

Share-based compensation for executives

METRO AG has been implementing share-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)

No rights from the stock option programme were outstanding in the financial year 2008.

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 share 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 was granted in 2008.

The size of the bonus initially depends on the ratio of basis price and share price.

The basis price of each tranche corresponds to the arithmetic mean of the closing prices of the METRO AG ordinary share in Xetra trading of Deutsche Börse AG on the last 20 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 basis 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 bonus
2004	July 2007	€37.14	€42.71	Paid
2005	July 2008	€41.60	€47.84	Expired
2006	July 2009	€43.15	€49.62	€22,745,000
2007	July 2010	€61.61	€70.85	€17,760,000
2008	July 2011	€41.92	€48.21	€19,900,000

The target bonus values are based on the condition that the target prices are attained. The value of the share bonus paid in 2008 was €32.2 million at the time of payment and was calculated by independent experts using recognised financial-mathematical methods (Monte Carlo simulation).

Compensation of members of the Management Board

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 mainly 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 the capital employed. NOPAT (Net Operating Profit after Taxes) 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 2008, the weighted average cost of capital of METRO Group remained unchanged from the previous year at 6.5 percent.

The EVA-based remuneration system is based on a comparison of delta EVA, the difference between current EVA and prior-year 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).

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 a bonus bank. Irrespective of the payment of the target bonus, a fixed percentage of the bonus bank balance is paid out each year, with the remaining amount being carried forward. A negative bonus results in a reduction of the bonus bank balance. The negative bonus bank balance 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 financial years following the capping, the remuneration share resulting from the bonus factor in excess of +2.0 is offset against the capped balance of the bonus bank.

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-orientated remuneration and the concrete EVA calculations were verified by the consultancy Stern Stewart & Co. The Personnel Committee monitors the systematic application to Management Board remuneration.

Share-based compensation with long-term incentives

A share bonus programme forms another variable component of management remuneration. It is tied to the development of the 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 fulfilment of all set preconditions.

The share bonus 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 of METRO AG for members of the Management Board. It corresponds to the previously mentioned share bonus 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 resolution of the Personnel Committee.

Remuneration in the financial year 2008

The relevant individual amounts for the members of the Management Board are as follows<sup>1</sup>:

€1,000	Fixed salary	Performance-based entitlements	Share bonuses 2008	Other remuneration	Total
Dr Eckhard Cordes	1,000	1,939	633	24	3,596
Zygmunt Mierdorf	800	1,293	522	21	2,636
Frans W. H. Muller	800	1,293	522	103	2,718
Joël Saveuse <sup>2</sup> (since 8 April 2008)	585	945	522	17	2,069
Thomas Unger	800	1,293	522	88	2,703
Total	3,985	6,763	2,721	253	13,722

<sup>1</sup> The target bonuses for the share bonus tranches existing during the financial year amounted to: €330,000 each from the 2005, 2006, 2007 and 2008 tranches for Mr Mierdorf and Mr Unger; €330,000 each from the 2006, 2007 and 2008 tranches for Mr Muller; €400,000 for Dr Cordes and €330,000 for Mr Saveuse from the 2008 tranche

<sup>2</sup> Aside from his employment as a member of the Management Board of METRO AG, Mr Saveuse also received a fixed salary of €146,000 as well as performance-based components of €468,000 from his appointment as managing director of subsidiaries

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The amount of the performance-based remuneration for the financial year 2008 results from EVA-based compensation entitlements and thus from the company's performance during the current financial year.

Entitlements with long-term incentives (share bonuses) that were granted in the financial year 2008 are posted at their fair value at the time of granting (see above table).

Due to the granting of a monetary target bonus, a number of subscription rights in accordance with §§ 285 Sentence 1 No. 9a, 314 Section 1 No. 6a of the German Commercial Code cannot be released.

The payment of the bonuses depends on the previously described conditions of the share bonus plan.

Other remuneration consists of non-cash benefits and expense allowances.

Services after the end of employment

In the financial year 2008, a total of €0.6 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 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 amount to be granted when he leaves the company. This will be determined on the basis of the average compensation from the last 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 one-time 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 cancelled prematurely as a result of changes in control and strategy, Mr Mierdorf will retain the entitlements arising from the employment contract even if he terminates the contract himself. Mr Mierdorf waived this provision upon the extension of his employment contract as per 1 January 2009.

Total compensation of former members of the Management Board

Former members of the Management Board of METRO AG and the companies that were merged into METRO AG as well as their surviving dependents received €3.8 million. The cash value of commitments for current pensions and pension entitlements made for this group totalled €40.1 million.

Compensation of members of the Supervisory Board

Remuneration of members of the 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 minority interests (EBT) in the METRO AG financial statements. Each member of the Supervisory Board receives €600 per €25 million in EBT exceeding an EBT of €100 million for the average of the financial year 2008 and the two preceding 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 the 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 members of the Supervisory Board 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 member of the Supervisory Board who holds several offices receives compensation for only one office; in the case of different levels of remuneration for the most highly paid office (§ 13 Section 3 Sentence 3 of the Articles of Association).

Remuneration factor	
Chairman of the Supervisory Board	● ● ●
Vice-chairman of the Supervisory Board	● ●
Committee chairmen	● ●
Committee members	● ●
Members of the Supervisory Board	●

The total compensation of all members of the Supervisory Board amounted to €1.86 million in the financial year 2008. The fixed and performance-based component accounted for €0.95 million and €0.91 million, respectively. The performance-based compensation will be payable after METRO AG's Annual General Meeting on 13 May 2009.

The following individual totals applied in the financial year 2008:

€	Fixed compensation	Performance-based compensation
Franz M. Haniel, Chairman	105,000	101,461
Klaus Bruns, Vice-Chairman	70,000	67,641
Dr Wulf H. Bernotat	46,667	45,094
Prof. Dr Dr h. c. Klaus Brockhoff (until May 2008)	14,583	14,092
Ulrich Dalibor	42,292	40,866
Jürgen Fitschen (since April 2008)	26,250	25,365
Hubert Frieling	35,000	33,820
Prof. Dr Dr h. c. mult. Erich Greipl	52,500	50,731
Jürgen Hennig (until May 2008)	14,583	14,092
Andreas Herwarth (since July 2008)	17,500	16,910
Werner Klockhaus	52,500	50,731
Peter Küpfer	35,000	33,820
Rainer Kuschewski	35,000	33,820
Marie-Christine Lombard (since May 2008)	23,333	22,547
Dr Klaus Mangold	35,000	33,820
Marianne Meister (until May 2008)	14,583	14,092
Dr rer. pol. Klaus von Menges (until May 2008)	14,583	14,092
Dr-Ing. e. h. Bernd Pischetsrieder	35,000	33,820
M. P. M. (Theo) de Raad (since May 2008)	23,333	22,547
Sylvia Raddatz (until June 2008)	17,500	16,910
Renate Rohde-Werner (until May 2008)	14,583	14,092
Xaver Schiller (since May 2008)	35,000	33,820
Dr jur. Hans-Jürgen Schinzler	70,000	67,641
Dr Manfred Schneider (until April 2008)	17,500	16,910
Peter Stieger	52,500	50,731
Angelika Will (since May 2008)	23,333	22,547
Angelika Zinner (since May 2008)	23,333	22,547
<b>Total</b>	<b>946,456</b>	<b>914,559</b>

No remuneration applied to membership of the Supervisory Board's Nominations Committee, with one member waiving payment for the committee work. The other members of the Nominations Committee hold other Supervisory Board offices so that additional compensation is precluded in accordance with § 13 Section 3 Sentence 3 of the Articles of Association.

In the financial year 2008, the members of the Supervisory Board of METRO AG received €0.17 million in compensation from the Group companies for Supervisory Board mandates (and in one case for an Advisory Board mandate) at Group companies. The amounts listed in the following table apply to the individual members of the 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 5.4.6 of the German Corporate Governance Code.

Other intragroup compensation

€	
Klaus Bruns	37,350
Ulrich Dalibor	15,067
Prof. Dr Dr h. c. mult. Erich Greipl	49,800
Rainer Kuschewski	6,136
Marianne Meister	9,000
Sylvia Raddatz	2,459
Renate Rohde-Werner	24,900
Xaver Schiller	6,000
Peter Stieger	9,203
Angelika Will	6,000
Angelika Zinner	7,800
<b>Total</b>	<b>173,715</b>

The above amounts do not include the remuneration entitlements of one member of the Supervisory Board from intragroup Supervisory Board mandates of which the member of the Supervisory Board waived the payment. The sales tax payable on compensation is reimbursed to the members of the Supervisory Board.



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10. Notes pursuant to § 289 Section 4 German Commercial Code and explanatory report of the Management Board

Composition of capital (§ 289 Section 4 No. 1 German Commercial Code)

On 31 December 2008, the share capital of METRO AG totalled €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 share capital is broken down into the following types of shares:

Ordinary shares		
Shares	324,109,563	
Proportional value of the share capital (€)	828,572,941	(yields 99.18%)
Preference shares		
Shares	2,677,966	
Proportional value of the share capital (€)	6,846,111	(yields 0.82%)
Total share capital		
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 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 preferred dividend of €0.17 per preference share.
- (2) Should the net earnings available for distribution not suffice in any one financial year to pay the preference dividend, the arrears (excluding any interest) shall be paid from the net earnings 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 holders of ordinary shares 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 ordinary share.
- (4) The holders of non-voting preference shares and of ordinary shares will equally share in any additional profit distribution in the proportion 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 of the Stock Corporation Act), the right to information (§ 131 Stock Corporation Act) and the right to file a legal challenge or a complaint for nullity (§§ 245 Nos. 1–3, 246, 249 of the Stock Corporation Act). In addition to the previously mentioned right to receive dividends, shareholders have a subscription right when the share capital is increased (§ 186 Section 1 of the Stock Corporation Act), a claim to liquidation proceeds after the closure of the company (§ 271 of the Stock Corporation Act) 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 Act.

Limitations relevant to voting rights (§ 289 Section 4 No. 2 German Commercial Code)

An agreement exists among Otto Beisheim Betriebs GmbH (previously O.B. Betriebs GmbH), Otto Beisheim Holding GmbH (previously 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, 1. HSB Beteiligungsverwaltung GmbH & Co. KG and 1. HSB Verwaltung GmbH to coordinate the exercise of voting rights associated with shares of METRO AG.

In addition, an agreement exists between BVG Beteiligungs- und Vermögensverwaltungs GmbH, Franz Haniel & Cie. GmbH, Haniel Finance Deutschland GmbH and Haniel Finance B.V. to coordinate the joint exercise of interests from the METRO AG shares economically attributable to the shareholder groups Haniel and Schmidt-Ruthenbeck. This agreement dating back to 2007 took effect on 9 October 2008.

The aforementioned agreements can be regarded as restrictions in the sense of § 289 Section 4 No. 2 German Commercial Code.

**Capital interests (§ 289 Section 4 No. 3 German Commercial Code)**

Notes pursuant to § 289 Section 4 No. 3 of the German Commercial Code – direct and indirect (pursuant to § 22 of the 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
Otto Beisheim Betriebs GmbH (previously O.B. Betriebs GmbH), Munich	Indirect
Otto Beisheim Group GmbH Co. KG (previously O.B.V. Vermögensverwaltungs GmbH & Co. KG), Düsseldorf	Indirect
Otto Beisheim Verwaltungs GmbH (previously O.B.V. Vermögensverwaltungs GmbH), Düsseldorf	Indirect
Otto Beisheim Holding GmbH (previously 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, in particular, 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](http://www.metrogroup.de) under Investor Relations.

**Owners of shares with special rights and type of voting rights control where capital interests are held by employees (§ 289 Section 4 Nos. 4 and 5 German Commercial Code)**

The company has not issued any shares with special rights pursuant to § 289 Section 4 No. 4 of the German Commercial Code. No capital interests are held by employees pursuant to § 289 Section 4 No. 5 German Commercial Code.

**Regulations governing the appointment and removal of members of the Management Board, and changes to the Articles of Association (§ 289 Section 4 No. 6 German Commercial Code)**

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 have not less than two members.
- (2) Apart from this, the actual number of Management Board members will be determined by the Supervisory 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.

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**Authorities of the Management Board (§ 289 Section 4 No. 7 German Commercial Code)**

**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 present, 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 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 Manage-

ment Board is authorised to determine all further details of the capital increases with the 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 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 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 shares 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.

#### **Authority to buy back the company's own shares**

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

On the basis of § 71 Section 1 No. 8 of the Stock Corporation Act, the Annual General Meeting decided on 16 May 2008:

"a) The Company is hereby authorised to acquire company shares of any share class on or before 15 November 2009. The authorisation shall be limited to the acquisition of shares collectively representing a maximum of 10 percent of the share capital issued as of the date the resolution is passed. The authorisation may be exercised in whole or in part, in the latter case also several times. It may also be exercised for the acquisition of either ordinary or preference shares only.

b) Shares may be acquired on the stock exchange or by way of a public tender offer made to all shareholders of the company.

→ If shares are acquired on the stock exchange, the price per share (excluding incidental transaction costs) paid by the company shall not be more than 5 percent above or below the arithmetic mean of the final auction prices quoted for company shares of the same share class on the XETRA system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during the three trading days immediately preceding the date of acquisition.

→ If shares are acquired by way of a public tender offer made to all shareholders of the company, the offered purchase price per share shall not be more than 10 percent above or below the arithmetic mean of the final auction prices quoted for company shares of the same share class on the XETRA system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during the three trading days immediately preceding the date of announcement of the offer. If the public tender offer is oversubscribed, proportional acceptance will take place. Priority may be given to small lots of up to 100 shares per shareholder.

c) In addition to selling acquired company shares on the stock exchange or by offer to all shareholders, the Management Board is hereby authorised, with consent of the Supervisory Board, to use company shares acquired in accordance with the authorisation granted in paragraph a) above or on the basis of an earlier authorisation for any of the following purposes:

(1) Listing of company ordinary shares on any foreign stock exchange where it was not hitherto admitted for trading. The issue price of these shares shall not be more than 5 percent below the arithmetic mean of the final auction prices quoted for listed ordinary shares of the company with the same terms on the XETRA system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during the five trading days immediately preceding the date of initial listing on the stock exchange;

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- (2) Transfer of company ordinary shares to third parties in connection with corporate mergers or in connection with the acquisition of other companies, divisions of other companies or interests in other companies;
  - (3) Retirement of company shares, without the need for any further resolution by the Annual General Meeting authorising such retirement and execution thereof. The retirement may be effected without a capital reduction by adjusting the pro rata share of the remaining no-par-value shares in the company's share capital. In this case, the Management Board is authorised to adjust the number of no-par-value shares in the Articles of Association;
  - (4) Sale of company ordinary shares by means other than via the stock exchange or via an offer to all shareholders, provided that the sale is for cash payment and at a price not substantially lower than the stock exchange price in effect for listed ordinary shares of the company with the same terms on the date of sale. The foregoing authorisation shall be limited to the sale 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 pro rata amount of share capital represented by any shares issued (a) during the effective period of this authorisation in the course of any capital increase under exclusion of subscription rights in accordance with § 186 Section 3 Sentence 4 of the German Stock Corporation Act, or (b) to service bonds with warrants or convertible bonds providing for warrant or conversion rights or conversion obligations, in so far as such bonds were issued during the effective period of this authorisation under exclusion of subscription rights by analogous application of § 186 Section 3 Sentence 4 of the German Stock Corporation Act;
  - (5) Delivery of ordinary shares to holders of warrant or convertible bonds of the company or its affiliates, in accordance with the terms and conditions applicable to such warrant or convertible bonds; this also applies to the delivery of ordinary shares based upon the exercise of subscription rights which, in the event of a sale of company ordinary shares through an offer to all shareholders, may be granted to holders of warrants or convertible bonds of the company or any of its affiliates, to the same extent that holders of such warrants or convertible bonds would have subscription rights for ordinary shares of the company after exercising the warrant or conversion rights or performing the warrant or conversion obligations. The ordinary shares transferred based upon this authorisation shall collectively not exceed a pro rata amount of 10 percent of the share capital, inasmuch as such ordinary shares are used to service conversion or warrant rights or conversion obligations 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 up to the date of use shall count towards the aforementioned limit.
- d) The authorisations granted in paragraph c) above may be exercised on one or several occasions, in whole or in part, individually or collectively.
  - e) The subscription rights of shareholders shall be excluded if company ordinary shares are used for any of the purposes authorised in paragraph c), nos. (1), (2), (4) or (5) above."

The authorisation for the repurchase of own shares serves the possible applications listed in paragraph c):

Among other things, the authorisation is intended 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 retire 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 least 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 ordinary shares of METRO AG to the holders of option or convertible bonds.

All shareholders are entitled to a subscription right. The option bonds or convertible bonds are to 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 inasmuch 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 to which 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 inasmuch as 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



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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 shares.

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 share. 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 an ordinary share of the company. 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 share 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 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 stock 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 share 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 an ordinary share must amount to at least 80 percent of the volume-weighted average of the price of METRO AG's ordinary share 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 an ordinary share of the company 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 an ordinary share (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 anti-dilution 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 these 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 shares of METRO AG 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 stock rather than cash, extends the company's leeway in the design of this financing instrument.

#### **Fundamental agreements related to the conditions of a takeover (§ 289 Section 4 No. 8 German Commercial Code)**

As a borrower, METRO AG is a party to three syndicated loan agreements that the lender may cancel in the case of a takeover inasmuch as the credit rating of METRO AG also and as a result of the takeover 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 a resulting drop in the credit rating occur cumulatively. In 2008, the average amount used from the syndicated loan agreements was €301 million. The hedging of syndicated loans in the manner described above is standard market practice and serves the purpose of creditor protection.

#### **Compensation agreements in case of a takeover (§ 289 Section 4 No. 9 German Commercial Code)**

In the event that a takeover leads to a significant change in strategy, Management Board member Mr Mierdorf was until 31 December 2008 authorised to resign from his board positions at the end of the 3rd month that follows 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 have retained the remuneration entitlements arising from his contract. Mr Mierdorf waived this regulation in connection with the renewal of his employment contract as of 1 January 2009.



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# 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 2008. At the end of the report, the Management Board made the following statement:

“The Management Board of METRO AG declares that the company, in accordance with all known circumstances at the time in which legal transactions were made or measures taken, received an adequate quid pro quo for each legal transaction and was not put at a disadvantage through the implementation of these measures. No other actions requiring reporting applied during the reporting year.”

This report received an unqualified audit opinion from KPMG AG Wirtschaftsprüfungsgesellschaft, Köln. The Management Board will immediately submit this report to the Supervisory Board together with the auditor’s report.



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ASSETS			
€ million	Note no.	31 Dec 2008	31 Dec 2007
Fixed assets	2		
Intangible assets	3	1.9	2.5
Tangible assets	4	4.7	6.2
Financial assets	5	7,975.6	8,000.0
		7,982.2	8,008.7
Current assets			
Receivables and other assets	6	2,120.4	3,462.2
Cash on hand, bank deposits and cheques	7	1,255.0	794.1
		3,375.4	4,256.3
Prepaid expenses and deferred charges	8	10.1	1.6
		11,367.7	12,266.6
LIABILITIES			
€ million	Note no.	31 Dec 2008	31 Dec 2007
Equity			
Share capital	9	835.4	835.4
Ordinary shares		828.6	828.6
Preference shares		6.8	6.8
(Contingent capital)		[127.8]	[142.1]
Capital reserve	10	2,558.0	2,558.0
Reserves retained from earnings	11	1,524.0	1,324.0
Balance sheet profit	25	395.6	395.1
		5,313.0	5,112.5
Provisions	12	303.3	380.3
Liabilities	13	5,751.3	6,773.2
Deferred income	14	0.1	0.6
		11,367.7	12,266.6

Income statement for the financial year  
from 1 January to 31 December 2008

€ million	Note no.	2008	2007
Investment result	19	1,061.2	696.6
Net financial result	20	(409.5)	(64.4)
Other operating income	21	137.1	167.5
Personnel expenses	22	(53.9)	(82.6)
Depreciation/amortisation on intangible and tangible assets	2	(2.6)	(3.4)
Other operating expenses	23	(157.1)	(178.5)
<b>NOPAT</b>		<b>575.2</b>	<b>535.2</b>
Income taxes	24	10.7	31.2
Other taxes		0.5	(0.4)
<b>Net income</b>		<b>586.4</b>	<b>566.0</b>
Profit carried forward from the previous year	25	9.2	69.1
Additions to reserves retained from earnings	11	(200.0)	(240.0)
<b>Balance sheet profit</b>	25	<b>395.6</b>	<b>395.1</b>

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## 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 of the German Commercial Code (HGB) 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 acquisition 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 nominal value 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 nominal value. 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 imparity 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 of the German Income Tax Law (EStG). METRO AG has made adequate provisions to cover underfunded benevolent funds. Actuarial measurements of pension obligations are based on the 2005 G tables of Prof. Dr Klaus Heubeck.

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 of the German Commercial Code 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

### 2. Fixed assets

€ million	31 Dec 2008	31 Dec 2007
<b>Intangible assets</b>		
Rights and licenses	1.9	2.5
	<b>1.9</b>	<b>2.5</b>
<b>Tangible assets</b>		
Leasehold improvements	0.4	0.8
Other plant, business and office equipment	4.3	5.4
	<b>4.7</b>	<b>6.2</b>
<b>Financial assets</b>		
Shares in associated companies	6,480.5	6,480.5
Loans to associated companies	1,470.0	1,492.8
Investments	13.3	13.3
Other loans	11.8	13.4
	<b>7,975.6</b>	<b>8,000.0</b>
<b>Total</b>	<b>7,982.2</b>	<b>8,008.7</b>

The following table outlines the development of fixed assets:

€ million	Cost of purchase			Depreciation (cumulated)	Depreciation for the financial year	
	1 Jan 2008	Addition	Disposal		31 Dec 2008	
<b>Intangible assets</b>						
Rights and licenses	9.3	0.8	0.0	8.2	1.9	1.4
	<b>9.3</b>	<b>0.8</b>	<b>0.0</b>	<b>8.2</b>	<b>1.9</b>	<b>1.4</b>
<b>Tangible assets</b>						
Leasehold improvements	2.3	0.0	1.5	0.4	0.4	0.1
Other plant, business and office equipment	12.0	0.6	2.5	5.8	4.3	1.1
	<b>14.3</b>	<b>0.6</b>	<b>4.0</b>	<b>6.2</b>	<b>4.7</b>	<b>1.2</b>
<b>Financial assets</b>						
Shares in associated companies	6,612.2	7.5	0.0	139.2	6,480.5	7.5
Loans to associated companies	1,518.5	510.8	521.3	38.0	1,470.0	28.1
Investments	13.3	0.0	0.0	0.0	13.3	0.0
Other loans	14.2	0.5	2.0	0.9	11.8	0.0
	<b>8,158.2</b>	<b>518.8</b>	<b>523.3</b>	<b>178.1</b>	<b>7,975.6</b>	<b>35.6</b>
<b>Total</b>	<b>8,181.8</b>	<b>520.2</b>	<b>527.3</b>	<b>192.5</b>	<b>7,982.2</b>	<b>38.2</b>

### 3. Intangible assets

Rights and licences essentially concern software systems.

### 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 €7.5 million relate to a capital increase in the international grocery retail area. Since this capital increase was written down in the same year, it is shown as a write-down on shares in associated companies.

Additions to loans to associated companies amounted to €510.8 million in the reporting year and result from the granting of long-term loans within METRO Group.

The decline in loans to associated companies results from scheduled and premature redemptions.

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Write-downs on loans to associated companies of €28.1 million include €9.2 million from the discounting of a non-interest-bearing loan and €18.9 million from the write-down of an issued loan to the lower of cost or market.

Additions to other loans result primarily from the issue of an interest-bearing loan. Disposals from other loans are the result of redemptions.

6. Receivables and other assets

€ million	31 Dec 2008	31 Dec 2007
Receivables from associated companies	1,759.7	3,244.3
Other assets	360.7	217.9
thereof with a remaining term of over one year	[31.1]	[14.5]
Total	2,120.4	3,462.2

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 account for the major share, or €225.5 million, of other assets. In addition, this item includes €27.9 million in interest claims, €50.4 million in receivables from a benevolent fund as well as €49.9 million in stock options to hedge the share bonus plan.

7. Cash on hand, bank deposits and cheques

This item includes essentially bank deposits of €1,255.0 million resulting from cash-pool income towards the end of the year.

8. Prepaid expenses and deferred charges

Prepaid expenses and deferred charges include prepaid discount expenses for commercial papers amounting to €7.4 million as well as prepaid cost accounts in the amount of €2.2 million.

9. Share capital

In terms of amount and composition, i.e. the ratio of ordinary to preference shares, share capital has not changed compared with 31 December 2007 and totals €835,419,052.27. It is divided as follows:

No-par-value bearer shares, accounting par value approx. €2.56		31 Dec 2008	31 Dec 2007
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 share capital	Shares	326,787,529	326,787,529
	€	835,419,052	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 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 preferred dividend of €0.17 per preference share.
- (2) Should the net earnings available for distribution not suffice in any one financial year to pay the preference dividend, the arrears (excluding any interest) shall be paid from the net earnings 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 holders of ordinary shares 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 ordinary share.
- (4) The holders of non-voting preference shares and of ordinary shares will equally share in any additional profit distribution in the proportion of their shares in the share capital.”

### Contingent capital I and II

On 4 June 2004, a contingent increase in share capital 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, with the approval 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 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.

The Annual General Meeting on 16 May 2008 resolved to annul the contingent capital increase by up to €14,316,173 through issuance of up to 5,600,000 ordinary shares (contingent capital II) resolved by the Annual General Meeting of 6 July 1999.

### 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 approval of the Supervisory Board, for one or several capital increases under the au-

thorised 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 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 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 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.



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In addition, the Management Board has been authorised to restrict the shareholders' subscription rights, with the 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 shares issued as part of the authorised capital III under exclusion of the subscription right of the shareholders pursuant to § 71 Section 1 No. 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.

Share buyback

Pursuant to § 71 Section 1 No. 8 of the German Stock Corporation Act, the Annual General Meeting on 16 May 2008 authorised the company to acquire treasury shares up to the equivalent of 10 percent of the share capital on or before 15 November 2009.

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 of any company controlled or majority-owned by METRO AG has exercised this authorisation.

10. Capital reserve

As of 31 December 2008, capital reserve was unchanged at €2,558 million.

11. Reserves retained from earnings

Following an addition of €200.0 million, the other revenue reserves included in this item amount to €1,524.0 million at the closing date.

12. Provisions

€ million	31 Dec 2008	31 Dec 2007
Provisions for pensions and similar commitments	122.8	132.7
Tax provisions	54.7	82.2
Other provisions	125.8	165.4
	303.3	380.3

Provisions for pensions and similar commitments of €110.8 million (previous year: €111.5 million) provide for direct pension commitments, while €12.0 million (previous year: €21.2 million) has been set aside to cover shortfalls of underfunded benevolent funds.

Tax provisions adequately provide for tax audit risks.

Other provisions provide for the following:

€ million	31 Dec 2008	31 Dec 2007
Commitments to employees	25.0	31.9
Investment risks	21.9	30.3
Interest on taxes due	20.9	25.5
Warrenty risks	18.4	-
Risks from lease contracts	18.2	32.7
Cost accounts not yet received	10.6	6.5
Risks from financial transactions	8.1	-
Litigation risks	1.8	34.4
Other	0.9	4.1
	125.8	165.4

Provisions for commitments to employees include mostly variable compensation entitlements.

13. Liabilities

€ million	31 Dec 2008 total	Remaining term			31 Dec 2007 total
		Up to 1 year	1 to 5 years	Over 5 years	
Bonds	2,060.0	1,860.0	200.0	–	2,005.6
Liabilities to banks	256.0	256.0	–	–	158.3
Trade payables	2.2	2.2	–	–	3.6
Liabilities to associated companies	3,304.8	3,304.8	–	–	4,420.0
Other liabilities	128.3	123.2	5.1	–	185.7
thereof taxes	[80.2]	[80.2]	–	–	[129.6]
	5,751.3	5,546.2	205.1	–	6,773.2

Aside from the nominal amounts of bond issues, the bonds item also includes pro rata interest liabilities in the amount of €10.8 million.

Liabilities to banks concern different domestic and foreign banks.

Trade payables include cost and investment accounting.

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

The decline in other liabilities is primarily attributable to lower sales tax liabilities.

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

14. Deferred income

This item includes agio from bonds.

15. Contingent liabilities

€ million	31 Dec 2008	31 Dec 2007
Liabilities from guarantee or warranty contracts	4,389.1	3,557.6
thereof for liabilities of associated companies	[4,374.2]	[3,340.1]
Liabilities from sureties and guarantees	145.3	138.9
thereof for liabilities of associated companies	[106.2]	[99.9]
	4,534.4	3,696.5

Liabilities from guarantee and warranty contracts include rental guarantees of €204.6 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 2008 total	Remaining term			31 Dec 2007 total
		Up to 1 year	1 to 5 years	Over 5 years	
Commitments from stock tender rights	287.8	1.0	286.8	–	306.4
Obligations from rental contracts and leases	271.0	32.0	104.7	134.3	310.6
thereof to associated companies	[3.1]	[2.5]	[0.6]	[–]	[2.9]
Other	3.8	3.8	–	–	0.6
thereof to associated companies	[3.5]	[3.5]	[–]	[–]	[–]
	562.6	36.8	391.5	134.3	617.6

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 are 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:

€ million	Nominal vol- ume/number (in million)	Fair value	
		positive	negative
<b>Interest rate transactions</b>	<b>3,750.0</b>	<b>6.4</b>	<b>8.1</b>
thereof forward rate agreements	3,000.0	0.0	8.1
thereof caps	750.0	6.4	0.0
<b>Currency transactions</b>	<b>593.3</b>	<b>34.7</b>	<b>32.8</b>
thereof forex futures	352.9	23.3	12.0
thereof currency options	0.7	0.0	0.0
thereof interest rate/currency swaps	239.7	11.4	20.8
<b>Share price related transactions</b>	<b>7.7</b>	<b>6.5</b>	<b>0.0</b>
thereof stock options	7.7	6.5	0.0

Derivative financial instruments are included in the following balance sheet items:

€ million		Book value	
Type	Balance sheet item	positive	negative
Caps	Other assets	3.8	
Interest rate/currency swaps	Other assets	2.1	
Interest rate/currency swaps	Receivables from associated companies	1.0	
Interest rate/currency swaps	Other liabilities		2.8
Interest rate/currency swaps	Liabilities to associated companies		0.8
Stock options	Other assets	49.9	
Forward rate agreements	Other provisions		8.1
Currency options	Other assets	0.0	
Currency options	Other liabilities		0.0

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 share bonus programmes represents the number of stock options, whereby the ratio of stock options to subscription right is 1:1.

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

18. Other legal issues

Status of appraisal processes

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.

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# Notes to the income statement

## 19. Investment result

€ million	2008	2007
Income from profit and loss transfer agreements	743.4	690.7
Income from investments	432.3	98.0
thereof from associated companies	[432.3]	[98.0]
Expenses from loss absorption	(107.0)	(91.9)
Depreciation on shares on associated companies	(7.5)	–
Book losses from the disposal of financial assets	0.0	(0.2)
	<b>1,061.2</b>	<b>696.6</b>

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

Income from investments relates mostly to real estate investments.

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

Write-downs on investments in associated companies concern a capital increase carried out in the international grocery retail segment during the reporting year.

## 20. Financial result

€ million	2008	2007
Other interest and related income	165.7	166.8
thereof from associated companies	[134.0]	[139.8]
Income from long-term loans in financial assets	76.2	79.4
thereof from associated companies	[75.5]	[78.6]
Other financial income	8.3	30.8
thereof from associated companies	[1.2]	[1.1]
Interest and similar expenses	(320.9)	(308.4)
thereof to associated companies	[(99.0)]	[(126.8)]
Write-downs on loans to associated companies	(28.1)	(25.6)
Other financial expenses	(310.7)	(7.4)
thereof to associated companies	[(290.3)]	[(2.9)]
	<b>(409.5)</b>	<b>(64.4)</b>

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

At €52.0 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.

At €252.9 million, interest and related expenses were essentially due to interest from current funding, while €56.7 million related to interest on long-term liabilities.

At €18.9 million, write-downs on loans to associated companies result from the write-down of a loan and, at €9.2 million, from the discounting of a non-interest-bearing, long-term loan.

Other financial expenses comprise €286.3 million in write-downs on receivables related to the divestment of the Adler fashion stores.

## 21. Other operating income

€ million	2008	2007
Administrative services for subsidiaries	60.9	81.4
Write-back of provisions	33.9	24.3
Rental income	31.4	40.1
Investment subsidies	5.4	6.9
Dissolution of rental contracts	–	10.9
Disposal of intangible assets	–	0.3
Other income	5.5	3.6
	<b>137.1</b>	<b>167.5</b>

The items rental income and investment subsidies are netted against corresponding other operating expenses.

At €32.9 million, income from write-backs of provisions originates primarily in the area of litigation risks.

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22. Personnel expenses

€ million	2008	2007
Wages and salaries	47.7	59.3
Social security contributions, expenses for pensions and related benefits	6.2	23.3
thereof for pensions	[2.6]	[19.8]
	53.9	82.6

Personnel expenses declined by €28.7 million compared to the previous year.

The reduction in wages and salaries results essentially from lower expenses for the fulfilment of contractual entitlements of former managers compared to the previous year.

In addition, the item social security contributions and expenses for pensions and related benefits includes income of €9.2 million from the reduction of provisions for pensions and similar commitments. This gain resulted from the fair value measurement of benevolent fund assets. As these provisions had to be raised by €3.1 million in the previous year, the total decrease amounts to €12.3 million.

23. Other operating expenses

As of the closing date, other operating expenses were made up of the following items:

€ million	2008	2007
Real estate rents	35.3	44.7
General administrative expenses	33.9	45.5
Legal and other consultancy	25.9	12.4
Service fees charged by subsidiaries to METRO AG	18.9	22.3
Warranty risks	18.4	–
Litigation risks	0.5	12.8
Dissolution of rental contracts	–	10.9
Other items	24.2	29.9
	157.1	178.5

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

€ million	2008
KPMG AG Wirtschaftsprüfungsgesellschaft	
Audit	2.0
Other consultation or evaluation services	0.4
Tax consultation services	2.4
Other services	1.7
	6.5

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 €10.7 million results from a claim of €5.9 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 16 May 2008, a dividend of €1.180 per ordinary share and €1.298 per preference share, for a total of €385.9 million, was paid in the financial year 2008 from the reported balance sheet profit of €395.1 million for 2007. The remaining amount of €9.2 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 €395.6 million for 2008 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 €9.7 million forward to the new account. The balance sheet profit of €395.6 million for 2008 includes profit carried forward of €9.2 million.

## Other notes

### 26. Employees

METRO AG’s workforce averaged 324 in the financial year 2008, 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 Nos. 11 and 11a of the German Commercial Code are included in a separate list of share ownership. In accordance with § 287 Sentence 2 of the German Commercial Code, 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 No. 8 of the German Stock Corporation Act (AktG)

METRO AG was informed of existing participations pursuant to § 21 Section 1 WpHG (German Securities Trading Act) by means of written notifications as of 17 February 2006, 24 February 2006, 7 March 2006, 26 May 2006, 8 September 2006, 26 October 2007, 30 October 2007, 2 November 2007 and 5 November 2007, 14 February 2008, 11 April 2008, 15 April 2008, 20 May 2008, 28 May 2008 and 2 June 2008.

#### 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 German Securities Trading Act, whereas 39.51% of the voting rights are also attributable in accordance with § 22 Section 1 Sentence 1 No. 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 f. 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:

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**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 No. 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 No. 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 No. 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 No. 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 Vermögens-

verwaltung 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 No. 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 No. 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 No. 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 were attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 No. 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, amounts to 55.62% of the voting rights. A total of 14.51% of the voting rights is held by it directly. An additional 41.11% of the voting rights is 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 are attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 No. 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 Vermögensverwaltung 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 No. 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 No. 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 No. 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 No. 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 No. 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 No. 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 was attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 No. 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, amounts to 55.62% of the voting rights. A total of 55.62% of the voting rights is attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights is attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act.



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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 No. 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 No. 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 13 October 2000), we further notify you that on 13 October 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 No. 2 of the German Securities Trading Act (in the version applicable on 13 October 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 No. 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 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 Pechpfehl 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 were 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, amounts to 55.62% of the voting rights. Without change, 25% of the voting rights plus one single vote are held by it directly,

and an additional 30.62% of the voting rights is 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 were attributed to it at the same time in accordance with § 22 Section 1 Sentence 1 No. 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 are attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 No. 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 No. 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 No. 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, 24 February 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 No. 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 No. 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

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voting rights. A total of 56.61% of the voting rights was attributed to Franz Haniel & Cie. GmbH in accordance with § 22 Section 1 No. 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 No. 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 No. 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, amounts to 55.62% of the voting rights. A total of 55.62% of the voting rights is attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 44.91% of the voting rights is attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 No. 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 No. 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 vot-

ing rights was attributed to it in accordance with § 22 Section 1 No. 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, amounts to 55.62% of the voting rights. A total of 5.29% of the voting rights is held by it directly, and an additional 50.34% of the voting rights is 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 No. 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 No. 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 No. 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 No. 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, amounts to 55.62% of the voting rights. A total of 5.29% of the voting rights is attributable to it in accordance with § 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act and an additional 50.34% of the voting rights is 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 No. 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 No. 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), amounts to 55.68% of the voting rights. A total of 5.39% of the voting rights is held by it directly, and an additional 50.29% of the voting rights is 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 No. 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 No. 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 No. 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

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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 No. 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, amounts to 55.62% of the voting rights. A total of 5.39% of the voting rights is attributable to it in accordance with § 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act, 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.

**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 No. 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 No. 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 No. 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 No. 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 No. 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 No. 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, amounts to 55.62% of the voting rights. A total of 5.39% is attributable to Baluba Investment Ltd. in accordance with § 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act, 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.

**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 No. 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 No. 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 No. 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 No. 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 1 January 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 No. 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 is attributable to it in accordance with § 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act, and an additional 50.23% is 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 No. 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 No. 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, amounts to 55.62% of the voting rights. A total of 55.62% of the voting rights

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is attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights is attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 No. 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 No. 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 No. 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 No. 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 No. 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, amounts to 55.62% of the voting rights. A total of 55.62% of the voting rights is attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights is attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 No. 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 No. 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 No. 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 No. 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 No. 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 No. 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 No. 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, amounts to 55.62% of the voting rights. A total of 55.62% of the voting rights is attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights is attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 No. 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 No. 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 No. 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 No. 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 No. 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 No. 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 No. 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, amounts to 55.62% of the voting rights. A total of 55.62% of the voting rights is attributable to him in accordance with § 22 Section 2 No. 1 of the German Securities Trading Act, whereof 39.51% of the voting rights is attributable to him at the same time in accordance with § 22 Section 1 Sentence 1 No. 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 No. 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 No. 1 of the German Securities Trading Act.



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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 No. 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 No. 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 No. 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 No. 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 No. 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 No. 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 No. 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, amounts to 55.62% of the voting rights. A total of 0.03% of the voting rights is held by it directly. The additional 55.59% of the voting rights is attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights is attributable to it at the same time also in accordance with § 22 Section 1 Sentence 1 No. 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 No. 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 No. 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

No. 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 No. 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 No. 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 No. 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, amounts to 55.62% of the voting rights. A total of 0.03% of the voting rights is attributable to it in accordance with § 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act. The additional 55.59% of the voting rights is attributable to it in accordance with § 22 Section 2 Sentence 1 of the German Securities Trading Act, whereof 39.51% of the voting rights is attributable to it at the same time in accordance with § 22 Section 1 Sentence 1 No. 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 No. 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 No. 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 No. 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 No. 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 No. 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 No. 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, amounts to 55.62% of the voting rights. A total of 0.03% of the voting rights is attributable to him in accordance with § 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act. The additional 55.59% of the voting rights is attributable to him in accordance with § 22 Section 2 No. 1 of the German Securities Trading Act, whereof 39.51% of the voting rights is attributable to him at the same time in accordance with § 22 Section 1 Sentence 1 No. 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."

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**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 f. 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 was attributed to Ritter und Partner Holding Anstalt in accordance with § 22 Section 1 No. 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 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 was attributed to Ritter und Partner Holding Anstalt in accordance with § 22 Section 1 No. 2 of the German Securities Trading Act (in the version applicable on 23 May 2001) and a further 51.22% of the voting rights was attributed to it in accordance with § 22 Section 1 No. 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 was attributed to Ritter und Partner Holding Anstalt in accordance with § 22 Section 1 Sentence 1 No. 1 of the German Secur-

ities Trading Act and a further 50.29% of the voting rights was 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 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 was attributed to Praesidial Stiftung in accordance with § 22 Section 1 No. 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 was attributed to Praesidial Stiftung in accordance with § 22 Section 1 No. 2 of the German Securities Trading Act (in the version applicable on 23 May 2001) and a further 51.22% of the voting rights was attributed to it in accordance with § 22 Section 1 No. 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 was attributed to Praesidial Stiftung in accordance with § 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act and a further 50.29% of the voting rights was 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 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 was attributed to Rawlinson & Hunter Limited in accordance with § 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act and a further 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, 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 voting rights is attributed to Rawlinson & Hunter Limited in accordance with § 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act and a further 50.23% of the voting rights is 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 f. 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 f., 41 Section 2 of the German Securities Trading Act. Due to a clerical error

by 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 was attributed to Dr Peter Ritter Familienstiftung pursuant to § 22 Section 1 No. 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 was attributed to Dr Peter Ritter Familienstiftung pursuant to § 22 Section 1 No. 2 of the German Securities Trading Act (in the version applicable on 23 May 2001) and a further 51.22% of the voting rights was attributed to it pursuant to § 22 Section 1 No. 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, Liechtenstein), amounted to 55.68% of the voting rights. 5.39% of the voting rights was attributed to Dr Peter Ritter Familienstiftung pursuant to § 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act and a further 50.29% of the voting rights was attributed to it pursuant to § 22 Section 2 Sentence 1 of the German Securities Trading Act.

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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 has since then 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 has since then 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 has since then 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 has since then amounted to 0%.“

**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 is 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 is attributed to Haniel Beteiligungs-GmbH also pursuant to § 22 Section 1 Sentence 1 No. 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 26 October 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 f., 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 30 October 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 is attributed to it pursuant to § 22 Section 2 Sentence 1 of the German Securities Trading Act.

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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 is attributed to Haniel Beteiligungs-GmbH also pursuant to § 22 Section 1 Sentence 1 No. 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, a voting rights announcement pursuant to §§ 21 f., 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) is 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) is included which is attributed to Haniel Beteiligungs-GmbH also pursuant to § 22 Section 1 Sentence 1 No. 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, is 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) is attributed to Haniel Beteiligungs-GmbH pursuant to § 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act via Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Duisburg, which it controls as general partner.”

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

“On 14 February 2007, UBS AG, Zurich, Switzerland (address: Bahnhofstraße 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 2008 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.”

**The contents of the notification of 11 April 2008 were published as follows:**

“On 11 April 2008, UBS AG, Zurich, Switzerland (address: Bahnhofstraße 45, 8098 Zurich/Switzerland), informed us according to § 21 Section 1 of the German Securities Trading Act that its voting rights in METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, have fallen below the 3% limit of the voting rights on 9 April 2008 and amount to 2.99% (this corresponds to 9,720,916 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 4,857,029 voting rights) is to be attributed to UBS AG.”

**The contents of the notification of 15 April 2008 were published as follows:**

“On 15 April 2008, UBS AG, Zurich, Switzerland (address: Bahnhofstraße 45, 8098 Zurich/Switzerland), has informed us according to § 21 Section 1 of the German Securities Trading Act that its voting rights in METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, have exceeded the 3% limit of the voting rights on 10 April 2008 and amount to 3.48% (this corresponds to 11,263,943 voting rights). According to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading

Act, 1.54% of the voting rights (this corresponds to 4,999,634 voting rights) is to be attributed to UBS AG.”

**The contents of the notification of 20 May 2008 were published as follows:**

“On 20 May 2008, UBS AG, Zurich, Switzerland (address: Bahnhofstraße 45, 8098 Zurich/Switzerland), has informed us according to § 21 Section 1 of the German Securities Trading Act that its voting rights in METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, have fallen below the 3% limit of the voting rights on 14 May 2008 and amount to 2.80% (this corresponds to 9,078,847 voting rights). According to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, 1.34% of the voting rights (this corresponds to 4,328,631 voting rights) is to be attributed to UBS AG.”

**The contents of the notification of 28 May 2008 were published as follows:**

“On 28 May 2008, UBS AG, Zurich, Switzerland (address: Bahnhofstrasse 45, 8098 Zurich/Switzerland), has informed us according to § 21 Section 1 of the German Securities Trading Act that its voting rights in METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, have exceeded the 3% limit of voting rights on 22 May 2008 and amount to 3.33% (this corresponds to 10,793,660 voting rights). According to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, 1.33% of the voting rights (this corresponds to 4,317,240 voting rights) is to be attributed to UBS AG.”

**The contents of the notification of 2 June 2008 were published as follows:**

“On 2 June 2008, UBS AG, Zurich, Switzerland (address: Bahnhofstraße 45, 8098 Zurich/Switzerland), has informed us according to § 21 Section 1 of the German Securities Trading Act that its voting rights in METRO AG, Düsseldorf, Germany (address: Schlüterstraße 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, have fallen below the 3% limit of voting rights on 27 May 2008 and amount to 2.80% (this corresponds to 9,064,095 voting rights). According to § 22 Section 1 Sentence 1 Subsection 1 of the German Securities Trading Act, 1.33% of the voting rights (this corresponds to 4,316,878 voting rights) is to be attributed to UBS AG.”



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30. Management Board and Supervisory Board

Company expenses on Management Board compensation in the financial year 2008

Remuneration of the active members of the Management Board essentially consists of a fixed salary and performance-based entitlements as well as the share bonuses granted in the financial year 2008.

The amount of the performance-based remuneration for the financial year 2008 results from EVA-based compensation entitlements and thus from the company's performance during the current financial year. As a result of the bonus bank system, their complete payment is dependent on EVA factors and thus on the company's performance in the next few years.

Remuneration of the active members of the Management Board in the financial year 2008 amounts to €13.7 million (previous year: €13.0 million). This includes €4.0 million (previous year: €3.4 million) in fixed salaries, €6.7 million (previous year: €7.3 million) in performance-based entitlements, €2.7 million (previous year: €2.1 million) in variable entitlements with long-term incentives and €0.3 million (previous year: €0.2 million) in other remuneration.

Due to the granting of a monetary target bonus, a number of subscription rights pursuant to §§ 285 Sentence 1 No. 9a, 314 Section 1 No. 6a of the German Commercial Code cannot be released. The payment of the bonuses depends on the previously described conditions of the share bonus plan.

Other remuneration consists of non-cash benefits and expense allowances.

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 €3.8 million. The provisions for current pensions and pension entitlements made for this group amount to €40.1 million.

The information released pursuant to § 285 Sentence 1 No. 9a, Sentences 5 to 9 of the German Commercial Code can be found in the extensive remuneration report in item 9 of the management report.

Compensation of members of the Supervisory Board

The total remuneration of all members of the Supervisory Board in the financial year 2008 amounted to €1.9 million.

Additional information on the remuneration of members of the Supervisory Board 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 2008 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](http://www.metrogroup.de)) at any time.

# Corporate boards of METRO AG and their Mandates<sup>1</sup>

## Members of the Supervisory Board

### Franz M. Haniel (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 Management Board of E.ON AG

- a) Allianz SE
  - Bertelsmann AG
  - E.ON Energie AG (Chairman)
  - E.ON Ruhrgas AG (Chairman)
- b) E.ON Nordic AB, Malmö, Sweden –  
Board of Directors (Chairman)
  - E.ON Sverige AB, Malmö, Sweden –  
Board of Directors (Chairman)
  - E.ON US Investments Corp., Delaware (OH),  
USA – Board of Directors (Chairman)

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

Until 16 May 2008  
Honorary professor for business affairs at the  
Management University "Wissenschaftliche  
Hochschule für Unternehmensführung –  
Otto-Beisheim-Hochschule"  
a) Steuler Industriewerke 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  
Galeria Kaufhof GmbH  
a) Galeria Kaufhof GmbH (Vice-Chairman),  
since 16 April 2008  
Tourismus & Marketing Oberhausen GmbH  
b) None

### Ulrich Dalibor

National Chairman of the Retail Section of the  
ver.di union  
a) Kaufhof Warenhaus AG, until 16 April 2008  
Zweite Real SB-Warenhaus GmbH,  
since 26 May 2008  
b) None

### Jürgen Fitschen

Since 4 April 2008  
Member of the Executive Committee of  
Deutsche Bank AG  
a) Schott AG

- Deutsche Bank Privat- und  
Geschäftskunden AG
- Schiffshypothekenbank zu Lübeck AG  
(Chairman), until 15 May 2008

- b) Deutsche Bank A.Ş., Istanbul, Turkey –  
Yönetim Kurulu Başkanı (Chairman)
- Deutsche Bank S.A./N.V., Brussels, Belgium –  
Conseil d'Administration/Raad van Bestuur  
(Chairman)
- Deutsche Bank S.p.A., Milan, Italy –  
Consiglio di Sorveglianza
- Kühne + Nagel International AG, Schindellegi,  
Switzerland – Board of Directors

### Hubert Frieling

Section Head of Payroll Accounting at  
Real SB-Warenhaus GmbH  
a) None  
b) None

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

Managing Director of  
Otto Beisheim Group GmbH & Co. KG  
a) Galeria Kaufhof GmbH

- Metro Großhandelsgesellschaft mbH
- Real Holding GmbH
- Zweite Real SB-Warenhaus GmbH,  
since 26 May 2008

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

### Jürgen Hennig

Until 16 May 2008  
Department Head at  
Metro Großhandelsgesellschaft mbH  
a) None  
b) None

<sup>1</sup> As at 31 December 2008 or the respective date of resignation from the Supervisory Board of METRO AG  
a) Member of other statutory supervisory boards of German companies  
b) Member of comparable German and international boards of business enterprises

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**Andreas Herwarth**

Since 4 July 2008  
Commercial Clerk, METRO AG  
Chairman of the Works Council of METRO AG  
a) None  
b) Grundstücksgesellschaft Willich mbH –  
Supervisory Board (Chairman)  
Wasserwerk Willich GmbH –  
Supervisory Board  
Versorgungsnetz Willich GmbH –  
Supervisory Board

**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  
ARH Resort Holding AG, Zurich, Switzerland –  
Board of Directors  
(President, since 28 May 2008)  
Bank Julius Bär & Co. AG, Zurich, Switzer-  
land – Board of Directors  
Breda Consulting AG, Zurich, Switzerland –  
Board of Directors, since 26 June 2008  
Brändle, Missura & Partner Informatik AG,  
Zurich, Switzerland – Board of Directors  
Holcim Ltd., Jona, Switzerland –  
Board of Directors  
Julius Bär Holding AG, Zurich, 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, Switzer-  
land – Board of Directors, until 1 October 2008  
Peter Steiner Holding AG, Zurich, Switzer-  
land – Board of Directors  
Supra Holding AG, Baar, Switzerland – Board  
of Directors  
Travel Charme Hotels & Resorts Holding AG,  
Zurich, Switzerland – Board of Directors  
(President), since 17 January 2008

**Rainer Kuschewski**

Secretary of the National Executive Board of the  
ver.di union  
a) Real Holding GmbH  
b) None

**Marie-Christine Lombard**

Since 16 May 2008  
Member of the Management Board of TNT N.V.  
Group Managing Director TNT Express  
a) None  
b) Royal Wessanen N.V., Utrecht, Netherlands –  
Raad van Commissarissen

**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  
Leipziger Messe GmbH  
Universitätsklinikum Freiburg  
(public corporation)  
b) Rothschild GmbH – Supervisory Board  
(Chairman)  
Alstom S.A., Paris, France –  
Conseil d'Administration  
Chubb Corporation, Warren (NJ), USA –  
Board of Directors  
Magna International Inc., Toronto, Canada –  
Board of Directors  
Rothschild Europe B.V., Amsterdam,  
Netherlands – Raad van Commissarissen  
(Vice-Chairman)

**Marianne Meister**

Until 16 May 2008  
Chairwoman of the General Works Council of  
Metro Großhandelsgesellschaft mbH  
a) Metro Großhandelsgesellschaft mbH  
(Vice-Chairwoman)  
b) None

**Dr rer. pol. Klaus von Menges**

Until 16 May 2008  
Businessman and Agronomist  
a) MAN Ferrostaal AG  
b) None

**Dr-Ing. e. h. Bernd Pischetsrieder**

Consultant to the Board of Management of  
Volkswagen AG

- a) Dresdner Bank AG  
Münchener Rückversicherungs-Gesellschaft  
Aktiengesellschaft
- b) Fürst Fugger Privatbank KG –  
Supervisory Board  
Tetra Laval International S.A., Pully,  
Switzerland – Board of Directors

**M. P. M. (Theo) de Raad**

Since 16 May 2008

Vice-Chairman of the Supervisory Board of  
CSM N.V.

- a) None
- b) CSM N.V., Diemen, Netherlands – Raad van  
Commissarissen (Vice-Chairman)  
HAL Holding N.V., Willemstad, Curaçao,  
Dutch Antilles – Raad van Commissarissen  
Vion N.V., Son en Breugel, Netherlands –  
Raad van Commissarissen  
Vollenhoven Olie Group B.V., Tilburg,  
Netherlands – Raad van Commissarissen

**Sylvia Raddatz**

Until 30 June 2008

Commercial Clerk, Extra Verbrauchermärkte  
Deutschland GmbH

- a) None
- b) Extra Verbrauchermärkte Management  
GmbH – Advisory Board (Vice-Chairwoman),  
until 9 April 2008

**Renate Rohde-Werner**

Until 16 May 2008

Trained Retail Sales Manager,  
Galeria Kaufhof GmbH

- a) Galeria Kaufhof GmbH, since 16 April 2008
- b) None

**Xaver Schiller**

Since 16 May 2008

Vice-Chairman of the Group Works Council of  
Metro Cash & Carry Deutschland GmbH

- a) Metro Großhandelsgesellschaft mbH
- 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., Genova, Italy –  
Consiglio di Amministrazione

**Dr Manfred Schneider**

Until 3 April 2008

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

**Angelika Will**

Since 16 May 2008

Chairwoman of the Works Council of the  
Metro Cash & Carry store Düsseldorf

- a) Metro Großhandelsgesellschaft mbH
- b) None

**Angelika Zinner**

Since 16 May 2008

Chairwoman of the General Works Council of  
Adler Modemärkte GmbH

- a) Adler Modemärkte GmbH (Vice-Chairwoman)
- b) None

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

**Presidential Committee**

Franz M. Haniel (Chairman)  
Klaus Bruns (Vice-Chairman)  
Dr Wulf H. Bernotat, since 16 May 2008  
Werner Klockhaus  
Dr Manfred Schneider, until 3 April 2008

**Personnel Committee**

Franz M. Haniel (Chairman)  
Klaus Bruns (Vice-Chairman)  
Dr Wulf H. Bernotat, since 16 May 2008  
Werner Klockhaus  
Dr Manfred Schneider, until 3 April 2008

**Accounting and Audit Committee**

Dr jur. Hans-Jürgen Schinzler (Chairman)  
Klaus Bruns (Vice-Chairman)  
Ulrich Dalibor, until 16 May 2008  
Prof. Dr Dr h.c. mult. Erich Greipl  
Franz M. Haniel  
Xaver Schiller, since 16 May 2008  
Peter Stieger

**Nominations Committee**

Franz M. Haniel (Chairman)  
Dr-Ing. e. h. Bernd Pischetsrieder  
Dr jur. Hans-Jürgen Schinzler

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

Franz M. Haniel  
Klaus Bruns  
Prof. Dr Dr h.c. mult. Erich Greipl  
Werner Klockhaus

**Members of the Management Board**

**Dr Eckhard Cordes (Chairman)**

- a) Celesio AG (Chairman)  
Galeria Kaufhof GmbH (Chairman)  
Real Holding GmbH  
(Chairman, since 12 June 2008)  
TAKKT AG (Vice-Chairman,  
since 24 September 2008)
- b) Air Berlin PLC, London, UK – Board of  
Directors, until 30 April 2008  
Aktiebolaget SKF, Gothenburg, Sweden –  
Board of Directors, until 16 April 2008  
Tertia Handelsbeteiligungsgesellschaft mbH –  
Supervisory Board (Chairman),  
since 6 May 2008

**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  
until 26 May 2008)  
TÜV SÜD AG
- b) Extra Verbrauchermärkte Management GmbH –  
Advisory Board (Chairman), until 9 April 2008  
LP Holding GmbH – Supervisory Board,  
since 1 January 2008  
METRO Group Asset Management  
GmbH & Co. KG – Shareholders' Committee  
(Chairman), until 4 April 2008  
Tertia Handelsbeteiligungsgesellschaft mbH –  
Supervisory Board (Chairman),  
until 26 April 2008  
Wagner International AG, Altstätten,  
Switzerland – Board of Directors

a) Member of other statutory supervisory boards of German companies  
b) Member of comparable German and international boards of business enterprises

**Frans W. H. Muller**

- a) Dinea Gastronomie GmbH (Chairman)  
Metro Großhandelsgesellschaft mbH (Chairman), since 8 February 2008, Chairman since 6 March 2008  
Real Holding GmbH, until 26 May 2008
- b) Makro Cash and Carry Polska SA, Warsaw, Poland – Rada Nadzorcza, since 1 April 2008  
Metro Cash & Carry International Holding GmbH, Vösendorf, Austria – Supervisory Board (Chairman), since 18 March 2008, Chairman since 31 March 2008  
Metro Distributie Nederland B.V., Diemen, Netherlands – Raad van Commissarissen  
Metro International AG, Baar, Switzerland – Board of Directors  
MGP METRO Group Account Processing International AG, Baar, Switzerland – Board of Directors, since 22 May 2008

**Joël Saveuse**

- Since 8 April 2008
- a) None
  - b) HF Company S.A., Tauxigny, France – Conseil d’Administration

**Thomas Unger**

- a) Galeria Kaufhof GmbH, since 16 April 2008  
Real Holding GmbH
- b) METRO Group Asset Management GmbH & Co. KG – Shareholders’ Committee (Chairman), since 4 April 2008  
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 Reinsurance N.V., Amsterdam, Netherlands – Raad van Commissarissen  
MGP METRO Group Account Processing International AG, Baar, Switzerland – Board of Directors (President)

2 March 2009

THE MANAGEMENT BOARD



Dr Cordes



Mierdorf



Muller



Saveuse



Unger

a) Member of other statutory supervisory boards of German companies  
b) Member of comparable German and international boards of business enterprises

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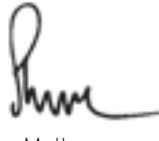
“To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the company management report includes a fair review of the development and performance of the business and the po-

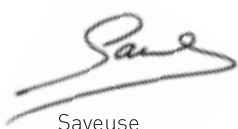
sition of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.”

2 March 2009

  
Dr Cordes

  
Mierdorf

  
Muller

  
Saveuse

  
Unger

# AUDITOR'S REPORT

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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 2008 to 31 December 2008. 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 of the 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.

Köln, 2 March 2009

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
(formerly KPMG Deutsche Treuhand-Gesellschaft  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft)

Prof. Dr Nonnenmacher	Siemes
Auditor	Auditor



# REPORT OF THE SUPERVISORY BOARD

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Dear Shareholder,

A highly eventful financial year came to an end on 31 December 2008. METRO Group<sup>1</sup> expanded its presence in international markets and is now represented in 32 countries. Its store network comprised 2,195 locations at the end of the reporting year.

I am pleased to note that successful growth was possible even in an economic environment that became markedly more difficult, not only in individual regions, but in nearly all markets covered by METRO Group. As a result, discussions of business developments represented a key focus of our Supervisory Board meetings in 2008. In the process, the good cooperation between the Management Board and the Supervisory Board proved particularly valuable as it ensured timely discussions of the possible impact of the financial market crisis on METRO Group and allowed for the necessary decisions to be taken. In 2009, the Management Board and the Supervisory Board will continue their intensive dialogue on appropriate responses to the extraordinary developments of the financial year 2008. We would like to use this opportunity to thank all METRO Group employees for their outstanding commitment.

**Supervision of executives and cooperation with the Management Board**

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 thoroughly advised the Management Board on the management of METRO AG and METRO Group 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 provided 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. 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 the sale of the Extra supermarkets, investment projects of the Metro Cash & Carry division in the context of its market entry into Egypt and Kazakhstan as well as changes in the organisational structures of the Management Board. The Supervisory Board also endorsed the Group's annual budget for the financial year 2009 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 Chairman of the Supervisory Board was in regular contact with the Chairman of the Management Board. The Chairman of the Supervisory Board was kept abreast of important business developments and pending decisions by the Chairman of the Management Board 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.

<sup>1</sup> METRO Group including METRO AG

### Conflicts of interest

No conflicts of interest among members of the Management and Supervisory Board that must be disclosed to the Supervisory Board arose in the financial year 2008. As a precautionary measure, the Presidential and Personnel Committees of the Supervisory Board addressed potential future conflicts of interest in order to be able to make early decisions on preventing or dealing with conflict situations.

### Meetings and resolutions of the Supervisory Board

In the financial year 2008, the Supervisory Board met eight times. One resolution of the Supervisory Board was made in a written procedure.

The German Corporate Governance Code recommends a note in this report if a member of the Supervisory Board attended fewer than half of all Supervisory Board meetings in any one financial year. In the financial year 2008, substantial changes in appointments to the Supervisory Board of METRO AG were carried out. As they did not have a seat on the Supervisory Board for the entire financial year, five members of the Supervisory Board did not attend at least half of all meetings.

During each regular meeting – with the exception of the constituent meeting – the Supervisory Board thoroughly discussed METRO Group's current business developments. 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 2008 included business developments as well as short-, medium- and long-term strategic planning. The Supervisory Board has coordinated the planned strategic reorientation of METRO Group with the Management Board and assisted in its implementation through two personnel decisions: Mr Joël Saveuse, who has had operative responsibility for the Real sales division since 2007, was appointed to the Management Board of METRO AG in April 2008. A redistribution of responsibilities made it possible for Mr Frans W. H. Muller, a member of the Management Board since 2006, to also assume responsibility for the management of the management companies of Metro Cash & Carry. Both personnel decisions ensure that the operative business is integrated more closely into METRO AG as a strategic management holding company. From the perspective of the Supervisory Board, this is a key precondition of future growth and sustained increases in METRO Group's profitability.

### Key issues covered by Supervisory Board meetings and resolutions in 2008 at a glance:

**January 2008** – In an extraordinary meeting, the Supervisory Board approves the sale of the Extra supermarkets. Other topics covered include METRO Group management structures and changes in the organisational structures of the Management Board. In addition, it was decided to extend the appointment of Mr Zygmunt Mierdorf, a member of the METRO AG Management Board since 1999, to the Management Board for another five years starting on 1 January 2009.

**March 2008** – The Supervisory Board's audit meeting focused on the annual and consolidated financial results for the financial year 2007, the management report of METRO AG for 2007, the Group management report for 2007, the Management Board's proposal for the appropriation of the balance sheet profit at the Annual General Meeting 2008 as well as the Management Board's report about relations with associated companies in 2007. The auditors attended this meeting and gave a report about the key findings of their review. Other items on the agenda of this meeting were preparations for the Annual General Meeting 2008, including the Supervisory Board's report to the Annual General Meeting, and the Corporate Governance Report. Subject to the election of the auditors by the Annual General Meeting in 2008, the audit assignments for the annual and consolidated financial statements for 2008 and the consolidated half-year financial statements 2008 were also adopted. In addition, the Supervisory Board approved investment projects at Metro Cash & Carry in the context of market entry in Egypt and Kazakhstan and passed by-laws for the Accounting and Audit Committee of the Supervisory Board.

In an extraordinary meeting that was also held in March 2008, the Supervisory Board discussed strategic issues and an extension of the Management Board of METRO AG. In addition, it agreed its recommendations for the election of Supervisory Board members by the Annual General Meeting 2008.

**April 2008** – Based on the deliberations of the extraordinary March meeting, the Supervisory Board decided to appoint Mr Joël Saveuse to the Management Board of METRO AG. His appointment became effective on 8 April 2008 with a term of three years. In the same context, the Supervisory Board decided to also revise the Management Board's organisational structures.

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**May 2008** – Two Supervisory Board meetings were held in this month. The first meeting focused primarily on the report of the Management Board on business developments. The second meeting was held directly after the end of the Annual General Meeting, which also marked the end of the term of office of 19 of the 20 members of the Supervisory Board. The following/re-elected members of the Supervisory Board elected Mr Franz M. Haniel as Chairman from their midst and Mr Klaus Bruns as Vice-Chairman of the Supervisory Board. In addition, the Supervisory Board decided on committee membership, and the members of the Accounting and Audit Committee elected their Committee Chairman and his deputy.

**July 2008** – The Management Board thoroughly informed the Supervisory Board of business developments, explaining, in particular, the dissatisfying development at Adler and the resulting negative effects. The subsequent discussion also extended to macroeconomic developments and strategic issues. The Chairman of the Accounting and Audit Committee gave a report about the committee's discussion of the half-year financial statements.

**October 2008** – The October meeting also focused on a report by the Management Board on business developments. Particular emphasis was placed on the potential impact of the financial market crisis on sales markets as well as Group financing. In accordance with its schedule, the Supervisory Board also addressed risk management and the annual risk report in this meeting.

**December 2008** – The Supervisory Board adopted the annual Group budget for the financial year 2009 presented by the Management Board. It includes the company's sales, earnings, investment and financial planning. Given the imponderable impact of the financial market crisis on future sales and earnings trends at METRO Group, the planned measures to cut costs, reduce the investment budget and strengthen customer orientation were accorded special importance. Other focal topics of the December meeting included resolutions on the declaration of compliance with the recommendations of the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act and the remuneration system for members of the Management Board pursuant to subsection 4.2.2 of the German Corporate Governance Code.

**Meetings and resolutions of the Supervisory Board committees**

In the financial year 2008, the Supervisory Board of METRO AG had five committees: the Presidential Committee, the Personnel Committee, the Accounting and Audit Committee, the Nominations Committee as well as the Mediation Committee pursuant to § 27 Section 3 of the German Co-determination Act.

**Accounting and Audit Committee** – The Accounting and Audit Committee primarily handles accounting and auditing issues as well as risk management and compliance. In the financial year 2008, the committee met six times. Regular meetings were held in March, April, July and October, whereby the Accounting and Audit Committee met together with the Presidential Committee on one occasion. The committee also held extraordinary meetings in June and October 2008, each of which was also conducted together with the Presidential Committee.

The March 2008 meeting (held together with the Presidential Committee) essentially served to prepare the Supervisory Board's balance sheet meeting. The Accounting and Audit Committee reviewed the annual and consolidated financial statements for 2007, the management reports as well as the report of the Management Board on relations with associated companies. The results of the audit were discussed in the presence of the auditors. The Accounting and Audit Committee made concrete recommendations on the Supervisory Board's resolutions in the audit meeting. These included the recommendation that the Supervisory Board approve the Management Board's proposal on the appropriation of the balance sheet profit. In addition, the Accounting and Audit Committee prepared the assignment of the auditing mandates for the annual and Group financial statements 2008 as well as for the Group's half-year report 2008 by the Supervisory Board.

The other meetings of the Accounting and Audit Committee focused on the quarterly reports and the half-year report of METRO AG prior to their publication. Extraordinary negative effects and special effects, for example in connection with the Adler fashion stores, were discussed in great depth. Other significant subjects of discussion during the reporting period included METRO Group's risk management, internal monitoring systems,

compliance and corporate governance, dependency issues, Group tax planning and structural measures as well as the draft of by-laws for the Accounting and Audit Committee. In an extraordinary meeting in October 2008 – together with the Presidential Committee – the committee discussed the international financial market crisis and its impact on METRO Group.

**Personnel Committee** – The Personnel Committee deals primarily with personnel issues concerning the Management Board. In the financial year 2008, four committee meetings were held: two scheduled meetings in March and October and two extraordinary meetings in January and December. In October, the Personnel Committee met together with the Presidential Committee. One resolution in September was made in a written procedure.

The work of the Personnel Committee was dominated by preparations for the resolutions of the Supervisory Board regarding the planned changes in the Management Board. In addition, the committee discussed the remuneration and remuneration system for members of the Management Board. The committee determined a new type of share-based payment that will be granted from the financial year 2009. The committee also addressed relevant changes in the German Corporate Governance Code and outside jobs of members of the Management Board.

**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 submitted to it by the Supervisory Board.

During the reporting year, the Presidential Committee met three times, including two joint meetings with the Accounting and Audit Committee (in March and October 2008) and one joint meeting with the Personnel Committee (October 2008).

#### **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. In the financial year 2008, the committee met once (March 2008). The meeting focused on election recommendations for nine candidates who were elected to the Supervisory Board of METRO AG by the Annual General Meeting on 16 May 2008 upon recommendation of the Supervisory Board.

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 2008.

#### **Corporate Governance**

The Management Board and the Supervisory Board report on METRO Group's corporate governance in the Corporate Governance Report for 2008.

In December 2008, 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](http://www.metrogroup.de). The full declaration of compliance appears in the Corporate Governance Report.

Before the Supervisory Board's meeting in March 2008, the auditor issued a declaration of autonomy, required under subsection 7.2.1 of the German Corporate Governance Code. The requirements of subsection 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.

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**Annual and consolidated financial statements 2008, report on relations with associated companies 2008**

The annual financial statements of METRO AG, in consideration of accounting, for the financial year 2008 that were submitted by the Management Board pursuant to regulations laid down in the German Commercial Code, the METRO AG management report for 2008, the consolidated financial statements 2008 compiled by METRO AG according to International Financial Reporting Standards (IFRS) and the Group's management report 2008 were reviewed by KPMG AG 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 2008, the management report of METRO AG and the Group's management report for the financial year 2008 as well as the Management Board's proposal to the Annual General Meeting 2009 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 2009. 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 even without the presence of the Management Board. 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 2008 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 2008. 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,
3. no circumstances related to the measures listed in the report required an assessment deviating materially from that of the Management Board."

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 2009. 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, even in the absence of the Management Board. 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 2008 annual and consolidated financial statements, the 2008 management reports, the proposed appropriation of the balance sheet profit, and the Management Board's 2008 report about relations with associated companies were prepared during a joint meeting by the Presidential Committee and the Accounting and Audit Committee in March 2009. 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**

Dr Manfred Schneider resigned from his position on the Supervisory Board effective 3 April 2008. By resolution of the District Court of Düsseldorf, Mr Jürgen Fitschen succeeded him as a member of the Supervisory Board on 4 April 2008.

In the reporting year, 19 of the 20 members of the Supervisory Board of METRO AG had to be newly appointed. The employee representatives on the Supervisory Board were elected by the delegation meeting on 14 March 2008; the shareholder representatives were elected by the Annual General Meeting on 16 May 2008.

The following members of the Supervisory Board were re-elected: Franz M. Haniel, Klaus Bruns, Dr Wulf H. Bernotat, Ulrich Dalibor, Hubert Frieling, Prof. Dr Dr h.c. mult. Erich Greipl, Werner Klockhaus, Rainer Kuschewski, Dr Klaus Mangold, Dr-Ing. e.h. Bernd Pischetsrieder, Dr jur. Hans-Jürgen Schinzler, Peter Stieger as well as Ms Sylvia Raddatz. Ms Marie-Christine Lombard, Ms Angelika Will and Ms Angelika Zinner as well as Mr M.P.M. (Theo) de Raad, Mr Jürgen Fitschen and Mr Xaver Schiller were appointed to the Supervisory Board for the first time.

Ms Sylvia Raddatz' mandate as a member of the Supervisory Board of METRO AG ended on 30 June 2008. By resolution of the District Court of Düsseldorf, she was succeeded by Mr Andreas Herwarth on 4 July 2008.

In connection with the sale of the Adler fashion stores, Ms Angelika Zinner left the Supervisory Board on 6 March 2009. The Management Board of METRO AG will apply to the Düsseldorf district court to appoint a successor.

Düsseldorf, March 2009

The Supervisory Board



**Franz M. Haniel**  
Chairman

# SUPPLEMENTARY INFORMATION

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Financial calendar

Annual business press conference/analysts' meeting	24 March 2009
Quarterly report Q1	5 May 2009
Annual General Meeting	13 May 2009
Half-year report H1/Q2	3 August 2009
Quarterly report 9M/Q3	2 November 2009

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Disclaimer

This annual report contains forward-looking statements that are based on certain assumptions and expectations at the time of its publication. These statements are therefore subject to risks and uncertainties, which means that actual results may differ substantially from the future-oriented statements made here. Many of these risks and uncertainties are determined by factors that are beyond the control of METRO Group and cannot be gauged with any certainty at this point in time. This includes future market conditions and economic developments, the behaviour of other market participants, the achievement of expected synergy effects as well as legal and political decisions. METRO Group does not feel obliged to publish corrections of these forward-looking statements to reflect events or circumstances that have occurred after the publication date of this material.



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