METRO GROUP
MADE TO TRADE.

PICKING UP THE PACE!

SHAPE 2012 IS DRIVING CHANGE

GREATER VARIETY
THROUGH EXCLUSIVE OWN BRANDS

ANNUAL REPORT
CONSOLIDATED FINANCIAL STATEMENTS OF METRO AG

2010

CONTENTS

METRO GROUP in figures[1]

€ million		2010	2009[2]	Change in %	2008[3]
Key financial figures					
Sales (net)		67,258	65,529	2.6	67,955
Metro Cash & Carry		31,095	30,613	1.6	33,143
Real		11,499	11,298	1.8	11,635
Media Markt and Saturn		20,794	19,693	5.6	18,993
Galeria Kaufhof		3,584	3,539	1.3	3,607
Others		286	386	−26.0	577
EBITDA		3,591	3,068[4]	17.1	3,337
EBITDA before special items		3,726[5]	3,319[4, 5]	12.3	3,540[7]
EBIT		2,211	1,681	31.5	1,985
EBIT before special items		2,415[5]	2,024[5]	19.3	2,222[7]
Metro Cash & Carry		1,104[5]	936[5]	17.9	1,139
Real		132[5]	52[5]	–	6[7]
Media Markt and Saturn		625[5]	608[5]	2.8	603
Galeria Kaufhof		138[5]	119[5]	16.5	115
Real Estate		698[5]	551[5]	26.8	538
Others		−282[5]	−230[5]	−22.7	−158
Consolidation		0[5]	−12	–	−21[7]
Financial result		−581	−631	7.9	−574
Earnings before taxes		1,630	1,050	55.2	1,411
Earnings before taxes and special items		1,834[5]	1,393[5]	31.7	1,648[7]
Net profit for the period		936	519	80.2	558
thereof from continuing operations		936	519	80.2	987
thereof from discontinued operations		0	0	–	−429
Net profit for the period before special items[6]		1,139[7]	824[7]	38.2	722[7]
Earnings per share from continuing operations	€	2.60	1.17	–	2.54
Earnings per share from continuing operations before special items[7, 8]	€	3.12	2.10	48.6	3.04
Dividend per ordinary share	€	1.35[9]	1.18	–	1.18
Dividend per preference share	€	1.485[9]	1.298	–	1.298
Cash flow from operating activities		2,514	2,494	0.8	2,637
Investments		1,683	1,517	11.0	2,423
Depreciation/amortisation		1,427	1,396	2.3	1,352
Equity		6,460	5,992	7.8	6,061
Equity ratio	%	18.4	18.0	–	18.1
Net debt		3,478	3,724	−6.6	4,016
Employees (annual average headcount)		283,280	286,329	−1.1	290,940
Locations		2,131	2,127	0.2	2,111[10]
Selling space (1,000 sqm)		12,771	12,629	1.1	12,302[10]

[1] Only continuing operations (discontinued operations: 2009 Adler; 2008 Extra and Adler)
[2] Adjustment due to revised disclosure
[3] Adjustment due to first-time adoption of new and revised IFRS in the financial year 2009
[4] Adjustment due to netting of non-scheduled write-downs and write-ups in EBITDA totalling €9 million (Real), €6 million (Real Estate) and €−6 million (consolidation)
[5] 2010 (2009) adjusted for special items from Shape 2012: in EBITDA by €135 million (€251 million), including €11 million (€104 million) at Metro Cash & Carry, €11 million (€16 million) at Real, €58 million (€4 million) at Media Markt and Saturn, €−1 million (€57 million) at Galeria Kaufhof, €−14 million (€5 million) in the Real Estate segment, €41 million (€65 million) in the "others" segment and €29 million (€0 million) in the consolidation segment; in EBIT and earnings before taxes by €204 million (€343 million), including €10 million (€143 million) at Metro Cash & Carry, €27 million (€16 million) at Real, €133 million (€5 million) at Media Markt and Saturn, €0 million (€58 million) at Galeria Kaufhof, €−20 million (€15 million) in the Real Estate segment, €41 million (€106 million) in the "others" segment and €13 million (€0 million) in the consolidation segment
[6] Including discontinued operations
[7] 2010, 2009 and 2008 adjusted for special items from Shape 2012
[8] After non-controlling interests
[9] Subject to approval by the Annual General Meeting
[10] The 84 Dinea locations have been reclassified from the "others" segment to the Galeria Kaufhof segment. They are no longer counted as independent locations in the Galeria Kaufhof segment, but attributed to the respective Galeria Kaufhof location. As a result, the locations are no longer disclosed separately.

METRO GROUP
MADE TO TRADE.

PICKING UP THE PACE!

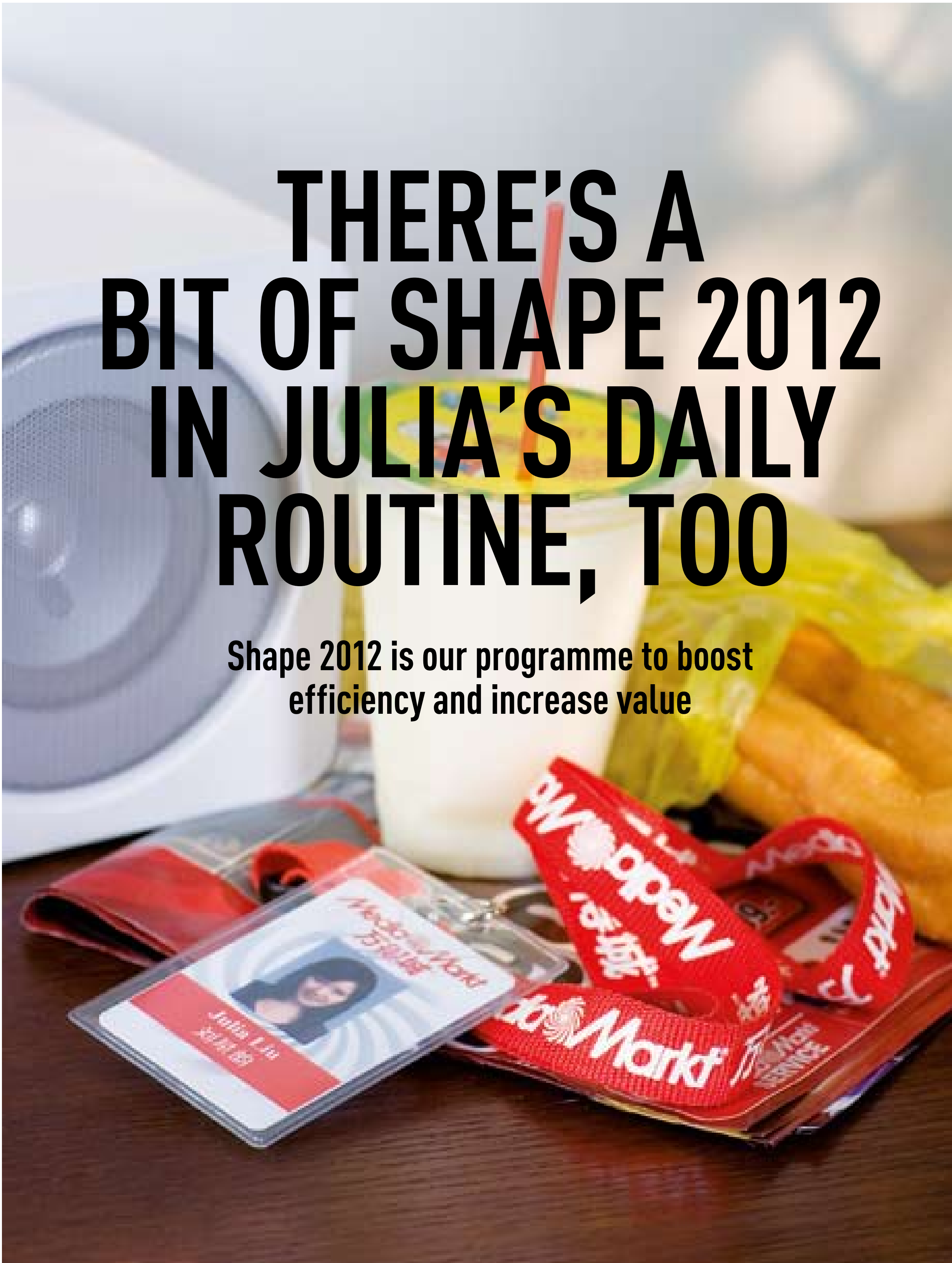
SHAPE 2012 IS DRIVING CHANGE

SHAPE 2012 : MAGAZINE

2#2010

THERE'S A BIT OF SHAPE 2012 IN JULIA'S DAILY ROUTINE, TOO

Shape 2012 is our programme to boost efficiency and increase value



SHAPE 2012 : MAGAZINE

2#2010

Julia Liu's heart beats for her company. It beats for her fantastic team at the Media Markt store on Huai Hai Road in Shanghai. And: it beats for karaoke. But more about that later.

First we'd like to tell you a little bit about ourselves – METRO GROUP – and the first Media Markt store in China. With the help of Julia and her 274 highly motivated colleagues, we opened the Shanghai Media Markt store in November 2010 – where around 45,000 products are now being presented on a selling space of more than 9,500 square metres. Media Markt's entry onto the Chinese market was yet another important step in our ongoing expansion. The vibrant markets of Eastern Europe and Asia play a crucial role in the sustainable growth of METRO GROUP. There's a good reason that our self-service wholesaler Metro Cash & Carry has already been active for 14 years in China; now operating 48 wholesale stores in the country. Our international success is built on a solid foundation: around 283,000 employees in 33 different countries around the world who do their very best every day to make our business a success and delight our customers. In our Media Markt and Saturn consumer electronics stores and also in our Metro Cash & Carry wholesale stores, our Real hypermarkets and our Galeria Kaufhof department stores as well as our real estate business METRO Group Asset Management.

Like Julia and her colleagues, who are not just a highly professional team but also share a lot of interests outside of work: their love of fashion trends, their enthusiasm for everything electronic, their soft spot for the weird and wonderful and their passion for music and karaoke. We spent a day with them to find out more. At home, at work, during their lunch break at one of Shanghai's many traditional food stalls and while having fun in the evening.

Accompanying Julia, we got to know young China: a fascinating land full of contrasts where the future is really tangible. A future in which we, thanks to Shape 2012, anticipate continued success. On the following pages, you can find out more about how things stand today and what we are planning for tomorrow.

PICKING UP THE PACE! SHAPE 2012 IS DRIVING CHANGE
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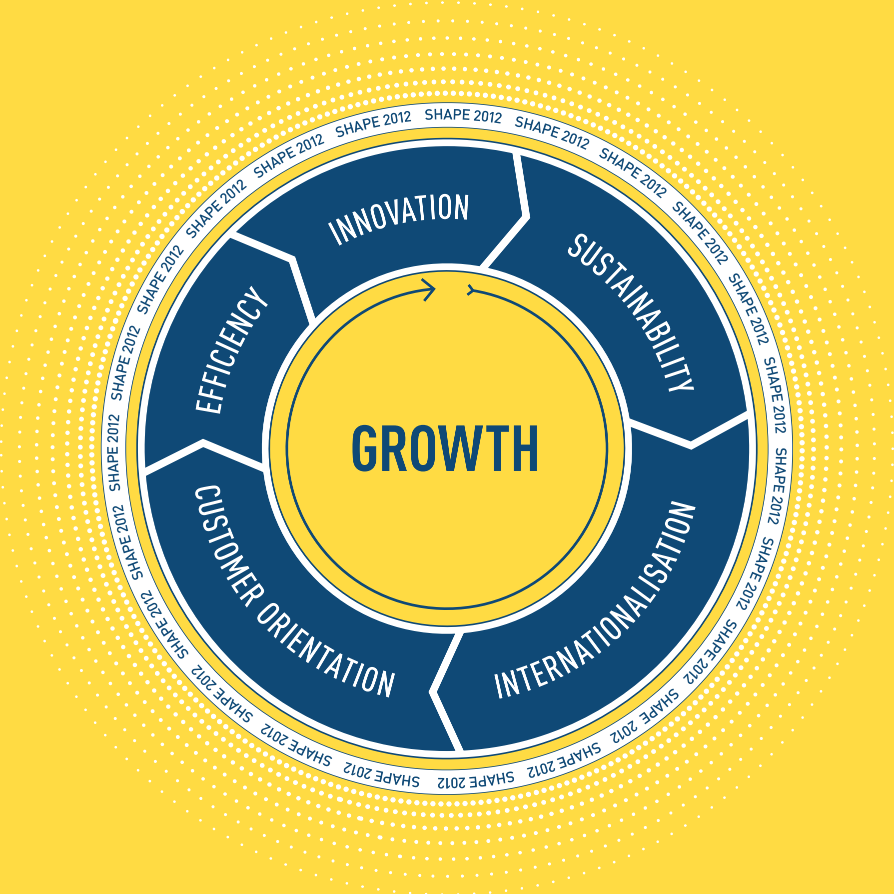
METRO GROUP'S
VALUE DRIVERS



To find out more about our value drivers, see the chapter
"Strategic positioning of METRO GROUP"
in our annual report on pages 026 to 035.

FOR US, GROWTH HAS MANY DIFFERENT FACETS

Our value drivers

On the left you can see the five value drivers that we consider particularly important.

"What does that have to do with Shape 2012 and an employee like Julia Liu?" you probably want to know. And our answer is: much more than you might expect.

Our Chairman and CEO Dr Eckhard Cordes explains how these value drivers are helping us to become even stronger and create growth for customers, employees, shareholders and society alike.

Take a look for yourself!

METRO GROUP

WHAT IS NEW IN SHAPE 2012, DR CORDES?

Interview with the Chairman of the Management Board of METRO AG

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→ Shape 2012 moves into its second half. Are you satisfied with the results so far?
Yes, because we have become a different, stronger company than we were two years ago. METRO GROUP has internalised Shape 2012 at all levels. The programme has become part of our DNA.

→ What does that mean for everyday working life?
Our structures and processes have become more efficient. Employees are now free to concentrate on their real business: retail and our customers. We are experiencing a new spirit of entrepreneurship. It is making itself felt in all of the many projects that we have initiated. This includes things like our innovative sales formats and concepts with which we are fulfilling our customers' expectations better than ever before.

→ There is also an air of great optimism regarding the Asian expansion ...
Indeed. Thanks to Shape 2012, we can concentrate even better on those areas that promise the best growth. Our accelerated expansion is one of these. With Media Markt in China, we are at just the right place at just the right time.

→ How important is sustainability?
Sustainability is absolutely crucial. However, it has to be relevant to the core business of the company and also support its economic goals. That is certainly the case at METRO GROUP. By acting sustainably we are guaranteeing our long-term success.

"EFFECTIVE AND SUCCESSFUL – THE FIRST HALF IS ALREADY WON"

Dr Eckhard Cordes on the progress of Shape 2012

NEW MANAGEMENT MODEL
promotes market and customer centricity

+ UNDIVIDED RESPONSIBILITY
for sales divisions in the operational business

+ STREAMLINED ORGANISATIONAL STRUCTURE
for finance, compliance and sustainability

+ REAL ESTATE PORTFOLIO AS A PROFIT CENTRE
making its own contribution to value

+ CENTRAL RETURN TARGETS
for strict management

= Potential profitability increase from 2012 onwards:

€1,500,000,000

SHAPE 2012

€0.5 BILLION

CONTRIBUTION TO REVENUE IN THE FINANCIAL YEAR 2010

JULIA'S HEART BEATS FOR SHANGHAI – AND FOR MEDIA MARKT!

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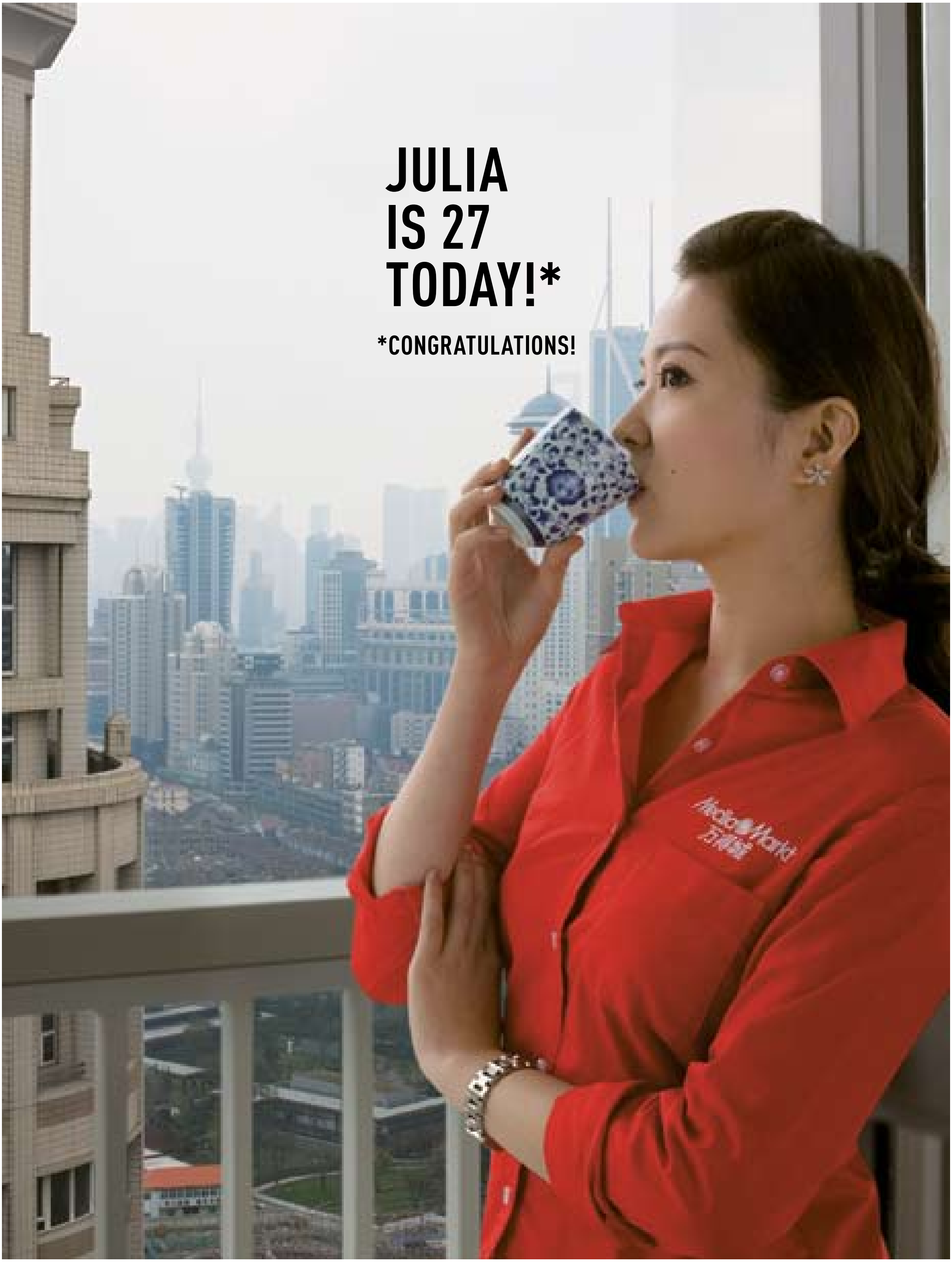
It's 7.30 in the morning in Shanghai and Julia Liu is enjoying her morning cup of tea. Today is her 27th birthday, but she is up early. Because at the Media Markt store where she works as a Senior Sales Assistant there is plenty to do.

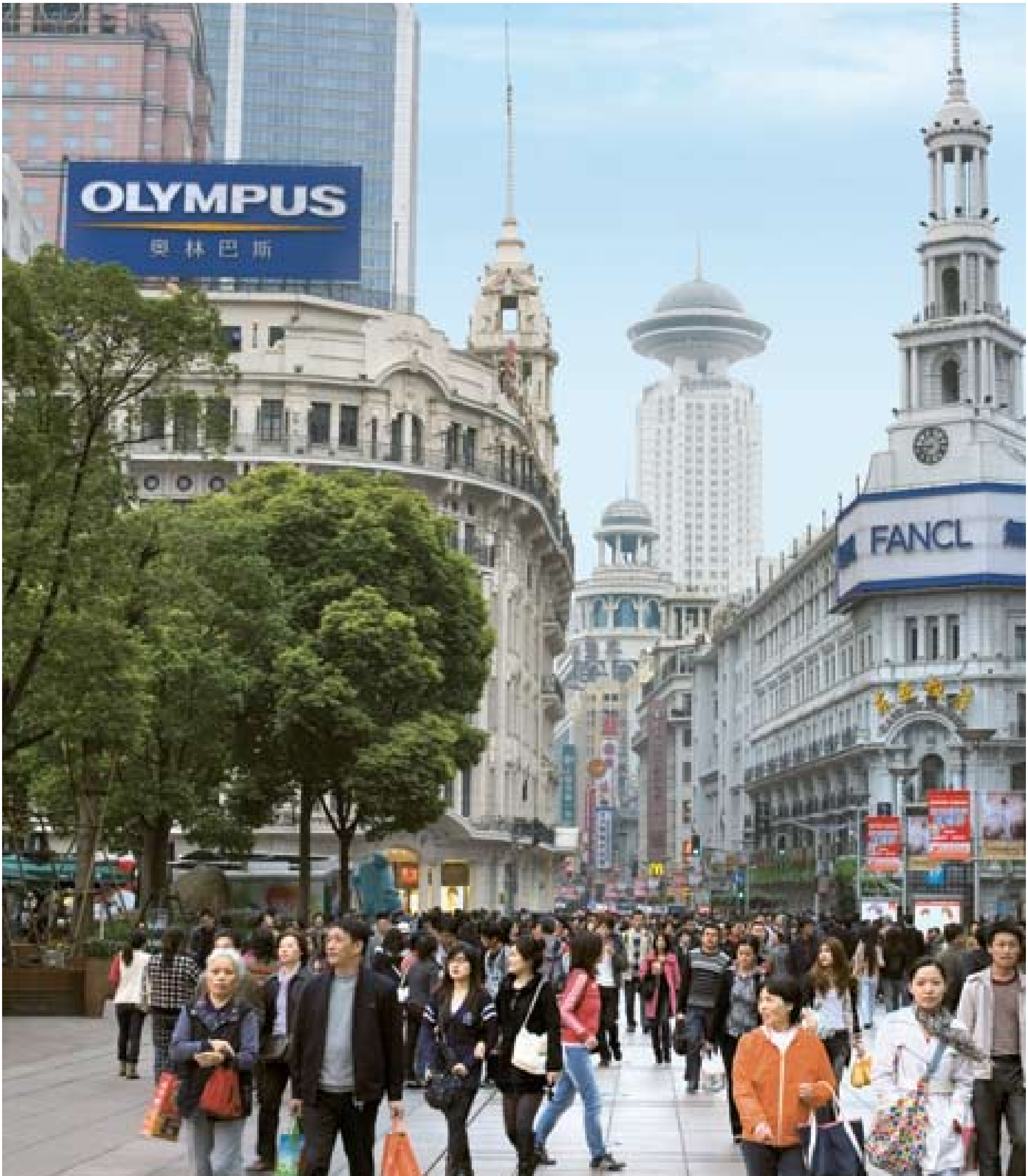
No doubt about it, Julia's Media Markt store is something special. It is the very first Media Markt store in China. Together with her new colleagues, she spent the last few months preparing for the store's opening. With enthusiasm. With great commitment. And with all her heart, especially in the weeks running up to the grand opening party on 17 November 2010. Since that day, Shanghai's Media Markt store has been brimming with customers every day. And that's all down to Julia and her colleagues who give their very best for the customers at the consumer electronics store.

We spent a day together with Julia to find out a bit more about her work. We witnessed the passion that both customers and employees have for technology. While testing out the massage chair, we also found out a little about Asian shopping habits. And at lunchtime, we enjoyed delicious deep-fried tofu at Julia's favourite food stall. Then we joined up with Julia and her friends to celebrate her birthday in style – at the karaoke bar around the corner.

To sum up: in just eleven hours, we experienced a number of insights into life in the Chinese metropolis and many interesting encounters. Enthusiastic customers and motivated employees were among them, as was a street chef and a German businessman. At the metro station, during the lunch break and in the evening at the karaoke bar: we not only met a lot of new people, we also came across numerous products that came from our stores and outlets. Admittedly, not all of them were from Media Markt. But the Metro Cash & Carry wholesale stores in Julia's hometown also have an extensive assortment. Just like Real, Saturn and Galeria Kaufhof in Europe.

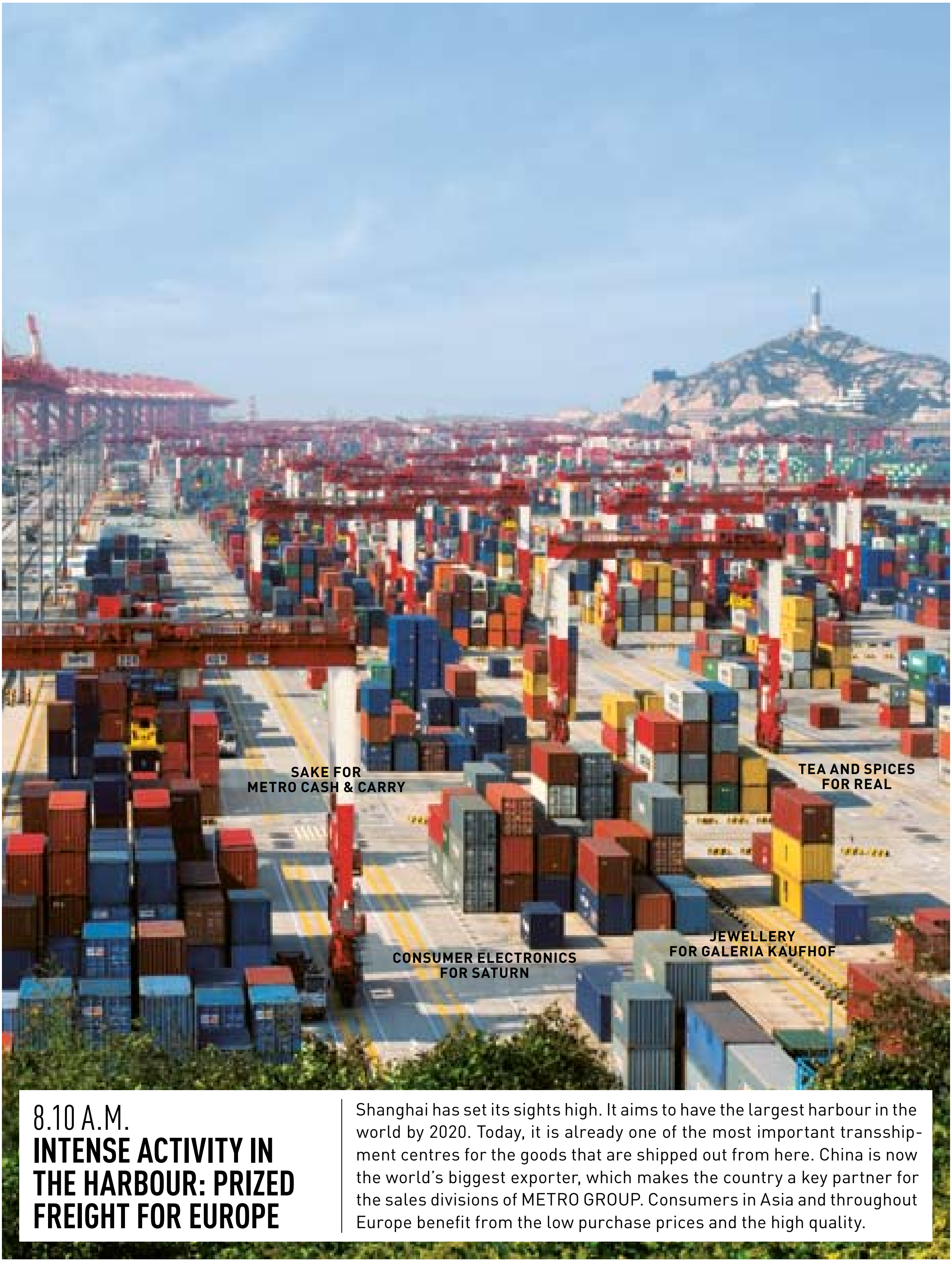
Julia Liu knows the four METRO GROUP sales divisions well, as she lived and worked in Germany for some time. It was during this period that she adopted her western-sounding forename. Julia is full of enthusiasm when she talks about her experiences. It was love at first sight. And to this very day, she still maintains a genuine friendship with many of her former colleagues. So perhaps it's no surprise that Julia regularly receives guests from Europe. By the way: she loves receiving little gifts from her old host country.


JULIA
IS 27
TODAY!*
*CONGRATULATIONS!



7.45 A.M.
BOOMTOWN SHANGHAI: CHINA WAKES UP EARLY

China's economy is growing rapidly. Ever greater numbers of Chinese consumers are discovering the joy of shopping. Take, for instance, consumer electronics and household appliances: according to experts, the potential annual sales in Julia's hometown Shanghai alone could reach 5.5 billion euros. Consumer electronics is registering an average growth rate of 8 percent and Media Markt is hoping to profit from this growth.



8.10 A.M.
INTENSE ACTIVITY IN THE HARBOUR: PRIZED FREIGHT FOR EUROPE

Shanghai has set its sights high. It aims to have the largest harbour in the world by 2020. Today, it is already one of the most important transshipment centres for the goods that are shipped out from here. China is now the world's biggest exporter, which makes the country a key partner for the sales divisions of METRO GROUP. Consumers in Asia and throughout Europe benefit from the low purchase prices and the high quality.

8.20 A.M.

JULIA MEETS COLLEAGUES, EXPECTED AND UNEXPECTED

The Chinese industrial metropolis, the city where tradition and modernity meet, has become a magnet for businessmen and -women from China and abroad. The European employees of the METRO GROUP sales divisions are also regularly invited to the city and surrounding area. For instance, to get a first-hand look at the quality and safety of products and manufacturing conditions.


停


好客显温馨


建盛图

10.40 A.M.
PEAK PERIOD AT MEDIA MARKT: JULIA IS IN HER ELEMENT

Wan de Cheng – that's the Chinese name for Media Markt. Roughly translated, it means something like 'the place where you can get anything'. Together with her colleagues, Julia puts all her energy into ensuring that the store lives up to this promise. Her Media Markt store not only offers a huge selection of brand-name products at unbeatable prices, but also first-class service and reliable customer advice.

12.37 P.M.
ANTICIPATION WHETS THE APPETITE – ONLY SIX HOURS UNTIL THE BIG BIRTHDAY PARTY

12.38 P.M.
CHEF SONG KNOWS WHAT'S TASTY – AND LOVES HORECA!

Many businessmen like Song, whose food stall is a real insider tip by the way, are customers of Metro Cash & Carry. The sales division has been active in China since 1996. Its product ranges and service offerings are rigorously tailored to the needs of commercial customers. One new format is 'METRO for HORECA'. The 2,100-square-metre store in the centre of Shanghai specialises in serving hotels, restaurants and caterers.


METRO FOR HORECA


HORECA
Chili Peppers
Chile
Chili Schoten
58.99


进口咖啡
METRO


SALE
全场50元起售
活动正在进行中…

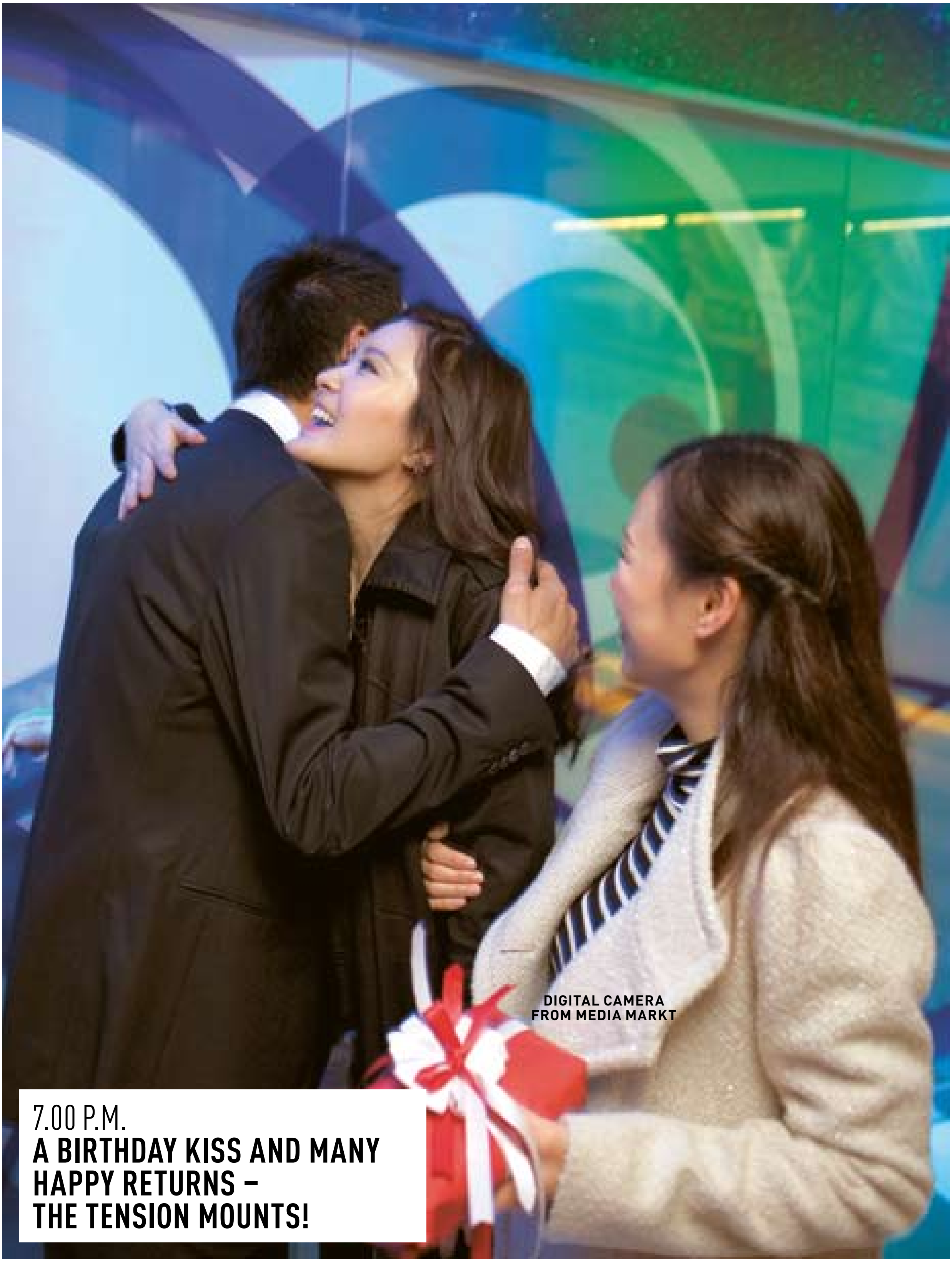
3.34 P.M.

THE WANGS, COMPLETELY RELAXED IN THE MEDIA MARKT STORE

Companies who are looking to achieve international success have to take into account the specific needs of each country where they are active. In Julia's store, for instance, there is a relaxation area where customers can test the massage chairs and other wellness products. These articles are especially popular in China. The METRO GROUP sales formats are so flexible that they can adapt to such specific shopping habits.

6.27 P.M.
FINAL MEETING AND THEN: OFF TO THE KARAOKE BAR

Media Markt – like all of METRO GROUP's sales divisions – lives from the enthusiasm and commitment of its employees. They always give their best for the customers. But a strong brand also needs a strong image. In Europe, Media Markt uses eye-catching advertising to attract customers. And in China, it's just the same. That can be seen from the electronic sandwich boards that Julia and her friends pass on the way, for example.



7.00 P.M.
A BIRTHDAY KISS AND MANY HAPPY RETURNS – THE TENSION MOUNTS!

7.20 P.M.
ALL TOGETHER NOW: SING ALONG TO SOME COOL CHINESE POP

Good friends, loud music and the right atmosphere – the perfect ingredients for an unforgettable karaoke party. The bar owner knows that you also need to have the right products on offer. He buys his supplies at Metro Cash & Carry, because he knows that he can rely on the top quality there. And when he buys the sales division's own-brand items, he can even save money without scrimping on quality.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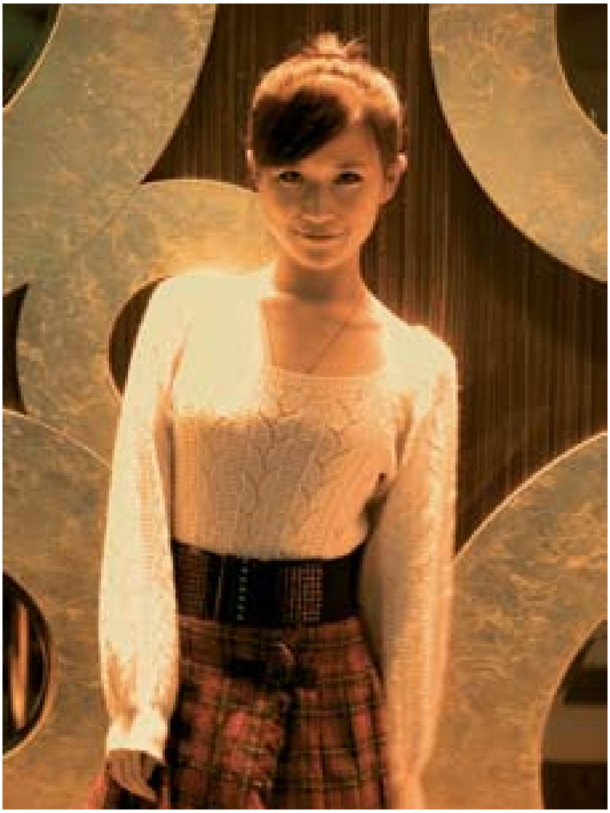

FASHION JEWELLERY
FROM GALERIA KAUFHOF

10.20 P.M.
**A DIGITAL CAMERA?
AN I-PHONE? AN MP3 PLAYER?
JULIA CAN HARDLY WAIT!**

11.20 P.M.
**LOVE, LOVE, LOVE ...
JULIA AND HER FRIENDS
AT THEIR BEST**

0.20 A.M.
THE PARTY IS OVER, BUT THE ENTHUSIASM REMAINS

For Julia and her friends it's the end of a long and enjoyable birthday party. Even though Shanghai is a city that never sleeps, they know it's time to go home and go to bed. Because tomorrow is another day of maximum effort for their Media Markt store. The commitment of the employees is a key factor for METRO GROUP's continued successful growth.

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OUR WORLD IS MULTIFACETED – JUST LIKE OUR EMPLOYEES

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Julia Liu is one of around 283,000 employees that work for METRO GROUP at its various locations around the world. We entrust them with the most important asset that we have: our customers. No problem; because we know that we can always rely on Julia and her colleagues. They are well-acquainted with the shopping habits of their customers and they know the local conditions. They have good knowledge of what is going on in the local market and they can react flexibly to new requirements. With Shape 2012 we have given them the necessary scope to act and react: because our sales divisions Metro Cash & Carry, Real, Media Markt and Saturn and also Galeria Kaufhof now operate fully independently. The result is a highly tailored product range featuring top-quality items at attractive prices and backed up by excellent service.

The diversity of our team is a cornerstone of our sustainable international growth. After all, our customers are just as diverse – in 33 different countries around the world. Accordingly, we recruit the majority of our employees at the location where we are operating. At the new Media Markt store in Shanghai, for example, 99 percent of the workforce is Chinese. We invest in their training, initial and ongoing, because we want to grow together with them. In this way, they profit from our global expertise and the strong sales brands of an international retail and wholesale company. And METRO GROUP profits from well-qualified and highly motivated employees that contribute to the continuing success of our company.

After all, our employees are a major driving force for progress. It is they who provide the impetus for new ideas and concepts. And they are also the ones who test and implement them in the stores. They help us push ahead with our ongoing expansion programme. They are living examples of our sustainable working practices. To sum up: they are the ones who are making Shape 2012 a success.

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NOVEMBER#2010

METRO CASH & CARRY

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Metro Cash & Carry is one of Europe's largest distributor of fresh fish. To be able to supply its wholesale stores in Germany and Austria even faster, the sales division opened a fish logistics centre in Groß-Gerau near Frankfurt am Main in November 2010. All logistical processes converge here. This is a real advantage for the sales division's commercial customers, as it means that almost all varieties of fish are available at the wholesale stores within 48 hours of being caught – fresh and of assured quality. The new fish logistics centre also sets standards in terms of sustainability: the buildings and processes have been awarded the German Sustainable Building Certificate.

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NOVEMBER#2010

REAL

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Since November 2010, Real has been offering customers an totally new solution for food shopping. "Real Drive" near Hanover is Germany's first stand-alone drive-in food store. The idea is simple: customers preorder their shopping on the website www.real-drive.de, choosing from a range of around 5,000 items. The product offering even includes fresh and frozen products. Customers enter the desired collection time and can then pay for and collect their shopping at the Real Drive shop. The whole process takes approximately five minutes – a real time-saver for consumers.

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JULY#2010

MEDIA MARKT

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A HUGE FOOTBALL BET

The 2010 World Cup had millions of TV viewers around the world glued to their television screens. In early July, anyone who bought a new television set or projector at Media Markt before the quarter final was also eligible for an extremely special offer: every customer would have the full price of their purchase refunded if Germany won the championship. For the customers, it was a no-risk bet. Everyone who made a purchase took part automatically. Even though the team didn't quite make it in the end, Europe's No. 1 consumer electronics store was certainly the focus of a lot of attention.

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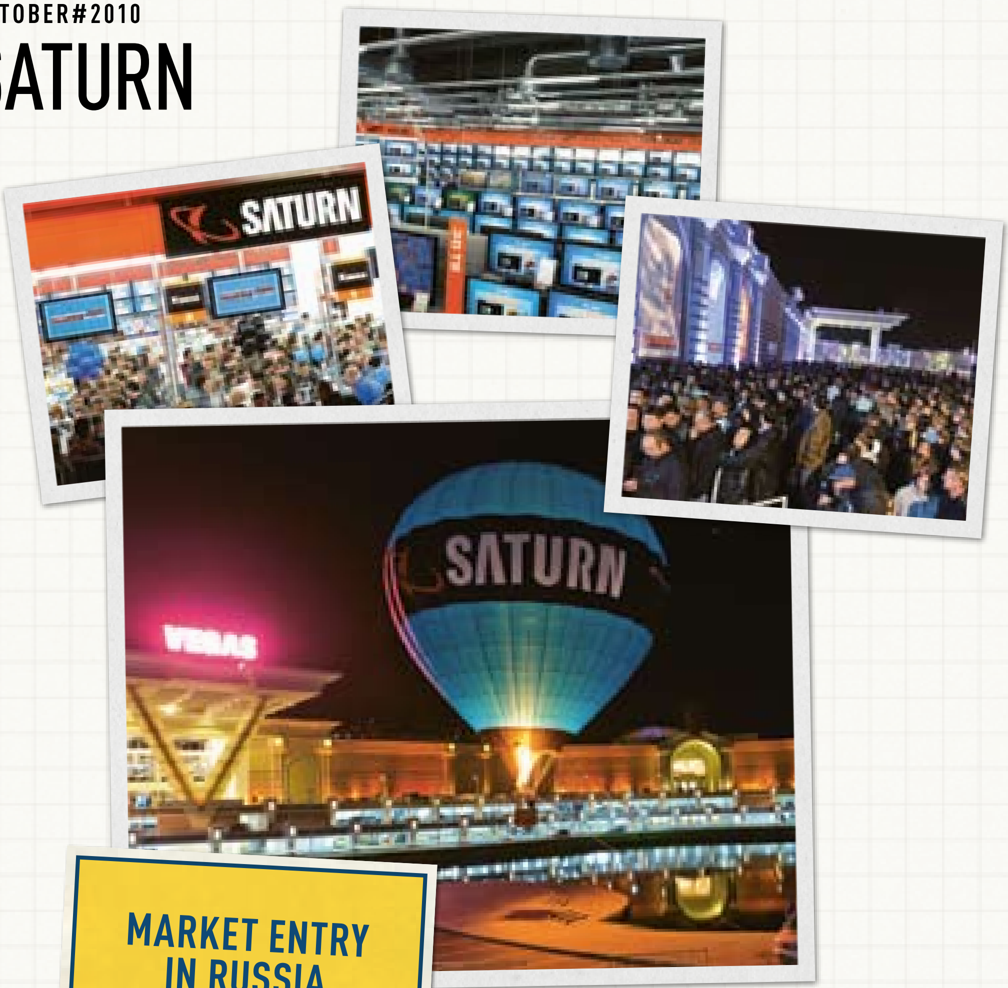
OCTOBER#2010

SATURN



MARKET ENTRY IN RUSSIA

Russia is an important growth market for METRO GROUP. The population's purchasing power is increasing, as is the enthusiasm to consume. This is particularly true for major cities such as Moscow. Saturn opened its first consumer electronics store in the shopping and leisure centre Vegas Mall in the south-east of the city in October 2010. Customers coming to the store can choose from a huge selection of brand products at attractive prices presented on a selling space of 4,700 square metres. Only one month later a second Saturn store was opened in Voronezh in the south-west of the country. This represents a consistent continuation of the sales division's dual-brand strategy, as Media Markt has been represented on the Russian market since 2006.

SEPTEMBER#2010

GALERIA KAUFHOF

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STREETWEAR AND TREND FASHION

Munich's Marienplatz is the urbane centre of the city. In September 2010, Galeria Kaufhof implemented an innovative, customised concept for fashion-conscious customers. U.Style Fashion is the name of this new store, which is closely tailored to local shoppers' expectations. The independent store is located on the department store's second basement level and offers streetwear and accessories from more than 30 brand-name manufacturers. The core target group is consumers aged 15–25 who think of themselves as individual, young and creative.

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APRIL#2010

METRO GROUP ASSET MANAGEMENT

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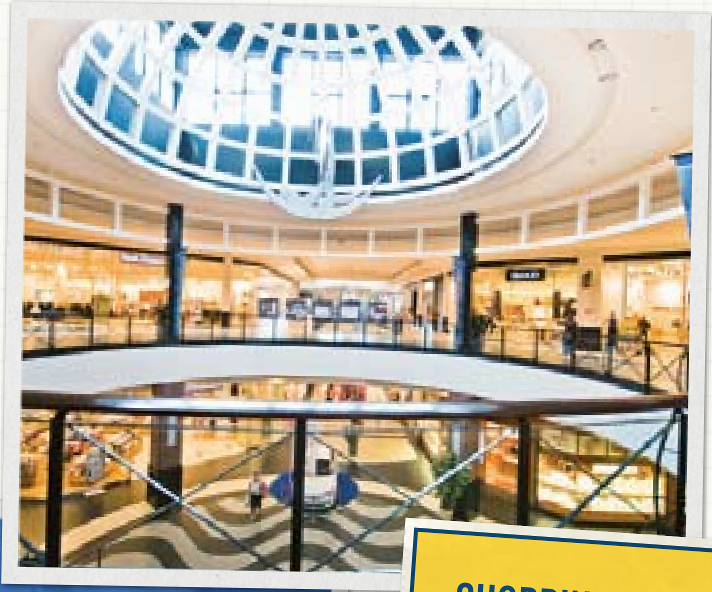
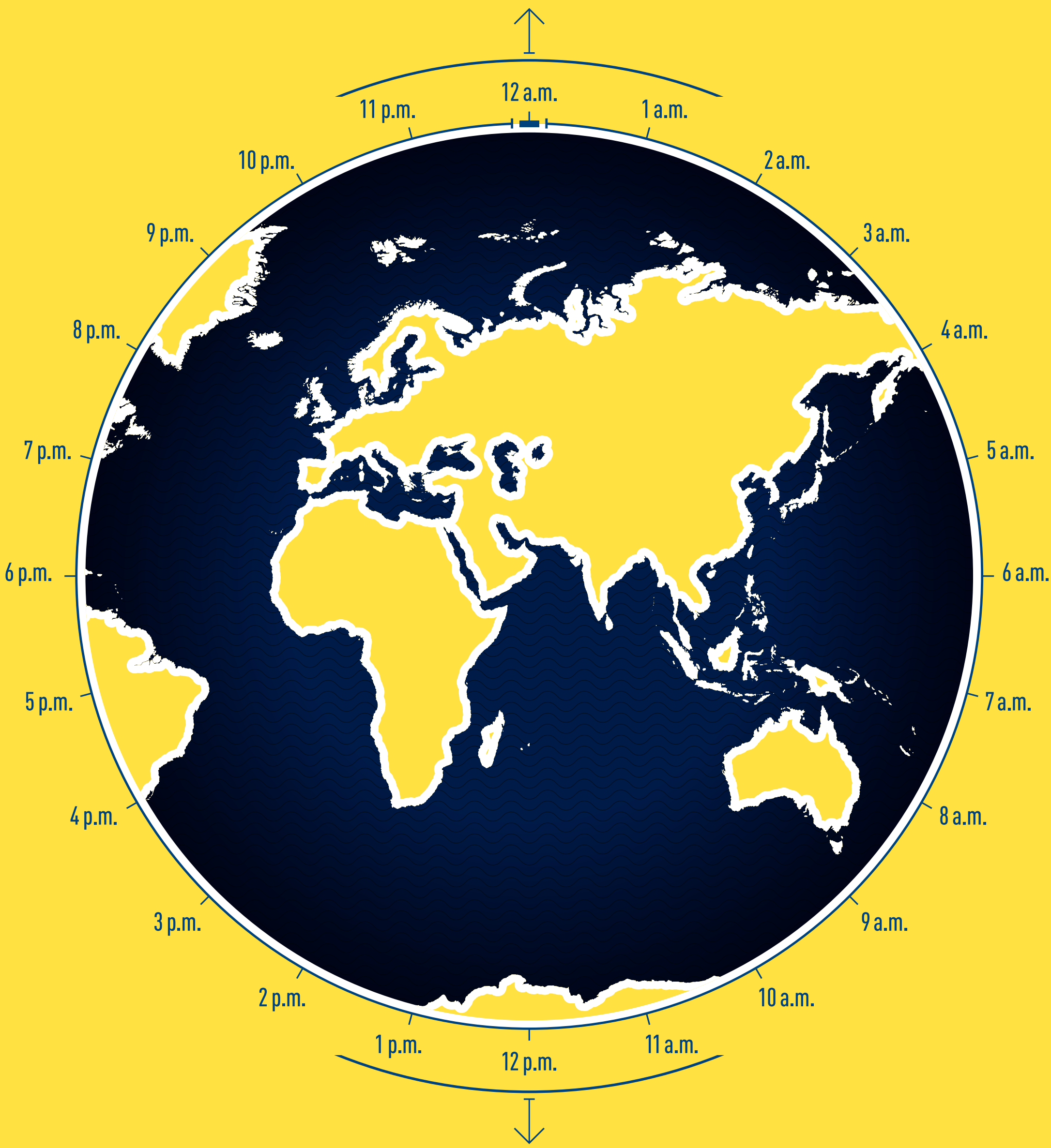


SHOPPING, SPORT AND ENTERTAINMENT

Magnolia Park in Wrocław is one of Poland's largest shopping centres. The 74,000-square-metre site offers visitors a diverse range of shopping, sporting and entertainment opportunities. Since April 2010, METRO Group Asset Management has been responsible for the administration and strategic management of Magnolia Park. The acquisition was a logical step in the ongoing expansion of the real estate firm's international centre management business. METRO Group Asset Management is now responsible for a total of ten shopping centres in Poland alone.

METRO GROUP’S

INTERNATIONAL BUSINESS



OPEN 24 HOURS

Extensive information on Shape 2012, photos, films and Julia's tips for Shanghai, as well as all of the dates, facts and figures for the financial year 2010 can be found in our online report:

www.metrogroup.de/annualreport

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The quick link feature will take you straight to the according content and further information online. Just use the search box on the home page of our online report.

LETTER TO THE SHAREHOLDERS

Eckhard Cordes

CHAIRMAN OF THE MANAGEMENT BOARD OF METRO AG

Dear Ladies and Gentlemen,

In 2010, the global economy started to recover from the effects of the global crisis. Most of the countries in which we operate are back on course for growth. However, many economies in Western and Eastern Europe failed to match the output levels seen in the pre-crisis year 2008.

Bearing this in mind, the financial figures that METRO GROUP can present to you today are all the more pleasing. In a nutshell: 2010 was a very successful year for your Company. At €67.3 billion, Group sales markedly exceeded the previous year's level. We generated EBIT before special items of €2.4 billion, the highest result in the Company's history. These figures show that we have lived up to our promises.

METRO GROUP was not powerless in the face of the crisis of the last few years, but actively shaped change and exploited opportunities for value creation and growth.

But key figures alone cannot reflect all that we achieved during the financial year 2010 – thanks partly to Shape 2012. In the context of our efficiency and value-enhancing programme, we have again initiated significant changes in all our business segments. Our goal: greater customer orientation, greater efficiency, an accelerated international expansion and thus ultimately significantly stronger growth momentum.

For our largest sales division, Metro Cash & Carry, this means that we are focusing much more on responding to our customers' various regional requirements. For this reason, we have restructured our wholesale business: in the saturated markets of Western Europe and in Germany, we are focusing, in particular, on further developing our successful delivery business, increasing the own-brand share and further strengthening our external sales assistance. In the growth markets of Asia and Eastern Europe, in turn, our key aim is to expand fast to profit from the economic momentum in these regions. Conversely, we will not hesitate to withdraw from markets where we no longer see

"YOUR METRO GROUP IS MORE EFFICIENT, MORE CUSTOMER-FOCUSED AND MORE INTERNATIONAL THAN EVER BEFORE."

sustainable growth prospects. This was the case with respect to our wholesale business in Morocco, which we gave up during the reporting year.

The Real sales division successfully continued its repositioning in Germany in 2010. We continued to lower costs and optimised the sales network. This includes modernising the hypermarkets and offering assortments that are closely geared to local customers' needs. In 2010, Real not only entered the online retail business, but also tested an innovative concept linking up stationary and electronic sales with the drive-in collection store "Real Drive". All in all, the sales division markedly sharpened its profile among customers in 2010. This is reflected in like-for-like sales and in a tangible improvement in earnings. For the first time, Real generated a profit in its international business in 2010.

Once again, the performance of Media Markt and Saturn was truly satisfying. Sales climbed by 5.6 percent over the previous year's results. Milestones of the reporting year included the launching of the online business in Austria and the Netherlands, with which we are preparing our multi-channel sales for additional markets. Another highlight was the opening of the first Chinese Media Markt in Shanghai. This market entry marks an important step as we seek to expand our presence in China. We want to profit directly from the country's economic expansion. Media Markt and Saturn can build on a suitable concept that is unique in China: with attractive brand products, low prices and first-rate sales assistance. With respect to Media Markt and Saturn's expansion strategy, we have made the clear decision to focus only on countries where we can achieve fast growth and market leadership. This was not possible in France. In the course of our strategic portfolio optimisation we have therefore decided to divest our Saturn consumer electronics stores in that country.

Business development at Galeria Kaufhof show that the department store concept is not dead in Germany – if it is managed and implemented successfully. Earnings rose for the sixth consecutive year, resulting in an EBIT margin of about 4 percent. This shows that our trading-up strategy, which allows us to offer markedly more attractive assortments, is paying off.

In 2010, we developed a new, clearer structure for our real estate management to better dovetail with the operating business – moving it away from functional, centralised management to a decentralised

SHAPE 2012 IS DRIVING CHANGE

structure. In taking this step, we are laying the foundation on which we can further build our international business.

To sum up: your METRO GROUP is more efficient, more customer-focused and more international than ever before – and is generating more growth as a result. We have already achieved more than one-third of the planned €1.5 billion in earnings improvements from Shape 2012. More than anything, this is the result of our approximately 283,000 employees in 33 countries who contributed significantly to our strong business performance. Their extraordinary commitment makes it possible to provide our customers with a comprehensive range of products and services. I – and my colleagues on the Management Board – would like to express our deep gratitude to all employees of METRO GROUP.

The positive business developments have also been reflected in the performance of the Metro share. During the year under review, the share clearly outperformed the German DAX stock market index with a gain of 26.6 percent. Naturally, you as a shareholder in the Company should benefit from our Company's earnings performance. For this reason, the Management Board and the Supervisory Board will propose to you at the Annual General Meeting in Düsseldorf on 6 May 2011 that an increased dividend of €1.35 per ordinary share be distributed for the financial year 2010.

What lies ahead in 2011? We will firmly consolidate and build on the successes achieved in 2010. This means that we want to set a Group-wide standard with these earnings achievements. While we have already come a long way with Shape 2012, we will need more stamina in future. That means: our key focus in 2011 and 2012 must be on further increasing our productivity. In the process, we will benefit from the fact that we have internalised Shape 2012 as the programme has become a part of our corporate DNA. The entrepreneurial spirit that I can sense across METRO GROUP reinforces my conviction that we will again implement a great number of measures in 2011 that will propel our long-term growth.

METRO GROUP's future success is closely tied to the success of our sustainability strategy. Our Company can continue to achieve profitable growth only if it conducts its core business on

"WE ARE CONTINUING OUR INTERNATIONAL EXPANSION AND PLAN TO OPEN MORE THAN 110 NEW LOCATIONS."

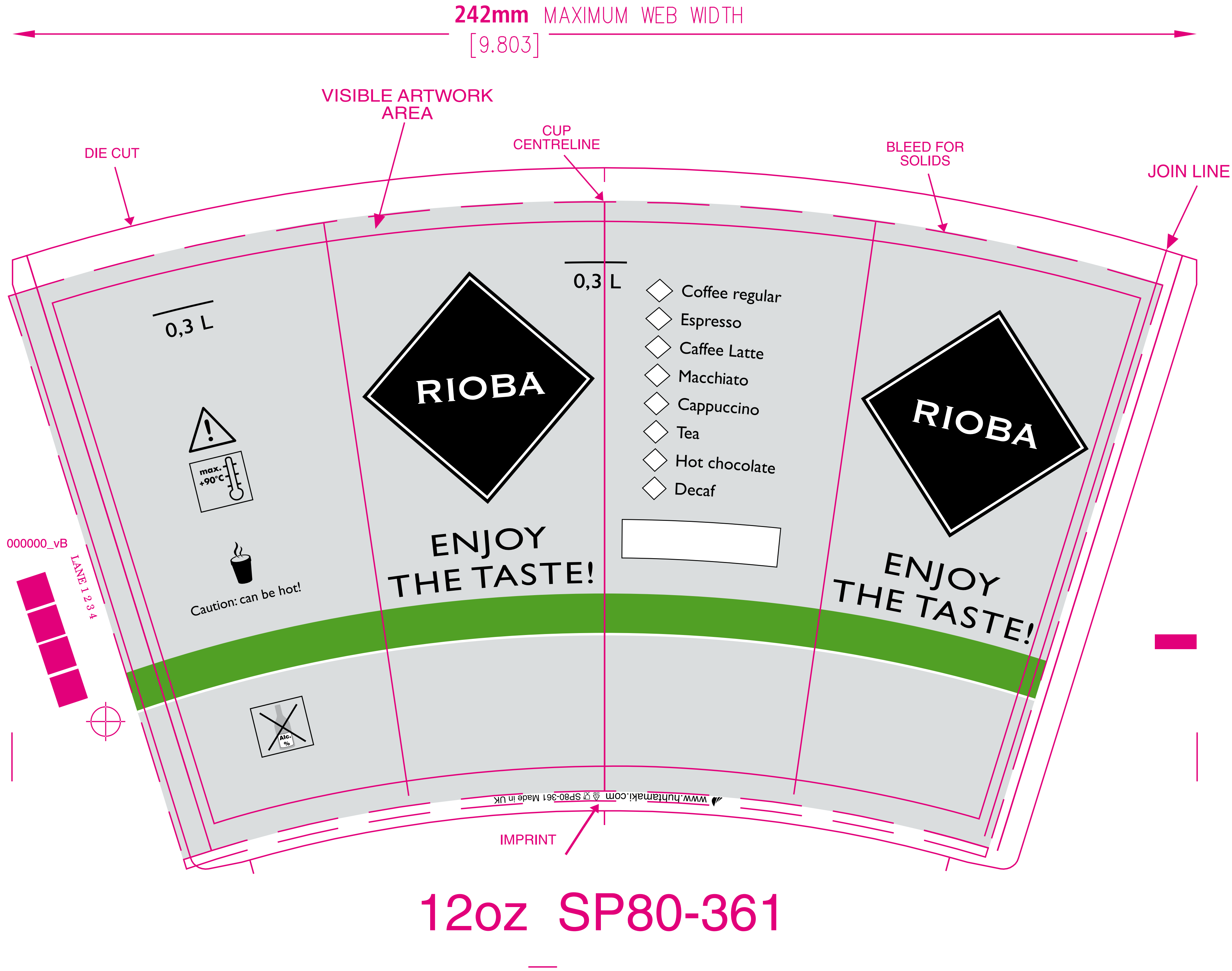
a sustainable basis. This principle is firmly embedded in our strategy. In their business activities, all sales divisions and companies carefully weigh not only economic issues but also social and environmental aspects in particular. The success of our approach has also been recognised outside the Company: in the Dow Jones Sustainability World Index, which benchmarks the performance of the world's leading companies, we have improved in all three dimensions – economic, environmental and social factors – compared with the previous year. In addition, oekom research recommended our Company as a "prime" investment for sustainably minded investors for the first time. We will continue to move forward on our chosen path.

In addition, 2011 will be a special year for METRO GROUP as we celebrate our 15th anniversary. On 25 July 1996, the METRO AG share was listed on the Frankfurt Stock Exchange for the first time. Since that day, our Company has demonstrated over and over again its fortitude and willingness to change. We began as a business group focused on Germany. Today, we are one of the world's most international retail and wholesale groups. And we have ambitious goals for the future. We intend to exceed the sales and earnings results of 2010. We are continuing our international expansion and plan to open more than 110 new locations. We are continuously refining our successful formats. And, in the context of our multichannel strategy, we are moving forward with the dovetailing of stationary sales with online retailing.

Dear Shareholders, in the name of the entire Management Board of METRO GROUP, I would like to express my gratitude to you. As a shareholder in our Company, your trust forms the foundation of our entrepreneurial activities. We will continue to diligently and actively safeguard your interests this year and ask you once again to express your confidence in us.

Best regards,

ECKHARD CORDES
CHAIRMAN OF THE MANAGEMENT BOARD OF METRO AG



Customer: Metro Food
Date: 07-07-2010
Product: RIOBA

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– PREVIOUS PAGE –
RIOBA

VOLLMILCH

real,- SELECTION

real,- SELECTION

PREMIUM QUALITÄT · SELECTION

Finest Swiss

Chocolate

VOLLMILCH

Mit Schweizer Vollmilch-schokolade mit erlesener, fein schmelzender Alpenmilch

25 g
kcal
144
7 %
GDA*

FINEST SWISS CHOCOLATE

real,- SELECTION

real,- SELECTION

PREMIUM QUALITÄT · SELECTION

Entdecken Sie mit real,- SELECTION eine Vielfalt von exquisiten Schokoladen-Variationen mit erlesenen, feinsten Zutaten und nach Schweizer Art zubereitet. Ein Genuss auf höchstem Niveau – für Schokoladen-Liebhaber.

FINEST SWISS CHOCOLATE

Durch-schnittliche Nährwerte	100 g	1 Portion 25 g	GDA* pro Portion
Brennwert	2390 kJ 574 kcal	598 kJ 144 kcal	7 %
Eiweiß	7,4 g	1,9 g	4 %
Kohlenhydrate	49,6 g	12,4 g	5 %
davon Zucker	48,9 g	12,2 g	14 %
Fett	38,4 g	9,6 g	14 %
davon gesättigte Fettsäuren	24,5 g	6,1 g	31 %
Ballaststoffe	1,0 g	0,3 g	1 %
Natrium	0,10 g	0,03 g	1 %
Kochsalz	0,25 g	0,06 g	1 %

*GDA (Guideline Daily Amount): Richtwert für die Tageszufuhr eines Erwachsenen basierend auf einer Ernährung von 2000 kcal. Der persönliche Bedarf variiert nach Alter, Geschlecht und körperlicher Aktivität.

Vollmilchschokolade (Kakao: 34 % mindestens, Milchbestandteile: 22 % mindestens)

Zutaten: Zucker, Kakaobutter, Vollmilchpulver, Kakaomasse, Magermilchpulver, Emulgator Sojalecithine, Aroma Vanille.

Enthält: Spuren von Nüssen, Erdnüssen und Gluten.

Trocken lagern und vor Wärme schützen.

Fragen zum Produkt?
0 800 / 503 54 18

Hergestellt in Deutschland mit Schweizer Schokolade für:
real,- Handels GmbH, Schlüterstr. 5,
D-40235 Düsseldorf, www.real.de, SKA

100 g ℮

20 PAP

for positioning only

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Mindestens haltbar bis:

KOENIC

Hair dryer Comfort

KHD 200

Powerful 2000 W motor for perfect styling

Ion function for silky and glossy hair

Separate cold settings for optimum hair styling

KOENIC

Hair dryer Comfort

KHD 200

DE Leistungsstarker 2000 Watt Motor für perfektes Styling / Zuschaltbare Ionen-Funktion für geschmeidiges und glänzendes Haar / Separate Kaltstufe zur optimalen Fixierung der Frisur

EL Αποδοτικό μοτέρ 2000 W για τέλειο στάιλινγκ / Λειτουργία ιόντων που κλείνει, για λεία και γυαλιστερά μαλλιά / Ξεχωριστή βαθμίδα κρύου αέρα για βέλτιστο στάιλινγκ του χτενίσματος

EN Powerful 2000 W motor for perfect styling / Ion function for silky and glossy hair / Separate cold settings for optimum hair styling

ES Potente motor de 2000 W para un estilo perfecto / Función de iones conectable para lograr un pelo suave y brillante / Nivel de frío separado para la óptima fijación del peinado

FR Moteur puissant de 2000 W pour un styling parfait / Fonction Ionic pour des cheveux plus faciles à coiffer et plus brillants / Touche air froid pour une fixation parfaite de la coiffure

HU Nagyteljesítményű 2000 W-os motor a tökéletes Stylinghoz / Bekapcsolható ionizáló funkció a selymes és csillogó haj érdekében / Külön hideg fokozat a frizura optimális rögzítéséhez

IT Reistente motore 2000 W per tenuta perfetta / Funzione ioni azionabile per capelli elastici e luminosi / Livello di freddo separato per tenuta ottimale della pettinatura

NL Krachtige motor 2000 W voor een perfecte styling / Inschakelbare ionenfunctie voor zacht en glanzend haar / Afzonderlijke koudestand voor een optimale fixering van het kapsel

PL Wysokiej mocy silnik 2000 W dla perfekcyjnej stylizacji / Funkcja jonizacyjna dla sprężystych i błyszczących włosów / Dodatkowy stopień chłodzący dla optymalnego utrwalenia fryzury

PT Motor potente de 2000 W para um styling perfeito / Função de comutação de iões para um cabelo mais maleável e brilhante / Nível frio separado para uma melhor fixação do penteado

RU Мощный двигатель в 2000 Вт для идеального моделирования / Подключаемая ионная функция для эластичных и блестящих волос / Отдельный уровень охлаждения для оптимальной фиксации причёски

SV Effektstart 2000 W motor för perfekt styling / Inkopplingsbar jonfunktion för smidigt och glänsande hår / Separat kylsteg för optimal fixering av frisyren

TR Mükemmel şekillendirme için güçlü 2000 W motor / Yumuşak ve parlayan saçlar için devreye alınabilen iyon fonksiyonu / Saç şeklini optimum düzeyde sabitle-mek için ayrı soğuk kademe

ZH 2000 瓦超强动力制作完美发型 / 离子功能塑造丝般柔滑亮泽的长发 / 独立的冷风设置来制作最佳的发型

KOENIC

Haartro

KHD 200

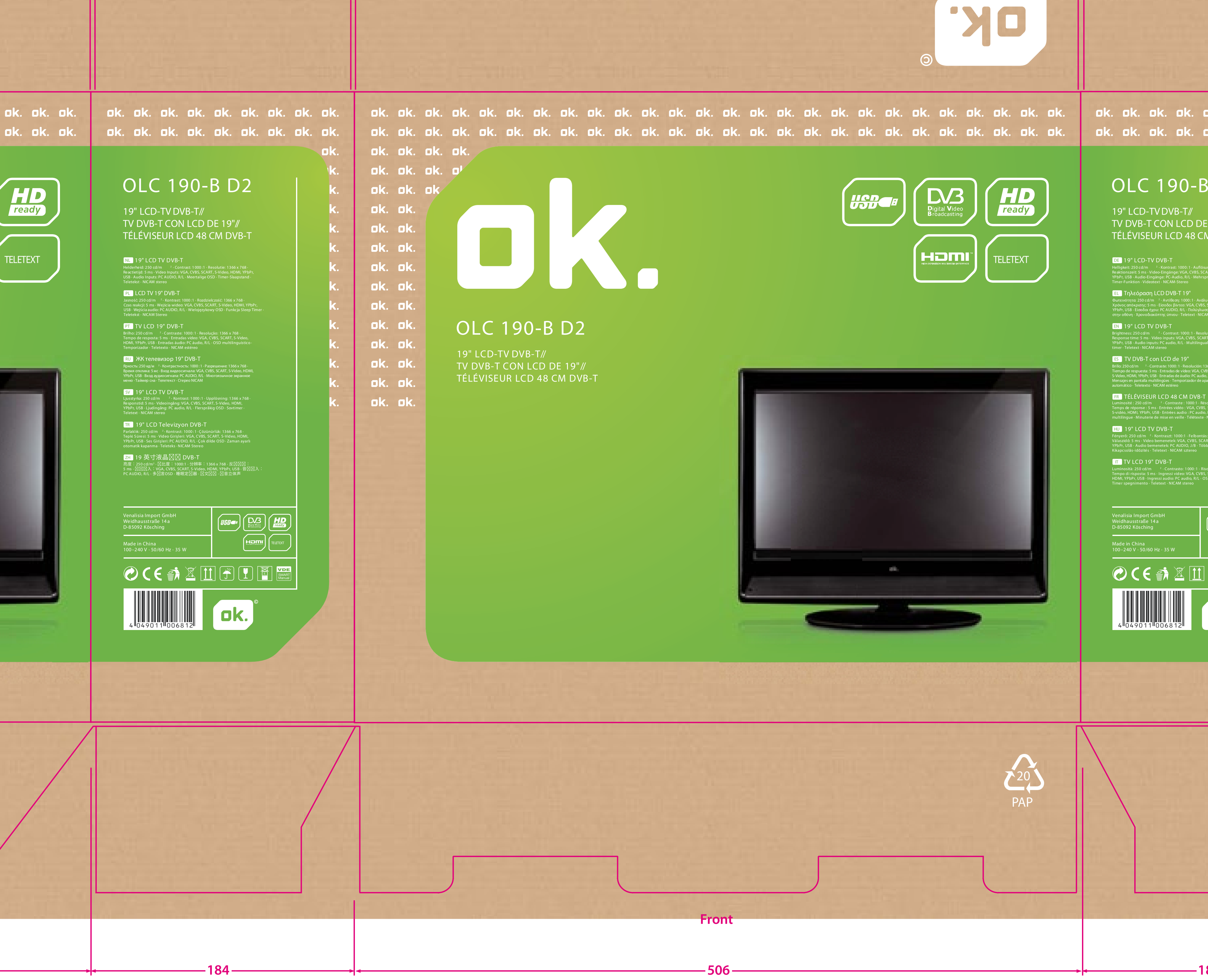
Leistungsstarker 2000 W Motor für perfektes Styling

Zu
Ion
ge
glä

20
PAP

draft only

VDE
SMART
Manual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OLC 190-B D2
19" LCD-TV DVB-T//
TV DVB-T CON LCD DE 19"//
TÉLÉVISEUR LCD 48 CM DVB-T
USB
DVB Digital Video Broadcasting
HD ready
HDMI
TELETEXT
NL 19" LCD TV DVB-T
Helderheid: 250 cd/m² · Contrast: 1 000 :1 · Resolutie: 1366 x 768 · Reactietijd: 5 ms · Video Inputs: VGA, CVBS, SCART, S-Video, HDMI, YPbPr, USB · Audio Inputs: PC AUDIO, R/L · Meertalige OSD · Timer-Slaapstand · Teletekst · NICAM stereo
PL LCD TV 19" DVB-T
Jasność: 250 cd/m² · Kontrast: 1000 :1 · Rozdzielczość: 1366 x 768 · Czas reakcji: 5 ms · Wejścia wideo: VGA, CVBS, SCART, S-Video, HDMI, YPbPr, USB · Wejścia audio: PC AUDIO, R/L · Wielojęzykowy OSD · Funkcja Sleep Timer · Teletekst · NICAM Stereo
PT TV LCD 19" DVB-T
Brilho: 250 cd/m² · Contraste: 1000 : 1 · Resolução: 1366 x 768 · Tempo de resposta: 5 ms · Entradas vídeo: VGA, CVBS, SCART, S-Video, HDMI, YPbPr, USB · Entradas áudio: PC áudio, R/L · OSD multilinguístico · Temporizador · Teletexto · NICAM estéreo
RU ЖК телевизор 19" DVB-T
Яркость: 250 кд/м² · Контрастность: 1000 : 1 · Разрешение: 1366 x 768 · Время отклика: 5 мс · Вход видеосигнала: VGA, CVBS, SCART, S-Video, HDMI, YPbPr, USB · Вход аудиосигнала: PC AUDIO, R/L · Многоязычное экранное меню · Таймер сна · Телетекст · Стерео NICAM
SV 19" LCD TV DVB-T
Ljusstyrka: 250 cd/m² · Kontrast: 1 000 :1 · Upplösning: 1366 x 768 · Responstid: 5 ms · Videoingång: VGA, CVBS, SCART, S-Video, HDMI, YPbPr, USB · Ljudingång: PC audio, R/L · Flerspråkig OSD · Sovtimer · Teletext · NICAM stereo
TR 19" LCD Televizyon DVB-T
Parlaklık: 250 cd/m² · Kontrast: 1000 : 1 · Çözünürlük: 1366 x 768 · Tepki Süresi: 5 ms · Video Girişleri: VGA, CVBS, SCART, S-Video, HDMI, YPbPr, USB · Ses Girişleri: PC AUDIO, R/L · Çok dilde OSD · Zaman ayarlı otomatik kapanma · Teleteks · NICAM Stereo
Venalisia Import GmbH
Weidhausstraße 14a
D-85092 Kösching
Made in China
100–240 V · 50/60 Hz · 35 W
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NCS S8010R90B
matt/ uncoated Paper
300 gr.

19-1629 TC
195 M
NCS S 5040-R
Shiny

14-1112 TC
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NCS S2010-Y20R
embossed Type
uncoated Paper

Eau de Toilette

INGREDIENTS: ALCOHOL, AQUA, PARFUM, BENZYL BENZOATE, BENZYL SALICYLATE, CITRAL, CITRONELLOL, COUMARIN, GERANIOL, LIMONENE, LINALOOL, CI 28440, CI 15985, CI 47005.

Alc. 80% Vol

Erhältlich nur in autorisierten Fachgeschäften.
Only authorized retailers are permitted to sell this product.
Distribution réservée aux dépositaires agrées.

CRÉATEURS COSMÉTIQUES
Ein Unternehmen der:
MAXIM Markenprodukte
Donatusstraße 112
50259 Pulheim/Brauweiler

Made in Germany

Ref. 41671-000

100 ml ℮ 3.4 FL.OZ.

Ean nur Stand

RED WOOD
NATURAL SPIRIT

EDT 100 ml
NATURAL SPRAY VAPORISATEUR

MORE VALUE

METRO GROUP

Sales of €67.3 billion, EBIT before special items of €2.4 billion
with 2,131 locations in 33 countries

METRO CASH & CARRY → CASH & CARRY

Sales of €31.1 billion, EBIT before special items of €1,104 million
with 687 locations in 30 countries

REAL → HYPERMARKETS

Sales of €11.5 billion, EBIT before special items of €132 million
with 429 locations in 6 countries

MEDIA MARKT AND SATURN → CONSUMER ELECTRONICS STORES

Sales of €20.8 billion, EBIT before special items of €625 million
with 877 locations in 17 countries

GALERIA KAUFHOF → DEPARTMENT STORES

Sales of €3.6 billion, EBIT before special items of €138 million
with 138 locations in 2 countries

REAL ESTATE

EBIT before special items of €698 million
with real estate assets in 30 countries

OTHERS

Sales of €0.3 billion, EBIT before special items of €–282 million

 → p. 016

MANAGEMENT BOARD

Dr Eckhard Cordes

CHAIRMAN OF THE MANAGEMENT BOARD AND CHRO

Responsibilities: Human Resources; Investor Relations; Corporate Legal Affairs & Compliance; Corporate Internal Audit; Corporate Strategy; Corporate Projects and M&A; Corporate Communication, Public Affairs, CSR; Corporate Office; Media Markt and Saturn

Profile: Dr Eckhard Cordes was born in Neumünster in 1950. He is married and has four children. He has been Chairman of the Management Board of METRO AG since 1 November 2007. On 2 March 2010, he also became the Company's Chief Human Resources Officer. Dr Eckhard Cordes is appointed until 31 October 2012.

Olaf Koch

CHIEF FINANCIAL OFFICER (CFO)

Responsibilities: Corporate Finance & Treasury; Corporate Accounting; Corporate Controlling; Corporate Risk Management; Corporate Tax; Information Technology; Insurance; Galeria Kaufhof

Profile: Olaf Koch was born in Bad Soden am Taunus in 1970. He is married and has three children. He joined the Management Board of METRO AG as CFO in September 2009. Since October 2010, his Board member responsibilities have also included the Galeria Kaufhof sales division. Olaf Koch is appointed until 13 September 2012.

Frans W. H. Muller

Responsibilities: Metro Cash & Carry Asia/CIS/ New Markets; METRO Group Asset Management; MGA METRO GROUP Advertising

Profile: Frans W. H. Muller was born in Nieuwer-Amstel, Netherlands, in 1961. He has held various management positions in different METRO GROUP companies since 1997. From 2005 to 2006 he was General Manager at METRO AG. He was appointed to the Management Board in August 2006 and has been CEO of the Metro Cash & Carry sales division since 2008, with responsibility for Asia/CIS (Commonwealth of Independent States)/New Markets since April 2010. He is appointed until 31 July 2014.

Joël Saveuse

Responsibilities: Metro Cash & Carry Europe/MENA; Real; MGB METRO GROUP Buying Hong Kong; MGL METRO GROUP Logistics

Profile: Joël Saveuse was born in Tours-en-Vimeu, France, in 1953. From 1985 to 1996 he was chairman of the executive board of Metro Cash & Carry France as well as Metro Cash & Carry Germany. In April 2008, he was appointed to the Management Board of METRO AG. He has also been CEO of the Metro Cash & Carry sales division since April 2010 with responsibility for Europe/MENA (Middle East and northern Africa). He is appointed to the METRO AG Management Board until 30 April 2013.

METRO GROUP SAYS THANK YOU

METRO GROUP is experiencing an evolution. By taking an array of steps, we have succeeded in increasing sales. We have intensified our focus on the customer and introduced more efficient processes. Changes like these require both commitment and perseverance. We would like to express our sincere thanks to all those people who worked so hard last year on behalf of our Company.

Actively shaping change at METRO GROUP – in future, this will also remain our top priority. Our aim is to jointly demonstrate entrepreneurial spirit and innovativeness, and to introduce new ideas into our daily business operations.

This will bring the new METRO GROUP to life.

THE MANAGEMENT BOARD OF METRO AG

→ p. 019

METRO GROUP 2010

STRATEGY

INVESTMENT
BUSINESS
SERVICE

STRATEGY

"PROFITABLE GROWTH NEEDS VALUES."

An interview with Dr Eckhard Cordes, Chairman of the Management Board of METRO AG, about sustainable commitment

→ **Dr Cordes, METRO GROUP considers itself to be a sustainable company. What does this mean?** That we combine profitable growth, a commitment to demanding environmental and social standards as well as corporate social responsibility into a strategic whole. Sustainability serves as a sensible complement to our operating business. It also creates new opportunities in the relationship of customers, shareholders, employees and other stakeholders. Sustainability is a fixed component of our business strategy.

→ **Can you elaborate on this point?** Sustainability is frequently viewed as nothing more than conserving resources and lowering costs. But when combined with a company's clear sustainable direction in terms of product strategy and process management, it also creates growth opportunities. At the same time, profitable growth must be a fixed part of responsible actions towards society and the environment. We have acted accordingly and even intensified our

WE HAVE ACTED ACCORDINGLY AND EVEN INTENSIFIED OUR COMMITMENT TO SUSTAINABILITY DURING THE GLOBAL FINANCIAL AND ECONOMIC CRISIS – INSTEAD OF REDUCING IT.

commitment to sustainability during the global financial and economic crisis – instead of reducing it. After all, during tense economic times, it is critically important for companies that are conscious of their responsibilities to not lose track of their long-range goals – not least so that they remain credible players in the capital market. Professional investors increasingly incorporate considerations about systematically pursued sustainable business practices into their decision-making processes. One other point: if sustainable business practices are an element of the operating business strategy, it has a positive impact on other areas as well. After all, the market of products and the market of opinions and judgements are closely related.

→ **Is the sustainable business strategy being employed by METRO GROUP profitable?** Definitely. To us, "profitable" means that we generate faster growth in EBIT than sales. With earnings before special items of €2.4 billion in 2010, we generated the highest

→

EBIT in our Company's history. We opened 100 new stores, we introduced three of our sales brands into new markets, and we were still able to lower our costs. Sustainability and profitability are not contradictions in terms. The priorities are clear – profitable companies are the only ones that can be socially and environmentally conscious companies.

→ **Does this commitment improve METRO GROUP's competitive position?** Yes. Because we factor environmental and social issues into all business decisions, we gain a competitive edge. This sustainability philosophy helps us to respond at an early stage to changed business and social conditions.

→ **Which changes do you have in mind?** When the products and prices of various competitors reach similar levels, a company's social and environmental commitment becomes more and more important. This works on three levels: Customers increasingly demand a sustainable product range. The capital market wants to know whether we are prepared to face such global challenges as demographic and climate change. And political leaders want us to help to meet these challenges – this is because these issues are so critical that the business world, the political community and society as a whole have to work together to find answers to them.

→ **How are these demands reflected in your strategy?** In 2009, we set up the Sustainability Council to bundle and manage the Group's array of activities. We also want to use the council as a platform from which we can integrate sustainable ways of thinking and acting into the entire

TO PUT IT SIMPLY, IN OUR OWN COMPANY WE DO THOSE THINGS THAT STRENGTHEN OUR BUSINESS AND SUPPORT OUR SUSTAINABILITY GOALS.

Company. Four thematic working groups made up of specialists from the sales divisions and central departments of METRO AG have been set up. The first focuses on quality, health and the environment; the second on energy and resource management; the third on employees and social affairs; and the fourth on social policies and stakeholder dialogue. The working groups discuss current issues, develop concepts and programmes, and lay the groundwork for binding decisions by the Sustainability Council.

→ **This is the abstract level. How do you incorporate this work into everyday business practices?** To put it simply, in our own Company we do those things that strengthen our business and support our sustainability goals. Take environmental protection as an example: with state-of-the-art cool stores or energy-optimised construction techniques, we lower our energy consumption and our CO_2 emissions at the same time. By investing in our employees' qualifications, we are securing our pool of specialists and strengthening their identification with the Company. Furthermore, we live up to our responsibilities along the entire value chain.

→ **This means?** For instance, we encourage fair production and working conditions amongst our suppliers. And we help farmers in emerging countries to fulfil standards applying to food safety and quality. For instance, we follow through on this commitment in training courses, which we jointly carry out with the United Nations Industrial Development Organization (UNIDO).

→ **Would you describe METRO GROUP as a green company?** If you insist on painting us in certain colours, then please use blue and yellow. After all, we view ourselves first and foremost as a retail and wholesale company that systematically focuses on its customers' needs. But I would say that we once again made tremendous strides in the area of sustainability in 2010. This is something that the capital market has recognised, too: for instance, we significantly improved our ranking on the Dow Jones Sustainability World Index and were rated as a "prime" investment by oekom research – a leading rating agency for sustainability.

→ **What's ahead for 2011?** We will continue to decisively put our philosophy into practice in order to secure our long-range success. We are also systematically working to achieve our own goals – which include lowering our CO_2 emissions by 15 percent by 2015. And new goals have just been added: at the beginning of the year, we joined the UN Global Compact, the United Nations' network for entrepreneurial responsibility. By joining the compact, we pledged to make continuous improvements in terms of the UN Global Compact principles. This is another clear signal that we take the issue of sustainability seriously.


TRANSLATION
EVEN OUR SUSTAINABILITY IS SUSTAINABLE.
PUBLIC RELATIONS
19/09/2010
NEW ADVERTISING VISUALS IN A NEW LOOK
WIR SIND BESONDERS NACHHALTIG.
UND DAS BESONDERS NACHHALTIG.
METRO GROUP IST ERNEUT UND MIT NOCH BESSERER LEISTUNG IM DOW JONES SUSTAINABILITY INDEX WORLD.
METRO GROUP
ZUM HANDELN GESCHAFFEN.

THE YEAR IN REVIEW

An overview of selected events during the financial year 2010

REPRESENTATIVE OFFICE OPENS IN BERLIN

Q1

25 Jan 2010 +++ Rainer Brüderle, Federal Minister of Economics and Technology, and Dr Eckhard Cordes jointly open METRO GROUP's representative office in the capital city of Berlin. The Company intends to intensify its dialogue with the government, parliament and all relevant stakeholder groups.

DISASTER AID FOR HAITI

17 Feb 2010 +++ Working with the German relief organisation Welthungerhilfe (World Food Aid), METRO GROUP provides more than 125 tonnes of relief goods to the people of Haiti after a strong earthquake hits the island nation.

CHANGE IN THE MANAGEMENT BOARD (1)

2 Mar 2010 +++ Zygmunt Mierdorf, member of the Management Board of METRO AG since 1999, leaves the Company's Management Board at the close of business on 1 March 2010.

NEW STRUCTURE

17 Mar 2010 +++ With effect from 1 April 2010, Metro Cash & Carry's operations are split into two units: Europe/MENA (Middle East and northern Africa) and Asia/CIS (Commonwealth of Independent States)/New Markets. At the same time, METRO GROUP streamlines its management organisation: the management and administrative functions of METRO AG and Metro Cash & Carry International are to be largely integrated into METRO AG. Simultaneously, METRO GROUP adjusts its corporate image and introduces, amongst others, a new logo.

EXPO PRESENTATION IN SHANGHAI

Q2

1 May 2010 +++ Under the motto "Better City, Better Life", METRO GROUP presents itself at the EXPO in Shanghai as the exclusive partner of the city of Düsseldorf. Metro Cash & Carry and Media Markt are in the spotlight during the six months of participation. More than 70 million people visit the world's fair through October.

CHANGE ON THE SUPERVISORY BOARD

5 May 2010 +++ Prof. Dr Jürgen Kluge is selected to become the new Chairman of the Supervisory Board. He replaces Franz Markus Haniel, who resigned.

REAL LAUNCHES ONLINE SHOP

21 May 2010 +++ With its new online shop, the sales division Real connects its brick-and-mortar business with online retailing, systematically gearing itself towards customers' shopping behaviours. Around 3,500 products are available through the new sales channel.

MARKET ENTRY IN EGYPT

29 Jun 2010 +++ The sales division Metro Cash & Carry expands into Egypt. Carrying the brand name Makro, the self-service wholesaler opens its first wholesale store near Cairo.

Q3

CHILD DAY-CARE CENTRE IN BANGLADESH

13 Aug 2010 +++ METRO GROUP teams up with the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) to open a day-care centre in Narayanganj, Bangladesh, one of the largest centres for the garment industry. The facility is designed to assist working women to coordinate family and work life.

EFFICIENT IT ORGANISATION

15 Sep 2010 +++ METRO GROUP bundles the functions of Information Management and Information Technology in the newly created unit METRO SYSTEMS. The goal is to harmonise IT processes and create a market-orientated organisation.

NEW EXCLUSIVE BRANDS

16 Sep 2010 +++ Media Markt and Saturn introduce new exclusive brands. In taking this step, they expand the range of high-quality products offered to customers. The brands "ok." and "KOENIC" are already available for the Christmas shopping season; "PEAQ" and "ISY" will follow in 2011.

CHANGE IN THE MANAGEMENT BOARD (2)

30 Sep 2010 +++ Thomas Unger, Vice Chairman of the Management Board of METRO AG, leaves the Company's Management Board.

Q4

SATURN MARKET ENTRY IN RUSSIA

8 Oct 2010 +++ The sales brand Saturn opens its first store in Russia.

DIALOGUE WITH GREENPEACE INTERNATIONAL

25 Oct 2010 +++ In Amsterdam, the Management Board of METRO AG and the directors of Greenpeace International agree to intensify their dialogue.

AWARD FOR COMMITMENT TO SUSTAINABILITY

26 Oct 2010 +++ Galeria Kaufhof wins the Sustainable Retailer 2010 award for its toys and stationery assortments. The German consumer body Verbraucher Initiative e.V. honours Galeria Kaufhof with a silver medal.

DRIVE-IN COLLECTION STORE FOR CONSUMERS

9 Nov 2010 +++ Real opens the first drive-in supermarket in Germany. Customers can place their orders online and pick them up at the desired time at the test store near Hanover.

MEDIA MARKT LAUNCH IN CHINA

17 Nov 2010 +++ In Shanghai, Media Markt opens its first consumer electronics store in China. More than 10,000 customers visit the second-largest Media Markt store in the world on the first day of shopping.

SALE OF BUSINESS IN MOROCCO

22 Nov 2010 +++ Effective 30 November 2010, the sales division Metro Cash & Carry divests its business in Morocco.

LOGISTICS HUB FOR FRESH FISH

23 Nov 2010 +++ The new fish logistics centre near the Frankfurt Airport opens. Metro Cash & Carry is now combining all fresh fish logistics processes in Germany at this location.

DECENTRALISED REAL ESTATE MANAGEMENT

1 Dec 2010 +++ METRO Group Asset Management has a new, decentralised structure. Real estate management will be more closely aligned with the operating business of the sales divisions and broken down into seven countries or regions.

SALE OF SATURN STORES IN FRANCE

20 Dec 2010 +++ METRO GROUP and Media-Saturn-Holding announce the sale of 34 Saturn stores in France to the HTM Group. The sale is subject to the approval of the antitrust authority, amongst other things.

STRATEGIC POSITIONING OF METRO GROUP

METRO GROUP

METRO GROUP is one of the world's leading international retail and wholesale companies. Our operating business activities are conducted by our four sales divisions: Metro Cash & Carry, Real, Media Markt and Saturn as well as Galeria Kaufhof. They provide private and professional customers in 33 countries with a comprehensive range of products and services designed to meet their specific shopping needs. The sales divisions assume a leading position in their respective business segments. Through METRO Group Asset Management, we also direct and manage a unique portfolio of retail real estate. Our long-range profitable growth is based on five strategic value drivers: customer orientation, internationalisation, efficiency, sustainability and innovation. These drivers are reflected in our brand slogan "Made to Trade."

Customer orientation

Our sales divisions clearly focus their business activities on the individual needs of their customers. For example, this pertains to the product ranges offered at the Group's stores: consumers and professional customers will always find a large selection of high-quality products sold at an optimal price-performance ratio. Added to this are personal assistance and appealing services. Shopping convenience is also gaining in importance. We test and implement new sales concepts that meet high demands in terms of such areas as product presentation. In addition, we are increasingly dovetailing stationary retailing with Internet sales as a way to attract new customers and create long-term relationships with them. The sales divisions' business autonomy and their links to local markets are fundamental success factors for customer orientation. As a result, local employees can react to changing market conditions at an early stage.

Internationalisation

During the reporting year, we generated 61 percent of our sales outside Germany. In international markets, we enjoy particular success with our large-format retail concepts Metro Cash & Carry, Real as well as Media Markt and Saturn. Our sales divisions and companies operate in 33 countries in Europe, Asia and Africa. They autonomously conduct their expansion activities by opening new locations and entering new regions. In the process, they primarily focus on markets characterised by growing economic strength and positive purchasing-power trends. Strategic acquisitions and partnerships can help to fuel accelerated growth. Our international positioning buttresses our independence from economic downturns in individual countries or regions.

As we press ahead with our expansion, we are working at different speeds. In the growth markets of Asia and Eastern Europe, we are focusing on expanding our sales network. In the largely saturated markets of Western Europe, however, we are generating sales gains largely through a realignment of our sales concepts. By taking this approach, we are responding to the fact that our Company does business in markets whose trade and retail structures differ broadly. The flexibility of the sales divisions' formats also enables them to adapt themselves to a country's typical conditions without altering their fundamental direction. For instance, the new Media Markt in China that opened in November 2010 in Shanghai has a large selection of wellness devices, which are in high demand in China.

Efficiency

With our efficiency and value-enhancing programme Shape 2012, we intend to organise all structures and processes in the business group in a more efficient manner and to significantly reduce the Group's complexity. In launching this programme, we have laid the foundation for further improvements in earnings. The guiding principle of Shape 2012 is: as decentralised as possible, as centralised as necessary. Specifically, this means that the sales divisions have assumed responsibility for their operating business – from procurement and logistics to sales. This gives them the freedom they need to reach their strategic goals and hit their profitability targets. At the same time, Group-wide functions critical to the management of the entire Group are anchored within METRO AG. These include finance, compliance and controlling. METRO AG manages the sales divisions' strategic decisions and allocates capital and resources. Other central functions include investor relations and executive development within the Group.

The retail and real estate businesses within the Group have been financially separated in order to address the different character of the asset classes. METRO Group Asset Management is positioned as a profit centre. In the operating business, the active real estate business has been more closely integrated into the sales divisions since December 2010. It is to be successfully refined in this manner internationally.

Shape 2012 is discussed on pages 36 through 42.

Sustainability

In our business activities, we take not only economic issues but also social and environmental aspects in particular into consideration. The principle of sustainable business practices is firmly anchored in our strategy and is thus a long-term goal of METRO GROUP. After all, a responsible approach to society and the environment forms the basis of profitable growth. Our commitment applies primarily to our core business – in precisely the area where we assume direct responsibility and can employ our expertise. The sustainability strategy comprises four components: "quality, health and environment", "energy and resource management", "Employees and social affairs" and "Social policies and stakeholder dialogue". The Sustainability Council established in 2009 bundles and manages programmes throughout the Group. The council, which is composed of experts and decision-makers from Group companies, also integrates the standards and structures required for sustainability into the Company. With this base, we can further strengthen our commitment to sustainability.

METRO GROUP's sustainability management is discussed on pages 105 through 109.

Innovation

To us, innovative ways of thinking and acting go hand in hand with our business success. New ideas for concepts and formats as well as cutting-edge technologies help us to better address the needs of consumers and professional customers. At the same time, we can optimise our processes and improve such things as our working relationship with suppliers. Systematic innovation management ensures that we can identify relevant trends, jointly develop solutions with internal and external partners and customers, test them, evaluate them and introduce them into everyday business. At the same time, Shape 2012 fosters the generation of new ideas across the Group.

METRO GROUP's innovation management is discussed on pages 103 through 104.

Metro Cash & Carry

Metro Cash & Carry is the international leader in self-service wholesale trade and one of METRO GROUP's growth drivers. The sales division operates under the brand names Metro and Makro in 30 countries in Europe, Asia and Africa. In Germany, the portfolio is complemented by the C+C Schaper brand. With its multifaceted range of products and services, Metro Cash & Carry primarily serves the needs of professional customers: hotel and restaurant owners, catering companies, independent retailers, service providers and public authorities. Metro Cash & Carry offers them a comprehensive range of up to 20,000 food items and up to 30,000 nonfood items. The cash & carry company emphasises local products: in most countries, where it operates, up to 90 percent are purchased domestically. The company also sells brand products of well-known producers as well as six exclusive own-brand products that couple high quality with attractive prices: Aro, Fine Food, Horeca Select, H-Line, Rioba and Sigma. The large range is just one example of the way that Metro Cash & Carry exercises its commitment to customer orientation.

Customer centricity: innovative store formats 406

In addition to a broad product range, quality and freshness, the strengths of Metro Cash & Carry also include a flexible sales concept that can be optimally adapted to meet the specific conditions and needs of the respective countries. The core is formed by the three store formats Classic, Junior and Eco, all of which have different amounts of selling space and assortment depth. With a selling space of 10,000 square metres to 16,000 square metres, the Classic format is primarily used in Western Europe. In Eastern Europe and Asia, Metro Cash & Carry employs the Junior format with a selling space of between 6,500 square metres and 8,500 square metres. The Eco wholesale stores have a selling space of 2,500 square metres to 6,500 square metres and specialise in fresh foods. This format plays a major role particularly in France as well as in Southern Europe and Japan.

To be able to better meet customers' expectations, Metro Cash & Carry systematically adds sales formats. One example of this approach is the store concept "MAKRO Punkt" that the self-service wholesaler introduced in October 2009 in Tarnów, Poland. With its regionally targeted product range and specially tailored customer assistance, "MAKRO Punkt" is designed in particular for independent food retailers in the area. On a selling space of about 1,500 square metres, the store primarily offers dairy products, fruit, vegetables, beverages and tinned goods. About 2,000 food products are always on sale. Approximately 50 nonfood products and up to 100 seasonal articles round out the assortment. Customers can use the store's own loading ramp to quickly and easily place their purchases into their vehicles. At the end of 2010, 4 "MAKRO Punkt" stores existed in Poland.

In downtown Shanghai, China, Metro Cash & Carry is also testing a new format: "METRO for HORECA". The product range of the 2,100 square-metre store is exclusively designed to meet the needs of hotels, restaurants and caterers. The central downtown location, which ensures short trips, attracts new customers in particular.

In October 2010, Metro Cash & Carry opened the first store based on the so-called Genesis concept in Hyderabad, India. This means that the location has an area of just 5,000 square metres of which at least 75 percent classify as selling space. The assortment is reduced to a core range that is generally in high demand among professional customers in the region. A key element of this concept is the 400-square-metre "Mandi" ("marketplace" in Hindi), where customers can buy fruit and vegetables.

In other countries as well, Metro Cash & Carry is intensely working to optimise deliveries and to expand sales concepts in a customer-focused manner. In 2009, for instance, the company introduced the "Metro Drive" concept in France. The goal is to tap new trading areas, that is to reach professional customers without a wholesale store in their vicinity. The professional customers order their products as usual and can pick them up 48 hours later at one of the local drive-in stores. During the reporting year, Metro Cash & Carry opened 11 new "Metro Drive" stores in France, increasing the total to 14. In Germany, C+C Schaper began to employ this concept in 2010. The first 2 C+C Schaper drive-in stores were opened in Singen and Lahr in July, followed by another one in Garmisch-Partenkirchen, Germany. Customers can go to the stations to pick up their previously ordered, packaged products. With this concept, Metro Cash & Carry is focusing on business opportunities outside metropolitan areas and is strengthening its leading role in the self-service wholesale segment.

Expanded business model: success concept delivery

Shape 2012 moves customers closer to centre stage. This is demonstrated by a number of measures that Metro Cash & Carry has already developed and put into place. Milestones include the delivery service that the company set up in Germany in 2009. During the reporting year, Metro Cash & Carry expanded the model to cover 27 countries. Around the world, more than 3,600 employees worked to process customer orders, package products and then deliver them. By expanding its business model, the cash & carry company is adding new customers and improving the service it provides to its current list of customers. In taking this approach, Metro Cash & Carry is primarily focusing on hotel and restaurant owners as well as catering companies. About 50,000 professional customers are already taking advantage of the service. During the reporting year, the company generated like-for-like sales of more than €800 million with the service. Metro Cash & Carry is also continuously fine-tuning the concept: to increase the efficiency of the process, the company opened its first regional delivery depot in Weiterstadt, a city near Frankfurt am Main in southern Germany in November 2010. The logistics hub centrally combines the delivery processes at a single location and supplies all customers in the Rhine-Main region.

Efficient fresh fish logistics: optimised routes and processes 407

In 2010, Metro Cash & Carry began to take new approaches in fresh fish logistics. With its logistics centre for fish, which is operated by MGL METRO GROUP Logistics in Gross-Gerau, a town located near Frankfurt International Airport, the company is bundling logistics processes at one location. Because time- and cost-intensive intermediate steps are eliminated as a result, delivery times are significantly shorter. Within 48 hours of being caught, nearly all fish varieties are available in the wholesale stores for customers. The logistics location is also setting standards in terms of sustainability: the fish logistics centre and its processes have received the "Deutsches Gütesiegel Nachhaltiges Bauen" (German Seal of Sustainable Construction Practices).

Continued internationalisation: market entry in Egypt

Metro Cash & Carry does business in 30 countries on three continents. The business conditions it faces are very diverse. While the retail structures are completely in place in Western European stores, Eastern European, Asian and African countries are in various stages of development. In 2010, Metro Cash & Carry opened its first 2 wholesale markets in Egypt. Although the stores were affected by the unrest in January 2011, the sales division remains fundamentally committed to its investments in this country. 4 new stores were set up in Kazakhstan where Metro Cash & Carry now operates 5 stores. The new wholesale markets opened around the world during the reporting year totalled 38, 16 of which alone are in Asia/Africa. In November 2010, the company took the decision to sell its activities in Morocco. The reason: Metro Cash & Carry saw no long-range expansion and growth opportunities for the specific cash & carry concept.

New structure: foundation for future growth

As part of Shape 2012, METRO GROUP further decentralised decision-making competencies for the operating business of Metro Cash & Carry during the reporting year to lay the foundations for faster expansion. The basis is a new company structure: Metro Cash & Carry has been broken down into the two business units of Europe/MENA (Middle East and northern Africa) as well as Asia/CIS (Commonwealth of Independent States)/New Markets. This structure addresses the diverse needs of the regional markets and reflects the sales division's key position within the entire Group. In strategic terms, the business unit Europe/MENA focuses, in particular, on expanding its own brands, continuing to develop the delivery business and strengthening external sales, that is on-site assistance for professional customers. By contrast, the business unit Asia/CIS/New Markets focuses on an international expansion of the wholesale business in order to profit to a greater extent from the growth momentum in these regions.

Real

The Real sales division operates 429 hypermarkets in Germany, Poland, Romania, Russia, Ukraine and Turkey. In stores with up to 15,000 square metres of selling space, customers can find every type of product they need in their daily lives – at a single location and at attractive prices. In this way, the sales division keeps the promise made by its advertising slogan: "One store, you won't need more!" Real generates three-quarters of its sales with food items. One special feature of the product range is high-quality fresh foods, including fruit, vegetables, meat, sausage, fish and cheese. Real also offers a wide range of nonfood items, including electronic products, household goods and textiles. Up to 80,000 different products are available in every Real hypermarket. Since 2008, the sales division has been pressing forward with its realignment to sustainably increase profitability. For this purpose, costs and structures were modified, the sales network was optimised and the Real brand profile was raised during the reporting year.

An edge on competitors

The long-term success of Real is based on the highest level of customer orientation. This involves the selection of products, just as it does quality and freshness, prices, product displays and services. Among other steps, Real is systematically expanding its expertise in the area of fresh foods because the related product groups have a high priority among the sales division's customers: meat, sausage, cheese, fruit and vegetables. In this area, Real is committed to creating the best image in Germany. The latest results of the customer barometer – an annual telephone survey of consumers – demonstrated that the sales division was able to further improve its recognition level. The indexes for global satisfaction of customers and the service features of the sales division showed improvements over previous years' levels.

During the reporting year, Real expanded its programme for improved customer orientation throughout the entire company. The head office departments now increasingly view themselves as service providers for their customers: the company's hypermarkets.

Further increase in the share of own-brand products

With the own brands "real,- QUALITY", "real,- BIO" and "real,- SELECTION", the sales division offers its customers an alternative to traditional brand products in medium to upper price ranges that is both reasonably priced and of equal quality. With "TiP", Real also offers one of Germany's most well-known private labels in the budget-price segment. In 2010, Real offered approximately 3,000 own-brand products in its assortment – a significant increase over the previous year. The products that Real sells under its own name help to further raise the brand's profile. In addition, the sales division can further increase its gross earnings because the margins for own-brand products are better than they are with traditional brand products. Over the medium term, Real intends to generate up to 25 percent of food sales with own-brand products.

Optimisation of the sales network

A critically important component of Real's new positioning is the modernisation of its business locations. Real is planning to add around 2,000 concept modules to the hypermarkets in Germany. These are product groups that are displayed in a pooled and uniform manner. The concepts at Real include "Der Meistermetzger" (The Master Butcher) which has already been implemented in many stores. The key elements of this concept are a contemporary, appealing display of sliced meat products, friendlier colours, decorations for the service counter and assortment optimisation. The Master Butcher primarily offers products from regional providers in order to reduce transport distances. Surveys have found that customers want local and fresh products, in particular. By the end of 2010, Real had introduced two-thirds of the planned concept modules. As part of this effort, 2 hypermarkets underwent extensive modifications: the locations in Karlsruhe and Wiesbaden now serve as models of an appealing, emotional shopping atmosphere. The product range is highlighted by freshly prepared, hand-crafted food items – including bread and rolls or meat products prepared in-house – as well as a large selection of nonfood items.

Pilot project for increased entrepreneurship

In July 2010, Real launched a pilot project called "Entrepreneurship at the Local Level". The aim of this project is to expand the scope of action of store managers. Within a defined period, they can autonomously take decisions about the product range, prices, product placement, advertising, processes and personnel. As a result of this approach, central instructions can be modified in a better manner to meet local needs. The 3 locations Rostock, Hameln and Flensburg are taking part in the pilot project. The sales and earnings development of these hypermarkets are being constantly monitored to measure the programme's success. Should this approach pay off, Real will consider introducing the measure across Germany.

International profit zone reached

In 2010, Real continued to move ahead with its international expansion in Eastern Europe. The sales division opened one new location in both Russia and Romania. On the other hand, a location in Turkey was transferred to the sales division Metro Cash & Carry. The sales division's international business is characterised by marked growth in sales. As planned, Real reached the profit zone with international sales for the first time during the reporting year.

Sustainability in sales areas

Like all sales divisions and companies at METRO GROUP, Real lives up to its corporate and environmental responsibility. An important element of this is energy and resource management. Thus, Real saved about 21.8 million kilowatt hours of electricity between 2009 and 2010, for example through capital expenditures in such programmes as the energy-focused retrofitting of stores, new fridges in the sales areas, the use of new lighting systems and the optimisation of waste-disposal areas. Carbon dioxide emissions were reduced by 16,060 tons annually, the equivalent of 18,000 single-person households. Overall, investments totalled €8 million.

Strong employee loyalty

To measure employee satisfaction, the highly respected Gallup Institute regularly conducts surveys for Real. These surveys have shown that a significant rise has occurred since 2007 – the year that the new positioning was undertaken. 48 percent of surveyed managers were "very satisfied" in 2010 about their jobs at Real. This is 26 percentage points higher than 2007. 56 percent stated that they had a high emotional commitment to the company, a rise of 39 percentage points compared with 2007. With these results, Real exceeds the average recorded by companies served by Gallup.

New sales channels tapped

Under the keyword "multichannel", Real opened two new sales channels in the reporting year. In May 2010, the sales division began to offer more than 3,500 products in its Internet shop, www.real-onlineshop.de. The assortment primarily includes nonfood products. As a result of its virtual shop, Real is participating in the rising growth rates of online retailing. Between May and December 2010, the sales division processed more than 100,000 orders. The online shop offers the company an opportunity to tap new customer groups and generate additional sales.

In another innovative step, Real opened its first independent drive-in food shop in Germany near Hanover at the beginning of November 2010. At www.real-drive.de, customers can order foods and chemist products, and pick them up two hours later at the drive-in shop. The payment and pickup process takes no more than five minutes, enabling the users of "Real Drive" to save substantial amounts of time when they shop. The concept is initially designed as a pilot project. Following a test phase that will end in the first half of 2011, a decision will be taken about expanding the programme.

Media Markt and Saturn

In terms of sales and employee totals, Media Markt and Saturn is the second-largest sales division at METRO GROUP. The consumer electronics stores of both sales brands are characterised by a low-price guarantee that always ensures the best stationary product range in their region sold at the most favourable prices, a large selection of innovative products, a comprehensive assortment of top brands, the best service and eye-catching, original advertising. Thanks to these features, the sales division has become the No. 1 among consumer electronic stores in Europe. Their success is also based on a systematic dual-brand strategy. Media Markt and Saturn do business as independent companies in the marketplace and compete against each other. A decentralised organisational structure, dedicated staff and entrepreneurial daring form the cornerstones of the company philosophy. They promote the international growth of Media Markt and Saturn in Europe and beyond.

A culture of competition

In acquiring Saturn shops in 1990 and 1993, the later Media-Saturn group of companies took a conscious decision to let both sales brands conduct their operating business independently of each other. For this reason, Media Markt and Saturn each have their own management team. The individual consumer electronics stores are also positioned as independent companies in which the local managing director holds a stake of up to 10 percent. This results in broad decision-making leeway. For example, advertising campaigns, product selection and personnel planning are managed directly from the consumer electronics stores. Staff also have a high degree of independence in the operating business. This increases identification with the company, strengthens motivation and encourages, not least, customer orientation. After all, they are in direct contact with customers and have a first-hand understanding of their needs and local business conditions. The organisational structure of Media Markt and Saturn ensures that employees can react flexibly to them.

"Power service" for the customer

Media Markt and Saturn not only sell household devices and consumer electronics, but also offer the appropriate service for each product: beginning with the low-price guarantee and financing of the purchase, extending to delivery, PC service, assembly and concluding with installation. With the Media Markt and Saturn "Power service", customers can receive a broad range of services at a low fixed price. These include data recovery services, the inspection of built-in units and satellite systems in customers' homes, maintenance packages as well as the installation of technical appliances such as washing machines and computers.

First exclusive brands for the Christmas season 408

During the reporting year, Media Markt and Saturn completed preparations for its exclusive brand strategy. Under this strategy, the sales division will introduce four exclusive brands internationally: "ok." for the budget-priced segment, "KOENIC" for high-quality small and large household appliances, "PEAQ" for consumer electronics and "ISY" for accessories. With these brands, Media Markt and Saturn cover all price segments and all product categories. The sales division is cooperating with well-known brand manufacturers to ensure product quality, focusing initially on the white goods segment – for instance, washing machines and fridges – as well as consumer electronics. In November 2010, right on time for the Christmas season, the products for the exclusive brands "ok." and "KOENIC" went on sale in Germany, Italy, the Netherlands and Austria. The product range will be successively expanded to the other European countries where the sales division does business. "PEAQ" and "ISY" are to follow in 2011.

Strong marketing campaigns 409

Both Media Markt and Saturn are known for their spectacular advertising campaigns and memorable slogans – in Germany and in other countries, too. Media Markt and Saturn advertisements are designed to inform, polarise and attract people. During the reporting year, the sales brands once again launched marketing campaigns that got people's attention. These campaigns included the striking Media Markt advertisements with the German comedian Mario Barth and the slogan "Billiger geht so" (cheaper works like this). Using the slogan "Sternhagelgünstig" (dead-drunk cheap), Saturn used the US rock singer Alice Cooper as its advertising spokesman. In the seasonal business from October to December 2010, it received support from the well-known German pop star Bill Kaulitz of Tokio Hotel. Media Markt and Saturn used the World Cup in June as an occasion for special campaigns. These included a football bet at Media Markt: had Germany won the World Cup, customers would have been repaid the full price for televisions and projectors.

The push to the Far East 410

In Europe, Media Markt and Saturn have already turned their vision into reality: being the No. 1 in consumer electronics retailing. The sales brands already have 877 locations in 17 countries. In 2010, they continued their dynamic expansion. One of the core regions of this drive is Eastern Europe. In October 2010, Saturn opened its first Russian consumer electronics store in the capital of Moscow. Another followed in November 2010 in Voronezh, a city in south-western Russia. In opening these stores, the sales division responded to the growing demand for electronic products in Russia. Media Markt has been doing business there since 2006. Another milestone of the sales division's international expansion is Media Markt's entry into China. In November, the company opened a flagship store in Shanghai. This model store is the second-largest Media Markt in the world with a selling space of 9,500 square metres distributed over five floors. The sales brand intends to have up to 10 consumer electronics stores operating in the Chinese megacity by 2012. Media Markt China was established with a 25 percent stakeholding held by China's Foxconn Technology Group. METRO GROUP and the founding families of Media Markt, Kellerhals and Stiefel, own the remaining 75 Prozent.

Taking new approaches

As part of the multichannel strategy, Media Markt and Saturn is adding other distribution channels to its stationary business model. These include the online shops launched in 2010 in the test markets the Netherlands and Austria that more closely bond the Internet product range and the consumer electronics stores. Purchasing, product pickup and use of services continue to be available locally. Media Markt and Saturn are also using the Internet as a sales channel for digital products. In August, Media Markt became Germany's first stationary retailer to launch a video-on-demand platform. Customers can download movies and television shows and then watch them. Saturn added an application for smartphones to its current music download service. The software "MusicScan" enables users to thumb through Saturn's offerings while they are on the go and to hear portions of songs. In December 2010, the sales division began to test a completely new customer approach with "Media Markt toGo". This is an automated shop for selected products like earphones and recharger cables set up at central locations like train stations and airports. A total of four "Media Markt toGo" locations have been set up at the airports in Düsseldorf, Hamburg and Munich as well as at Munich's main rail station. The total of automated shops is to rise to 11 across Germany by mid–2011. At the beginning of 2011, Saturn will also launch similar automated shops under the name of "Saturn Xpress".

Galeria Kaufhof 411

Employing a forceful brand strategy, Galeria Kaufhof has evolved into a multi-specialist with powerful international product ranges and high-quality own-brand products. The product range focuses in particular on fashion, perfumery and household items. The products and services offered by the sales division can measure up to those of specialist shops and vertical providers – including clothing manufacturers that operate their own stores. Within the retail business, Galeria Kaufhof is positioned as an unmistakable and successful lifestyle brand. Its department stores are generally located in prime downtown locations. In Germany, the sales division does business under the names Galeria Kaufhof and Kaufhof. In Belgium, it is known as Galeria Inno. Its portfolio also includes Sportarena, a sales format that specialises in sporting goods and clothing. The service company Dinea operates the restaurant sections of the department stores.

Dependable and surprising assortments

During the reporting year, Galeria Kaufhof continued to employ its trading-up strategy. The result: the sales division continued to enhance its assortments with international brands and own-brand products in the mid- and upper price ranges and added more attractive lifestyle brands. Galeria Kaufhof also provides new, previously unknown manufacturers with a springboard onto the German market. The sales division generates around 50 percent of its sales with clothing items. This segment requires efficient processes and systems in the department stores, given the speed at which fashion trends shift. At times, the collections change on a monthly basis. Galeria Kaufhof's merchandise management has already reached a high standard designed to meet these challenges. As part of Shape 2012, the sales division has introduced a product lifecycle management system that enables Galeria Kaufhof to show the lifecycle of a product within a consistent IT process – from development and procurement to product delivery, sale and reorder. An important component of the system, price-markdown management allows for the determination of the optimal sale price of a product for any point in time and the appropriate modification of the offerings. This is particularly important for seasonal products subject to cyclical changes.

Local focus of stores 412

Customers generally buy in local terms. Their consumption behaviour is significantly affected by the immediate market environment. For this reason, Galeria Kaufhof increasingly sets up its department stores with local conditions in mind. In order to do this, store teams have a bigger voice in the creation of the product range. Galeria Kaufhof has also optimally designed its marketing concepts and advertising to meet store needs. One example is the assortment: at some stores, Galeria Kaufhof has reduced the range while expanding product areas for which strong local demand exists. The sales division continuously monitors the range of brands at each location and makes modifications when necessary. Another example of the steps being taken to focus on local needs is the new concept of the U.Style Fashion Store that Galeria Kaufhof opened in Munich during the reporting year. It is located in the second basement level of the Galeria Kaufhof located on Munich's Marienplatz, at the same level as the underground station. The U.Style Fashion Store sells street wear, that is, leisure-time clothing for young people, and accessories. It is designed for consumers who are between 15 and 25 years old.

Adding emotion to the brand 413

A department store must approach customers in emotional terms. The customers of Galeria Kaufhof want inspiration for their lifestyles. Stores, assortments and services are designed to keep the brand promise "We offer lifestyle worlds". An important component of this effort is the partnership with the star designer Wolfgang Joop that Galeria Kaufhof initiated during the reporting year. A cre-ative team, made up of employees from marketing, procurement and sales at Galeria Kaufhof, worked with Wolfgang Joop to develop new concepts that speak to customers on an emotional level. The TV commercials that Galeria Kaufhof used during the Christmas season of 2010 employed this emotional approach as well: using the slogan "Presents that make you happy", the spots focused on the feelings that the giving and receiving of gifts trigger in people.

Future-focused positioning

In order to profitably operate the department stores on a long-term basis, Galeria Kaufhof regularly analyses market conditions and the stores' business environment. Drawing on these analyses, the sales division optimised its store portfolio in 2010 and modified it more systematically to meet local market and customer needs. Subsequent earnings developments show that Galeria Kaufhof's efforts have produced positive effects. In the reporting year, stores in Krefeld am Ostwall, Ludwigshafen and Mülheim an der Ruhr were closed after their leases expired. The store in Leipzig-Paunsdorf was closed at the beginning of 2011. These stores offered little long-term potential for profitability.

At Galeria Kaufhof, employees in all functional areas are developing steps designed to further improve internal processes and systems in terms of customer orientation. The stores' increased local focus is a critical aspect of this work, and this area will be given a higher priority in future years. The company will continue to apply its multichannel approach and to expand its e-commerce business. In addition to an expanded offering of durable goods, for example homeware, toys and jewellery, the sales division will also sell textile items on the Internet – always closely associated with the department stores' business.

Real Estate 414

With 688 retail locations in 30 countries, the real estate holdings of METRO GROUP represent the world's most international wholesale and retail portfolio. METRO Group Asset Management is charged with overseeing the real estate activities of the Group and its sales divisions. It implements a future-focused concept: active and value-enhancing portfolio management of real estate properties, visionary development, the construction and management of shopping centres as well as customised facility services and expert energy management. In the process, economic efficiency and environmental sustainability are united. The aim is to secure the portfolio over the long term and to continuously add value. METRO GROUP reports real estate as an independent segment in order to better underscore its value contribution. During the reporting year, METRO Group Asset Management expanded its services – which had generally been used within the Group in the past – and successfully introduced them onto the marketplace.

Decentralised organisational structure

METRO Group Asset Management is positioned as an autonomous profit centre. It assumed a decentralised structure on 1 December 2010 to create a closer bond with the operating business of the sales divisions. For this purpose, real estate management was broken down into seven regions: Germany, Poland, Turkey, Western Europe, CIS (Commonwealth of Independent States) and Asia. The regional managing directors act as contact persons for the sales divisions. For its previous functional business areas, including centre management and project development, METRO Group Asset Management has appointed officers who will ensure that internationally uniform processes are employed. In Germany, energy procurement at METRO GROUP is also bundled in the company, resulting in positive volume effects.

Growing portfolio

The employees of the business unit regularly evaluate and analyse all global and local markets, locations and property as a basis for value-enhancing real estate management. They develop a portfolio strategy on the basis of this assessment, create innovative and lucrative formats, and work out guidelines and targets for the individual locations and properties. The aim is to achieve systematic and long-term gains in revenue and value. In this work, METRO Group Asset Management optimally uses investment cycles. For instance, real estate is sold when a market is saturated. Profitable acquisitions are made in those markets where real estate prices have long-term growth potential. In a reflection of this approach, a large amount of real estate assets at Metro Cash & Carry Italy was successfully placed on the market for the first time in 2010 as part of a funds transaction. Overall, six international investors were involved in the acquisition of 20 Metro Cash & Carry Italy properties, which amounted to roughly half of the local location portfolio. METRO Group Asset Management has offices in Düsseldorf, Saarbrücken, Warsaw, Istanbul, Moscow, Paris, Singapore and Budapest.

New contracts in centre management

With 70 shopping centres and centre locations as well as more than 3,000 tenants in Germany, Poland and Turkey, METRO Group Asset Management is one of the leading centre management companies in Europe. An understanding of local markets and cost-efficient activities are key factors behind its success. During the reporting year, the business division stepped up its activities in the segment of international shopping centres. In Poland, it has been managing five additional locations since 2010 and has become the market leader there. The new shopping centre locations include Magnolia Park in Wrocław – with about 74,400 square metres, it is one of the largest shopping, leisure and entertainment centres in Poland.

Experts for project development and construction management

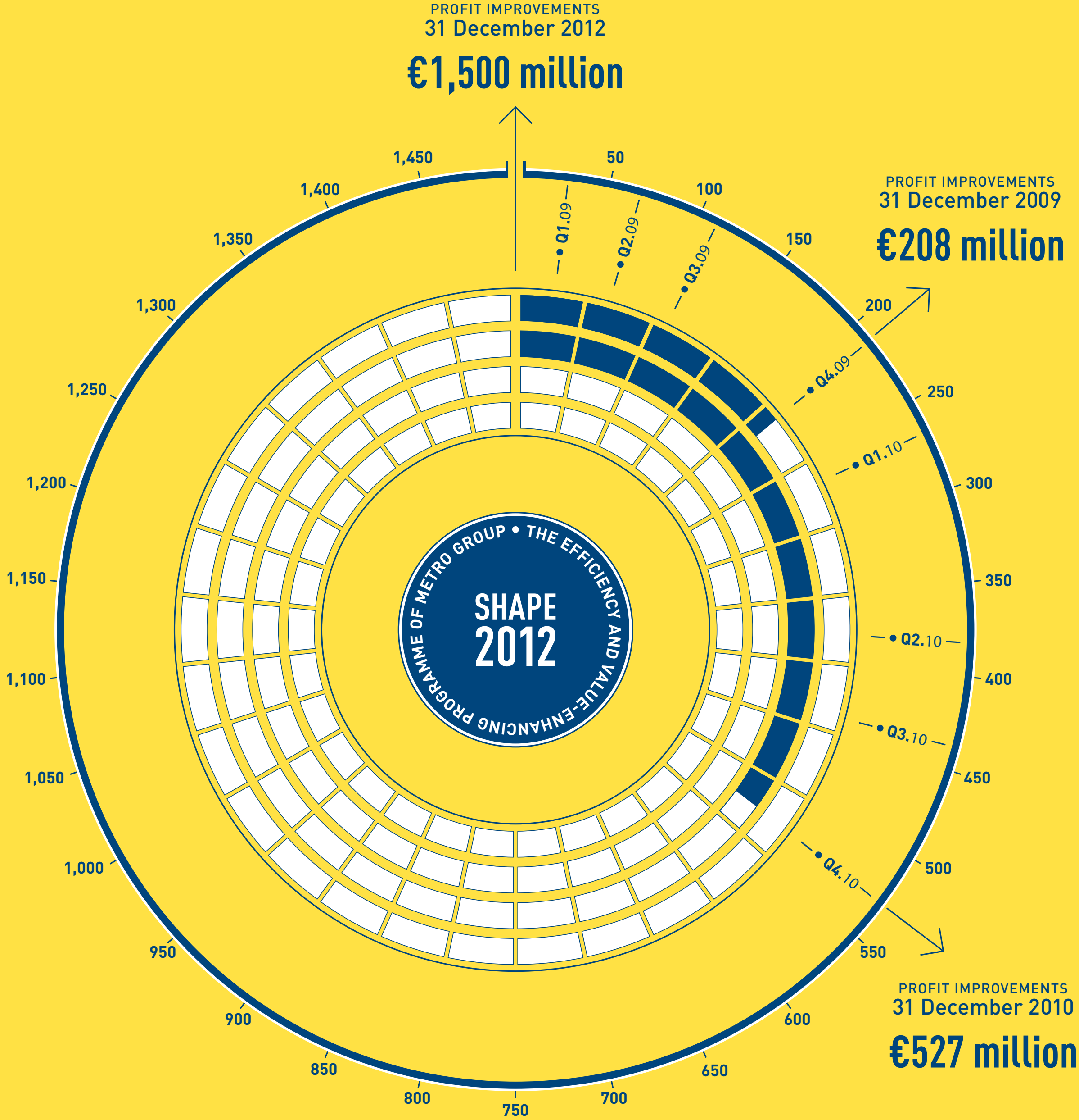
For new buildings, modernisations, reconstruction or expansions – METRO Group Asset Management offers turnkey solutions for all demands in retailing real estate. A team of project developers, architects and engineers works closely with the sales divisions as well as with investors and managers of shopping centres. The aim is to meet individual location- and country-specific requirements.

New structure for facility services

METRO Group Asset Management oversees infrastructure, commercial and technical facility management services for its centre locations and on behalf of sales divisions. The business unit responsible for this area was reorganised during the reporting year. In the process, responsibilities were transferred to the sales divisions in Germany. Outside Germany, particularly in Eastern Europe, the business unit also provides facility management services to external customers.

Energy efficiency as a job of the future

For METRO GROUP, the energy-related optimisation of its 2,131 locations is a long-range, strategic undertaking. By taking this approach, the Group can respond to continuously rising energy prices and achieve its goals to reduce its environmental impact. Working with its partners, METRO Group Asset Management develops concepts that enable METRO GROUP to lower its energy consumption and carbon dioxide emissions – by taking such steps as using alternative energies and renewable electricity production. The METRO GROUP Energy Management System (MEMS) provides a basis for this concept by centrally and uniformly recording global energy consumption. In 2010, significant steps were taken to expand the system. The monitoring of energy-intensive refrigeration, ventilation and lighting systems for more than 800 locations of METRO GROUP is already done, including in Germany, Poland and Austria. As a result of this analysis, METRO GROUP is able to plan the necessary refurbishment activities and trendsetting technical system concepts and, thus, can take an extensive number of energy-saving steps.


PROFIT IMPROVEMENTS
31 December 2012
€1,500 million
PROFIT IMPROVEMENTS
31 December 2009
€208 million
PROFIT IMPROVEMENTS
31 December 2010
€527 million
Q1.09
Q2.09
Q3.09
Q4.09
Q1.10
Q2.10
Q3.10
Q4.10
50
100
150
200
250
300
350
400
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1,000
1,050
1,100
1,150
1,200
1,250
1,300
1,350
1,400
1,450
SHAPE 2012
THE EFFICIENCY AND VALUE-ENHANCING PROGRAMME OF METRO GROUP

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SHAPE 2012

As an international retail and wholesale company that does business in 33 countries, METRO GROUP faces an array of challenges. In recent years, gross domestic product has been weak, particularly in the mature markets of Western Europe – resulting in a stagnation of available income, among other things. To achieve growth under these conditions, retail and wholesale companies are increasingly competing for customers' favour. For us, this means establishing and strengthening cooperative customer relationships. In capital markets, we also measure ourselves against strong, highly profitable international competitors. Finally, requirements regarding compliance and the Group's financial management have increased further in recent years.

Basis for sustainable value creation

With the efficiency and value-enhancing programme Shape 2012 that we introduced in January 2009, we are facing up to the challenges and are creating a basis for long-term, sustainable value creation. By employing Shape 2012, we intend in particular to further intensify our customer orientation and to increase efficiency throughout the entire Group. The financial target: from 2012 onwards, we are striving for a profit improvement of €1.5 billion compared with 2008. About €800 million of this total will come from cost savings, which will likely show their full impact on earnings beginning in 2011. We will achieve the rest through efficiency measures to boost our sales and margins. These measures include new business models, own brands and products and services that appeal to new customers. In 2009, Shape 2012 contributed €208 million to the earnings of METRO GROUP. This positive trend continued in the reporting year. In 2010 the earnings contribution made by Shape 2012 already totalled €527 million.

Shape 2012 applies to all METRO GROUP companies – in all countries where we do business. This makes it the largest change programme in the Company's history. In the sales divisions, we initiated several change projects at the beginning and integrated them along with existing programmes into Shape 2012. The new or existing programmes of the sales divisions are MCC 2012 at Metro Cash & Carry, Real 2010 at Real, Vision No. 1 at Media Markt and Saturn as well as GALERIA 2012 at Galeria Kaufhof.

Change management and programme structure

With Shape 2012, we have not only set a clear financial target, but are especially striving to change our corporate culture: if we are to systematically focus on our customers' needs and do business in a more efficient manner, we must strengthen our employees' entrepreneurial spirit and our innovative power. The aim is to discover and exploit opportunities, to put new ideas into practice and to strengthen our employees' individual responsibility. The basis of this is a capable organisation that encourages fast decision-making and concentrates on essential fields of activity. For this reason, we set five key areas of action for Shape 2012.

1. New management model for greater market and customer centricity
2. Undivided operational responsibility of the sales divisions
3. Strict organisational structure for finance, compliance and sustainability
4. Real estate portfolio as profit centre
5. Centralised return targets for strict management

To support METRO GROUP's transformation into a new company driven by entrepreneurial spirit, we have also laid down efficient and specific implementation procedures. Acting on its own, each company is initially developing measures capable of achieving the centrally set goals. In defining these measures, the companies will ensure that these programmes will be long term and not just make a one-time contribution to earnings improvement. Each measure is assigned to a person who oversees it. In addition, a detailed goal, earnings total, schedule and work steps are defined and risks are described. The same standards apply in every country where METRO GROUP does business. The progress achieved in each area is tracked and controlled with the help of a uniform IT system available to all business areas. As a result, all possible deviations from the targets can be identified at an early point in time. In our planning, we consider the possibility that individual measures will not have the desired effect or cannot be initially introduced at all. This means one thing: a corresponding buffer is already calculated into the financial planning. This ensures that the greatest possible number of ideas and measures can be developed, discussed and tested within the framework of Shape 2012. We put the best of them into effect.

Far-reaching change

The efficiency and value-enhancing programme Shape 2012 is broken down into two phases that partially run parallel to each other. First, we are optimising the Group's organisational structure with the goal of making the entire Company more agile, more efficient and more customer-focused. Second, we are introducing programmes that enable costs to be cut and sales and margins to be improved during the transformation phase.

Continuation of the reorganisation

In 2009, we carried out fundamental changes in METRO GROUP's organisational structure, taking such steps as transferring responsibility for procurement and logistics back to the sales divisions. In the financial year 2010, we made additional adjustments:

→ As at 1 March 2010, Metro Cash & Carry was organised into two business units: Europe/MENA (Middle East and northern Africa) as well as Asia/CIS (Commonwealth of Independent States)/New Markets. By creating this structure, the sales division underscores its commitment to achieving increased market and customer centricity. In addition, it can better address the various levels of development in the sales markets. After all, every business unit can concentrate more intensely on its strategic focal points. For Europe/MENA, these areas primarily involve the repositioning of the business model to address saturated markets as well as the expansion of own-brand products and the delivery service. The business unit Asia/CIS/New Markets primarily intends to further accelerate its mid-range expansion and improve capital efficiency in the new opening of wholesale stores.

→ As at 1 July 2010, we integrated the managerial and administrative functions of Metro Cash & Carry International and our holding company, METRO AG. In taking this step, we could eliminate the previously overlapping processes and areas of responsibilities. With this new structure, we are facilitating more efficient management and are simultaneously lowering costs.

→ As at 15 September 2010, the functions for information technology (IT) and information management (IM) at METRO AG, Metro Cash & Carry and MGI METRO GROUP Information Technology were integrated into METRO SYSTEMS. The goals associated with this step are to better use the know-how available in countries, to more closely align the necessary processes to the operating business and to speed up the process of bringing IT and IM concepts to market maturity.

→ On 1 December 2010, the business unit METRO Group Asset Management began to use a new, decentralised management structure. Real estate management is now broken down into seven regions and, as a result, intensely focused on the operating business of the local sales division.

For those instances in which organisational changes required personnel adjustments to be made, these adjustments have been implemented through a well-regulated and fair process, which has been coordinated with the employee representatives in line with legal regulations. As far as possible, staff reductions required under Shape 2012 are implemented through normal turnover.

Transformation is having an impact

Since Shape 2012 was launched in 2009, our employees have developed about 7,500 measures that will enable costs to be cut or sales and margins to be improved – 1,500 of them in 2010 alone. Among other things, this is an indication that our sales divisions further intensified their work to develop measures. Examples of this approach include organising innovation workshops with employees, initiating customer forums, surveying focus groups, carrying out internal idea competitions and strengthening the dialogue about experiences within the Group.

In the financial year 2010, we set the goal of testing the measures and implementing them on a broad basis. The breakdown of the achieved earnings improvement developed as expected during the reporting year: the majority of the improvements came from cost reductions. At the same time, numerous measures for an increase in productivity have been initiated or pursued. One point to be considered here is that cost-cutting measures generally have a faster impact than projects to improve sales and margins do.

In 2010, all sales divisions successfully implemented programmes to increase customer orientation. These activities included new product concepts, own-brand products and sales channels. In this connection, the sales divisions regularly keep track of their customers' shopping patterns and satisfaction. The measurement criteria include the number of visits, the average value of purchases and the number of customers. The pacesetter of the customer-centric approach is the Real sales division: it restructured its customer segments on the basis of available data from customer loyalty programmes – supported with market research information, focus group analysis and data from the German market research group GfK. Drawing on this basis, Real can take such steps as fine-tune its product range, product displays, prices and marketing campaigns to exactly meet the needs of particular customer groups. Surveys show that the sales division has achieved a significant improvement in the overall level of customer satisfaction by taking this approach.

Changes in programme management

At the beginning of 2010, we carried out our plan to define the focal points on which the management of Shape 2012 is directed and about which regular reports are made to the Management Board of METRO AG and the responsible programme offices:

→ Customer orientation
→ Procurement
→ Own-brand management
→ New business models
→ Delivery services
→ Processes in stores, outlets and administrative offices
→ Logistics

This focus has proven itself in managing Shape 2012 because it facilitates a specific evaluation of individual focal points. In addition, progress can now be better documented and checked.

We did not just focus further on content. We also optimised programme management by taking individual steps. In the financial year 2010, for instance, we additionally incorporated selected service and functional areas of METRO GROUP into the regular reporting about Shape 2012, including finance, human resources and information management.

In addition, we more closely integrated the management of the measures with the Company strategy and financial reporting in the financial year 2010. We also developed specific steps designed to control measures to increase productivity more explicitly. Another focal point of the work is risk assessment for Shape 2012: should projects not perform as successfully as planned, we can now quickly take countermeasures.

In the financial year 2010, we have also placed a stronger focus on our service companies, such as METRO SYSTEMS and MGL METRO GROUP Logistics; their planned profit improvement contributions within Shape 2012 have been substantiated further. In future, the optimisations will not only be reflected in the service companies' earnings, but will also partly show up as earnings improvements of our sales divisions.

At the end of 2010, the Management Board of METRO AG launched an initiative designed to promote an exchange of experiences within the Company. A key element of this effort are the success stories, which provide detailed descriptions of exemplary programmes and which the Management Board regularly distributes to the Company's executives. The success stories do not just simply discuss the specific steps that lead from the development of an idea to its introduction. They also demonstrate the impact of Shape 2012 and are designed to motivate employees to suggest their own projects.

SUCCESS STORIES

Shape 2012 is driving change

METRO CASH & CARRY – **STRENGTHENING THE SALES FORCE'S PROFESSIONAL SERVICE**

Makro Cash & Carry Spain began to professionalise its sales force in 2008. The aim was for employees to offer better on-site support to professional customers and provide them with bespoke solutions. Drawing on its network of skilled advisers, Makro Cash & Carry planned to position itself as a partner for such customers as hotels, restaurants and caterers. A first step involved eliminating the practice of evaluating customers by the actual sales they produce for the division and considering them instead in terms of their potential. As a result of this approach, members of the sales force could be prepared for their jobs: they were given comprehensive training as well as the sales materials and tools they needed to perform customer analyses. The sales division in Spain also introduced a performance-based remuneration system. The new sales force went to work in 2009. Initial successes were achieved in 2010. Sales and customer frequency generated strong double-digit gains compared with 2009. The objective of better tapping customer potential was reached. The concept is now being applied in other countries where Metro Cash & Carry does business, including Germany, Croatia, Turkey and Vietnam.

REAL – **CUSTOMER-CENTRIC CONCEPTS**

At the beginning of 2008, Real launched a comprehensive repositioning effort. The vision: to establish the sales division as the expert provider of foods with a focus on fresh items and an appealing range of non-food products. To achieve this goal, Real completely reworked all current product concepts. A customer-centric approach proved to be the key success factor. Using opinion surveys, detailed analyses and market research results, Real identified ten core customer groups with different types of shopping patterns. One example is "young, quick cuisine": consumers in this group prefer convenience and frozen products and are prepared to try innovative items. The needs of four particularly important customer segments formed the basis for the development of product concepts – from product selection, the share of own-brand products per product line, pricing and product displays to marketing. This enabled Real to align its range of products even more closely to the needs of its customers. In addition, as part of the reworking of its range of products, the sales division has adjusted its concept modules to the customer structures of the respective stores. Since 2008, Real has been able to introduce more than 2,000 concept modules into its hypermarkets. These concepts have helped to sharpen the brand's profile and increase customer satisfaction. As a result, the new concepts will also directly entail higher sales and improved earnings.

MEDIA MARKT AND SATURN – **CUSTOMER-FOCUSED EXCLUSIVE BRANDS**

The sales division Media Markt and Saturn has developed an exclusive-brand concept for the first time. In terms of price and quality, it focuses completely on customer needs. Media Markt and Saturn can also use their exclusive-brand products to create a competitive edge and to generate higher margins. Four new exclusive brands serve all price segments. Specific packaging concepts reflect the respective brand positioning. "ok." is designed for the budget-priced segment in all product categories and offers solid quality. "KOENIC" is positioned as an exclusive brand for high-quality small and large household

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appliances in the mid-price range for customers who demand high-end products. The exclusive brand "PEAQ" encompasses electronic products like laptops, televisions and hi-fi systems. The products boast technology, design and quality that are comparable to those of top brands, but are more favourably priced. ISY is the exclusive brand for accessories in all product range areas – comparable to traditional brand products in terms of quality and design. To ensure a high standard, Media Markt and Saturn has partnered with highly respected manufacturers of premium brands. Right in time for the Christmas shopping season in 2010, the sales division added about 50 products from "ok." and "KOENIC" to its stores in Germany, Italy, the Netherlands and Austria. The brands "PEAQ" and "ISY" are to follow in 2011. The products will be gradually introduced to all countries where Media Markt and Saturn does business.

GALERIA KAUFHOF – **NET WORKING CAPITAL**

Comparative international studies have shown that net working capital offers tremendous potential for increasing margins in the retail business. Galeria Kaufhof's goal is to clearly improve its net working capital. Old stock is systematically reduced through clearance sales. The proportion of new, debt-financed products on the sales floor can be increased. By taking this approach, the sales division intends to make its product range much more attractive for customers by regularly changing textile collections, in particular. At the same time, capital employed can be reduced. In a first step, Galeria Kaufhof optimised its planning processes and prepared a requirement profile for the assortment on the basis of sales figures and the availability of selling space. Drawing on this information, the sales division was able to introduce an automated product disposition system that is based on the actual need of stores. Prices are coupled to predefined time frames, with products scheduled to have been sold at the end of these periods. If a product remains in the assortment for a longer period of time, the price can be automatically reduced on the basis of the customer structure. Reduced warehouse capacities also promote further optimisation. By carrying out this project, Galeria Kaufhof was able to reduce its share of old stock by more than 50 percent compared with the level of 2007.

REAL ESTATE – **DEVELOPMENT OF THIRD-PARTY BUSINESS**

METRO Group Asset Management launched the project "development of third-party business" in 2009. The objective was to offer the business unit's comprehensive range of services to shopping centre operators who previously had no relationship with METRO GROUP. As a first step, METRO Group Asset Management used a survey to identify potential customers and their needs and set up a database. Using this as a basis, the business unit developed a targeted marketing campaign that raised the level of its name recognition and outlined its service range and know-how. In April 2010, the foreign subsidiary in Poland signed up its first major customer: a shopping centre with a total space of about 70,000 square metres and 230 tenants, owned by an investment fund. Another two shopping centres with total space of 64,000 square metres and 87 tenants followed at the start of 2011. METRO Group Asset Management has taken over such tasks as accounting, lease management, leasing and supervision of construction. The business unit in Poland had gained two other customers by the end of 2010. METRO Group Asset Management is handling complete shopping centre management for them. In this way, the business unit can both increase its profitability and demonstrate that its service range and prices reflect market needs.

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METRO GROUP 2010

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METRO SHARES

International stock markets showed divergent performance during the reporting year. At the start of 2010, markets dropped broadly. Capital markets' focus shifted to sovereign debt concerns in Europe, resulting in temporary turmoil on international financial markets. The Metro share also was not immune to these developments.

The economic outlook improved in March, fuelling a significant stock market recovery. The rally, however, proved short-lived. At the end of April, the financial crisis in Greece raised fresh concerns among investors. Markets moved sideways during the following months. Germany's strong economic momentum buoyed stock markets in autumn. The METRO AG share, in particular, profited from the improved macroeconomic outlook and, above all, the upturn in consumption. The fourth quarter of 2010 was marked by a distinct rise. The upward revision of the Company's earnings guidance and improving economic prospects in many parts of the world buttressed market sentiment. Accordingly, most analysts raised their share price targets. In addition, the visible successes and future potential of the efficiency and value-enhancing programme Shape 2012 caused analysts to raise their earnings estimates for 2011 and 2012.

Added to this were positive news from export-orientated sectors such as the automotive industry and the mechanical engineering sector. As a result, stock markets rallied broadly well into December. Shortly before Christmas, the German DAX stock market index recorded its year's high and its highest level since June 2008 at 7,078 points. The DAX closed the year 2010 with a gain of 16.1 percent.

The METRO AG share underperformed the Dow Jones Euro Stoxx Retail index, which includes continental Europe's eleven major retail groups, until the end of October. This trend was reversed in November after the Group released its financial figures for the first nine months and the third quarter of 2010: at the end of the year, the Metro share clearly outperformed its reference index. While the Dow Jones Euro Stoxx Retail index gained 13.7 percent, the Metro share rose by 26.6 percent.

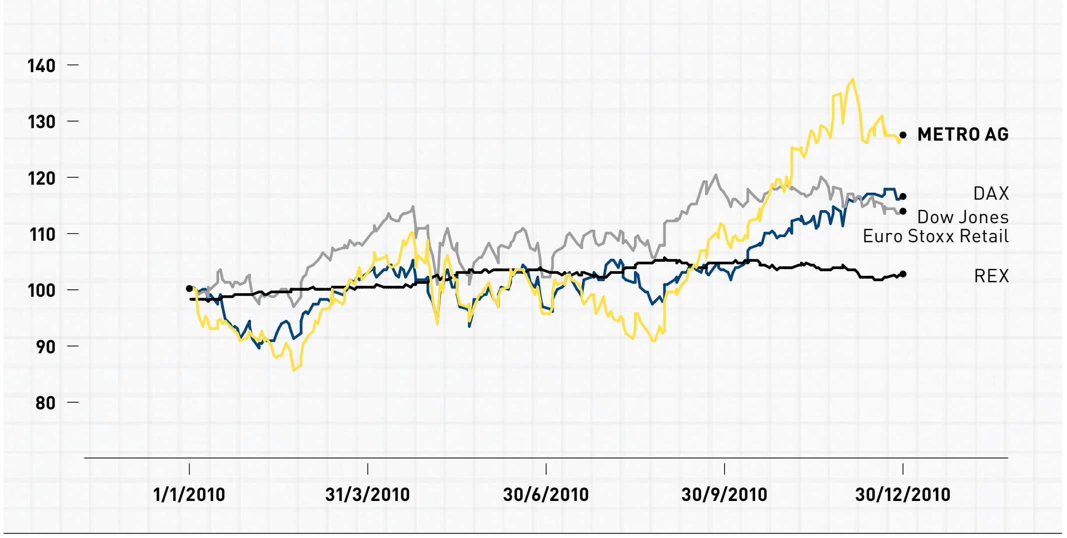
The Metro share markedly outperformed German government bonds in 2010. The German REX bond index, a proxy of the market for German government bonds with fixed coupons and remaining terms of between 0.5 and 10.5 years, rose by 4.0 percent.

Shareholder structure of METRO AG 507

The shareholders Haniel, Schmidt-Ruthenbeck and Beisheim are the major shareholders of METRO AG. According to the information available to METRO AG, they held 59.98 percent of the voting rights at the end of 2010.

The shareholder groups Haniel and Schmidt-Ruthenbeck are the Group's major shareholders. According to notifications of voting rights pursuant to the German Securities Trading Act (WpHG), they hold 50.01 percent of the voting

Market trend of Metro shares (%)



Performance comparison of Metro ordinary share in 2010 vs DAX vs Dow Jones Euro Stoxx Retail vs REX

METRO GROUP	DAX	Dow Jones Euro Stoxx Retail	REX
26.6%	16.1%	13.7%	4.0%

Source: Bloomberg

Metro shares 2008–2010 (€)

		2010	2009	2008
Annual closing price	Ordinary share	53.88	42.57	28.57
	Preference share	36.09	35.00	29.00
Annual high	Ordinary share	58.53	43.50	57.51
	Preference share	40.89	37.50	46.00
Annual low	Ordinary share	37.28	20.07	17.67
	Preference share	32.00	21.90	19.00
Cash dividend	Ordinary share	1.35[1]	1.18	1.18
	Preference share	1.485[1]	1.298	1.298
Dividend yield based on closing price for the year (%)	Ordinary share	2.5[1]	2.8	4.1
	Preference share	4.1[1]	3.7	4.5
Market capitalisation (€ billion)		17.6	13.9	9.3

[1] Subject to the resolution of the Annual General Meeting
Data based on XETRA closing prices
Source: Bloomberg

Information about the Metro shares

	Ordinary share	Preference share
Code number	725 750	725 753
ISIN code	DE 000 725 750 3	DE 000 725 753 7
Reuters code	MEOG.DE	MEOG_p.DE
Bloomberg code	MEO GR	MEO3 GR
Number of shares	324,109,563	2,677,966

rights together. The Beisheim shareholder group holds according to notifications of voting rights 9.97 percent of the voting rights. The remaining 40.02 percent free-float share is divided among a large number of national and international investors.

Notifications from fund management firms and other data sources indicate that German investors account for the largest single share, followed by British and North American investors. In addition, METRO AG's shareholder base includes an estimated 60,000 private investors.

Market capitalisation and index inclusion 508 + 509

METRO AG's market capitalisation continued to increase compared with the previous year. At the end of December 2010, it stood at €17.6 billion.

As one of Germany's largest companies, METRO AG is a member of the German DAX stock market index. In terms of index-relevant market capitalisation and stock market turnover, METRO AG ranked 25th at the end of the year. The trading volume of the Metro share remained below the previous year's level in 2010. On an average trading day, 1.0 million ordinary shares of METRO AG were traded compared with 1.1 million a year earlier.

METRO GROUP's prominent position in national and international capital markets is reflected in the membership of the Metro share in major indices, including the Dow Jones Euro Stoxx and the corresponding sector index Dow Jones Euro Stoxx Retail. The Metro share is also listed in the Morgan Stanley Capital International (MSCI) Euro Index.

In addition, the Metro share is included in the DAXglobal Sarasin Sustainability Germany Index and the Dow Jones Sustainability World Index. Here, METRO GROUP improved its performance in the three dimensions of economic, environmental and social sustainability in comparison to the previous year.

Dividend 510

METRO GROUP wants its shareholders to participate in its positive earnings developments and the results of the efficiency and value-enhancing programme Shape 2012. At the Annual General Meeting on 6 May 2011, the Management Board and the Supervisory Board will therefore propose an increased dividend of €1.35 per ordinary share and €1.485 per preference share for the financial year 2010. This would correspond to a dividend yield of 2.5 percent on the closing share price for 2010 of €53.88 for the Metro ordinary share. Based on earnings per share from continued operations before special items of €3.12, the payout ratio would amount to 43.3 percent.

Dividend yield 2005–2010

2010	2009	2008	2007	2006	2005
2.5%	2.8%	4.1%	2.1%	2.3%	2.5%

Payout ratio 2005–2010

2010	2009	2008	2007	2006	2005
43.3%	56.2%	38.7%	45.2%	42.4%	41.3%

Successful investor relations 511 + 512

METRO GROUP places great value on its dialogue with shareholders, potential investors and analysts. In a volatile market environment, we continued our intense communication with capital market participants. We consider our investor relations work as an important and integral component of our strategy based on the belief that transparency, reliability and trust are the key drivers of value creation.

The year's capital market communication work kicked off in January 2010 with the release of sales results for 2009. In March 2010, the Management Board of METRO AG reported on business developments in 2009 and presented the Group's annual report at the analysts' and investor conference in Düsseldorf. Business developments during the year were reported through interim financial reports. Conference calls with the Management Board rounded out the dissemination of relevant corporate news. Documentation of all events is available on the Internet.

The Analysts and Investor Day in Munich marked a highlight of the Group's investor relations work. The agenda included tours of Metro Cash & Carry and Media Markt as well as comprehensive information regarding the strategy of the two sales divisions. Measures to improve Metro Cash & Carry's German business activities were presented to the participants. At Media Markt and Saturn, the focus was on future expansion plans: key topics included new business models and Media Markt's market entry in China.

In 2010, METRO GROUP continued its direct dialogue with shareholders, potential investors and analysts through presentations in key financial markets in Europe, the United States and Asia. A total of 14 conferences and 34 road show days in 13 countries as well as a large number of talks and store tours at METRO AG's headquarters in Düsseldorf supported the Group's capital market communication. All in all, the investor relations team conducted a considerable number of one-on-one and group meetings in 2010.

The Metro share attracted much interest again in 2010. The Company is covered by about 40 analysts from all highly respected national and international banks. METRO GROUP regularly reports the respective recommendations and share price targets on its investor relations pages on the Internet. At the end of 2010, 50 percent of analysts recommended the Metro share as a "buy" (previous year: 33 percent); 38 percent (previous year: 31 percent) rated it "hold" and only 12 percent (previous year: 36 percent) gave it a "sell" rating. The median value of share price targets amounted to €58 compared with €40 in 2009.

Aside from institutional investors, private investors represent a key shareholder group. METRO GROUP's Internet pages offer comprehensive insights into the Company's business development and long-term strategic perspectives, including a wealth of information and publications. In addition, the Investor Relations department fosters a regular dialogue with private investors, answering numerous queries during the reporting period. The dialogue with private shareholders also includes on-site events such as the Annual General Meeting, shareholder days and stock market days. For example, METRO GROUP presented itself to nearly 3,500 visitors at the Cologne Stock Market Day in November 2010.

The principle of sustainability is not only part of METRO GROUP's corporate strategy – it is also gaining importance among institutional and private investors. In cooperation with the sustainability experts of the Group's Sustainability and Environment department, the Investor Relations department explains METRO GROUP's sustainability strategy and answers related questions.

In 2010, METRO GROUP again received several awards for its investor relations work. For example, METRO AG ranked first in the retail sector in Thomson Reuters' highly regarded "Extel Pan-European Survey" – both in the individual and the team assessment.

For the seventh time in a row, the international business magazine "Institutional Investor" presented METRO GROUP with the award for the "best investor relations work in the European retail industry". METRO GROUP received yet another award in Frankfurt on 16 June 2010: first place in the DAX category for the renowned investor relations award of the business magazine "Capital", which evaluates listed companies' capital market communication. In addition, METRO GROUP received several other honours, including recognition in studies of external institutes for its Internet site and its comprehensive and detailed information provision.

METRO GROUP regards these various awards as an endorsement of its investor relations work. Comprehensive and transparent communication with the capital markets is indispensable and should be a given – irrespective of the current market mood or the performance of the Metro share.

METRO GROUP 2010

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REPORT OF THE SUPERVISORY BOARD

Prof. Dr Jürgen Kluge
CHAIRMAN OF THE SUPERVISORY BOARD

Dear shareholders,

METRO GROUP can look back on a successful financial year 2010. The Group's sales climbed by 2.6 percent to €67.3 billion. EBIT before special items rose by 19.3 percent to €2.4 billion. The Management Board laid one of the cornerstones for this success when it introduced the efficiency and value-enhancing programme Shape 2012 at the beginning of 2009. This programme formed the foundation from which METRO GROUP could rapidly accelerate its international expansion strategy. In the financial year 2010, the Company opened 100 stores in 25 countries. It opened 80 in 2009.

The Supervisory Board closely monitored the progress of the efficiency and value-enhancing programme in the financial year 2010. The productivity gains produced by Shape 2012 and the dynamic expansion are designed to further fuel the Group's profitable growth. For this reason, the Supervisory Board focused on the question concerning which approaches were necessary in order to optimally exploit the opportunities created by the success of Shape 2012. The Group's strategy and innovations were the central aspects of many discussions held with the Management Board.

In 2010, the employees of METRO GROUP did more than carry out strategic concepts. As part of Shape 2012, they also contributed to the Company's success by submitting their own ideas. This contribution was characterised not only by a forceful entrepreneurial spirit, but also by an enthusiasm for retailing and a feeling of unity with their METRO GROUP colleagues. The Supervisory Board would like to express its gratitude to all employees for their strong commitment.

Supervision of executives and cooperation with the Management Board

In the financial year 2010, the Supervisory Board also 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

Prof. Dr Jürgen Kluge

CHAIRMAN OF THE SUPERVISORY BOARD

Profile: Prof. Dr Jürgen Kluge became Chairman of the Supervisory Board of METRO AG in May 2010. Kluge was born in Hagen, Germany, in 1953. He studied physics at the universities of Cologne and Essen, focusing on experimental laser physics. He earned his PhD in 1984 at the University of Essen. In 2004, he became an honorary professor at the department of Mechanical Engineering at the Technical University of Darmstadt. From 1984 to 2009, Kluge worked at McKinsey & Company in Düsseldorf. He served as head of the German branch of the consulting firm from 1999 to 2006. In his final position there, he oversaw the public sector practice. Kluge was also a long-time member of the Shareholder Council, the international leadership group of McKinsey. On 1 January 2010, Kluge became Chairman of the Managing Board and Group HR Manager at Franz Haniel & Cie. GmbH. In this position, he is responsible for group strategy as well as the areas of group corporate development/mergers & acquisitions, human resources, communications and the Corporate Internal Audit department.

management. The Supervisory Board was involved at an early stage in all fundamental 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 included profitability, current business developments, including the position of METRO GROUP, as well as operations of material importance for the profitability and liquidity of the Group. The reports were provided regularly pursuant to § 90 Section 2 of the German Stock Corporation Act. The Management Board explained any deviations in business developments from set plans and objectives and announced appropriate countermeasures.

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 the Management Board as a subject for authorisation. These matters included the sale of the wholesale business in Morocco, the consumer electronics stores in France and an Italian real estate portfolio. Furthermore, the Supervisory Board approved the construction of a shopping centre in Moscow and the long-term retention of Real and Metro Cash & Carry Germany stores. The Supervisory Board also endorsed changes in the division of business responsibilities for the Management Board as well as the budget plans 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.

Between meetings, the Chairman of the Supervisory Board – Franz M. Haniel until 5 May 2010 and then his successor Prof. Dr Jürgen Kluge – were in continuous dialogue with the Chairman of the Management Board. They were kept abreast of important business developments and pending decisions.

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.

Conflicts of interest

The remuneration system for members of the Management Board stipulates that the Supervisory Board may resolve an adjustment for special items for the determination of the performance-based compensation that is based on performance metrics. In the financial year 2010, the Supervisory Board exercised this opportunity. Member of the Supervisory Board Andreas Herwarth abstained from the vote, citing as a reason the Management Board announcement of the intention to also apply the rules laid down for the Management Board to the employees of METRO AG. Mr Herwarth advised the Supervisory Board that as an employee of METRO AG he is indirectly affected by the resolution.

In the financial year 2010, the Management Board asked the Supervisory Board to extend rental contracts of individual Metro Cash & Carry locations in Germany. Indirect shareholders of the lessor are the three major METRO AG shareholders Haniel, Schmidt-Ruthenbeck and Beisheim. Independent of whether or not a conflict of interest existed within this context, the members of the Supervisory Board associated with the major shareholders, Prof. Dr Jürgen Kluge, Prof. Dr Dr h. c. mult. Erich Greipl and Peter Küpfer, explained the background to the Supervisory Board and refrained from participating in the relevant Supervisory Board vote.

Member of the Supervisory Board Peter Stieger acted in a similar manner concerning the extension of rental contracts for Real Germany stores that required approval. Mr Stieger advised the Supervisory Board that he is a concessionaire operating a commercial business housed in one of the hypermarkets impacted by the decision. He refrained in his own accord from participating in the relevant Supervisory Board vote.

Meetings and resolutions of the Supervisory Board

In the financial year 2010, the Supervisory Board met six times with one of these meetings being unscheduled. One resolution of the Supervisory Board was made in a written procedure.

The German Corporate Governance Code recommends that a note be included in this report if a member of the Supervisory Board attended fewer than half of all Supervisory Board meetings in any one financial year. This was not the case. No member of the Supervisory Board attended fewer than half of the meetings.

During each regular meeting, the Supervisory Board held in-depth discussions about business developments at METRO GROUP. In addition, the Chairmen of the Supervisory Board committees regularly reported about topics and results of previous committee meetings.

Key issues covered by Supervisory Board meetings and resolutions in 2010 at a glance

February 2010 – In an extraordinary meeting, the Supervisory Board decided to amicably end the appointment of Mr Zygmunt Mierdorf to the Management Board and as Chief Human Resources Officer. Afterwards, the areas of responsibility for members of the Management Board were modified. The Supervisory Board appointed Dr Eckhard Cordes as the Chief Human Resources Officer.

March 2010 – The Supervisory Board's audit meeting focused on the annual and consolidated financial statements for the financial year 2009, the METRO AG management report for 2009, the Group management report for 2009, the Management Board's proposal for the appropriation of the balance sheet profit at the Annual General Meeting 2010 as well as the Management Board's report about relations with associated companies in 2009. The auditors attended this meeting and gave a report about the key findings of their review. Management Board remuneration was a second scheduled focal point of the meeting. The Supervisory Board reviewed the remuneration system for the Management Board and took a decision about remuneration for 2009 that was based on key performance metrics. At the same time, Management Board remuneration for 2009 was subjected to an appropriateness review – which reached a positive conclusion. Other issues taken up during the meeting were the latest business developments, a change in the organisational structure of the Management Board in connection with structural measures and preparations for the Annual General Meeting 2010, including the report of the Supervisory Board and the corporate governance report. Subject to the election of the auditors by the Annual General Meeting 2010, the audit assignments for the annual and consolidated financial statements for 2010 and for the abbreviated half-year financial statements and interim management report for 2010 were also adopted. During the Supervisory Board's audit meeting, a decision was also taken about contractual matters involving the Management Board, particularly the conclusion of an agreement to terminate the employment contract of Mr Zygmunt Mierdorf. The Management Board also reported about the distribution of donations in the financial year 2009.

May 2010 – At a meeting immediately prior to the start of the Annual General Meeting, the Management Board reported about current business developments. The Supervisory Board took decisions about personnel matters pertaining to the Management Board, particularly the continued appointment of Mr Joël Saveuse to the Management Board as well as his employment contract. As the employment contract of Mr Saveuse does not contain an agreement on a so-called severance-payment cap, the Supervisory Board also approved an updated declaration of compliance pursuant to § 161 of the German Stock Corporation Act. To address instances in which a legal challenge is filed against resolutions of the Annual General Meeting 2010, the Supervisory Board also took a precautionary decision concerning a delegation of authority to a solicitor firm. Subject to his election to the Supervisory Board by the Annual General Meeting 2010, Prof. Dr Jürgen Kluge was chosen as the new Chairman of the Supervisory Board of METRO AG.

June 2010 – In a written procedure, the Supervisory Board approved an increase in the investment budget for 2010.

July 2010 – A key issue addressed during the meeting, which was held in Istanbul, was consultations with the Management Board about the status quo and strategy of METRO GROUP in Turkey. The Supervisory Board also discussed personnel matters involving the Management Board and took the decision to amicably conclude the appointment of Mr Thomas Unger as a member of the Management Board and as the Board's Vice Chairman. In this connection, a decision was also taken concerning the conclusion of an agreement to terminate the employment contract with Mr Unger and a change in the organisational structure of the Management Board. Other resolution issues concerned the determination of a target value for performance-based remuneration of the member of the Management Board Joël Saveuse, the sale of an Italian real estate portfolio, the construction of a shopping centre in Moscow and the authorisation of the Personnel Committee to hire an expert in remuneration issues. The Management Board informed the Supervisory Board about the latest business developments, risk management, Group-wide activities in the area of compliance and new recommendations of the German Corporate Governance Code in its version of 26 May 2010.

October 2010 – The Management Board and Supervisory Board intensely discussed the Group's strategy in a joint meeting. The Supervisory Board approved resolutions governing the further modification of the remuneration system for the Management Board and reviews the status quo of the company pension plan for the Management Board. The Supervisory Board appointed Mr Frans W. H. Muller to the Management Board for an additional three years, that is until 31 July 2014, and also approved a new employment contract with Mr Muller. Furthermore, the Board approved the divestment of the wholesale business in Morocco and approved resolutions to define objectives regarding its composition (Subsection 5.4.1 of the German Corporate Governance Code) as well as to make preparations for the efficiency review 2011 of the Supervisory Board (Subsection 5.6 of the code). The Management Board also reported about the latest business and managerial developments at METRO GROUP.

December 2010 – The Management Board reported about current business developments and the development of own-brand products at METRO GROUP. The Supervisory Board approved the divestment of consumer electronics stores in France, investments designed to ensure the long-range presence of stores for Real and Metro Cash & Carry in Germany as well as the budget planning proposed by the Management Board. Furthermore, the Supervisory Board issued resolutions concerning the issuance of a declaration of compliance pursuant to § 161 of the German Stock Corporation Act and the further design of the company pension plan for members of the Management Board.

Meetings and resolutions of the Supervisory Board committees

In the financial year 2010, the Supervisory Board of METRO AG had five committees: the Presidential Committee, the Personnel Committee, the Accounting and Audit Committee, the Nominations Committee and the Mediation Committee pursuant to § 27 Section 3 of the German Co-determination Act (MitbestG).

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 2010, the committee met seven times: two extraordinary meetings were held in January and February (the latter held jointly with the Presidential Committee) and five regular meetings were held in March, April, July, October and December.

The March 2010 meeting essentially served to prepare the Supervisory Board's balance sheet meeting. The committee reviewed the annual and consolidated financial statements for 2009, the management reports and the report of the Management Board on relations with associated companies. The results of the audit were also discussed in the presence of the auditors. In addition, the Accounting and Audit Committee made concrete recommendations to the Supervisory Board. These included the recommendation that the Supervisory Board approve the Management Board's proposal on the appropriation of the balance sheet profit to the Annual General Meeting. In addition, the Accounting and Audit Committee prepared the assignment of the auditing mandates for the annual and Group financial statements 2010 as well as for the Group's half-year report 2010 by the Supervisory Board. The Management Board reported on Company donations made in the financial year 2009 as well as on the status of tax audits.

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. In addition, the Management Board discussed important events and transactions, even though they did not require the approval of the Supervisory Board. These included an ongoing investigation by the Federal Cartel Office, which the Management Board had already reported on in the 2009 Annual Report. Other topics discussed in the committee included the Management Board's reports on internal monitoring systems, risk management, compliance and internal auditing. The committee's other topics of discussion in the financial year 2010 included the further development of international accounting standards, the corporate governance of METRO GROUP, dependency issues and corporate tax planning. The committee also prepared the Supervisory Board's scheduled decision on the Management Board's budget planning.

Personnel Committee – The Personnel Committee deals primarily with personnel issues concerning the Management Board.

In the financial year 2010, six committee meetings were held: two scheduled meetings in February and October (both held jointly with the Presidential Committee) and four extraordinary meetings in March, April (the latter held jointly with the Presidential Committee) and July.

The work of the Personnel Committee was dominated by preparations for the resolutions of the Supervisory Board regarding the amicable termination of the tenures of Mr Zygmunt Mierdorf and Mr Thomas Unger as members of the Management Board. In addition, the committee discussed the remuneration and the remuneration system for members of the Management Board in great detail. The committee hired an external, independent remuneration expert and made a recommendation to further develop the remuneration system, which the Supervisory Board followed. Additional discussions within the committee included the topics of corporate governance and executive development.

Presidential Committee – The Presidential Committee deals with the corporate and regional strategy, the monitoring of compliance with legal regulations and the application of the German Corporate Governance Code. In consideration of § 107 Section 3 Sentence 3 of the German Stock Corporation Act, the Presidential Committee makes decisions about urgent matters and matters submitted to it by the Supervisory Board.

During the reporting year, the Presidential Committee met four times, including one joint meeting with the Accounting and Audit Committee and three joint meetings with the Personnel Committee. The Management Board informed the Presidential Committee about current developments and transactions and discussed Group strategy with the members of the committee. In addition, the committee discussed the corporate governance of METRO GROUP, including remuneration for members of the Management Board, which is detailed in the annual corporate governance report.

Nominations 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 2010, the Nominations Committee convened once and recommended proposing the election of Prof. Dr Jürgen Kluge to the Supervisory Board of METRO AG at the 2010 Annual General Meeting.

Mediation Committee – The Mediation Committee formulates proposals for the appointment and 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 2010.

Corporate governance

The Management Board and the Supervisory Board report on METRO GROUP's corporate governance in the corporate governance report for 2010.

In 2010, the Management Board and the Supervisory Board of METRO AG issued two declarations 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 (May and December 2010). Both declarations were made permanently available to shareholders on the Internet site www.metrogroup.de and appear in full in the corporate governance report 2010.

Before the Supervisory Board's meeting in March 2010, 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 chairmen of the Supervisory Board and the Accounting and Audit Committee about any possible disqualification or bias issues arising during the audit that cannot be promptly corrected. Until the conclusion of the audit on 28 February 2011, the auditor never reported any disqualification or bias issues to the Supervisory Board. Furthermore, the Supervisory Board never had any reason to believe that there were ever any disqualification or bias issues.

Annual and consolidated financial statements 2010, report on relations with associated companies 2010

The annual financial statements of METRO AG, in consideration of accounting, for the financial year 2010 that were submitted by the Management Board pursuant to regulations laid down in the German Commercial Code, the METRO AG management report for 2010, the consolidated financial statements 2010 compiled by METRO AG according to International Financial Reporting Standards (IFRS) and the Group's management report 2010 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 2010, the management report of METRO AG and the Group's management report for the financial year 2010 as well as the Management Board's proposal to the Annual General Meeting 2011 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 on 15 March 2011. 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 in the absence of the Management Board. The auditor did not report any material weaknesses of the internal monitoring and risk management system with regard to the accounting process. The auditor also provided information on services rendered in addition to auditing services. According to the information provided, no disqualification or bias issues arose. 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 has endorsed the annual financial statements made by the Management

Board. As a result, the annual financial statements of METRO AG 2010 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 interest in 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 2010. 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 Supervisory Board held on 15 March 2011. 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 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 2010 annual and consolidated financial statements, the 2010 management reports, the proposed appropriation of the balance sheet profit, and the Management Board's 2010 report about relations with associated companies were prepared during a joint meeting by the Presidential Committee and the Accounting and Audit Committee on 14 March 2011. During this meeting, the committees thoroughly reviewed and discussed the annual and consolidated financial statements, the management reports, the auditor's auditing reports, 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 of the auditor in the presence of the auditor. The Accounting and Audit Committee recommended that the Supervisory Board approves the prepared financial statements and endorses the Management Board's recommendation for appropriation of the balance sheet profit.

Appointments and resignations

Mr Franz M. Haniel's mandate as member and Chairman of the Supervisory Board ended after the conclusion of the Annual General Meeting of METRO AG on 5 May 2010. He was directly succeeded by Prof. Dr Jürgen Kluge, who was elected to the Supervisory Board by the Annual General Meeting. Mr Kluge was elected by the Supervisory Board to serve as its Chairman.

Düsseldorf, 15 March 2011

The Supervisory Board

PROF. DR JÜRGEN KLUGE
CHAIRMAN

CORPORATE GOVERNANCE REPORT

Pursuant to the recommendation of Subsection 3.10 of the German Corporate Governance Code, the Management Board and the Supervisory Board of METRO AG deliver the following report on corporate governance at METRO GROUP.[1]

The Management Board and the Supervisory Board of METRO AG are firmly committed to the principles of transparent, responsible corporate governance and supervision. They attach great importance to good corporate governance standards. Their voluntary commitment to the German Corporate Governance Code is reinforced by the following provision in the Boards' by-laws:

> "The Management Board and the Supervisory Board of METRO AG base their actions on the relevant valid recommendations of the German Corporate Governance Code and only deviate from the Code's recommendations in well-founded exceptional cases. If the Management Board or Supervisory Board intend to deviate from a recommendation, the organs inform each other of the planned move prior to its implementation."

Declaration of compliance with the German Corporate Governance Code

METRO GROUP's implementation of the recommendations of the German Corporate Governance Code is regularly discussed by the Management Board and the Supervisory Board of METRO AG. In May 2010, both organs decided to update their December 2009 declaration of compliance pursuant to § 161 of the German Stock Corporation Act. The reason for this update was the Supervisory Board's resolution to reappoint Mr Joël Saveuse as a member of the Management Board of METRO AG. In this context, a new employment contract was concluded with Mr Saveuse. Due to the short-term nature of this contract, a provision on a severance payment cap as defined by Subsection 4.2.3 of the codex was not included in the contract. For this reason, the Management Board and the Supervisory Board issued the following declaration in May 2010 pursuant to § 161 of the German Stock Corporation Act:

> "The Management Board and the Supervisory Board of METRO AG hereby declare that the recommendations of the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice in the official section of the electronic Federal Bulletin in the respective applicable version have been complied with in full during the last 12 months and, in particular, since the issue of the last declaration of compliance in December 2009 through 4 May 2010.
>
> Furthermore, the Management Board and the Supervisory Board declare that the applicable recommendations of the Government Commission have been complied with barring one exception:
>
> On 5 May 2010, the Supervisory Board of METRO AG decided to deviate in one case from the recommendations in Subsection 4.2.3, Paragraph 4 of the German Corporate Governance Code. According to these recommendations, in concluding Management Board con-

[1] As a statement on corporate management pursuant to § 289a of the German Commercial Code, the corporate governance report is also part of the management report of METRO AG 2010

> tracts, care shall be taken to ensure that payments made to a member of the Management Board on premature termination of his contract without serious cause do not exceed the value of two years' termination, including ancillary benefits (severance payment cap), and compensate no more than the remaining term of the contract. Provisions of this kind were not included in the new employment contract with Mr Joël Saveuse in 2010. The reason for this is the relatively short term of office and the corresponding short term of the contract. By resolution of the Supervisory Board of 5 May 2010, Mr Saveuse was appointed as a member of the Management Board for a period of approximately another two years. Like the appointment, the employment contract to be concluded will expire in April 2013. The short term of the contract term provides sufficient protection to the Company from inappropriate severance payments; therefore, the Supervisory Board does not regard it as necessary to insist on the inclusion of a severance payment cap in the contract as defined in the Code."

The May 2010 declaration pursuant to § 161 of the German Stock Corporation Act was issued against the backdrop of a decision by the Supervisory Board that was related to an individual case. In a regular meeting in December 2010 – that is without special cause – the Management Board and the Supervisory Board of METRO AG discussed the implementation of the Code's recommendations. The organs issued a declaration of compliance pursuant to § 161 of the German Stock Corporation Act and reiterated once again that in one case in May 2010 a provision on a severance payment cap was not included in an employment contract. Furthermore, the declaration revealed that a new recommendation of the German Corporate Governance Code that came into force in July 2010 had been adopted by the Supervisory Board in October and that the Management Board and the Supervisory Board do not intend to deviate from the Code's recommendations in future:

> "The Management Board and the Supervisory Board of METRO AG declare
>
> that the recommendations of the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette in the respective applicable version have been complied with during the last twelve months and, in particular, since the issue of the last declaration of compliance on 5 May 2010, barring the following exceptions:
>
> 1. Severance payment cap
>
> On 5 May 2010, the Supervisory Board of METRO AG decided to deviate in one case from the recommendations in Subsection 4.2.3, Paragraph 4 of the German Corporate Governance Code. According to these recommendations, in concluding Management Board contracts, care shall be taken to ensure that payments made to a member of the Management Board on premature termination of his contract without serious cause do not exceed the value of two years' termination, including ancillary benefits (severance payment cap), and compensate no more than the remaining term of the contract. Provisions of this kind were not included in the new employment contract with Mr Joël Saveuse in 2010. The reason for this is the relatively short term of office and the corresponding short term of the contract. By resolution of the Supervisory Board of 5 May 2010, Mr Saveuse was appointed as a member of the Management Board for a period of approximately another two years. Like the appointment, the newly concluded employment contract will expire in April 2013. The short term of the contract term provides sufficient protection to the Company from inappropriate severance payments; therefore, the Supervisory Board did not regard it as necessary to insist on the inclusion of a severance payment cap in the contract as defined in the Code.
>
> 2. Objectives regarding the composition of the Supervisory Board
>
> The new recommendation of the Government Commission on the German Corporate Governance Code, whereby the Supervisory Board is supposed to formulate concrete objectives regarding its composition (Subsection 5.4.1 of the Code), was published in the electronic Federal Gazette on 2 July 2010. The implementation of the recommendation required an initial consultation by a committee; thereupon, the plenary Supervisory Board made a resolution regarding the formulation of objectives in October 2010. As a result of this chrono-

logical sequence, the new recommendation was not formally complied with during the period from 2 July 2010 to 27 October 2010.

The Management Board and the Supervisory Board intend to comply with the recommendations of the Government Commission in its version of 26 May 2010 without exception in future."

Both declarations of compliance issued in the reporting year have been made permanently accessible to shareholders on the website www.metrogroup.de.

Suggestions of the German Corporate Governance Code

The declarations of compliance issued by the Management Board and the Supervisory Board of METRO AG, in accordance with the law, are directed only at the recommendations of the German Corporate Governance Code. In addition to the recommendations, the Code contains suggestions that a company can, but does not have to address.

METRO AG follows the vast majority of suggestions laid down in the German Corporate Governance Code. In the financial year 2010, there were only two points that were not fully implemented:

1. Subsection 2.3.4 of the Code calls for enabling shareholders to follow the Annual General Meeting via modern communication media such as the Internet. As in previous years, METRO AG broadcast only the speech by the Chairman of the Management Board in the financial year 2010. Further proceedings from the Annual General Meeting were not broadcast over the Internet. This practice will be continued in 2011.

2. Subsection 3.6 of the Code applies to co-determined supervisory boards. It calls for representatives of shareholders and employees to separately prepare supervisory board meetings and, if necessary, with members of the management board. Members of METRO AG's Supervisory Board hold joint preparatory meetings. However, this is done as needed and not before every Supervisory Board meeting.

Corporate management practices

The German Corporate Governance Code emphasises the Management and Supervisory Boards' obligation to ensure the Company's continued existence and sustainable value creation in accordance with the principles of the social market economy. In the exercise of this responsibility, the Management Board of METRO AG has gone beyond legal requirements and developed and established guidelines and standards within the Company. The issues of compliance, risk management and sustainability are of particular importance to METRO GROUP's sustained value creation.

Compliance: organisation and content further developed
Within the framework of the efficiency and value-enhancing programme Shape 2012 that was launched in 2009, METRO GROUP is centralising business areas that are key to the Group's financial management and supervision. Since the beginning, compliance has been one of these. A Group-wide compliance organisation has been established. During this process, the content of METRO GROUP's compliance programme was further organised and developed. This has taken place not only with a view to METRO GROUP's international character and complexity. In addition, the increasing regulatory requirements affecting METRO AG as the listed holding company of METRO GROUP have been addressed.

METRO GROUP's compliance system aims to sustainably prevent regulatory infringements within the Company or least hinder such infringements. In organisational terms, this results in a clear delineation vis-à-vis the Internal Audit department. METRO GROUP primarily prevents risks by systematically identifying behavioural risks, establishing the necessary organisational structures and rigorously monitoring and controlling these risks through the responsible METRO GROUP divisions.

In organisational terms, the responsible management teams and all employees at the management companies of METRO GROUP's sales divisions and all national subsidiaries can draw on the support and advice of Compliance Officers. The Chief Compliance Officer reports directly to the Chairman of the Management Board of METRO AG, Dr Eckhard Cordes.

The necessary toolbox for rigorous monitoring of behavioural risks includes, above all, the assignment of clear responsibilities for areas of risk, the adaptation or introduction of clear standards of conduct and the development and provision of sensible risk management and control processes. Training courses, systematic and understandable communications and the transparent handling of compliance risks and their monitoring are also part of this toolbox. In addition, a reporting system, which was further professionalised during the reporting year, is available to the employees of METRO GROUP. Through this system, employees can notify the Company of compliance violations and potential violations in all Group languages. Where necessary, incidents may be reported anonymously. The compliance organisation ensures that all reported cases are investigated in an appropriate fashion.

Reaching back to 2007, METRO GROUP's business principles represent the core component of the Group-wide compliance programme. All employees are trained in the Group's business principles. In the reporting year, they continued to receive information about the details of this programme through a Group-wide communications campaign. The business principles will be clearly defined and further developed at the instigation of or through the compliance organisation. This includes, for example, implementing a precise code of conduct on preventing corruption, handling donations and sponsoring activities and commissioning external advisers. Essential elements of the compliance programme include the standards of conduct and guidelines on antitrust law. Training courses designed for managers and employees, the creation and review of internal controls as well as the integration of compliance requirements in operating business processes are directly related to the compliance initiatives.

Compliance becomes more and more an integral component of strategic decisions and as such significantly contributes to sustainable business practices. Additional information on the subject of compliance can be found on the website www.metrogroup.de in the section Company – Compliance. The business principles for employees of METRO AG are also available for download there.

Risk management

METRO GROUP's risk management forms another integral component of value-orientated corporate management. It helps the management to exploit opportunities and limit risks and is based on systematic and Group-wide risk reporting. As a result, unfavourable developments can be recognised at an early stage, allowing for the timely introduction of appropriate countermeasures. In addition, existing opportunities are identified, evaluated and realised in a systematic manner.

In further developing its risk management, METRO GROUP is focusing on optimising and complementing existing elements, particularly with a view to active risk management and improved integration into performance management.

Sustainability and responsibility

A company can only generate profitable growth over the long term if it acts responsibly towards society and the environment. That is why METRO GROUP has declared sustainability to be an integral component of the Company's strategy. This means that social and environmental needs must be considered at an early stage in all business decisions and processes. The aim of METRO GROUP's sustainability management is to ensure the Company's future viability. At the same time, by acting responsibly, METRO GROUP aims to respond to the increased expectations of various stakeholders.

Integrated management systems and an organisational structure with clearly defined responsibilities are preconditions of a sustainability approach that promotes growth and value creation. For this reason, METRO GROUP created a Sustainability Board in 2009. This body develops Group-wide standards for sustainable business practices and helps to incorporate these in Company practices.

Additional information on the subject of sustainability and responsibility is available on the website www.metrogroup.de in the section Sustainability and Responsibility. The Company's Sustainability Report is also available for download there.

Our employees

For METRO GROUP as a retail and wholesale company, customer focus is a central value driver. That is why the Company needs dedicated and qualified employees who are familiar with customers' expectations and buying habits and can respond to these accordingly. In reflection of this, our commitment to our own employees is a central focus of the sustainability management of METRO GROUP. As a result of demographic change, the working-age population in many countries will continue to decline. Consequently, it is of great importance to METRO GROUP to ensure the long-term supply of employees, particularly qualified workers and executives, through forward-looking and innovative personnel concepts. This includes, amongst other things, pursuing active diversity management. It goes without saying that older and disabled employees are, for example, essential parts of METRO GROUP's labour force.

METRO GROUP advocates fair and equitable working conditions around the world. Within its own stores and companies, it is unreservedly committed to the four core labour standards of the International Labour Organisation (ILO).

Extensive information on the subject of employees is available on the website www.metrogroup.de in the section Jobs and Career. Information on the Management Board's projects on work conditions, training, further education and employee loyalty as well as on the core labour standards of the ILO can also be called up on the website www.metrogroup.de in the section Sustainability and Responsibility – Employees.

High supply chain standards
METRO GROUP's suppliers also have to meet high standards along the entire supply chain – from the manufacturing site to the store shelf. These include demanding quality specifications as well as the consideration of human rights, animal welfare and environmental aspects. Prohibitions of forced labour, child labour or any other form of exploitation form an integral part of METRO GROUP's supplier agreements.

With respect to imports of certain products from outside the European Union, METRO GROUP has pledged to screen and monitor its suppliers and to help them to introduce better working conditions. METRO GROUP is a founding member of the Business Social Compliance Initiative, or BSCI, whose objective is to ensure basic human rights in the production and supply chain. In order to guarantee minimum social standards in the product manufacturing stage, METRO GROUP makes compliance with the BSCI Code of Conduct mandatory for its suppliers.

The BSCI Code of Conduct and background information on the BSCI management system are available on the website www.metrogroup.de in the section Sustainability and Responsibility – Supply Chain or at www.bsci-int.org.

Efficient energy management and resource protection
The production, sale and use of food and other consumer goods are associated with various environmental effects. METRO GROUP is part of this supply chain. It has the greatest influence on such environmental processes as the consumption of energy and resources as well as the production of harmful emissions at its own stores and operations. In order to reduce its environmental impact and running costs, METRO GROUP's environmental management is primarily focusing on the cost-effective and efficient use of resources.

Examples of how METRO GROUP is ensuring business foundations and competitive advantages by acting environmentally responsibly are available on the website www.metrogroup.de in the section Sustainability and Responsibility – Environment.

Division of duties and areas of responsibility between the Management Board and the Supervisory Board

The clear division between corporate management on the one hand and corporate supervision on the other is a key element of corporate governance for German stock corporations. Duties and areas of responsibility are clearly divided between the Management Board and the Supervisory Board. The standards actively practised within METRO GROUP augment this fundamental structure specified by the German Stock Corporation Act.

The Management Board
The Management Board of METRO AG has four members:

→ Dr Eckhard Cordes
  (Chairman of the Management Board and CHRO)
→ Olaf Koch (CFO)
→ Frans W. H. Muller
→ Joël Saveuse

As of 28 February 2011

Information on each member of the Management Board is provided in the Management Board chapter in

METRO GROUP's annual report for 2010 as well as on the Internet at www.metrogroup.de in the section Company – The Boards – Management Board.

The Management Board is responsible for running METRO AG and the Group. The management duties of the Management Board of METRO AG include, in particular, the development and implementation of the Group's strategic positioning in coordination with the Supervisory Board. In addition, the Management Board of METRO AG ensures the availability of investment funds and decides on their allocation within the Group. METRO AG also handles the Group-wide task of attracting and supporting highly qualified managers. METRO AG's other tasks include the provision of the organisational structures and control and monitoring systems needed to ensure effective business management. All METRO GROUP sales divisions are represented on the Management Board to ensure that key Group functions are effectively orientated towards necessary operational requirements. Dr Eckhard Cordes supervises and advises the management of Media Markt and Saturn; Olaf Koch oversees Galeria Kaufhof; Frans W. H. Muller is responsible for running the real estate business as well as CEO of Metro Cash & Carry Asia/CIS (Commonwealth of Independent States)/New Markets; Joël Saveuse is CEO of Metro Cash & Carry Europe/MENA (Middle East and northern Africa) as well as CEO of the Real Group.

Fundamental regulations governing the working relationship within the Management Board are specified in the by-laws the Management Board has adopted with the consent of the Supervisory Board. The members of the Management Board assume joint responsibility for the Group's overall management. They work as a team and regularly inform each other of important measures and developments in their respective business segments. Irrespective of the Management Board's collective responsibility, the individual members of the Management Board manage their respective business segments on their own responsibility. Matters requiring a Board resolution are specified in the by-laws of the Management Board. The Chairman of the Management Board is responsible for the coordination of all business segments and the Board's representation towards shareholders and the public. In addition, he is the first point of contact for the Supervisory Board Chairman.

In accordance with the by-laws of the Management Board, resolutions of the Management Board are generally made in meetings that are required to take place at least every two weeks. The by-laws of the Management Board include specifications outlining the convention and agenda of these meetings as well as the required majorities for Management Board resolutions.

The Supervisory Board

Pursuant to the German Co-determination Act, METRO AG's Supervisory Board is composed of ten shareholder representatives and ten employee representatives.

Shareholder representatives	Employee representatives
Prof. Dr Jürgen Kluge, Chairman	Klaus Bruns, Vice Chairman
Dr Wulf H. Bernotat	Ulrich Dalibor
Jürgen Fitschen	Hubert Frieling
Prof. Dr Dr h. c. mult. Erich Greipl	Andreas Herwarth
Peter Küpfer	Uwe Hoepfel
Marie-Christine Lombard	Werner Klockhaus
Prof. Dr Klaus Mangold	Rainer Kuschewski
Dr-Ing. e. h. Bernd Pischetsrieder	Xaver Schiller
M. P. M. (Theo) de Raad	Peter Stieger
Dr jur. Hans-Jürgen Schinzler	Angelika Will

As of 28 February 2011

Information on the personnel composition of the Supervisory Board as well as on each member of the Supervisory Board is also available on the Internet at www.metrogroup.de in the section Company – The Boards – Supervisory Board.

Objectives regarding the composition of the Supervisory Board and implementation status

To properly carry out its duties, the Supervisory Board must possess a broad range of knowledge, skills and specialist experience. To this end, the Supervisory Board has specified certain objectives regarding the qualification and appointment of members of the Supervisory Board that extend beyond legal requirements. These objectives were considered in the election proposals of the shareholder representatives to the Annual General Meeting. In October 2010, METRO AG's Supervisory Board further developed the objectives regarding its composition, specifying the following concrete objectives:

Diversity

Against the backdrop of METRO GROUP's international expansion, the Supervisory Board is to include at least one business person with in-depth experience in one of the company's growth regions. The current composition of the Supervisory Board more than fulfils this objective. In particular, the Board includes members with in-depth experience in the growth regions of Eastern Europe and Asia.

An objective regarding the female representation on the Supervisory Board has been determined to make better use of the pool of qualified candidates available for appointment to the Supervisory Board. The Supervisory Board aims to fill at least 20 percent of its seats with women following the Supervisory Board elections in 2013. By 2018, the female proportion is to reach at least 30 percent. At present, female representation on the Supervisory Board amounts to 10 percent.

Accounting and Audit Committee, independence of the Supervisory Board Chairman

To ensure a qualified appointment of the Accounting and Audit Committee from the members of the Supervisory Board, at least one member of the Board must fulfil the requirements tied to the office of the chair of the Accounting and Audit Committee. Pursuant to the by-laws of the Accounting and Audit Committee, the committee Chairman must be impartial and possess professional knowledge in the areas of accounting and auditing as well as internal control measures (financial expert). Five other committee members, who are appointed from the Supervisory Board, should possess sufficient professional knowledge and experience in these areas. Ideally, one potential member of the Accounting and Audit Committee should also possess specialist knowledge in the area of corporate governance and compliance.

These objectives are implemented through the current composition of the Supervisory Board and its Accounting and Audit committee. The committee is chaired by Dr jur. Hans-Jürgen Schinzler.

Potential conflicts of interest/age restrictions

To prevent potential conflicts of interest, members of the Supervisory Board of METRO AG may not assume consulting tasks or memberships on the supervisory boards of German or international, direct and material competitors. This requirement, which is laid down in the by-laws of the Supervisory Board, must be considered in the identification of candidates for the Supervisory Board. The same rule applies to another regulation in the by-laws that stipulates that members of the Supervisory Board may not remain in office after the end of the General Meeting following their 75th birthday, except in justified exceptional circumstances.

The Supervisory Board of METRO AG also meets these objectives. No member of the Supervisory Board will attain the age limit of 75 years soon, and no member has a seat on the Supervisory Board of a direct and material competitor.

The Supervisory Board's future proposals for the election of members of the Supervisory Board will be based on the above objectives. However, the Supervisory Board of METRO AG does not have the right to propose candidates for the election of employee representatives to the Supervisory Board. Irrespective of this, the members of the Supervisory Board strive to jointly attain the above objectives for both shareholder and employee representatives.

Duties and tasks of the Supervisory Board

The Supervisory Board of METRO AG advises the Management Board and monitors its corporate management including its attainment of long-term corporate objectives. The Supervisory Board is brought into the planning of the development of METRO GROUP by the Management Board to the same degree that it is included in decisions about important measures. Aside from its legally prescribed approval obligations, the Supervisory Board has determined its own approval requirements for certain actions and business dealings of the Management Board.

The Supervisory Board of METRO AG regularly convenes for five meetings in each financial year. Guidelines on the scheduling of meetings and resolutions are laid down in the by-laws of the Supervisory Board. Details on the meetings and the collaboration between the Management and Supervisory Boards of METRO AG in the financial year 2010 can be found in the report of the Supervisory Board.

The Management Board informs the Supervisory Board in accordance with legal stipulations, the regulations of the

German Corporate Governance Code, possible regulations in the by-laws of the Management Board, the Supervisory Board or Supervisory Board committees or in cases where the Supervisory Board has special information needs.

Supervisory Board committees

Five committees support the Supervisory Board in its work, contributing greatly to the Board's overall efficiency.

Presidential Committee

The Supervisory Board Presidential Committee addresses the following issues:

- the results of the continued development of the Group and regional strategy of METRO AG and its dependent subsidiaries;
- monitoring compliance with legal stipulations and the application of the German Corporate Governance Code; the Presidential Committee prepares the annual declaration of compliance;
- resolutions in cases when rapid determination is needed to avoid significant disadvantages, which cannot be achieved at the level of the Supervisory Board;
- other issues the Supervisory Board has assigned to the Presidential Committee via resolution.

The by-laws of the Supervisory Board of METRO AG call for the Chairman of the Supervisory Board to head the Presidential Committee. The Supervisory Board Presidential Committee includes Prof. Dr Jürgen Kluge (Chairman), Klaus Bruns (Vice Chairman), Dr Wulf H. Bernotat and Werner Klockhaus.

Personnel Committee

The Personnel Committee helps the Supervisory Board prepare the following issues and may present recommendations for resolutions:

- appointment and discharge of members of the Management Board;
- determination of the remuneration system for members of the Management Board and determination or, if required, reduction of the respective Board member salary.

In lieu of the Supervisory Board, the Personnel Committee decides on the following issues, in particular:

- non-remuneration-relevant elements of employment contracts with members of the Management Board;
- approval of ancillary activities of members of the Management Board, in particular Supervisory Board mandates outside of METRO GROUP;
- succession planning for the Management Board;
- certain legal transactions with members of the Management Board, for example pursuant to § 112 of the German Stock Corporation Act;
- granting of loans to members of the Management Board and the Supervisory Board; if the granting of a loan to a member of the Management Board can be regarded as part of his or her remuneration, the Personnel Committee, however, will merely prepare the draft resolution for the Supervisory Board;
- approval of contracts with members of the Supervisory Board pursuant to § 114 of the German Stock Corporation Act.

METRO AG's by-laws also call for the Chairman of the Supervisory Board to chair the Personnel Committee. Members of the Personnel Committee include Prof. Dr Jürgen Kluge (Chairman), Klaus Bruns (Vice Chairman), Dr Wulf H. Bernotat and Werner Klockhaus.

Accounting and Audit Committee

The Accounting and Audit Committee supports the Supervisory Board particularly in matters pertaining to accounting and financial reporting, dependency controlling, auditing, compliance and risk management. In lieu of the Supervisory Board, the committee handles the following key duties:

- addressing accounting issues and monitoring the accounting process;
- discussing the quarterly and half-year financial reports;
- monitoring the audit, in particular scrutinising the impartiality required of the auditor and the supplemental services provided by the auditor as well as determining the audit's focus;
- handling issues related to Group tax planning;
- handling issues related to dependency controlling with regard to METRO AG.

In addition, the Accounting and Audit Committee prepares Supervisory Board meetings and presents draft resolutions. The preparatory tasks of the Accounting and Audit Committee include, in particular:

→ monitoring the effectiveness of the risk management system, internal auditing, internal control systems and so-called anti-fraud measures;
→ handling issues related to compliance and supervision of the compliance system within METRO GROUP;
→ auditing the annual and consolidated financial statements including the respective management reports;
→ inspection of the dependency report;
→ the Supervisory Board's nomination of an auditor at the Annual General Meeting as well as commissioning the audit assignment to the auditors and preparation of the fee agreement;
→ medium-term planning of the annual budget of METRO GROUP;
→ compliance monitoring and submission of declaration of compliance in accordance with § 161 of the German Stock Corporation Act.

The Chairman of the Accounting and Audit Committee is elected by its members. The personal requirements tied to this office are laid down in the committee's by-laws. As laid down in the objectives for the composition of the Supervisory Board, the committee Chairman must be impartial and possess professional knowledge in the areas of accounting and auditing as well as internal control measures (financial expert). In addition, the Chairman must be a shareholder representative. The position of Chairman or Vice Chairman of the Accounting and Audit Committee should not be assigned to a former member of the Management Board whose appointment was terminated less than two years previously. In the interest of good corporate governance, the Chairman of the Supervisory Board should also not serve as Chairman or Vice Chairman of the Accounting and Audit Committee at the same time. Based on these requirements, the Accounting and Audit Committee elected Dr jur. Hans-Jürgen Schinzler as Chairman of the committee in the financial year 2007. The requirements of §§ 107 Section 4, 100 Section 5 of the German Stock Corporation Act are thereby fulfilled.

The other members should possess sufficient professional knowledge and experience in accounting and auditing as well as internal control processes. Ideally, one member should, in addition, possess specialist knowledge in the area of corporate governance and compliance.

Members of the Accounting and Audit Committee include, aside from Dr jur. Hans-Jürgen Schinzler (Chairman), Messrs Klaus Bruns (Vice Chairman), Prof. Dr Dr h. c. mult. Erich Greipl, Prof. Dr Jürgen Kluge, Xaver Schiller and Peter Stieger.

Nominations Committee

The shareholder representatives of the Supervisory Board of METRO AG are elected at the Annual General Meeting. The Supervisory Board submits its proposals for election with the support of the Nominations Committee. Following a set schedule, the committee looks for suitable candidates and makes recommendations to the Supervisory Board. In the process, the committee considers legal stipulations, the recommendations of the German Corporate Governance Code and the Supervisory Board's own objectives regarding its composition. When making its suggestions, the Nominations Committee ensures that a qualified appointment to the committees is possible.

The Nominations Committee is comprised exclusively of shareholder representatives. In line with the by-laws of the Supervisory Board, it consists of the Supervisory Board Chairman as well as two impartial shareholder representatives. With this determination, the Supervisory Board of METRO AG underscored its commitment to take advice from a committee tied to the interests of all shareholders when determining suitable candidates for Supervisory Board membership.

Members of the Nominations Committee include Prof. Dr Jürgen Kluge (Chairman), Dr-Ing. e. h. Bernd Pischetsrieder and Dr jur. Hans-Jürgen Schinzler.

Mediation Committee

The German Co-determination Act prescribes the establishment of a Mediation Committee. It submits personnel proposals to the Supervisory Board when the two-thirds majority required for appointing and removing members of the Management Board has not been achieved.

Members of the Mediation Committee include Prof. Dr Jürgen Kluge, Klaus Bruns, Prof. Dr Dr h. c. mult. Erich Greipl and Werner Klockhaus.

Information provided to the Supervisory Board by committees and the Management Board

The respective committee Chairman promptly informs the Supervisory Board of committee deliberations and resolutions. Usually, an oral report is made at the next Supervisory Board meeting.

The Management Board's information obligations to the Supervisory Board and its committees are governed by an information guideline that is part of the Management Board's by-laws. Its specifications regarding information and reporting policies are substantiated by the meeting and subject schedule of the Supervisory Board and its committees. It prescribes at what time regular and focus topics must be discussed jointly by the Management and Supervisory Boards or with the committees. The meeting and subject schedule is part of the Supervisory Board's by-laws.

Efficiency reviews of the Supervisory Board

The Supervisory Board of METRO AG regularly reviews the efficiency of its activities. The latest efficiency review was conducted in the financial year 2009. The next review is scheduled for 2011.

Transparent corporate management

Good corporate governance presupposes transparency vis-à-vis METRO AG shareholders. The website www.metrogroup.de serves as an important information source for METRO AG shareholders, the capital market and the general public. Aside from a host of information on METRO GROUP's business segments and sales divisions, the site contains the financial reports and ad hoc announcements of METRO AG as well as investor news and other publications pursuant to the German Securities Trading Act. Dates for the most important regular publications and events (trading statement, annual reports as well as quarterly and half-year reports, the annual business press conference, analysts' meetings and the Annual General Meeting) appear on the website in a financial calendar in a timely manner. In addition, shareholders and the interested reader can access documentation on the annual business press conference as well as the analysts' meeting and presentations shown as part of road shows, investor conferences and information events for retail investors. Furthermore, shareholders and interested readers can subscribe to an electronic investor relations newsletter.

The Annual General Meeting

METRO AG's Annual General Meeting gives its shareholders the opportunity to use their legal rights, that is to exercise their rights to vote (where these apply) as well as to address questions to the Company's Management Board.

To help shareholders exercise their individual rights at the Annual General Meeting, documents and information for each Annual General Meeting are made available ahead of time on the METRO GROUP website. In addition to legally prescribed documents, the information includes, in particular, the latest annual report.

The registration and legitimisation procedure for METRO AG's Annual General Meeting is in line with the German Stock Corporation Act and international standards. Each shareholder who would like to participate in an Annual General Meeting of METRO AG and exercise his or her voting right there must register and supply proof of the right to participate and exercise voting rights. Written proof of share ownership in German or English from the institution maintaining the securities deposit account satisfies this requirement. Deposit of shares is not necessary. Proof of share ownership corresponds to the beginning of the 21st day before each Annual General Meeting. Like the registration for the Annual General Meeting, it must be submitted to METRO AG at the address specified in the invitation within the timeframe specified by law and the Articles of Association. Concrete registration and participation conditions are made public in the invitation for each Annual General Meeting.

Shareholders who are unable to attend the Annual General Meeting in person may exercise their voting rights through a proxy. The necessary voting right authorisation must be provided in writing. To the benefit of shareholders, eased formal stipulations apply in certain cases. These are described in the invitation to the Annual General Meeting, for example, for voting right authorisations to banks or shareholder associations.

Shareholders may also authorise Company-appointed proxies to exercise their voting rights (known as proxy voting). The following rules apply: in addition to voting right authorisations, shareholders must also pass instructions on how to exercise these voting rights. The proxies appointed by the Company are obliged to vote according to these instructions. METRO AG proxies are also available for assignment of voting rights during the Annual General Meeting for those shareholders who initially participate in an Annual General Meeting but who want to leave early without forgoing the exercise of their voting rights. Naturally, the right to appoint other proxies to exercise one's voting rights is not affected by this. The details on proxy voting are listed in the invitation to each Annual General Meeting.

In the interest of shareholders, the Chairman of the Annual General Meeting, as a rule the Chairman of the Supervisory Board, works to ensure that the Annual General Meeting is conducted efficiently and effectively. In line with the German Corporate Governance Code, the objective is to complete a regular METRO AG Annual General Meeting after four to six hours at the latest.

Directors' dealings, share ownership by members of the Management and Supervisory Boards

Pursuant to § 15a of the German Securities Trading Act (WpHG), members of the Management and Supervisory Boards of METRO AG must inform METRO AG of any transactions involving own Metro shares or related financial instruments – directors' dealings in short. This obligation also applies to persons who are in close relationship with members of these two corporate bodies. No disclosure requirement applies as long as the transactions conducted by a member of the Board and the person who is in close relationship with the member of the Board do not reach a total amount of €5,000 by the end of the calendar year.

Notifications of directors' dealings during the reporting year 2010 have been published on the Internet at www.metrogroup.de in the section Investor Relations – Publications – Directors' Dealings.

METRO AG also observes transparency recommendations that extend beyond the legal obligations as laid down in Subsection 6.6 of the German Corporate Governance Code. METRO AG thus discloses transactions involving the Company's shares, ownership of METRO AG shares or related financial instruments by members of the Management or Supervisory Boards when these directly or indirectly exceed 1 percent of the shares issued by the Company. If the total share ownership of all members of the Management and Supervisory Boards exceeds 1 percent of the shares issued by the Company, the total ownership is stated separately for the Management Board and the Supervisory Board. The threshold values of 1 percent were not reached in the financial year 2010.

Accounts audit

METRO AG's Annual General Meeting in 2010 elected KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG) to be the auditor for the financial year 2010. The Supervisory Board's commissioning of the contract to carry out the accounts audit was prepared by the Accounting and Audit Committee and considered the recommendations listed in Subsection 7.2 of the German Corporate Governance Code.

Throughout the audit, KPMG made no reports to the Supervisory Board regarding grounds for disqualification or conflicts. There was also no evidence that any existed. Furthermore, in the course of the audit, there were no unexpected, substantial findings and events concerning Supervisory Board functions. As a result, an extraordinary report from the auditor to the Supervisory Board was not required. The auditor found no deviations from the Management and Supervisory Boards' statements of compliance with the German Corporate Governance Code.

Remuneration report 2010

The remuneration report for 2010 can be found in chapter 8 of the Group management report. The Supervisory Board thoroughly reviewed the remuneration report and adopted its contents in the context of the corporate governance report pursuant to Subsection 3.10 of the German Corporate Governance Code.

In-depth information on the topic of corporate governance at METRO GROUP can be found on the website www.metrogroup.de in the Company section.

GROUP MANAGEMENT REPORT

GROUP MANAGEMENT REPORT

Overview of the financial year 2010 and forecast

Sales of METRO GROUP rose by 2.6 percent. EBIT before special items reached the highest level in the Company's history, at €2,415 million.

Earnings position

→ Sales of METRO GROUP rose by 2.6 percent to €67.3 billion in 2010
→ International Group sales increased by 5.4 percent, bolstered by positive currency effects
→ Adjusted for location and other divestments, sales in Germany remained unchanged from the previous year's level
→ Group EBIT before special items reached €2.4 billion (previous year: €2.0 billion)
→ Net profit for the period amounted to €936 million (previous year: €519 million) and included special items from Shape 2012 totalling €203 million (previous year: €305 million)
→ Earnings per share before special items rose to €3.12 from €2.10 a year earlier

Financial and asset position

→ Investments increased by €0.2 billion to €1.7 billion
→ Balance-sheet net debt fell by €0.2 billion to €3.5 billion
→ Long-term rating remained unchanged at "BBB" (Standard & Poor's) and "Baa2" (Moody's)
→ Cash flow from continuing operations was unchanged from a year earlier at €2.5 billion
→ Total assets increased by €1.8 billion to €35.1 billion compared with the previous year
→ At €6.5 billion, equity was substantially higher than a year earlier; equity ratio rose by 0.4 percentage points to 18.4 percent

Forecast

Sales
METRO GROUP continues to expect to generate annual growth rates of more than 6 percent over the medium term. In 2011, the Company expects sales to increase by 4 to 6 percent.

Earnings
METRO GROUP's strategy aims for long-term profitable growth, that is disproportionate earnings growth compared to sales growth. The Company aims for annual earnings growth, measured in terms of EBIT before special items, of more than 10 percent over the medium term. In the process, Shape 2012 will generate incremental positive earnings contributions and will be fully effective from 2012.

Assuming that macroeconomic parameters continue to improve, we currently expect to reach our medium-term target for earnings growth before special items as early as 2011 based on EBIT before special items of €2,415 million for 2010.

1. Group structure

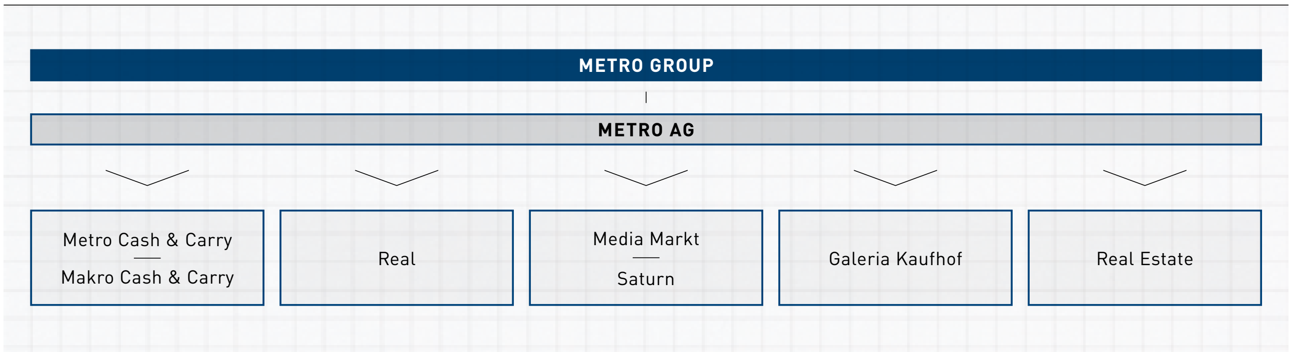
METRO GROUP continued to make adjustments to its Group structure in conjunction with Shape 2012 during the reporting year. The Company continues to be headed by METRO AG based in Düsseldorf. As a strategic management holding company, METRO AG manages, among other things, the Group-wide Finance, Controlling and Compliance functions. In addition, it oversees the management and administrative functions of Metro Cash & Carry, which were integrated into METRO AG effective 1 July 2010.

The Group's operating business is handled by its four sales divisions, Metro Cash & Carry, Real, Media Markt and Saturn as well as Galeria Kaufhof, which in some cases operate in the market with several sales brands. They have undivided responsibility for their entire supply chain – from procurement through logistics to sales. The division of Metro Cash & Carry into two business units, Europe/MENA (Middle East and northern Africa) and Asia/CIS (Commonwealth of Independent States)/New Markets, represents a key component of the new Group structure.

METRO GROUP's real estate portfolio is managed by METRO Group Asset Management, which acts as an independent profit centre and adopted a new, decentralised structure during the reporting year: effective 1 December 2010, real estate management was divided into seven regions.

Service companies offer overarching support services to all METRO GROUP segments.

Overview of METRO GROUP and its segments



Segments of METRO GROUP

Metro Cash & Carry is the world's leading player in the cash & carry sector. Its brands Metro and Makro operate in 30 countries throughout Europe, Asia and Africa. The wholesale stores offer products and services tailored to the specific needs of commercial customers, such as hotel and restaurant operators as well as catering firms.

Real is one of the leading hypermarket operators in Germany. The sales division also currently has locations in Poland, Romania, Russia, Ukraine and Turkey. All of the stores boast an extensive range of products with a large proportion of fresh produce.

Media Markt and Saturn is Europe's No. 1 in consumer electronics retailing. The sales division is represented in 17 different countries. A decentralised organisational structure, attractive ranges and innovative marketing all contribute towards the success of the sales division.

Galeria Kaufhof is the concept and system leader in Germany's department store segment and the market leader in Belgium, where the sales division uses the name Galeria Inno. The stores are inspiring with their international product mix featuring high-quality brands, their pleasant atmosphere and comprehensive range of services. All of this helps to create a great shopping experience for customers.

METRO Group Asset Management manages METRO GROUP's real estate assets in 30 countries. Its responsibilities include actively enhancing the value of the portfolio, planning new stores and managing existing locations.

Portfolio of locations by country and segment

	Metro Cash & Carry		Real		Media Markt and Saturn		Galeria Kaufhof		Others		METRO GROUP	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Germany	**117**	**124**	**320**	**333**	**382**	**375**	**123**	**126**	**0**	**59**	**942**	**1,017**
Austria	12	12			42	34					54	46
Belgium	11	11			20	18	15	15			46	44
Denmark	5	5									5	5
France	91	91			34	32					125	123
Italy	48	48			104	99					152	147
Luxembourg					2	1					2	1
Netherlands	17	17			36	32					53	49
Portugal	11	11			9	9					20	20
Spain	34	34			64	61					98	95
Sweden					19	16					19	16
Switzerland					23	20					23	20
United Kingdom	30	30									30	30
Western Europe excl. Germany	**259**	**259**			**353**	**322**	**15**	**15**			**627**	**596**
Bulgaria	11	11									11	11
Croatia	6	6									6	6
Czech Republic	13	13									13	13
Greece	9	9			13	10					22	19
Hungary	13	13			21	22					34	35
Kazakhstan	5	1									5	1
Moldova	3	3									3	3
Poland	29	29	54	54	59	53					142	136
Romania	26	24	25	24							51	48
Russia	57	52	16	15	31	20					104	87
Serbia	6	5									6	5
Slovakia	6	5									6	5
Turkey	18	14	13	14	17	16					48	44
Ukraine	26	25	1	1							27	26
Eastern Europe	**228**	**210**	**109**	**108**	**141**	**121**					**478**	**439**
China	48	42			1	0					49	42
Egypt	2	0									2	0
India	6	5									6	5
Japan	9	6									9	6
Morocco	0	8									0	8
Pakistan	5	5									5	5
Vietnam	13	9									13	9
Asia/Africa	**83**	**75**			**1**	**0**					**84**	**75**
International	**570**	**544**	**109**	**108**	**495**	**443**	**15**	**15**			**1,189**	**1,110**
METRO GROUP	**687**	**668**	**429**	**441**	**877**	**818**	**138**	**141**	**0**	**59**	**2,131**	**2,127**

2. Economic parameters

A global economy in upswing

The global economy developed positively in 2010, recovering somewhat from the impact of the economic and financial crisis. Nearly all countries in which METRO GROUP does business returned to the growth path. However, the strength of the recovery varied across regions: while the Asian developing economies experienced strong growth, the picture was mixed in Europe. Some countries grew dynamically, whereas others continued to struggle with various problems, above all excessive public debt burdens.

The global economy recovered on the back of expansive monetary and fiscal policies and the strong import demand from the Asian developing economies. Around the world, the tangible recovery witnessed during the first six months slowed as the year progressed, although Asia still remained the world's fastest-growing region. The reasons for the slowdown during the second half of the year included the gradual withdrawal of national and international stimulus measures and the introduction of partly draconian austerity measures as part of budget consolidation in several countries.

In 2010, the Western and Eastern European economies, in particular, fell short of the economic output levels of the pre-crisis year 2008 – despite generally favourable developments.

Germany

Germany was Western Europe's economic engine in 2010, experiencing record growth of 3.6 percent. Exports were the strongest growth driver during the first half of the year. Buttressed by favourable labour market trends and increasing disposable income, private consumption also profited from the upswing during the second half of the year, albeit relatively less than in other areas. After accelerating to a record pace in the second quarter, economic growth weakened somewhat during the latter half of the year. Nonetheless, the German economy's growth momentum remained robust. At an annual average of slightly over 1 percent, inflation remained at a low level, but trended upwards towards the end of the year.

Development of gross domestic product in key global regions and Germany

Percentage change year-on-year

	2010	2009
Asia	6.9	−0.2
World	4.1	−2.1
Germany	3.6	−4.7
Eastern Europe	2.9	−5.8
Western Europe excl. Germany	1.3	−4.0

Source: FERI

Western Europe

Compared to Germany, the economic recovery progressed markedly more slowly in the other countries of Western Europe. Although Western Europe as a region profited from a growing export momentum, the economic recovery did not gain a solid footing. After shrinking by more than 4 percent in 2009, the Western European economy excluding Germany grew by less than 1.3 percent in 2010, with the regional average concealing stark divergences among different markets. In particular, high public debt burdens and government austerity measures proved a heavy burden on some countries. For example, the Greek economy remained in recession in 2010. The same applies to Spain, which continues to struggle with the effects of its domestic real estate crisis. Growth momentum in Italy and Portugal also remained below the Western European average. Meanwhile, such countries as Sweden, Denmark, Switzerland and Belgium developed positively. Growth rates in France and the United Kingdom matched the Western European average.

Inflationary pressures in Western Europe remained moderate during the first half of 2010, before pointing upwards during the second half of the year. Rising global market prices for energy and other commodities were the key driver of the increase in consumer prices. Food prices also showed an above-average increase.

Eastern Europe

The speed of economic recovery also diverged markedly across Eastern Europe. Turkey experienced an impressive upswing, and Russia also posted solid growth after its steep decline in 2009. Other countries continued to struggle with the effects of the economic and financial crisis: Romania, Bulgaria and Hungary, in particular, managed no more than a sluggish recovery amid ongoing public deficit problems. Following the steep currency devaluations of 2009, most European currencies strengthened somewhat versus the euro in 2010.

Inflation in Eastern Europe slowed until mid-year when the trend reversed and consumer prices rose markedly. In Romania, the increase in value-added tax rates fuelled inflationary pressures.

Development of gross domestic product in METRO GROUP countries in 2010
Real percentage change year-on-year

	2010	2009
China	10.3	9.2
India	9.9	5.7
Turkey	7.8	–4.7
Vietnam	6.6	5.3
Kazakhstan	5.4	1.3
Sweden	5.2	–5.3
Egypt	5.0	4.7
Pakistan	4.4	3.6
Ukraine	4.2	–15.1
Morocco	4.0	5.4
Russia	4.0	–7.8
Japan	3.9	–6.3
Slovakia	3.7	–4.8
Poland	3.7	1.7
Germany	3.6	–4.7
Moldova	3.2	–6.5
Luxembourg	3.0	–3.4
Switzerland	2.7	–1.9
Czech Republic	2.3	–4.1
Denmark	2.1	–5.2
Serbia	2.1	–3.1
Belgium	2.0	–2.7
Austria	1.8	–3.9
Netherlands	1.7	–3.9
France	1.5	–2.5
United Kingdom	1.4	–4.8
Portugal	1.3	–2.5
Italy	1.1	–5.1
Hungary	1.1	–6.7
Bulgaria	–0.1	–4.9
Spain	–0.1	–3.7
Croatia	–1.2	–5.8
Romania	–1.5	–7.1
Greece	–4.5	–2.3

Asia
The Asian emerging markets once again recorded the strongest growth momentum worldwide, making them the engine and backbone of the global economy. Foreign trade and industrial production volumes rose noticeably above pre-crisis levels, although growth rates slowed somewhat towards the end of the year. Once again, China was the key growth driver. During the course of the year, however, signs of overheating emerged, accompanied by rising property and consumer prices. Japan also recorded solid economic growth despite a significant slowdown during the second half of the year.

Upturn in global consumer goods retailing

Consumer goods retailing also profited from the economic recovery in 2010. However, growth of retail sales trailed overall economic growth. One reason for this was the persistent increase in unemployment in many countries during the first half-year, a late effect of the economic crisis. In addition, government austerity programmes negatively affected disposable incomes and thus consumer spending.

All in all, developments in the retail industry followed overall economic trends in Europe, growing at varying speeds and intensities in different countries. Asia's emerging markets, in contrast, posted strong retail sales growth across the board.

Germany
After Germany's initially export-led recovery, private consumption and the retail sector also profited from the economic upswing during the course of the year – albeit at below average rates. Favourable labour market developments provided for positive retail trends during the course of the year. At a nominal 2 percent, Germany's retail sector grew considerably faster than those of other Western European countries.

Western Europe
All in all, retail sales in Western Europe showed weak growth. During the first half of the year, rising unemployment dampened growth in many countries. An upward trend in the retail sector only emerged during the second half of the year. However, government austerity programmes dampened consumer confidence in many countries. Just like

the wider economic recovery, the retail industry recovered at varying speeds across Western Europe. Greece and Spain lagged behind with negative retail sales, while Sweden, France and Austria recorded the strongest sales growth.

Eastern Europe
Retail sales growth in Eastern Europe trailed overall economic growth. Similar to Western Europe, the intensity of the upward trend in individual countries varied. In line with the broad economic recovery, retail sales in Turkey, Russia and Poland developed particularly favourably. Sales in Bulgaria, the Czech Republic and Slovakia, in contrast, declined in 2010.

Asia/Africa
The retail sector in Asia and the countries of northern Africa profited from the strong economic momentum in these regions. In China and India, retail sales rose at double-digit rates again. Japan's retailers also enjoyed positive trends.

Metro Cash & Carry: development of the cash & carry business

Metro Cash & Carry is the international leader in the cash & carry segment. In June 2010, the sales division entered the Egyptian market. As part of its continuous strategic portfolio optimisation, the sales division divested itself of its wholesale business in Morocco effective 30 November 2010. As a result, Metro Cash & Carry operated in 30 countries at the end of 2010.

In 2010, developments in the cash & carry segment in Germany and Western Europe were marked by the varying speeds at which different countries recovered from the effects of the economic crisis. Sales in Germany fell slightly short of the previous year's level, with Metro Cash & Carry performing on the same level as its comparable competitors. Sectoral sales developments in the Western European countries where Metro Cash & Carry operates were mixed. All in all, cash & carry sales in Western Europe slightly rose above the previous year's level in 2010.

Cash & carry sales in Eastern Europe increased. Rising food prices, particularly during the second half of the year, had an equally positive effect on the sector as the strengthening of several Eastern European currencies. The sector recorded particularly strong sales growth in Russia and Turkey.

Once again, the cash & carry format recorded the strongest growth rates in Asia. Here, cash & carry sales were more buoyant than sales in modern food retailing. The region's traditional trade structures and lower market concentration continue to offer strong growth potential. In 2010, the region represented one of the focal points of Metro Cash & Carry's expansion.

Real: development of the food retail business

The Real sales division is No. 2 in large-area food retail in Germany and one of the leading operators of this retail format in Eastern Europe. During the past financial year, Real started its online sales in Germany. The assortment comprises nonfood products in particular. In addition, the sales division is testing a new sales concept in Germany called "Real Drive". Here, customers can order food products online and then collect them at the drive-in shop.

Food retail sales in Germany rose slightly above the previous year's level in 2010. Deflationary food price trends continued during the first half-year. Starting in the second half of the year, prices of fast-moving consumer goods began to rise again; over the year as a whole, however, this did not generate any significant sales momentum. Nominal sales in large-area food retail stores with a selling space of more than 2,500 square metres experienced above-average growth. Like-for-like sales of the large supermarkets declined, however. In comparison, Real again outperformed its comparable competitors in terms of like-for-like sales.

In 2010, sales in modern food retailing continued their strong growth in the Eastern European countries where Real does business. However, growth rates in some cases remained significantly below the levels recorded in previous years. The positive sales trend is largely due to higher food prices and increased consumer demand. In contrast, the expansion in the modern food retail industry weakened as a result of the economic crisis. All the while, the total market share of the modern large-area concepts remained virtually unchanged.

Media Markt and Saturn: developments in consumer electronics retailing

The Media Markt and Saturn sales division continued to extend its market leadership in European consumer electronics retailing during the past financial year. The opening of the first Media Markt store in China in November 2010 marked the sales division's entry into the dynamically growing Asian market.

German consumer electronics retailing profited from the positive consumer climate in 2010 and recorded strong sales growth. The Football World Cup buoyed the already strong interest in consumer electronics. Information technology was also in high demand. Flat-screen televisions and computers notched fresh sales records in 2010. After Media Markt and Saturn outperformed the industry average in 2009, thanks partly to the large number of successful promotions on the occasion of Media Markt's 30th anniversary, sales developments trailed the industry average in 2010.

Across Western Europe, consumer electronics sales developed positively in 2010. After two years of weakness amid the economic crisis, the sector was back on a solid footing in nearly all Western European markets in 2010. Media Markt and Saturn boosted or at least maintained their market share in all Western European countries.

Sales trends in the consumer electronics sector varied across Eastern Europe in 2010: while Russia and Turkey recorded strong growth, sales declined in Greece and Hungary – countries with high public debt burdens – as well as in Poland. Media Markt and Saturn managed to gain market share in all Eastern European countries with the exception of Poland.

Online sales outperformed the market in Germany and Western Europe, yet continue to command only modest market shares in most countries with the exception of Germany, the Netherlands, Austria and Switzerland. In 2010, Media Markt and Saturn launched their online business in the Netherlands and Austria. In Germany, the offer of pay-for-use digital downloads of music and software was extended to include movies and audio books. In Italy, Media Markt and Saturn have been selling products over the Internet for several years.

Galeria Kaufhof: developments in the department store business

The Galeria Kaufhof sales division outperformed the German department store segment again in 2010. With its positive sales development, Galeria Kaufhof strengthened its role as the concept and system leader in the German department store segment.

Sectoral sales in Germany in 2010 remained largely unchanged from the level of 2009. As a result, the department store business developed more favourably than in the previous years, which had been marked by a distinct downward trend in sales due to the termination of businesses. Positive sales trends in the textiles segment made a significant contribution. Despite its relatively solid performance, the department store business could not quite keep up with overall retail sales growth in Germany and underperformed the market again in 2010.

Galeria Inno in Belgium also continued on its positive course during the financial year 2010. Once again, Galeria Inno outperformed the Belgian retail market.

Real Estate: developments in the real estate business

The global economic recovery is reflected in the incipient upward trend on real estate markets. Commercial real estate investment volumes increased across the globe, although the reverberations of the financial crisis continued to be felt. Investors remained risk averse, putting their money almost exclusively into core assets in prime locations with strong tenant covenants and long-term leases.

The recovery of real estate markets varies across regions. In Europe, the recovery was rather slow and heterogeneous. In 2010, the Europe-wide trading volume amounted to €105 billion, which corresponds to an increase of 44 percent compared to the previous year. Retail properties accounted for about one-third of total transactions. However, around 77 percent of the investment activities in this segment were focused on the United Kingdom and Germany. Real estate yields stabilised or declined slightly across Europe; the European rental market also experienced an incremental recovery, indicating a continuation of the positive trend.

In Germany, the auspicious economic outlook fuelled the commercial real estate market. During the reporting year, the transaction volume on the German commercial property market rose by 83 percent compared to the previous year. National and international investors continued to be drawn to the German market, although, here too, demand was largely concentrated in the top segment.

The picture in Central and Eastern Europe was mixed. In general terms, the region profited from growing demand from the eurozone, which resulted in a 90 percent volume increase in commercial property transactions in 2010 compared to the previous year. However, investors focused on the more mature markets of Poland and Russia, while smaller, emerging markets like Serbia continued to show hardly any activity. Generally speaking, yields remained largely stable across the region.

In Asia, the region's commercial property markets also profited from continually strong economic growth: demand for rental space increased markedly, resulting in growth of rental prices. The volume of real estate transactions also doubled in 2010 compared to the previous year. Local investors continue to dominate the Asian investment market, with cross-border investments accounting for just 12 percent of total transaction volume. In China, slight signs of overheating emerged on the real estate market: a strong increase in speculative investments and property prices forced the Chinese government into action. In particular, this applied to the residential property market and to metropolises like Shanghai. On the Indian and Vietnamese commercial property markets, rental markets came under pressure as a result of excess supply. However, the dynamic economic growth in both countries bolstered demand and halted the downward trend in rental values, while property yields remained largely stable.

3. Earnings position

Overview of Group business developments

METRO GROUP can look back on a successful financial year 2010. All sales divisions increased sales compared with 2009. Group sales reached €67.3 billion, an increase of 2.6 percent year-on-year (in local currencies: +0.9 percent).

At €3,591 million, EBITDA clearly exceeded the previous year's level of €3,068 million. Adjusted for special items, EBITDA rose to €3,726 million during the reporting year, an increase of 12.3 percent.

Group EBIT climbed by €530 million to €2,211 million. EBIT before special items increased by 19.3 percent to €2,415 million, the highest result in the history of METRO GROUP.

Sales and earnings developments

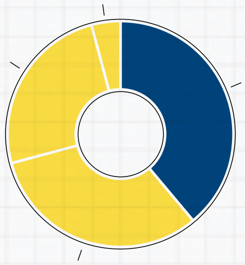
In the financial year 2010, METRO GROUP sales rose by 2.6 percent to €67.3 billion (previous year: €65.5 billion).

In Germany, sales declined by 1.4 percent to €26.1 billion; adjusted for location and other divestments, however, sales matched the previous year's level. International sales rose by 5.4 percent to €41.1 billion (in local currencies: +2.5 percent). As a result, the international share of sales rose from

Development of Group sales
by sales divisions and regions

	2010 € million	2009 € million	Change in % in €	Change in % Currency effects in percentage points	Change in % in local currencies
Metro Cash & Carry	31,095	30,613	1.6	2.2	−0.6
Real	11,499	11,298	1.8	1.6	0.2
Media Markt and Saturn	20,794	19,693	5.6	1.3	4.3
Galeria Kaufhof	3,584	3,539	1.3	0.0	1.3
Others	286	386	−26.0	–	–
METRO GROUP	67,258	65,529	2.6	1.7	0.9
thereof Germany	26,130	26,511	−1.4	0.0	−1.4
thereof international	41,128	39,018	5.4	2.9	2.5
Western Europe	21,528	20,932	2.8	0.7	2.1
Eastern Europe	16,880	15,766	7.1	5.6	1.5
Asia/Africa	2,720	2,320	17.3	4.4	12.9

Group sales of METRO GROUP 2010
by region



59.5 percent to 61.1 percent. In Western Europe, sales increased by 2.8 percent to €21.5 billion (in local currencies: +2.1 percent). In Eastern Europe, sales were up 7.1 percent to €16.9 billion (in local currencies: +1.5 percent). In Asia/Africa, sales grew by 17.3 percent to €2.7 billion (in local currencies: +12.9 percent).

METRO GROUP's EBIT increased by 31.5 percent to €2,211 million in the financial year 2010. Special items include one-time expenses related to the efficiency and value-enhancing programme Shape 2012 totalling €204 million. EBIT before special items reached a new record of €2,415 million. This corresponds to earnings growth of 19.3 percent and shows that Shape 2012 is paying off, with the measures implemented as part of this programme showing effect. In the financial year 2010, Shape 2012 contributed €527 million to earnings compared with €208 million in the previous year.

In Germany, EBIT improved by €65 million to €399 million. EBIT before special items in Germany fell by €63 million to €524 million. Earnings improvements in the sales divisions failed to offset a decline in earnings from real estate divestments and higher costs in the "others" segment. METRO GROUP managed to markedly increase international EBIT in all regions. In Western Europe, EBIT rose by 35.4 percent to €888 million, while EBIT before special items climbed by 45.0 percent to €1,026 million. In Eastern Europe, EBIT increased by €186 million to €920 million. EBIT before special items rose by €152 million to €917 million. In the Asia/Africa region, EBIT improved by €50 million to €5 mil-

Development of Group and divisional EBIT/EBITDA

€ million	EBITDA[1] 2010	EBITDA[1] 2009	EBIT[1] 2010	EBIT[1] 2009
Metro Cash & Carry	1,374	1,165	1,104	936
Real	321	226[2]	132	52
Media Markt and Saturn	876	851	625	608
Galeria Kaufhof	233	223	138	119
Real Estate	1,087	953[2]	698	551
Others	−166	−87	−282	−230
Consolidation	1	−12[2]	0	−12
METRO GROUP	**3,726**	**3,319[2]**	**2,415**	**2,024**

[1] 2010 (2009) adjusted for special items from Shape 2012: in EBITDA by €135 million (€251 million), including €11 million (€104 million) at Metro Cash & Carry, €11 million (€16 million) at Real, €58 million (€4 million) at Media Markt and Saturn, €−1 million (€57 million) at Galeria Kaufhof, €−14 million (€5 million) in the Real Estate segment, €41 million (€65 million) in the "others" segment and €29 million (€0 million) in the consolidation segment; in EBIT and in earnings before taxes by €204 million (€343 million), including €10 million (€143 million) at Metro Cash & Carry, €27 million (€16 million) at Real, €133 million (€5 million) at Media Markt and Saturn, €0 million (€58 million) at Galeria Kaufhof, €−20 million (€15 million) in the Real Estate segment, €41 million (€106 million) in the "others" segment and €13 million (€0 million) in the consolidation segment

[2] Adjustment due to netting of non-scheduled write-downs and write-ups in EBITDA totalling €9 million (Real), €6 million (Real Estate) and €−6 million (consolidation)

lion. EBIT before special items in this region fell by €16 million to €−51 million, including start-up costs for Media Markt's market entry in China.

Divisional sales and earnings developments

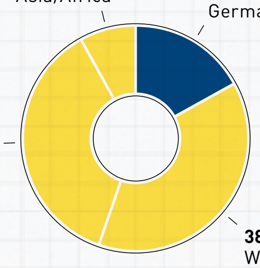
Metro Cash & Carry

Sales of Metro Cash & Carry rose by 1.6 percent (in local currencies: −0.6 percent) to €31.1 billion in 2010. Like-for-like sales declined by 1.7 percent. Developments in Western and Eastern Europe were marked by a widespread unwillingness of consumers to spend money in the nonfood segment.

In Germany, the decline in sales by 2.8 percent to €5.3 billion in the financial year 2010 was due mostly to location and other divestments as well as the targeted reduction of the low-margin tobacco product and telephone card business. Like-for-like sales fell by 1.7 percent. Excluding tobacco products and telephone cards, like-for-like sales, however, developed positively.

Metro Cash & Carry's international share of sales rose from 82.2 percent to 82.9 percent.

Sales of Metro Cash & Carry 2010
by region



In a continually difficult economic environment, sales in Western Europe fell short of the previous year's level, declining by 1.3 percent to €11.9 billion (in local currencies: −1.6 percent).

Business in Eastern Europe developed favourably. At €11.4 billion, regional sales were up 3.5 percent (in local currencies: −1.4 percent). Like-for-like sales fell by 3.6 percent. Business developments in Eastern Europe were again marked by a widespread unwillingness of consumers to spend money in the nonfood segment in 2010.

Sales in the Asia/Africa region developed very positively again. Sales rose by 19.7 percent to €2.5 billion (in local currencies: +14.7 percent), with all Asian countries posting double-digit sales growth.

As at 31 December 2010, Metro Cash & Carry was represented in 687 locations across 30 countries: 117 stores in Germany, 259 in Western Europe, 228 in Eastern Europe and 83 in Asia/Africa. Total selling space amounted to 5.4 million square metres.

Metro Cash & Carry's EBIT increased by 37.9 percent to €1,094 million. EBIT before special items rose by 17.9 percent to €1,104 million. This earnings growth is due to margin improvements and cost savings in the context of Shape 2012. With an EBIT margin of 3.6 percent before special items, Metro Cash & Carry proved its high earnings strength even in a continually challenging economic environment.

Key figures Metro Cash & Carry 2010
in year-on-year comparison

	2010 € million	2009 € million	Change in % in €	Currency effects in percentage points	in local currencies	Like-for-like (local currencies)
Sales	31,095	30,613	1.6	2.2	−0.6	−1.7
Germany	5,302	5,454	−2.8	0.0	−2.8	−1.7
Western Europe	11,912	12,072	−1.3	0.3	−1.6	−1.5
Eastern Europe	11,407	11,020	3.5	4.9	−1.4	−3.6
Asia/Africa	2,474	2,067	19.7	5.0	14.7	8.1
EBITDA	1,374[1]	1,165[1]	18.0	–	–	–
EBIT	1,104[1]	936[1]	17.9	–	–	–
EBIT margin (%)	3.6[1]	3.1[1]	–	–	–	–
Locations (number)	687	668	–	–	–	–
Selling space (1,000 sqm)	5,355	5,291	1.2	–	–	–

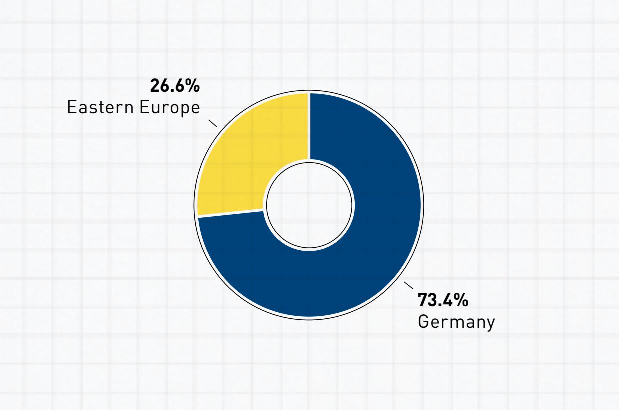
[1] Before special items from Shape 2012

Real

Real's sales grew by 1.8 percent to €11.5 billion in 2010 (in local currencies: +0.2 percent). Like-for-like sales increased by 0.1 percent.

In Germany, Real continued to forge ahead with its repositioning in a difficult environment. While sales fell by 1.8 percent to €8.4 billion, this decline is exclusively due to the liquidation of 13 unprofitable hypermarkets. Like-for-like sales were 0.2 percent higher than a year earlier.

Sales of Real 2010
by region



Real's international share of sales rose from 23.9 percent to 26.6 percent.

Sales in Eastern Europe increased by 13.1 percent to €3.1 billion (in local currencies: +6.1 percent). While sales in Russia and Turkey grew dynamically, the difficult economic environment caused sales in Romania to decline. Like-for-like sales in Eastern Europe dropped by 0.5 percent, with the strong like-for-like sales growth in Russia and Turkey nearly offsetting the sales decline in Romania.

At the end of 2010, Real's network of locations comprised 429 hypermarkets in 6 countries: 320 in Germany and 109 in Eastern Europe.

EBIT improved by about €69 million to €105 million. EBIT before special items also increased markedly by €80 million to €132 million. With the help of Shape 2012 Real was able to improve its gross profit margin in Germany and further lower its costs. In Eastern Europe, Real posted a positive EBIT for the first time. In the context of Shape 2012, productivity gains in Russia and Turkey as well as cost savings in Romania are having a particularly positive effect in this region.

Key figures Real 2010
in year-on-year comparison

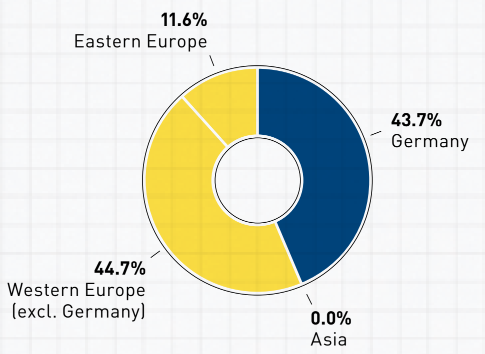
	2010 € million	2009 € million	Change in % in €	Currency effects in percentage points	in local currencies	Like-for-like (local currencies)
Sales	11,499	11,298	1.8	1.6	0.2	0.1
Germany	8,441	8,593	−1.8	0.0	−1.8	0.2
Eastern Europe	3,058	2,705	13.1	7.0	6.1	−0.5
EBITDA	321[1]	226[1,2]	42.7	–	–	–
EBIT	132[1]	52[1]	–	–	–	–
EBIT margin (%)	1.1[1]	0.5[1]	–	–	–	–
Locations (number)	429	441	–	–	–	–
Selling space (1,000 sqm)	3,107	3,184	−2.4	–	–	–

[1] Before special items from Shape 2012
[2] Adjustment due to the netted presentation of non-scheduled write-downs and write-ups in EBITDA totalling €9 million

Media Markt and Saturn

Media Markt and Saturn reaffirmed its leading market position in Europe in 2010. Sales rose by 5.6 percent to €20.8 billion (in local currencies: +4.3 percent). Like-for-like sales declined by 1.2 percent.

Sales of Media Markt and Saturn 2010
by region



In 2010, sales in Germany remained unchanged from a year earlier. The previous year's figure reflected the highly successful campaign on the occasion of Media Markt's 30th anniversary. In time for the Christmas business, Media Markt and Saturn included the first products of the new own brands "ok." and "KOENIC" in its assortment. The customer response was exceedingly positive.

The international share of sales at Media Markt and Saturn rose from 53.7 percent to 56.3 percent.

Despite the challenging economic and market environment, sales in Western Europe markedly exceeded the previous year's level in 2010, rising by 8.7 percent to €9.3 billion (in local currencies: +7.4 percent). Like-for-like sales increased by 0.6 percent.

In Eastern Europe, in turn, Media Markt and Saturn posted sales growth of 18.3 percent to €2.4 billion (in local currencies: +10.8 percent) for the financial year 2010. Like-for-like sales developments diverged markedly between individual countries and declined by 7.1 percent overall. While like-for-like sales in Russia and Turkey showed a strong rise, sales in Poland declined due to negative market developments in consumer electronics retailing.

In Asia, Media Markt opened its first store in Shanghai, generating sales of €9 million from the middle of November.

At the end of 2010, the location network of Media Markt and Saturn comprised 877 consumer electronics stores: 382 in Germany, 353 in Western Europe, 141 in Eastern Europe and 1 location in Asia.

EBIT of Media Markt and Saturn totalled €492 million after €603 million in the previous year. This decline was largely due to special effects related to the divestment of the French locations – pending the approval of the antitrust authority – with which METRO GROUP is rigorously pushing its strategic portfolio optimisation. EBIT before special items rose by €17 million to €625 million. EBIT includes start-up costs for the market entry in China as well as the launching of the online and own-brand business. In Germany, Western and Eastern Europe, EBIT before special items increased.

Key figures Media Markt and Saturn 2010
in year-on-year comparison

			Change in %			
	2010 € million	2009 € million	in €	Currency effects in percentage points	in local currencies	Like-for-like (local currencies)
Sales	20,794	19,693	5.6	1.3	4.3	−1.2
Germany	9,087	9,114	−0.3	0.0	−0.3	−1.6
Western Europe	9,283	8,538	8.7	1.3	7.4	0.6
Eastern Europe	2,415	2,041	18.3	7.5	10.8	−7.1
Asia/Africa	9	0	–	–	–	–
EBITDA	876[1]	851[1]	2.9	–	–	–
EBIT	625[1]	608[1]	2.8	–	–	–
EBIT margin (%)	3.0[1]	3.1[1]	–	–	–	–
Locations (number)	877	818	–	–	–	–
Selling space (1,000 sqm)	2,829	2,633	7.4	–	–	–

[1] Before special items from Shape 2012

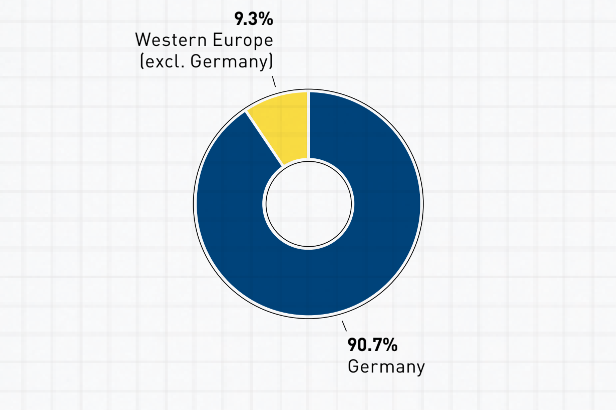
Galeria Kaufhof

Despite the closure of three unprofitable locations, sales of Galeria Kaufhof rose by 1.3 percent to €3.6 billion in 2010. Like-for-like sales increased by 1.2 percent.

In Germany, sales grew by 1.0 percent to €3.3 billion. Like-for-like sales growth amounted to 1.1 percent. Galeria Kaufhof continued to successfully implement value creation measures in the merchandise business, such as the optimisation of assortments in the course of the trading-up strategy. As such, Galeria Kaufhof has reaffirmed its position as a leader in the German department store business.

Sales in Western Europe increased by 3.4 percent to €333 million. Like-for-like sales grew by 2.9 percent.

Sales of Galeria Kaufhof 2010
by region



At the end of 2010, Galeria Kaufhof operated 138 department stores: 123 locations in Germany and 15 locations in Belgium.

EBIT reached €138 million compared with €61 million a year earlier. EBIT before special items exceeded the previous year's level by €19 million.

The EBIT margin before special items was raised markedly by 0.5 percentage point to 3.9 percent.

Key figures Galeria Kaufhof 2010
in year-on-year comparison

			Change in %			
	2010 € million	2009 € million	in €	Currency effects in percentage points	in local currencies	Like-for-like (local currencies)
Sales	3,584	3,539	1.3	0.0	1.3	1.2
Germany	3,251	3,217	1.0	0.0	1.0	1.1
Western Europe	333	322	3.4	0.0	3.4	2.9
EBITDA	233[1]	223[1]	4.7	–	–	–
EBIT	138[1]	119[1]	16.5	–	–	–
EBIT margin (%)	3.9[1]	3.4[1]	–	–	–	–
Locations (number)	138	141	–	–	–	–
Selling space (1,000 sqm)	1,480	1,501	−1.4	–	–	–

[1] Before special items from Shape 2012

Real Estate

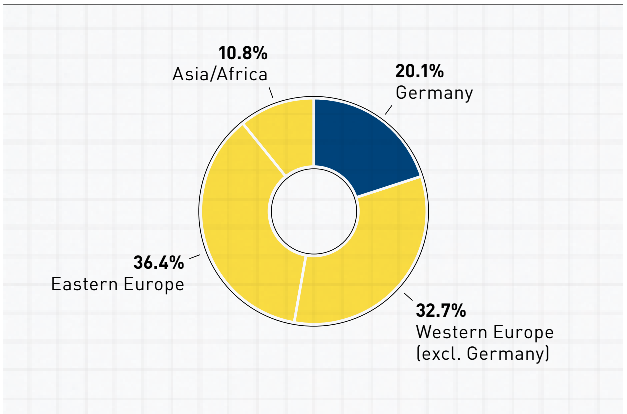
The Real Estate segment comprises all real estate assets owned by METRO GROUP in 30 countries as well as real estate-related services.

Real estate management actively contributes to value creation at METRO GROUP. Through international expansion, active asset and portfolio management as well as an optimised use of resources, the Company strives to protect and systematically grow its real estate assets over the long-term.

As one of Europe's largest retail property managers, METRO Group Asset Management supports the international expansion of the sales divisions. In the process, the segment uses the liquidation of attractive land and buildings in the saturated markets of Western Europe as a financing basis to build up new real estate assets in the growth markets of Eastern Europe and Asia. In addition, METRO Group Asset Management systematically protects and grows the long-term value of the Company's real estate assets through active asset and portfolio management as well as the sustainable use of resources.

EBIT rose strongly from €536 million to €718 million. EBIT before special items reached €698 million, an increase of €147 million. The earnings improvement is largely due to the divestment of 20 property locations of Metro Cash & Carry Italy, which were sold through the placement of fund shares. METRO GROUP systematically creates value with this professional marketing approach.

Property locations (688 locations)
by region



Others

The "others" segment comprises, among others, METRO AG as the strategic management holding company of METRO GROUP, the procurement organisation in Hong Kong, which also operates on behalf of third parties, as well as the logistics services and the gastronomy business. In

2010, sales of the "others" segment declined by 26.0 percent to €286 million. This drop was due mostly to the sale of the operating business of AXXE Reisegastronomie, the divestment of Grillpfanne locations and a decline in third-party procurement volumes.

EBIT amounted to €–323 million compared with €–336 million in 2009. EBIT before special items was €52 million below the previous year's level at €–282 million. The decline in EBIT was largely due to higher expenses for governance functions as well as one-time expenses in connection with the departure of members of the Management Board of METRO AG.

Financial result and taxes

€ million	2010	2009
Earnings before interest and taxes EBIT	**2,211[1]**	**1,681[1]**
Result from associated companies	0	0
Other investment results	15	15
Interest income/expenses (net result)	–606	–553
Other financial results	10	–93
Net financial income	**–581**	**–631**
Earnings before taxes EBT	**1,630[1]**	**1,050[1]**
Income taxes	–694	–531
Net profit for the period	**936[2]**	**519[2]**

[1] Includes special items from Shape 2012 of €204 million (previous year: €343 million) in 2010
[2] Includes special items from Shape 2012 after taxes of €203 million (previous year: €305 million) in 2010

Financial result

The financial result comprises above all the net interest result of €–606 million (previous year: €–553 million). Interest expenses rose by €36 million, with interest expenses related to company pensions accounting for €22 million of this. In addition, net interest income includes €15 million less interest income from loans and receivables including cash and cash equivalents. The "other financial results" increased by €103 million to €10 million. This was due mostly to the €101 million increase in cumulative results from currency effects and valuation results from hedging transactions and hedging relationships.

Additional information on the financial results is contained in the notes to the consolidated financial statements in nos. 6 to 8 "Other investment result", "Interest income/interest expenses" and "Other financial result".

Taxes

The increase in taxes paid or due resulted largely from the positive earnings development during the reporting year. This resulted in an increase in tax payments in Eastern Europe, in particular.

€ million	2010	2009
Taxes paid or due	659	495
thereof Germany	(215)	(158)
thereof international	(444)	(337)
thereof tax expenses/income of the current period	(610)	(507)
thereof tax expenses/income from previous periods	(49)	(–12)
Deferred taxes	35	36
thereof Germany	(22)	(42)
thereof international	(13)	(–6)
	694	**531**

Additional information about income taxes is contained in the consolidated financial statements in no. 10 "Income taxes".

Group net profit and earnings per share

In 2010, net profit for the period (Group net profit) totalled €936 million, 80.2 percent higher than in the previous year. Net of minority interests, the Group's net profit attributable to the shareholders of METRO AG amounted to €850 million (previous year: €383 million).

Net profit for the period comprises one-time effects totalling €203 million (previous year: €305 million) from Shape 2012. Adjusted for special items, net profit for the period thus amounted to €1,139 million (previous year: €824 million).

In the financial year 2010, METRO GROUP generated earnings per share of €2.60 (previous year: €1.17). As in the previous year, the calculation was based on a weighted number of 326,787,529 shares. Group net profit attributable to the shareholders of €850 million was distributed according to this number of shares. There was no dilution in the reporting year or in the previous year.

				Change	
		2010	2009	Absolute	%
Net profit for the period	€ million	936[1]	519[1]	417	80.2
Net profit attributable to minority interests	€ million	86	136	–50	–36.7
Net profit attributable to shareholders of METRO AG	€ million	850[2]	383[2]	467	–
Earnings per share[3]	€	2.60[4]	1.17[4]	1.43	–
Earnings per share before special items[3, 5]	€	3.12	2.10	1.02	48.6

[1] Includes special items from Shape 2012 after taxes of €203 million (previous year: €305 million)
[2] Includes special items from Shape 2012 after taxes of €169 million (previous year: €303 million)
[3] Net of minority interests
[4] Includes special items from Shape 2012 after taxes of €0.52 per share (previous year: €0.93)
[5] Adjusted for special items from Shape 2012

Earnings per share before special items, that is adjusted for the special items from Shape 2012, totalled €3.12 (previous year: €2.10).

EBIT after Cost of Capital (EBITaC)

METRO GROUP's strength is reflected in its ability to continuously increase the Company's value through growth and operational efficiency as well as optimal capital deployment. METRO GROUP has been using value-orientated performance metrics since 2000 to ensure the Company's sustained value creation. Since 2009, the value contribution has been measured in terms of EBITaC (EBIT after Cost of Capital). A positive value contribution is achieved when earnings before interest and taxes exceed the cost of capital needed to finance the average capital employed.

EBITaC = EBIT[1] – cost of capital
= EBIT[1] – (capital employed x WACC)

[1] Special items from Shape 2012 periodised over four years

The use of the performance metric EBITaC enables METRO GROUP to focus on the key drivers of the operating business that management can influence: increases in operational efficiency, value-creating growth and the optimisation of capital employed. The efficiency and value-enhancing programme Shape 2012 contributes, in particular, to increases in operational efficiency and the optimisation of capital employed. Value-creating growth, in turn, continues to derive largely from METRO GROUP's strategy of investing in the high-margin growth regions of Eastern Europe and Asia.

The cost of capital reflects the expected remuneration to investors for the capital they provide and for their investment risk before taxes. It is calculated by multiplying the average capital employed by the weighted average cost of capital before taxes (WACC).

The cost of capital before taxes corresponds to the minimum return on capital demanded by capital providers. It reflects the total cost of capital employed and thus consists of equity and debt capital costs. Previously, the cost of capital was calculated on the basis of a uniform risk for all sales divisions. For practical reasons, however, this did not distinguish between the trade and real estate business; in addition, the calculation of the WACC for the segments did not reflect a weighting of country risks. Following the establishment of the Real Estate segment as an independent profit centre, METRO GROUP adjusted the capital cost calculation in 2010. This has a significant impact on corporate controlling. Through the use of risk-adequate capital costs, which are differentiated by countries and segments, METRO GROUP can optimise the allocation of available investment funds, among other things. The weighted cost of capital is determined by a risk-free rate of return, a country-specific risk premium, segment-specific business risk and financial risk. The assessment of the segments' respective business risk, which is reflected in the beta factor, was implemented by means of an analysis of peer companies for the respective sales divisions and the Real Estate segment. In addition, the new WACC calculation considers sector-specific financing structures and explicitly accounts for individual country risks to calculate the segment WACCs. In 2010, METRO GROUP's weighted cost of capital before taxes amounted to 9.8 percent. This figure is calculated from the segment-specific weighted cost of capital weighted according to capital employed.

Capital employed represents interest-carrying assets. In order to further enhance the comprehensibility of the calculation, the definition of capital employed was spelled out even more clearly. Capital employed comprises segment assets plus net working capital less trade payables as well as deferred liabilities. It principally represents an average capital employed that is calculated from quarterly financial statements. One benefit of the use of averages is that the calculation can consider developments in capital employed that occur during the relevant period.

EQUITY CAPITAL COSTS

Risk-free rate of return	4.7%
+	
Market risk premium	5.0%
x Beta factor (specific risk premium for METRO GROUP)	1.0
=	**9.7%**

Weighting at market rates 50%

DEBT CAPITAL COSTS

Risk-free rate of return	4.7%
+	
Average long-term risk premium	1.5%
=	6.2%
– Tax effect	–1.6%
=	**4.6%**

Weighting at market rates 50%

7.2% Group WACC after taxes

Tax effect (1–26.6%)

9.8% Group WACC before taxes

In the calculation of EBITaC, special items from the Shape 2012 project are distributed over four years on a straight-line basis and considered in earnings before interest and taxes (EBIT) in the reporting year. Special items from Shape 2012 that were recorded in the financial year 2010 are largely the result of an optimisation of the location portfolio, selling spaces and organisational structures. As the respective positive EBIT effects largely arise with a time lag to expenses, the distribution of these special items over several years provides for an accurate presentation of operating performance. As a result, short-term special effects do not fully impact earnings during the period in which they occur. In addition, the periodisation helps ensure that measures that create value over the long term are not abandoned because of negative short-term earnings effects.

The results of the EBITaC analysis are used, among other things, for the management of METRO GROUP's portfolio as well as for the allocation of investment funds. Medium- to long-term effects on value creation are the key factor determining the allocation of investment funds. As a result, the cash value of future value added represents the key criterion for all investments within METRO GROUP. In order to provide for value creation as well as sufficient liquidity, the value added of investment projects, free cash flow and the cash recovery period are used as additional liquidity-based key performance metrics. Above all in times of capital squeeze, a ranking of alternative investment projects represents an important success factor in corporate management.

In the financial year 2010, METRO GROUP successfully deployed its business assets and achieved a positive EBITaC of €668 million. After periodisation of special items from Shape 2012 in the amount of €204 million and consideration of periodised expenses from 2008 (€237 million for the streamlining of the Real store network) and 2009 (€343 million in one-time expenses from Shape 2012) EBIT for 2010 totalled €2,219 million. Given average business assets of €15,895 million, the cost of capital amounted to €1,551 million. The growth of capital employed, which is partly due to increased international expansion, was offset by EBIT growth. The Metro Cash & Carry sales division achieved positive value added again in 2010, exceeding the previous year's level. Media Markt and Saturn also achieved positive value added in 2010, although this figure fell short of the previous year's level. The decline compared with 2009 is due to the Shape 2012 one-time expenses related to the sale of the Saturn consumer electronics stores in France pending approval by the antitrust authority. Despite the periodisation, these expenses shaved about €30 million off Media Markt and Saturn's earnings. Galeria Kaufhof also earned its cost of capital. In a reflection of the successful continuation of its restructuring, Real posted a significant increase in EBITaC compared with the previous year.

€ million	2010	2009[1]	Delta
EBIT before special items	2,415	2,024	391
EBIT after periodisation of special items[2]	2,219	1,879	340
Ø Business assets	15,895	15,798	97
WACC before taxes	9.8 %	9.8 %	–
Cost of capital	−1,551	−1,542	−9
EBITaC	668	337	331

[1] Previous year adjusted for comparability reasons
[2] The effect of the special items is spread over four years

Balance sheet profit of METRO AG and profit appropriation in accordance with German commercial law

METRO AG's annual financial statements prepared under German commercial law serve as the basis for dividend distribution. The balance sheet and income statement of METRO AG prepared in accordance with the German Commercial Code (HGB) are as follows:

Income statement for the financial year from 1 January to 31 December 2010 prepared under the German Commercial Code (HGB)

€ million	2010	2009
Investment income	919.9	772.2
Financial result	−178.9	−111.2
Other operating income	304.8	139.1
Personnel expenses	−153.4	−87.1
Depreciation/amortisation on intangible and tangible assets	−37.8	−2.1
Other operating expenses	−291.7	−151.7
NOPAT	**562.9**	**559.2**
Extraordinary result	−31.5	0.0
Income taxes	−35.9	−25.5
Other taxes	−3.5	6.4
Net income	**492.0**	**540.1**
Profit carried forward from the previous year	23.9	9.7
Additions to revenue reserves	−60.0	−140.0
Balance sheet profit	**455.9**	**409.8**

Balance sheet profit of METRO AG and profit appropriation
For the financial year 2010, METRO AG posted investment income of €919.9 million, compared with €772.2 million in the previous year. In consideration of other income, expenses and taxes as well as the transfer of €60.0 million to revenue reserves, the Company reported a balance sheet profit of €455.9 million compared with €409.8 million in 2009.

The Management Board of METRO AG will propose to the Annual General Meeting that, from the reported balance sheet profit of €455.9 million, a dividend of €441.5 million be paid and that the balance of €14.4 million be carried forward to the new account. The balance sheet profit of €455.9 million includes retained earnings of €23.9 million. The dividend proposed by the Management Board amounts to

→ €1.350 per ordinary share and
→ €1.485 per preference share.

Balance sheet as at 31 December 2010

Assets

€ million	31/12/2010	31/12/2009
Fixed assets		
Intangible assets	148.4	2.4
Tangible assets	4.3	4.1
Financial assets	7,921.4	8,319.3
	8,074.1	**8,325.8**
Current assets		
Receivables and other assets	2,829.3	1,638.5
Cash on hand, bank deposits and cheques	2,199.8	1,294.8
	5,029.1	**2,933.3**
Prepaid expenses and deferred charges	**19.0**	**11.8**
	13,122.2	**11,270.9**

Liabilities

€ million	31/12/2010	31/12/2009
Equity		
Share capital	835.4	835.4
Ordinary shares	828.6	828.6
Preference shares	6.8	6.8
(Contingent capital)	(127.8)	(127.8)
Capital reserve	2,558.0	2,558.0
Reserves retained from earnings	1,726.3	1,664.0
Balance sheet profit	455.9	409.8
	5,575.6	5,467.2
Provisions	**371.3**	**295.9**
Liabilities	**7,172.9**	**5,507.7**
Deferred income	**2.4**	**0.1**
	13,122.2	**11,270.9**

Special items from Shape 2012
by sales division

€ million		2010 as reported	2009[1] as reported	2010 special items	2009 special items	2010 before special items	2009[1] before special items
EBITDA		3,591	3,068[1]	135	251	3,726	3,319[1]
thereof	Metro Cash & Carry	1,363	1,061	11	104	1,374	1,165
	Real	310	210[1]	11	16	321	226[1]
	Media Markt and Saturn	818	847	58	4	876	851
	Galeria Kaufhof	234	166	–1	57	233	223
	Real Estate	1,101	948[1]	–14	5	1,087	953[1]
	Others	–207	–152	41	65	–166	–87
	Consolidation	–28	–12[1]	29	0	1	–12
EBIT		2,211	1,681	204	343	2,415	2,024
thereof	Metro Cash & Carry	1,094	793	10	143	1,104	936
	Real	105	36	27	16	132	52
	Media Markt and Saturn	492	603	133	5	625	608
	Galeria Kaufhof	138	61	0	58	138	119
	Real Estate	718	536	–20	15	698	551
	Others	–323	–336	41	106	–282	–230
	Consolidation	–13	–12	13	0	0	–12
Earnings before taxes EBT		**1,630**	**1,050**	**204**	**343**	**1,834**	**1,393**
Earnings per share (€)		**2.60**	**1.17**	**0.52**	**0.93**	**3.12**	**2.10**

[1] Adjustment due to netting of non-scheduled write-downs and write-ups in EBITDA totalling €9 million (Real), €6 million (Real Estate) and €–6 million (consolidation)

Special items Shape 2012
by region

€ million		2010 as reported	2009[1] as reported	2010 special items	2009 special items	2010 before special items	2009[1] before special items
EBITDA		3,591	3,068[1]	135	251	3,726	3,319[1]
thereof	Germany	1,057	1,023[1]	111	193	1,168	1,216[1]
	Western Europe excl. Germany	1,242	968	67	42	1,309	1,010
	Eastern Europe	1,242	1,072	9	13	1,251	1,085
	Asia/Africa	51	3	–52	6	–1	9
	International	2,535	2,043	24	61	2,559	2,104
	Consolidation	–1	2	0	–3	–1	–1
EBIT		2,211	1,681	204	343	2,415	2,024
thereof	Germany	399	334	125	253	524	587
	Western Europe excl. Germany	888	656	138	52	1,026	708
	Eastern Europe	920	734	–3	31	917	765
	Asia/Africa	5	–45	–56	10	–51	–35
	International	1,813	1,345	79	93	1,892	1,438
	Consolidation	–1	2	0	–3	–1	–1
Earnings before taxes EBT		**1,630**	**1,050**	**204**	**343**	**1,834**	**1,393**
Earnings per share from continuing operations (€)		**2.60**	**1.17**	**0.52**	**0.93**	**3.12**	**2.10**

[1] Adjustment due to netting of non-scheduled write-downs and write-ups in EBITDA totalling €9 million (Germany)

4. Financial and asset position

Financial management

Principles and objectives of financial activities
The financial management of METRO GROUP ensures the permanent liquidity supply of the Company, reduces financial risks where economically feasible and grants loans to Group companies as well as financial support in the form of guarantees and letters of comfort for Group units. All activities are monitored and performed centrally by METRO AG. The main objective is to ensure that Group companies have access to the necessary financing for their operating and investment activities at all times and in the most cost-efficient manner possible. As a matter of principle, the selection of the financial products is based on the maturities of the underlying transactions. To ensure access to capital markets even in a tense economic environment, a long-term investment grade credit rating of at least BBB/Baa2 and a short-term rating of A-2/P-2 are required. METRO GROUP's financial activities are based on a financial budget for the Group, which covers all relevant companies and is updated monthly. In addition, METRO AG provides 14-day liquidity plans. 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 to stay independent. In the context of our 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 serve to cover financing requirements and are concluded to hedge risks related to underlying business transactions. METRO GROUP's total financial portfolio is centrally controlled by METRO AG.

Centralised risk monitoring
Changes in financial parameters, such as interest rate or exchange rate fluctuations, can impact the financing activities of METRO GROUP. Associated risks are regularly quantified in the context of scenario analyses. Open risk positions – for example financial transactions without an underlying business transaction - may be concluded only after the appropriate approval has been granted by the Management Board of METRO AG.

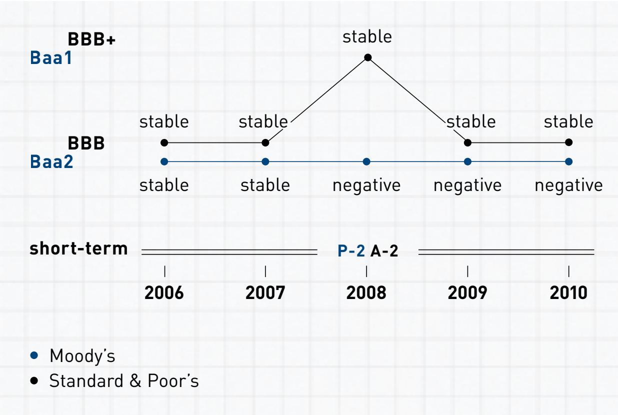
Exclusively authorised contractual partners
METRO GROUP conducts financial transactions only with contractual partners who have been authorised by METRO AG. The creditworthiness of these contractual partners is tracked on a daily basis based on their ratings. In addition, the risk controlling unit of METRO AG's finance department continuously monitors the relevant limits.

Approval requirement
As a matter of principle, 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.

Ratings
Ratings evaluate the ability of a company to meet its financial obligations. They communicate the creditworthiness of a company to potential debt capital investors. In addition, ratings facilitate access to international capital markets. METRO GROUP is continuously monitored by two leading international rating agencies - Moody's and Standard & Poor's. The following table illustrates the development of long- and short-term ratings over the past five years:

Rating development and outlook



Moody's and Standard & Poor's currently rate METRO GROUP as follows:

Category	2010 Moody's	2010 Standard & Poor's
Long-term	Baa2	BBB
Short-term	P-2	A-2
Outlook	negative	stable

Based on these ratings, METRO GROUP has access to all financial markets.

Financing measures

The Debt Issuance Programme serves as a source of long-term financing. In 2010, we conducted the following transactions in the context of this programme:

Type of transaction	Issue date	Term	Maturity	Nominal volume	Coupon
New issue	February 2010	7 years	February 2017	€750 million	4.25% fixed
Redemption	September 2006	4 years	September 2010	€200 million	variable

For short- and medium-term financing, METRO GROUP uses ongoing capital market issuance programmes, amongst others. These include the Euro Commercial Paper Programme and a Commercial Paper Programme geared especially to French investors. The average amount utilised from both programmes in 2010 was €687 million. In addition, METRO GROUP used bilateral bank facilities and syndicated credit lines totalling €1,211 million as per the balance sheet date.

For further information on financing programmes and credit lines, see the notes to the consolidated financial statements in no. 36 "Financial liabilities".

Aside from the established issuance programmes, the Company had access to sufficient liquidity via comprehensive, generally multi-year credit lines at all times. These are listed in the table below

Credit facilities of METRO GROUP

€ million	31/12/2010 Total	31/12/2010 Up to 1 year	31/12/2010 Over 1 year	31/12/2009 Total	31/12/2009 Up to 1 year	31/12/2009 Over 1 year
Bilateral lines of credit	2,204	1,006	1,198	2,467	1,246	1,221
Utilisation	–1,211	–375	–836	–1,214	–534	–680
Unutilised lines of credit	993	631	362	1,253	712	541
Syndicated lines of credit	2,475	0	2,475	2,975	0	2,975
Utilisation	0	0	0	0	0	0
Unutilised lines of credit	2,475	0	2,475	2,975	0	2,975
Total lines of credit	4,679	1,006	3,673	5,442	1,246	4,196
Total utilisation	–1,211	–375	–836	–1,214	–534	–680
Total unutilised lines of credit	**3,468**	**631**	**2,837**	**4,228**	**712**	**3,516**

Investments/divestments

In the financial year 2010, METRO GROUP invested €1.7 billion. This was about €0.2 billion, or 11.0 percent, more than in the previous year. About half of the investments made during the reporting year flowed into the continued international expansion of the sales divisions Metro Cash & Carry, Real as well as Media Markt and Saturn. In addition, investments were made in the modernisation of the existing network of locations.

€ million	2010	2009	Change Absolute	Change %
Metro Cash & Carry	499	220	279	–
Real	156	193	−37	−19.3
Media Markt and Saturn	362	353	9	2.7
Galeria Kaufhof	104	57	47	82.7
Real Estate	490	580	−90	−15.5
Others	72	114	−42	−36.6
METRO GROUP	**1,683**	**1,517**	**166**	**11.0**

Metro Cash & Carry invested €499 million in the reporting year – €279 million more than in the previous year. The sales division opened 38 new stores around the world, including 3 in Germany. The focus of the expansion was on the growth regions of Eastern Europe and Asia/Africa with 18 and 16 new stores, respectively. The cash & carry operation added 6 stores to its network in China and 5 new stores in Russia. The sales division opened 4 stores each in Kazakhstan, Turkey and Vietnam. It added 1 store each in India, Portugal, Slovakia, Serbia and Ukraine. In Romania and Egypt, the number of new store openings totalled 2 each. In Japan, the number was 3. By disposing of 8 stores in Morocco, the Metro Cash & Carry sales division systematically continued to optimise its strategic portfolio. It also closed 10 stores in Germany, including 3 stores of the C+C Schaper sales brand.

At **Real,** investments in the reporting year totalled €156 million, €37 million less than in the previous year. Real expanded its store network by adding 1 hypermarket each in Romania and Russia. As part of the streamlining of its store network, 13 stores were divested in Germany, and 1 store in Turkey was turned over to Metro Cash & Carry. Real also pushed ahead with the conceptual repositioning of its existing stores and invested in modernisation, particularly in Germany.

The investments made by **Media Markt and Saturn** totalled €362 million during the reporting year, a slight increase from the previous year. In 2010, the sales division continued to systematically expand its national and international network of stores. Media Markt and Saturn opened a total of 60 consumer electronics stores, including 7 in Germany. With 31 store openings, the focus of the expansion was on Western Europe. 8 stores were added in Austria, 5 in Italy and 4 in the Netherlands. 3 each were opened in Sweden, Switzerland and Spain, 2 each in Belgium and France, and 1 in Luxembourg. In Eastern Europe, Media Markt and Saturn opened 21 stores, including 11 in Russia, 6 in Poland, 3 in Greece and 1 in Turkey. In November 2010, Media Markt and Saturn also entered the market in China, opening 1 consumer electronics store in Shanghai. 1 store was closed in Hungary.

During the reporting year, investments by **Galeria Kaufhof** totalled €104 million, well above the previous year's level. The primary focus of these investments was on extensive modernisation based on the Galeria concept. During the financial year 2010, 3 department stores were disposed of.

In the **Real Estate** segment, investments made during the reporting year totalled €490 million, €90.0 million below the previous year's level. The investments primarily involved the acquisition of real estate in connection with the expansion of the Metro Cash & Carry and Real sales divisions.

Investments made in the **"others"** segment totalled €72 million in the reporting year, about €42 million below the previous year's level. The investments were largely attributable to intangible assets and business and office equipment.

Investment obligations totalled €256 million. Information on this is included in the notes to the consolidated financial statements in no. 19 "Other intangible assets", no. 20 "Tangible assets" and no. 21 "Investment properties".

From divestments, METRO GROUP received cash and cash equivalents of €784 million, which resulted primarily from the sale of real estate. Additional information about divestments is contained in the "cash flow statement" in the consolidated financial statements and in the notes to the consolidated financial statements in no. 40 "Notes to the cash flow statement".

Consolidated cash flow statement[1]

The cash flow statement serves to identify and display the cash flows that METRO GROUP generated or employed in the financial year from current operating, investing and financing activities. In addition, it shows the cash positions at the beginning and at the end of the financial year.

During the reporting year, total cash flow of €2,514 million (previous year: €2,494 million) was generated from current operating activities of continuing operations. Investing activities of continuing operations led to cash outflows of €961 million (previous year: €1,162 million). This results in a year-on-year increase in cash flow from continuing operations before financing activities of €221 million to €1,553 million in 2010. Cash flow from financing activities of continuing operations showed outflows of €734 million (previous year: €1,225 million).

Additional information is contained in the notes to the consolidated financial statements in no. 40 "Notes to the cash flow statement".

Cash flow

€ million	2010	2009[2]
Cash flow from operating activities of continuing operations	2,514	2,494
Cash flow from operating activities of discontinued operations	0	–18
Cash flow from operating activities (total)	**2,514**	**2,476**
Cash flow from investing activities of continuing operations	–961	–1,162
Cash flow from investing activities of discontinued operations	0	0
Cash flow from investing activities (total)	**–961**	**–1,162**
Cash flow from continuing operations before financing activities	**1,553**	**1,332**
Cash flow from financing activities of continuing operations	–734	–1,225
Cash flow from financing activities of discontinued operations	0	36
Cash flow from financing activities (total)	**–734**	**–1,189**
Total cash flows	**819**	**125**
Currency effects on cash and cash equivalents	13	–4
Change in cash and cash equivalents due to initial consolidations	0	1
Change in cash and cash equivalents (total)	**832**	**122**

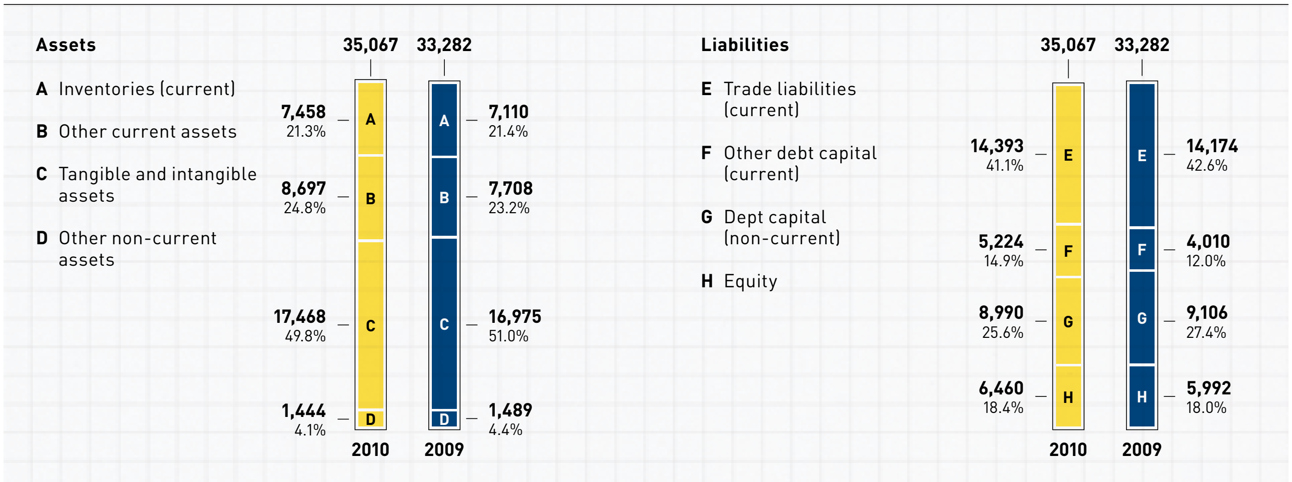
[1] Abridged version. The complete version is shown in the consolidated financial statements
[2] Adjustment due to revised disclosure

Capital structure

At the end of 2010, METRO GROUP's balance sheet showed equity of €6,460 million compared with €5,992 million in the previous year. Revenue reserves rose by €554 million. Taking the dividend payment for 2009 (€386 million) and the contribution of period income attributable to shareholders of METRO AG (€850 million) into consideration, this rise essentially derived from currency translation differences that strengthened revenue reserves. The equity ratio rose by 0.4 percentage points to 18.4 percent. The share of revenue reserves in equity totalled 45.3 percent compared with 39.6 percent in the previous year.

Net financial debt after netting of cash and cash equivalents according to the balance sheet as well as monetary investments with financial debts, including finance leases, totalled €3,478 million compared with €3,724 million in 2009. Non-current financial liabilities fell by €210 million to €6,533 million. Current financial liabilities increased by €766 million to €1,750 million. In contrast to the previous year, bonds with a nominal value of €750 million and €350 million that were due in the first half of 2011 were reported in current financial liabilities as a result of the approaching maturity date. This was netted against the issue of a long-term bond with a nominal volume of €750 million. During the financial year 2010, cash and cash equivalents rose by €803 million to €4,799 million.

Capital structure METRO GROUP[1]
€ million



[1] Adjustment of previous year's figures due to revised disclosure

€ million	Note no.	31/12/2010	31/12/2009
Equity	31	**6,460**	**5,992**
Subscribed capital		835	835
Capital reserves		2,544	2,544
Reserves retained from earnings		2,929	2,375
After non-controlling interests		152	238

€ million	31/12/2010	31/12/2009
Cash and cash equivalents according to the balance sheet	4,799	3,996
Monetary investments[1]	6	7
Financial liabilities (incl. finance leases)[2]	8,283	7,727
Net financial debt[2]	**3,478**	**3,724**

[1] Shown in the balance sheet under "other receivables and assets" (current)
[2] Adjustment of previous year's figures due to revised disclosure

The debt capital ratio decreased by 0.4 percentage points to 81.6 percent. Current liabilities accounted for 68.6 percent of total debt compared with 66.6 percent in the previous financial year.

Trade liabilities increased by €219 million to €14,393 million as a result of currency effects and the expansion of the international business conducted by the sales divisions Metro Cash & Carry as well as Media Markt and Saturn. As at 31 December 2010, liabilities related to assets held for sale totalling €193 million were reported in connection with the agreed-upon divestiture of consumer electronics stores in France.

Information on the maturity, currency and interest rate structure of financial liabilities as well as on lines of credit is included in the notes to the financial statements in no. 36 "Financial liabilities".

€ million	Note no.	31/12/2010	31/12/2009[1]
Non-current liabilities		**8,990**	**9,106**
Provisions for pensions and other commitments	32	1,016	978
Other provisions	33	472	502
Financial liabilities	34, 36	6,533	6,743
Other liabilities	34, 37	757	667
Deferred tax liabilities	24	212	216
Current liabilities		**19,617**	**18,184**
Trade payables	34, 35	14,393	14,174
Provisions	33	532	561
Financial liabilities	34, 36	1,750	984
Other liabilities	34, 37	2,458	2,200
Income tax liabilities	34	291	265
Liabilities connected to assets held for sale	30	193	0

[1] Adjustment due to revised disclosure

Further information on the development of liabilities can be found in the notes to the consolidated financial statements in the numbers listed in the table.

Asset position

In the financial year 2010, total assets rose by €1,785 million to €35,067 million. Non-current assets increased by €448 million to €18,912 million during the financial year 2010. Current assets rose by €1,337 million to €16,155 million.

Non-current assets

€ million	Note no.	31/12/2010	31/12/2009
Non-current assets		**18,912**	**18,464**
Goodwill	17, 18	4,064	3,992
Other intangible assets	17, 19	436	497
Tangible assets	17, 20	12,482	12,244
Investment properties	17, 21	238	129
Financial assets	17, 22	248	113
Other receivables and assets	23	444	463
Deferred tax assets	24	1,000	1,026

The rise in goodwill that totalled €72 million was largely due to the recognition of shareholders' stock tender rights granted to non-controlling shareholders. The rise in tangible assets totalling €238 million primarily resulted from the opening of new stores by Metro Cash & Carry as well as Media Markt and Saturn along with positive currency effects in Eastern Europe and Asia. As a result of the abandonment of plans for self-use, real estate was reclassified from tangible assets to the balance sheet item "investment properties" (€109 million).

Additional information on the development on non-current assets is shown in the notes to the consolidated financial statements in the numbers listed in the table.

Current assets

€ million	Note no.	31/12/2010	31/12/2009[1]
Current assets		**16,155**	**14,818**
Inventories	25	7,458	7,110
Trade receivables	26	526	539
Financial assets		3	38
Other receivables and assets	23	2,724	2,613
Income tax refund entitlements		412	405
Cash and cash equivalents	29	4,799	3,996
Assets held for sale	30	233	117

[1] Adjustment due to revised disclosure

Inventories rose by €348 million to €7,458 million. The increase was primarily due to the international expansion of the sales divisions Metro Cash & Carry as well as Media Markt and Saturn. An additional increase in inventory levels due to currency effects was prevented by the reclassification of inventories to the balance sheet item "assets held for sale" in the context of the agreed-upon sale of consumer electronics stores in France. "Assets held for sale" totalling €196 million were reported in the financial year 2010 in connection with the consumer electronics stores to be sold in France. A total of €56 million in "assets held for sale" were sold. In addition, real estate totalling €69 million was reclassified as non-current assets as a result of its planned internal use in the Group.

Additional information on the development of current assets is shown in the notes to the consolidated financial statements in the numbers listed in the table.

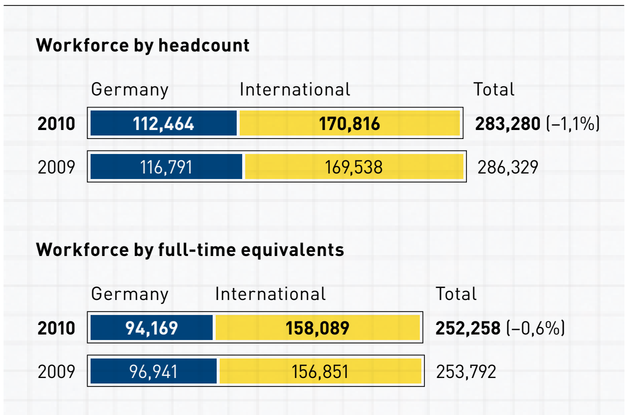
5. Employees

A strong foundation for success

METRO GROUP rigorously focuses its business activities on its customers' needs and shopping habits. As a result, our employees assume substantial responsibility: they know the requirements of consumers and commercial customers best of all and can respond individually to their expectations. For this reason, we place great value on a qualified, motivated, committed and entrepreneurial workforce.

In the financial year 2010, METRO GROUP employed an average of 283,280 employees, 1.1 percent less than a year earlier. Aside from the Company's permanent workforce, this number also includes temporary employees. Measured in full-time equivalents, the total number of employees stood at 252,258 – which corresponds to a drop of 1,534 employees, or 0.6 percent year-on-year. In Germany, the number of full-time employees declined by 2,772 to 94,169 during the reporting year. This corresponds to a decline of 2.9 percent year-on-year. Employment in the other countries where METRO GROUP operates rose by 1,238 to 158,089 full-time equivalents – that is 0.8 percent more employees than a year earlier.

Workforce of METRO GROUP
annual average



Restructuring related to Shape 2012 was a key reason for the slightly negative employment trend; this also includes the divestment of stores. METRO GROUP cut an additional 9,005 jobs in this context in 2010. As far as possible, personnel cuts were carried out using normal turnover. The total number of staff cuts related to Shape 2012 since 2009 amounts to 16,864[1]. However, to a large extent, we were able to offset these adjustments by creating new jobs as part of our continuing expansion, among other things. New concepts also had a positive impact on employee numbers.

Our personnel costs amounted to €7.4 billion during the reporting year. That is an increase of 2.5 percent compared with the previous year. Of total personnel costs, wages and salaries – including wage tax and employee contributions to social insurance programmes – accounted for €6.1 billion. During the reporting year, €1.3 billion was attributable to social welfare contributions, pension expenses and employee benefits.

In Germany, employee turnover stood at 8.3 percent during the reporting year. Across the Group, the turnover rate amounted to 16.6 percent. Turnover in the dynamic growth markets of Eastern Europe was 23.5 percent.

In contrast to sector trends, the share of part-time employees at our Group continued to decline. In 2010, 28.6 percent (previous year: 29.8 percent) of all employees worked part-time. In Germany, this figure stood at 44.5 percent (previous year: 45.4 percent). Employees' average age rose from 36.2 to 37.4 years, and average job tenure increased from 8.0 to 8.1 years.

Shaping demographic change

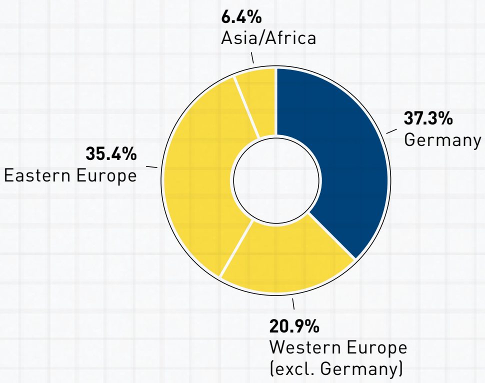
We expect demographic changes to result in a shrinking labour pool in Europe. In addition, employees' average age will rise worldwide, while migration to Western European countries is likely to increase. We place a high priority on actively shaping these changes. Therefore, we focus on the needs-based training of qualified workers and executives, active diversity management and sustainable health and work safety policies.

Promoting training – securing the future

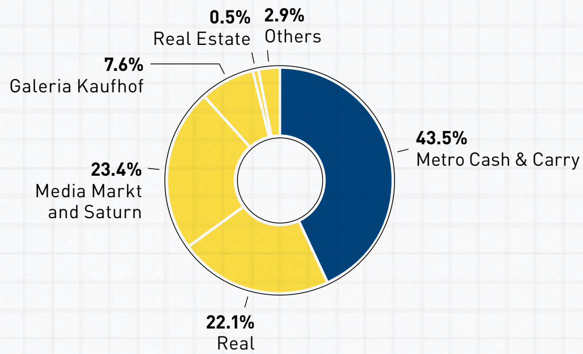
We meet a large share of our demand for qualified workers and executives through in-house training. During the reporting year, the number of apprentices world-wide totalled 10,682, a slight increase of 4.7 percent compared to the previous year. Our Company ranked among Germany's leading providers of vocational training in 2010 with a share of apprentices of 8.4 percent. All in all, we trained 7,894 apprentices in more than 25 occupations in 2010, that is 406 fewer

[1] Comparison of the number of employees at METRO GROUP locations existing as at 31 December 2008 with those existing as at 31 December 2010, adjusted for employees of newly opened locations during the same period

Employees by region in 2010
full-time equivalents



Employees by segments
full-time equivalents



than a year earlier. The reason for this decline is that we decided to gear our training activities more closely to our own requirements. As a result of declining numbers of school-leavers, demand for additional apprenticeships has also decreased. Across Germany, 2,371 trainees started an apprenticeship at our sales divisions and service companies during the reporting year, a slight increase compared with the previous year. About 96 percent of apprentices at METRO GROUP successfully completed their apprenticeships in 2010. Of these, about two-thirds subsequently accepted a regular job at our Company.

We present our Company as an attractive employer, at job fairs and cooperate with schools located near our stores and outlets. We have rigorously expanded this type of partnership with educational institutions over the past ten years to foster and support practice-orientated, realistic and modern schooling. Since 2005, the number of our Company's partnerships with schools increased from 52 to 104 in 2008 and to 133 during the reporting year.

In addition, as part of the EU-sponsored Leonardo da Vinci programme, METRO GROUP and its European social partners have developed qualification modules for the retail industry that are recognised across Europe. Under the name European Commerce Competence (EuCoCo), we offer PC-aided learning programmes that have been integrated into operational training schedules and online learning platforms. They are available in German and English and, since 2010, also in a final version in Polish, Romanian and Turkish.

For the past ten years, we have been conducting the Metro Education training programme to support our international expansion through qualified staff. The goal of this programme is to prepare school-leavers for positions in the retail industry. Metro Education is offered in Poland, Russia, Romania, Slovakia, the Czech Republic, and Ukraine. It comprises trade-specific courses at a total of 76 vocational schools as well as practical experience in our sales divisions. Compared with the previous year, the number of schools participating in the Metro Education programme was raised by 7. The number of participants increased accordingly. During the reporting year, 3,770 students participated in the programme, 345 more than a year earlier.

Equal opportunities for all employees and applicants
We are an equal opportunity employer: our Company offers the same opportunities to all employees and applicants – regardless of sex, age, race, ethnic background, sexual identity, disabilities, religion or beliefs.

We recognise the diversity and international nature of our workforce as the basis for our sustained business success. Around the world, people from 179 different countries work for our Company. In Germany alone, employees from more than 135 nations worked for METRO GROUP in 2010.

During the reporting year, we employed 5,209 people with recognised severe disabilities or the equivalent in Germany.

The proportion of employees in the 50-plus age group stood at 16.8 percent of the total workforce. In Germany, 28.9 percent

Development of employee numbers by country and sales division
average full-time equivalents[1]

	Metro Cash & Carry		Real		Media Markt and Saturn		Galeria Kaufhof		Real Estate		Others		METRO GROUP	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Germany	**14,725**	**14,995**	**30,921**	**32,119**	**24,095**	**23,578**	**18,068**	**18,221**	**727**	**760**	**5,633**	**7,268**	**94,169**	**96,941**
Austria	1,870	1,868			2,289	2,065	0	8					4,159	3,942
Belgium	2,810	2,821			1,381	1,217	1,061	1,062					5,251	5,100
Denmark	499	515			23	12							522	527
France	8,368	8,253			2,023	1,806							10,390	10,059
Italy	3,986	3,926			6,263	6,042					1	25	10,250	9,993
Luxembourg					93	65			0	2			93	67
Netherlands	3,000	2,991			2,218	2,063					8	8	5,226	5,062
Portugal	1,429	1,506			762	792							2,192	2,298
Spain	3,394	3,301			5,367	5,297					0	8	8,761	8,606
Sweden					1,517	1,257							1,517	1,257
Switzerland					1,278	1,122					83	83	1,362	1,206
United Kingdom	3,020	3,696			3	2							3,023	3,698
Western Europe (excl. Germany)	**28,375**	**28,877**			**23,218**	**21,740**	**1,061**	**1,070**	**0**	**2**	**92**	**124**	**52,746**	**51,813**
Bulgaria	2,485	2,478									0	8	2,485	2,485
Croatia	1,212	1,307											1,212	1,307
Czech Republic	3,510	3,471											3,510	3,471
Greece	1,166	1,097			1,012	936			0	1	0	2	2,177	2,036
Hungary	2,872	2,952			1,396	1,490			72	59	2	17	4,342	4,518
Kazakhstan	621	189											621	189
Moldova	676	693											676	693
Poland	6,838	7,026	10,481	11,092	5,001	5,383			284	277	196	300	22,800	24,077
Romania	5,636	5,639	7,973	8,282					1	4	369	354	13,978	14,279
Russia	13,689	13,291	4,118	4,036	2,798	2,043			104	116	452	615	21,160	20,101
Serbia	1,390	1,259											1,390	1,259
Slovakia	1,343	1,257											1,343	1,257
Turkey	3,167	2,800	1,889	2,141	1,218	1,029			132	147	38	132	6,443	6,248
Ukraine	6,579	7,482	422	359					2	78	9	24	7,011	7,942
Eastern Europe	**51,182**	**50,939**	**24,883**	**25,909**	**11,424**	**10,881**			**595**	**682**	**1,065**	**1,452**	**89,149**	**89,863**
China	7,734	7,104			160	0					607	656	8,501	7,760
Egypt	447	83											447	83
India	1,426	1,475											1,426	1,475
Japan	687	537											687	537
Morocco	1,056	1,442											1,056	1,442
Pakistan	1,286	1,402											1,286	1,402
Vietnam	2,792	2,477											2,792	2,477
Asia/Africa	**15,427**	**14,519**			**160**	**0**					**607**	**656**	**16,194**	**15,175**
International	**94,984**	**94,335**	**24,883**	**25,909**	**34,802**	**32,621**	**1,061**	**1,070**	**595**	**684**	**1,764**	**2,232**	**158,089**	**156,851**
METRO GROUP	**109,709**	**109,330**	**55,804**	**58,028**	**58,897**	**56,199**	**19,129**	**19,291**	**1,322**	**1,444**	**7,397**	**9,500**	**252,258**	**253,792**

[1] Including possible rounding differences

Development of employee numbers by country and sales division
by headcount as of closing date 31 December

	Metro Cash & Carry		Real		Media Markt and Saturn		Galeria Kaufhof		Real Estate		Others		METRO GROUP	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Germany	**16,687**	**17,347**	**40,342**	**42,082**	**26,885**	**26,725**	**22,992**	**23,334**	**828**	**893**	**5,696**	**6,795**	**113,430**	**117,176**
Austria	2,134	2,123			2,857	2,428							4,991	4,551
Belgium	3,667	4,042			1,514	1,427	1,431	1,443					6,612	6,912
Denmark	715	744			23	25							738	769
France	8,696	8,683			2,140	2,149							10,836	10,832
Italy	4,736	4,697			7,115	6,996					0	19	11,851	11,712
Luxembourg					130	62			0	2			130	64
Netherlands	5,006	5,232			4,179	3,795					9	9	9,194	9,036
Portugal	1,505	1,521			807	846							2,312	2,367
Spain	3,816	3,780			6,707	6,571						5	10,523	10,356
Sweden					2,035	1,708							2,035	1,708
Switzerland					1,456	1,309					87	87	1,543	1,396
United Kingdom	3,858	4,596			3	5							3,861	4,601
Western Europe (excl. Germany)	**34,133**	**35,418**			**28,966**	**27,321**	**1,431**	**1,443**	**0**	**2**	**96**	**120**	**64,626**	**64,304**
Bulgaria	2,600	2,540										7	2,600	2,547
Croatia	1,206	1,264											1,206	1,264
Czech Republic	3,586	3,530											3,586	3,530
Greece	1,158	1,210			1,047	1,077							2,205	2,287
Hungary	3,072	2,958			1,443	1,483			72	71		17	4,587	4,529
Kazakhstan	1,050	319							8	0			1,058	319
Moldova	766	702											766	702
Poland	7,252	7,442	11,185	12,035	5,057	5,276			292	275	190	306	23,976	25,334
Romania	5,716	5,731	7,482	8,736					1	3	359	374	13,558	14,844
Russia	15,582	13,600	4,471	4,309	3,253	2,428			104	155	504	580	23,914	21,072
Serbia	1,519	1,283											1,519	1,283
Slovakia	1,550	1,206											1,550	1,206
Turkey	3,437	2,882	2,012	2,550	1,261	1,262			119	142	37	122	6,866	6,958
Ukraine	6,861	7,675	422	558						21	8	24	7,291	8,278
Eastern Europe	**55,355**	**52,342**	**25,572**	**28,188**	**12,061**	**11,526**			**596**	**667**	**1,098**	**1,430**	**94,682**	**94,153**
China	8,212	6,833			391	0					602	588	9,205	7,421
Egypt	679	108											679	108
India	1,528	1,369											1,528	1,369
Japan	1,096	789											1,096	789
Morocco	0	1,457											0	1,457
Pakistan	1,304	1,355											1,304	1,355
Vietnam	3,396	2,411											3,396	2,411
Asia/Africa	**16,215**	**14,322**			**391**	**0**				**0**	**602**	**588**	**17,208**	**14,910**
International	**105,703**	**102,082**	**25,572**	**28,188**	**41,418**	**38,847**	**1,431**	**1,443**	**596**	**669**	**1,796**	**2,138**	**176,516**	**173,367**
METRO GROUP	**122,390**	**119,429**	**65,914**	**70,270**	**68,303**	**65,572**	**24,423**	**24,777**	**1,424**	**1,562**	**7,492**	**8,933**	**289,946**	**290,543**

Development of employee numbers by country and sales division

full-time equivalents[1] as of closing date 31 December

	Metro Cash & Carry		Real		Media Markt and Saturn		Galeria Kaufhof		Real Estate		Others		METRO GROUP	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Germany	**14,359**	**14,842**	**30,753**	**31,796**	**24,302**	**24,002**	**18,753**	**18,924**	**713**	**759**	**5,546**	**6,482**	**94,426**	**96,804**
Austria	1,909	1,901			2,521	2,124							4,430	4,025
Belgium	3,008	3,093			1,419	1,333	1,111	1,124					5,538	5,551
Denmark	487	509			22	24							509	533
France	8,347	8,318			2,053	2,031							10,400	10,349
Italy	4,121	4,010			6,622	6,497						19	10,743	10,526
Luxembourg					126	59				2			126	61
Netherlands	3,126	3,090			2,358	2,112					8	8	5,492	5,210
Portugal	1,421	1,437			770	806							2,190	2,243
Spain	3,446	3,390			5,846	5,778						5	9,292	9,173
Sweden					1,689	1,391							1,689	1,391
Switzerland					1,335	1,157					82	80	1,417	1,237
United Kingdom	2,999	3,417			2	5							3,001	3,421
Western Europe (excl. Germany)	**28,864**	**29,166**			**24,762**	**23,315**	**1,111**	**1,124**	**0**	**2**	**90**	**112**	**54,827**	**53,720**
Bulgaria	2,573	2,520										7	2,573	2,527
Croatia	1,201	1,244											1,201	1,244
Czech Republic	3,460	3,483											3,460	3,483
Greece	1,156	1,093			977	999							2,133	2,092
Hungary	2,856	2,899			1,421	1,473			72	71		17	4,348	4,460
Kazakhstan	1,049	319							1				1,050	319
Moldova	766	702											766	702
Poland	6,861	7,026	10,258	11,021	4,996	5,225			291	275	184	303	22,589	23,849
Romania	5,686	5,691	7,390	8,654					1	3	359	371	13,436	14,719
Russia	15,471	13,600	4,306	4,309	3,237	2,418			102	106	498	580	23,613	21,012
Serbia	1,519	1,283											1,519	1,283
Slovakia	1,519	1,195											1,519	1,195
Turkey	3,437	2,789	1,819	2,279	1,261	1,262			119	142	37	122	6,673	6,594
Ukraine	6,708	7,675	421	558						21	8	24	7,137	8,278
Eastern Europe	**54,261**	**51,516**	**24,195**	**26,821**	**11,891**	**11,377**			**586**	**618**	**1,086**	**1,424**	**92,018**	**91,755**
China	8,205	6,833			391						595	588	9,191	7,421
Egypt	656	108											656	108
India	1,520	1,344											1,520	1,344
Japan	808	601											808	601
Morocco		1,457											0	1,457
Pakistan	1,284	1,355											1,284	1,355
Vietnam	3,298	2,411											3,298	2,411
Asia/Africa	**15,772**	**14,109**			**391**	**0**					**595**	**588**	**16,758**	**14,697**
International	**98,897**	**94,790**	**24,195**	**26,821**	**37,044**	**34,692**	**1,111**	**1,124**	**586**	**620**	**1,770**	**2,125**	**163,603**	**160,171**
METRO GROUP	**113,256**	**109,632**	**54,948**	**58,616**	**61,346**	**58,694**	**19,865**	**20,048**	**1,299**	**1,378**	**7,316**	**8,606**	**258,029**	**256,975**

[1] Including possible rounding differences

of employees belonged to this age group. Across Germany, 846 employees in the over–50s age group were hired during the reporting year. At an international level, the corresponding total was 1,014.

As part of our diversity management, we promote equal opportunities for female and male employees. To this end, we have launched measures to help employees to better balance their family and professional lives. Depending on the respective phase in their lives, employees can draw on targeted human resources instruments to balance professional and personal requirements such as child-rearing responsibilities or caring for relatives. In this context, we are creating a third day-care centre at our Düsseldorf Campus in 2011 and offering child care during school holidays. In addition, the Company will support employees who take care of close relatives for up to two years after the end of the statutory nursing period.

In addition, we are determined to continue to increase female representation in management positions, that is, levels 1 to 3: Management Board, executive board, divisional management, main departmental or departmental management and store management. During the reporting year, the proportion of female employees at these levels stood at 18.6 percent. The corresponding figure for the previous year was 16.0 percent[1].

Sustainable health and occupational safety management

Our company makes it easier for its employees to stay fit for their day-to-day work. We are committed to providing a safe, hazard-free workplace. Our health drive GO was launched in 2004. This programme comprises exercises designed to strengthen employees' physical and mental fitness, recommendations for a healthy diet and ergonomic workplace design. This programme comprises physical activities such as back exercises, fitness sessions and corporate sports activities. In addition, we offer ergonomic advice in the workplace, workshops and stress-management training. During the reporting year, we also opened a fitness room that employees at our Düsseldorf Campus can use free of charge.

Group-wide retirement model

Our "Future Package" helps employees to expand their private retirement planning. The Group-wide pension programme provides additional voluntary benefits that go beyond the stipulations of collective bargaining agreements. In Germany, 58,311, or 52.9 percent, of all employees took advantage of this opportunity in 2010.

Corporate University: excellent leadership

As part of Shape 2012, we have established a new department, 'Leadership & Transformation', within our Human Resources Department to strengthen senior managers' leadership skills. In this way, we support cultural change within METRO GROUP. A key element of this initiative is the Corporate University, which serves to develop and qualify our current and future executives. The Corporate University cooperates with high-profile international partners such as the University of St. Gallen, Switzerland, and the Institut Européen d'Administration des Affaires (INSEAD) in Fontainebleau, France. In 2010, more than 380 senior and junior managers attended one of the eight available development programmes. An additional 500 managers participated in special seminars. A key feature of the Corporate University is the mentor programme in which members of the Management Board of METRO AG and the managing directors of the sales divisions personally contribute to executive development. The initiatives and programmes of Metro Cash & Carry International have been integrated into METRO GROUP's Corporate University to ensure the direct business relevance of our executive development. All seminars have been redesigned accordingly.

Centralised executive development to ensure a high level of competitiveness

A key component of Shape 2012 is to establish executive development as a strategic function of the holding company and to clearly gear these efforts to our Company's business needs. As part of the integration of the administrative functions of METRO AG and Metro Cash & Carry International, we therefore redesigned and integrated our personnel strategy for the Group's senior management during the reporting year.

Systematic talent management forms the basis of executive development and succession planning for senior management positions, with executives' individual development being based on the strategic objectives of METRO GROUP. This system opens up career avenues in all countries where we do business. Our talent management instruments – a transparent leadership model, regular performance and potential assessments, centralised responsibility for management assessments and development centres as well as an active management of talent pools – create the basis for a global pool of candidates for key corporate functions. In addition, the Corporate University with its management development programmes promotes individual career paths in a targeted manner while strengthening our uniform, international leadership model.

[1] 16.0 percent in the previous year refers to the share of female managers of levels 1 to 3. The figure of 17.8 percent mentioned in the last annual report was based on a calculation that did not include level 1 (Management Board, executive board).

Regular assessments support individual development
We conduct annual performance and potential assessments of our executives and employees. The goal of these reviews is to rate their individual performance and skills based on METRO GROUP's core competencies, which outline behavioural requirements for successful executives. The subsequent feedback sessions form the basis of individual development plans. This process ensures that we can identify and develop the most talented people early on and ensure that our Company remains an attractive employer.

Long-term succession planning
Succession planning at METRO GROUP ensures that key positions are filled with the best executives in future. As part of our talent management, we conduct meaningful analysis of potential successors. In 2010, the in-house succession rate for the top management level stood at about 79 percent, which means that we achieved our target of "75 percent plus".

Attracting future executives
Our consistent positioning as an attractive employer helps us to attract talented management recruits. During the reporting year, we launched an international initiative to strengthen the employer brands of METRO GROUP and its sales divisions. Key focal areas are close partnerships with selected universities and technical colleges, collaboration with student organisations and intensive mentoring for interns. The Meeting Metro event has been held annually since 2002. It aims to directly familiarise students with the retail industry while offering them the opportunity to experience our Company, its sales divisions and service companies and also learn about the diverse entry-level and career options. In the reporting year, we addressed about 13,500 interested students through Meeting Metro. The positive response encourages us to continue to expand the Meeting Metro concept.

6. Innovation management

As a retail and wholesale company, METRO GROUP does not conduct research and development in the strictest sense of the term. Rather, we develop and employ new concepts and technologies within the framework of our innovation management in order to better serve customers' needs and address their consumption patterns. In this way, we strengthen the competitiveness of our sales divisions. Another central aim is to make internal and external processes more efficient, including programmes undertaken in connection with suppliers and industry partners. By employing this approach, our innovation management supports the aims of Shape 2012: a stronger customer focus and greater efficiency for the entire group of companies. Innovations thus secure the long-term profitable growth of METRO GROUP.

Our innovation management is systematically organised: we identify customer needs and market requirements as well as relevant technological and conceptual innovations, drive developments through joint work with internal and external partners and implement pilot processes that also include evaluation. Successfully tested innovations are introduced into the Company's operating business. Within this context, METRO GROUP provides sufficient resources that our companies can use to develop needs-based solutions. This includes for example testing facilities.

In terms of a Group-wide dialogue, employees responsible for innovation at METRO AG and the internal IT service provider METRO SYSTEMS work closely with specialists in the sales divisions. As a result, relevant knowledge and qualifications can be created and shared within METRO GROUP. Furthermore, it is assured that the innovations that are developed address the customers' needs and the specific requirements of the segments. In introducing new concepts and technological innovations, we conduct an open, constructive dialogue with external partners. These partners include consumer groups and labour unions. We are a member of national and international organisations in order to support the development of standards. For our employees, we provide trainings that prepare them for the introduction of new processes.

In 2010, we have carried forward projects already launched and augmented them with other programmes from the sales divisions. The goal continues to be to successfully introduce new concepts into everyday business practices, to use innovative technologies in stores and warehouses as well as to expand their use in cooperation with suppliers and business partners. The focal points of these efforts are cutting-edge information and communication technologies (ICT) and Radio Frequency Identification (RFID), through which products and product movements can be registered without contact in computer systems.

Working relationships with external partners

In 2002, we launched the METRO GROUP Future Store Initiative, an alliance with currently 90 partners from the academic world, the consumer goods industry as well as the service and ICT sector. To address the operating challenges faced by the sales divisions, we develop and test innovative solutions within this context. These include new sales forms, an appealing approach to customers, store and product range design, the provision of product information and accelerated processes. The focal point of the partnership, which was successfully continued during the reporting year, is always customers and their needs.

A central testing platform for the initiative is the METRO GROUP Future Store in Tönisvorst, a city in the German state of North Rhine-Westphalia. The store is a Real hypermarket in which the sales division has been testing the practicality of new concepts and technologies with the assistance of the partners of the METRO GROUP Future Store Initiative since 2008. Innovations that prove themselves in the Future Store are gradually introduced by Real. In 2010, more than 100 of the sales division's stores used the new technologies and concepts developed at Tönisvorst, including multimedia terminals and sales concepts like "The Butcher Shop of Tomorrow" and "Freshness and Convenience" as well as the newly conceived chemist area "beauty & more".

Digital purchases

One of the critical challenges facing retailing concerns changing shopping habits, which can partly be ascribed to the growing impact of the Internet. METRO GROUP is addressing this trend as part of its innovation management. The aim is to combine the strengths of Internet shopping with those of stationary retailing as a way of creating a unique selling proposition by providing service, authenticity and quality.

One example is the sales format "Metro Drive" that Metro Cash & Carry first tested in France in 2009. As a result, the wholesaler gives its professional customers the opportunity to order goods by telephone, fax or over the Internet round the clock. The customer can then collect the products at the nearest pick-up point. In 2010, Metro Cash & Carry added 11 more "Metro Drive" stations in France, bringing the total to 14.

In Germany, the Real sales division opened the first drive-in food store in Isernhagen-Altwarmbüchen, a northern German city near Hanover, in November 2010. On the home page www.real-drive.de, customers can select from a range of about 5,000 products – including frozen and fresh foods – and put together their purchases. The order can be picked up just two hours later at the drive-in station. A fee of €1 is charged for the service. The product prices are the same ones charged at Real's hypermarkets. The "Real Drive" is designed as a test store. If the service proves to be beneficial, Real will take a decision in 2011 about expanding it to other German cities.

One other option gaining popularity in retailing is the use of shopping services that can be used with the help of mobile end devices regardless of location. In particular, the expanding use of smartphones facilitates new ways to approach and retain customers. At the beginning of 2010, for instance, Real released an application for Apple's iPhone and iPod touch. Customers can use this app to create electronic shopping lists, check on discounted items and get directions to the nearest Real hypermarket. The application also provides access to a cooking show that presents meal ideas via video and shows the respective recipes. The necessary ingredients can be added directly to the electronic shopping list. The menus and recipes can also be recommended to others and shared on Facebook and Twitter. Since its launch, the free application has been installed on smartphones more than 180,000 times.

Metro Cash & Carry also offers professional customers an iPhone application, the "METROphone". With the application's help, selected users of the delivery service can order products directly by smartphone. The products are selected through a search function; alternatively barcodes can be entered via the smartphone's camera. All products from the personal customer order list and the entire delivery range of the respective Metro Cash & Carry wholesale store are available. The selected products are added to a virtual shopping cart. When the order has been completed, the customer automatically receives a confirmation by e-mail or fax. He can check on the status of the order at any time until the time of shipping.

Operational use of RFID

In retailing, METRO GROUP is a pioneer in Radio Frequency Identification (RFID). The technology makes it possible to automatically register product movements throughout the entire supply chain and to transmit the information in a contactless manner to information technology systems. RFID helps retailers to optimise processes in logistics and warehouse management, to more efficiently design anti-theft systems and to continue to increase customer satisfaction. The heart of the technology is the RFID transponder, a minute computer chip with antenna. An Electronic Product Code (EPC) is usually stored on this chip. With an RFID reader, the EPC can be registered extremely quickly without physical or visual contact and in large numbers and refers to product information in the merchandise management system – including the product's origin, manufacturer and best-before date.

METRO GROUP has been using RFID in logistics since 2007. The technology facilitates more efficient processing in the incoming-goods area at about 400 company locations. As a result, METRO GROUP remains the pacesetter in European retailing. RFID technology is used by Metro Cash & Carry in Germany and France as well as by Real and MGL METRO GROUP Logistics in Germany. In the central warehouse in Unna, more than 750,000 pallets are registered each year with the assistance of RFID. During the reporting year, we demonstrated in comprehensive tests that RFID can provide support in the individual product area. Pilot tests within the sales divisions, amongst others at Metro Cash & Carry Netherlands and at the Media-Saturn-Group, are being prepared. RFID is being used here to improve inventory overviews, order processes and returns for selected products as well as for electronic article surveillance.

7. Sustainability management

For us, profitability and sustainable business practices are two sides of the same coin: a company can only generate profitable growth over the long term if it acts responsibly towards society and the environment. That is why we have declared sustainability to be an integral component of our Company's strategy. This means that social and environmental requirements must also be considered in all business decisions and processes. The goal of our sustainability management is to ensure the Company's future viability. At the same time, we aim to respond to the increased expectations of various stakeholders by acting responsibly. The improved ranking in the Dow Jones Sustainability World Index (DJSI World), which tracks the performance of the world's leading companies in the area of sustainability, documents our progress in this area. In September 2010, METRO GROUP improved its ranking in all three categories of economy, ecology and corporate responsibility, compared with the previous year, clearly outperforming the retail industry average.

In the reporting year, we developed the strategy "Go sustainable 2012", which we will use to further expand and concentrate the focus of our Group-wide sustainability management. The strategy should also contribute to elevating us to becoming one of the leading retail and wholesale companies in the area of sustainability beyond 2012. At the same time, the strategy also supports the key components of our efficiency and value-enhancing programme Shape 2012. In this context, we continuously identify relevant social and ecological challenges affecting the retail and wholesale industry. The measures derived from this process help us to minimise the Company's sales and cost risks as well as profitably leverage opportunities for sales growth and cost savings in its operational business. To make "Go sustainable 2012" a growth opportunity for the operational business, we defined concrete objectives for all fields of activity in the financial year 2010. We will expand the activities in the area of climate and resource protection, broaden our training programmes for suppliers in emerging and developing countries and further refine our demographic management.

Sustainability organisation with clear assignments

On the basis of the "Go sustainable 2012" strategy we are developing sustainability into a key value driver for our Company. This presupposes integrated management systems and an organisational structure with clearly defined responsibilities. For this reason, the Sustainability Board that was created in 2009 develops binding Group-wide standards for sustainable business practices and helps us to anchor these within the Company. The Sustainability Board consists of representatives of the sales divisions and the heads of METRO AG's corporate departments. The composition of the Sustainability Board ensures that all decisions are practical and geared towards day-to-day operations. The members are:

Chairman
Dr Eckhard Cordes, Chairman of the Management Board of METRO AG

Managing Director
Dr Michael J. Inacker, Head of Corporate Communications, Public Affairs & CSR

Representatives of the sales divisions
Peter Overbosch, Head of Quality Management
Metro Cash & Carry
Dr Hans-Jörg Gidlewitz, member of the Management
Board of Real
Ralph Spangenberg, member of the Management Board of
Media-Saturn-Group
Marion Sollbach, Head of Sustainability Galeria Kaufhof
Thomas Storck, member of the Management Board of
Galeria Kaufhof
Thomas Ziegler, Chairman of the Management Board of
METRO Group Asset Management

Representatives of the relevant corporate departments of METRO AG
Dr Rolf Giebeler, Head of Legal Affairs (until
31 December 2010)
Hans-Jürgen Matern, Head of Regulatory Affairs and
External Relations QSHE
Bettina Scharff, Head of Organisational & Social
Development
Oliver Steinert, Head of Investor Relations
Michael Wedell, Head of National Politics

Michael Wiedmann, Head of Corporate Relations/International Politics

Advisory members
Peter Wübben, Head of Corporate Communications of METRO AG/METRO Group Asset Management
Albrecht von Truchsess, Head of Corporate Communications of Real
Sven Jacobsen, Head of Corporate Communications of Media-Saturn-Group
Stefanie Grüter, Head of Corporate Communications of Galeria Kaufhof

"Go sustainable 2012", our sustainability strategy, is based on four pillars:

→ Quality, health and the environment
→ Energy and resource management
→ Employees and social affairs
→ Social policies and stakeholder dialogue

A working group that develops the concepts and prepares the decisions of the Sustainability Board is responsible for each of these strategic topics. The representatives of the sales divisions ensure that the measures have practical relevance and are stringently incorporated into daily business practices. They comment on the concepts developed by the working groups and propose solutions. In addition, they report project progress and provide the data needed to track the Company's sustainability performance.

Quality, health and the environment

In addition to brand products, we offer our customers a large number of high-quality own-brand products. We are directly responsible for these products. This means, amongst other things, that we assume responsibility for quality assurance. In close consultation and dialogue with the manufacturers, METRO GROUP determines the product features and package design for its own-brand products. Because the supply chains used in retailing and the products themselves are becoming more and more complex, some of the biggest challenges for an international retail and wholesale company like METRO GROUP include tracing raw materials and documenting the processing steps along the value chain. The international quality standards of the Global Food Safety Initiative (GFSI), such as GLOBALGAP and IFS, play a central role in auditing the suppliers who process food for the own-brand products of METRO GROUP. The objective of the standards is to strengthen consumer trust in the agricultural production of foods. This is to be achieved by reducing the environmentally damaging impacts of farming, decreasing the use of medications and chemical plant protection products and taking steps to ensure the safety and health of humans and animals. 100 percent of the suppliers of fruit and vegetable own-brand products in Germany fulfil the GLOBALGAP standard.

Supplier training expanded further

Local producers and growers are important partners for us. After all, we obtain up to 90 percent of the food products in our stores and outlets from local producers. In numerous countries, we help local suppliers to produce in accordance with internationally accepted standards of the Global Food Safety Initiative (GFSI). The fundamental goals of the supplier qualification programme are to ensure the long-term supply of high-quality goods to stores, promote the local economy and create strong business relationships with producers and growers. Within the context of a strategic partnership with the United Nations Industrial Development Organisation (UNIDO), we train local producers in food safety and hygiene issues. We designed these measures to help boost the volume of marketable goods and improve growers' incomes. Following the launch of the first such project in Egypt in 2009, we held talks with UNIDO in autumn 2010 about expanding the programme to Russia and Vietnam. By the end of 2010, we had trained more than 60 suppliers in Egypt in the area of food safety.

Detailed information on fishing zones facilitates the sustainable procurement of fish

As one of Europe's largest retailers of fish, METRO GROUP provides consumers and such commercial customers as hotel and restaurant owners with a broad assortment of fish. To ensure that we can continue to offer this service in the future we are actively working to preserve marine diversity. At the same time, this approach enables us to ensure future sales. Since the beginning of 2010, we have supported the project "Fish stocks online" to improve the availability of data on the status of endangered fish stocks and to more systematically procure fish that have been caught in a sustainable way. For the first time, this comprehensive central information system provides detailed data on the status of commercial fish populations. The websites www.fischinfo.de and www.portal-fischerei.de provide retailers and consumers with decision-making assistance to gear fish purchases to sustainability criteria. The fish database is to be continuously expanded in the coming years. By the end of 2012, around 130 fish stocks relevant to the German market from more than 30 species around the world will be described in the database. We intend to gradually instruct fish buyers in the use of the fish stock database. The project was initiated by retail and wholesale companies and the fish industry in cooperation with the Ministry of Consumer Protection.

Metro Cash & Carry opens fish logistics centre

To combine sustainable logistics with the demand for premium quality, Metro Cash & Carry opened a fish logistics centre in Gross-Gerau near Frankfurt am Main, Germany, in the reporting year. Thanks to its central location in Europe and its proximity to Frankfurt Airport, this platform is an ideal consolidation and distribution point for fresh fish. Concentrating the flow of goods near the airport reduces both delivery time for the highly sensitive products and logistics costs. For cash & carry customers, this means extra freshness and higher quality when purchasing fish because all types of fish are available in the wholesale stores within 48 hours of being caught. In designing the fish logistics centre, we strictly adhered to sustainability criteria. The logistics hub sources part of its power from self-generated wind energy and uses climate-friendly technology for cooling and outdoor lighting. The building design, the platform and all of the workflows were awarded the silver status for temperature-controlled real estate of the German Quality Seal for Sustainable Building. This extensive assessment system for sustainable buildings was developed by the German Ministry of Transport, Building and Urban Development (BMVBS) and the German Sustainable Building Council (DGNB).

Energy and resource management

Every day, METRO GROUP provides millions of people across the world with high-quality food products and consumer goods. Because energy and other resources that are important to the supply chain are becoming scarce and expensive, energy-efficient and resource-conserving business practices are a central pillar of our sustainability management. As the global economy began recovering during the reporting year, energy costs also started to rise noticeably again. To counter these increases and reduce the environmental impact of their stores and operations, the sales divisions stepped up their energy management activities.

Smart metering: increased transparency thanks to digital electricity meters

Solid data are needed to be able to make exact plans and to implement cost-saving and efficiency measures. The sales divisions are increasingly employing digital electricity meters known as smart metering systems as a means of precisely measuring the energy consumption of their stores and operations. At the end of 2010, smart metering systems were available at more than 700 Metro locations in Germany and Poland. The advantage of smart metering systems is, in particular, the continuous and accurate recording of the actual electricity and gas consumption. The sales divisions receive location-specific user profiles that enable them to use energy more consciously and efficiently. With the aid of the digital electricity meters, for example, inefficient equipment can be identified and replaced by energy-saving equipment. In 2010, Media Markt and Saturn pressed ahead with installing smart metering systems in all national subsidiaries of the sales divisions. We intend to install digital electricity meters in all stores and operations by the end of 2011 in order to be able to accurately measure global energy consumption.

Efficient and environmentally friendly control of the flow of goods

Energy consumption and carbon footprints can also be reduced during the transport of goods. To ensure that the right good reaches the right place at the right time, METRO GROUP needs a logistics network that is both complex and flexible. We want to make logistics processes as cost- and resource-efficient as possible. Since 2010, we have been one of the first retail and wholesale companies able to calculate the carbon footprint of our complete transport processes in Germany, Austria and Switzerland. For this purpose, MGL METRO GROUP Logistics, together with a consultancy firm, designed a CO_2 tool that measures the carbon emissions. The cutting-edge feature of this tool is that it enables MGL METRO GROUP Logistics to not only measure the carbon emissions produced by its own vehicles, as was the case before, but to also gather data on all trips conducted by logistics companies working for MGL. To ensure that the results can be compared with other companies, MGL METRO GROUP Logistics had the measuring system certified by the Cologne-based certification body "ZER-QMS, Zertifizierungsstelle, Qualitäts- und Umweltgutachter GmbH".

Climate protection activities convince investors

Thanks to the successful expansion of its activities in the area of energy- and resource-conserving business practices in 2010, we have closed in on our goal of reducing the specific environmental impact by 15 percent per square metre of selling space from 2006 to 2015. We will publish detailed information on the development of energy consumption, greenhouse gas emissions and other relevant environmental figures in our yearly progress report on sustainability released at the Annual General Meeting on 6 May 2011. The financial market has also rewarded our extensive commitment to climate protection: in October 2010, METRO AG was added to the CDP Germany 200 Carbon Disclosure Leadership Index, an index that only lists companies with a deep understanding of the challenges posed by climate change and its implications for business models. The Carbon Disclosure Project (CDP) encompasses 534 institutional investors and each year analyses the environmental data of the 500 largest companies in the world. The index includes the top 30 of the 200 German companies that were analysed.

Employees and social affairs

A company that places the customer at the centre of all its activities needs dedicated and qualified employees who can turn this commitment into an everyday reality. This is why our commitment to our own employees is a central focus of our sustainability management. As a result of demographic change, the working-age population in many countries will continue to decline. Consequently, it is of great importance to us to ensure the long-term supply of employees, particularly qualified workers and managers, through forward-looking and innovative personnel concepts. This includes, amongst other things, pursuing active diversity management, which means the specific encouragement of diversity across the Company. For example, it goes without saying that older and disabled employees are essential parts of the labour force.

Reinforced investments in training and further education

To cover our future need for capable and dedicated employees amid demographic change we are systematically investing in training and further education programmes. In the reporting year, we provided vocational training positions to 2,371 school-leavers in Germany, helping them begin their working careers. With a share of 8.4 percent, METRO GROUP once again assumed a leading position among the companies in Germany that provide vocational training.

For us, a forward-looking and sustainable personnel policy includes systematically leveraging the skills of our highly qualified and more experienced employees. In 2010, we newly employed 1,859 workers aged 50 and older worldwide. To promote the strengths of its diverse labour force, we intend to considerably expand qualification and advancement programmes and create age-appropriate working conditions, including preventative measures. Women are to be more strongly included in executive development and succession planning in future.

Social policies and stakeholder dialogue

As a retail and wholesale company, METRO GROUP is a part of the daily lives of many people. The Company comes into direct contact with customers, employees, suppliers, investors, government representatives, the media and non-governmental organisations on a daily basis. To achieve success over the long term, METRO GROUP must not only succeed in the marketplace of products, but also in the marketplace of opinions. This means METRO GROUP must be completely familiar with the expectations of relevant stakeholders of the Company. To get to know and better address the manifold expectations of stakeholders, we fosters regular dialogue. A key component of the sustainability strategy "Go sustainable 2012" is to intensify and professionalise its dialogue with key stakeholders on various topics involving sustainability. By doing so, METRO GROUP aims to create a stable foundation for long-term, trusting relationships.

Platform for dialogue in Berlin

With the Group's representative office in Berlin, which was opened at the start of 2010, we have created a platform for an ongoing, open and transparent dialogue with the government, parliament, associations and relevant interest groups. In this way, METRO GROUP creates the basis for responsibility partnerships with political decision-makers – at a national and international level. In the process, we make use of new formats of cooperative policymaking. The most visible example of this is the "Wednesday Society of the Retail Industry", a series of events that was established in 2010 and that we are implementing together with the Handelsverband Deutschland. The goal is not merely to present our sector's multi-faceted nature, innovative strength and high performance. Above all, we want to show that the key topics impacting the retail and wholesale industry are of great relevance to many areas of politics, economics and society. At the December 2010 event, for example, the discussion focused on the responsibility of the food producing and retailing industries with respect to environmental, social and economic sustainability.

Participation in government climate protection dialogue

In the reporting year, METRO GROUP actively participated in the "Climate Protection Dialogue Business and Politics" headed by Dr Norbert Röttgen, German Minister for Environment, Nature Conservation and Nuclear Safety. Within the context of the initiative, recommendations on how businesses can contribute to the reduction of carbon emissions were developed. METRO GROUP chaired a working group on production consisting of retail and wholesale groups, trade associations and manufacturers from the areas of electric equipment, IT, packaging and food. Environmentally friendly production practices and marketing activities for consumer goods as well as improved political parameters formed the centrepieces of the dialogue.

Intensive dialogue with Greenpeace International

In October 2010, the Management Board of METRO AG met with the directors of Greenpeace International to exchange ideas. During the meeting, the parties focused on increasing dialogue and the opportunities to take joint action to protect the climate and the oceans as well as preserve the rainforests. The two sides agreed to intensify dialogue and improve transparency, in particular with respect to possible controversial issues. We understand the expertise and critical viewpoint of such international organisations as Greenpeace as an opportunity to promote topics of sustainable development in a way that benefits all parties.

Galeria Kaufhof receives sustainability award once again

In autumn 2010, Galeria Kaufhof was recognised with the Sustainable Retail Business Award by the German consumer association "Die Verbraucher Initiative e.V." for the second time. The sales division demonstrated very strong commitment in its business activities in the categories of stationery and toys. For the test, about 500 retail and wholesale groups were invited to fill out an extensive questionnaire on their environmental and social activities. The aim of the study is to offer consumers guidance and practical information for the assessment of retail groups' social responsibility.

8. Remuneration report

The following report describes the remuneration received by the Management Board and the Supervisory Board of METRO AG for the financial year 2010 paid in accordance to standards laid down by the German Commercial Code (Handelsgesetzbuch). It is also a remuneration report in terms of the German Corporate Governance Code and outlines the system of Management Board compensation and its further modification. Furthermore, the remuneration report contains information about share-based compensation for executives of METRO GROUP.

The remuneration system for members of the Management Board

The remuneration system for the Management Board has been approved by the Supervisory Board of METRO AG. The Supervisory Board was advised in this matter by its Personnel Committee.

Management Board remuneration consists of a fixed salary and two variable components: performance-based compensation (short-term incentive) and a long-term incentive. The Company also offers pension provisions and supplemental benefits. Total remuneration and the individual compensation components are geared appropriately to the responsibilities of each individual member of the Board, his or her personal performance and the Company's economic situation, and fulfil legal stipulations regarding customary remuneration. The incentives serve as an inducement for the Management Board to increase the Company's value. They are designed to generate sustainable company growth and are in line with the recommendations of the German Corporate Governance Code.

Fixed salary
The fixed salary is contractually set and is paid in twelve monthly instalments.

Performance-based compensation (short-term incentive)
The short-term incentive for members of the Management Board is determined mainly by the development of return on capital employed (RoCE) and net earnings. The use of the key ratio net earnings in combination with RoCE rewards profitable growth of METRO GROUP. Net earnings principally amount to profit for the period. The Supervisory Board may resolve an adjustment for special items.

The members of the Management Board receive €1,400 (€2,100 for the Board Chairman) per 0.01 percentage point of RoCE above a minimum value of 7 percent. For each €1 million in net earnings, they receive €850 (€1,275 for the Board Chairman). The amounts are set by the Supervisory Board based on the Company's strategy and medium term targets, are regularly reviewed and are adjusted if necessary. The payout of the performance-based compensation granted for RoCE and net earnings is capped each year at €3.9 million for the Board Chairman and at €2.6 million for the other members of the Management Board.

The short-term incentive for Mr Saveuse is also tied to the business targets of the Real sales division. For compensation applying to 2010, the Supervisory Board of METRO AG has set a target value for EBITaC (EBIT after Cost of Capital) at the Real Group. An EBITaC factor will be determined from the degree of target attainment, and this factor will be multiplied by the agreed-upon base bonus. The EBITaC-based remuneration for Mr Saveuse has been contractually capped at €2.7 million per year. The annual payout of the base bonus (€900,000) is guaranteed. Payouts of the short-term incentive derived from net earnings and the RoCE of METRO GROUP are credited against the performance-based compensation of Mr Saveuse paid in accordance with the EBITaC of the Real Group.

The performance-based compensation of all members of the Management Board will be paid out in the following financial year following the approval of the annual financial statements.

Share-based compensation (long-term incentive)
The long-term incentive is a compensation component with long-term incentive effect. It is designed to achieve sustainable growth in the Company's value.

Share bonus programme 2004–2008
In 2004, METRO AG introduced a share bonus programme. Its final tranche was paid in 2008. The programme was based on cash bonuses whose size depended on the performance of the Metro share price in parallel consideration of benchmark indices. The programme is divided into a tranche for each year, to which various target parameters apply. The full bonus was paid when the share price reached the respective target price and so-called equal performance compared to the benchmark indices. The maturity of each tranche was three years. The payout of share bonuses can

be capped at the amount of the gross annual fixed salary by resolution of the Supervisory Board of METRO AG.

Performance share plan 2009–2013

By resolution of the Personnel Committee of the Supervisory Board and with the approval of the Supervisory Board, METRO AG introduced a five-year performance share plan in 2009. A target value was set for each member of the Management Board. For each tranche, this amounts to €0.6 million for the Board Chairman and €0.5 million for the other members of the Management Board. To determine the target number of performance shares, the target value is divided by the share price upon allotment. The key factor is the average price of the Metro share during the three months leading up to the allotment date. A performance share entitles its holder to a cash payment matching the price of the Metro share on the payment date. Here, too, the determining factor is the average price of the Metro share during the three months leading up to the allotment date.

Based on the relative performance of the Metro share compared to the median of the DAX 30 and Dow Jones Euro Stoxx Retail indices – total return – the final number of payable performance shares is determined after the end of a performance period of at least three and at most 4.25 years. It corresponds to the target number of shares when an equal performance with said stock market indices is achieved. Up to an outperformance of 60 percent, the number increases on a straight-line basis to a maximum of 200 percent of the target amount. Up to an underperformance of 30 percent, the number is accordingly reduced to a minimum of 50 percent. In the case of an underperformance of more than 30 percent, the number is reduced to 0.

Payment can be made at six possible times. The earliest payment date is three years after allotment of the performance shares. From this time, payment can be made every three months. The members of the Management Board can choose the date upon which their performance shares are paid out. An allotment with multiple payout dates is not permitted. The payout cap amounts to five times the target value. As a result, it totals €3 million for the Chairman of the Management Board and €2.5 million for the other members of the Management Board.

When the performance share plan was introduced, share ownership guidelines also went into effect: as a precondition for the payout of performance shares, the members of the Management Board are obliged to undertake a significant continuous self-financed investment in Metro shares up to the end of the three-year blocking period. This ensures that, as shareholders, they will directly participate in share price gains as well as potential losses of the Metro share. Their investment in company shares promotes the long-term structure and orientation towards sustainable development of the remuneration system and results in a healthy balance of the various remuneration elements. The size of the self-financed investment applies to the entire term of the performance share plan. The required investment amounts to €0.5 million for the Chairman of the Management Board and €0.4 million for other members of the Management Board.

Pension provisions

In 2009, company pension provisions were introduced for members of the Management Board. These provisions consist of direct benefits with defined-contribution and performance-based components.

The defined-contribution component is financed by the Management Board and the Company based on an apportionment of "7 + 7 + 7". When a member of the Management Board makes a contribution of 7 percent of his or her defined basis for assessment, the Company will contribute the same amount. Depending on the economic situation, the Company will pay the same amount again. In view of the macroeconomic envir-onment, the additional amount was again suspended in the reporting year. The Company's contribution for each member of the Management Board was capped at €0.1 million per year. The performance-based component is congruently reinsured by Hamburger Pensionsrückdeckungskasse VVaG (HPR). The interest rate for the contributions is paid in accordance with the profit-sharing system of the HPR with a guarantee applying to the paid-in contribution. When a member of the Management Board leaves the Company before retirement age, the contributions retain the level they have reached.

An entitlement to pension benefits exists

→ if the working relationship ends with or after the reaching of standard retirement age as it applies to the German state pension scheme,
→ as early retirement benefits, if the working relationship ends at the age of 60 or afterwards and before the standard retirement age,
→ as disability benefits, if the working relationship ends before the standard retirement age is reached and preconditions have been fulfilled,

→ as surviving dependents' benefits, if the working relationship is ended by the person's death.

Payment can be made in the form of capital, instalments or a lifelong pension. A minimum benefit is granted in the case of invalidity or death. In such instances, the total amount of contributions that would have been credited to the member of the Management Board for every calendar year up to a credit period of ten years, but limited to the point when the individual turns 60, will be added to the benefits balance. This performance-based component is not reinsured, but will be provided directly by the Company when the benefit case occurs.

Further benefits in cases of an end to employment
The active members of the Management Board receive no additional benefits beyond the described pension provisions should their employment end. In particular, no retirement payments will be granted. In the event of the death of a member of the Management Board during active service, the survivors will be paid the fixed salary for the month in which the death occurred as well as for an additional six months.

Mr Mierdorf, who left the Management Board in March 2010, held a special entitlement granted before he was appointed to the Management Board. This entitlement granted him certain benefits when he left his position. In the financial year 2010, the Supervisory Board approved an agreement to terminate the contract with Mr Mierdorf. This entitlement was incorporated into the agreement.

Supplemental benefits
The supplemental benefits granted to members of the Management Board include non-cash benefits and expense allowances.

Other
The members of the Management Board of METRO AG are not entitled to additional remuneration or special benefits as a result of a change of control.

Long-term incentive in the financial year 2010
Dr Cordes received 13,983 performance shares under the conditions of the performance share plan. Messrs Koch, Muller and Saveuse each received 11,652 performance shares in 2010. At the time of granting, a share unit was valued at €34.86. The performance shares that were distributed do not represent a fixed number of rights in the sense of § 285 Sentence 1 No. 9a Sentence 4 of the German Commercial Code or of § 314 Section 1 No. 6a Sentence 4 of the German Commercial Code. Rather, they were a target amount. Under the con-

Remuneration of the Management Board in the financial year 2010[1]

€1,000	Financial year	Fixed salary	Short-term incentive	Long-term incentive[2]	Supplemental benefits	Total
Dr Eckhard Cordes	**2010**	**1,000**	**2,830**	**487**	**72**	**4,389**
	2009	1,000	1,962	701	177	3,840
Olaf Koch[3]	**2010**	**800**	**1,887**	**406**	**219**	**3,312**
	2009	239	389	0	5	633
Zygmunt Mierdorf[4]	**2010**	**133**	**314**	**0**	**13**	**460**
	2009	800	1,308	584	75	2,767
Frans W. H. Muller	**2010**	**800**	**1,887**	**406**	**133**	**3,226**
	2009	800	1,308	584	189	2,881
Joël Saveuse[5]	**2010**	**917**	**1,920**	**406**	**39**	**3,282**
	2009	800	1,308	584	85	2,777
Thomas Unger[6]	**2010**	**600**	**1,415**	**0**	**144**	**2,159**
	2009	800	1,308	584	94	2,786
Total	**2010**	**4,250**	**10,253**	**1,705**	**620**	**16,828**
	2009	4,439	7,583	3,037	625	15,684

[1] Statements pursuant to § 285 Sentence 1 No. 9a and § 314 Section 1 No. 6a of the German Commercial Code
[2] Shown here is the fair value at the time of granting the 2010 tranche
[3] Member of the Management Board since 14 September 2009
[4] Member of the Management Board until 1 March 2010
[5] Aside from the remuneration for his position on the Management Board of METRO AG, Mr Saveuse received a fixed salary of €83,000 as well as performance-based components of €404,000 from his service as Managing Director of subsidiaries
[6] Member of the Management Board until 30 September 2010

ditions of the performance share plan, entitlements cannot be described with a particular fixed number at the time of granting. The value of the performance shares distributed in 2010 was calculated by external experts using recognised financial-mathematical methods (Monte Carlo simulation).

Messrs Mierdorf and Unger received no performance shares distributed in the tranche for 2010. There were no rights from previous tranches of the performance share plan and the share bonus programme.

In addition to the tranche from the performance share plan distributed in the financial year 2010, Dr Cordes, Mr Muller and Mr Saveuse possess rights from the tranche from 2009. Mr Koch, a member of the Management Board since September 2009, did not receive any performance shares from the tranche distributed from the performance share plan in 2009.

Performance share plan (tranches 2009 and 2010)

Tranche	End of the blocking period	Three-month average price before allotment	Number of Management Board performance shares
2010	August 2013	€42.91	48,939
2009	August 2012	€36.67	43,632

In addition, Dr Cordes, Mr Muller and Mr Saveuse have rights from the share bonus programme in 2008:

Share bonus programme (tranches 2007 and 2008)

Tranche	Due date	Basis price	Target price	Total Management Board target bonus
2008	July 2011	€41.92	€48.21	€1,060 thousand
2007	July 2010	€61.61	€70.85	Expired

The target bonus value of the 2008 tranche is based on the condition that the target share price is attained. The target value for the 2008 tranche of the share bonus programme totalled €0.40 million for Dr Cordes and €0.33 million each for Messrs Muller and Saveuse. Mr Koch was appointed to the Management Board in the financial year 2009 and, as a result, had no entitlements from the share bonus programme 2004–2008.

The cost from all tranches of share-based remuneration programmes applicable in the financial year 2010 amounted to €1.1 million for Dr Cordes, €0.1 million for Mr Koch and €0.9 million each for Messrs Muller und Saveuse.

Services after the end of employment in the financial year 2010 (including pension provisions)

In the financial year 2010, a total of €23.9 million (previous year: €0.5 million) was used for remuneration of the active members of the Management Board of METRO AG for benefits provided after the end of their employment. Of this total, about €0.1 million each went to Dr Cordes, Mr Koch, Mr Muller and Mr Saveuse for pension provisions. Mr Unger received €0.075 million. The cash value of these commitments remaining after netting against the pension plan reinsurance totalled €1.8 million, which was allotted to Mr Mierdorf.

During the financial year 2010, agreements to prematurely terminate the employment contracts of Messrs Mierdorf and Unger were concluded.

A severance package agreement was concluded with Mr Mierdorf, who amicably agreed to leave the Management Board as at the close of business on 1 March 2010, as compensation for the remainder of his employment contract. This agreement includes both a fixed and a variable component. The fixed component paid in the financial year 2010 covers entitlements of Mr Mierdorf arising from his employment contract and makes allowance for the growth of performance- and share-based remuneration components based on conservative estimates. In 2010, the variable components of the severance agreement resulted in additional remuneration derived from the Company's business success and can also result in further compensation from 2011 to 2013. As a variable severance agreement payment, Mr Mierdorf is entitled to the potential difference between total performance-based remuneration that he would have received as a member of the Management Board and the amount already paid as part of the severance agreement. To perform duties that are in the Company's interest, a consulting contract was concluded with Mr Mierdorf. The consulting fee will be credited against possible entitlements to a variable severance agreement payment. A pension commitment made to Mr Mierdorf before he assumed his position on the Management Board will be payable at the time that the consulting contract expires. An annual adjustment to cover the increased cost of living was conducted for the final time as at 1 January 2009. As a result of a previous commitment made prior to his appointment to the Management Board, the agreement to terminate his employment contract includes a payment amounting to the average remuneration from the previous two calendar years based on the fixed salary and the performance-based compensation.

A severance package agreement was also concluded with Mr Unger, who amicably agreed to leave the Management Board as at 30 September 2010. This agreement includes both a fixed and a variable component. The fixed component covers the entitlements of Mr Unger arising from his employment contract and makes allowance for the growth of performance- and share-based remuneration components based on conservative estimates. In 2010, the variable components of the severance agreement resulted in additional remuneration derived from the Company's business success and can also result in further compensation from 2011 to 2012. As a variable severance agreement, Mr Unger is entitled to – in a manner similar to the agreement with Mr Mierdorf – the potential difference between total performance-based remuneration that he would have received as a member of the Management Board and the amount already paid as part of the severance agreement. Mr Unger was also granted secretarial support for an appropriate transitional period.

Agreements to terminate the employment contracts of members of the Management Board in 2010

Severance agreements

€1,000	Fixed component	Variable component 2010	Additions to provisions for variable component in subsequent years[1]
Zygmunt Mierdorf	13,007	329	2,544
Thomas Unger	6,179	114	1,269

[1] Discounting according to IFRS

Total compensation of former members of the Management Board in 2010

Benefits totalling €27.4 million (previous year: €4.3 million) were provided to former members of the Management Boards of METRO AG and the companies that were merged into METRO AG as well as to their surviving dependants. The described benefits provided after the end of employment in the financial year 2010 to Zygmunt Mierdorf and Thomas Unger who left their positions on the Management Board are included in this figure.

The cash value of provisions for current pensions and pension entitlements amounted to €48.3 million (previous year: €47.4 million).

Outlook: continued refinement of the remuneration system for the Management Board

Acting upon the recommendation of its Personnel Committee, the Supervisory Board of METRO AG decided in the financial year 2010 to refine the remuneration system for the Management Board. As before, remuneration for the Management Board will consist of a fixed salary and two variable components: performance-based compensation (short-term incentive) and the long-term incentive. Pension provisions and supplemental benefits will also continue to be provided.

A change was made to the relative weighting of the remuneration components (fixed salary, short-term incentive and long-term incentive). The future ratio of these components will be 30 : 30 : 40.

To achieve this ratio, the fixed salary for an ordinary member of the Management Board will generally total €900,000 (previous total €800,000).

The short-term incentive based on the performance metrics RoCE and net earnings was lowered. As a rule, an ordinary member of the Management Board now receives €625 (previous total: €1,400) per 0.01 percentage points of RoCE exceeding 7 percent and €380 (previous total: €850) per €1 million of net earnings. To maintain the personal performance aspect of Management Board remuneration, the Supervisory Board of METRO AG retains the general right to reduce the individual short-term incentive based on RoCE and net earnings by up to 30 percent or to increase it by up to 30 percent each year as it sees fit. The payout for the short-term incentive based on net earnings and RoCE continues to be capped at €2.6 million a year for an ordinary member of the Management Board.

The target value of the annual long-term incentive regularly totals €1.2 million (previous total €0.5 million) for an ordinary member of the Management Board. The payout cap continues to be five times the target value.

In a reflection of the new weighting of the fixed salary, short-term incentive and long-term incentive, the assessment level for pension provisions was redefined as well. It now totals €1.8 million (previous total: €1.6 million) for an ordinary member of the Management Board.

The pending changes in the remuneration system for the Management Board do not apply to the current employment contracts of members of the Management Board of METRO AG. In October 2010, a new employment contract was concluded with Mr Muller. This contract will take effect on 1 August 2011 and incorporates the new remuneration system.

The benchmark figures used in the new remuneration system are based on mid-range company planning, which is subject to change. In accordance with laws and in the interest of the Company, the Supervisory Board is obligated to set the amount of Management Board remuneration in individual instances and not rely solely on fixed specifications. For this reason, the terms contained in the future employment contracts of members of the Management Board of METRO AG can deviate from the rules described here. As a supplementary change to the new remuneration system, the Supervisory Board decided in October 2010 that the appointment periods and the length of the employment contracts of members of the Management Board will generally be three years in future.

The modified remuneration system for members of the Management Board complies with the requirements of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code. Pursuant to § 120 Section 4 of the act, the Management Board and the Supervisory Board of METRO AG will submit the remuneration system to the Annual General Meeting in 2011 for approval.

Share-based compensation of executives

Pursuant to the recommendation in Subsection 7.1.3 of the German Corporate Governance Code, the share-based compensation of executives of METRO GROUP will also be reported in the following section.

Share bonus programme 2004–2008
In addition to members of the Management Board, other executives of METRO AG as well as managing directors and executives of METRO GROUP companies are eligible for this programme. The conditions of the tranches for 2007 to 2008 are shown in the following table:

Tranche	Due date	Base price	Target price	Total manager target bonus
2008	July 2011	€41.92	€48.21	€15,635,000
2007	July 2010	€61.61	€70.85	Expired

Performance share plan 2009–2013
The performance share plan 2009–2013 applies not only to the members of the Management Board, but also to other executives of METRO AG as well as to managing directors and executives of METRO GROUP companies. Under this scheme, eligible managers are given an individual target amount for the performance share plan (target value) in accordance with the significance of their functional responsibilities. The additional rules of this plan correspond to provisions for the Management Board.

With the performance share plan, the share ownership guidelines were also applied to this group of eligible individuals. The required investment volume generally amounts to about 50 percent of the individual target value.

The value of the performance shares allotted in 2010 amounted to a total of €25.0 million (previous year: €31.6 million) at the time of the allotment and was calculated by external experts using recognised financial-mathematical methods (Monte Carlo simulation). The conditions are shown in the following table:

Tranche	End of the blocking period	Three-month average share price prior to allotment date	Number of manager performance shares
2010	August 2013	€42.91	718,015
2009	August 2012	€36.67	737,115

Compensation of members of the Supervisory Board

Remuneration of members of the Supervisory Board is regulated by § 13 of METRO AG's Articles of Association. In add-ition 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 for every ordinary member of the Board. The performance-based 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 average EBT of €100 million for the financial year 2010 and the two preceding years. For the financial year 2010, performance-based remuneration totalled €30,360 for each ordinary member. The sales tax payable to the fixed and performance-based compensation is reimbursed to the members of the Supervisory Board in accordance with § 13 Section 5 of METRO AG's Articles of Association.

Remuneration factors	
Supervisory Board Chairman	●●●
Vice Chairman	●●
Committee Chairmen[1]	●●
Committee members[1]	◗●
Members of the Supervisory Board	●

[1] With a minimum of two meetings/resolutions

The individual amount of fixed and performance-based Supervisory Board remuneration takes into account the duties and responsibilities of the individual members of the Supervisory Board by considering 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 1.5 times higher. By resolution of the Annual General Meeting in 2010, an amendment was added to METRO AG's Articles of Association under which the remuneration for membership on or chairmanship of a committee will be paid only if at least two meetings or other resolutions took place during the respective financial year. A member of the Supervisory Board who holds several offices at the same time 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).

The relevant individual amounts for the financial year 2010 are as follows:

Remuneration of members of the Supervisory Board for the financial year 2010 pursuant to § 13 of the Articles of Association[1]

€	Financial year	Multiplier	Fixed salary	Performance-based remuneration[2]	Total
Prof. Dr Jürgen Kluge, Chairman (from 5 May 2010)	**2010**	●●●	**70,000**	**60,720**	**130,720**
	2009		–	–	–
Franz M. Haniel, Chairman (until 5 May 2010)	**2010**	●●●	**43,750**	**37,950**	**81,700**
	2009		105,000	89,856	194,856
Klaus Bruns, Vice Chairman	**2010**	●●	**70,000**	**60,720**	**130,720**
	2009		70,000	59,904	129,904
Dr Wulf H. Bernotat	**2010**	◗●	**52,500**	**45,540**	**98,040**
	2009		52,500	44,928	97,428
Ulrich Dalibor	**2010**	●	**35,000**	**30,360**	**65,360**
	2009		35,000	29,952	64,952
Jürgen Fitschen	**2010**	●	**35,000**	**30,360**	**65,360**
	2009		35,000	29,952	64,952
Hubert Frieling	**2010**	●	**35,000**	**30,360**	**65,360**
	2009		35,000	29,952	64,952
Prof. Dr Dr h. c. mult. Erich Greipl	**2010**	◗●	**52,500**	**45,540**	**98,040**
	2009		52,500	44,928	97,428
Andreas Herwarth	**2010**	●	**35,000**	**30,360**	**65,360**
	2009		35,000	29,952	64,952
Uwe Hoepfel	**2010**	●	**35,000**	**30,360**	**65,360**
	2009		23,333	19,968	43,301
Werner Klockhaus	**2010**	◗●	**52,500**	**45,540**	**98,040**
	2009		52,500	44,928	97,428
Peter Küpfer	**2010**	●	**35,000**	**30,360**	**65,360**
	2009		35,000	29,952	64,952
Rainer Kuschewski	**2010**	●	**35,000**	**30,360**	**65,360**
	2009		35,000	29,952	64,952
Marie-Christine Lombard	**2010**	●	**35,000**	**30,360**	**65,360**
	2009		35,000	29,952	64,952

Dr Klaus Mangold	**2010**	●	**35,000**	**30,360**	**65,360**
	2009		35,000	29,952	64,952
Dr-Ing. e. h. Bernd Pischetsrieder	**2010**	●	**35,000**	**30,360**	**65,360**
	2009		35,000	29,952	64,952
M. P. M. (Theo) de Raad	**2010**	●	**35,000**	**30,360**	**65,360**
	2009		35,000	29,952	64,952
Xaver Schiller	**2010**	◗●	**52,500**	**45,540**	**98,040**
	2009		52,500	44,928	97,428
Dr jur. Hans-Jürgen Schinzler	**2010**	●●	**70,000**	**60,720**	**130,720**
	2009		70,000	59,904	129,904
Peter Stieger	**2010**	◗●	**52,500**	**45,540**	**98,040**
	2009		52,500	44,928	97,428
Angelika Will	**2010**	●	**35,000**	**30,360**	**65,360**
	2009		35,000	29,952	64,952
Total	**2010**		**936,250**	**812,130**	**1,748,380**
	2009		915,833	783,744	1,699,577

[1] Plus applicable value added tax in accordance with § 13 Section 5 of the Articles of Association
[2] The 2010 performance-based compensation is due after the conclusion of METRO AG's Annual General Meeting on 6 May 2011

No remuneration applied to membership of the Supervisory Board's Nominations and Mediation Committees in the financial year 2010.

In the financial year 2010, individual members of the Supervisory Board of METRO AG also received compensation from the Group companies for Supervisory Board mandates at Group companies:

Other intragroup compensation of members of the Supervisory Board for the financial year 2010[1]

€	Financial year	
Klaus Bruns	**2010**	**49,800**
	2009	49,800
Ulrich Dalibor	**2010**	**9,000**
	2009	8,500
Prof. Dr Dr h. c. mult. Erich Greipl	**2010**	**49,800**
	2009	49,800
Uwe Hoepfel	**2010**	**49,800**
	2009	49,800
Rainer Kuschewski	**2010**	**6,136**
	2009	6,136
Xaver Schiller	**2010**	**6,000**
	2009	6,000
Peter Stieger	**2010**	**9,203**
	2009	9,203
Angelika Will	**2010**	**6,000**
	2009	6,000
Total	**2010**	**185,739**
	2009	185,239

[1] Plus value added tax

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.

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.

9. Notes pursuant to § 315 Section 4 of the German Commercial Code and explanatory report of the Management Board

Composition of capital (§ 315 Section 4 No. 1 of the German Commercial Code)

On 31 December 2010, 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 in €	828,572,941	(yields 99.18%)
Preference shares		
Shares	2,677,966	
Proportional value of the share capital in €	6,846,111	(yields 0.82%)
Total 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 of METRO AG principally 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 preference 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 preference dividends payable from the profit of a financial year are not distributed until all of any accumulated arrears have been paid.

(3) After the preference dividend has been distributed, the 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 German Stock Corporation Act), the right to information (§ 131 of the German Stock Corporation Act) and the right to file a legal challenge or a complaint for nullity (§§ 245 No. 1–3, 246, 249 of the German Stock Corporation Act). In addition to the previously mentioned right to receive dividends, shareholders principally have a subscription right when the share capital is increased (§ 186 Section 1 of the German Stock Corporation Act), claims to liquidation proceeds after the closure of the Company (§ 271 of the German Stock Corporation Act) and to compensation and settlements as a result of certain structural measures, particularly those pursuant to §§ 304 ff., 320b, 327b of the German Stock Corporation Act.

Limitations relevant to voting rights (§ 315 Section 4 No. 2 of the German Commercial Code)

During the reporting year, an agreement existed among 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.

To the knowledge of the Management Board, an agreement also 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.

Finally, to the knowledge of the Management Board, a pooling agreement exists between Otto Beisheim Betriebs GmbH, Otto Beisheim Holding GmbH and OB Beteiligungsgesellschaft mbH, which includes the METRO AG shares held by Otto Beisheim Holding GmbH and OB Beteiligungsgesellschaft mbH.

The aforementioned agreements can be regarded as restrictions in the sense of § 315 Section 4 No. 2 of the German Commercial Code.

In addition, legal restrictions on voting rights may exist, for example in the sense of § 136 of the German Stock Cor-poration Act or, insofar as the Company holds own shares, in the sense of § 71b of the German Stock Corporation Act.

Capital interests (§ 315 Section 4 No. 3 of the German Commercial Code)

Notes pursuant to § 315 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/Germany	Direct and indirect
METRO Vermögensverwaltung GmbH, Düsseldorf/Germany	Indirect
1. HSB Beteiligungsverwaltung GmbH & Co. KG, Schönefeld-Waltersdorf/Germany	Direct and indirect
1. HSB Verwaltung GmbH, Schönefeld-Waltersdorf/Germany	Indirect
Haniel Finance B. V., Venlo/Netherlands	Indirect
Haniel Finance Deutschland GmbH, Duisburg/Germany	Indirect
Haniel Beteiligungsfinanzierungs GmbH & Co. KG, Duisburg/Germany	Direct and indirect
Haniel Beteiligungs-GmbH, Duisburg/Germany	Indirect
Franz Haniel & Cie. GmbH, Duisburg/Germany	Indirect
BVG Beteiligungs- und Vermögensverwaltung GmbH, Essen/Germany	Indirect
Gebr. Schmidt GmbH & Co. KG, Essen/Germany	Indirect
Gebr. Schmidt Verwaltungsgesellschaft mbH, Essen/Germany	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, 2007, 2009 and 2010.

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

Owners of shares with special rights and type of voting rights control where capital interests are held by employees (§ 315 Section 4 No. 4 and 5 of the German Commercial Code)

The Company has not issued any shares with special rights pursuant to § 315 Section 4 No. 4 of the German Commercial Code. No capital interests are held by employees pursuant to § 315 Section 4 No. 5 of the German Commercial Code.

Regulations governing the appointment and removal of members of the Management Board and changes to the Articles of Association (§ 315 Section 4 No. 6 of the German Commercial Code)

In instances where members of the Management Board of METRO AG 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 of 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 members of the Management Board will be determined by the Supervisory Board."

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

Authorities of the Management Board (§ 315 Section 4 No. 7 of the German Commercial Code)

Authorities to issue new shares

In accordance with § 202 Section 1 of the German 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. Three such authorisations currently exist. One authorisation permits the Management Board to increase the share capital by issuing new ordinary shares in exchange for cash contributions; a second authorisation permits the Management Board to increase the share capital by issuing new ordinary shares in exchange for non-cash contributions, and the third permits both variants. 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 consent 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 consent of the Supervisory Board, to the extent required to grant the holders of warrant 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 warrant/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 shareholders' subscription rights, with the consent of the Supervisory Board, for one or several capital increases under the authorised capital, provided that the total par value of such capital increases does not exceed 10 percent of the share capital registered in the commercial register at the time the authorised capital is first utilised, and further provided that the issue price of the new ordinary shares is not substantially below the market price of the Company's listed ordinary shares of the same category at the time the initial offering price of the new issue is finally fixed. The Management Board is authorised to determine all further details of the capital increases with the consent 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 consent 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 consent 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 13 May 2009, the Annual General Meeting further authorised the Management Board, with the consent of the Supervisory Board, to raise the Company's share capital by up to €225,000,000 by 12 May 2014 by issuing new ordinary bearer shares in exchange for cash or non-cash capital contributions, at once or in several stages (authorised capital III). Shareholders are to receive subscription rights thereto. However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude residual amounts from shareholder subscription rights. The Management Board is also authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights insofar as shares are issued in exchange for non-cash capital contributions for the purpose of corporate mergers or for the acquisition of companies, divisions of companies or interests in companies. The Management Board is further authorised, with the consent of the Supervisory Board, to exclude subscription rights in the event of a capital increase in exchange for cash capital contributions to the extent necessary to grant subscription rights to new shares to the holders of warrant or convertible bonds issued by METRO AG and affiliates thereof in which METRO AG holds at least 90 percent of shares, directly or indirectly, in the scope to which they would be entitled upon exercise of the warrant or conversion rights or fulfilment of the warrant or conversion obligations. The Management Board is further authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights for one or more capital increases if the capital increase is executed in exchange for cash capital contributions, the aggregate par value of such capital increases does not exceed 10 percent of the Company's share capital and the issue price of the new shares is not substantially lower than the stock exchange price of existing shares of the same class at the time of final definition of the issue price. The limit of 10 percent of the Company's share capital is diminished by the share of the share capital represented by the Company's own shares which are sold during the term of authorised capital III while excluding shareholder subscription rights according to §§ 71 Section 1 No. 8 Sentence 5, 186 Section 3 Sentence 4 of the German Stock Corporation Act. The limit is further diminished by the share of the share capital represented by shares which are issued to service warrant or convertible bonds with warrant or conversion rights or obligations insofar as the bonds in question are issued during the term of authorised capital III while excluding subscription rights in analogous application of § 186 Section 3 Sentence 4 of the German Stock Corporation Act. The Management Board is authorised, with the consent of the Supervisory Board, to define further details of the capital increases. The new shares may be acquired by banks if the latter agree to tender them to the shareholders. To date, authorised capital III 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 German Stock Corporation Act, the Annual General Meeting decided on 5 May 2010:

"a) The Company is authorised to acquire shares of the Company of any share class on or before 4 May 2015. 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 Annual General Meeting 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 shares or preference shares only.

b) Shares may be acquired on the stock exchange or by way of a public tender offer.

   aa) If shares are acquired on the stock exchange, the purchase 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 closing prices quoted for shares of the Company of the same share class on the XETRA trading 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.

   bb) If shares are acquired by way of a public tender offer, the purchase price per share offered and paid by the Company (not including incidental transaction costs) shall not be more than 10 percent above or below the arithmetic mean of the closing prices quoted for shares of the Company of the same share class on the XETRA trading 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, shares may be acquired in proportion to the respective stakes of the tendering shareholders in the Company or in proportion to the number of tendered shares. Commercial rounding may be used to avoid fractional shares.

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

   aa) Listing of shares of the Company on any foreign stock exchanges where it was not hitherto admitted for trading. The initial listing price of these shares may not be more than 5 percent below the arithmetic mean of the closing prices for shares of the Company of the same share class on the XETRA trading system (or in a functionally comparable system replacing the XETRA system) on the Frankfurt Stock Exchange during the last five days of trading preceding the date of stock exchange listing;

bb) Transfer of shares of the Company 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;

cc) Redemption of shares of the Company, without the need for any further resolution by the Annual General Meeting authorising such redemption and implementation of such. Such redemption may also be accomplished without a reduction in capital by adjusting the proportional value of the remaining no-par-value shares to the share capital of the Company. In this case, the Management Board is authorised to adjust the number of no-par-value shares in the Articles of Association;

dd) Sale of shares of the Company 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 shares of the Company with the same terms on the date of sale. The foregoing authorisation shall be limited to the sale of 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 according to § 186 Section 3 Sentence 4 of the German Stock Corporation Act, or (b) to service warrant or convertible bonds providing for warrant or conversion rights or obligations, insofar 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;

ee) Delivery of shares to holders of warrant or convertible bonds of the Company or its affiliates, according to the terms and conditions applicable to such warrant or convertible bonds; this also applies to the delivery of shares based upon the exercise of subscription rights, which in the event of a sale of Company shares through an offer to all shareholders may be granted to holders of warrant or convertible bonds of the Company or any of its affiliates, to the same extent that holders of such warrant or convertible bonds would have subscription rights for shares of the Company after exercising the warrant or conversion rights or performing the warrant or conversion obligations. The shares transferred based upon this authorisation shall collectively not exceed a pro rata amount of 10 percent of the share capital. 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 letter c) may be exercised on one or several occasions, in whole or in part, individually or collectively. Company shares acquired based on the authorisation granted in letter a) as collateral for liabilities under the performance share plan 2009 may be sold exclusively via the stock exchange.

e) The subscription rights of shareholders shall be excluded if Company shares are used for any of the purposes authorised in letters c) aa), bb), dd) and ee)."

The authorisation for the repurchase of Company shares serves the possible applications listed in letter c);

Among other things, the authorisation is intended to enable the Company to buy back its own 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 its own ordinary shares as payment by exclusion of subscription rights in the context of business combinations or acquisitions of companies, divisions of companies or interests in companies. The Company is also supposed to be able to retire its own shares without a renewed resolution by the Annual General Meeting. In addition, the authorisation shall allow the Company to sell its own 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 ordinary shares at short notice. The Annual General Meeting of 5 May 2010 authorised the Management Board, with the consent of the Supervisory Board, to issue warrant or convertible bonds made out to the bearer. Rather than implementing a capital increase, it may prove sensible to fully or partly serve the resulting subscription rights with treasury ordinary shares. Company shares acquired based on the authorisation granted in letter a) as collateral for liabilities under the performance share plan 2009 may be sold exclusively via the stock exchange.

Authorisation to issue warrant and/or convertible bonds
The Annual General Meeting on 13 May 2009 resolved to annul

→ the contingent increase in share capital by up to €127,825,000, divided into up to 50,000,000 ordinary bearer shares based on the authorisation of the Management Board, with the consent of the Supervisory Board, to issue warrant or convertible bonds made out to the bearer with an aggregate par value of up to €1,500,000,000 prior to 12 May 2014, in one or several tranches (authorisation I), as well as
→ the second contingent increase in share capital by up to €127,825,000, divided into up to 50,000,000 ordinary bearer shares based on a second authorisation of the Management Board, with the consent of the Supervisory Board, to issue warrant or convertible bonds made out to the bearer with an aggregate par value of up to €1,500,000,000 prior to 12 May 2014 (authorisation II),

resolved by the Annual General Meeting on 5 May 2010. Pursuant to the stipulations of the Act Implementing the Shareholder Rights Directive and the jurisdiction of the Federal Court of Justice of 18 May 2009, the detailed stipulations for the determination of the warrant or conversion price in the previous authorisations I and II had become redundant.

Furthermore, the Annual General Meeting of 5 May 2010 authorised the Management Board, with the consent of the Supervisory Board, to issue warrant or convertible bonds made out to the bearer (in aggregate, "bonds") with an aggregate par value of up to €1,500,000,000 prior to 4 May 2015, at once or in several stages, and to grant the holders of warrant or convertible bonds warrant or conversion rights or impose warrant or conversion obligations upon them for ordinary bearer shares in the Company representing up to €127,825,000 of the share capital in accordance with the terms of the warrant or convertible bonds.

The bonds may also be issued by an affiliate of METRO AG in terms of § 18 of the German Stock Corporation Act in which METRO AG holds at least 90 percent of shares, directly or indirectly. In that case, the Management Board is authorised, with the consent of the Supervisory Board, to assume a guarantee for those bonds on behalf of the Company and grant their holders warrant or conversion rights to ordinary bearer shares in METRO AG or impose warrant or conversion obligations upon them.

Shareholders will be granted statutory subscription rights in that the bonds will be acquired by a bank or syndicate of banks contingent upon agreement to offer the bonds to the shareholders. If bonds are issued by an affiliate of METRO AG in terms of § 18 of the German Stock Corporation Act in which METRO AG holds at least 90 percent of shares, directly or indirectly, the Company must ensure that statutory subscription rights are granted to the shareholders of METRO AG in accordance with the above sentence.

However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights for residual amounts arising from proportional subscriptions to the extent necessary to grant or impose warrant or conversion rights or obligations with respect to the holders of existing warrant or conversion rights or obligations in the amount to which they would be entitled after exercise of the warrant or conversion right or fulfilment of the warrant or conversion obligation.

The Management Board is also authorised, with the consent of the Supervisory Board, to entirely exclude shareholder subscription rights to bonds issued in exchange for cash payment carrying warrant or conversion rights or obligations insofar as the Management Board concludes, after careful review, that the issue price of the bonds is not substantially lower than the hypothetical market value ascertained using recognised mathematical methods. This authorisation to exclude subscription rights applies for bonds which are issued with warrant or conversion rights or obligations to ordinary shares comprising no more than 10 percent of the share capital both at the time the authorisation takes effect or – if this value is lower – at the time the authorisation is exercised. The following count towards the aforementioned 10 percent limit

- → new ordinary shares issued from authorised capital excluding subscription rights according to § 186 Section 3 Sentence 4 of the German Stock Corporation Act during the term of the authorisation prior to the issuance of bonds with warrant or conversion rights or obligations without subscription rights according to § 186 Section 3 Sentence 4 of the German Stock Corporation Act,
- → and ordinary shares acquired based on the authorisation of the Annual General Meeting according to § 71 Section 1 No. 8 of the German Stock Corporation Act and sold according to § 71 Section 1 No. 8 Sentence 5, § 186 Section 3 Sentence 4 of the German Stock Corporation Act during the term of such authorisation, prior to the issuance of bonds with warrant or conversion rights or obligations excluding subscription rights according to § 186 Section 3 Sentence 4 of the German Stock Corporation Act.

If bonds carrying warrant or conversion rights or obligations are issued, the warrant or conversion price is determined based on the rules in § 4 Section 8 of METRO AG's Articles of Association, which are laid out under point 8, letter b) aa).

In the case of bonds carrying warrant or conversion rights or obligations, the warrant or conversion price may be adjusted after closer determination in order to preserve the value of such rights or obligations in the event their economic value is diluted, unless such an adjustment is also provided for by law. The terms of the bonds may also provide for an adjustment of warrant or conversion rights or obligations in case of a capital reduction or other extraordinary measures or events (e.g., unusually high dividends, acquisition of control by third parties). In case of the acquisition of control by third parties, the terms of the bonds may provide for adjustment of the warrant or conversion price in accordance with typical market terms. Furthermore, the terms of the bonds may provide for a variable conversion ratio and/or a variable warrant and conversion price whereby the warrant or conversion price is determined within a range to be set based on the development of the share price during the term. The minimum issue price based on the stipulations of § 4 Section 8 of METRO AG's Articles of Association in the version printed under point 8, letter b) aa) may not be undercut.

The terms of the bonds may grant METRO AG the right, in lieu of providing ordinary shares upon the exercise of warrant or conversion rights, to make a cash payment corresponding to the volume-weighted average price of METRO AG ordinary shares on the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during a period of several days before or after the exercise of warrant or conversion rights is announced for the number of ordinary shares which would otherwise be delivered. This period is to be determined by the Management Board. The terms of the bonds may also state that the warrant or convertible bonds may, at the Company's option, be converted into existing ordinary shares in METRO AG or shares in another exchange-listed company, in lieu of conversion into new ordinary shares from contingent capital, and that warrant rights or obligations can be fulfilled through the delivery of such shares.

The terms of the bonds may also call for a warrant or conversion obligation at the end of the term (or at any other time), or authorise METRO AG to grant bond holders ordinary shares in METRO AG or shares in another exchange-listed company upon maturity of bonds carrying warrant or conversion rights (including bonds which mature due to termination), in whole or in part, in lieu of a maturity payment in cash. The percentage of share capital represented by the ordinary shares in METRO AG issued upon the exercise of warrant or conversion rights may not exceed the par value of the bonds. §§ 9 Section 1, 199 Section 2 of the German Stock Corporation Act apply.

The Management Board is authorised, with the consent of the Supervisory Board, to determine the further details pertaining to the issuance and terms of the bonds, particularly the coupon, issue price, term, division into shares, rules for the protection against dilution and the warrant or conversion period, or to define such details in consultation with the corporate officers of the affiliate of METRO AG which issues the warrant or convertible bonds.

The authorisations to issue bonds are 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 conversion or warrant rights on shares of METRO AG provide a means of raising capital at attractive conditions. The convertible and warrant premiums attained flow to the Company. The additionally foreseen possibility of not only granting conversion and warrant rights, but also introducing warrant and conversion obligations, and allowing the Company to opt for the full or partial redemption of bonds with own shares rather than cash, extends the Company's leeway in the design of this financing instrument.

Fundamental agreements related to the conditions of a takeover (§ 315 Section 4 No. 8 of the German Commercial Code)

As a borrower, METRO AG is a party to two 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. The regulations as described here are common market practice and serve the purpose of creditor protection. In 2010, these loans were not utilised.

Compensation agreements in case of a takeover (§ 315 Section 4 No. 9 of the German Commercial Code)

No compensation agreements with the members of the Management Board or employees have been concluded with a view towards takeover offers.

10. Accounting-related internal monitoring and risk management system

METRO GROUP's accounting-related internal control and risk management system employs coordinated instruments and measures for the prevention or early detection, assessment and management of risks. The Corporate Accounting department of METRO AG is responsible for the Group-wide implementation of instruments and measures.

Overarching responsibility for all processes related to the preparation of the consolidated and individual financial statements of METRO AG rests with the Board department of the Chief Financial Officer of METRO AG, Mr Olaf Koch. The actual preparation of the financial statements in the legal sense, however, is the responsibility of the Management Board of METRO AG. Following the preparation of the financial statements, the annual accounts are audited and approved by the auditor. They are then discussed and reviewed by the Supervisory Board of METRO AG. The auditor attends this Supervisory Board meeting, reports the key findings of his audit and answers additional questions. Barring any objections on the part of the Supervisory Board, the annual financial statements are approved by the Supervisory Board. The annual financial statements of METRO AG are released once this approval is given.

IFRS accounting guideline

The (interim) consolidated financial statements of METRO AG are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Commission. A Group-wide IFRS auditing guideline that is compulsory for all companies included in the consolidated financial statements ensures the uniform Group-wide application of accounting procedures in accordance with IFRS. The guideline explains IFRS regulations to Group companies and makes stipulations regarding accounting measurements. To monitor compliance with the IFRS accounting guideline, the management of each Group company is obliged to confirm compliance by means of a letter of representation for the reporting of each financial statement. The IFRS accounting guidelines covers all IFRS relevant to METRO AG and does not relate only to certain accounting events. The Corporate Accounting department of METRO AG is responsible for ensuring compliance with this guideline. The IFRS accounting guideline is continually adapted to reflect amendments to IFRS and separately communicated to all companies included in the consolidated financial statements.

Accounting processes of companies included in the consolidated financial statements

The preparation of the individual financial statements of consolidated companies according to IFRS for consolidation purposes is principally carried out in SAP-based accounting systems (SAP-FI). The organisational separation of central and sub-ledger accounting (for example, asset accounting) provides for clear assignments among individual tasks related to the preparation of the financial statements. It also provides for a functional separation that ensures control processes such as the two-signature principle. These systems are used to prepare the individual financial statements of a large share of Group companies based on a centrally managed table of accounts using uniform accounting rules. The plan is to prepare all individual IFRS financial statements of METRO GROUP companies in a centralised, SAP-based accounting system (SAP-FI) according to centralised rules and processes.

The consolidation of financial data in the context of Group reporting is carried out by means of a centralised, SAP-based consolidation system (SAP EC-CS). All consolidated METRO GROUP companies are linked to this system without exception. This system provides for a uniform accounts table used by all consolidated companies in accordance with the IFRS accounting guideline. The accounts tables for the individual IFRS financial statements and the consolidated financial statements are interlinked.

Aside from failure to comply with accounting rules, risks can also arise from failure to observe formal deadlines. An online planning tool was introduced to help avoid these risks and document the obligatory processes required in the context of the preparation of individual and consolidated financial statements under IFRS, their sequence and the responsible persons. It is used to monitor content and timing of the processes related to the preparation of the individual and consolidated financial statements under IFRS. This provides for the necessary tracking and tracing systems to ensure that risks of overarching Group units can be detected and eliminated early on.

The planning tool divides the process of preparing the individual financial statements into key milestones, which in turn are divided into individual activities. In terms of content, these milestones and activities are geared towards METRO GROUP's IFRS accounting guideline and thus reflect its implementation. Compliance with additional deadlines and milestones that are provided centrally by the planning tool for the purpose of structuring and coordinating the preparation of the consolidated financial statements is monitored by METRO AG's Corporate Accounting department. The scheduling and monitoring of the milestones and activities required to achieve these Group milestones as part of the preparation of individual financial statements are part of the responsibilities of the respective company's management.

Once they have been transmitted from the individual financial statements under IFRS to the SAP-based consolidation system, the financial data are subjected to an automated plausibility review in relation to accounting-specific contexts and dependencies. Any errors or warning messages generated by the system during this validation process must be addressed by the person responsible for the individual financial statement before the data are transmitted to the consolidation facility.

The report in which each Group company provides a comparison of key items of the balance sheet and the income statement with prior-year figures as well as relevant comments represents another monitoring instrument. Each Group company must provide this report to METRO AG in the context of the preparation of individual financial statements.

Access regulations for accounting-related EDP systems (SAP-FI) provide for IT security. Each company included in the consolidated financial statements is subject to the regulations concerning IT security. These regulations are summarised in an IT security guideline, with Group-wide compliance being monitored by the Internal Audit department. This ensures that users only have access to the information and systems needed to fulfil their specific task.

Accounting processes in the context of consolidation

The planning tool also divides the process of preparing the consolidated financial statements into key milestones, activities and deadlines. In the process, the completion of typical consolidation measures – including sales elimination, expense and income, liability and capital consolidation – represents specific milestones in the preparation of the consolidated financial statements. Personnel responsibilities for the consolidation measures mentioned above are documented in consideration of stand-in arrangements.

The Group also relies on external service providers to handle support activities related to the preparation of the consolidated financial statements. These services essentially relate to valuations of real estate, pension obligations and share-based remuneration.

The consolidation measures required to prepare the consolidated financial statements are subjected to various systematic and manual controls. The automated plausibility reviews (validations) used in individual financial statements data also apply to the consolidation measures. Additional monitoring mechanisms at Group level include target-performance comparisons as well as analyses dealing with the composition and changes of individual items in the balance sheet and the income statement. Compliance with internal controls covering the preparation and accounting process in the context of the compilation of the consolidated financial statements is regularly monitored by the Internal Audit department.

Access regulations for the consolidation system SAP EC-CS are implemented to ensure adherence to IT security regulations (writing and reading authorisations). Authorisations to use the consolidation system are managed centrally by METRO AG. The approval is given only from the Corporate Accounting and Planning & Controlling departments. This ensures that users only have access to data they require to fulfil their specific tasks.

Independent audit/control

Internal auditing

The Internal Audit department provides independent and objective audit and consulting services within METRO GROUP and supports the Management Board and METRO GROUP executives in reaching their goals through a potential-orientated assessment of key management and business processes. In coordination with the Management Board and the Group companies, the Internal Audit department develops a risk-orientated annual audit and project plan.

Based on the described principles, the Internal Audit department carries out individual audits of the controls governing the process of preparing the consolidated financial statements, the implementation of the IFRS accounting guideline and Group accounting processes within METRO GROUP. In the process, focal topics are defined as part of risk-orientated planning for the annual audit.

External audit
The IFRS accounting guideline is reviewed by the auditor of the consolidated financial statements and made available to the auditors of the companies included in the consolidated financial statements. These, in turn, confirm the consistent application of the IFRS accounting guideline by the companies included in the consolidated financial statements.

In addition, the individual IFRS financial statements prepared by the Group companies for consolidation purposes and the consolidated financial statements of METRO AG are reviewed and monitored for compliance with applicable accounting regulations by the respective auditors. The interim consolidated financial statements for the six-month period undergo an auditor's review and the full-year consolidated financial statements are audited. The final auditor's opinion on the consolidated financial statements is published in the Annual Report.

11. Risk report

Risk management at METRO GROUP is an integral part of value-orientated business management. It helps the Company's management to limit risk and exploit opportunities and is based on a systematic process of risk identification, assessment and control for the entire Group. Risks are internal or external events that can negatively impact the realisation of short-term objectives or the implementation of long-term strategies. They can also emerge from missed or poorly exploited opportunities. We define opportunities as possible successes that extend beyond the defined objectives. Within the framework of risk management, we recognise unfavourable developments at an early stage and put the necessary countermeasures into place. In addition, we also systematically identify, assess and seize positive Group-wide opportunities.

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 operating responsibility of the individual sales divisions. The sales divisions and consolidated subsidiaries are thus responsible for the risks, in particular operating 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.

EBIT after Cost of Capital (EBITaC) as a risk assessment metric

The value contribution, which we calculate as EBITaC (EBIT after Cost of Capital), is a key benchmark for corporate success. This represents EBIT including special items from Shape 2012 periodised over four years less the costs of capital. The degree of readiness to assume risk also focuses on this key metric and thus follows the principle of sustainably increasing enterprise value. In principle, METRO GROUP takes 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. In principle, we do not assume risks that are not related to these core processes 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. The risk management manual is continuously reviewed and updated. 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.

Group reporting promotes internal risk communication

Group reporting is the central vehicle for internal risk communication. It is complemented by risk management reporting. The aim is to allow for the structured and continuous monitoring of risks and document this in line with legal stipulations. In addition, it is also tasked with communicating possible risks to the relevant responsible persons.

As a matter of principle, all METRO GROUP companies conduct an annual risk inventory as per 30 June of each year. In the process, individual risks are described and assessed based on fixed indicators. The management of the sales divisions and the cross-divisional service companies report their risk inventory to the risk officer of METRO AG. In addition, they receive a list of all risks in their areas of responsibility. The process concludes with METRO AG's risk officer summing up the notifications from the central departments and companies and presenting the entire risk portfolio of METRO AG to the Management Board.

An emergency notification system takes effect in case of sudden serious risks to the asset, financial and earnings position of METRO GROUP. In this case, the Management Board of METRO AG directly and promptly receives the necessary information.

Consistent risk monitoring

All of our managers are responsible for overseeing the implementation and effectiveness of risk management in their particular area. Risk management officers ensure that the risk management system as a whole is operational and that the standards and processes remain current. 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 identification

The timely recognition and exploitation of opportunities is a critical entrepreneurial duty and secures long-term success. METRO GROUP views risk and opportunity management as two distinct responsibilities. Ascertaining and communicating opportunities are 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 operating 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 addition to these responsibilities, the possible opportunities for cost savings, sales growth and earnings increases have been identified as part of Shape 2012. We record these opportunities by means of a comprehensive reporting system. Details of the reporting system can be found in the chapter Strategy – Shape 2012 on pages 36 to 42. In the supplementary and forecast report on pages 134 to 142, 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

As an international company, METRO GROUP is dependent on the development of the world economy. Overall, the world economy was able to continue to recover from the economic and financial crisis in 2010. However, the economic upswing is progressing at varying speeds. Particularly in Europe, many countries are burdened by high public debt. For this reason, Europe is experiencing divergent growth in private consumption. Despite persistent economic risks, the economic situation in the countries we operate in has improved. The risks concerning the short- and medium-term development of the retail sector and thus METRO GROUP fell slightly compared with last year. Overall, the retail and wholesale trade is less sensitive to changes in the economic situation than other sectors. We are determined to continue to strengthen our position as a leading international retail and wholesale group, especially in the growth regions of Asia and Eastern Europe.

Retail business

The particularly intense competition in the German and Western European retail sector creates conditions that could influence business developments and represent natural business risks. A fundamental business risk is consumers' fluctuating propensity to consume, a factor that depends on numerous economic, political and social parameters. Over the course of economic recovery, customers' propensity to consume has recovered slightly in many countries. However, austerity measures aimed at reducing public debt, particularly in Europe, have placed additional burdens on private consumption. Overall, we expect spending on both consumer staples and such larger purchases as household appliances and consumer electronics to increase.

Constantly shifting consumer behaviour and customer expectations pose a risk and an opportunity – especially in the face of demographic changes. Continuously adapting and optimising merchandising concepts is imperative. To recognise market trends and changing consumer expectations early on, we regularly analyse internal information and selected external sources. The 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 also include the observation of product segments on the market over a certain period of time. Our sales divisions 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 their competitive strength.

Within the framework of our sustainability strategy, we are also working to ensure the future viability of our company. Additional information on this strategy can be found in the chapter Sustainability Management on pages 105 to 109.

Strategic company risks

International expansion

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 company. By entering these markets, we are exploiting our entrepreneurial opportunity to profit from the rising purchasing power of millions of consumers.

Our international position requires us to address possible economic, legal and political risks. The situation in individual countries can change rapidly. Unrest, changes in political leadership, terrorist attacks and natural disasters can endanger METRO GROUP locations in the affected country. We insure ourselves as far as possible and to the appropriate extent against business interruptions that, for example, are the result of political unrest. At the same time, the internationalisation of our business provides us with the opportunity to offset the economic, legal and political risks as well as fluctuations in demand in individual countries.

To limit the risks of expansion as far as possible, we plan each market entry meticulously. We identify the risks and opportunities by conducting feasibility studies. We only enter new markets when the risks and opportunities are deemed to be manageable.

The risks of market entry can also be minimised by forging partnerships with local companies. These businesses know the legal, political and economic environment of the respective expansion countries. A current example of this practice is the partnership that Media Markt and Saturn formed with the company Foxconn in order to enter the Chinese market.

We anticipate that the economy will continue to recover in all the regions that are relevant to METRO GROUP. However, forecasts about the course of recovery always entail a certain degree of uncertainty. Even though we base our expansion decisions on the best available information, we cannot rule out the possibility that the growth momentum in individual countries will fall short of our expectations in the coming years.

Locations

In all countries, we select the location of our businesses based on the findings of an intensive review. With each new opening, however, the risk that the business will receive less customer acceptance than planned still remains. Moreover, sales could also decline at existing locations. The reasons for this could include changing demographics over time or a change in the competitive situation. Because we continuously monitor the profitability of our stores, we can recognise negative developments at individual stores and locations early on and react quickly. If the measures taken to counter these developments do not lead to success and if the situation at the respective location is not expected to improve over the long term, we will divest of the store or location as part of the optimisation of our network of locations.

Portfolio changes

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

Internet retail

In addition to international expansion, Internet sales are an important factor and, at the same time, an opportunity to secure the future success of METRO GROUP. In retail today, online sales play an increasingly important role. We expect this development to continue. That is why it is imperative for

METRO GROUP to further strengthen its Internet sales channel so it does not leave competitors any room to gain market share. For this reason, we are tirelessly working to expand and improve our sales divisions' online presences. An important factor for the success of Internet retail is fulfilling logistics and IT requirements to guarantee fast, dependable deliveries as well as ensuring secure and easy ordering procedures. At the same time, it is important to dovetail stationary business optimally with Internet retail.

Risks related to business performance

Suppliers

As a retail and wholesale company, METRO GROUP depends on external providers for the supply of goods and services. We place a high priority on both the quality of the supplied goods as well as on the reliability of our suppliers. Defective or unsafe products would cause extensive damage to the image of METRO GROUP and pose a long-range threat to the Company's success. For this reason, we select our suppliers carefully. They are continuously monitored and have to adhere to the procurement policy standards of METRO GROUP. In particular, these standards include those tested by the Global Food Safety Initiative like the International Food Standard and the GLOBALGAP certification for agricultural products. They help to ensure the safety of foods on all cultivation, production and sales levels. To prevent disruptions in the supply of goods and to avoid becoming dependent on individual companies, we work with a variety of suppliers. By taking this approach, we ensure that the desired product is practically always in stock and, in the process, achieve high levels of customer satisfaction.

The success of METRO GROUP also depends heavily on the procurement prices of the products offered for sale. Our purchasing volume in the numerous countries where we do business has a major impact on procurement prices. Just like all other retail and wholesale companies, though, we constantly face the risk that shortages of resources could occur and drive up the prices of raw materials and foods. For instance, increased oil prices can lead to higher procurement prices for a variety of products.

IT and logistics

The highly diverse selection of goods in bricks-and-mortar retailing and the high stock turnover entail fundamental organisational, IT and logistics risks. METRO GROUP's international focus and concentration on national, regional and local product assortments add to these risks. Any disruptions in the supply chain, for example in the supply of goods, could lead to business interruptions. We reduce our dependency on individual suppliers and service providers by expanding our circle of business partners and employing the principle of efficient assignment of responsibilities. Because important business processes, including product ordering and sales, use IT systems, continuous availability of the infrastructure is also a critical factor. For this reason, systems that are essential to business operations are largely self-contained and can always be used even during events such as network failures. The same is particularly true for the checkout systems in stores and locations. Working hand in hand with computing centres, efficient and secure networks ensure that major system failures caused by such events as natural disasters or criminal acts can be overcome. In our work on IT security, we also ensure a high quality of the processed data. These data may be viewed only by authorised staff. The necessary user accounts and access authorisations are administered according to a predefined planning process. The core processes and systems of METRO SYSTEMS are checked by external inspectors and also by a department of Internal Audit that specialises in IT auditing procedures.

Human resources risks

The expertise, dedication and motivation of our employees are key success factors that have a decisive impact on our competitive position. One prerequisite to achieving strategic goals are 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 demographic change and intense competition for the best people. This makes in-house qualification measures indispensable. To foster the requisite entrepreneurial skills among our employees, we optimise training and professional development programmes for employees at all levels. Training courses and systematic measures that help employees to grow in professional terms promote entrepreneurial thinking and actions among employees. Variable and performance-based pay components 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.

More information on METRO GROUP's human resources policy can be found in the chapter Employees on pages 96 to 102.

Legal risks, tax risks
Legal risks arise primarily from labour and civil law cases. In addition, risks for METRO GROUP may arise from preliminary investigations, for example in the context of possible infringements of cartel or competition law. Tax risks are mainly connected to external audits.

Financial risks
The financial department of METRO AG manages the financial risks of METRO GROUP. Financial risks include liquidity risks, price risks, creditworthiness risks and risks arising from cash flow fluctuations.

These risks and their management are described in the notes to the consolidated financial statements in no. 43 "Management of financial risks".

Overall assessment of the risk situation by the Company's management

The Management Board, the Supervisory Board and other important bodies of METRO AG are regularly informed about the Company's risk situation. Overall, the risk situation of METRO GROUP has improved since the Annual Report was issued last year, primarily as a result of economic conditions. To evaluate the present risk situation, risks were not only examined in isolation: the interdependencies between risks were analysed and rated according to their probability. The assessment has shown that the overall risks are manageable. There are no potentially ruinous risks for the Company and no risks can be identified that could endanger the Company's future existence. The Management Board of METRO AG currently does not expect any fundamental change in the risk situation. In its business strategy, METRO GROUP considers potential opportunities. The opportunities that the Company sees for future years are addressed in the supplementary and forecast report on pages 134 to 142.

12. Supplementary and forecast report

Supplementary report

Events after the balance sheet date

No events that are of material importance to an assessment of the earnings, financial and asset position of METRO AG and METRO GROUP occured between the balance sheet date (31 December 2010) and the auditor's report (28 February 2011).

Forecast report

This forecast report considers relevant facts and events that were known at the time of preparation of the financial statements and that can have an impact on business developments at METRO GROUP.

Economic parameters 2011 and 2012

Future economic situation

At the end of 2010, the pace of the global recovery from the financial and economic crisis dropped off somewhat. Like the World Bank and most other economic research institutes, we expect growth rates to weaken in general in 2011 compared to the financial year 2010. While emerging markets will see only a slight loss of momentum and remain the global growth engines as a result of their strong domestic demand, the developed economies, in particular, will continue to feel the effects of the financial and economic crisis.

The following factors will impact economic developments in the years 2011 and 2012:

The growth witnessed in 2010 occurred on the back of the crisis-related collapse of economic output in 2009. The subsequent recovery process has slowed again of late. At the same time, the stimulus programmes of the past years have been replaced by austerity measures aimed at reducing public debt. These savings measures place a particular burden on private consumption, for example through increases in value-added tax in such countries as Greece, the UK, Romania and Spain. In addition, persistent global economic risks exist – from the ongoing consolidation of bank balance sheets to the effects of expansive monetary policies and overheating tendencies in the Chinese economy.

However, we also expect the labour market recovery to continue on the back of moderate growth, providing a positive impulse for private consumption and the retail industry. As a result, we expect the gradual upward trend in the retail industry to continue in 2011, particularly given the fact that the retail industry is a late-cyclical sector. However, the rise in commodity prices, especially in food prices, is likely to lead to a continuation of the increase in consumer prices that started at the end of 2010 in 2011.

The factors dampening the economic recovery should gradually dissipate in 2012. Like the "Kiel Institute for the World Economy" and other research institutes, we therefore project a return to stronger global growth rates in 2012.

Germany
Germany is likely to remain Western Europe's economic growth engine in 2011. All of Germany's economic research institutes expect the German economy to grow by far more than 2 percent. Although this would represent a slowdown from the record growth rate of 3.6 percent notched in 2010, it would still amount to above-average growth. At the same time, the institutes expect the positive trend on the labour market to continue. Despite additional burdens on the population, which result, amongst other things, from rising statutory health fund contributions and higher electricity costs, private consumption looks set to make a bigger contribution to overall economic growth. Most institutes now project a price-adjusted increase in private consumption of more than 1 percent, after 0.5 percent in the previous year. The retail industry will also develop relatively favourably. As in earlier economic cycles, however, it will profit only disproportionately from the overall recovery.

All in all, the recovery in Germany is on a solid footing and is likely to continue beyond 2011. Given the high public debt burdens, however, future economic developments in particular in Europe present a certain risk.

Western Europe
Growth is likely to remain subdued in many Western European countries in 2011. Public deficits and austerity programmes will continue to serve as a brake on growth this year. Most experts expect varying levels of economic development: the debt problems will keep the Greek economy in recession in 2011, Spain and Portugal are likely to see very little growth. Weak growth of about 1 percent is forecast for Italy. Aside from Germany, the Scandinavian countries of Denmark and Sweden as well as Switzerland are likely to continue their positive development.

In 2010, labour markets in most Western European economies also trailed the recovery on the German labour market. The gradual improvement on labour markets during the second half of 2010, however, is likely to continue in 2011, buttressing the retail industry as well.

Eastern Europe
Recovery in Eastern Europe is likely to continue in 2011 at varying rates. Although growth is expected to remain relatively weak in Bulgaria, Hungary and Romania, these countries will likely improve their performance compared to previous years with growth rates of about 2 percent in 2011. At about 4 percent, growth rates in Turkey, Russia and Poland, in turn, will probably be twice as high as in the other regional economies. According to our forecasts, average growth in Eastern Europe will be somewhat stronger than in 2010, and we project another increase for 2012 compared to 2011. While the regional economies will not return to the high growth rates of the pre-crisis years, just like Asia, Eastern Europe continues to boast strong economic potential. As a result, we expect the Eastern European economies to generate strong growth momentum over the medium term – thanks also to their continually high catch-up demand. Therefore, we also expect the retail industry to grow faster this year.

Asia/Africa
Despite persistent risks, the Asian emerging markets will probably remain the world's fastest-growing region in 2011 and 2012 – although their economic strength is likely to decline slightly. The growth momentum in the retail industry will also remain high. We project double-digit nominal growth for China, India, Pakistan and Vietnam, but the situation in Japan is more difficult. Economic growth will weaken markedly there in 2011, negatively impacting the retail sector in the process. Due to fundamental political changes, it is difficult to assess future developments in Egypt at the moment.

Building on our forecast for economic and retail development, the following section provides an overview of the resulting implications for individual sectors as well as the METRO GROUP sales divisions.

Future sector trends and development at METRO GROUP

Metro Cash & Carry
The development of the self-service wholesale sector will continue to be impacted by the economic recovery in 2011 and 2012, the pace and intensity of which varies from region to region. Accordingly, we expect the divergent trends within the cash & carry segment to continue.

Market volume in Germany and Western Europe will change only slightly in the next two years. Growth momentum is not expected to be produced by the hotel and restaurant trade, two of the main customer groups of the cash & carry segment. As a result of expected price increases, we anticipate growth in food items to lag slightly behind the overall inflation rate, whereas retail sales in nonfood items will remain stable.

The Eastern European cash & carry segment is expected to continue to grow in the next two years, but at starkly varying speeds. While sales in the cash & carry segment will increase in most countries, we expect negative growth rates in Greece and Hungary for at least the duration of 2011 as a result of the tense economic situation. The overall positive revenue trend in Eastern Europe will be fuelled by a strong rise in demand for both food and nonfood items. Price increases, in particular in food items, will also lead to an increase in revenue.

We expect the strong growth trend of the cash & carry segment in Asia to continue unchanged for the next two years. The growth dynamic in the cash & carry segment will remain higher than in the modern food retail business. Some countries of the region, for example India, continue to protect the traditional retail sector through restrictions on foreign companies' entry into their attractive retail markets. This has two sets of implications: on the one hand, the customer base of the cash & carry segment, the traditional retailers, remains intact. On the other, cash & carry stores there are faced with little competition from other modern formats in the food retail business.

Metro Cash & Carry will continue its international expansion course in 2011 and 2012, keeping its focus on the growth regions of Asia and Eastern Europe.

Real

Sales in the German food retail industry are expected to increase more in 2011 and 2012 than they did in 2010. This positive trend will be primarily stimulated by hikes in food prices, which, in turn, result from increasing commodity prices. Due to ongoing intense competition especially on the part of discount stores, however, it is not certain that higher purchase prices can be completely passed on to consumers by the food retail industry. The shift in demand towards low-price private-label products is likely to continue unchanged as a result of the overall rise in the price level.

The Eastern European food retail industry will continue to grow in the next two years. In addition to food price increases, an ongoing rise in consumer demand will positively impact retail industry development as the recovery from the financial and economic crisis picks up speed. A rejuvenated expansion of the modern food retail sector will also fuel growth. We expect the large-area hypermarkets to remain the growth drivers and to further extend their market share.

Real will continue to pursue and further refine its successful strategy of the past years. In Germany, the focus in 2011 and 2012 will be on the continuation of Real's successful repositioning. This includes the development of promising new formats such as "Real Drive" or the online shop. Internationally, Real will continue its systematic expansion in order to profit from the boom in large-area hypermarkets in Eastern Europe.

Media Markt and Saturn

The regionally divergent development in consumer electronics retailing will continue in 2011 and 2012. This is because developments in this industry are more susceptible to changes in macroeconomic parameters.

The German Federal Association for Information Technology, Telecommunications and New Media (BITKOM) anticipates the market to decline in Western Europe in 2011. In Germany, the largest Western European market, experts expect the retail industry to develop more favourably than in most other countries in the region. For this reason, 2011 sales in the German market will only fall slightly below those of 2010. In the area of consumer electronics, demand for flat-screen televisions will continue to remain high. All in all, however, demand in Germany and Western Europe will drop in 2011 before sales pick up again in 2012 when major sporting events are expected to boost demand. Consumer interest in information technology products continues to remain high. The sector trade association BITKOM, for example, projects record sales in computers in Germany in 2011. The Internet will continue to grow in importance as a sales channel and increase its market share. In light of this development, only providers that do not solely rely on stationary sales or only on Internet sales, but combine both sales channels to operate as multichannel providers will benefit from this trend. Media Markt and Saturn are already operating as multichannel providers in Austria and the Netherlands. In 2011, this sales channel will be expanded to Germany.

Consumer electronics retailing in Eastern Europe will continue to grow at varying rates over the next two years. Stimulated by the rapid recovery from the financial and economic crisis, demand for electrical and electronic equipment in Russia and Turkey will pick up in 2011 and 2012. We expect sector sales in Russia to exceed those of pre-crisis levels by 2012 at the latest. In contrast to this positive trend, countries that remain affected by the economic crisis, for example, Greece and Hungary, can expect customers' reluctance to spend money to persist. Due to continued strong demand for basic electrical and electronic equipment, the region of Eastern Europe also holds enormous potential for growth beyond 2012.

The Chinese market for electrical and electronic products is the third-largest market worldwide behind the USA and Japan. According to the European Information Technology Observatory (EITO), the Chinese market will see double-digit growth rates in 2011 and 2012 and will position itself behind the USA as the second-largest market as early as 2012.

Media Markt and Saturn will continue their growth course and gain additional market share over the next two years. The unrelentingly high pace of expansion in all growth markets will significantly contribute to the expansion of each sales brand's market position.

Galeria Kaufhof

The positive consumer climate in Germany and the comparably high propensity to buy will positively impact the development of the department store and clothing sector in 2011. The continuation of this trend in 2012 will depend on how stable consumer demand remains.

Even though the final phase of consolidation in the department store sector has yet to be completed, the sector will continue to gradually eliminate overcapacity. In this respect, we expect the department store sector to continue to lag behind retail trends in 2011 and 2012 as well. Galeria Kaufhof is clearly positioned as a concept and system leader in the market. On this basis, we expect the sales division to continue to develop more favourably than the comparable competition and its market share to increase. Positioning Galeria Kaufhof as a multichannel provider will also contribute to this development.

Positioning of METRO GROUP 2011 and 2012

Focus of future business policy

Launched in 2009 and targeted to last for four years, the efficiency and value-enhancing programme Shape 2012 has led to a repositioning of the business policy. We will steadily continue down this path in 2011 and 2012 as well. A guiding principle of Shape 2012 is its systematic focus on the customer. The specific needs of customer groups as well as regional market conditions play a crucial role in this strategic focus. We are addressing these factors by further refining sales formats and sales channels.

At Metro Cash & Carry, the focus is clearly on professional, commercial customers. The wholesaler will expand its successful delivery services and intensify customer service efforts. Real will continue to introduce new concept components as well as establish and expand new sales channels, including online sales and the drive-in supermarket “Real Drive”. Media Markt and Saturn will continue to dovetail their stationary business with an online presence and press ahead with internationalisation. Galeria Kaufhof will continue to rigorously shift its business towards the lifestyle sector. At the same time, the sales division will continue to expand the product range available online.

Efficiency and value-enhancing programme Shape 2012

The aim of Shape 2012 is to secure METRO GROUP’s long-term profitable growth. To achieve this goal, we have streamlined our structures and introduced measures to further improve our overhead costs. The profit improvement potential targeted for 2012 and beyond amounts to €1.5 billion compared with the reference year of 2008. In particular, 2009 and 2010 were characterised by efforts to anchor decentralisation and a stronger customer focus in company structures. In addition, numerous measures have created more efficient processes, reduced costs and initiated productivity improvement projects. During the remaining two years of Shape 2012, the programme’s focus will shift in particular to measures aimed at further fuelling and implementing productivity improvements. At the halfway point in the programme, it is already clear that Shape 2012 has led to a new way of thinking within METRO GROUP. The main idea of creating a more customer-focused and more efficient company is becoming more and more infused into our day-to-day business. Shape 2012 is reshaping the Group and having an impact on decisions in all business processes. The programme is preparing our Company for future challenges.

In 2011 and 2012, the earnings contribution of Shape 2012 is likely to exceed the levels of 2009 and 2010 as improvements in overhead costs and value contributions from increased productivity both bolster performance. We also expect special items to occur in connection with the implementation of Shape 2012 again in 2011. However, these will be markedly lower than in 2010.

Non-financial targets

In addition to its financial targets, METRO GROUP also pursues a number of non-financial targets. These are outlined in detail in the Sustainability Report and include the four topics of “Quality, health and environment”, “Energy and resource management”, “Employees and social affairs” and “Social policies and stakeholder dialogue”. As a founding member of the Business Social Compliance Initiative (BSCI), an association of European retail and wholesale companies and brand manufacturers, we are committed to ensuring good working conditions throughout the entire supply chain. That is why at least 75 percent of our suppliers will have to pass the BSCI social audit by the end of 2011. Furthermore, our long-term objective is to reduce our greenhouse gas emissions per square metre by 15 percent by 2015 compared with the reference year of 2006.

Future sales markets

On the balance sheet date, METRO GROUP was operating in 33 countries in Europe, Asia and Africa. We aim to continue to grow through existing and new locations in these markets. We are conducting feasibility studies to examine expansion opportunities for our sales divisions in other countries. In general, we enter new markets by first opening a Metro Cash & Carry store. Depending on the respective country's development status in terms of market maturity and potential, entry opportunities for Real and Media Markt and Saturn may subsequently arise as well. Entry into additional markets is not planned for Galeria Kaufhof.

In November 2010, Media Markt opened its first Chinese consumer electronics store in Shanghai. Experts project that the sales market for consumer electronics in China will grow from €82 billion to €180 billion over the next five years. In this rapidly growing market, we are planning to open 10 Media Markt stores by the end of 2012 in Shanghai. Following the successful conclusion of this first phase, we are planning an additional expansion phase starting in 2013 by adding more than 100 Media Markt stores in China.

New sales potential is also emerging through new sales channels, particularly through the Internet. As smart phones and tablet personal computers, in particular, become increasingly prevalent, customers have constant access to the Internet. All METRO GROUP sales divisions are addressing this development by expanding their multichannel product presence. In addition to technical solutions such as applications, METRO GROUP also offers its customers a broad range of products and value-added services online. In this process, the stationary business serves as a pick-up point, if desired, and ensures personal contact. Customers have recognised that this opportunity is not offered by providers operating strictly online.

Future sales formats, technologies and processes/future products and services

We continually work on the further development of our sales formats in the areas of customer approaches, product offers and processes. This work builds on continuous analyses of constantly changing customer requirements. The findings of these analyses also flow into the new sales formats we design and regularly test. These include smaller, downtown Metro Cash & Carry stores that specialise in supplying nearby hotels and restaurants as well as sales formats such as "Metro Drive" and "Real Drive", in which commercial customers and consumers can pre-order goods online and then pick up the prepared order at these stores.

All sales divisions are focusing on own-brand products in their merchandise management. The existing extensive product range will be expanded in 2011. The sales division Media Markt and Saturn has now been offering its first exclusive-brand products since 2010 and will markedly expand this product range in 2011.

The products and services offered by our sales divisions are geared to customer needs and shopping habits. The industry continuously provides all sales divisions with innovative products. New products in consumer electronics, in particular, generate the most interest. We expect numerous new products to be unveiled in 2011 and 2012.

The industry is also continuously introducing new products in the area of consumer goods and durables. In this area, we work together with suppliers and serve as an interface between suppliers and customers. However, not all new products are destined for lasting success and are subsequently replaced by other innovations. Due to the large amount of new products, we have to select those that offer added value to our customers. At the same time, corresponding media support by the supplier is necessary to generate market success.

To better analyse customer needs, we gather and examine information on shopping behaviour. Each customer at Metro Cash & Carry has an identifying loyalty card. At Real and Galeria Kaufhof, the Payback card is offered as an instrument to promote customer retention. By analysing the data provided by these cards, we can better address our customers' needs. In addition, we use this purchasing data to design selling space and assortments to make our stores better fit our customers' needs.

Our procurement processes are also equipped for the future. For relevant products, we have begun to establish procurement offices in critically important producer regions. By doing so, we gain direct access to suppliers, which enables us to purchase products locally and check their quality without having to rely on an intermediary.

Logistics is a key element of our supply chain. It must ensure that the correct amounts of all required products are available to customers at the right time. We are forging new paths in logistics to satisfy multifaceted customer demands, particularly with respect to food items. A prime example is our new logistics platform for fresh fish: by opening a fish logistics centre in Gross-Gerau near Frankfurt am Main, Germany, we can now guarantee that almost all types of fish are available in stores within 48 hours of being caught. In future, we intend to further optimise our logistics in order to quickly, efficiently and sustainably transport products to our stores.

Expected earnings situation: outlook for the sales divisions of METRO GROUP

Metro Cash & Carry

Metro Cash & Carry is our most international sales division. Its stated goal is to continue on its profitable long-term growth course. New sales potential will be tapped in 2011 thanks to the planned opening of more than 40 stores and further extension of the delivery service. Aside from the expansion of business in Eastern Europe, growth in Asia will play a key role. In the mature economies of Western Europe, we are making decisions about new store openings on the basis of new concepts and a sensible approach to consolidating the store network.

New formats are well suited to attracting new customers in very mature markets as well. So-called satellite concepts are among these formats. As branches of existing stores, they can complement the existing sales network. In contrast, the establishment of a modern cash & carry wholesale structure is the pressing issue in growth markets. Here, quality and consistent availability of goods represent unique selling propositions that are highly valued by customers.

In future, Metro Cash & Carry intends to improve its response to customer needs, reacting even more quickly and gearing offerings to them. Here, long-term partnerships with suppliers play an important role in being able to offer an ample supply of fresh, high-quality products at all times.

As the availability of and direct access to producers are becoming ever more crucial, Metro Cash & Carry is intensifying relationships with suppliers – for example, through qualification measures. This approach creates the foundations for sustainable, profitable growth. Own-brand products have a high priority worldwide as these products can offer an important edge over the competition. Over the medium term, the plan is to increase the sales share of Metro Cash & Carry own-brand products to 20 percent.

With increased sales, Metro Cash & Carry expects substantially improved earnings in 2011 and 2012. Productivity gains and cost-optimisation measures significantly contribute to this.

Real

In 2010, Real Germany also recorded progress within the context of its repositioning. The raising of Real's brand profile is to continue over the next two years; in addition, the share of own-brand products is to be increased in all relevant product categories. In the medium term, the sales share of own-brand products is to be increased to around 25 percent. Real will continue to renew its market presence by applying new concept modules. These lead to a perceptible sales increase in the respective product categories while employing a relatively limited amount of capital.

Internationally, Real plans to open about 5 new stores in 2011. Because of Eastern Europe's potential, Real will systematically carry out this expansion within its existing country portfolio. In Germany, Real is focused on improving its existing store network.

In 2011 and 2012, we expect Real to continue to boost sales and earnings by employing cost-saving measures as well as further improving operating performance.

Media Markt and Saturn

Media Markt and Saturn is the leading consumer electronics retailer in Europe. In 2010, the sales division increased its market share in numerous countries. In 2011, we aim to open about 70 new stores. The market presence in China offers enormous growth potential, and we want to open up to 10 stores in Shanghai by the end of 2012. Following this test phase, we will make a decision about an expansion of possibly 100 Media Markt stores in China.

The sales division is pressing forward with extending the multichannel business. In Germany, Media Markt and Saturn plans to launch a comprehensive range of online products and services in 2011.

Media Markt and Saturn will step up the introduction of new exclusive-brand products in 2011, extending this range of products to other countries as well.

For Media Markt and Saturn, we are aiming for a tangible increase in sales and earnings in 2011. Even without major sport events like the Football World Cup or the Olympic

Games, innovative products can generate additional growth in 2011. We also expect a rise in sales as well as growth in earnings for 2012. At the same time, we intend to expand the market position.

Galeria Kaufhof
For Galeria Kaufhof, 2010 unfolded quite satisfactorily, a development we also want to build on in 2011. We will expand the current online presence and extend the breadth and depth of the assortment, particularly the clothes selection. By taking this approach, Galeria Kaufhof can plot a growth path independent of department store locations and attract new customers from all areas.

Overall, Galeria Kaufhof expects solid sales development in connection with increased profitability.

Real Estate
As a result of the increased expansion in the growth regions of Asia and Eastern Europe, we expect to generate higher earnings from rising rental income over the next few years. The professionalisation of real estate management and more active portfolio management already led to a higher earnings contribution for the segment in 2010. We expect this development to be sustainable and to also contribute to METRO GROUP's overall earnings this year.

As part of our energy and resource management, we are rigorously pursuing our goal of markedly reducing our CO_2 emissions. Aside from our conscientious and efficient use of resources, we also expect our bundled energy procurement activities to result in lower costs for the sales divisions.

METRO GROUP
The economic situation improved in 2010, even surpassing pre-crisis levels in some countries. But this does not change the fact that unresolved structural problems will continue to exist in 2011. Overall, however, we anticipate economic recovery to continue.

Expected sales development
In the medium term, METRO GROUP expects sales growth of more than 6 percent a year.

In 2011, METRO GROUP expects sales growth of more than 4 percent. We continue to expect an economic recovery and moderate price increases, particularly in the area of energy and raw material prices. In addition, we assume that the fiscal policy measures to stabilise public budgets will have been largely implemented in our major sales markets.

Expected earnings development
METRO GROUP's strategy aims for long-term profitable growth, that is disproportionate earnings growth compared to sales growth. The Company aims for annual earnings growth, measured in terms of EBIT before special items, of more than 10 percent over the medium term. In the process, Shape 2012 will generate incremental positive earnings contributions and will be fully effective from 2012.

Assuming that macroeconomic parameters continue to improve, we currently expect to reach our medium-term target for earnings growth before special items as early as 2011 based on EBIT before special items of €2,415 million for 2010. The degree of earnings growth essentially depends on the continued improvement of macroeconomic parameters and the extent to which price increases on the procurement side can be offset.

Expected development of key items of the income statement
We project disproportionately low increases in the expense items of the income statement in 2011 – adjusted for special items from Shape 2012. The Shape 2012 measures will primarily reduce operating expenses and general administrative expenses. As the majority of cost-saving measures have now been implemented, they will have a full-year effect for the first time in 2011. In addition, the programme will have a positive impact on gross profit and contribute to an increase in the gross margin.

Due to an optimisation of the maturity structure, we expect interest expenses to drop slightly in 2011.

Expected dividend development
Ever since its establishment 15 years ago, METRO AG has disbursed an annual dividend. In the context of a dynamic dividend policy, the size of dividend payouts principally depends on the development of earnings per share before special items. In future, we intend to continue to pay a competitive and attractive dividend compared to other DAX 30 companies and retail groups. We expect that the projected rise in profits for both 2011 and 2012 will lead to dividend increases.

Expected employee development
Due to the Company's expansion efforts, the number of METRO GROUP employees will rise by a large four-digit figure.

Expected financial position

Planned financing measures

Private as well as institutional investors regard METRO GROUP as a solidly financed company. The redemption of two bonds with a total volume of about €1.1 billion falls due in the first half of 2011. These maturities will be refinanced again in 2011 through ongoing short-term and/or long-term capital market issuance programmes. In taking these steps, METRO GROUP has for years benefited from outstanding access to international capital markets.

Planned investments

Our medium-term plans comprise annual investments of more than €2.2 billion for the modernisation of our store network and international expansion. In 2011, we plan to make investments totalling €2.2 billion. Besides modernisation measures, the budget is primarily allocated to new store openings. In the medium term, we plan to increase the number of new Metro Cash & Carry stores in the coming years. For Real, we want to open 10 new stores a year; for Media Markt and Saturn, we want to open more than 70 new stores every year. In 2011, Metro Cash & Carry plans to open 40 new stores. Real will add about 5 new locations, and Media Markt and Saturn will add a minimum of about 70 consumer electronics stores.

Expected cash development

Our liquidity and debt are characterised by a high share of fourth-quarter sales in total annual sales. At the end of the year, we have above-average liquidity as well as higher trade payables. During the first quarter, both debt and liquidity return to a more normal level. The measures already introduced in the context of Shape 2012 will have a positive effect on the relevant cash figures. In addition, we aim to generate further liquidity by continuing to improve our working capital.

Opportunities

Opportunities from changed economic parameters

After the global economic crisis slackened, some countries and regions were able to return to pre-crisis levels. Asia, in particular, developed very positively. We can benefit from the improved economic climate in terms of sales and earnings. In addition, many countries where we operate have growing populations. This leads to higher demand.

Strategic business opportunities

Our sales divisions enjoy strong name recognition and most are leaders in their respective markets. The objective is to consolidate and build on this position. In addition, weaker market players are expected to drop out of the market or be put up for sale in the coming years. In these cases, we are reviewing if it would make sense to acquire these competitors or individual store locations. One opportunity for location-independent sales is via the Internet. Through online sales we can reach new customers. All of our sales divisions are preparing relevant concepts that offer real added value compared with pure Internet providers thanks to the multichannel approach.

Performance-related opportunities

The aim of Shape 2012 is to sustainably increase our earnings. The profit improvement potential targeted for 2012 and beyond amounts to €1.5 billion compared to 2008. Overall, Shape 2012 comprises more than 7,500 individual measures. The majority of cost-saving measures have already been implemented and have taken effect. Now, productivity is to be increased. A large number of concepts have been developed for this, including the continued improvement of delivery services and the introduction of own-brand products. The respective sales share is to be increased further and have a profit-boosting effect in future.

Opportunities through qualified employees and managers

Employees form the foundation of our success. Their development produces opportunities. As a result of demographic change, it is anticipated that recruiting qualified employees and managers will become increasingly difficult in the coming years. For this reason, we are intensifying our dialogue with universities and implementing internship programmes, among other activities, that not only comprise work in operating departments, but interdisciplinary training events as well. The Metro Academy provides training and further education at an international level to METRO GROUP managers. Building on these measures, we strive to retain qualified and motivated employees over the long term and tap the related potential.

Overall statement by the Management Board of METRO AG on the expected course of METRO GROUP

We will continue on our profitable growth course and thus expand the position of METRO GROUP as one of the leading international retail and wholesale companies over the next few years. We feel we are well prepared for the future and possess a successful portfolio of sales divisions and countries. In addition, we are implementing the efficiency and value-enhancing programme Shape 2012 to support the success and profitability of our company moving into the future. Shape 2012 has already become an essential feature of our corporate culture, a component that will also have an impact beyond 2012.

Düsseldorf, February 2011
METRO AG

The Management Board

	2010 target	2010 result	2011	Medium term
Investments (€ billion)	~1.9	1.7	2.2	>2.2
New store openings				
Metro Cash & Carry	~30	38	>40	>40
Real	~5	2	~5	>10
Media Markt and Saturn	~60	60	~70	>70
Galeria Kaufhof	–	–	4[1]	–
Sales growth (%)	0–6	2.6	>4	>6
Earnings (before special items) (€ million)	above previous year	2,415	Increase ~10%	Increase >10%

[1] Sportarena

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Income statement
for the financial year from 1 January to 31 December 2010

€ million	Note no.	2010	2009
Net sales	1	**67,258**	**65,529**
Cost of sales		–52,865	–51,664
Gross profit on sales		**14,393**	**13,865**
Other operating income	2	1,627	1,307
Selling expenses	3	–12,173	–11,854
General administrative expenses	4	–1,585	–1,589
Other operating expenses	5	–51	–48
Earnings before interest and taxes EBIT		**2,211**	**1,681**
Result from associated companies		0	0
Other investment result	6	15	15
Interest income	7	112	129
Interest expenses	7	–718	–682
Other financial result	8	10	–93
Net financial result		**–581**	**–631**
Earnings before taxes EBT		**1,630**	**1,050**
Income taxes	10	–694	–531
Net profit for the period		**936**	**519**
Profit attributable to non-controlling interests	11	86	136
Profit attributable to shareholders of METRO AG		850	383
Earnings per share in €	12	**2.60**	**1.17**

Reconciliation from net profit for the period to comprehensive income

€ million	2010	2009
Net profit for the period	**936**	**519**
Other comprehensive income		
Change in revaluation reserve	0	0
Actuarial gains/losses	0	0
Currency translation differences from the conversion of the accounts of foreign operations	134	−78
Effective portion of gains/losses from cash flow hedges	−4	10
Gains/losses from the revaluation of financial instruments in the category "available for sale"	0	0
Other changes	5	0
Income tax attributable to components of "other income"	0	16
Total comprehensive income	**1,071**	**467**
Comprehensive income attributable to non-controlling interests	100	133
Comprehensive income attributable to shareholders of METRO AG	971	334

Balance sheet as of 31 December 2010

Assets

€ million	Note no.	As of 31/12/2010	As of 31/12/2009[1]	As of 1/1/2009[2]
Non-current assets		**18,912**	**18,464**	**18,813**
Goodwill	17, 18	4,064	3,992	3,960
Other intangible assets	17, 19	436	497	552
Tangible assets	17, 20	12,482	12,244	12,524
Investment properties	17, 21	238	129	133
Financial assets	17, 22	248	113	144
Other receivables and assets	23	444	463	450
Deferred tax assets	24	1,000	1,026	1,050
Current assets		**16,155**	**14,818**	**14,703**
Inventories	25	7,458	7,110	7,001
Trade receivables	26	526	539	446
Financial assets		3	38	8
Other receivables and assets	23	2,724	2,613	2,818
Entitlements to income tax refunds		412	405	326
Cash and cash equivalents	29	4,799	3,996	3,874
Assets held for sale	30	233	117	230
		35,067	**33,282**	**33,516**

[1] Adjustment due to revised disclosure
[2] Adjustment due to first-time adoption of new or revised IFRS in the financial year 2009 and revised disclosure

Statement of changes in equity[1]

€ million	Share capital	Capital reserve	Effective portion of gains/losses from cash flow hedges	Currency translation differences from the conversion of the accounts of foreign operations
1/1/2009	835	2,544	57	–365
Dividends	0	0	0	0
Comprehensive income	0	0	10	–75
Capital balance from acquisitions of shares	0	0	0	0
31/12/2009 / 1/1/2010	835	2,544	67	–440
Dividends	0	0	0	0
Comprehensive income	0	0	–4	125
Capital balance from acquisition of shares	0	0	0	0
Revision of IAS 17	0	0	0	0
Other changes	0	0	0	0
31/12/2010	**835**	**2,544**	**63**	**–315**

[1] Changes in equity are explained in the notes to the consolidated financial statements in no. 31 "Equity"
[2] Adjustment as of 1/1/2009 due to first-time adoption of new or revised IFRS in the financial year 2009

Liabilities

€ million	Note no.	As of 31/12/2010	As of 31/12/2009[1]	As of 1/1/2009[2]
Equity	31	**6,460**	**5,992**	**6,061**
Share capital		835	835	835
Capital reserve		2,544	2,544	2,544
Reserves retained from earnings		2,929	2,375	2,428
Non-controlling interests		152	238	254
Non-current liabilities		**8,990**	**9,106**	**7,369**
Provisions for pensions and similar commitments	32	1,016	978	964
Other provisions	33	472	502	533
Financial liabilities	34, 36	6,533	6,743	5,031
Other liabilities	34, 37	757	667	620
Deferred tax liabilities	24	212	216	221
Current liabilities		**19,617**	**18,184**	**20,086**
Trade liabilities	34, 35	14,393	14,174	14,125
Provisions	33	532	561	522
Financial liabilities	34, 36	1,750	984	2,864
Other liabilities	34, 37	2,458	2,200	2,163
Deferred tax liabilities	34	291	265	266
Liabilities related to assets held for sale	30	193	0	146
		35,067	**33,282**	**33,516**

[1] Adjustment due to revised disclosure
[2] Adjustment due to first-time adoption of new or revised IFRS in the financial year 2009 and revised disclosure

Income tax attributable to components of "other income"	Other earnings reserves	Total reserves retained from earnings[2]	Total	thereof attributable to "other income"	Minority interests	thereof attributable to "other income"	Total equity
1	2,735	2,428	5,807		254		6,061
0	−386	−386	−386		−124		−510
16	383	334	334	(−49)	133	(−3)	467
0	−1	−1	−1		−25		−26
17	2,731	2,375	5,754		238		5,992
0	−386	−386	−386		−143		−529
0	850	971	971	(121)	100	(14)	1,071
0	0	0	0		−46		−46
0	−28	−28	−28		0		−28
0	−3	−3	−3		3		0
17	**3,164**	**2,929**	**6,308**		**152**		**6,460**

Cash flow statement[1]

€ million	2010	2009[2]
EBIT	2,211	1,681
Write-backs/write-downs of assets excl. financial assets	1,380	1,387
Change in provisions for pensions and other provisions	–18	–9
Change in net working capital	–288	62
Income taxes paid	–597	–560
Other	–174	–67
Cash flow from operating activities of continuing operations	**2,514**	**2,494**
Cash flow from operating activities of discontinued operations	0	–18
Total cash flow from operating activities	**2,514**	**2,476**
Corporate acquisitions	0	–8
Investments in tangible assets (excl. finance leases)	–1,412	–1,189
Other investments	–333	–191
Divestments	121	–34
Disposal of fixed assets	663	260
Cash flow from investing activities of continuing operations	**–961**	**–1,162**
Cash flow from investing activities of discontinued operations	0	0
Total cash flow from investing activities	**–961**	**–1,162**
Profit distribution		
to METRO AG shareholders	–386	–386
to other shareholders	–143	–124
Raising of financial liabilities	1,302	2,662
Redemption of financial liabilities	–898	–2,787
Interest paid	–695	–676
Interest received	111	123
Profit and loss transfers and other financing activities	–25	1
Cash outflow from financing of discontinued activities	0	–38
Cash flow from financing activities of continuing operations	**–734**	**–1,225**
Cash flow from financing activities of discontinued operations	0	36
Total cash flow from financing activities	**–734**	**–1,189**
Total cash flows	**819**	**125**
Exchange rate effects on cash and cash equivalents	13	–4
Change in cash and cash equivalents due to first-time consolidation of companies	0	1
Total change in cash and cash equivalents	**832**	**122**
Total cash and cash equivalents on 1 January	3,996	3,874
Total cash and cash equivalents on 31 December	4,828	3,996
less cash and cash equivalents from discontinued operations on 31 December	–29	0
Cash and cash equivalents from continuing operations on 31 December	**4,799**	**3,996**

[1] The cash flow statement is explained in the notes to the consolidated financial statements in no. 40 "Notes to the cash flow statement"
[2] Adjustment due to revised disclosure

NOTES

Segment reporting[1, 2]

Operating segments

€ million	Continuing Group operations: Metro Cash & Carry 2010	Metro Cash & Carry 2009	Real 2010	Real 2009[3]	Media Markt and Saturn 2010	Media Markt and Saturn 2009	Galeria Kaufhof 2010	Galeria Kaufhof 2009
External sales (net)	31,095	30,613	11,499	11,298	20,794	19,693	3,584	3,539
Internal sales (net)	20	14	1	1	0	0	0	3
Total sales (net)	31,115	30,627	11,500	11,299	20,794	19,693	3,584	3,542
EBITDAR	2,042	1,740	706	624[3]	1,406	1,382	492	437
EBITDA	1,363	1,061	310	210[3]	818	847	234	166
Depreciation/amortisation	271	268	205	183	326	244	96	105
Write-backs	2	0	0	9	0	0	0	0
EBIT	1,094	793	105	36	492	603	138	61
Investments	499	220	156	193	362	353	104	57
Segment assets	7,496	6,829	3,815	3,708	6,521	6,165	1,033	1,070
thereof non-current	(3,932)	(3,767)	(2,473)	(2,518)	(1,755)	(1,726)	(481)	(478)
Segment liabilities	6,497	6,438	2,187	2,199	7,964	7,489	986	956
Selling space (1,000 sqm)	5,355	5,291	3,107	3,184	2,829	2,633	1,480	1,501
Locations (number)	687	668	429	441	877	818	138	141

Regional segments

€ million	Continuing Group operations: Germany 2010	Germany 2009[3]	Western Europe excl. Germany 2010	Western Europe excl. Germany 2009	Eastern Europe 2010	Eastern Europe 2009	Asia/Africa 2010	Asia/Africa 2009
External sales (net)	26,130	26,511	21,528	20,932	16,880	15,766	2,720	2,320
Internal sales (net)	26	18	22	12	0	0	618	636
Total sales (net)	26,156	26,529	21,550	20,944	16,880	15,766	3,338	2,956
EBITDAR	1,614	1,627[3]	1,508	1,210	1,401	1,221	73	15
EBITDA	1,057	1,023[3]	1,242	968	1,242	1,072	51	3
Depreciation/amortisation	665	698	360	312	350	338	52	48
Write-backs	7	9	6	0	28	0	6	0
EBIT	399	334	888	656	920	734	5	–45
Investments	585	514	272	256	668	626	158	121
Segment assets	11,805	11,670	7,656	7,537	7,867	7,057	1,481	1,237
thereof non-current	(6,736)	(6,827)	(4,185)	(4,369)	(5,664)	(5,151)	(979)	(845)
Segment liabilities	8,454	8,357	6,415	6,049	3,905	3,690	727	543
Selling space (1,000 sqm)	5,798	6,000	3,077	2,990	3,338	3,112	558	527
Locations (number)	942	1,017	627	596	478	439	84	75

[1] Segment reporting is explained in the notes to the consolidated financial statements in no. 41 "Segment reporting"
[2] Adjustment of previous year's figures due to revised disclosure
[3] Adjustment due to netting of non-scheduled write-downs and write-ups in EBITDA and EBITDAR totalling €9 million (Real/Germany), €6 million (Real Estate) and €–6 million (consolidation)

Continuing Group operations								Discontinued Group operations	
Real Estate		Others		Consolidation		METRO GROUP			
2010	2009[3]	2010	2009	2010	2009[3]	2010	2009[3]	2010	2009
0	0	286	386	0	0	67,258	65,529	0	50
0	0	6,197	5,889	−6,218	−5,907	0	0	0	0
0	0	6,483	6,275	−6,218	−5,907	67,258	65,529	0	50
128	−7[3]	−159	−90	−21	−11[3]	4,594	4,075[3]	0	n/a
1,101	948[3]	−207	−152	−28	−12[3]	3,591	3,068[3]	0	−1
421	418	116	184	−8	−6	1,427	1,396	0	0
38	6	0	0	7	−6	47	9	0	n/a
718	536	−323	−336	−13	−12	2,211	1,681	0	−1
490	580	72	114	0	0	1,683	1,517	0	1
8,591	8,645	2,121	2,082	−1,513	−1,411	28,064	27,088	0	0
(8,496)	(8,367)	(569)	(512)	(−148)	(−155)	(17,558)	(17,213)	(0)	(0)
566	600	2,484	2,095	−1,653	−1,449	19,031	18,328	0	0
0	0	0	20	0	0	12,771	12,629	0	0
0	0	0	59	0	0	2,131	2,127	0	0

Continuing Group operations						Discontinued Group operations	
International		Consolidation		METRO GROUP			
2010	2009	2010	2009	2010	2009[3]	2010	2009
41,128	39,018	0	0	67,258	65,529	0	50
640	648	−666	−666	0	0	0	0
41,768	39,666	−666	−666	67,258	65,529	0	50
2,982	2,446	−2	2	4,594	4,075[3]	0	n/a
2,535	2,043	−1	2	3,591	3,068[3]	0	−1
762	698	0	0	1,427	1,396	0	0
40	0	0	0	47	9	0	n/a
1,813	1,345	−1	2	2,211	1,681	0	−1
1,098	1,003	0	0	1,683	1,517	0	1
17,004	15,831	−745	−413	28,064	27,088	0	0
(10,828)	(10,365)	(−6)	(21)	(17,558)	(17,213)	(0)	(0)
11,047	10,282	−470	−311	19,031	18,328	0	0
6,973	6,629	0	0	12,771	12,629	0	0
1,189	1,110	0	0	2,131	2,127	0	0

Notes to the Group accounting principles and methods

Accounting principles

METRO AG's consolidated financial statements as of 31 December 2010 were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London. They comply with all mandatory applicable accounting standards and interpretations adopted by the European Union as of this date. Compliance with these standards and interpretations ensures a true and fair view of the asset, liabilities, financial position and profit or loss of METRO AG.

The consolidated financial statements in their present form comply with the stipulations of § 315a of the German Commercial Code (HGB). Together with Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002 concerning the application of international accounting standards, they form the legal basis for group accounting according to international standards in Germany.

These financial statements are based on the historical cost principle except for financial instruments recognised at fair value and assets and liabilities that are recognised at fair value as hedged items within a fair value hedge. Furthermore, non-current assets held for sale and disposal groups are recognised at fair value minus disposal costs as long as this value is lower than the carrying amount. Liabilities from cash-settled share-based remuneration are recognised at fair value. In addition, financial liabilities from stock tender rights granted to minority shareholders are recognised at fair value.

The income statement has been prepared using the cost of sales method.

Certain items in the income statement and the balance sheet have been combined to increase transparency and informative value. These items are listed separately and described in detail in the notes.

The consolidated financial statements have been prepared in euros. All amounts are stated in million euros (€ million) unless otherwise indicated. Amounts below €0.5 million are rounded and reported as 0.

The following accounting methods were used in the preparation of the consolidated financial statements.

Application of new accounting methods

Revised and new accounting methods

The revised and supplemented accounting standards and interpretations as well as those newly issued by the IASB, the application of which was mandatory for METRO AG in the financial year 2010, were applied for the first time to the present consolidated financial statements:

IFRS 1 (First-time Adoption of International Financial Reporting Standards)

Two amendments to IFRS 1 became applicable for the first time in the financial year 2010. The first amendment had no effect on the consolidated financial statements because it is limited to changes in the structure and formulation of IFRS 1. The second amendment specifies additional facilitations for first-time adopters of IFRS. These concern the accounting treatment of lease relationships and oil and gas assets.
These amendments did not affect METRO AG because IFRS 1 only applies to first-time adopters of IFRS.

IFRS 2 (Share-based Payment)

The amendments to IFRS 2 clarify that an entity must account for goods or services received in connection with a share-based payment transaction even if another entity from the same consolidation group (or a shareholder of another group entity) settles the share-based payment transaction. In addition, the amendments clarify that the term "group" used by IFRS 2 has the same meaning as in IAS 27 (Consolidated and Separate Financial Statements), which defines a group as a parent and its subsidiaries. The amendments to IFRS 2 also incorporate guidance previously included in the two interpretations IFRIC 8 (Scope of IFRS 2) and IFRIC 11 (IFRS 2 – Group and Treasury Share Transactions). As a result, the IASB has withdrawn IFRIC 8 and IFRIC 11.
The amendments to IFRS 2 had no effect on the consolidated financial statements of METRO AG.

IFRS 3 (Business Combinations) in conjunction with IAS 27 (Consolidated and Separate Financial Statements)

The revision of IFRS 3 and IAS 27 provides for several changes regarding the accounting treatment of business

combinations occurring in financial years starting on or after 1 July 2009. As a result, METRO GROUP had to apply these revised standards for the first time to business combinations in the financial year 2010.
With respect to the accounting treatment of the goodwill resulting from a business combination, an option was introduced giving companies a choice to also recognise goodwill attributable to non-controlling interests (new term for minority interests). This full goodwill method has a consequential effect resulting in a higher share of "non-controlling interests" in "equity". As METRO GROUP does not make use of this option, goodwill continued to be measured at its proportionate interest.
Under the previous IFRS 3, costs that were directly attributable to the corporate acquisition, such as notary and consultancy fees, were included in the cost of acquisition. Starting in the financial year 2010, all acquisition-related costs arising in the context of a business combination must be recognised directly in expenses.
With respect to step acquisitions, starting from the financial year 2010, the equity interests held at the date that control is achieved must be remeasured, with any gain recognised in profit or loss. Any differences between the previous carrying amount of the interests in the subsidiary and the proportionate remeasured net assets of the subsidiary must be recognised as goodwill. No step acquisitions occurred in the financial year 2010.
Any contingent consideration arrangements agreed as part of a corporate acquisition must be measured at fair value at the acquisition date and, in accordance with the terms and conditions of the contract, recognised as assets, liabilities or equity. In contrast to the previous standards, any subsequent adjustments of goodwill following changes in the purchase price in subsequent periods due to future events (for example, the achievement of a sales target) are no longer allowed.
The revised IAS 27 requires changes in subsidiary equity interests to be accounted for as equity transactions outside of profit or loss as long as they do not result in a loss of control. In case of a loss of control, however, the assets and liabilities of the former subsidiary are fully derecognised. Any remaining interests are recognised at fair value, with the difference from the previously recognised carrying amounts recognised in profit or loss.
The negative balance of non-controlling interests that become negative as a result of losses must be disclosed openly in equity. These were previously netted against the majority equity.
The amendments to IFRS 3 and IAS 27 had no material effect on the consolidated financial statements of METRO AG.

IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) in conjunction with IFRS 1 (First-time Adoption of International Financial Reporting Standards)
With regards to subsidiaries classified as "held for sale" in which the entity maintains a non-controlling interest after the divestment, the previous standard provided for the option of classifying as "held for sale" only the proportionate portion of the subsidiary's assets and liabilities. The "Improvements to IFRSs 2008" clarify that the subsidiary's assets and liabilities must be fully classified as "held for sale" even if the former parent maintains a non-controlling interest in the subsidiary.
As a result of these amendments, IFRS 1 was revised to require first-time adopters of IFRS to also fulfil this requirement.
The amendments to IFRS 5 had no effect on the consolidated financial statements of METRO AG.

IAS 17 (Leases)
IAS 17 was revised in connection with the "Improvements to IFRSs 2009". In the process, the previous regulation whereby land lease relationships must principally be treated as operating leases if ownership of the leased object is not transferred to the lessee after the end of the lease term was abandoned. Starting in the financial year 2010, all land lease relationships must be treated analogously to other lease objects and classified as finance leases or operating leases. This also applies to existing lease relationships.
Land lease relationships of METRO GROUP were reclassified in the first quarter of 2010 based on data as of 1 January 2010 using the transition regulation. Landed property that was reclassified as finance leases exclusively concerned leasing agreements with very long terms. The reclassification resulted in a recognition of assets under "tangible assets" amounting to €67 million and a decline in "other receivables and assets" by €23 million due to the dissolution of accrual items for prepaid leases. Additional liabilities totalling €72 million were disclosed in "financial liabilities". The difference between assets and liabilities amounting to €–28 million was offset in "reserves retained from earnings".

IAS 39 (Financial Instruments: Recognition and Measurement)
The amendments to IAS 39 clarify that a one-sided risk in a hedging relationship may also be hedged. In this case, the entity designates only the changes in the cash flows or fair value of the hedged item that are above or below a specified variable (for example, the price). Where an option was purchased as a hedging instrument, its intrinsic value, not its fair value, reflects a one-sided risk.
In principle, inflation does not represent a separately identifiable risk and may therefore not be designated as a hedged risk. The amendments to IAS 39 now permit the cash flow hedging of changes in inflation where these reflect a contractually specified portion of cash flows of a recognised financial instrument.
The amendments to IAS 39 had no effects on the consolidated financial statements of METRO AG.

IFRIC 12 (Service Concession Arrangements)
The interpretation prescribes the disclosure requirements for so-called service concession arrangements. These are arrangements whereby a government or other public sector body contracts with a private operator to implement public infrastructure projects such as road construction, energy distribution networks, etc.
Depending on the type of arrangement, the entity recognises a financial or intangible asset. The financial asset represents the unconditional contractual right to receive an amount of cash or another financial asset from the government in return for constructing a public sector asset. An intangible asset must be recognised for the entity's right to charge for use of a public sector asset that it has constructed. The financial or intangible assets recognised in connection with service concession arrangements must be measured at fair value.
The first-time adoption of IFRIC 12 had no effects on the consolidated financial statements of METRO AG.

IFRIC 15 (Agreements for the Construction of Real Estate)
IFRIC 15 regulates the recognition of revenue for off plan sales of real estate units. According to the interpretation, an agreement for the construction of real estate is a construction contract within the scope of IAS 11 only when the buyer is able to specify the major structural elements of the design of the real estate before construction begins or once construction is in progress, irrespective of whether it exercises that ability or not. If the buyer has no or only little ability to influence the design of the real estate, the agreement does not represent a construction contract and IAS 18 (Revenue) applies.
According to IFRIC 15, the percentage of completion method may apply to an IAS 18 case if the entity either provides construction services or sells a completed real estate property where control over the risks and rewards of ownership of the work in progress are transferred to the buyer as construction progresses. If the control and the risks and rewards are transferred at a single time, a recognition as construction progresses is not permissible.
The application of IFRIC 15 had no effect on the consolidated financial statements of METRO AG.

IFRIC 16 (Hedges of a Net Investment in a Foreign Operation)
According to IFRIC 16, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation. The hedging of foreign exchange differences between a presentation currency of the parent entity's consolidated financial statements that deviates from the functional currency and the functional currency of the foreign operation is not permissible.
IFRIC 16 also concludes that hedging instruments in a hedge of a net investment in a foreign operation may be held by any entity within the group as long as the requirements of hedge accounting are met. In addition, IFRIC 16 clarifies that both the effective portion of gains and losses from the hedging instrument and the cumulative recognised amount from the foreign currency translation for the net investment in a foreign operation must be reclassified from equity to profit or loss when the entity disposes of the foreign operation.
The application of IFRIC 16 had no effect on the consolidated financial statements of METRO AG.

IFRIC 17 (Distributions of Non-cash Assets to Owners)
IFRIC 17 clarifies that non-cash dividend payables must be recognised as liabilities when the dividend has been appropriately authorised and is no longer at the discretion of the entity. This generally corresponds to the time when the dividend is announced by the responsible management and approved by the relevant instance (for example, the shareholders), where this is legally stipulated. The dividend payable must be measured at fair value. Any differences

between the carrying amounts of the net assets to be distributed and the dividend paid must be recognised in profit or loss at the time of distribution.
As no non-cash dividends were distributed within METRO GROUP, the application of IFRIC 17 had no effect on the consolidated financial statements of METRO AG.

IFRIC 18 (Transfers of Assets from Customers)
The interpretation clarifies the disclosure requirements for agreements in which an entity receives from a customer an item of property, plant and equipment or cash to be used to acquire or construct the necessary item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. According to IFRIC 18, the recipient may recognise the asset in its financial statements only when the item of property, plant and equipment transferred from the customer or the item of property, plant and equipment purchased or constructed with the customer's cash funds meets the definition of an asset under the IASB framework. For this to occur, the recipient must gain control over the transferred item. If this is the case, the asset must be classified under property, plant and equipment and measured at fair value.
According to IFRIC 18, the connection to a network or the provision of ongoing access to a supply of goods or services in return for the transfer of property, plant and equipment represents an exchange transaction in the meaning of IAS 18 (Revenue) for which revenue must be realised at the time the services are performed. If there are separately identifiable services received by the customer in exchange for the transfer, then the fair value of the transaction should be allocated to the individual services and recognised separately when the services are performed.
The application of IFRIC 18 had no effect on the consolidated financial statements of METRO AG.

In the context of the "Improvements to IFRSs 2009", amendments were made to other standards. These had no effect on the consolidated financial statements of METRO AG.

A number of other accounting standards and interpretations were newly adopted or revised by the IASB that will be binding from 1 January 2011 at the earliest, insofar as they are approved by the European Commission and relevant to METRO AG:

Standard/ Interpretation	Title	Application at METRO AG from	Approved by EU[1]
IFRS 1	First-time Adoption of International Financial Reporting Standards (Amendment: Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters)	1/1/2012	No
IFRS 1	First-time Adoption of International Financial Reporting Standards (Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters)	1/1/2011	Yes
IFRS 7	Financial Instruments: Disclosures (Amendment: Disclosures – Transfers of Financial Assets)	1/1/2012	No
IFRS 9	Financial Instruments (Phase 1: Classification and Measurement)	1/1/2013	No
IAS 12	Income Taxes (Amendment: Deferred Tax – Recovery of Underlying Assets)	1/1/2012	No
IAS 24	Related Party Disclosures (Revised)	1/1/2011	Yes
IAS 32	Financial Instruments: Presentation (Amendment: Classification of Rights Issues)	1/1/2011	Yes
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Amendment: Prepayments of a Minimum Funding Requirement)	1/1/2011	Yes
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1/1/2011	Yes
Diverse	Improvements to IFRSs 2010	1/1/2011	No

[1] As of 31 December 2010

At this point, the first-time application of the aforementioned accounting regulations is not expected to have a material impact on the Group's asset, financial and earnings position.

Revised disclosure

Composition of net working capital

The composition of the item "changes in net working capital" in the cash flow statement has been changed compared to the previous year. Previously, net working capital only comprised "inventories" and "trade liabilities". Under the new definition, "trade receivables" and the items "receivables from suppliers", "credit card receivables" and "prepayments made on inventories", which are part of "other receivables and assets" will also be included on the asset side. On the liabilities side, the "other liabilities" items "liabilities to customers" and "prepayments received on orders" will be newly included. All these items were previously recognised in the "other" item in the cash flow statement. As these items have now been reclassified to the item "changes in net working capital", the amount of "cash flows from operating activities of continuing operations" remains unchanged. For better comparability, the previous year's figures for 2009 were adjusted accordingly in the cash flow statement.

Reclassification of receivables from suppliers and trade liabilities

In the balance sheet, reclassifications between "other receivables and assets" (sub-item "receivables from suppliers"), "trade receivables", "trade liabilities" and "other liabilities" (sub-item "other liabilities") were carried out outside of profit or loss to essentially account for the reconciliation. For better comparability, the figures for the comparable periods as of 31 December 2009 and 1 January 2009 were adjusted accordingly. As of 31 December 2009, the reclassifications concerned "other receivables and assets" ("receivables from suppliers") in the amount of €−380 million, "trade receivables" in the amount of €−5 million, "trade liabilities" in the amount of €−383 million and "other liabilities" ("other liabilities") in the amount of €−2 million. As of 1 January 2009, the "other receivables and assets" ("receivables from suppliers") and "trade receivables" were adjusted by €−298 million, respectively. These reclassifications better reflect the economic import of these items, allowing for the provision of more relevant information about the asset and financial position of METRO GROUP.

Reclassification of notes payable

Bills of exchange issued to suppliers are now shown under "trade liabilities". These bills of exchange were previously assigned to the balance sheet item "financial liabilities" (current). The changed disclosure better reflects the economic import of the liability as it represents a financing from transactions with suppliers and the issuance of bills of exchange for supplier liabilities changes neither the value of the liability nor its term. The previous year's balance sheet figures have been adjusted for better comparability. As of 31 December 2009, notes payable totalling €507 million, and as of 1 January 2009, notes payable totalling €584 million were reclassified from the balance sheet item "financial liabilities" (current) to "trade liabilities". Consequently, in the cash flow statement, the "changes in net working capital" ("cash flow from operating activities of continuing operations") also include changes in these notes payable, which were previously shown under "cash flow from financing activities of continuing operations". The previous year's figures in the cash flow statement have been adjusted for better comparability. For the financial year 2009, the adjustments in the cash flow statement resulted in a decline in "cash flow from operating activities" in the amount of €77 million. As a result of the transfer of said notes payable to "trade liabilities", the segment liabilities of the Media Markt and Saturn sales division for the financial year 2009 increased by €507 million. In addition, the reclassification of the notes payable resulted in an improvement of balance sheet net debt by €507 million as of 31 December 2009.

Reclassifications within the statement of tangible assets

For transparency reasons, with retroactive effect from 1 January 2009, leasehold improvements are no longer shown under "land and buildings", but under "other plant, business and office equipment" within tangible assets. As of 1 January 2009, this changed disclosure resulted in a reclassification of €656 million outside of profit or loss. The effect as of 31 December 2009 amounted to €667 million.
In addition, "technical plant and machinery" items are also included in "other plant, business and office equipment" with retroactive effect from 1 January 2009. As a result, the value of this item increased by €4 million as of 1 January 2009 and 31 December 2009, respectively.

Consolidation group
Besides METRO AG, the consolidated financial statements comprise all subsidiaries in which METRO AG controls the financial and business policy through a majority of voting rights or according to the Articles of Association, company contract or contractual agreement. These include 661 German (previous year: 669) and 599 international (previous year: 581) subsidiaries controlled by METRO AG in accordance with IAS 27 (Consolidated and Separate Financial Statements) in conjunction with SIC–12 (Consolidation – Special Purpose Entities).

The group of consolidated companies changed as follows compared to the previous year:

As of 1/1/2010	1,251
Changes in the financial year 2010:	
Companies merged with other consolidated subsidiaries	–21
Disposal of shareholdings	–6
Other disposals	–7
Newly founded companies	44
As of 31/12/2010	**1,261**

Additions from newly founded companies (44 companies) are due mainly to the expansion of Media Markt and Saturn.

The disposal of shareholdings includes the disposal of five Group companies in the context of the sale of 100 percent of the shares in Metro Cash & Carry Morocco S.A. as well as its four fully owned subsidiaries by Metro Cash & Carry International GmbH to the Moroccan company Label Vie S.A. Disposal gains of €51 million were generated through this divestment, which took effect on 30 November 2010. Aside from the operating activities, the related real estate properties were also sold. As a result, a portion of the disposal gains amounting to €21 million was allocated to the Metro Cash & Carry segment and a portion of €30 million to the Real Estate segment.

Inasmuch as they are of particular significance, effects from changes in the consolidation group are explained in detail in the respective balance sheet items.

4 associated companies (previous year: 2) and 5 joint ventures (previous year: 6) were valued according to the equity method. A total of 9 companies (previous year: 9) in which METRO AG holds between 20 and 50 percent of the voting rights were valued at cost because they did not qualify as associated companies or because materiality considerations made the use of the equity method unnecessary.

A complete list of Group companies and associated companies is shown in no. 54 ("Overview of major fully consolidated Group companies"). In addition, a complete list of all Group companies and associated companies shown in no. 56 "Affiliated companies of METRO AG as of 31 December 2010 pursuant to § 313 of the German Commercial Code".

Consolidation principles
The financial statements of German and foreign subsidiaries included in the consolidated accounts are prepared using uniform accounting and valuation methods as required by IAS 27.

Consolidated companies that, unlike METRO AG, do not close their financial year on 31 December prepared interim financial statements for consolidation purposes.

In accordance with IFRS 3 (Business Combinations), capital consolidation is accomplished using the purchase method. In the case of business combinations, the carrying amounts of the investments are offset against the revalued pro rata equity of the subsidiaries as of their acquisition dates. Any positive differences remaining after the allocation of hidden reserves and charges are capitalised as goodwill. Goodwill is tested for impairment regularly once a year, or more frequently if changes in circumstances indicate a possible impairment, and written down to the lower recoverable amount if applicable.

In addition, in the case of business combinations, hidden reserves and charges attributable to non-controlling interests must be disclosed and reported in equity as "non-controlling interests". METRO GROUP does not use the option to recognise the goodwill attributable to non-controlling interests. In accordance with IFRS 3, any negative differences remaining after the allocation of hidden reserves and charges after another review during the period in which the business combination took place are amortised to income.

Purchases of additional shareholdings in companies where a controlling interest has already been acquired are recognised as equity transactions. As a result, the assets and liabilities are not remeasured at fair value nor are any gains or losses recognised. Any differences between the cost of the additional shareholding and the carrying amount of the net assets on the date of acquisition are directly offset against the capital attributable to the buyer.

Investments accounted for under the equity method are treated in accordance with the principles applying to full consolidation, with existing goodwill being included in the recognition of the investment, and non-scheduled amortisation of this goodwill being included in income from associated companies in the financial result. Any deviating accounting and measurement methods used in the financial statements' underlying equity valuation are retained as long as they do not substantially contradict METRO GROUP's uniform accounting and measurement methods.

Any write-backs or write-downs to shares in consolidated subsidiaries carried in the individual financial statements have been reversed.

Intra-Group profits and losses are eliminated, sales revenues, expenses and income as well as receivables and liabilities and/or provisions existing among consolidated subsidiaries are consolidated. Interim results in fixed assets or inventories resulting from intra-Group transactions are eliminated unless they are of minor significance. Third-party debt is consolidated to the extent that the prerequisites for such consolidation are met. In accordance with IAS 12 (Income Taxes), deferred taxes are recognised for consolidated transactions.

Currency translation

In the subsidiaries' separate financial statements, transactions in foreign currency are valued at the rate prevailing on the transaction date. Exchange rate fluctuations up to the closing date are taken into account in the valuation of receivables and payables in foreign currency. The resulting gains and losses are recognised in income. Currency translation differences from receivables and payables in foreign currency, which must be regarded as a net investment in a foreign business operation, are reported as reserves retained from earnings with no effect on net profit.

The annual financial statements of foreign subsidiaries are translated into euros according to the functional currency concept of IAS 21 (The Effects of Changes in Foreign Exchange Rates). The functional currency is defined as the currency of the primary economic environment of the subsidiary. Since all consolidated companies operate as financially, economically and organisationally autonomous entities, their respective local currency is the functional currency. Assets and liabilities are therefore converted at the average exchange rate prevailing on the closing date, whereas income statement items are translated at the annual average exchange rate. Differences from the translation of the financial statements of non-German subsidiaries do not affect income and are shown as a separate item under reserves retained from earnings. Such currency differences are recorded as income in the year in which foreign subsidiaries are deconsolidated.

In the financial year 2010, no functional currency of a consolidated company was classified as hyperinflationary as defined by IAS 29 (Financial Reporting in Hyperinflationary Economies).

The following exchange rates were applied in the translation of key currencies outside the European Monetary Union that are of major significance for METRO GROUP:

		Average exchange rate in €		Period-end exchange rate in €	
		2010	2009	31/12/2010	31/12/2009
Bosnian mark	BAM	1.95583	1.95583	1.95583	1.95583
Bulgarian lev	BGN	1.95583	1.95583	1.95583	1.95583
Chinese renminbi	CNY	8.97949	9.52269	8.82200	9.83500
Croatian kuna	HRK	7.28869	7.34100	7.38300	7.30000
Czech koruna	CZK	25.29832	26.43568	25.06100	26.47300
Danish krone	DKK	7.44723	7.44634	7.45350	7.44180
Egyptian pound	EGP	7.47542	7.74040	7.69730	7.85800
Hong Kong dollar	HKD	10.30688	10.80623	10.38560	11.17090
Hungarian forint	HUF	275.40584	280.39477	277.95000	270.42000
Indian rupee	INR	60.61675	67.27274	59.75800	66.49150
Japanese yen	JPY	116.46337	130.33060	108.65000	133.16000
Kazakhstani tenge	KZT	195.36055	206.08600	196.88000	213.95000
Moldovan leu	MDL	16.40377	15.51803	16.10450	17.64260
Moroccan dirham	MAD	11.16107	11.25572	11.16765	11.31905
New Romanian leu	RON	4.21160	4.23794	4.26200	4.23630
New Turkish lira	TRY	1.99805	2.16211	2.06940	2.15470
Pakistani rupee	PKR	113.09190	114.09848	114.43630	121.37110
Polish złoty	PLN	3.99543	4.32764	3.97500	4.10450
Pound Sterling	GBP	0.85836	0.89129	0.86075	0.88810
Russian rouble	RUB	40.27777	44.11781	40.82000	43.15400
Serbian dinar	RSD	102.89962	93.90046	105.49820	95.88880
Singapore dollar	SGD	1.80791	2.02369	1.71360	2.01940
Swedish krona	SEK	9.54630	10.62298	8.96550	10.25200
Swiss franc	CHF	1.38198	1.51010	1.25040	1.48360
Ukrainian hryvnia	UAH	10.53283	10.87168	10.57314	11.50094
US dollar	USD	1.32671	1.39415	1.33620	1.44060
Vietnamese dong	VND	24,682.19000	23,796.97000	25,187.13000	25,723.81000

Income statement

Recognition of income and expenses

In accordance with IAS 18 (Revenue), **net sales** and **other operating income** are reported immediately upon rendering of the service or delivery of the goods or merchandise and hence upon transfer of the risk to the customer. Net sales are shown after deduction of rebates and discounts.

Operating expenses are recognised as expenses upon availment or causation.

As a rule, **dividends** are recognised when the legal claim to payment arises.

Interest is recognised as income or expenses on an accrual basis using the effective interest method where applicable.

Income taxes

Income taxes concern direct taxes on income and deferred taxes.

Balance sheet

Intangible assets

In accordance with IFRS 3 (Business Combinations), **goodwill** is capitalised. Goodwill resulting from business combinations is attributed to the group of so-called cash-generating units (CGU) that benefits from the synergies of this business combination. In accordance with IAS 36 (Impairment of Assets), a CGU is defined as the smallest identifiable group of assets that generates cash inflows largely independently from the cash inflows of other assets or groups of assets. As a rule, single locations represent CGUs at METRO GROUP. Goodwill within METRO GROUP is monitored at the level of the organisational unit sales division per country for internal management purposes. Goodwill impairment tests are therefore conducted at the level of this respective group of cash-generating units.

Capitalised goodwill is tested for impairment regularly once a year, or more frequently if changes in circumstances indicate a possible impairment. If applicable, it will be written down on an unscheduled basis. No write-back is performed if the reasons for a non-scheduled write-down in previous years have ceased to exist.

To determine a possible impairment, the recoverable amount of a CGU is compared to the respective carrying amount of the CGU. The recoverable amount is the higher of value in use and fair value less selling expenses that is determined as the present value of future cash flows. An impairment of the goodwill allocated to a CGU applies only if the recoverable amount is lower than the carrying amount.

Purchased **other intangible assets** are recognised at cost of purchase. **Internally generated intangible assets** are capitalised at cost of manufacture for their development if the capitalisation criteria of IAS 38 (Intangible Assets) are met. The cost of manufacture includes all expenditure directly attributable to the manufacturing process. This may include the following costs:

Direct costs	Direct material costs
	Direct production costs
	Special direct production costs
Overhead (directly attributable)	Material overhead
	Production overhead
	Depreciation of fixed assets
	Development-related administrative costs

Debt capital costs are factored into the determination of the cost of production only in the case of so-called qualified assets pursuant to IAS 23 (Borrowing Costs). Qualified assets are defined as non-financial assets that take a substantial period of time to prepare for their intended use or sale. Research costs are not capitalised but recognised immediately as expenses.

All other intangible assets have a **limited useful life** and are therefore subject to scheduled straight-line write-downs. Capitalised self-created and purchased software as well as comparable intangible assets are written down over a period of three to five years, licenses over their useful life. These intangible assets are examined for indications of impairment at each closing date. Non-scheduled amortisation is effected if the recoverable amount is below the amortised cost. The assets are written back if the reasons for non-scheduled amortisation implemented in previous years have ceased to exist.

Tangible assets

Tangible assets used in operations for a period of more than one year are recognised at cost less scheduled depreciation. The optional new measurement method under IAS 16 (Property, Plant and Equipment) is not applied. The manufacturing cost of internally generated assets includes both direct costs and appropriate portions of attributable overhead. Financing costs are only capitalised in relation to qualified assets as a component of cost of purchase or production. **Investment allowances** received are offset against the purchase or manufacturing cost of the corresponding asset. **Reinstatement obligations** are included in the cost at the discounted settlement value. The capitalised reinstatement costs are proportionately depreciated over the useful life of the asset.

Tangible assets are depreciated solely on a straight-line basis. Throughout the Group, scheduled depreciation is based on the following useful lives:

Buildings	10 to 33 years
Leasehold improvements	8 to 15 years or shorter rental contract duration
Business and office equipment	3 to 13 years
Machinery	3 to 8 years

The assets will be written down using non-scheduled depreciation if there are any indications of impairment and if the recoverable amount is below the amortised cost. The assets are written back if the reasons for non-scheduled depreciation have ceased to exist.

In accordance with IAS 17 (Leases), economic ownership of **leased assets** is attributable to the lessee if all the material risks and rewards incidental to ownership of the asset are transferred to the lessee (finance lease). If economic ownership is attributable to METRO GROUP companies, the leased asset is capitalised at fair value or at the lower present value of the minimum lease payments when the lease is signed. In analogy to the comparable purchased tangible assets, leased assets are subjected to scheduled depreciation over their useful lives or the lease term if the latter is shorter. However, if it is sufficiently certain that ownership of the leased asset will be transferred to the lessee when the term of the lease ends, the asset is depreciated over its useful life. Payment obligations resulting from the future lease payments are carried as liabilities.

Investment properties

In accordance with IAS 40 (Investment Property), **investment properties** comprise properties that are held to earn rentals and/or for capital appreciation. In analogy to tangible assets, they are recognised at cost less scheduled and potentially required non-scheduled depreciation based on the historical cost model. Measurement at fair value through profit or loss does not apply. Scheduled depreciation of investment properties is effected over a useful life of 15 to 33 years. Furthermore, the fair value of these properties is stated in the notes. It is determined either on the basis of recognised measurement methods or independent expert opinions.

Financial assets

Financial assets that do not represent **associated companies** under IAS 28 (Investments in Associates) or joint ventures under IAS 31 (Interests in Joint Ventures) are recognised in accordance with IAS 39 (Financial Instruments: Recognition and Measurement). Depending on the classification required under IAS 39, financial assets are capitalised either at (amortised) cost or fair value, and recognised on the date of purchase.

Investments are assets to be classified as "available for sale". They are measured at their fair values including transaction costs for the first reporting period. If the fair value of these financial assets can be reliably determined in subsequent periods, they are recognised at fair value. If there are no active markets and if the fair values cannot be determined without undue effort, they are recognised at cost. **Securities** are classified as "held to maturity", "available for sale" or "fair value through profit or loss". The category "fair value through profit or loss" comprises all financial assets classified as "held for trading" as the fair value option of IAS 39 is not applied within METRO GROUP. This is underscored by the fact that the entire category is described as "held for trading" in the notes to the consolidated financial statements. **Loans** are classified as "loans and receivables" and therefore recognised at amortised cost based on the effective interest method. Financial assets designated as hedged items as part of a value hedge are recognised at fair value through profit or loss.

Fluctuations in the value of "available for sale" financial assets are recognised in equity without being reported as a profit or loss – taking account of deferred taxes where applicable. The amounts recognised without being reported as a profit or loss are not transferred to net income for the respective period until they are disposed of or a sustained impairment of the assets has occurred.

If there are any indications of impairment, the respective financial asset is tested for impairment and, if necessary, the asset is written down by way of non-scheduled depreciation. If, at a later date, the reasons for this impairment cease to exist, the asset is written back at amortised cost.

Deferred taxes

Deferred taxes are determined in accordance with IAS 12, according to which likely future tax benefits and liabilities are recognised for temporary differences between the carrying amounts of assets or liabilities in the consolidated financial statements and their tax base. Anticipated tax savings from the use of tax loss carry-forwards expected to be recoverable in future periods are capitalised.

Deferred tax assets in respect of deductible temporary differences and tax loss carry-forwards exceeding the deferred tax liabilities in respect of taxable temporary differences are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities are netted if these income tax assets and liabilities concern the same tax authority and refer to the same tax subject or a group of different tax subjects that are jointly assessed for income tax purposes.

Inventories

In accordance with IAS 2 (Inventories), merchandise carried as **inventories** is reported at cost of purchase. The cost of purchase is determined either on the basis of a separate valuation of additions from the perspective of the procurement market or by means of the weighted average cost method.

Merchandise is valued as of the closing date at the lower of cost or net realisable value. Merchandise is written down on a case-by-case basis if the anticipated net realisable value declines below the carrying amount of the inventories. Such net realisable value corresponds to the anticipated estimated selling price less the estimated direct costs necessary to make the sale.

When the reasons for a write-down of the merchandise have ceased to exist, the write-down is reversed.

Trade receivables

In accordance with IAS 39, **trade receivables** are classified as "loans and receivables" and recognised at amortised cost. Where their recoverability appears doubtful, the trade receivables are recognised at the lower recoverable amount. Aside from the required specific bad debt allowances, a lump-sum bad debt allowance is carried out to account for the general credit risk.

Other receivables and assets

The other financial assets in the **other receivables and assets** item that are classified as "loans and receivables" under IAS 39 are recognised at amortised cost.

The **deferred income item** comprises transitory deferrals.

Other assets include investments and derivative financial instruments to be classified as "held for trading" in accordance with IAS 39. They are recognised at their fair value, which corresponds to the cost of purchase net of transaction costs, for the first recognition period. Where the fair values of these financial instruments can subsequently be reliably determined, such fair values are carried. Where no active markets exist and the fair values cannot be determined without undue effort, the assets are carried at cost. All other receivables and assets are also recognised at amortised cost.

If there are any indications of impairment, the assets will be tested for impairment and, if necessary, written down by way of non-scheduled depreciation. When the reasons for the write-down have ceased to exist, the write-down is reversed.

Deferred income tax assets and liabilities

The disclosed **deferred income tax assets and liabilities** concern domestic and foreign income taxes for the reporting year as well as prior years. They are determined in compliance with the tax laws of the respective business country.

Cash and cash equivalents

Cash and cash equivalents comprise cheques, cash on hand and bank deposits with a term of up to three months and are recognised at their respective nominal values.

Provisions

The actuarial measurement of **pension provisions** for company pension plans is effected in accordance with the projected unit method stipulated by IAS 19 (Employee Benefits). This method takes account of pensions and pension entitlements known at the closing date as well as of future pay and pension increases using biometric data. Where the pension obligations determined or the actual net present value of the pension assets increase or decrease between the beginning and end of a financial year as a result of experience-based adjustments or changes in underlying actuarial assumptions (for example the discount rate or the expected return of pension assets), this will result in so-called actuarial gains or losses. Based on the exercise of a measurement option, these are recognised using the corridor method at METRO GROUP. Under this method, actuarial gains and losses are recognised only if their cumulative, non-recognised amount exceeds the higher of 10 percent of the present value of the pension obligations and 10 percent of the fair value of the pension assets. In that case, the actuarial gains or losses exceeding the corridor will be spread over the average residual service life of the employees within pension entitlements as of the subsequent year and recognised as income or expenses. The corridor method accounts for the fact that actuarial gains and losses may offset each other over the long term. This method prevents a high level of volatility in the income statement and/or equity. The interest element of the transfer to the provision contained in the expenditure for pensions is shown as interest paid under the financial result. **Provisions for pensions and similar commitments** (for example, anniversary bonuses and death benefits) are formed on the basis of actuarial valuations under IAS 19.

In accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), **(other) provisions** are formed if de jure or de facto obligations to third parties exist that are based on past business transactions or events and will probably result in an outflow of financial funds that can be reliably determined. The provisions are stated at the anticipated settlement amount with due regard to all identifiable risks attached, and are not offset against any claims to recourse. The settlement amount with the highest possible probability of occurrence is used.

Provisions for deficient rental cover in the case of location risks related to leased objects are based on a consideration of individual locations. The same applies to continued locations insofar as a deficient cover for the respective location arises from current corporate planning. The maximum provision amounts to no more than the size of the deficient cover resulting from a possible subleasing.

Provisions for restructuring measures are recognised insofar as the factual restructuring commitment was formalised by means of the adoption of a detailed restructuring plan and its communication vis-à-vis those affected as of the closing date. Restructuring provisions comprise only obligatory restructuring expenses that are not related to the Company's current activities.

Provisions for guarantees are formed based on past capitalised guarantees and sales during the financial year.

Long-term provisions, for example for deficient rental cover or reinstatement obligations, are recognised at their settlement amounts discounted to the balance sheet date.

Liabilities

Trade liabilities are recognised at amortised cost.

In principle, all **financial liabilities** are recognised at amortised cost using the effective interest method in accordance with IAS 39 as the fair value option is not applied within METRO GROUP. Financial liabilities designated as the hedged item in a fair value hedge are carried as liabilities at their fair value. The fair values indicated for the financial liabilities have been determined on the basis of the interest rates prevailing on the closing date for the remaining terms and redemption structures.

In principle, financial liabilities from finance leases are carried at the present value of future minimum lease payments.

Other liabilities are carried at their settlement amounts unless they represent derivative financial instruments or commitments to stock tender rights, which are recognised at fair value under IAS 39. Deferred income comprises transitory deferrals.

Contingent liabilities

Contingent liabilities are, on the one hand, **potential** obligations arising from past events whose existence is confirmed only by the occurrence or non-occurrence of uncertain future events that are not entirely under the Company's control. On the other hand, contingent liabilities represent **current** obligations arising from past events for which, however, an outflow of resources is not considered probable or whose size cannot be determined with sufficient certainty.

According to IAS 37, such liabilities should not be recognised in the balance sheet but disclosed in the notes.

Accounting for derivative financial instruments/hedge accounting

Derivative financial instruments are exclusively used to reduce risks, in accordance with the respective Group guideline.

In accordance with IAS 39, all derivative financial instruments are recognised at fair value and shown under other receivables and assets or other liabilities.

Derivative financial instruments are measured on the basis of interbank terms and conditions, possibly including the credit margin or stock exchange price applicable to METRO GROUP. The bid and ask prices at the balance sheet date are applied. Where no stock exchange prices are used, the fair value is determined by means of acknowledged measurement methods. The recognised fair values correspond to the amounts for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length agreement.

Gains and losses from derivative financial instruments designated as qualified hedges in the framework of a fair value hedge or for which a qualified hedge relationship could not be established in accordance with the provisions of IAS 39 and which, accordingly, did not qualify for **hedge accounting** are recognised through profit or loss. Results from derivative financial instruments for which a cash flow hedge has been formed and whose effectiveness has been established are carried in equity without being reported as a profit or loss up to the date of realisation of the hedge transaction. Any potential changes in results due to the ineffectiveness of these financial instruments are recognised in the income statement and immediately reported as a profit or loss.

Accounting for share-based remuneration

The share bonuses granted under the **share-based remuneration system** are classified as "cash-settled share-based remuneration". Proportionate provisions measured at the fair value of the obligations entered are formed for these payments. The proportionate formation of the provisions is prorated over the underlying blocking period and recognised in income as personnel expenses. To the extent that the granted share-based payments are hedged, the corresponding hedging transactions are recognised at fair value and included under other receivables and assets. The portion of the hedges' value fluctuation that corresponds to the value fluctuation of the share-based payments is recognised in personnel expenses. The surplus amount of value fluctuations is recognised in equity without being reported as a profit or loss.

Accounting for non-current assets held for sale and discontinued operations

In accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), a **non-current asset** is classified as "held for sale" if the respective carrying amount is to be realised above all through a sale rather than through continued utilisation. A sale must be planned and realisable within the subsequent twelve months. The asset is measured at the lower of carrying amount and fair value less costs to sell and presented separately in the balance sheet.

In accordance with IFRS 5, a component of an entity is classified as a **discontinued operation** if it is held for sale or has already been disposed of. The discontinued operation is measured at the lower of carrying amount and fair value less costs to sell. Discontinued operations are presented separately in the income statement, the balance sheet, the cash flow statement and the segment reporting, and explained in the notes. With the exception of the balance sheet, prior-year amounts are restated accordingly.

Summary of chosen measurement methods

Position	Measurement method
Assets	
Goodwill	At cost (subsequent measurement: impairment test)
Other intangible assets	
Acquired other intangible assets	At (amortised) cost
Internally generated intangible assets	At cost of development (direct costs and overheads)
Tangible assets	At (amortised) cost
Investment properties	At (amortised) cost
Financial assets	
"Loans and receivables"	At (amortised) cost
"Held to maturity"	At (amortised) cost
"Held for trading"	At fair value through profit or loss
"Available for sale"	At fair value through profit or loss
Inventories	Lower of cost and net realisable value
Trade receivables	At (amortised) cost
Cash and cash equivalents	At nominal value
Assets held for sale	Lower of carrying amount and fair value less costs to sell
Liabilities	
Provisions	
Pension provisions	Projected unit credit method
Other provisions	At settlement value (highest probability of occurrence)
Financial liabilities	At (amortised) cost
Other liabilities	At settlement value or fair value
Trade liabilities	At (amortised) cost

Use of assumptions and estimates

The preparation of the consolidated financial statements was based on a number of **assumptions** and **estimates** that had an effect on the value and presentation of the reported assets, liabilities, income and expenses as well as contingent liabilities. These assumptions and estimates mainly relate to the assessment of the recoverability of goodwill, the Group-wide establishment of useful lives, the measurement of provisions (for example, for restructurings, pensions or location risks) and the feasibility of future tax savings, in particular from loss carry-forwards. In addition, assumptions and estimates concern above all the determination of fair values and the cost of purchase in the context of first-time consolidations. The actual values may deviate from the assumptions and estimates in individual cases. Changes are taken into account at the time new information becomes available.

Capital management

The aim of the capital management strategy of METRO GROUP is to secure the Company's continued business operations, to enhance its enterprise value, to create solid capital resources to finance its profitable growth and to provide for attractive dividend payments and capital service.

The capital management strategy of METRO GROUP has remained unchanged compared to the previous year.

EBIT after Cost of Capital (EBITaC)

METRO GROUP pursues a value-orientated corporate management approach based on EBIT after Cost of Capital (EBITaC). The focus is on the successful deployment of business assets and the achievement of a value contribution for METRO GROUP exceeding the cost of capital.

Further information on the development of EBIT after Cost of Capital is included in the Group management report in the section "EBIT after Cost of Capital (EBITaC)".

Rating

METRO GROUP's ratings by two international agencies communicate the Company's creditworthiness to potential debt capital investors. Based on its current ratings, METRO GROUP has comprehensive access to all debt capital markets.

Detailed information on the METRO GROUP rating can be found in the Group management report in the "Financial management" section.

Equity and debt capital, net balance sheet debt in the consolidated financial statements

Equity amounted to €6,460 million (previous year: €5,992 million), while debt capital reached €28,607 million (previous year: €27,290 million). Net balance sheet debt amounted to €3,478 million compared to €3,724 million in the previous year.

€ million	31/12/2010	31/12/2009[1]
Equity	**6,460**	**5,992**
Debt capital	**28,607**	**27,290**
Net debt	**3,478**	**3,724**
Financial liabilities (incl. finance leases)	8,283	7,727
Cash and cash equivalents	4,799	3,996
Term deposits > 3 months < 1 year[2]	6	7

[1] Adjustment of previous year's figures due to revised disclosure
[2] Included in the balance sheet item "other receivables and assets (current)"

Local capital requirements

The capital market strategy of METRO GROUP consistently aims to ensure that the Group companies' capital resources comply with local requirements. During the reporting year, all external capital requirements were fulfilled. This includes, for example, adherence to a maximum level of indebtedness or a fixed equity ratio.

Notes to the income statement

1. Sales

(Net) sales can be broken down as follows:

€ million	2010	2009
Metro Cash & Carry	31,095	30,613
Real	11,499	11,298
Media Markt and Saturn	20,794	19,693
Galeria Kaufhof	3,584	3,539
Others	286	386
	67,258	**65,529**

The sales listed in the "others" segment were mainly generated by MGB METRO Group Buying at €238 million (previous year: €253 million) and Grillpfanne at €13 million (previous year: €73 million incl. AXXE).

A total of €41.1 billion (previous year: €39.0 billion) in sales was generated by Group companies based outside of Germany.

For a breakdown of sales by divisions and regions, see the segment reporting.

2. Other operating income

€ million	2010	2009
Rents incl. reimbursements of subsidiary rental costs	479	477
Services/cost refunds	306	294
Services rendered to suppliers	298	225
Gains from the disposal of fixed assets and from write-backs	279	95
Income from deconsolidation	52	0
Miscellaneous	213	216
	1,627	**1,307**

Gains from the disposal of fixed assets primarily include revenues from sale-and-lease-back transactions totalling €198 million (previous year: €85 million).

Income from deconsolidation essentially includes gains from the disposal of shareholdings in Metro Cash & Carry Morocco S.A.

Other operating income comprises, among other things, income from damages, income from construction services, public aid, income from the derecognition of statute-barred liabilities, income from canteen revenues, other reimbursements as well as a multitude of additional items.

3. Selling expenses

€ million	2010	2009
Personnel expenses	5,940	5,825
Cost of materials	6,233	6,029
	12,173	**11,854**

The increase in selling expenses is due to expansion and expenses related to the disposal of the consumer electronics stores in France, in particular.

The increase in personnel expenses is essentially due to expansion, particularly at Media Markt and Saturn. This increase, however, is weakened by the decline in newly initiated Shape measures, which resulted in a reduction of related personnel expenses. In addition, savings from already implemented Shape measures dampened the cost increase.

In addition, in the cost of materials, impairments and provisions related to the decision to dispose of the French consumer electronics stores resulted in one-time expenses of €119 million.

4. General administrative expenses

€ million	2010	2009
Personnel expenses	889	831
Cost of materials	696	758
	1,585	**1,589**

Special items related to Shape 2012 impacted general administrative expenses markedly less than a year earlier. In addition, cost savings from already effective Shape measures have generated additional cost reductions. However, these savings effects were largely offset by the mostly expansion-related cost increase. In the area of personnel expenses, this resulted in an increase of €58 million. The cost of materials, in turn, declined by €62 million overall.

5. Other operating expenses

€ million	2010	2009
Losses from the disposal of fixed assets	21	23
Miscellaneous	30	25
	51	**48**

Miscellaneous other operating expenses include expenses from the waiver of receivables and a multitude of other circumstances.

6. Other investment result

Profit distribution accounts for the main portion of other investment result in the amount of €15 million (previous year: €15 million).

7. Interest income/interest expenses

Net interest income can be broken down as follows:

€ million	2010	2009
Interest income	112	129
thereof finance leases	(1)	(1)
thereof pension provisions	(41)	(42)
thereof financial instruments of the IAS 39 measurement categories:		
loans and receivables incl. cash and cash equivalents	(46)	(61)
held to maturity	(0)	(0)
held for trading incl. derivatives within hedges in accordance with IAS 39	(5)	(6)
available for sale	(0)	(0)
Interest expenses	–718	–682
thereof finance leases	(–117)	(–112)
thereof pension provisions	(–127)	(–105)
thereof financial instruments of the IAS 39 measurement categories:		
held for trading incl. derivatives within hedges in accordance with IAS 39	(–10)	(–25)
other financial liabilities	(–388)	(–380)
	–606	**–553**

Interest income and interest expenses from financial instruments are assigned to IAS 39 measurement categories on the basis of the underlying transaction.

8. Other financial result

€ million	2010	2009
Other financial income	471	392
thereof currency effects	(379)	(342)
thereof hedging transactions	(87)	(46)
Other financial expenses	−461	−485
thereof currency effects	(−380)	(−352)
thereof hedging transactions	(−58)	(−109)
Other financial result	**10**	**−93**
thereof financial instruments of IAS 39 measurement categories:		
loans and receivables incl. cash and cash equivalents	(4)	(13)
held to maturity	(0)	(0)
held for trading	(30)	(−62)
available for sale	(0)	(0)
other financial liabilities	(−15)	(−35)
thereof fair value hedges:		
underlying transactions	(0)	(0)
hedging transactions	(0)	(0)
thereof cash flow hedges:		
ineffectiveness	(−1)	(−2)

The other financial income and expenses from financial instruments are assigned to measurement categories on the basis of the underlying transactions pursuant to IAS 39. Besides income and expenses from the measurement of financial instruments according to IAS 39, this also includes the measurement of foreign currency positions according to IAS 21.

The overall result from currency effects and measurement results from hedging transactions and hedging relationships totalled €28 million (previous year: €−73 million). The positive year-on-year development was mostly due to currency appreciation. Valuation yields of commodity contracts for energy and fuels resulted in income of €12 million (previous year: €−8 million). In addition, the previous year's figures included expenses from foreign currency financings in Romania, Russia and Moldova. For possible effects from currency risks, see no. 43 "Management of financial risks".

9. Net results according to measurement categories

The key effects on earnings from financial instruments are as follows:

2010 € million	Investments	Interest	Fair value measurements	Currency translation	Disposals	Impairment	Other	Net result 2010
Loans and receivables incl. cash and cash equivalents	0	46	0	1	0	−31	2	18
Held to maturity	0	0	0	0	0	0	0	0
Held for trading incl. derivatives within hedges in accordance with IAS 39	0	−5	29	0	0	0	0	24
Available for sale	15	0	0	0	0	0	0	15
Other financial liabilities	0	−388	0	−2	9	0	−12	−393
	15	**−347**	**29**	**−1**	**9**	**−31**	**−10**	**−336**

2009 € million	Investments	Interest	Fair value measurements	Currency translation	Disposals	Impairment	Other	Net result 2009
Loans and receivables incl. cash and cash equivalents	0	61	0	13	0	−40	0	34
Held to maturity	0	0	0	0	0	0	0	0
Held for trading incl. derivatives within hedges in accordance with IAS 39	0	−19	−64	0	0	0	0	−83
Available for sale	15	0	0	0	0	0	0	15
Other financial liabilities	0	−380	0	−23	5	0	−11	−409
	15	**−338**	**−64**	**−10**	**5**	**−40**	**−11**	**−443**

Earnings and expenses from financial instruments are assigned to measurement categories on the basis of the underlying transactions pursuant to IAS 39.

Investment income is included in other investment income. Interest income and expenses are part of the net interest result. Fair value measurements and effects from currency translations are included in other financial result. Income effects from the disposal of other financial liabilities are included in earnings before interest and taxes (EBIT). In the same manner, expenses from write-downs are essentially included in earnings before interest and taxes (EBIT) and are detailed in no. 27 "Impairments of capitalised financial instruments". Remaining financial income and expenses, which are included in other financial result, primarily concern bank commissions and similar expenses that are incurred within the context of assets and liabilities.

10. Income taxes

Income taxes include taxes on income paid or due in the individual countries as well as deferred tax liabilities.

€ million	2010	2009
Taxes paid or due	659	495
thereof Germany	(215)	(158)
thereof international	(444)	(337)
thereof tax expenses/income of current period	(610)	(507)
thereof tax expenses/income of previous periods	(49)	(−12)
Deferred taxes	35	36
thereof Germany	(22)	(42)
thereof international	(13)	(−6)
	694	**531**

The income tax rate of the German companies of METRO GROUP consists of a corporate income tax of 15.00 percent plus a 5.50 percent solidarity surcharge on corporate income tax as well as the tax on business income of 14.70 percent given an average assessment rate of 420.00 percent. All in all, this results in an aggregate tax rate of 30.53 percent. The tax rates are unchanged from the previous year. Non-German income tax is calculated on the basis of the respective laws and regulations applying in the individual countries. The income tax rates applied to foreign companies vary in a range from 0.00 (tax holidays) to 40.69 percent. These tax rates are also unchanged from the previous year.

Deferred taxes are determined on the basis of the tax rates expected in each country upon realisation. In principle, the rates applied are those contained in valid laws or legislation that has been passed at the time of the closing date.

€ million	2010	2009
Deferred taxes in the consolidated income statement	35	36
thereof from temporary differences	(44)	(127)
thereof from loss and interest carry-forwards	(−9)	(−93)
thereof from changes in tax rates	(0)	(2)

At €694 million (previous year: €531 million), income tax expenses are €196 million higher (previous year: €210 million) than the expected tax expenses of €498 million (previous year: €321 million) that would have resulted if the German corporate income tax rate had been applied to the Group's taxable income for the year.

Reconciliation of estimated to actual income tax expenses:

€ million	2010	2009
Earnings before taxes	**1,630**	**1,050**
Expected income tax expenses (30.53%)	498	321
Effects of differing national tax rates	−137	−62
Tax expenses and income relating to other periods	49	−12
Non-deductible business expenses	90	75
Effects of not recognised or impaired deferred taxes	182	180
Additions and reductions for local taxes	38	26
Tax holidays	−33	−13
Other deviations	7	16
Income tax expenses according to the income statement	**694**	**531**
Effective tax rate (in %)	**42.56**	**50.53**

Adjusted for special items related to the efficiency and value-enhancing programme Shape 2012, the effective tax rate amounts to 37.88 percent (previous year: 40.81 percent).

11. Profit attributable to non-controlling interests

Of profit attributable to non-controlling interests, profit shares accounted for €178 million (previous year: €173 million) and loss shares for €92 million (previous year: €37 million). This mainly concerns profit/loss shares of non-controlling interests in the Media Markt and Saturn sales division.

12. Earnings per share

METRO AG defines earnings per share as earnings per ordinary share. In 2009, holders of preference shares of METRO AG were entitled to a dividend of €1.298 that was €0.118 higher than that paid to holders of ordinary shares. In the calculation of earnings per share, this additional dividend is deducted from profits attributable to METRO AG shareholders.

Earnings per share are determined by dividing earnings attributable to METRO AG shareholders by a weighted number of issued shares.

There was no dilution in the financial year 2010 or the year before from so-called potential shares.

	2010	2009
Weighted number of no-par-value shares outstanding	326,787,529	326,787,529
Income attributable to METRO AG shareholders (€ million)	850	383
Earnings per share (€)	**2.60**	**1.17**

Earnings per share of preference shares amounted to €2.74 (previous year: €1.29) in the financial year 2010 and thus exceeded earnings per share by the amount of the additional dividend of €0.135.

13. Depreciation/amortisation

€ million	2010	2009
Scheduled depreciation on tangible and intangible assets and investment properties	1,274	1,280
Non-scheduled write-downs on tangible assets, intangible assets (incl. goodwill) and investment properties	153	116
Non-scheduled write-downs on non-current financial assets	0	1
	1,427	**1,397**

Non-scheduled write-downs were included in selling expenses to the amount of €141 million (previous year: €75 million) and to the amount of €12 million in administrative expenses (previous year: €41 million), with non-scheduled write-downs of intangible assets accounting for €11 million (previous year: €43 million), scheduled write-downs of fixed assets accounting for €134 million (previous year: €73 million) and scheduled write-downs of investment properties accounting for €8 million (previous year: €0 million).

Metro Cash & Carry accounts for €2 million (previous year: €15 million) of the non-scheduled write-downs, Real for €17 million (previous year: €0 million), Media Markt and Saturn for €73 million (previous year: €0 million), the Real Estate segment for €50 million (previous year: €59 million) and other companies for €11 million (previous year: €43 million).

14. Cost of materials

The cost of sales includes the following cost of materials:

€ million	2010	2009
Cost of raw materials, supplies and goods purchased	52,491	51,422
Cost of services purchased	96	85
	52,587	**51,507**

15. Personnel expenses

Personnel expenses can be broken down as follows:

€ million	2010	2009
Wages and salaries	6,066	5,910
Social security payments, expenses for pensions and related employee benefits	1,301	1,275
thereof pension expenses	(67)	(73)
	7,367	**7,185**

In the financial year 2010, expenses relating to severance payments within METRO GROUP amounted to €63 million (previous year: €40 million).

Personnel expenses also include prorated expenses for share-based payments totalling €32 million (previous year: €12 million).

Annual average number of Group employees:

Number of employees	2010	2009
Blue collar/white collar	283,280	286,329
Apprentices/trainees	10,682	10,201
	293,962	**296,530**

The above figure includes an absolute number of 80,975 (previous year: 85,229) part-time employees. The percentage of employees working outside of Germany (full-time equivalents) stood at 62.7 percent compared to 61.8 percent in the previous year.

16. Other taxes

Other taxes (for example, tax on land and buildings, motor vehicle tax, excise tax and transaction tax) of €152 million (previous year: €173 million) are included in the cost of sales and the selling and administrative expenses.

Notes to the balance sheet

17. Tangible and intangible assets

€ million	Goodwill	Other intangible assets	Tangible assets	Investment properties	Financial assets	Total fixed assets
Acquisition or production costs						
At 1/1/2009	3,960	1,329	20,697	326	170	26,482
Currency translation	1	–1	–108	0	1	–107
Additions to consolidation group	0	0	12	0	0	12
Additions	49	169	1,298	2	33	1,551
Disposals	–18	–39	–749	–60	–47	–913
Transfers	0	0	–50	50	–33	–33
At 31/12/2009 / 1/1/2010	3,992	1,458	21,100	318	124	26,992
Currency translation	9	4	310	0	1	324
Additions to consolidation group	0	0	0	0	0	0
Additions	73	138	1,524	19	196	1,950
Disposals	–10	–64	–944	–12	–62	–1,092
Transfers	0	–1	–108	174	0	65
At 31/12/2010	4,064	1,535	21,882	499	259	28,239
Depreciation/amortisation						
At 1/1/2009	0	777	8,173	193	26	9,169
Currency translation	0	–1	–3	0	0	–4
Additions, scheduled	0	169	1,104	7	0	1,280
Additions, non-scheduled	0	43	73	0	1	117
Disposals	0	–27	–448	–45	–15	–535
Write-backs	0	0	–9	0	0	–9
Transfers	0	0	–34	34	–1	–1
At 31/12/2009 / 1/1/2010	0	961	8,856	189	11	10,017
Currency translation	0	3	84	0	0	87
Additions, scheduled	0	167	1,098	9	0	1,274
Additions, non-scheduled	0	11	134	8	0	153
Disposals	0	–42	–668	–8	0	–718
Write-backs	0	0	–47	0	0	–47
Transfers	0	–1	–57	63	0	5
At 31/12/2010	0	1,099	9,400	261	11	10,771
Book value at 1/1/2009	3,960	552	12,524	133	144	17,313
Book value at 31/12/2009	3,992	497	12,244	129	113	16,975
Book value at 31/12/2010	**4,064**	**436**	**12,482**	**238**	**248**	**17,468**

The current financial year includes disposals of real estate assets in the amount of €197 million (previous year: €235 million).

Non-scheduled write-downs mainly concern business and office equipment related to the disposal of the French consumer electronics stores and non-scheduled write-downs of real estate properties.

18. Goodwill

In the financial year 2010, goodwill amounted to €4,064 million (previous year: €3,992 million).

In 2010, the recognition of shareholder interests with stock tender rights raised goodwill of Media Markt and Saturn by €26 million (previous year: reduction by €14 million).

In 2009, the non-controlling shareholders of Metro Cash & Carry Romania were granted stock tender rights by METRO GROUP. The subsequent measurement of these stock tender rights resulted in €47 million (previous year: €27 million) higher goodwill.

With the divestment of Metro Cash & Carry Morocco, goodwill of €10 million has been disposed of.

At the closing date, the breakdown of goodwill among the major cash-generating units was as shown below:

€ million	31/12/2010	31/12/2009
Real Germany	1,083	1,083
Metro Cash & Carry France	398	398
Metro Cash & Carry Netherlands	352	352
Metro Cash & Carry Poland	260	258
Media Markt and Saturn Germany	245	232
Metro Cash & Carry Hungary	239	239
Metro Cash & Carry Germany	223	223
Metro Cash & Carry Italy	171	171
Real Poland	151	144
Metro Cash & Carry Belgium	145	145
Metro Cash & Carry Portugal	91	91
Metro Cash & Carry Romania	84	37
Media Markt and Saturn Italy	79	76
Kaufhof department stores Belgium	57	57
Media Markt and Saturn Spain	54	51
Metro Cash & Carry Spain	51	51
Metro Cash & Carry Greece	45	45
Metro Cash & Carry United Kingdom	37	37
Metro Cash & Carry Austria	27	27
Media Markt and Saturn Netherlands	24	22
Media Markt and Saturn Austria	19	17
Media Markt and Saturn Poland	19	17
Media Markt and Saturn Switzerland	18	17
Metro Cash & Carry China	17	17
Real Russia	17	16
Metro Cash & Carry Denmark	16	16
Kaufhof department stores Germany	14	14
Metro Cash & Carry Morocco	0	10
Other companies	128	129
	4,064	**3,992**

In accordance with IFRS 3 in conjunction with IAS 36, goodwill is tested for impairment once a year. This is carried out at the level of a group of so-called cash-generating units. In the case of goodwill, this group is the organisational unit sales division per country. In the impairment test, the book value of the cash-generating unit is compared with the recoverable amount. The recoverable amount is defined as the fair value less selling expenses, which is calculated from discounted future cash flows. Expected future cash flows are based on a qualified planning process under consideration of the intra-Group experience as well as macroeconomic data collected by third-party sources. As a rule, the detailed planning period comprises three years. As in the previous year, the growth rates considered at the end of the detailed planning period are generally 1.0 percent. The capitalisation rate as the weighted average cost of capital (WACC) was determined using the capital asset pricing model. The capitalisation rates determined for the individual cash-generating units amount to between 5.8 and 8.3 percent (previous year: 6.7 to 11.7 percent).

As of 31 December 2010, the prescribed annual impairment test confirmed the recoverability of all capitalised goodwill. Non-scheduled write-downs were therefore not required.

A sensitivity analysis was carried out in addition to the impairment test. The assumption of a growth rate of 0 percent did not result in any write-down requirement. Conversely, an increase in capitalisation rates by 10 percent each would not result in non-scheduled goodwill write-downs for any of the cash-generating units.

19. Other intangible assets

The other intangible assets have a finite useful life and are therefore amortised as scheduled. Software, lease and usage rights and concessions, rights and licences account for €7 million, €1 million and €3 million, respectively, of non-scheduled write-downs. In the previous year, internally

€ million	Intangible assets without goodwill	(thereof internally generated intangible assets)
Acquisition or production costs		
At 1/1/2009	1,329	(665)
Currency translation	–1	(0)
Additions to consolidation group	0	(0)
Additions	169	(108)
Disposals	–39	(–3)
Transfers	0	(–1)
At 31/12/2009 / 1/1/2010	1,458	(769)
Currency translation	4	(1)
Additions to consolidation group	0	(0)
Additions	138	(87)
Disposals	–64	(–19)
Transfers	–1	(–1)
At 31/12/2010	1,535	(837)
Depreciation/amortisation		
At 1/1/2009	777	(370)
Currency translation	–1	(0)
Additions, scheduled	169	(103)
Additions, non-scheduled	43	(41)
Disposals	–27	(–1)
Write-ups	0	(0)
Transfers	0	(–2)
At 31/12/2009 / 1/1/2010	961	(511)
Currency translation	3	(1)
Additions, scheduled	167	(105)
Additions, non-scheduled	11	(7)
Disposals	–42	(–14)
Write-backs	0	(0)
Transfers	–1	(–1)
At 31/12/2010	1,099	(609)
Book value at 1/1/2009	552	(295)
Book value at 31/12/2009	497	(258)
Book value at 31/12/2010	**436**	**(228)**

generated software accounted for €41 million and acquired concessions, rights and licences for €2 million of non-scheduled write-downs.

The additions to amortisations on other intangible assets are shown in selling expenses at an amount of €60 million (previous year: €60 million) and in administrative expenses at an amount of €118 million (previous year: €152 million).

Research and development expenses recognised in expenses essentially concern internally generated software and amounted to €29 million (previous year: €79 million).

As in the previous year, there are no material limits to the title or right to dispose of intangible assets. Purchasing obligations amounting to €1 million (previous year: €2 million) for intangible assets were made.

20. Tangible assets

€ million	Land and buildings[1]	Other plant, business and office equipment[1]	Assets under construction	Total
Acquisition and production costs				
At 1/1/2009	12,799	7,529	369	20,697
Currency translation	–81	–17	–10	–108
Additions to consolidation group	11	1	0	12
Additions	307	493	498	1,298
Disposals	–399	–320	–30	–749
Transfers	393	165	–608	–50
At 31/12/2009 / 1/1/2010	13,030	7,851	219	21,100
Currency translation	191	110	9	310
Additions to consolidation group	0	0	0	0
Additions	275	576	673	1,524
Disposals	–410	–515	–19	–944
Transfers	165	292	–565	–108
At 31/12/2010	13,251	8,314	317	21,882
Depreciation/amortisation				
At 1/1/2009	3,644	4,524	5	8,173
Currency translation	–5	2	0	–3
Additions, scheduled	465	639	0	1,104
Additions, non-scheduled	61	12	0	73
Disposals	–179	–269	0	–448
Write-backs	–9	0	0	–9
Transfers	–20	–12	–2	–34
At 31/12/2009 / 1/1/2010	3,957	4,896	3	8,856
Currency translation	31	53	0	84
Additions, scheduled	459	639	0	1,098
Additions, non-scheduled	44	80	10	134
Disposals	–217	–450	–1	–668
Write-backs	–45	–2	0	–47
Transfers	–84	27	0	–57
At 31/12/2010	4,145	5,243	12	9,400
Book value 1/1/2009	9,155	3,005	364	12,524
Book value 31/12/2009	9,073	2,955	216	12,244
Book value 31/12/2010	**9,106**	**3,071**	**305**	**12,482**

[1] Adjustment due to revised disclosure

Additions to tangible assets resulted mainly from the opening of new Metro Cash & Carry and Media Markt and Saturn stores.

While the increase in tangible assets at Metro Cash & Carry was largely due to expansion in Eastern Europe and Asia, the increase at Media Markt and Saturn primarily resulted from new openings in Eastern and Western Europe.

Effects of currency translation raised tangible assets by €226 million (previous year: €105 million). These stemmed largely from exchange rate developments in Russia, Ukraine, Poland, the Czech Republic, China, Japan and India.

Limitations to the disposal of assets in the form of liens and encumbrances amounted to €346 million (previous year: €384 million).

Purchasing obligations for tangible assets in the amount of €250 million (previous year: €182 million) were made.

Assets used by the Group under the terms of finance lease agreements were valued at €1,074 million (previous year: €1,113 million). The assets involved are mainly leased buildings.

Finance leases generally have terms of 15 to 25 years with options under expiration to extend them at least once for five years. The interest rates in the leases vary by market and date of signing between 3.1 percent and 25.1 percent.

In addition to finance leases, METRO GROUP also signed other types of leases classified as operating leases based on their economic value. Operating leases generally have an initial term of up to 15 years. The interest rates in the leases are based partly on variable and partly on fixed rents.

Payments due under finance and operating leases in the indicated period are shown below:

€ million	Up to 1 year	1 to 5 years	Over 5 years
Finance leases 31/12/2010			
Future lease payments due (nominal)	224	837	1,555
Discount	−18	−229	−780
Present value	206	608	775
Operating leases 31/12/2010			
Future lease payments due (nominal)	1,437	4,726	4,280

€ million	Up to 1 year	1 to 5 years	Over 5 years
Finance leases 31/12/2009			
Future lease payments due (nominal)	224	824	1,501
Discount	−15	−247	−678
Present value	209	577	823
Operating leases 31/12/2009			
Future lease payments due (nominal)	1,393	4,494	4,071

Future payments due on finance leases contain payments amounting to €99 million (previous year: €99 million) for options to purchase assets at favourable prices.

The nominal value of future lease payments to METRO GROUP coming from the subleasing of assets held under finance leases amounts to €182 million (previous year: €222 million).

The nominal value of future lease payments due to METRO GROUP resulting from the subleasing of assets held under operating leases amounts to €993 million (previous year: €1,023 million).

Net profit for the period includes payments made under leasing agreements amounting to €1,497 million (previous year: €1,470 million) and payments received under subleasing agreements amounting to €417 million (previous year: €404 million).

Contingent lease payments from finance leases recognised as expenses during the period amount to €8 million (previous year: €8 million).

Contingent lease payments from operating leases recognised as expenses during the period amount to €62 million (previous year: €58 million).

Leasing payments due in the indicated periods from entities outside METRO GROUP (METRO GROUP as lessor) are shown below:

€ million	Up to 1 year	1 to 5 years	Over 5 years
Finance leases 31/12/2010			
Future lease payments due (nominal)	4	9	8
Discount	0	–1	–6
Present value	4	8	2
Operating leases 31/12/2010			
Future lease payments due (nominal)	48	119	131

€ million	Up to 1 year	1 to 5 years	Over 5 years
Finance leases 31/12/2009			
Future lease payments due (nominal)	4	14	10
Discount	0	–2	–6
Present value	4	12	4
Operating leases 31/12/2009			
Future lease payments due (nominal)	49	123	125

From the perspective of the lessor, the non-guaranteed residual value must be added to the nominal minimum lease payments of €21 million (previous year: €28 million) in existing finance leases. The non-guaranteed residual value amounts to €3 million (previous year: €5 million) for the financial year. The resulting gross investment amount is €24 million (previous year: €33 million). In addition, there is an unrealised amount from finance leases of €7 million (previous year: €8 million).

21. Investment properties

Investment properties are recognised at amortised cost. As of 31 December 2010, this amounted to €238 million (previous year: €129 million). The increase of €109 million essentially results from the abandonment of the self-utilisation of real estate properties and the resulting reclassification to investment properties. The fair value of these properties is determined by means of internationally recognised measurement methods, in particular the comparative value method and the discounted cash flow method. It totals €322 million (previous year: €203 million). Rental income from these properties amounts to €24 million (previous year: €15 million). The related expenses amount to €13 million (previous year: €10 million). Expenses of €0 million (previous year: €1 million) resulted from properties without rental income.

Limitations to the disposal of assets in the form of liens and encumbrances amounted to €53 million (previous year: €61 million). Purchasing obligations for investment properties in the amount of €5 million (previous year: €2 million) were made.

22. Financial assets (non-current)

€ million	Loans	Invest-ments	Securities	Total
Acquisition and production costs				
At 1/1/2009	130	39	1	170
Currency translation	1	0	0	1
Additions	33	0	0	33
Disposals	–32	–15	0	–47
Transfers	–32	–1	0	–33
At 31/12/2009 / 1/1/2010	100	23	1	124
Currency translation	1	0	0	1
Additions	78	3	115	196
Disposals	–49	–13	0	–62
Transfers	0	0	0	0
At 31/12/2010	130	13	116	259
Depreciation/amortisation				
At 1/1/2009	10	16	0	26
Currency translations	0	0	0	0
Additions, non-scheduled	1	0	0	1
Disposals	0	–15	0	–15
Write-backs	0	0	0	0
Transfers	0	–1	0	–1
At 31/12/2009 / 1/1/2010	11	0	0	11
Additions, non-scheduled	0	0	0	0
Disposals	0	0	0	0
Write-backs	0	0	0	0
Transfers	0	0	0	0
At 31/12/2010	11	0	0	11
Book value at 1/1/2009	120	23	1	144
Book value at 31/12/2009	89	23	1	113
Book value at 31/12/2010	**119**	**13**	**116**	**248**

The strong increase in securities under non-current financial assets is due to a fund investment of the payments received in the context of the disposal of shareholdings in Metro Cash & Carry Morocco S.A.
The carrying amounts of investments include €2 million (previous year: €1 million) in investments in 4 associated companies (previous year: 2 associated companies), which are recognised at equity.

23. Other receivables and assets

Receivables due from suppliers comprise future compensation for suppliers (for example, bonuses, advertising).

The item of prepaid expenses and deferred charges includes prorated rental, leasing and interest prepayments as well as other deferments.

The other assets item essentially comprises receivables from credit card transactions in the amount of €114 million (previous year: €114 million), receivables from other financial transactions in the amount of €108 million (previous year: €95 million), assets for indirect commitments amounting to €95 million (previous year: €76 million) and receivables/other assets in the real estate area amounting to €78 million (previous year: €187 million).

24. Deferred tax assets/deferred tax liabilities

Deferred taxes on loss carry-forwards and temporary differences amount to €1,000 million, a decline of €26 million compared with the previous year. The carrying amount of deferred tax liabilities decreased to €212 million, €4 million lower than the previous year's level.

	31/12/2010			31/12/2009			1/1/2009		
		Remaining term			Remaining term			Remaining term	
€ million	Total	Up to 1 year	Less than 1 year	Total	Up to 1 year	More than 1 year	Total	Up to 1 year	More than 1 year
Due from suppliers[1]	1,560	1,558	2	1,359	1,356	3	1,482	1,482	0
Other tax receivables	356	356	0	363	363	0	417	417	0
Prepaid expenses and deferred charges	388	109	279	370	101	269	347	99	248
Other assets[2]	864	701	163	984	793	191	1,022	820	202
	3,168	**2,724**	**444**	**3,076**	**2,613**	**463**	**3,268**	**2,818**	**450**

[1] Adjustment of previous year's figures due to revised disclosure
[2] Adjustment of figures as of 1 January 2009 due to first-time adoption of revised IFRS in the financial year 2009

Deferred taxes recognised concern the following balance sheet items:

	31/12/2010		31/12/2009		1/1/2009	
€ million	Asset	Liability	Asset	Liability	Asset	Liability
Goodwill	257	144	291	171	328	158
Other intangible assets	131	25	164	45	179	39
Tangible assets and investment properties[1]	156	671	143	653	133	677
Financial assets	7	8	6	9	10	4
Inventories	85	25	92	35	91	29
Other receivables and assets[2]	124	85	139	74	120	73
Provisions for pensions and similar obligations	126	16	115	11	107	10
Other provisions	101	11	104	27	104	36
Financial liabilities[1]	417	5	415	4	510	3
Other liabilities[1]	158	65	132	46	128	40
Outside basis differences	0	6	0	6	0	6
Non-scheduled write-downs[1]	–40	0	–28	0	–22	0
Loss carry-forwards	327	0	318	0	216	0
Total	1,849	1,061	1,891	1,081	1,904	1,075
Offset	–849	–849	–865	–865	–854	–854
Book value of deferred taxes	**1,000**	**212**	**1,026**	**216**	**1,050**	**221**

[1] Adjustment of previous year's figures due to separate disclosure of non-scheduled write-downs
[2] Adjustment of figures as of 1 January 2009 due to first-time adoption of revised IFRS in the financial year 2009

In accordance with IAS 12, deferred taxes relating to differences between the carrying amount of a subsidiary's pro rata assets and liabilities in the balance sheet and the investment book value for this subsidiary in the parent company's tax statement must be created (so-called outside basis differences) if the tax benefit is likely to be realised in future. No deferred taxes were recognised for retained earnings of subsidiaries as these earnings will be reinvested over an indefinite period of time or are not subject to relevant taxation. As in the previous year, €6 million in deferred tax liabilities from outside basis differences were recognised for planned dividend payments.

No deferred taxes were created for the following loss carry-forwards and interest carried forward as well as temporary differences because a short-term realisation is not expected:

€ million	2010	2009
Corporate tax losses	6,488	5,686
Business tax losses	6,839	6,523
Interest carried forward	6	6
Temporary differences	121	92

The losses primarily concern Germany. They can be carried forward without limitations.

Tax effects on components of other comprehensive income

€ million	2010 Before taxes	2010 Taxes	2010 After taxes	2009 Before taxes	2009 Taxes	2009 After taxes
Change in revaluation reserve	0	0	0	0	0	0
Currency translation differences from the conversion of the accounts of foreign operations	134	−13	121	−78	5	−73
Effective share of gains/losses from cash flow hedges and stock bonus programmes	−4	0	−4	10	−2	8
Gains/losses from the revaluation of financial instruments in the category "available for sale"	0	0	0	0	0	0
Other changes	5	0	5	0	0	0
Remaining income tax on other comprehensive income	0	13	13	0	13	13
	135	**0**	**135**	**−68**	**16**	**−52**

25. Inventories

€ million	31/12/2010	31/12/2009
Food merchandise	2,147	2,011
Nonfood merchandise	5,311	5,099
	7,458	**7,110**

Inventories can be broken down by sales division as follows:

€ million	31/12/2010	31/12/2009
Metro Cash & Carry	2,514	2,263
Real	1,030	1,027
Media Markt and Saturn	3,112	3,014
Galeria Kaufhof	474	508
Others	328	298
	7,458	**7,110**

The increase in inventories is primarily attributable to the expansion – particularly in the international business – of the Media Markt and Saturn as well as Metro Cash & Carry sales divisions. An additional increase in inventory levels due to currency effects was offset by the reclassification of inventories to the balance sheet item "assets held for sale" in the context of the agreed-upon sale of consumer electronics stores in France.

Inventories include write-downs of €317 million (previous year: €348 million).

26. Trade receivables

Of total trade receivables of €526 million (previous year: €539 million), €1 million (previous year: €2 million) is due in over one year.

The decline in trade receivables is essentially attributable to the decline in the commission business compared to the previous year. In addition, a reclassification to the item "assets held for sale" was carried out in the context of the disposal of the French consumer electronics stores.

This was partly offset by the opening of new locations in the context of the expansion and special sales promotions at the end of the year.

27. Impairments of capitalised financial instruments

Impairments of capitalised financial instruments that are measured at amortised cost are as follows:

€ million	Category "loans and receivables"	Category "held to maturity"
At 1/1/2009	210	0
Currency translation	–1	0
Change in consolidation group	0	0
Additions	105	0
Disposals	–63	0
Utilisation	–55	0
Transfers	0	0
At 31/12/2009 / 1/1/2010	196	0
Currency translation	1	0
Change in consolidation group	–4	0
Additions	123	0
Disposals	–90	0
Utilisation	–60	0
Transfers	0	0
At 31/12/2010	**166**	**0**

Negative earnings effects from impairment in the amount of €31 million (previous year: €40 million) existed in the "loans and receivables" category. This also includes earnings from the receipt of cash and cash equivalents from receivables of €2 million (previous year: €2 million) released due to expected irrecoverability. As in the previous year, no earnings effects existed in the category "held to maturity".

28. Book values of overdue capitalised financial instruments not adjusted for bad debt

The following capitalised financial instruments were overdue as of the closing date and were not adjusted for bad debt:

€ million	Total book value 31/12/2010	thereof not adjusted for bad debt and overdue as of the closing date: Within the last 90 days	For 91 to 180 days	For 181 to 270 days	For 271 to 360 days	For more than 360 days
Assets						
in the category "loans and receivables"	2,731	154	4	1	1	3
in the category "held to maturity"	0	0	0	0	0	0
in the category "held for trading"	30	0	0	0	0	0
in the category "available for sale"	13	0	0	0	0	0
	2,774	**154**	**4**	**1**	**1**	**3**

€ million	Total book value 31/12/2009	thereof not adjusted for bad debt and overdue as of the closing date: Within the last 90 days	For 91 to 180 days	For 181 to 270 days	For 271 to 360 days	For more than 360 days
Assets						
in the category "loans and receivables"[1]	2,722	141	6	0	2	8
in the category "held to maturity"	9	0	0	0	0	0
in the category "held for trading"	35	0	0	0	0	0
in the category "available for sale"	23	0	0	0	0	0
	2,789	**141**	**6**	**0**	**2**	**8**

[1] Adjustment of previous year's figures due to revised disclosure

Loans and receivables due within the last 90 days largely result from standard business payment transactions without or with short-term payment targets. For non-adjusted loans and receivables over 90 days overdue, there is no indication as of the closing date that debtors will not fulfil their payment obligations. This is also the case for all capitalised financial instruments that are not overdue and not adjusted for bad debt.

29. Cash and cash equivalents

€ million	31/12/2010	31/12/2009
Cheques and cash on hand	128	149
Bank deposits	4,671	3,847
	4,799	**3,996**

For further details, see no. 40 "Notes to the cash flow statement".

30. Assets held for sale/liabilities related to assets held for sale

In December 2010, METRO GROUP decided to sell all of its consumer electronics stores in France to the French investor High Tech Multicanal Group SA (HTM Group). This resulted in expenses totalling €121 million in accordance with the measurement principles of IAS 16, 36 and 37. Of this total, non-scheduled write-downs account for €71 million and the creation of provisions for onerous contracts for €50 million. From the time of the approval of the sales transaction by the relevant boards of METRO GROUP, all assets (€197 million) and liabilities (€386 million) of the French consumer electronics stores were treated as disposal groups in accordance with IFRS 5. Following the consolidation of all intra-Group assets and liabilities, they are therefore recognised in the balance sheet item "assets held for sale" (€196 million) and "liabilities related to assets held for sale" (€193 million), respectively. No non-scheduled write-downs became necessary in the context of the adjustment of the carrying amounts of these assets and liabilities held for sale to the fair value less selling expenses. The sales agreement with the HTM Group was signed on 18 December 2010 and remains subject to the approval of the French anti-trust authority. Until this approval has been issued, the French consumer electronics stores will remain part of METRO GROUP and will contribute to Group results.

Following the consolidation of all intra-Group circumstances, the assets and liabilities that were reclassified in the context of this divestment consist of the following items:

€ million	2010
Assets	
Financial assets (non-current)	1
Other receivables and assets (non-current)	1
Inventories	91
Trade receivables	7
Other receivables and assets (current)	67
Cash and cash equivalents	29
	196
Liabilities	
Provisions for pensions and similar obligations	1
Trade liabilities	111
Other provisions (current)	53
Other liabilities (current)	28
	193

The assets and liabilities held for sale of the French consumer electronics stores contribute €164 million to segment assets and €185 million to segment liabilities in the Media Markt and Saturn segment.

In addition, by contractual agreement of 16 December 2010, METRO GROUP sold its 9 percent shareholding in Loyalty Partner Holdings S.A., Luxembourg (Loyalty) to Amex Global Holdings CV, Jersey. This sales agreement is still subject to the approval of the German anti-trust authority. For this reason, the carrying amount of the shares in Loyalty in the amount of €13 million was reclassified from non-current financial assets to the item "assets held for sale". A non-scheduled write-down of the carrying amount to the lower of cost or market less selling expenses was not required. The divestment is expected to be recognised in the first half of the financial year 2011 once the German anti-trust authority has issued its approval.

The value of the balance sheet item "assets held for sale" increased by €32 million as a result of the reclassification of several real estate assets from non-current assets and renovation-related retroactive capitalisations of real estate assets already included in assets held for sale. Real estate assets with a combined book value of €69 million were reclassified to non-current assets as a result of METRO GROUP's decision to utilise them within the Group. Scheduled depreciation, which had not been carried out during the recognition period in accordance with the principles of IFRS 5, was carried out as part of the reclassification to non-current assets. Real estate assets with a combined book value of €56 million were sold.

METRO GROUP assumes that the properties recognised as "assets held for sale" will be sold during the course of 2011. Non-scheduled depreciation of these properties to their fair value less cost to sell was not required. They are shown in the segment reporting item "segment assets" in the amount of €24 million in the Real Estate segment.

31. Equity

In terms of amount and composition, i.e. the ratio of ordinary to preference shares, subscribed capital has not changed compared with 31 December 2009 and totals €835,419,052.27. It is divided as follows:

No-par-value bearer shares, accounting par value approx. €2.56		31/12/2010	31/12/2009
Ordinary share	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 one voting right. In addition, ordinary shares of METRO AG entitle the holder to dividends. In contrast to ordinary shares, preference shares of METRO AG do not carry voting rights and give preferential entitlement to profits in line with § 21 of the Articles of Association of METRO AG, which state:

"(1) Holders of non-voting preference shares will receive from the annual net earnings a preference dividend of €0.17 per preference share.

(2) Should the net earnings available for distribution not suffice in any one 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 preference dividends payable from the profit of a financial year are not distributed until all of any accumulated arrears have been paid.

(3) After the preference dividend has been distributed, the 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, 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

The Annual General Meeting on 13 May 2009 resolved a

- → contingent increase in the share capital by up to €127,825,000, divided into up to 50,000,000 ordinary bearer shares, which was connected to the authorisation of the Management Board to issue warrant or convertible bearer bonds, with the consent of the Supervisory Board, with a nominal value of up to €1,500,000,000 in one or several tranches by 12 May 2014, to grant the holders of these bonds warrant or convertible rights to up to 50,000,000 new ordinary shares in the Company, to create the respective warrant or convertible obligations or to provide for the Company's right to redeem the bonds by providing ordinary shares in METRO AG, in whole or in part, in lieu of a cash payment (authorisation I), as well as a
- → second contingent increase in the share capital by up to €127,825,000, divided into up to 50,000,000 ordinary bearer shares, which was connected to a second authorisation of the Management Board to issue warrant or convertible bearer bonds, with the consent of the Supervisory Board, with a nominal value of up to €1,500,000,000 in one or several tranches by 12 May 2014 and to grant the bond holders warrant or convertible rights to up to

50,000,000 new ordinary shares in the Company, to provide for the respective warrant or conversion obligations or to provide for the Company's right to redeem the bonds by providing ordinary shares in METRO AG, in whole or in part, in lieu of cash payment (authorisation II).

Both were annulled by resolution of the Annual General Meeting of 5 May 2010. In accordance with the Act on the Implementation of the Shareholder Rights Directive (ARUG) and the rulings of the Federal Court of Justice of 18 May 2009, the detailed stipulations for the determination of the warrant or conversion price in the previous authorisations I and II became redundant.

The Annual General Meeting of 5 May 2010 newly resolved a contingent increase in the share capital by up to €127,825,000, divided into up to 50,000,000 ordinary bearer shares (contingent capital I). This contingent capital increase is connected to the creation of a new authorisation for the Management Board to issue warrant or convertible bearer bonds ("bonds"), with the consent of the Supervisory Board, with a nominal value of up to €1,500,000,000 in one or several tranches by 4 May 2015 and to grant the bond holders warrant or convertible rights to up to 50,000,000 new ordinary shares in the Company based on the conditions of the bonds, to provide for the respective warrant or conversion obligations or to provide for the Company's right to redeem the bonds by providing ordinary shares in METRO AG, in whole or in part, in lieu of cash payment. To date, no warrant and/or convertible bonds have been issued based on said authorisation.

Authorised capital I

On 23 May 2007, the Annual General Meeting resolved to authorise the Management Board to increase the share capital, with the consent 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 by 23 May 2012 (authorised capital I).

A subscription right is to be granted to existing shareholders. However, the Management Board has been authorised to restrict this subscription right, with the consent of the Supervisory Board, to the extent required to grant the holders of warrant 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 warrant/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 shareholders' subscription rights, with the consent of the Supervisory Board, for one or several capital increases under the authorised capital, provided that the total par value of such capital increases does not exceed 10 percent of the share capital registered in the commercial register at the time the authorised capital is first utilised, and further provided that the issue price of the new ordinary shares is not substantially below the market price of the Company's listed ordinary shares of the same category at the time the initial offering price of the new issue is finally fixed. The Management Board is authorised to determine all further details of the capital increases with the consent 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 consent 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 consent 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 13 May 2009, the Annual General Meeting further authorised the Management Board, with the consent of the Supervisory Board, to raise the Company's share capital by up to €225,000,000 by 12 May 2014 by issuing new ordinary bearer shares in exchange for cash or non-cash capital contributions, at once or in several stages (authorised capital III). Shareholders are to receive subscription rights thereto.

However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude residual amounts from shareholder subscription rights. The Management Board is also authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights insofar as shares are issued in exchange for non-cash capital contributions for the purpose of corporate mergers or for the acquisition of companies, divisions of companies or interests in companies. The Management Board is further authorised, with the consent of the Supervisory Board, to exclude subscription rights in the event of a capital increase in exchange for cash capital contributions to the extent necessary to grant subscription rights to new shares to the holders of warrant or convertible bonds issued by METRO AG and affiliates thereof in which METRO AG holds at least 90 percent of shares, directly or indirectly, in the scope to which they would be entitled upon exercise of the warrant or conversion rights or fulfilment of the warrant or conversion obligations. The Management Board is further authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights for one or more capital increases if the capital increase is executed in exchange for cash capital contributions, the aggregate par value of such capital increases does not exceed 10 percent of the Company's share capital and the issue price of the new shares is not substantially lower than the stock exchange price of existing shares of the same class at the time of final definition of the issue price. The limit of 10 percent of the Company's share capital is diminished by the share of the share capital represented by the Company's own shares which are sold during the term of authorised capital III while excluding shareholder subscription rights according to § 71 Section 1 No. 8 Sentence 5, 186 Section 3 Sentence 4 of the German Stock Corporation Act. The limit is further diminished by the share of the share capital represented by shares which are issued to service warrant or convertible bonds with warrant or conversion rights or obligations insofar as the bonds in question are issued during the term of authorised capital III while excluding subscription rights in analogous application of § 186 Section 3 Sentence 4 of the German Stock Corporation Act. The Management Board is authorised, with the consent of the Supervisory Board, to define further details of the capital increases. The new shares may be acquired by banks if the latter agree to tender them to the shareholders. To date, authorised capital III has not been used.

Share buyback

On the basis of § 71 Section 1 No. 8 of the German Stock Corporation Act, the Annual General Meeting on 5 May 2010 authorised the Company to acquire shares of the Company of any share class representing a maximum of 10 percent of the share capital on or before 4 May 2015. The authorisation to acquire treasury stock issued by the Annual General Meeting on 13 May 2009, which expires on 12 November 2010, was replaced by this new authorisation.

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

Capital reserve

The capital reserve amounts to €2,544 million (previous year: €2,544 million).

Reserves retained from earnings

€ million	31/12/2010	31/12/2009
Valuation reserve pursuant to IAS 39 and for deferred taxes on "other income"	80	84
Reserve for currency translation	–315	–440
Other reserves retained from earnings	3,164	2,731
	2,929	**2,375**

Changes in reserves retained from earnings include, among other things, measurement effects with no effect on income pursuant to IAS 39 plus deferred taxes thereon. In the financial year under review, a total of €–4 million (previous year: €+26 million) was reported in equity with no effect on income. This was mainly attributable to the measurement of cash flow hedges and deferred taxes thereon. This change includes €–1 million (previous year: €–7 million) from derecognition. Of this total, €1 million (previous year: €–4 million) is attributable to inventories and €–2 million (previous year: €–3 million) to the financial result. In addition, the change also comprises €–8 million (previous year: €1 million) from the initial and subsequent measurement of derivative financial instruments as well as €5 million (previous year: €16 million) from fair value changes in hedges for share-based remuneration that are not reported as a profit or loss. As in the previous year, in the category of assets classified as "available for sale", no income or expenses were recognised in income. These measurement effects create an overall offset against an opposite tax effect of €0 million (previous year: €16 million).

In addition, an increase in equity due to currency translation differences of €125 million (previous year: €–75 million) is primarily attributable to Russia, Ukraine, Poland, India, the Czech Republic and China, while reductions in equity due to currency translation differences stem mostly from Serbia and Hungary.

Under consideration of the dividend payout for 2009 (€–386 million), the remaining increase in revenue reserves to €3,164 million resulted mainly from the transfer of the net profit for the period due to shareholders of METRO AG for 2010 (€850 million).

Non-controlling interests

Non-controlling interests comprise the shares held by third parties in the share capital of the consolidated subsidiaries. At year-end, these amounted to €152 million (previous year: €238 million). Aside from changes in comprehensive income attributable to non-controlling interests (€100 million) and dividends (€–143 million), non-controlling interests totalling €46 million were disposed of in the Real Estate segment. As a result, significant non-controlling interests now exist only in Media-Saturn-Holding GmbH.

Appropriation of balance sheet profit, dividends

Dividend distribution of METRO AG is based on METRO AG's annual financial statements prepared under German commercial law.

As resolved by the Annual General Meeting on 5 May 2010, 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 2010 from the reported net profit of €409.8 million for 2009. The remaining amount of €23.9 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 net profit of €455.9 million for 2010 a dividend of €1.350 per ordinary share and €1.485 per preference share for a total of €441.5 million, and to carry the remaining amount of €14.4 million forward to the new account. The net profit of €455.9 million for 2010 includes profit carried forward of €23.9 million.

32. Provisions for pensions and similar commitments

€ million	31/12/2010	31/12/2009
Pension provisions (employer's commitments)	573	575
Provisions for indirect commitments	278	239
Provisions for severance benefits	81	83
Provisions for company pension upgrades	5	5
Provisions for company pension plans	937	902
Other provisions for commitments similar to pensions	79	76
	1,016	**978**

Provisions for company pension plans consist, for the most part, of defined benefit plans directly from the employer (employer's commitments) and defined benefit plans from external providers (benevolent funds in Germany and international pension funds). The external providers' assets serve exclusively to finance the pension commitments and qualify as plan assets pursuant to IAS 19. The benefits under the different plans are based on performance and length of service. Furthermore, the length-of-service benefits are guaranteed certain fixed amounts.

The most important pension plans are described in the following.

Germany

The essential plans generally foresee monthly pension benefits. The amounts are either fixed or depend on the length of service. In individual cases, state pension insurance entitlements are to be charged against these entitlements. Entitlements to widow's and widower's pensions also apply.

United Kingdom

There is a performance-orientated benefit plan with commitments to retirement benefits, early retirement benefits, disability benefits and surviving dependents' benefits. The amount of the benefits depends on the length of service and the final income subject to pension.

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Italy

In Italy, employees receive payments upon termination of their employment relationship, irrespective of the reasons for termination. A pension reform law that took effect on 1 January 2007 is designed to promote company and individual retirement provisions. Companies with more than 50 employees are required to transfer employee entitlements incurred after the enforcement date to the newly established state fund.

Belgium

There are both retirement pensions as well as capital commitments whose size depends on the length of service and income. In addition, benefits are paid to employees aged 58 and older who become unemployed.

The above pension commitments are valued on the basis of actuarial calculations in accordance with IAS 19 using the legal, economic and tax circumstances of each country.

The following average assumptions are used in the actuarial calculation:

	31/12/2010				31/12/2009			
%	Eurozone	Germany	Netherlands	United Kingdom	Eurozone	Germany	Netherlands	United Kingdom
Actuarial interest rate	5.03	4.95	5.60	5.50	5.40	5.40	5.40	5.75
Inflation rate	1.81	1.75	2.00	3.75	2.00	2.00	2.00	3.80
Pension trend	1.71	1.76	1.60	3.55	1.93	2.00	1.60	3.60
Income trend	2.40	2.35	2.50	4.50	2.12	2.00	2.50	4.55
Expected return from plan assets	4.59	4.08	5.50	6.10	4.87	4.48	5.50	6.50

The employee turnover rate is determined separately for each business, taking age/length of service into account. The average employee turnover rate in Germany is 3.90 percent (previous year: 3.00 percent). The actuarial calculations are based on country-specific mortality tables. Calculations for the German Group companies are based on the 2005 G tables from Prof. Dr Klaus Heubeck, which have been modified by new data from the German state pension insurance.

The previously used method was further developed for the determination of the calculatory interest rate as of 31 December 2010. Based on the previously used method, the calculatory interest rate would have been 5.20 percent. The effect of conversion from 5.20 percent to 4.95 percent resulted in an increase in actuarial losses of €39 million. As a result, amortisation of actuarial losses for 2011 will increase by €4 million.

The present value of plan assets by asset category can be broken down as follows:

%	31/12/2010	31/12/2009
Fixed-interest securities	49	61
Shares, funds	18	18
Real Estate	17	13
Other assets	16	8
	100	**100**

The expected average rate of interest is 3.9 percent (previous year: 4.2 percent) for fixed-interest securities, 7.9 percent (previous year: 7.8 percent) for shares and funds and 5.8 percent (previous year: 6.2 percent) for real estate. The respective rate of interest takes into account country-specific factors and is based on factors such as the expected long-term interest rates and dividend payouts as well as the expected capital growth of the investment portfolio.

Plan assets include properties used by METRO GROUP in the amount of €137 million (previous year: €103 million).

The actual gain from plan assets amounted to €80 million (previous year: €55 million) in the financial year 2010.

The financing status that results from the balance of the plan assets' net present value and fair value developed as follows over the past five years:

€ million	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
Net present value	2,026	1,944	1,827	1,861	2,034
Plan assets	−936	−870	−845	−936	−907
Financing status	1,090	1,074	982	925	1,127
Experience-based adjustment of plan liabilities	−13	2	−3	−1	−14
Experience-based adjustment of plan assets	38	13	−82	−10	10

In the financial year 2011, payments to external pension providers are expected to amount to €48 million.

Changes in the net present value of defined benefit obligations (DBO) and plan assets of external pension providers are shown in the chart below:

€ million	2010	2009
Net present value (DBO)		
At 1 January	1,944	1,827
Interest expenses	101	102
Service cost	41	31
Past service cost	−7	0
Curtailment/compensation	−8	−1
Plan costs	0	−1
Pension payments	−126	−128
Actuarial gains (-)/losses (+)	66	105
Change in consolidation group	0	2
Currency effects	15	7
At 31 December	**2,026**	**1,944**
Changes in plan assets		
At 1 January	870	845
Expected income on plan assets	41	42
Plan costs	−1	−1
Pension payments	−74	−74
Employer contributions	34	31
Contributions from plan participants	13	7
Actuarial gains (+)/losses (-)	38	13
Currency effects	15	7
At 31 December	**936**	**870**
Financing status		
Net present value (DBO), not fund-financed	744	721
Net present value (DBO), wholly or partly fund-financed	1,282	1,223
Subtotal	2,026	1,944
Market value of plan assets	−936	−870
At 31 December	1,090	1,074
Actuarial gains (+)/losses (-) not yet considered	−244	−243
Past service cost	−6	−7
Account not shown as an asset due to definition of IAS 19.58 (b)	0	0
Recognised reimbursement claims pursuant to IAS 19.104A	0	0
Commitments measured based on local criteria	2	2
Recognised assets pursuant to IAS 19.58	95	76
Provisions for company pensions as of 31 December	**937**	**902**

Provisions for company pension plans in the amount of €937 million (previous year: €902 million) are netted against assets for indirect pension plans, particularly in the United Kingdom and the Netherlands, of €95 million (previous year: €76 million).

The pension expenses of the direct and indirect company pension plans can be broken down as follows:

€ million	2010	2009
Interest expense on net present value (DBO)	101	102
Expected return on plan assets	–41	–42
Recognised actuarial gains (-)/losses (+)	26	6
Service cost[1]	28	24
Curtailment	–5	0
Asset limitation	0	–3
Past service cost	–6	1
	103	**88**

[1] Netted against employees' contributions

In addition to expenses from defined benefit pension commitments, expenses for payments to external pension providers relating to defined benefit commitments of €53 million (previous year: €48 million) were considered in the financial year 2010.

The **other provisions for commitments similar to pensions** essentially comprise commitments from employment anniversary allowances, death benefits and pre-retirement part-time plans. Provisions amounting to €28 million (previous year: €33 million) were formed for commitments from pre-retirement part-time plans. The corresponding expenses amount to €5 million (previous year: €9 million).

The commitments are valued on the basis of actuarial calculations. In principle, the parameters used are identical to those employed in the company pension plan.

33. Other provisions (non-current)/provisions (current)

In the reporting year other provisions (non-current)/provisions (current) changed as follows:

€ million	Real-estate-related obligations	Obligations from merchandise trading	Restructuring	Taxes	Others	Total
At 1/1/2010	234	157	270	189	213	1,063
Currency translation	1	1	0	1	1	4
Addition	132	136	110	92	171	641
Disposal	–57	–8	–69	–18	–69	–221
Utilisation	–59	–142	–120	–33	–106	–460
Interest portion in addition/change in interest rate	5	5	2	0	20	32
Transfer	–40	–2	–14	–31	32	–55
At 31/12/2010	**216**	**147**	**179**	**200**	**262**	**1,004**
Non-current	161	13	43	162	93	472
Current	55	134	136	38	169	532
At 31/12/2010	**216**	**147**	**179**	**200**	**262**	**1,004**

Provisions for real estate-related obligations essentially concern uncovered rental commitments in the amount of €84 million (previous year: €72 million), location risks in the amount of €72 million (previous year: €92 million), reinstatement obligations in the amount of €20 million (previous year: €20 million) as well as rental commitments in the amount of €20 million (previous year: €16 million).

Other real estate obligations in the amount of €20 million (previous year: €34 million) stem essentially from maintenance obligations.

Significant components of the obligations from merchandise trading are provisions for rebates from the Payback programme in the amount of €78 million (previous year: €85 million) as well as provisions for guarantee services in the amount of €53 million (previous year: €54 million).

The other provisions item contains mainly litigation costs/risks in the amount of €35 million (previous year: €40 million), gratuity commitments of €18 million (previous year: €9 million) as well as surety and guarantee risks of €12 million (previous year: €4 million). Provisions for share-based remuneration amount to €60 million (previous year: €13 million). Supplementary explanations on share-based remuneration are provided in no. 49 "Share-based compensation for executives".

In the context of the decision to dispose of the French consumer electronics stores, provisions of €53 million were reclassified to the item "liabilities related to assets held for sale". The reclassification is shown as a transfer.

34. Liabilities

		Remaining term				
€ million	31/12/2010 Total	Up to 1 year	1 to 5 years	Over 5 years	31/12/2009 Total[1]	1/1/2009 Total[2]
Trade payables	14,393	14,393	0	0	14,174	14,125
thereof bills of exchange (non-interest-bearing)	(617)	(617)	(0)	(0)	(507)	(584)
Bonds	4,615	1,253	2,615	747	4,037	3,836
Due to banks	1,211	375	621	215	1,214	1,533
Promissory note loans	868	12	856	0	867	707
Liabilities from finance leases	1,589	110	471	1,008	1,609	1,819
Financial liabilities	**8,283**	**1,750**	**4,563**	**1,970**	**7,727**	**7,895**
Other tax liabilities	535	535	0	0	522	585
Prepayments received on orders	40	40	0	0	36	32
Payroll	927	925	2	0	850	862
Liabilities from other financial transactions	41	38	3	0	51	38
Deferred liabilities	438	154	242	42	407	313
Miscellaneous liabilities	1,234	766	447	21	1,001	953
Other liabilities	**3,215**	**2,458**	**694**	**63**	**2,867**	**2,783**
Income tax liabilities	**291**	**291**	**0**	**0**	**265**	**266**
	26,182	**18,892**	**5,257**	**2,033**	**25,033**	**25,069**

[1] Adjustment due to revised disclosure
[2] Adjustment due to first-time adoption of new IFRS in the financial year 2009 as well as revised disclosure

35. Trade liabilities

The increase in trade payables is due to positive currency effects and to the expansion of the international business of the sales divisions Media Markt and Saturn and Metro Cash & Carry. This is netted against the reclassification of liabilities to the item "liabilities related to assets held for sale" in connection with the agreed disposal of the consumer electronics stores in France and the disposal of liabilities from the sale of Metro Cash & Carry in Morocco.

36. Financial liabilities

A "Debt Issuance Programme" provides **long-term financing.** The following transactions were carried out under this programme in 2010:

Type of transaction	Date of issue	Maturity	Maturity date	Nominal volume	Coupon
New issue	February 2010	7 years	February 2017	€750 million	4.250% fixed
Redemption	September 2006	4 years	September 2010	€200 million	variable

For **short- and medium-term financing,** METRO GROUP uses ongoing capital market issuance programmes such as a "Euro Commercial Paper Programme" with an authorised volume of up to €2.0 billion. Another "Commercial Paper Programme" is aimed, in particular, at investor groups on the French capital market. The volume of this programme was reduced to €2.0 billion from €3.0 billion in the first half of the year. The average amount utilised by both programmes in 2010 was €687 million (previous year: €1,629 million).

In addition, METRO GROUP has access to syndicated lines of credit totalling €2,475 million (previous year: €2,975 million) with terms ending between March 2013 and December 2015. If the credit lines are used, the interest rates range between EURIBOR +30.0 basis points (BP) and EURIBOR +65.0 BP. The average amount drawn on the credit lines in 2010 was €0 million (previous year: €125 million), the average amount drawn as of the closing date was €0 million (previous year: €0 million).

The contract terms for the syndicated lines of credit provide for a decrease of 5 to 10 BP in the spread if METRO GROUP's credit rating is raised one step. If the rating is lowered by one step, the spread would increase by 7.5 to 20 BP.

Additional bilateral bank lines of credit totalling €2,204 million (previous year: €2,467 million) were available to METRO GROUP as of 31 December 2010. Of this amount, €1,006 million (previous year: €1,246 million) had a remaining term of up to one year. On the closing date, €1,211 million (previous year: €1,214 million) of the bilateral lines of credit had been utilised. Of this amount, €375 million (previous year: €534 million) has a remaining term of up to one year.

The defaulting of a lender can be covered at any time by the existing unutilised credit facilities or the available money and capital market programmes. METRO GROUP therefore does not bear a significant credit default risk.

METRO GROUP principally does not provide collateral for financial liabilities. One exception concerns the first-time consolidation of Asset Immobilienbeteiligungen GmbH & Co. KG and its subsidiaries in 2003. Collateral in the amount of €417 million (previous year: €486 million) was provided for the financial liabilities of these companies as of 31 December 2010. The following table shows the maturity structure of the financial liabilities. The book values and fair values (market values) indicated include the interest accrued when the maturity is less than one year.

Unutilised lines of credit of METRO GROUP

	31/12/2010			31/12/2009		
€ million	**Total**	**Up to 1 year**	**Over 1 year**	**Total**	**Up to 1 year**	**Over 1 year**
Bilateral lines of credit	2,204	1,006	1,198	2,467	1,246	1,221
Utilisation	−1,211	−375	−836	−1,214	−534	−680
Unutilised bilateral lines of credit	993	631	362	1,253	712	541
Syndicated lines of credit	2,475	0	2,475	2,975	0	2,975
Utilisation	0	0	0	0	0	0
Unutilised syndicated lines of credit	2,475	0	2,475	2,975	0	2,975
Total lines of credit	4,679	1,006	3,673	5,442	1,246	4,196
Total utilisation	−1,211	−375	−836	−1,214	−534	−680
Total unutilised lines of credit	**3,468**	**631**	**2,837**	**4,228**	**712**	**3,516**

Redeemable loans that are shown under liabilities to banks are listed with the remaining terms corresponding to their redemption dates. For remaining terms of over one year, the indicated fair value of these loans generally includes the book value. The difference between the book value and the fair value of the entire loan is shown in maturities under one year.

			31/12/2010				31/12/2009			
Type of financing	Currency	Remaining term	Total amount issued in million currency	Nominal values € million	Book values € million	Fair values € million	Total amount issued in million currency	Nominal values € million	Book values € million	Fair values[1] € million
Bonds	EUR	up to 1 year	1,100	1,100	1,252	1,266	200	200	326	325
		1 to 5 years	2,600	2,600	2,592	2,955	2,700	2,700	2,692	2,914
		over 5 years	750	750	747	774	1,000	1,000	994	1,170
	RON	up to 1 year	0	0	1	1	0	0	1	1
		1 to 5 years	100	23	23	25	100	24	24	24
		over 5 years	0	0	0	0	0	0	0	0
Liabilities to banks (excl. open account)	EUR	up to 1 year	84	84	91	129	309	309	310	355
		1 to 5 years	465	465	457	457	177	177	177	176
		over 5 years	202	202	202	202	348	348	348	350
	CNY	up to 1 year	201	23	23	28	464	47	47	47
		1 to 5 years	417	47	47	47	486	49	49	49
		over 5 years	0	0	0	0	0	0	0	0
	JPY	up to 1 year	2,125	16	20	21	669	5	5	5
		1 to 5 years	6,607	54	61	61	8,928	60	69	60
		over 5 years	0	0	0	0	0	0	0	0
	RUB	up to 1 year	3,367	82	82	82	1,558	36	36	36
		1 to 5 years	0	0	0	0	0	0	0	0
		over 5 years	0	0	0	0	0	0	0	0
	Others	up to 1 year	n/a	42	43	43	n/a	50	50	50
		1 to 5 years	n/a	56	56	56	n/a	28	29	28
		over 5 years	n/a	13	13	13	n/a	8	8	8
Promissory note loans	EUR	up to 1 year	0	0	12	12	0	0	12	12
		1 to 5 years	857	857	856	880	857	857	855	882
		over 5 years	0	0	0	0	0	0	0	0

[1] Adjustment of previous year's figures due to consideration of credit spreads

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

Type of financing	Interest terms	Currency	Remaining terms	31/12/2010 Weighted effective interest rate when issued (%)	31/12/2010 Issue volume € million	31/12/2009 Weighted effective interest rate when issued (%)	31/12/2009 Issue volume € million
Bonds	Fixed interest	EUR	up to 1 year	4.31	1,100	–	0
			1 to 5 years	6.97	2,600	5.65	2,700
			over 5 years	4.25	750	7.63	1,000
		RON	up to 1 year	–	0	–	0
			1 to 5 years	11.55	23	11.55	24
			over 5 years	–	0	–	0
	Variable interest	EUR	up to 1 year	–	0	0.98	200
			1 to 5 years	–	0	–	0
			over 5 years	–	0	–	0
Liabilities to banks (excl. open account)	Fixed interest	EUR	up to 1 year	3.56	84	3.54	309
			1 to 5 years	4.63	458	5.34	170
			over 5 years	4.66	201	5.21	346
		CNY	up to 1 year	5.27	23	4.67	47
			1 to 5 years	5.21	47	5.16	49
			over 5 years	–	0	–	0
		RUB	up to 1 year	6.14	82	10.70	36
			1 to 5 years	–	0	–	0
			over 5 years	–	0	–	0
		Others	up to 1 year	12.26	37	8.42	50
			1 to 5 years	7.88	8	–	0
			over 5 years	–	0	–	0
	Variable interest	EUR	up to 1 year	–	0	–	0
			1 to 5 years	4.39	7	4.39	7
			over 5 years	4.39	1	4.39	2
		JPY	up to 1 year	5.01	16	1.72	5
			1 to 5 years	3.62	54	4.01	60
			over 5 years	–	0	–	0
		Others	up to 1 year	1.40	5	–	0
			1 to 5 years	4.75	48	6.06	28
			over 5 years	2.89	13	3.03	8
Promissory note loans	Fixed interest	EUR	up to 1 year	–	0	–	0
			1 to 5 years	4.50	244	4.50	244
			over 5 years	–	0	–	0
	Variable interest	EUR	up to 1 year	–	0	–	0
			1 to 5 years	2.22	613	2.06	613
			over 5 years	–	0	–	0

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

The effects that changes in interest rates concerning the variable portion of financial liabilities have on the net profit for the period and the equity of METRO GROUP are described in detail in no. 43 "Management of financial risks".

37. Other liabilities

The change in payroll liabilities is essentially attributable to higher bonus commitments.

Key items in other liabilities are commitments from stock tender rights totalling €389 million (previous year: €310 million), liabilities towards customers of €297 million (previous year: €216 million) and liabilities from real estate totalling €80 million (previous year: €59 million). In addition, other liabilities also include numerous other individual items.

	31/12/2010			31/12/2009			1/1/2009		
		Remaining term			Remaining term			Remaining term	
€ million	Total	Up to 1 year	Over 1 year	Total	Up to 1 year	Over 1 year	Total	Up to 1 year	Over 1 year
Other tax liabilities	535	535	0	522	522	0	585	585	0
Payroll	927	925	2	850	842	8	862	832	30
Deferred income[1]	438	154	284	407	120	287	313	82	231
Other liabilities[2]	1,315	844	471	1,088	716	372	1,023	664	359
	3,215	**2,458**	**757**	**2,867**	**2,200**	**667**	**2,783**	**2,163**	**620**

[1] Adjustment of figures as of 1 January 2009 due to first-time adoption of new IFRS
[2] Adjustment of previous year's figures due to revised disclosure

38. Undiscounted cash flows of financial liabilities

The undiscounted cash flows of financial liabilities, trade payables and derivatives carried as liabilities are as follows:

		Cash flows 2011		Cash flows 2012–2015		Cash flows after 2015	
€ million	Book values 31/12/2010	Interest	Redemption	Interest	Redemption	Interest	Redemption
Financial liabilities							
Bonds	4,615	263	1,253	656	2,615	64	747
Liabilities to banks	1,211	42	375	95	621	5	215
Promissory note loans	868	27	12	39	856	0	0
Finance leases	1,589	114	110	366	471	547	1,008
Trade payables	14,393	0	14,393	0	0	0	0
Fixed-interest derivatives carried as liabilities	17	9	0	8	0	0	0
Currency derivates carried as liabilities	22	0	22	0	0	0	0
Commodity derivatives carried as liabilities	0	0	0	0	0	0	0

		Cash flows 2010		Cash flows 2011–2014		Cash flows after 2014	
€ million	Book values 31/12/2009	Interest	Redemption	Interest	Redemption	Interest	Redemption
Financial liabilities							
Bonds	4,037	233	327	683	2,716	76	994
Liabilities to banks	1,214	48	534	93	324	11	356
Promissory note loans	867	25	12	77	855	0	0
Finance leases	1,609	113	111	362	462	465	1,036
Trade payables[1]	14,174	0	14,174	0	0	0	0
Fixed-interest derivatives carried as liabilities	15	0	0	15	0	0	0
Currency derivates carried as liabilities	28	0	18	0	10	0	0
Commodity derivatives carried as liabilities	16	0	16	0	0	0	0

		Cash flows 2009		Cash flows 2010–2013		Cash flows after 2013	
€ million	Book values 1/1/2009	Interest	Redemption	Interest	Redemption	Interest	Redemption
Financial liabilities							
Bonds	3,836	143	1,892	334	1,944	0	0
Liabilities to banks	1,533	62	825	111	288	19	420
Promissory note loans	707	29	9	75	698	0	0
Finance leases	1,819	94	138	298	526	436	1,155
Trade payables[1]	14,125	0	14,125	0	0	0	0
Fixed-interest derivatives carried as liabilities	8	8	0	0	0	0	0
Currency derivates carried as liabilities	27	0	27	0	0	0	0
Commodity derivatives carried as liabilities	0	0	0	0	0	0	0

[1] Adjustment due to revised disclosure

39. Book values and fair values according to measurement category

The book values and fair values of recognised financial instruments are as follows:

€ million	31/12/2010 Book value	Balance sheet valuation (Amortised) cost	Fair value affecting income	Fair value not affecting income	Fair value
Assets	**35,067**	**n/a**	**n/a**	**n/a**	**n/a**
Loans and receivables	**2,731**	**2,731**	**0**	**0**	**2,733**
Loans and advance credit granted	122	122	0	0	122
Receivables due from suppliers	1,560	1,560	0	0	1,560
Trade receivables	526	526	0	0	526
Other financial assets	523	523	0	0	525
Held to maturity	**0**	**0**	**0**	**0**	**0**
Held for trading	**30**	**0**	**30**	**0**	**30**
Derivative financial instruments not part of a hedge under IAS 39	30	0	30	0	30
Available for sale	**13**	**11**	**0**	**2**	**n/a**
Investments	11	11	0	0	n/a
Securities	2	0	0	2	2
Derivative financial instruments within hedges under IAS 39	**37**	**0**	**0**	**37**	**37**
Cash and cash equivalents	**4,799**	**4,799**	**0**	**0**	**4,799**
Assets not classified under IFRS 7	**27,457**	**n/a**	**n/a**	**n/a**	**n/a**
Liabilities	**35,067**	**n/a**	**n/a**	**n/a**	**n/a**
Held for trading	**20**	**0**	**20**	**0**	**20**
Derivative financial instruments not part of a hedge under IAS 39	20	0	20	0	20
Other financial liabilities	0	0	0	0	0
Other financial liabilities	**23,208**	**23,208**	**0**	**0**	**23,683**
Financial liabilities excl. finance leases (incl. underlying hedging transactions under IAS 39)	6,694	6,694	0	0	7,169
Trade payables	14,393	14,393	0	0	14,393
Other financial liabilities	2,121	2,121	0	0	2,121
Derivative financial instruments within hedges under IAS 39	**19**	**0**	**0**	**19**	**19**
Assets not classified under IFRS 7	**11,820**	**n/a**	**n/a**	**n/a**	**n/a**
Unrealised profit (+)/loss (–) from total difference between fair value and book value					**–473**

	31/12/2009				
		Balance sheet valuation[1]			
€ million	Book value	(Amortised) cost	Fair value affecting income	Fair value not affecting income	Fair value
Assets	**33,282**	**n/a**	**n/a**	**n/a**	**n/a**
Loans and receivables	**2,722**	**2,722**	**0**	**0**	**2,733**
Loans and advance credit granted	129	129	0	0	131
Receivables due from suppliers	1,359	1,359	0	0	1,359
Trade receivables	539	539	0	0	539
Other financial assets	695	695	0	0	704
Held to maturity	**9**	**9**	**0**	**0**	**9**
Held for trading	**35**	**0**	**35**	**0**	**35**
Derivative financial instruments not part of a hedge under IAS 39	35	0	35	0	35
Available for sale	**23**	**22**	**0**	**1**	**n/a**
Investments	22	22	0	0	n/a
Securities	1	0	0	1	1
Derivative financial instruments within hedges under IAS 39	**17**	**0**	**0**	**17**	**17**
Cash and cash equivalents	**3,996**	**3,996**	**0**	**0**	**3,996**
Assets not classified under IFRS 7	**26,480**	**n/a**	**n/a**	**n/a**	**n/a**
Liabilities	**33,282**	**n/a**	**n/a**	**n/a**	**n/a**
Held for trading	**50**	**0**	**50**	**0**	**50**
Derivative financial instruments not part of a hedge under IAS 39	50	0	50	0	50
Other financial liabilities	0	0	0	0	0
Other financial liabilities	**22,122**	**22,122**	**0**	**0**	**22,574**
Financial liabilities excl. finance leases (incl. underlying hedging transactions under IAS 39)	6,118	6,118	0	0	6,578
Trade payables	14,174	14,174	0	0	14,174
Other financial liabilities	1,830	1,830	0	0	1,822
Derivative financial instruments within hedges under IAS 39	**9**	**0**	**0**	**9**	**9**
Assets not classified under IFRS 7	**11,101**	**n/a**	**n/a**	**n/a**	**n/a**
Unrealised profit (+)/loss (–) from total difference between fair value and book value					**–441**

[1] Adjustment of previous year's figures due to revised disclosure and consideration of credit spread

Due to their mostly short terms, the fair values of receivables due from suppliers, trade receivables and cash and cash equivalents essentially correspond to their book values.

The measurement of the fair value of bonds, promissory note loans and bank loans is based on the market interest rate curve following the zero coupon method without consideration of credit spreads. The amounts comprise the interest prorated to the closing date.

The fair values of all other financial assets and liabilities that are not listed on an exchange correspond to the present value of payments underlying these balance sheet items. The calculation was based on the applicable country-specific yield curves as of the closing date.

The following table depicts the financial instruments that are recognised at fair value in the balance sheet. These are classified into a three-level fair value hierarchy whose levels reflect the degree of closeness to the market of the data used in the determination of the fair values:

	31/12/2010				31/12/2009			
€ million	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets	**32**	**2**	**30**	**0**	**36**	**1**	**35**	**0**
Held for trading								
Derivative financial instruments not part of a hedge under IAS 39	30	0	30	0	35	0	35	0
Available for sale								
Securities	2	2	0	0	1	1	0	0
Liabilities	**20**	**0**	**20**	**0**	**50**	**0**	**50**	**0**
Held for trading								
Derivative financial instruments not part of a hedge under IAS 39	20	0	20	0	50	0	50	0
Total	**12**	**2**	**10**	**0**	**–14**	**1**	**–15**	**0**

The measurement of securities (level 1) is carried out based on quoted market prices on active markets.

Interest rate swaps and forex transactions (all level 2) are measured using the mark-to-market method based on quoted exchange rates and market yield curves.

The fair value of commodity derivatives (level 2) is calculated as the average of the past month's price noted on the exchange.

No transfers between levels 1 and 2 were effected during the reporting period.

Other notes

40. Notes to the cash flow statement
In accordance with IAS 7 (Statement of Cash Flows), the consolidated statement of cash flows describes changes in the Group's liquid funds through cash inflows and outflows during the reporting year.

The item cash and cash equivalents includes cash and cash on hand as well as bank deposits with a remaining term of up to three months.

The cash flow statement distinguishes between changes in cash levels from operating, investing and financing activities. Cash flows from discontinued operations are shown separately where they concern operations to be disposed of. Following the divestment of the Adler fashion stores, the cash flows of these discontinued operations are listed separately for the previous year.

During the financial year under review, the assets and liabilities of the French consumer electronics stores were shown under "assets held for sale" and "liabilities related to assets held for sale". The reclassified assets include cash on hand totalling €29 million.

During the reporting year, net cash provided by operating activities of continuing operations amounted to €2,514 million (previous year: €2,494 million). Fixed assets include €1,232 million in write-downs (previous year: €1,177 million), €178 million (previous year: €212 million) in intangible assets and €17 million (previous year: €7 million) in investment properties. On the other hand, write-backs amount to €47 million (previous year: €9 million). The change in net working capital amounts to €–288 million (previous year: €62 million) and includes changes in inventories, trade receivables and receivables due from suppliers, credit card receivables and prepayments made on inventories in the item "other receivables and assets". In addition, the item includes changes in trade payables and liabilities to customers and prepayments made on orders included in the item "other liabilities". Aside from numerous individual items, "others" essentially include reclassifications of gains from asset disposals totalling €–215 million (previous year: €–51 million) as well as from company divestments amounting to €–68 million (previous year: €0 million) to cash flow from investing activities. In addition, this item includes changes in payroll liabilities totalling €69 million (previous year: €–14 million).

In the financial year 2010, the Group recorded cash outflows of €961 million (previous year: cash outflows of €1,162 million) from investing activities of continuing operations. The amount of investments in fixed assets shown as cash outflows differs from the inflows shown in the asset statement in the amount of non-cash transactions. These essentially concern currency effects and additions from finance leases. Other investments include investments in intangible assets totalling €137 million as well as financial assets amounting to €196 million. The divestment of the Metro Cash & Carry stores in Morocco and the disposal of a real estate company resulted in cash inflows of €121 million in the reporting year (previous year: cash outflow of €34 million from the divestment of the Adler fashion stores). Other asset disposals essentially comprise cash inflows from real estate divestments.

In the financial year 2010, financing activities of continuing operations generated cash outflows of €734 million (previous year: cash outflows of €1,225 million).

41. Segment reporting
Segment reporting has been carried out in accordance with IFRS 8 (Operating Segments). The segmentation corresponds to the Group's internal controlling and reporting structures and is generally based on the division of the business into individual branches.

Self-service wholesale
Metro Cash & Carry is now represented in 30 countries through its Metro and Makro brands. Its assortments, services and complete solutions are customised to the requirements of commercial customers, including hotel and restaurant owners, catering firms, independent retailers as well as service providers and public authorities.

Food retail
Real operates hypermarkets in Germany and Poland. In addition, the sales division has locations in Romania, Russia, Ukraine and Turkey. All stores offer a wide range of food including a large share of fresh products, which is supplemented by a nonfood assortment.

Consumer electronics retail

Media Markt and Saturn offers a comprehensive assortment including the latest brand products. With its two strong brands, the sales division is now represented in 17 countries.

Department stores

Galeria Kaufhof operates department stores in Germany and Belgium. In Belgium, the sales division operates under the name Galeria Inno. Galeria's department stores offer high-quality assortments with a focus on textiles.

Real Estate

METRO Group Asset Management manages METRO GROUP's real estate assets in 30 countries. Its responsibilities include, among other things, actively increasing the portfolio value, developing new stores and branches as well as managing existing locations.

Additional information on the segments is provided in the management report.

Aside from the information on the operating segments listed above, equivalent information is provided on the Metro regions. Here, a distinction is made between the regions Germany, Western Europe excluding Germany, Eastern Europe and Asia/Africa.

- External sales represent sales of the operating segments to third parties outside the Group.
- Internal sales represent sales between the Group's operating segments.
- Segment EBITDAR represents EBITDA before rental expenses less rental income.
- Segment EBITDA comprises EBIT before write-downs and write-ups on tangible and intangible assets.
- EBIT as the key ratio for segment reporting describes operating earnings for the period before net financial income and income taxes. Intra-Group rental contracts are shown as operating leases in the segments. The properties are leased at market rates. In principle, location risks and recoverability risks related to non-current assets are only shown in the segments when they represent Group risks.
- Segment investments include additions to assets adjusted for additions due to the reclassification of "assets held for sale" as fixed assets. Additions to non-current financial assets represent another exception.
- Segment assets include non-current and current assets. They do not include mostly financial assets according to the balance sheet, income tax items, cash and assets allocable to discontinued operations.
- Segment liabilities include non-current and current liabilities. They do not include, in particular, financial liabilities according to the balance sheet, income tax items and liabilities allocable to discontinued operations.
- In principle, transfers between segments are made based on the costs incurred from the Group's perspective.
- Discontinued operations in 2009 include the figures relating to the Adler fashion stores.

Reconciliation statement

€ million	31/12/2010
Segment assets	**28,064**
Non-current and current financial assets	251
Cash and cash equivalents	4,799
Deferred taxes	1,000
Entitlements to income tax refunds	412
Other entitlements to tax refunds[1]	356
Receivables from other financial transactions[2]	108
Other	77
Group assets	**35,067**
Segment liabilities	**19,031**
Non-current and current financial liabilities	8,283
Deferred taxes	212
Income tax liabilities	291
Income tax provisions[3]	147
Other tax liabilities[4]	535
Liabilities from other financial transactions[4]	41
Liabilities to third parties[4]	30
Other	37
Group liabilities	**28,607**

[1] Included in balance sheet item "other receivables and assets" (current)
[2] Included in balance sheet items "other receivables and assets" (non-current and current)
[3] Included in balance sheet items "other provisions" (non-current) and "provisions" (current)
[4] Included in balance sheet item "other liabilities" (non-current and current)

42. Discontinued operations

No discontinued operations were recognised in the financial year 2010.

In the previous year, the assets and liabilities of the Adler fashion stores, which, from September 2008, had been treated as a discontinued operation under IFRS 5, were sold effective 28 February 2009.

The results of discontinued operations of the previous year comprise the following components:

€ million	2010	2009
Income	0	51
Expenses	0	−63
Current income from discontinued operations before taxes	0	−12
Income tax on current income	0	0
Current income from discontinued operations after taxes	**0**	**−12**
Measurement/divestment income from discontinued operations before taxes	0	12
Tax on measurement/divestment income	0	0
Measurement/divestment income from discontinued operations after taxes	**0**	**12**
Profit/loss from discontinued operations	**0**	**0**

43. 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, share price fluctuations or changes in commodity prices.

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

METRO GROUP's remaining interest rate risk is assessed in accordance with IFRS 7 using a sensitivity analysis. In the process, the following assumptions are applied in the consideration of changes in interest rates:

The total impact determined by the sensitivity analysis relates to the actual balance as of the closing date and reflects the impact for one year.

Original floating-rate financial instruments whose interest payments are not designated as the underlying transaction in a cash flow hedge against changes in interest rates are recognised in interest income in the sensitivity analysis.

Original fixed-interest financial instruments generally are not recognised in interest income. They are only recognised in other financial result if they are designated as the underlying transaction within a fair value hedge and measured at their fair value. In this case, however, the interest-related change in the value of the underlying transaction is offset by the change in the value of the hedging transaction upon full effectiveness of the hedging transaction. The variable interest flows within the Group that result from a fair value hedge are recognised in interest income.

Financial instruments designated as the hedging transaction within a cash flow hedge to hedge against variable interest flows will only be recognised in interest income when the payment flows have actually been initiated. However, the measurement of the hedging transaction at fair value is recognised in reserves retained from earnings without being reported as a profit or loss.

Interest rate derivatives that are not part of a qualified hedging transaction under IAS 39 are recognised at fair value in other financial results and, through resulting interest flows, in interest income.

At the closing date, the remaining interest rate risk of METRO GROUP results essentially from variable interest receivables and liabilities to banks with a total investment balance after consideration of hedging transactions in the amount of €3,924 million (previous year: €2,963 million).

Given this total balance, a higher interest rate of 100 basis points would result in €39 million (previous year: €30 million) higher earnings in interest income per year. A lower interest rate of 100 basis points would have a corresponding opposite effect in the amount of €–39 million (previous year: €–30 million).

In the event of a higher interest rate of 100 basis points, the measurement of financial instruments that are part of a cash flow hedge would result in an increase in equity in the amount of €4 million (previous year: €0 million) as well as an increase in other financial results of €4 million (previous year: €0 million).

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. In accordance with the Group guideline "Foreign Currency Transactions", resulting foreign currency positions must be hedged. Exceptions from this hedging requirement exist where hedging is not economically reasonable and in the case of legal and regulatory restrictions in the respective countries. Forex futures and options as well as interest rate swaps and currency swaps are used to limit currency risks.

In line with IFRS 7, the presentation of the currency risk resulting from the exceptions is also based on a sensitivity analysis. In the process, the following assumptions are made in the consideration of a devaluation or revaluation of the euro vis-à-vis other currencies:

In terms of its amount and result characteristic, the total effect presented by the sensitivity analysis relates to the amounts of foreign currency held within the consolidated subsidiaries of METRO GROUP and states the effect of a devaluation or revaluation of the euro.

A devaluation of the euro will result in a positive effect if a foreign currency receivable exists at a subsidiary which uses the euro as its functional currency, and if a liability in euro exists in a subsidiary which does not use the euro as its functional currency. A devaluation of the euro will result in a negative effect if a receivable in euro exists at a subsidiary which does not use the euro as its functional currency and if a liability in euro exists at a subsidiary which uses the euro as its functional currency. Conversely, any appreciation of the euro will have the opposite effect.

In the sensitivity analysis, the effects of the measurement of non-equity foreign currency positions that are calculated based on the closing date price in line with IAS 21 are recognised in income in the income statement. In the case of net investments in foreign currency, the effects of the closing date measurement are recognised in equity without being reported as a profit or loss.

Foreign currency futures/options and interest rate and currency swaps that are not part of a qualified hedge under IAS 39 are recognised in income through the fair value measurement in the income statement. In fully effective hedging transactions, this effect is offset by the effect from the measurement of the underlying foreign currency transaction.

Foreign currency futures/options and interest rate and currency swaps that are designated as the hedging transaction within a cash flow hedge to hedge against payment flows in foreign currency will only be recognised in the income statement when the payment flows are actually initiated. The measurement of the hedging transaction at its fair value, however, is recognised in reserves retained from earnings without being reported as a profit or loss.

Effects from the currency translation of financial statements whose functional currency is not the reporting currency of METRO GROUP do not affect cash flows in local currency and are therefore not part of the sensitivity analysis.

As of the closing date, the remaining currency risk of METRO GROUP was as follows:

€ million Currency pair	Volume	Impact of devaluation/appreciation of euro by 10% 31/12/2010	31/12/2009
Net profit for the period			
CNY / EUR	–54	+/–5	+/–3
CZK / EUR	–3	+/–0	+/–1
EGP / EUR	–18	+/–2	+/–0
HRK / EUR	–31	+/–3	+/–1
HUF / EUR	–10	+/–1	+/–1
JPY / EUR	58	+/–6	+/–0
MAD / EUR	115	+/–11	+/–0
MDL / EUR	–41	+/–4	+/–5
PLN / EUR	–100	+/–10	+/–10
RON / EUR	–217	+/–22	+/–17
RSD / EUR	–13	+/–1	+/–0
RUB / EUR	–138	+/–14	+/–10
TRY / EUR	19	–/+2	–/+1
UAH / EUR	–22	+/–2	+/–1
USD / EUR	26	+/–2	+/–3
VND / EUR	–15	+/–2	+/–1
		+/–83	**+/–52**
Equity			
JPY / EUR	0	+/–0	+/–3
PLN / EUR	77	+/–8	+/–7
RUB / EUR	–526	+/–53	+/–50
SEK / EUR	–51	+/–5	+/–5
TRY / EUR	–32	+/–3	+/–3
UAH / EUR	–248	+/–25	+/–25
USD / EUR	403	+/–40	+/–26
		+/–134	**+/–119**
		+/–217	**+/–171**

In addition, currency risks for the currency pairs USD/CNY, USD / HKD, USD / RUB, USD / TRY, USD / VND with an effect of €+/–7 million (previous year: €+/–6 million) exist in the case of an appreciation or devaluation of the USD by 10 percent.

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 from the share bonus programme valid until 2008. The share price risk from this programme is fully hedged on a fluctuation-adjusted basis. In 2009, the share bonus programme was replaced by the performance share plan. The share price risk from this programme has not been limited to date.

Electricity prices affect the fair value of **electricity derivatives.** Fluctuations in value impact the other financial result.

As of the closing date, the nominal value of the portfolio with a delivery in 2011 amounts to €23.5 million and the nominal value of the portfolio with a delivery in 2012 amounts to €5.6 million. The nominal portfolio value refers to the cost of procurement.

Based on the determination of the value at risk, with a confidence level of 99 percent and a holding period of 20 days, a maximum gain of €3.1 million and a maximum loss of €2.3 million was calculated for the portfolio with a delivery in 2011. The respective figures for the portfolio with a delivery in 2012 are €0.8 million and €0.3 million. The value at risk model is based on a historic simulation of market prices for the last five years.

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.

In addition, hedging may be carried out only with standard financial derivatives whose correct actuarial and accounting mapping and valuation in the treasury system are guaranteed.

As of the closing date, the following financial instruments were being used for risk reduction:

€ million	31/12/2010 Nominal volume (millions)	31/12/2010 Fair values Financial assets	31/12/2010 Fair values Financial liabilities	31/12/2009 Nominal volume (millions)	31/12/2009 Fair values Financial assets	31/12/2009 Fair values Financial liabilities
Interest rate transactions						
Interest rate swaps	171	0	17	171	0	15
within fair value hedges	(0)	(0)	(0)	(0)	(0)	(0)
within cash flow hedges	(126)	(0)	(8)	(126)	(0)	(6)
not part of a hedge	(45)	(0)	(9)	(45)	(0)	(9)
Currency transactions						
Currency futures/options	451	15	22	230	16	18
within fair value hedges	(0)	(0)	(0)	(0)	(0)	(0)
within cash flow hedges	(399)	(4)	(11)	(212)	(3)	(3)
not part of a hedge	(52)	(11)	(11)	(18)	(13)	(15)
Interest rate/currency swaps	29	15	0	37	14	10
within fair value hedges	(0)	(0)	(0)	(0)	(0)	(0)
within cash flow hedges	(0)	(0)	(0)	(0)	(0)	(0)
not part of a hedge	(29)	(15)	(0)	(37)	(14)	(10)
	480	30	22	267	30	28
Commodity transactions						
Forex futures	7 million litres 543 GWh	4	0	7 million litres 499 GWh	8	16
within fair value hedges	(0)	(0)	(0)	(0)	(0)	(0)
within cash flow hedges	(0)	(0)	(0)	(0)	(0)	(0)
not part of a hedge	(7 million litres 543 GWh)	(4)	(0)	(7 million litres 499 GWh)	(8)	(16)
Share price-related transactions						
Hedging of stock options	2 million shares	33	0	4 million shares	14	0
within fair value hedges	(0)	(0)	(0)	(0)	(0)	(0)
within cash flow hedges	(2 million shares)	33	(0)	(4 million shares)	(14)	(0)
not part of a hedge	(0)	0	(0)	(0)	(0)	(0)
	n/a	**67**	**39**	**n/a**	**52**	**59**

The nominal volume of forex futures/options and interest limitation agreements results from the net position of the buying and selling values in foreign currency underlying the individual transactions translated at the relevant exchange rate on the closing date. The gross nominal volume of interest rate swaps or interest rate/currency swaps and interest rate hedging agreements is shown. The stated amount for hedges related to share bonus programmes includes the number of share options with a subscription ratio of 1:1.

All fair values represent the theoretical value of these instruments upon dissolution of the transactions at the end of the period. Under the premise that instruments are held until the end of their term, these are unrealised gains and losses that, by the end of the term, will be fully set off by gains and losses from the underlying transactions in the case of fully effective hedging transactions.

For the purpose of showing this reconciliation appropriately for the period, relationships are created between hedging transactions and underlying transactions and recognised as follows:

Within a fair value hedge, both the hedging transaction and the hedged risk of the underlying transaction are recognised at their fair value (market value). The value fluctuations of both trades are shown in the income statement, where they will be fully set off against each other in the case of full effectiveness.

Within a cash flow hedge, the hedging transactions are also principally recognised at their fair value (market value). In the case of full effectiveness of the hedging transaction, the value changes will be recognised in equity until the hedged payment flows or expected transactions impact the result. Only then will they be recognised in income.

Hedging transactions that, according to IAS 39, are not part of a hedge are recognised at their fair value (market value). Value changes are recognised directly in income. Even if no formal hedging relationship was created, these are hedging transactions that are closely connected to the underlying business and whose impact on earnings will be netted by the underlying transaction (natural hedge).

The currency derivatives are used primarily for pound sterling, Danish krone, Czech koruna, Polish złoty, Japanese yen, Swiss franc, Hungarian forint, Russian rouble, new Romanian leu, Turkish lira and US dollar.

The derivative financial instruments have the following maturities:

	31/12/2010 fair values			31/12/2009 fair values		
	Maturities			Maturities		
€ million	Up to 1 year	1 to 5 years	Over 5 years	Up to 1 year	1 to 5 years	Over 5 years
Interest rate transactions						
Interest rate swaps	–9	–8	0	0	–15	0
within fair value hedges	(0)	(0)	(0)	(0)	(0)	(0)
within cash flow hedges	(0)	(–8)	(0)	(0)	(–6)	(0)
not part of a hedge	(–9)	(0)	(0)	(0)	(–9)	(0)
Currency transactions						
Currency futures/options	–7	0	0	–2	0	0
within fair value hedges	(0)	(0)	(0)	(0)	(0)	(0)
within cash flow hedges	(–7)	(0)	(0)	(0)	(0)	(0)
not part of a hedge	(0)	(0)	(0)	(–2)	(0)	(0)
Interest rate/currency swaps	15	0	0	0	4	0
within fair value hedges	(0)	(0)	(0)	(0)	(0)	(0)
within cash flow hedges	(0)	(0)	(0)	(0)	(0)	(0)
not part of a hedge	(15)	(0)	(0)	(0)	(4)	(0)
Commodity transactions						
Futures	0	4	0	–9	1	0
within fair value hedges	(0)	(0)	(0)	(0)	(0)	(0)
within cash flow hedges	(0)	(0)	(0)	(0)	(0)	(0)
not part of a hedge	(0)	(4)	(0)	(–9)	(1)	(0)
Share price-related transactions						
Hedging of stock options	33	0	0	0	14	0
within fair value hedges	(0)	(0)	(0)	(0)	(0)	(0)
within cash flow hedges	(33)	(0)	(0)	(0)	(14)	(0)
not part of a hedge	(0)	(0)	(0)	(0)	(0)	(0)
	32	**–4**	**0**	**–11**	**4**	**0**

Listed below the maturities are the fair values of the financial assets and liabilities that fall due during these periods.

Variable interest rates are adjusted at intervals of less than one year.

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 Group financial plan, which is updated monthly and checked monthly for deviations. This financial plan is complemented by a 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 a sufficient liquidity reserve so that there is no danger of liquidity risks even if an unexpected event has a negative financial impact on the Company's liquidity situation. Further details on financial instruments and credit lines are provided by the explanatory notes under the respective balance sheet items.

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

In addition, METRO AG draws on all the financial expertise pooled in its finance department to advise the Group companies in all relevant financial matters and provide support. This ranges from the elaboration of investment financing concepts 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 the 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.

In a number of Eastern European countries, the payment terms for food suppliers have been reduced by law. Shorter payment terms vis-à-vis suppliers generally result in higher financing requirements. However, this does not impair METRO GROUP's solid liquidity position.

Creditworthiness risks

Creditworthiness risks arise from the total or partial loss of a counterparty, for example through bankruptcy or in connection with monetary investments and derivative financial instruments with positive market values. METRO GROUP's maximum default exposure as of the closing date is reflected by the book values of financial assets totalling €7,610 million (previous year: €6,802 million). Further details on the size of the respective book value are listed in the notes to the consolidated financial statements in no. 39 "Book values and fair values according to measurement category". Cash in hand considered in cash and totalling €127 million (previous year: €145 million) is not susceptible to any default risk.

In the course of the risk management of monetary investments totalling €4,476 million (previous year: €3,636 million) and financial derivatives totalling €67 million (previous year: €52 million), minimum creditworthiness requirements and maximum exposure limits have been defined for all business partners of METRO GROUP. Cheques and money in circulation are not considered in the determination of creditworthiness risks. 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.

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

Rating classes			Volume in %					
			Monetary investments					
Grade	Moody's	Standard & Poor's	Germany	Western Europe excl. Germany	Eastern Europe	Asia and others	Derivatives with positive market values	Total
Investment grade	Aaa	AAA	0.0	0.0	0.0	0.0	0.0	
	Aa1 to Aa3	AA+ to AA-	10.7	3.8	1.7	0.5	0.0	
	A1 to A3	A+ to A-	41.3	20.4	5.5	1.6	1.4	
	Baa1 to Baa3	BBB+ to BBB-	3.7	3.3	0.4	0.0	0.0	94.3
Non-investment grade	Ba1 to Ba3	BB+ to BB-	0.0	0.0	1.4	0.1	0.0	
	B1 to B3	B+ to B-	0.0	0.0	0.0	0.2	0.0	
	C	C	0.0	0.0	0.0	0.0	0.0	1.7
No rating			2.6	1.4	0.0	0.0	0.0	4.0
Total			**58.3**	**28.9**	**9.0**	**2.4**	**1.4**	**100.0**

The table shows that, as of the closing date, about 94.3 percent of the capital investment volume, including the positive market value of derivatives, had been placed with investment-grade counterparties, in other words, those with good or very good credit ratings. Most of the counterparties that do not yet have an internationally accepted rating are respected financial institutions whose creditworthiness can be considered flawless based on our own analyses. METRO GROUP also operates in countries where local financial institutions do not have investment-grade ratings due to the rating of their country. For country-specific reasons as well as cost and efficiency considerations, cooperation with these institutions is unavoidable. These institutions account for about 1.7 percent of the total volume.

METRO GROUP's level of exposure to creditworthiness 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 financial instruments. Stress tests are used to determine the potential impact interest rate changes may have on cash flow. The extent of these hedging measures is determined in coordination with the CFO of METRO AG.

44. Contingent liabilities

€ million	2010	2009
Liabilities from suretyships and guarantees	19	16
Liabilities from guarantee and warranty contracts	122	261
	141	**277**

Liabilities from guarantee and warranty contracts reflect the cancellation of guarantees in connection with the Extra supermarkets that were sold in 2008.

45. Other financial liabilities

€ million	2010	2009
Purchasing/sourcing commitments	396	347
Miscellaneous	19	20
	415	**367**

The increase in purchasing/sourcing commitments mainly concerns service agreements.

Please see notes nos. 19 "Other intangible assets", 20 "Tangible assets" and 21 "Investment properties" for information on purchasing commitments for other intangible and tangible assets, obligations from finance and operating leases as well as investment properties.

46. 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 petitioners 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 am Main.

Investigations by the Federal Cartel Office

On 14 January 2010, the Federal Cartel Office searched former business premises of MGB METRO Group Buying GmbH. The Federal Cartel Office's investigations are ongoing; to date, the authority has raised no concrete and individualised allegations against MGB METRO Group Buying GmbH or any other METRO GROUP company. As a result, the Company is unable to comment on the possible impact of these investigations on the consolidated financial statements of METRO AG at this point in time.

47. Events after the closing date

No events that are of material importance to an assessment of the earnings, financial and asset position of METRO AG and METRO GROUP occurred between the closing date (31 December 2010) and the date of presentation of the accounts (28 February 2011).

48. Notes on related parties

In 2010, METRO GROUP maintained the following business relations to related companies:

€ million	2010	2009
Goods/services provided	3	3
Goods/services received	108	110
Receivables from goods/services provided	1	16
Liabilities from goods/services received	0	1

In the financial year 2010, METRO GROUP companies provided goods/services totalling €3 million to companies included in the group of related companies. This concerns primarily the granting of lease rights.

The goods/services totalling €108 million that METRO GROUP companies received from related companies in the financial year 2010 consist primarily of property leases.

The basic principles of the remuneration system and the amount of Management and Supervisory Board compensation are included in the remuneration report, which is part of the management report.

Business relations with related companies are based on contractual agreements providing for arm's length prices. As in 2009, METRO GROUP had no business relations with related natural persons in the financial year 2010.

49. Share-based compensation for executives

METRO AG has been implementing share-based remuneration programmes since 1999 to enable executives to participate in the Company's value development and reward their contribution to the sustained success of METRO GROUP compared with its competitors. The members of the Management Board and other executives of METRO AG as well as managing directors and executives of the other operating METRO GROUP companies are eligible.

Share bonus programme (2004–2008)

The final tranche of the Share bonus programme, which METRO AG introduced in 2004, was granted in 2008. The programme entitles executives to cash bonuses whose size depends on the performance of the Metro share and the parallel consideration of benchmark indices. The programme is divided into a tranche for each year, with the target parameters being calculated separately for each tranche. The full share bonus is paid out when the target share price and a so-called equal performance of the share with benchmark indices are attained. The maturity of each tranche is three years. The conditions of the tranches for 2004 to 2008 are shown in the following table:

Tranche	Due	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	Expired
2007	July 2010	€61.61	€70.85	Expired
2008	July 2011	€41.92	€48.21	€16,695,000

The bonus values for the target bonus of the tranche 2008 are based on the condition that the target price is attained. The payment of the share bonus may be limited to the amount of the gross annual fixed salary.

Performance share plan and share ownership guidelines (2009–2013)

In 2009, METRO AG replaced the previous Share bonus programme with a performance share plan.

Executives are given an individual target amount for the performance share plan (target value) in accordance with the significance of their functional responsibilities. The target number of performance shares is calculated by dividing this target value by the share price upon allotment (based on the average price of the Metro share during the three months up to the allotment date). A performance share entitles its holder to a cash payment matching the price of the Metro share on the payment date (based on the average price of the Metro share during the three months up to the payment date).

Based on the relative performance of the Metro share compared to the median of the DAX 30 and Dow Jones Euro Stoxx Retail indices – total return – the final number of payable performance shares is determined after the end of a performance period of at least 3 and at most 4.25 years. It corresponds to the target number of shares when an equal performance with said stock market indices is achieved. Up to an outperformance of 60 percent, the number increases on a straight-line basis to a maximum of 200 percent of the target amount. Up to an underperformance of 30 percent, the number is accordingly reduced to a minimum of 50 percent. In the case of an underperformance of more than 30 percent, the number is reduced to 0.

Payment can be made at six possible times. The earliest payment date is three years after allotment of the performance shares. From this time, payment can be made every three months. Executives can choose the payment date upon which they wish to exercise their performance shares. A distribution over several payment dates is not allowed. The payment cap amounts to five times the target value.

METRO GROUP introduced so-called share ownership guidelines along with its performance share plan: as a precondition of payments of performance shares, eligible executives are obliged to undertake a continuous self-financed investment in Metro shares up to the end of the three-year blocking period. This ensures that, as shareholders, they will directly participate in share price gains as well as potential losses of the Metro share. The required investment volume amounts to between about 50 percent and 85 percent of the individual target value.

The value of the performance shares allotted in 2010 amounted to €26.7 million (previous year: €34.6 million) at the time of the allotment and was calculated by external experts using recognised financial-mathematical methods (Monte Carlo simulation). The following conditions apply:

Tranche	End of blocking period	3-month average price before allotment	Number of performance shares
2010	August 2013	€42.91	766,954
2009	August 2012	€36.67	780,747

Total expenses on share-based compensation programmes after the cost of hedging transactions amount to €32 million (previous year: €21 million) in the financial year 2010.

The related provisions as of 31 December 2010 amount to €60 million (previous year: €13 million). The 2008 tranche with a remaining term of up to one year accounts for €31 million (previous year: €8 million) of this total, the 2009 tranche for €23 million (previous year: €5 million) and the 2010 tranche for €6 million.

50. Management Board and Supervisory Board

Compensation of members of the Management Board in the financial year 2010

Remuneration of the active members of the Management Board essentially consists of a fixed salary and performance-based entitlements (short-term incentive) as well as the share-based payments (long-term incentive) granted in the financial year 2010.

The amount of the performance-based remuneration for members of the Management Board essentially depends on the development of net earnings and the return on capital employed (RoCE) and may also consider the attainment of individually set targets. The use of the key ratio net earnings combined with RoCE rewards profitable growth of METRO GROUP.

Remuneration of the active members of the Management Board in the financial year 2010 amounted to €17.3 million (previous year: €16.0 million). This includes €4.3 million (previous year: €4.7 million) in fixed salaries, €10.7 million (previous year: €7.7 million) in performance-based entitlements, €1.7 million (previous year: €3.0 million) in share-based remuneration and €0.6 million (previous year: €0.6 million) in other remuneration.

Share-based remuneration granted in the financial year 2010 (performance shares) is posted at fair value at the time of granting. Share-based remuneration with expiration dates in the financial year 2010 or beyond resulted in expenses of €3.0 million.

The members of the Management Board received 48,939 performance share units.

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 dependants received €27.4 million (previous year: €4.3 million). The cash value of provisions for current pensions and pension entitlements made for this group amounts to €48.3 million (previous year: €47.4 million).

The information released pursuant to § 314 Section 1 No. 6a Sentence 5 to 9 of the German Commercial Code can be found in the extensive remuneration report in chapter 8 of the Group management report.

Compensation of members of the Supervisory Board

The total remuneration of all members of the Supervisory Board in the financial year 2010 amounted to €1.7 million (previous year: €1.7 million).

Additional information on the remuneration of members of the Supervisory Board can be found in the extensive remuneration report in chapter 8 of the Group management report.

51. Auditor’s fees

The following fees related to the services rendered by auditor KPMG AG Wirtschaftsprüfungsgesellschaft and its associated companies were recorded as expenses. Since the integration of KPMG CIS as of 1 February 2010, this national KPMG subsidiary has also been an associated company of KPMG AG Wirtschaftsprüfungsgesellschaft in accordance with § 271 Section 2 of the German Commercial Code. The disclosure requirement of KPMG CIS relates to services rendered after 31 January 2010.

€ million	31/12/2010	31/12/2009
Audit	13	12
Other certification or evaluation	3	2
Tax consultation services	2	1
Other services	3	2
	21	**17**

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

52. Declaration of compliance with the German Corporate Governance Code

The Management Board and the Supervisory Board of METRO AG in May and December 2010 made declarations of compliance with the recommendations of the Government Commission on the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act, which can be accessed on the METRO AG website (www.metrogroup.de).

53. Election to be exempt from §§ 264 Section 3 and 264b of the German Commercial Code

The following domestic subsidiaries in the legal form of stock corporations or partnerships will use the exemption requirements according to § 264 Section 3 and § 264b of the German Commercial Code, and will thus refrain from disclosing their annual financial statements for 2010 as well as mostly from disclosing their notes and management report (according to the German Commercial Code).

a) Operating companies and service entities	
"Buch und Zeit" Verlagsgesellschaft mit beschränkter Haftung	Cologne
AXXE Reisegastronomie GmbH[1]	Cologne
C + C Schaper GmbH	Hanover
Campus Store GmbH	Alzey
CH-Vermögensverwaltung GmbH	Düsseldorf
DAYCONOMY GmbH	Düsseldorf
Dinea Gastronomie GmbH	Cologne
emotions GmbH	Cologne
Fulltrade International GmbH	Düsseldorf
Galeria Kaufhof GmbH	Cologne
GEMINI Personalservice GmbH	Cologne
Goldhand Lebensmittel- u. Verbrauchsgüter-Vertriebsgesellschaft mit beschränkter Haftung	Düsseldorf
Grillpfanne GmbH	Cologne
Johannes Berg GmbH, Weinkellerei	Düsseldorf
Liqueur & Wine Trade GmbH	Düsseldorf
LSZ Service GmbH & Co. KG	Alzey
Lust for Life Gastronomie GmbH	Cologne
MCC Trading Deutschland GmbH	Düsseldorf
MCC Trading International GmbH	Düsseldorf
MDH Secundus Vermögensverwaltung GmbH	Düsseldorf
Meister feines Fleisch - feine Wurst GmbH	Gäufelden
METRO Beteiligungsmanagement Düsseldorf GmbH & Co. KG	Düsseldorf
Metro Cash & Carry Brunnthal GmbH & Co. KG	Brunnthal
METRO Cash & Carry Deutschland GmbH	Düsseldorf
METRO Cash & Carry International GmbH	Düsseldorf
METRO Cash & Carry International Management GmbH	Düsseldorf
METRO Dienstleistungs-Holding GmbH	Düsseldorf
METRO Groß- und Lebensmitteleinzelhandel Holding GmbH	Düsseldorf
METRO Großhandelsgesellschaft mbH	Düsseldorf
Metro International Beteiligungs GmbH	Düsseldorf
METRO Kaufhaus und Fachmarkt Holding GmbH	Düsseldorf
METRO Online GmbH	Düsseldorf
Metro SB-Großmärkte GmbH & Co. Kommanditgesellschaft	Esslingen am Neckar
Metro SB-Großmärkte GmbH & Co. Kommanditgesellschaft	Linden
Metro SB-Großmärkte Verwaltungsgesellschaft mit beschränkter Haftung	Mülheim an der Ruhr
METRO Siebte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf
METRO Systems GmbH	Düsseldorf
METRO Zehnte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf
METRO Zehnte GmbH & Co. KG	Düsseldorf
METRO Zwölfte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf
MGA METRO Group Advertising GmbH	Düsseldorf
MGC METRO Group Clearing GmbH	Düsseldorf
MGE Warenhandelsgesellschaft mbH	Düsseldorf
MGL METRO Group Logistics GmbH	Düsseldorf
MGL METRO Group Logistics Warehousing Beteiligungs GmbH	Sarstedt
MGL METRO Group Logistics Warehousing GmbH	Sarstedt

MGP METRO Group Account Processing GmbH	Kehl
MGT METRO Group Travel Services GmbH	Düsseldorf
MIB METRO Group Insurance Broker GmbH	Düsseldorf
MIP METRO Group Intellectual Property GmbH & Co. KG	Düsseldorf
MIP METRO Group Intellectual Property Management GmbH	Düsseldorf
MTT METRO Group Textiles Transport GmbH	Düsseldorf
Multi-Center Warenvertriebs GmbH	Hanover
real,- Group Holding GmbH	Düsseldorf
real,- Handels GmbH	Düsseldorf
real,- Holding GmbH	Alzey
real,- SB-Warenhaus GmbH	Alzey
SIL Verwaltung GmbH & Co. Objekt Haidach KG	Schwabhausen
SPORTARENA GmbH	Cologne
Vierte real,- Holding GmbH	Alzey
Vierte real,- SB-Warenhaus GmbH	Alzey
Weinkellerei Thomas Rath GmbH	Düsseldorf
Zweite real,- Multi-Markt Verwaltungsgesellschaft mbH	Alzey
Zweite real,- SB-Warenhaus GmbH	Alzey

b) Real estate companys

1. Schaper Objekt GmbH & Co. Wächtersbach KG	Düsseldorf
2. Schaper Objekt GmbH & Co. Memmingen KG	Düsseldorf
3. Schaper Objekt GmbH & Co. Erlangen KG	Düsseldorf
ADAGIO 2. Grundstücksverwaltungsgesellschaft mbH	Saarbrücken
ADAGIO 3. Grundstücksverwaltungsgesellschaft mbH	Saarbrücken
ADAGIO Grundstücksverwaltungsgesellschaft mbH	Saarbrücken
Adolf Schaper GmbH & Co. Grundbesitz-KG	Saarbrücken
AIB Verwaltungs GmbH	Düsseldorf
ARKON Grundbesitzverwaltung GmbH	Saarbrücken
ASH Grundstücksverwaltung XXX GmbH	Saarbrücken
ASSET Grundbesitz GmbH	Düsseldorf
ASSET Immobilienbeteiligungen GmbH	Saarbrücken
ASSET Verwaltungs-GmbH	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Aachen II KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Aachen, Adalbertstraße 20–30 KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Aschaffenburg KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Bergen-Enkheim KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Bonn, Acherstraße KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Darmstadt KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Dortmund KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Düsseldorf, Königsallee 1 KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Frankfurt Hauptwache KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Freiburg im Breisgau KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Gelsenkirchen KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Hamburg-Poppenbüttel, Kritenbarg 10 KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Hanau KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Hannover KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Kassel KG	Saarbrücken

ASSET Verwaltungs-GmbH & Co. Objekt Kassel, Obere Königstraße KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Köln, Minoritenstraße KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Köln-Kalk, Kalker Hauptstraße 118–122 KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Leipzig KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Mainz KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Mönchengladbach KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt München Pelkovenstraße 155 KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Nürnberg, Königstraße 42–52 KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Oberhausen Centroallee KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Offenbach KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Saarbrücken, Bahnhofstraße 82–92, 98–100 KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Siegburg KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Stuttgart, Königstraße 6 KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Stuttgart-Bad Cannstatt Badstraße, Marktstraße 3 KG	Saarbrücken
ASSET Verwaltungs-GmbH & Co. Objekt Würzburg KG	Saarbrücken
ASSET Zweite Immobilienbeteiligungen GmbH	Düsseldorf
Bassa Grundstücksverwaltungsgesellschaft mbH	Saarbrücken
BAUGRU Immobilien - Beteiligungsgesellschaft mit beschränkter Haftung & Co. Grundstücksverwaltung KG	Saarbrücken
Blabert Grundstücksverwaltungsgesellschaft mbH	Saarbrücken
BLK Grundstücksverwaltung GmbH	Saarbrücken
Deutsche SB-Kauf GmbH & Co. KG	Saarbrücken
DFI Verwaltungs GmbH	Saarbrücken
Dorina Immobilien-Vermietungsgesellschaft mbH	Düsseldorf
FZB Fachmarktzentrum Bous Verwaltungsgesellschaft mbH & Co. KG	Saarbrücken
FZG Fachmarktzentrum Guben Verwaltungsgesellschaft mbH	Saarbrücken
FZG Fachmarktzentrum Guben Verwaltungsgesellschaft mbH & Co. Vermietungs-KG	Saarbrücken
GBS Gesellschaft für Unternehmensbeteiligungen mbH	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. 10. Objekt-KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. 25. Objekt-KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. 6. Objekt - KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. 8. Objekt - KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Arrondierungsgrundstücke KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Entwicklungsgrundstücke KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Gewerbegrundstücke KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Grundstücksverwaltung KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Bielefeld KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Bochum Otto Straße KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Brühl KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Edingen-Neckarhausen KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Emden KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Espelkamp KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Finowfurt KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Frankenthal KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Frankenthal-Studernheim KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Gäufelden KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Gelsenkirchen KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Haibach KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hamburg-Neuwiedenthal KG	Saarbrücken

GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover / Davenstedter Straße KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover Fössestraße KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover-Linden KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover-Südstadt KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Herten KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hildesheim-Senking KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hillesheim KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hörselgau KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Mönchengladbach-Rheydt KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Oldenburg KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Paderborn "Südring Center" KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Prüm KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rastatt KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Ratingen KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rinteln KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rüsselsheim KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Saar-Grund KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Wiesbaden-Nordenstadt KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mbH & Co. Vermietungs- und Handels-KG	Saarbrücken
GKF Vermögensverwaltungsgesellschaft mit beschränkter Haftung	Saarbrücken
Horten GmbH	Düsseldorf
Horten Verwaltungs GmbH	Saarbrücken
Horten Verwaltungs- GmbH & Co. Objekt Duisburg KG	Saarbrücken
Horten Verwaltungs- GmbH & Co. Objekt Düsseldorf Berliner Allee KG	Saarbrücken
Horten Verwaltungs- GmbH & Co. Objekt Düsseldorf Carschhaus KG	Saarbrücken
Horten Verwaltungs GmbH & Co. Objekt Erlangen KG	Saarbrücken
Horten Verwaltungs GmbH & Co. Objekt Giessen KG	Saarbrücken
Horten Verwaltungs- GmbH & Co. Objekt Hannover KG	Saarbrücken
Horten Verwaltungs- GmbH & Co. Objekt Heidelberg KG	Saarbrücken
Horten Verwaltungs GmbH & Co. Objekt Heilbronn KG	Saarbrücken
Horten Verwaltungs- GmbH & Co. Objekt Hildesheim KG	Saarbrücken
Horten Verwaltungs GmbH & Co. Objekt Ingolstadt KG	Saarbrücken
Horten Verwaltungs GmbH & Co. Objekt Kempten KG	Saarbrücken
Horten Verwaltungs- GmbH & Co. Objekt Münster KG	Saarbrücken
Horten Verwaltungs GmbH & Co. Objekt Nürnberg KG	Saarbrücken
Horten Verwaltungs GmbH & Co. Objekt Oldenburg KG	Saarbrücken
Horten Verwaltungs GmbH & Co. Objekt Pforzheim KG	Saarbrücken
Horten Verwaltungs GmbH & Co. Objekt Regensburg KG	Saarbrücken
Horten Verwaltungs GmbH & Co. Objekt Reutlingen KG	Saarbrücken
Horten Verwaltungs GmbH & Co. Objekt Schweinfurt KG	Saarbrücken
Horten Verwaltungs- GmbH & Co. Objekt Stuttgart KG	Saarbrücken
Horten Verwaltungs- GmbH & Co. Objekt Trier KG	Saarbrücken
Horten Verwaltungs- GmbH & Co. Objekt Ulm KG	Saarbrücken
Horten Verwaltungs- GmbH & Co. Objekt Wiesbaden KG	Saarbrücken
Kaufhalle GmbH	Saarbrücken
Kaufhalle GmbH & Co. Objekt Hamburg Mönckebergstraße KG	Saarbrücken
Kaufhalle GmbH & Co. Objekt Lager Apfelstädt KG	Saarbrücken
Kaufhof Warenhaus am Alex GmbH	Berlin

Kaufhof Warenhaus Neubrandenburg GmbH	Saarbrücken
Kaufhof Warenhaus Rostock GmbH	Düsseldorf
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Berlin-Friedrichshain KG	Saarbrücken
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Hamburg-Altona KG	Saarbrücken
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt München-Pasing KG	Saarbrücken
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Porta-Westfalica KG	Saarbrücken
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Schwelm KG	Saarbrücken
MDH Secundus GmbH & Co. KG	Düsseldorf
MEM METRO Group Energy Production & Management GmbH[2]	Düsseldorf
MES METRO Group Energy Solutions GmbH[2]	Böblingen
Metro Cash & Carry Grundstücksverwaltungsgesellschaft mbH[3]	Düsseldorf
METRO Group Asset Management GmbH & Co. KG	Saarbrücken
METRO Group Asset Management GmbH[2]	Saarbrücken
METRO Group Asset Management Services GmbH	Saarbrücken
METRO Group Real Estate Holding GmbH	Düsseldorf
METRO Group Retail Real Estate GmbH	Düsseldorf
METRO Group Wholesale Real Estate GmbH	Düsseldorf
METRO Leasing GmbH	Saarbrücken
MFM METRO Group Facility Management GmbH	Düsseldorf
PIL Grundstücksverwaltung GmbH	Saarbrücken
Pro. FS GmbH	Böblingen
Renate Grundstücksverwaltungsgesellschaft mbH	Saarbrücken
RUDU Verwaltungsgesellschaft mbH	Düsseldorf
Saalbau-Verein Ulm GmbH	Saarbrücken
Schaper Grundbesitz-Verwaltungsgesellschaft mbH	Saarbrücken
Secundus Grundstücksverwertungs-GmbH & Co. Objekt Stuttgart-Königstraße KG	Saarbrücken
STW Grundstücksverwaltung Gesellschaft mit beschränkter Haftung	Saarbrücken
TANDOS Grundstücks-Verwaltungsgesellschaft mbH	Saarbrücken
TKC Objekt Cottbus GmbH & Co. KG	Saarbrücken
Wirichs Immobilien GmbH	Saarbrücken
Wirichs Verwaltungsgesellschaft mbH & Co. Objekt Schwelm KG	Saarbrücken
Wirichs Verwaltungsgesellschaft mbH & Co. Objekt Voerde und Kamen KG	Saarbrücken
Wolfgang Wirichs GmbH	Saarbrücken
Zentra Beteiligungsgesellschaft mit beschränkter Haftung	Saarbrücken
Zentra-Grundstücksgesellschaft mbH	Saarbrücken

[1] Abbreviated financial year from 1 January to 31 March 2010
[2] The company utilises the exemptive option pursuant to § 264 Section 3 of the German Commercial Code only for the management report
[3] Abbreviated financial year 1 January to 31 January 2010, renewed abbreviated financial year from 1 February to 31 December 2010

54. Overview of major fully consolidated Group companies

Name	Head office	Stake in %	Sales[1] in € million
Holding companies			
METRO AG	Düsseldorf, Germany		0
METRO Kaufhaus und Fachmarkt Holding GmbH	Düsseldorf, Germany	100.00	0
METRO Groß- und Lebensmitteleinzelhandel Holding GmbH	Düsseldorf, Germany	100.00	0
Cash & carry			
METRO Cash & Carry International Holding GmbH	Vösendorf, Austria	100.00	0
METRO Großhandelsgesellschaft mbH	Düsseldorf, Germany	100.00	4,578
METRO Cash & Carry France S.A.S.	Nanterre, France	100.00	3,900
METRO Cash & Carry OOO	Moscow, Russia	100.00	2,931
Makro Cash and Carry Polska S.A.	Warsaw, Poland	100.00	1,970
METRO Italia Cash and Carry S. p. A.	San Donato Milanese, Italy	100.00	1,836
Makro Autoservicio Mayorista S. A. U.	Madrid, Spain	100.00	1,317
METRO Jinjiang Cash & Carry Co., Ltd.	Shanghai, China	90.00	1,304
METRO Distributie Nederland B. V.	Diemen, Netherlands	100.00	1,259
MAKRO Cash & Carry Belgium NV	Antwerp, Belgium	100.00	1,247
MAKRO Cash & Carry CR s.r.o.	Prague, Czech Republic	100.00	1,166
METRO CASH & CARRY ROMANIA SRL	Bucharest, Romania	85.00	1,139
Metro Grosmarket Bakirköy Alisveris Hizmetleri Ticaret Ltd. Sirketi	Istanbul, Turkey	100.00	998
Hypermarkets			
real,- SB-Warenhaus GmbH	Alzey, Germany	100.00	6,611
Zweite real,- SB-Warenhaus GmbH	Alzey, Germany	100.00	1,606
real,- Sp. z o.o.i Spólka spólka komandytowa	Warsaw, Poland	100.00	1,404
Consumer electronics stores			
Media-Saturn-Holding GmbH	Ingolstadt, Germany	75.41	9,091
Mediamarket S. p. A.	Curno, Italy	75.41	2,524
MEDIA MARKT SATURN, S.A. UNIPERSONAL	El Prat de Llobregat, Spain	75.41	1,793
Media Markt Saturn Holding Nederland B. V.	Rotterdam, Netherlands	75.41	1,206
Media-Saturn Beteiligungsges. m.b.H.	Vösendorf, Austria	75.41	1,079
Department stores			
Galeria Kaufhof GmbH	Cologne, Germany	100.00	3,083
INNOVATION S.A.	Brussels, Belgium	100.00	333
Other companies			
MGL METRO Group Logistics Warehousing GmbH	Sarstedt, Germany	100.00	5,471
MGB METRO Group Buying HK Limited	Hong Kong, China	100.00	893
METRO Group Asset Management GmbH & Co. KG	Saarbrücken, Germany	98.04	0
MIAG Commanditaire Vennootschap	Diemen, Netherlands	100.00	0
METRO SYSTEMS GmbH	Düsseldorf, Germany	100.00	0

[1] Including consolidated national subsidiaries

55. Corporate boards of METRO AG and their mandates[1]

Members of the Supervisory Board

Prof. Dr Jürgen Kluge (Chairman)
Since 5 May 2010
Chairman of the Management Board of
Franz Haniel & Cie. GmbH
a) Celesio AG (Chairman since 3 January 2010)
SMS GmbH, since 15 February 2010
TAKKT AG (Vice Chairman), since 4 May 2010
b) None

Franz M. Haniel (Chairman)
Until 5 May 2010
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) TBG Limited, Malta (formerly TBG Holdings N.V., Curaçao, Dutch Antilles)

Dr Wulf H. Bernotat
Former Chairman of the Management Board of E.ON AG
a) Allianz SE
Bertelsmann AG
Deutsche Telekom AG
E.ON Energie AG (Chairman), until 30 April 2010
E.ON Ruhrgas AG (Chairman), until 5 July 2010
b) E.ON Nordic AB, Malmö, Sweden – Board of Directors (Chairman), until 4 January 2010
E.ON Sverige AB, Malmö, Sweden – Board of Directors (Chairman), until 24 June 2010
E.ON US Investments Corp., Delaware (OH), USA – Board of Directors (Chairman), until 30 April 2010

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)
b) Tourismus & Marketing Oberhausen GmbH – Supervisory Board

Ulrich Dalibor
National Chairman of the Retail Section of the
ver.di trade union
a) Zweite real,- SB-Warenhaus GmbH (Vice Chairman)
b) None

Jürgen Fitschen
Member of the Management Board of Deutsche Bank AG
a) Schott AG
Deutsche Bank Privat- und Geschäftskunden AG
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 (Presidente)
Kühne + Nagel International AG, Schindellegi, Switzerland – Board of Directors
OOO Deutsche Bank, Moscow, Russia – наблюдательный (nabljudatel'nyj) (Chairman)

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

[1] Status of the mandates: 28 February 2011 or date of the respective departure from the Board of METRO AG
a) Member of other statutory supervisory boards in accordance with § 125 Section 1 Sentence 5, 1st Alt. of the German Stock Corporation Act
b) Member of comparable German and international boards of business enterprises in accordance with § 125 Section 1 Sentence 5, 2nd Alt. of the German Stock Corporation Act

Andreas Herwarth
Commercial Clerk, METRO AG
Chairman of the Works Council of METRO AG
a) None
b) Grundstücksgesellschaft Willich mbH – Supervisory Board (Chairman)

Uwe Hoepfel
Vice Chairman of the General Works Council of Galeria Kaufhof GmbH
Chairman of the Works Council of Galeria Kaufhof GmbH, Gießen location
a) Galeria Kaufhof GmbH
b) None

Werner Klockhaus
Vice Chairman of the Group Works Council of METRO AG
Vice Chairman of the General Works Council of real,- SB-Warenhaus GmbH
a) None
b) None

Peter Küpfer
Business Consultant
a) None
b) Gebr. Schmidt GmbH & Co. KG – Advisory Board
ARH Resort Holding AG, Zurich, Switzerland – Board of Directors
Bank Julius Bär & Co. AG, Zurich, Switzerland – Board of Directors
Brändle, Missura & Partner Informatik AG, Zurich, Switzerland – Board of Directors
Breda Consulting AG, Zurich, Switzerland – Board of Directors
GE Money Bank AG, Zurich, Switzerland – Board of Directors (President since 1 December 2010)
Holcim Ltd., Jona, Switzerland – Board of Directors
Julius Bär Gruppe AG, Zurich, Switzerland – Board of Directors
Karl Steiner AG, Zurich, Switzerland – Board of Directors, until 4 May 2010
Karl Steiner Holding AG, Zurich, Switzerland – Board of Directors (Vice President)
Peter Steiner Holding AG, Zurich, Switzerland – Board of Directors
Supra Holding AG, Baar, Switzerland – Board of Directors
Travel Charme Hotels & Resorts Holding AG, Zurich, Switzerland – Board of Directors

Rainer Kuschewski
Secretary of the National Executive Board of the ver.di trade union
a) real,- Holding GmbH
b) None

Marie-Christine Lombard
Member of the Management Board of TNT N.V.
Group Managing Director TNT Express
a) None
b) BPCE S.A., Paris, France – Conseil de Surveillance, since 16 December 2010

a) Member of other statutory supervisory boards in accordance with § 125 Section 1 Sentence 5, 1st Alt. of the German Stock Corporation Act
b) Member of comparable German and international boards of business enterprises in accordance with § 125 Section 1 Sentence 5, 2nd Alt. of the German Stock Corporation Act

Prof. Dr Klaus Mangold
Chairman of the Supervisory Board of Rothschild GmbH
a) Continental AG
Drees & Sommer AG, until 6 December 2010
TUI AG, since 7 January 2010
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, until 28 April 2010
Leipziger Messe GmbH – Supervisory Board
Rothschild Europe B.V., Amsterdam, Netherlands –
Raad van Commissarissen (Vice Chairman)

Dr-Ing. e. h. Bernd Pischetsrieder
Consultant to the Management Board of Volkswagen AG
a) 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
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

Xaver Schiller
Chairman of the Works Council of the Metro Cash & Carry wholesale stores in Munich-Brunnthal and Munich-Schwabing
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., Genoa, Italy –
Consiglio di Amministrazione

Peter Stieger
Chairman of the General Works Council of
real,- SB-Warenhaus GmbH
a) real,- Holding GmbH (Vice Chairman)
b) None

Angelika Will
Chairwoman of the Works Council of the
Metro Cash & Carry wholesale store in Düsseldorf
a) Metro Großhandelsgesellschaft mbH
b) None

a) Member of other statutory supervisory boards in accordance with § 125 Section 1 Sentence 5, 1st Alt. of the German Stock Corporation Act
b) Member of comparable German and international boards of business enterprises in accordance with § 125 Section 1 Sentence 5, 2nd Alt. of the German Stock Corporation Act

Committees of the Supervisory Board and their mandates

Presidential Committee
Prof. Dr Jürgen Kluge (Chairman)
Klaus Bruns (Vice Chairman)
Dr Wulf H. Bernotat
Werner Klockhaus

Personnel Committee
Prof. Dr Jürgen Kluge (Chairman)
Klaus Bruns (Vice Chairman)
Dr Wulf H. Bernotat
Werner Klockhaus

Accounting and Audit Committee
Dr jur. Hans-Jürgen Schinzler (Chairman)
Klaus Bruns (Vice Chairman)
Prof. Dr Dr h. c. mult. Erich Greipl
Prof. Dr Jürgen Kluge
Xaver Schiller
Peter Stieger

Nominations Committee
Prof. Dr Jürgen Kluge (Chairman)
Dr-Ing. e. h. Bernd Pischetsrieder
Dr jur. Hans-Jürgen Schinzler

Mediation Committee pursuant to § 27 Section 3 of the Co-determination Act
Prof. Dr Jürgen Kluge
Klaus Bruns
Prof. Dr Dr h. c. mult. Erich Greipl
Werner Klockhaus

Members of the Management Board

Dr Eckhard Cordes
(Chairman, CHRO since 2 March 2010)
a) Galeria Kaufhof GmbH
real,- Holding GmbH (Chairman), until 12 April 2010
Schaeffler GmbH, since 28 June 2010
b) MediaMarkt (China) International Retail Holding Limited, Hong Kong, China – Board of Directors, since 1 October 2010
Tertia Handelsbeteiligungsgesellschaft mbH – Supervisory Board (Chairman)

Olaf Koch
a) Galeria Kaufhof GmbH (Chairman), since 21 September 2010
Hugo Boss AG, until 20 February 2010
b) Assevermag AG, Baar, Switzerland – Board of Directors (President), until 22 September 2010
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), until 26 July 2010
Metro Reinsurance N.V., Amsterdam, Netherlands – Raad van Commissarissen
MGP METRO Group Account Processing International AG, Baar, Switzerland – Board of Directors (President), until 22 September 2010

Joël Saveuse
a) Metro Großhandelsgesellschaft mbH (Chairman), since 26 March 2010
real,- Holding GmbH (Chairman), since 13 April 2010
Zweite real,- SB-Warenhaus GmbH (Chairman), since 13 April 2010
b) HF Company S.A., Tauxigny, France – Conseil d'Administration
Makro Cash and Carry Polska S.A., Warsaw, Poland – Rada Nadzorcza, since 23 June 2010
Metro Cash & Carry International Holding GmbH, Vösendorf, Austria – Supervisory Board, since 28 April 2010
Metro Distributie Nederland B.V., Amsterdam, Netherlands – Raad van Commissarissen, since 1 June 2010
Metro Holding France S.A., Vitry-sur-Seine, France – Conseil d'Administration (President), since 1 May 2010
MGB METRO Group Buying HK Limited, Hong Kong, China – Board of Directors
MGL METRO Group Logistics GmbH – Advisory Board (Chairman), until 31 December 2010

a) Member of other statutory supervisory boards in accordance with § 125 Section 1 Sentence 5, 1st Alt. of the German Stock Corporation Act
b) Member of comparable German and international boards of business enterprises in accordance with § 125 Section 1 Sentence 5, 2nd Alt. of the German Stock Corporation Act

Frans W. H. Muller

a) Metro Großhandelsgesellschaft mbH (Chairman), until 25 March 2010

b) Makro Cash and Carry Polska S.A., Warsaw, Poland – Rada Nadzorcza, until 23 June 2010
MediaMarkt (China) International Retail Holding Limited, Hong Kong, China – Board of Directors, since 1 October 2010
Metro Cash & Carry International Holding GmbH, Vösendorf, Austria – Supervisory Board (Chairman)
Metro Distributie Nederland B.V., Amsterdam, Netherlands – Raad van Commissarissen, until 1 June 2010
METRO Group Asset Management GmbH & Co. KG – Shareholders' Committee (Chairman), since 1 October 2010
Metro Holding France S.A., Vitry-sur-Seine, France – Conseil d'Administration (President), until 30 April 2010
Metro International AG, Baar, Switzerland – Board of Directors, until 26 July 2010
Metro Jinjiang Cash & Carry Co., Ltd., Shanghai, China – Board of Directors
MGP METRO Group Account Processing International AG, Baar, Switzerland – Board of Directors, until 22 September 2010

Zygmunt Mierdorf (CHRO)
Until 1 March 2010

a) Praktiker Bau- und Heimwerkermärkte Holding AG
Praktiker Deutschland GmbH
real,- Holding GmbH, until 1 March 2010
TÜV SÜD AG

b) Loyalty Partner GmbH – Supervisory Board, until 30 April 2010
Wagner International AG, Altstätten, Switzerland – Board of Directors

Thomas Unger (Vice Chairman)
Until 30 September 2010

a) Galeria Kaufhof GmbH (Chairman), until 20 September 2010
real,- Holding GmbH (until 31 March 2010)

b) MediaMarkt (China) International Retail Holding Limited, Hong Kong, China – Board of Directors, until 30 September 2010
METRO Group Asset Management GmbH & Co. KG – Shareholders' Committee (Chairman), until 30 September 2010
Metro International AG, Baar, Switzerland – Board of Directors, until 26 July 2010

a) Member of other statutory supervisory boards in accordance with § 125 Section 1 Sentence 5, 1st Alt. of the German Stock Corporation Act
b) Member of comparable German and international boards of business enterprises in accordance with § 125 Section 1 Sentence 5, 2nd Alt. of the German Stock Corporation Act

56. Affiliated companies of METRO AG as at 31 December 2010 pursuant to § 313 of the German Commercial Code

Company name	Registered office	Country	Share in capital in %
Consolidated subsidiaries			
"Buch und Zeit" Verlagsgesellschaft mit beschränkter Haftung	Cologne	Germany	100.00
1. Schaper Objekt GmbH & Co. Wächtersbach KG	Duesseldorf	Germany	100.00
2. CR Immobilien-Vermietungsgesellschaft mbH & Co. Objekt Brandenburg KG	Duesseldorf	Germany	1.00[1]
2. Schaper Objekt GmbH & Co. Memmingen KG	Duesseldorf	Germany	100.00
24–7 ENTERTAINMENT ApS	Copenhagen	Denmark	100.00
24–7 Entertainment GmbH	Berlin	Germany	71.79
24–7 ENTERTAINMENT SERVICES LIMITED	Bournemouth	Great Britain	100.00
24–7 MusicShop (Schweiz) GmbH	Freienbach	Switzerland	95.00
3. Schaper Objekt GmbH & Co. Erlangen KG	Duesseldorf	Germany	100.00
ACTIUM Leasobjekt GmbH & Co. Objekt Altötting KG	Duesseldorf	Germany	0.00[1]
ADAGIO 2. Grundstücksverwaltungsgesellschaft mbH	Saarbruecken	Germany	100.00
ADAGIO 3. Grundstücksverwaltungsgesellschaft mbH	Saarbruecken	Germany	100.00
ADAGIO Grundstücksverwaltungsgesellschaft mbH	Saarbruecken	Germany	100.00
Adolf Schaper GmbH & Co. Grundbesitz-KG	Saarbruecken	Germany	100.00
AIB Verwaltungs GmbH	Duesseldorf	Germany	100.00
ARKON Grundbesitzverwaltung GmbH	Saarbruecken	Germany	100.00
ASH Grundstücksverwaltung XXX GmbH	Saarbruecken	Germany	100.00
ASSET Grundbesitz GmbH	Duesseldorf	Germany	100.00
ASSET Immobilienbeteiligungen GmbH	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Aachen II KG	Saarbruecken	Germany	94.00
ASSET Verwaltungs-GmbH & Co. Objekt Aachen, Adalbertstraße 20–30 KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Aschaffenburg KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Bergen-Enkheim KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Bonn, Acherstraße KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Darmstadt KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Dortmund KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Düsseldorf, Königsallee 1 KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Frankfurt Hauptwache KG	Saarbruecken	Germany	94.00
ASSET Verwaltungs-GmbH & Co. Objekt Freiburg im Breisgau KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Gelsenkirchen KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Hamburg-Poppenbüttel, Kritenbarg 10 KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Hanau KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Hannover KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Kassel KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Kassel, Obere Königstraße KG	Saarbruecken	Germany	94.00
ASSET Verwaltungs-GmbH & Co. Objekt Köln, Minoritenstraße KG	Saarbruecken	Germany	94.00
ASSET Verwaltungs-GmbH & Co. Objekt Köln-Kalk, Kalker Hauptstraße 118–122 KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Leipzig KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Mainz KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Mönchengladbach KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt München Pelkovenstraße 155 KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Nürnberg, Königstraße 42–52 KG	Saarbruecken	Germany	100.00

ASSET Verwaltungs-GmbH & Co. Objekt Oberhausen Centroallee KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Offenbach KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Saarbrücken, Bahnhofstraße 82–92, 98–100 KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Siegburg KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Stuttgart, Königstraße 6 KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Stuttgart-Bad Cannstatt Badstraße, Marktstraße 3 KG	Saarbruecken	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Würzburg KG	Saarbruecken	Germany	100.00
ASSET Zweite Immobilienbeteiligungen GmbH	Duesseldorf	Germany	100.00
Assevermag AG	Baar	Switzerland	79.20
Avilo Marketing Gesellschaft m. b. H.	Voesendorf	Austria	100.00
AXXE Reisegastronomie GmbH	Cologne	Germany	100.00
Bassa Grundstücksverwaltungsgesellschaft mbH	Saarbruecken	Germany	100.00
BAUGRU Immobilien - Beteiligungsgesellschaft mit beschränkter Haftung & Co. Grundstücksverwaltung KG	Saarbruecken	Germany	100.00
Blabert Grundstücksverwaltungsgesellschaft mbH	Saarbruecken	Germany	94.00
BLK Grundstücksverwaltung GmbH	Saarbruecken	Germany	100.00
C + C Schaper GmbH	Hanover	Germany	100.00
Campus Store GmbH	Alzey	Germany	100.00
CH-Vermögensverwaltung GmbH	Duesseldorf	Germany	100.00
CITY CENTER S.P.A.	Cinisello Balsamo	Italy	100.00
CJSC METRO Management Ukraine	Kiev	Ukraine	100.00
Cofalux Immobilière S. A.	Strassen	Luxembourg	100.00
COM.TVmarkt Verwaltungs-GmbH	Ingolstadt	Germany	100.00
Convergenta Werbeagentur GmbH	Munich	Germany	100.00
Dalian Metro Warehouse Management Co., Ltd.	Dalian	China	100.00
DAYCONOMY GmbH	Duesseldorf	Germany	100.00
Deelnemingsmaatschappij Arodema B.V.	Diemen	Netherlands	100.00
Deutsche SB-Kauf GmbH & Co. KG	Saarbruecken	Germany	100.00
DFI Verwaltungs GmbH	Saarbruecken	Germany	100.00
DINEA Gastronomie GmbH	Cologne	Germany	100.00
DINEA Gastronomie GmbH	Linz	Austria	100.00
Dorina Immobilien-Vermietungsgesellschaft mbH	Duesseldorf	Germany	100.00
Doxa Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Mönchengladbach KG	Mainz	Germany	0.00[1]
Duplex Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Schaper Bremen-Habenhausen KG	Mainz	Germany	0.00[1]
emotions GmbH	Cologne	Germany	100.00
Fromentus Grundstücksverwaltungsgesellschaft mbH	Mainz	Germany	0.00[1]
Fulltrade International GmbH	Duesseldorf	Germany	100.00
FZB Fachmarktzentrum Bous Verwaltungsgesellschaft mbH & Co. KG	Saarbruecken	Germany	100.00
FZG Fachmarktzentrum Guben Verwaltungsgesellschaft mbH	Saarbruecken	Germany	50.00
FZG Fachmarktzentrum Guben Verwaltungsgesellschaft mbH & Co. Vermietungs-KG	Saarbruecken	Germany	50.00
Galeria Kaufhof GmbH	Cologne	Germany	100.00
GBS Gesellschaft für Unternehmensbeteiligungen mbH	Saarbruecken	Germany	100.00
GBS Immobilier France SAS	Sarreguemines	France	100.00
GBS Objekt 14 Sp. z o.o.	Warsaw	Poland	100.00
GBS Objekt 41 Sp. z o.o.	Warsaw	Poland	100.00
GEMINI Personalservice GmbH	Cologne	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. 10. Objekt-KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. 25. Objekt-KG	Saarbruecken	Germany	100.00

GKF Vermögensverwaltungsgesellschaft mbH & Co. 6. Objekt - KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. 8. Objekt - KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Arrondierungsgrundstücke KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Entwicklungsgrundstücke KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Gewerbegrundstücke KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Grundstücksverwaltung KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Bielefeld KG	Saarbruecken	Germany	94.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Bochum Otto Straße KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Brühl KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Edingen-Neckarhausen KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Emden KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Espelkamp KG	Saarbruecken	Germany	94.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Finowfurt KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Frankenthal KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Frankenthal-Studernheim KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Gäufelden KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Gelsenkirchen KG	Saarbruecken	Germany	99.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Haibach KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hamburg-Neuwiedenthal KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover / Davenstedter Straße KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover Fössestraße KG	Saarbruecken	Germany	94.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover-Linden KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover-Südstadt KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Herten KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hildesheim-Senking KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hillesheim KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hörselgau KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Mönchengladbach-Rheydt KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Oldenburg KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Paderborn "Südring Center" KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Prüm KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rastatt KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Ratingen KG	Saarbruecken	Germany	94.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rinteln KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rüsselsheim KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Saar-Grund KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Wiesbaden-Nordenstadt KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Vermietungs- und Handels-KG	Saarbruecken	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mit beschränkter Haftung	Saarbruecken	Germany	100.00
Goldhand Lebensmittel- u. Verbrauchsgüter-Vertriebsgesellschaft mit beschränkter Haftung	Duesseldorf	Germany	100.00
Gourmedis (China) Trading Co., Ltd.	Guangzhou	China	100.00
Grillpfanne GmbH	Cologne	Germany	100.00
Hansa Foto-Handelsgesellschaft mit beschränkter Haftung	Cologne	Germany	100.00
Horten GmbH	Duesseldorf	Germany	100.00
Horten Verwaltungs GmbH	Saarbruecken	Germany	100.00
Horten Verwaltungs- GmbH & Co. Objekt Duisburg KG	Saarbruecken	Germany	100.00
Horten Verwaltungs- GmbH & Co. Objekt Düsseldorf Berliner Allee KG	Saarbruecken	Germany	100.00
Horten Verwaltungs- GmbH & Co. Objekt Düsseldorf Carschhaus KG	Saarbruecken	Germany	100.00

Horten Verwaltungs GmbH & Co. Objekt Erlangen KG	Saarbruecken	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Giessen KG	Saarbruecken	Germany	100.00
Horten Verwaltungs- GmbH & Co. Objekt Hannover KG	Saarbruecken	Germany	100.00
Horten Verwaltungs- GmbH & Co. Objekt Heidelberg KG	Saarbruecken	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Heilbronn KG	Saarbruecken	Germany	100.00
Horten Verwaltungs- GmbH & Co. Objekt Hildesheim KG	Saarbruecken	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Ingolstadt KG	Saarbruecken	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Kempten KG	Saarbruecken	Germany	100.00
Horten Verwaltungs- GmbH & Co. Objekt Münster KG	Saarbruecken	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Nürnberg KG	Saarbruecken	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Oldenburg KG	Saarbruecken	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Pforzheim KG	Saarbruecken	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Regensburg KG	Saarbruecken	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Reutlingen KG	Saarbruecken	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Schweinfurt KG	Saarbruecken	Germany	100.00
Horten Verwaltungs- GmbH & Co. Objekt Stuttgart KG	Saarbruecken	Germany	100.00
Horten Verwaltungs- GmbH & Co. Objekt Trier KG	Saarbruecken	Germany	100.00
Horten Verwaltungs- GmbH & Co. Objekt Ulm KG	Saarbruecken	Germany	100.00
Horten Verwaltungs- GmbH & Co. Objekt Wiesbaden KG	Saarbruecken	Germany	100.00
ICS METRO Cash & Carry Moldova S.R.L.	Chisinau	Moldawien	100.00
ILV - Sechste Immobilien-Vermietungsgesellschaft mbH & Co. Objekt Köln St. Agatha KG	Duesseldorf	Germany	0.00[1]
Immobilien-Vermietungsgesellschaft von Quistorp GmbH & Co. Objekt Rostock KG	Duesseldorf	Germany	1.02[1]
INNOVATION S.A.	Bruxelles	Belgium	100.00
Inpakcentrale ICN B.V.	Duiven	Netherlands	100.00
Johannes Berg GmbH, Weinkellerei	Duesseldorf	Germany	100.00
Jöst Verwaltungs GmbH	Bruchsal	Germany	100.00
JSC Tsaritsino	Moscow	Russia	100.00
Kaufhalle GmbH	Saarbruecken	Germany	100.00
Kaufhalle GmbH & Co. Objekt Hamburg Mönckebergstraße KG	Saarbruecken	Germany	100.00
Kaufhalle GmbH & Co. Objekt Lager Apfelstädt KG	Saarbruecken	Germany	100.00
Kaufhof plus Grundstücks-Vermietungsges. mbH & Co. Objekt Wuppertal-Elberfeld KG	Duesseldorf	Germany	0.00[1]
Kaufhof Warenhaus am Alex GmbH	Berlin	Germany	100.00
Kaufhof Warenhaus Neubrandenburg GmbH	Saarbruecken	Germany	100.00
Kaufhof Warenhaus Rostock GmbH	Duesseldorf	Germany	100.00
KONDOLA Grundstücksgesellschaft mbH & Co. KG	Gruenwald	Germany	0.01[1]
Kreal Limited Liability Company	Rostov-on-Don	Russia	100.00
KUPINA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG	Gruenwald	Germany	94.00[1]
Limited Liability Company real,- Hypermarket Ukraine	Kiev	Ukraine	100.00
Liqueur & Wine Trade GmbH	Duesseldorf	Germany	100.00
LLC Ukrainian Wholesale Trade Company	Kiev	Ukraine	100.00
LSZ Service GmbH & Co. KG	Alzey	Germany	100.00
Lust for Life Gastronomie GmbH	Cologne	Germany	100.00
MACAR Grundstücksgesellschaft mbH & Co. KG	Gruenwald	Germany	0.01[1]
Makro Autoservicio Mayorista S. A. U.	Madrid	Spain	100.00
MAKRO Cash & Carry Belgium NV	Antwerpen	Belgium	100.00
MAKRO Cash & Carry CR s.r.o.	Prague	Czech Republic	100.00
Makro Cash & Carry Egypt LLC	Cairo	Egypt	100.00
Makro Cash & Carry Portugal S.A.	Lisbon	Portugal	100.00

Makro Cash & Carry UK Holding Limited	Manchester	Great Britain	100.00
Makro Cash and Carry Polska S.A.	Warsaw	Poland	100.00
Makro Cash and Carry Wholesale S. A.	Athens	Greece	100.00
Makro International AG	Chur	Switzerland	100.00
Makro Ltd.	Manchester	Great Britain	100.00
Makro Pension Trustees Ltd.	Manchester	Great Britain	100.00
Makro Properties Ltd.	Manchester	Great Britain	100.00
Makro Self Service Wholesalers Ltd.	Manchester	Great Britain	100.00
MCC Boston Trading Office Inc.	Boston	USA	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Berlin-Friedrichshain KG	Saarbruecken	Germany	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Hamburg-Altona KG	Saarbruecken	Germany	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt München-Pasing KG	Saarbruecken	Germany	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Porta-Westfalica KG	Saarbruecken	Germany	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Schwelm KG	Saarbruecken	Germany	100.00
MCC Trading Deutschland GmbH	Duesseldorf	Germany	100.00
MCC Trading International GmbH	Duesseldorf	Germany	100.00
MCC Trading Office Gida Ticaret Ltd. Şti	Antalya	Turkey	100.00
MCCI Asia Pte. Ltd.	Singapore	Singapore	100.00
MDH Secundus GmbH & Co. KG	Duesseldorf	Germany	100.00
MDH Secundus Vermögensverwaltung GmbH	Duesseldorf	Germany	100.00
Media - Saturn Beteiligungsges.m.b.H.	Voesendorf	Austria	100.00
MEDIA CONCORDE S.N.C.	Ris-Orangis	France	100.00
MEDIA MARKT - BUDAÖRS Video TV Hifi Elektro Fotó Computer Kereskedelmi Kft.	Budaörs	Hungary	90.00
MEDIA MARKT A CORUÑA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	A Coruña	Spain	99.90
MEDIA MARKT ALACANT VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Alicante	Spain	99.90
MEDIA MARKT ALBACETE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	El Prat de Llobregat	Spain	99.90
MEDIA MARKT ALCALA DE GUADAIRA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	El Prat de Llobregat	Spain	99.90
MEDIA MARKT ALCALÁ DE HENARES VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Alcalá de Henares	Spain	99.90
MEDIA MARKT ALCORCON VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Alcorcón	Spain	99.90
Media Markt Alexandrium B.V.	Rotterdam	Netherlands	90.10
MEDIA MARKT ALFAFAR VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Alfafar	Spain	99.90
MEDIA MARKT ALFRAGIDE - PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	90.00
Media Markt Alkmaar B.V.	Alkmaar	Netherlands	90.10
Media Markt Almere B.V.	Almere	Netherlands	100.00
MEDIA MARKT ALMERIA VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.U.	El Prat de Llobregat	Spain	100.00
Media Markt Alphen aan den Rijn B.V.	Alphen aan den Rijn	Netherlands	90.10
Media Markt Amsterdam Noord B.V.	Amsterdam	Netherlands	90.10
Media Markt Amstetten TV-Hifi-Elektro GmbH	Amstetten	Austria	90.00
Media Markt Arena B.V.	Amsterdam	Netherlands	90.10
MEDIA MARKT Árkád Video TV Hifi Elektro Foto Computer Kereskedelmi Kft.	Budapest	Hungary	90.00
Media Markt Arnhem B.V.	Arnhem	Netherlands	90.10
MEDIA MARKT AVEIRO - PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	90.00
MEDIA MARKT BARAKALDO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Barakaldo	Spain	99.90
MEDIA MARKT BARCELONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Barcelona	Spain	99.90
MEDIA MARKT BASILIX N.V.	Sint-Agatha-Berchem	Belgium	90.00
Media Markt Békéscsaba Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Békéscsaba	Hungary	90.00
MEDIA MARKT BENFICA - PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	90.00
Media Markt Bergen op Zoom B.V.	Bergen op Zoom	Netherlands	100.00

MEDIA MARKT Bilbondo Video-TV-Hifi-Elektro-Computer-Foto, S.A.U.	Bilbao	Spain	100.00
Media Markt Borås TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
MEDIA MARKT BRAGA - PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	90.00
MEDIA MARKT Braine-l'Alleud	Braine-l'Alleud	Belgium	90.00
Media Markt Breda B.V.	Breda	Netherlands	90.10
Media Markt Bruxelles Rue Neuve (Brüssel Nieuwstraat) SA	Bruxelles	Belgium	90.00
Media Markt Bürs TV-Hifi-Elektro GmbH	Buers	Austria	90.00
MEDIA MARKT CARTAGENA VIDEO-TV-ELEKTRO-COMPUTER-FOTO, S.A.	Cartagena	Spain	99.90
MEDIA MARKT CASTELLÒ DE LA Plana VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Castellòn de la Plana	Spain	99.90
MEDIA MARKT CCI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCIV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCIX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCL TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCLIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCLIV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCLIX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCLX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCLXII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCLXIV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXIX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXVI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXVII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXVIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXXI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXXII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXXIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCLXXIV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCVIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCXL TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCXLIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCXLIV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCXLIX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCXLV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCXLVI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCXXII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCXXVI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCXXXIV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CENTURY CENTER NV	Antwerpen	Belgium	90.00
MEDIA MARKT CLII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CLIV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CLXXIX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CORDOBA VIDEO-TV-ELEKTRO-COMPUTER-FOTO, S.A.	Cordoba	Spain	99.90
MEDIA MARKT CORDOVILLA-PAMPLONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Pamplona	Spain	99.90
Media Markt Cruquius B.V.	Cruquius	Netherlands	90.10
Media Markt CXXIX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT Debrecen Video-TV-Hifi-Elektro-Photo-Computer-Kereskedelmi Kft.	Debrecen	Hungary	90.00

Media Markt Den Haag B.V.	Den Haag	Netherlands	90.10
Media Markt Deventer B.V.	Deventer	Netherlands	100.00
MEDIA MARKT DIAGONAL MAR-BARCELONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	El Prat de Llobregat	Spain	99.90
MEDIA MARKT DONOSTI VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Donosti	Spain	99.90
MEDIA MARKT E247 VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.U.	El Prat de Llobregat	Spain	100.00
MEDIA MARKT E256 VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.U.	El Prat de Llobregat	Spain	100.00
MEDIA MARKT E263 VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.U.	El Prat de Llobregat	Spain	100.00
MEDIA MARKT E270 VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.U.	El Prat de Llobregat	Spain	100.00
MEDIA MARKT E271 VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.U.	El Prat de Llobregat	Spain	100.00
MEDIA MARKT E278 VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.U.	El Prat de Llobregat	Spain	100.00
MEDIA MARKT E–284 Video-TV-Hifi-Elektro-Computer-Foto, S.A.U.	El Prat de Llobregat	Spain	100.00
MEDIA MARKT E–285 Video-TV-Hifi-Elektro-Computer-Foto, S.A.U.	Barcelona	Spain	100.00
MEDIA MARKT E–286 Video-TV-Hifi-Elektro-Computer-Foto, S.A.U.	Barcelona	Spain	100.00
Media Markt e-commerce GmbH	Ingolstadt	Germany	100.00
Media Markt Ede B.V.	Ede	Netherlands	90.10
Media Markt Eindhoven B.V.	Eindhoven	Netherlands	90.10
MEDIA MARKT EL PRAT VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	El Prat de Llobregat	Spain	99.90
MEDIA MARKT ELCHE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	El Prat de Llobregat	Spain	99.90
Media Markt Enschede B.V.	Enschede	Netherlands	90.10
MEDIA MARKT GAIA - PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	90.00
MEDIA MARKT GAVÁ VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	El Prat de Llobregat	Spain	99.90
Media Markt Gävle TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
MEDIA MARKT GETAFE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Getafe	Spain	99.90
MEDIA MARKT GIRONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Girona	Spain	99.90
Media Markt GmbH TV-HiFi-Elektro	Munich	Germany	90.00
MEDIA MARKT Gosselies/Charleroi N.V.	Charleroi	Belgium	90.00
Media Markt Göteborg-Bäckebol TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Göteborg-Högsbo TV-HiFi-Elektro AB	Stockholm	Sweden	90.01
MEDIA MARKT GRANADA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Pulianas-Granada	Spain	99.90
Media Markt Graz-Liebenau TV-Hifi-Elektro GmbH	Graz	Austria	90.00
Media Markt Groningen B.V.	Groningen	Netherlands	90.10
Media Markt Heerlen B.V.	Heerlen	Netherlands	90.10
Media Markt Hengelo B.V.	Hengelo	Netherlands	90.10
MEDIA MARKT Herstal	Liège	Belgium	90.00
MEDIA MARKT HUELVA VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	El Prat de Llobregat	Spain	99.90
Media Markt Imst TV-Hifi-Elektro GmbH	Imst	Austria	90.00
Media Markt IP Holding Hong Kong Limited	Hong Kong	China	100.00
Media Markt Jemappes/Mons S. A.	Mons	Belgium	90.00
MEDIA MARKT JEREZ DE LA FRONTERA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	El Prat de Llobregat	Spain	99.90
Media Markt Jönköping TV-Hifi- Elektro AB	Stockholm	Sweden	90.01
Media Markt Kalmar TV-Hifi-Elektro AB	Kalmar	Sweden	90.01
Media Markt Kristianstad TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
MEDIA MARKT L´ HOSPITALET VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	El Prat de Llobregat	Spain	99.90
MEDIA MARKT LAS PALMAS DE GRAN CANARIA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Las Palmas de Gran Canaria	Spain	99.90
Media Markt Leeuwarden B.V.	Leeuwarden	Netherlands	90.10
MEDIA MARKT LEGANES VIDEO-TV- HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	El Prat de Llobregat	Spain	99.90
MEDIA MARKT LEIRIA - PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	90.00
Media Markt Leoben TV-Hifi-Elektro GmbH	Leoben	Austria	90.00

MEDIA MARKT LEÓN VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	León	Spain	99.90
Media Markt Liège Place Saint-Lambert SA	Liège	Belgium	90.00
MEDIA MARKT LOGRONO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.U.	Logrono	Spain	100.00
MEDIA MARKT LOS BARRIOS VÍDO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Los Barrios	Spain	99.90
MEDIA MARKT LUGO VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.U.	Lugo	Spain	100.00
Media Markt Luleå TV-Hifi-Elektro AB	Luleå	Sweden	100.00
Media Markt Lund TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Maastricht B.V.	Maastricht	Netherlands	90.10
MEDIA MARKT MADRID PLENILUNIO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	El Prat de Llobregat	Spain	99.90
MEDIA MARKT MADRID-VILLAVERDE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Madrid	Spain	99.90
MEDIA MARKT Majadahonda Video-TV-HiFi-Elektro-Computer-Foto, S.A.	Majadahonda	Spain	99.90
MEDIA MARKT MALAGA OESTE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.U.	El Prat de Llobregat	Spain	100.00
MEDIA MARKT MALAGA-CENTRO VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	El Prat de Llobregat	Spain	99.90
Media Markt Malmö-Bernstorp TV-Hifi-Elektro AB	Skövde	Sweden	90.01
Media Markt Malmö-Svågertorp TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Management GmbH	Ingolstadt	Germany	100.00
MEDIA MARKT MATARO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	El Prat de Llobregat	Spain	99.90
MEDIA MARKT Megapark Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Budapest	Hungary	90.00
Media Markt Middelburg B.V.	Middelburg	Netherlands	100.00
MEDIA MARKT Miskolc Video TV Hifi Elektro Photo Computer Kereskedelmit Kft	Miskolc	Hungary	90.00
MEDIA MARKT MOLLET VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.U.	El Prat de Llobregat	Spain	100.00
MEDIA MARKT MURCIA NUEVA CONDOMINA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	El Prat de Llobregat	Spain	99.90
MEDIA MARKT MURCIA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Murcia	Spain	99.90
MEDIA MARKT NASCENTE - PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	90.00
Media Markt Norrköping TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Nyíregyháza Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Nyíregyháza	Hungary	90.00
Media Markt Oberwart TV-Hifi-Elektro GmbH	Eisenstadt	Austria	90.00
Media Markt Oostakker NV	Oostakker	Belgium	90.00
Media Markt Oostende NV	Oostende	Belgium	90.00
Media Markt Örebro TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
MEDIA MARKT Pécs Video TV Hifi Elektro Photo Computer Kereskedelmit Kft.	Pécs	Hungary	90.00
MEDIA MARKT PLAZA - PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	90.00
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Media Markt Polska Sp. z o.o. 13 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 15 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 19 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 21 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 22 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 23 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 25 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 26 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 27 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 9 Sp. z o.o. Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Białystok Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Bydgoszcz Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Chorzów Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Gdańsk II Spolka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Głogów Spółka Komandytowa	Warsaw	Poland	90.00

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Media Markt Polska Sp. z o.o. Koszalin Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Kraków II Spółka Komandytowa	Warsaw	Poland	90.00
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Media Markt Polska Sp. z o.o. Nowy Sącz Spółka Komandytowa	Warsaw	Poland	90.00
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Media Markt Polska Sp. z o.o. Radom Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Rybnik Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Tarnów Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Toruń Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Wałbrzych Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Zielona Góra Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z.o.o. Bielsko-Biała Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z.o.o. Czeladź Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z.o.o. Częstochowa Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z.o.o. Gdańsk I Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z.o.o. Katowice I Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z.o.o. Kielce Spółka Komandytowa	Warsaw	Poland	90.00
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Media Markt Polska Sp. z.o.o. Łódź I Spółka Komandytowa	Warsaw	Poland	90.00
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Media Markt Polska Sp. z.o.o. Opole Spółka Komandytowa	Warsaw	Poland	100.00
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Media Markt Polska Sp. z.o.o. Rzeszów Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z.o.o. Szczecin Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z.o.o. Warszawa 1 Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z.o.o. Warszawa II Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z.o.o. Warszawa III Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z.o.o. Warszawa IV Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z.o.o. Wrocław I Spółka Komandytowa	Warsaw	Poland	90.00
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Media Markt Polska Sp. z.o.o. Zabrze Spółka Komandytowa	Warsaw	Poland	90.00
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MEDIA MARKT PUERTO REAL VIDEO-TV-HIFI-ELECTRO-COMPUTER-FOTO, S.A.	El Prat de Llobregat	Spain	99.90
Media Markt Rijswijk B.V.	Rijswijk (Den Haag)	Netherlands	90.10
MEDIA MARKT RIVAS-VACIAMADRID VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	El Prat de Llobregat	Spain	99.90
Media Markt Roermond B.V.	Roermond	Netherlands	90.10
Media Markt Roeselare NV	Roeselare	Belgium	90.00
Media Markt Rotterdam Beijerlandselaan B.V.	Rotterdam	Netherlands	100.00
MEDIA MARKT SALAMANCA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Santa Marta de Tormes	Spain	99.90
MEDIA MARKT San Juan de Aznalfarache VIDEO-TV-HIFI-ELECTRO-COMPUTER-FOTO, S.A.	Sevilla	Spain	99.90

MEDIA MARKT SAN SEBASTIAN DE LOS REYES VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	San Sebastian de los Reyes	Spain	99.99
MEDIA MARKT SANT CUGAT DEL VALLÈS VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Sant Cugat del Vallès	Spain	99.90
MEDIA MARKT Santander Video-TV-Hifi-Elektro-Computer-Foto, S.A.U.	Barcelona	Spain	100.00
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Media Markt Saturn Holding Nederland B.V.	Rotterdam	Netherlands	100.00
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MEDIA MARKT SEVILLA-SANTA JUSTA VIDEO-TV-HIFIi-ELEKTRO-COMPUTER-FOTO, S.A.	Sevilla	Spain	99.90
MEDIA MARKT SIERO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Lugones-Siero	Spain	99.90
MEDIA MARKT Sint-Lambrechts-Woluwe	Sint-Lambrechts-Woluwe	Belgium	90.00
MEDIA MARKT Sint-Pieters-Leeuw N.V.	Sint-Pieters-Leeuw	Belgium	90.00
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Media Markt Spittal TV-Hifi-Elektro GmbH	Spittal an der Drau	Austria	90.00
Media Markt St. Lorenzen TV-Hifi-Elektro GmbH	St. Lorenzen im Muerztal	Austria	90.00
Media Markt Steyr TV-Hifi-Elektro GmbH	Steyr	Austria	90.00
Media Markt Stockholm-Barkarby TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Stockholm-Heron City TV-HiFi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Stockholm-Nacka TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
MEDIA MARKT Stop Shop Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Budapest	Hungary	90.00
Media Markt Sundsvall TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
MEDIA MARKT Szeged Video-TV-Hifi-Elektro-Photo-Computer-Kereskedelmi Kft.	Szeged	Hungary	90.00
MEDIA MARKT Székesfehérvár Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Székesfehérvár	Hungary	90.00
Media Markt Szolnok Video Tv Hifi Elektro Photo Computer Kereskedelmi Kft.	Szolnok	Hungary	100.00
MEDIA MARKT Szombathely Video-TV-Hifi-Elektro-Photo-Computer-Kereskedelmi Kft.	Szombathely	Hungary	90.00
MEDIA MARKT TARRAGONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Tarragona	Spain	99.90
Media Markt Tatabánya Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Tatabánya	Hungary	90.00
MEDIA MARKT TELDE VÍDEO-TV- HIFI- ELEKTRO- COMPUTER- FOTO, S.A.	El Prat de Llobregat	Spain	99.90
MEDIA MARKT TENERIFE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-COMPUTER, S.A.	Santa Cruz de Tenerife	Spain	99.90
Media Markt The Corner B.V.	Rotterdam	Netherlands	90.10
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Media Markt TV-HiFi-Elektro Athens III Commercial Anonymi Eteria	Athens	Greece	100.00
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Media Markt TV-HiFi-Elektro GmbH	Schiffdorf-Spaden	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH & Co. KG Bruchsal	Bruchsal	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Alzey	Alzey	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Ansbach	Ansbach	Germany	90.05
MEDIA Markt TV-HiFi-Elektro GmbH Aschaffenburg	Aschaffenburg	Germany	90.05
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MEDIA Markt TV-HiFi-Elektro GmbH Berlin-Biesdorf	Berlin	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Berlin-Charlottenburg	Berlin	Germany	100.00
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Media Markt TV-HiFi-Elektro GmbH Chemnitz-Röhrsdorf	Chemnitz	Germany	90.00
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Media Markt TV-HiFi-Elektro GmbH Deggendorf	Deggendorf	Germany	95.00

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Media Markt TV-HiFi-Elektro GmbH Emden	Emden	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Erding	Erding	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Erfurt Thüringen-Park	Erfurt	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Erfurt-Daberstedt	Erfurt	Germany	90.00
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Media Markt TV-HiFi-Elektro GmbH Gießen	Giessen	Germany	90.00
Media Markt TV-Hifi-Elektro GmbH Goslar	Goslar	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Göttingen	Goettingen	Germany	90.05
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Media Markt TV-HiFi-Elektro GmbH Itzehoe	Itzehoe	Germany	90.00
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Media Markt TV-HiFi-Elektro GmbH Kaiserslautern	Kaiserslautern	Germany	90.00
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Media Markt TV-HiFi-Elektro GmbH Köln-Marsdorf	Cologne	Germany	90.05
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Media Markt TV-HiFi-Elektro GmbH Krefeld	Krefeld	Germany	90.05
MEDIA MARKT TV-HiFi-Elektro GmbH Lahr	Lahr	Germany	90.00
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Media Markt TV-HiFi-Elektro GmbH Landshut	Landshut	Germany	94.00
Media Markt TV-HiFi-Elektro GmbH Leipzig-Paunsdorf	Leipzig	Germany	90.00
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Media Markt TV-HiFi-Elektro GmbH Ludwigshafen	Ludwigshafen	Germany	95.00
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MEDIA MARKT TV-HiFi-Elektro GmbH Magdeburg-Bördepark	Magdeburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Main-Taunus-Zentrum	Sulzbach	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Mainz	Mainz	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Mannheim	Mannheim	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Mannheim-Sandhofen	Mannheim	Germany	90.00
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Media Markt TV-HiFi-Elektro GmbH Mühldorf/Inn	Muehldorf am Inn	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Mülheim	Muelheim an der Ruhr	Germany	90.05
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Media Markt TV-HiFi-Elektro GmbH München-Solln	Munich	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Münster	Muenster	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Neubrandenburg	Neubrandenburg	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Neumünster	Neumuenster	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Neunkirchen	Neunkirchen	Germany	90.00

Media Markt TV-HiFi-Elektro GmbH Neuss	Neuss	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Neustadt an der Weinstraße	Neustadt an der Weinstrasse	Germany	90.00
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Media Markt TV-Hifi-Elektro GmbH Nürnberg-Schoppershof	Nuernberg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Offenburg	Offenburg	Germany	90.00
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Media Markt TV-HiFi-Elektro GmbH Peine	Peine	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Pforzheim	Pforzheim	Germany	90.00
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Media Markt TV-HiFi-Elektro GmbH Plauen	Plauen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Potsdam	Potsdam	Germany	90.00
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Media Markt TV-HiFi-Elektro GmbH Recklinghausen	Recklinghausen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Regensburg	Regensburg	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Reutlingen	Reutlingen	Germany	90.05
MEDIA MARKT TV-HiFi-Elektro GmbH Rheine	Rheine	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Rödental	Roedental	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Rosenheim	Rosenheim	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Rostock	Sievershagen	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Rostock-Brinckmansdorf	Rostock	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Saarbrücken	Saarbruecken	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Saarbrücken-Saarterrassen	Saarbruecken	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Saarlouis	Saarlouis	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Schwedt	Schwedt/Oder	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Schweinfurt	Schweinfurt	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Schwerin	Schwerin	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Siegen	Siegen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Sindelfingen	Sindelfingen	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Singen	Singen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Speyer	Speyer	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Stade	Stade	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Stralsund	Stralsund	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Straubing	Straubing	Germany	90.05
MEDIA MARKT TV-HiFi-Elektro GmbH Stuhr	Stuhr	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Stuttgart-Feuerbach	Stuttgart	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Stuttgart-Vaihingen	Stuttgart	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Traunreut	Traunreut	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Traunstein	Traunstein	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Trier	Trier	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Ulm	Ulm	Germany	90.00

MEDIA MARKT TV-HiFi-Elektro GmbH Velbert	Velbert	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Viernheim	Viernheim	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Waltersdorf bei Berlin	Schoenefeld	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Weiden	Weiden in der Oberpfalz	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Weilheim	Weilheim	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Weiterstadt	Weiterstadt	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Wetzlar	Wetzlar	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Wiesbaden	Wiesbaden	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Wiesbaden-Äppelallee	Wiesbaden	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Wolfsburg	Wolfsburg	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Worms	Worms	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Wuppertal	Wuppertal	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Würzburg	Wuerzburg	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Würzburg - Alfred-Nobel-Straße	Wuerzburg	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Zella-Mehlis	Zella-Mehlis	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Zwickau	Zwickau	Germany	90.05
Media Markt TV-HiFi-Elektro Larissa Commercial Anonymi Eteria	Athens	Greece	100.00
MEDIA Markt TV-HiFi-Elektro Licht GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt TV-Hifi-Elektro Thessaloniki I Commercial Anonymi Eteria	Athens	Greece	90.00
Media Markt TV-HiFi-Elektro Thessaloniki II Commercial Anonymi Eteria	Athens	Greece	100.00
MEDIA MARKT TV-Hifi-Elektro Wien XI Gesellschaft m.b.H.	Vienna	Austria	90.00
MEDIA MARKT TV-Hifi-Elektro Wien XIII GmbH	Vienna	Austria	90.00
MEDIA MARKT TV-Hifi-Elektro Wien XXI Gesellschaft m.b.H.	Vienna	Austria	90.00
MEDIA MARKT TWEE TORENS HASSELT NV	Hasselt	Belgium	90.00
Media Markt Umeå TV-Hifi-Elektro AB	Umeå	Sweden	90.01
Media Markt Uppsala TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Utrecht B.V.	Utrecht	Netherlands	90.10
MEDIA MARKT VALÈNCIA-CAMPANAR VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	València	Spain	99.90
MEDIA MARKT VALLADOLID VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Valladolid	Spain	99.90
Media Markt Västerås TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Växjö TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Verbund Heilbronn-Franken GmbH	Heilbronn	Germany	90.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto AG, Basel	Basel	Switzerland	90.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto AG, Biel-Brügg	Bruegg bei Biel	Switzerland	90.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto AG, Chur	Chur	Switzerland	90.00
Media Markt Video-TV-HiFi-Elektro-Computer-Foto AG, Conthey	Conthey	Switzerland	90.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto AG, Crissier	Crissier	Switzerland	90.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto AG, Granges-Paccot	Granges-Paccot	Switzerland	90.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto AG, Kriens	Kriens	Switzerland	90.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto AG, Lyssach	Lyssach	Switzerland	100.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto AG, Meyrin	Meyrin	Switzerland	90.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto AG, Muri b. Bern	Muri bei Bern	Switzerland	90.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto AG, Oftringen	Oftringen	Switzerland	90.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto AG, Pratteln	Pratteln	Switzerland	90.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto AG, St. Gallen	St. Gallen	Switzerland	90.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto AG, Zürich	Zurich	Switzerland	91.00
Media Markt Video-TV-Hifi-Elektro-Computer-Foto Grancia AG	Grancia	Switzerland	90.00

Media Markt Video-TV-Hifi-Elektro-Computer-Foto SA, Genève	Geneva	Switzerland	90.00
MEDIA MARKT VIGO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Vigo	Spain	99.90
MEDIA MARKT VITORIA-GASTEIZ VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Vitoria	Spain	99.90
Media Markt Vöcklabruck TV-Hifi-Elektro GmbH	Voecklabruck	Austria	90.00
Media Markt Wels TV-Hifi-Elektro GmbH	Wels	Austria	90.00
MEDIA MARKT- West End Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Budapest	Hungary	90.00
Media Markt Wien XV TV-Hifi-Elektro GmbH	Vienna	Austria	90.00
Media Markt Wien XXII TV-Hifi-Elektro GmbH	Vienna	Austria	90.00
MEDIA MARKT Wörgl TV-Hifi-Elektro GmbH	Woergl	Austria	90.00
MEDIA MARKT X - Produtos Informáticos e Electrónicos, LDA.	Lisbon	Portugal	100.00
MEDIA MARKT XCV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT XI - Produtos Informáticos e Electrónicos, LDA.	Lisbon	Portugal	100.00
MEDIA MARKT XII - Produtos Informáticos e Electrónicos, LDA.	Lisbon	Portugal	100.00
Media Markt Zalaegerszeg Video TV Hifi Elektro Computer Kereskedelmi Korlátolt Felelősségü Társaság	Zalaegerszeg	Hungary	100.00
MEDIA MARKT ZARAGOZA PUERTO VENECIA VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Zaragoza	Spain	99.90
MEDIA MARKT ZARAGOZA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Zaragoza	Spain	99.90
Media Markt Zell am See TV-Hifi-Elektro GmbH	Zell am See	Austria	90.00
Media Markt Zoetermeer B.V.	Zoetermeer	Netherlands	90.10
Media Markt zwei TV-HiFi-Elektro GmbH Dresden-Prohlis	Dresden	Germany	90.00
Media Markt Zwolle B.V.	Zwolle	Netherlands	90.10
MEDIA MARKT-SATURN BELGIUM N.V.	Asse-Zellik	Belgium	100.00
Media Saturn - Servicos de Apoio Adminstrativo, Lda.	Lisbon	Portugal	100.00
Media Saturn Electronics Hellas Holding Anonymi Eteria	Athens	Greece	100.00
MEDIA SATURN FRANCE S.C.S.	Ris-Orangis	France	100.00
Media Saturn Hellas Company Administration Anonymi Eteria	Athens	Greece	100.00
Media Saturn Holding Polska Sp.z.o.o.	Warsaw	Poland	100.00
Media Saturn Management AG	Geroldswil	Switzerland	100.00
MEDIA SATURN MULTICHANNEL S.A.U.	El Prat de Llobregat	Spain	100.00
Media Saturn Power Service AG	Haerkingen	Switzerland	80.00
Mediamarket S.p.A.	Curno	Italy	97.00
MediaMarkt (China) International Retail Holding Limited	Hong Kong	China	75.00
MediaMarkt (Shanghai) Commercial & Trading Company Limited	Shanghai	China	100.00
MediaMarkt (Shanghai) Consulting Service Company Limited	Shanghai	China	100.00
MEDIA-Markt TV-HiFi-Elektro GmbH Aachen	Aachen	Germany	90.00
MediaOnline GmbH	Ingolstadt	Germany	100.00
MEDIA-SATURN (PORTUGAL), SGPS, UNIPESSOAL LDA	Lisbon	Portugal	100.00
Media-Saturn China-Holding GmbH	Ingolstadt	Germany	75.41
Media-Saturn China-Holding Limited	Hong Kong	China	100.00
Media-Saturn Deutschland GmbH	Ingolstadt	Germany	100.00
Media-Saturn Helvetia Holding GmbH	Ingolstadt	Germany	100.00
Media-Saturn Holding Sweden AB	Stockholm	Sweden	100.00
Media-Saturn Immobilien Deutschland GmbH	Ingolstadt	Germany	100.00
Media-Saturn IT Services GmbH	Ingolstadt	Germany	100.00
Media-Saturn Shared Services Sweden AB	Stockholm	Sweden	100.00
Media-Saturn Verwaltung Deutschland GmbH	Ingolstadt	Germany	100.00
media-saturn-e-business GmbH	Ingolstadt	Germany	100.00
Media-Saturn-Holding GmbH	Ingolstadt	Germany	75.41

Meister feines Fleisch - feine Wurst GmbH	Gaeufelden	Germany	100.00
MEM METRO Group Energy Production & Management GmbH	Duesseldorf	Germany	100.00
MES METRO Group Energy Solutions GmbH	Boeblingen	Germany	100.00
METRO Beteiligungsmanagement Düsseldorf GmbH & Co. KG	Duesseldorf	Germany	100.00
Metro Cash & Carry Brunnthal GmbH & Co. KG	Brunnthal	Germany	100.00
METRO Cash & Carry Bulgaria EOOD	Sofia	Bulgaria	100.00
METRO Cash & Carry Central Asia Holding GmbH	Voesendorf	Austria	100.00
METRO Cash & Carry China Holding GmbH	Voesendorf	Austria	100.00
METRO Cash & Carry d.o.o.	Zagreb	Croatia	100.00
METRO Cash & Carry d.o.o.	Belgrad	Serbia	100.00
Metro Cash & Carry Danmark ApS.	Glostrup	Denmark	100.00
METRO Cash & Carry Deutschland GmbH	Duesseldorf	Germany	100.00
METRO Cash & Carry France S.A.S.	Nanterre	France	100.00
Metro Cash & Carry Grundstücksverwaltungsgesellschaft mbH	Duesseldorf	Germany	100.00
METRO Cash & Carry Import Limited Liability Company	Kaliningrad	Russia	100.00
METRO Cash & Carry India Private Limited	Bangalore	India	100.00
METRO Cash & Carry International GmbH	Duesseldorf	Germany	100.00
METRO Cash & Carry International Holding B. V.	Amsterdam	Netherlands	100.00
METRO Cash & Carry International Holding GmbH	Voesendorf	Austria	100.00
METRO Cash & Carry International Management GmbH	Duesseldorf	Germany	100.00
METRO Cash & Carry Japan Holding GmbH	Voesendorf	Austria	100.00
METRO Cash & Carry Japan KK	Tokio	Japan	100.00
METRO Cash & Carry Limited Liability Partnership	Almaty	Kazakhstan	100.00
Metro Cash & Carry Nederland B.V.	Diemen	Netherlands	100.00
METRO Cash & Carry OOO	Moscow	Russia	100.00
METRO Cash & Carry Österreich GmbH	Voesendorf	Austria	73.00
METRO Cash & Carry Pakistan (Private) Limited	Lahore	Pakistan	100.00
METRO CASH & CARRY ROMANIA SRL	Bukarest	Romania	85.00
METRO Cash & Carry Slovakia s.r.o.	Ivànka pri Dunaji	Slovakia	100.00
METRO Cash & Carry SR s.r.o.	Ivanka pri Dunaji	Slovakia	100.00
METRO Cash & Carry Ukraine Ltd.	Kiev	Ukraine	100.00
METRO Cash & Carry Vietnam Ltd.	Ho Chi Minh City	Vietnam	100.00
Metro Cash & Carry Wines	Hyderabad	India	99.99
METRO Central East Europe GmbH	Vienna	Austria	100.00
METRO Danmark Holding ApS	Glostrup	Denmark	100.00
METRO Dienstleistungs-Holding GmbH	Duesseldorf	Germany	100.00
METRO Distributie Nederland B. V.	Diemen	Netherlands	100.00
METRO DOLOMITI SpA	San Donato Milanese	Italy	100.00
METRO Euro-Finance B. V.	Venlo	Netherlands	100.00
METRO FIM S.p.A.	Cinisello Balsamo	Italy	100.00
METRO Finance	Manchester	Great Britain	100.00
METRO Finance B. V.	Venlo	Netherlands	100.00
METRO Finance Holding Limited	Manchester	Great Britain	100.00
Metro France Immobiliere S. a. r. l.	Nanterre	France	100.00
Metro Grosmarket Bakirköy Alisveris Hizmetleri Ticaret Ltd. Sirketi	Istanbul	Turkey	100.00
METRO Groß- und Lebensmitteleinzelhandel Holding GmbH	Duesseldorf	Germany	100.00
METRO Großhandelsgesellschaft mbH	Duesseldorf	Germany	100.00
METRO Group Asset Management B.V.	Amsterdam	Netherlands	100.00

Metro Group Asset Management Emlak Yonetim A.S	Istanbul	Turkey	99.93
METRO Group Asset Management GmbH	Saarbruecken	Germany	66.67
METRO Group Asset Management GmbH & Co. KG	Saarbruecken	Germany	98.04
METRO Group Asset Management Ingatlan Kft.	Budaörs	Hungary	100.00
METRO Group Asset Management Limited Liability Company	Moscow	Russia	100.00
METRO Group Asset Management Property Ukraine LLC	Kiev	Ukraine	100.00
METRO Group Asset Management Services GmbH	Saarbruecken	Germany	100.00
METRO Group Asset Management Sp.z o.o.	Warsaw	Poland	100.00
METRO Group Asset Management Ukraine, Limited Liability Company	Kiev	Ukraine	100.00
METRO Group Buying Ukraine Ltd.	Kiev	Ukraine	100.00
METRO Group Energy Production Sp. z o.o.	Warsaw	Poland	100.00
METRO Group Logistics Hong Kong Co., Limited	Hong Kong	China	100.00
Metro Group Logistics LDA	Lisbon	Portugal	100.00
METRO GROUP LOGISTICS S.L.	Madrid	Spain	100.00
METRO GROUP REAL ESTATE ESPANA S.L.	Madrid	Spain	100.00
METRO Group Real Estate Holding GmbH	Duesseldorf	Germany	100.00
METRO Group Retail Real Estate GmbH	Duesseldorf	Germany	100.00
METRO Group Retail Real Estate Romania S.R.L.	Voluntari	Romania	100.00
Metro Group Settlement AG	Chur	Switzerland	100.00
METRO Group Wholesale Real Estate Bulgaria EOOD	Sofia	Bulgaria	100.00
METRO Group Wholesale Real Estate GmbH	Duesseldorf	Germany	100.00
Metro Holding France S. A.	Vitry sur Seine	France	100.00
METRO International AG	Baar	Switzerland	100.00
Metro International Beteiligungs GmbH	Duesseldorf	Germany	100.00
METRO Italia Cash and Carry S. p. A.	San Donato Milanese	Italy	100.00
METRO Jinjiang Cash & Carry Co., Ltd.	Shanghai	China	90.00
METRO Kaufhaus und Fachmarkt Holding GmbH	Duesseldorf	Germany	100.00
METRO Kereskedelmi Kft.	Budaörs	Hungary	100.00
METRO Leasing GmbH	Saarbruecken	Germany	100.00
Metro Liquors K.K.	Kawaguchi	Japan	100.00
METRO Management EOOD	Sofia	Bulgaria	100.00
METRO Online GmbH	Duesseldorf	Germany	100.00
METRO ONLINE USA, Inc.	Delaware	USA	100.00
Metro Properties B.V.	Diemen	Netherlands	100.00
METRO Properties CR s.r.o.	Prague	Czech Republic	100.00
Metro Properties Danmark ApS.	Glostrup	Denmark	100.00
METRO Properties Holding Ltd.	Manchester	Great Britain	100.00
METRO Property Management (Beijing) Co. Ltd.	Beijing	China	100.00
Metro Property Management (Changsha) Co., Ltd.	Changsha	China	100.00
METRO Property Management (Changshu) Co. Ltd.	Changshu	China	100.00
Metro Property Management (Changzhou) Co. Ltd.	Changzhou	China	100.00
Metro Property Management (Chengdu Qingyang) Co., Ltd.	Chengdu	China	100.00
METRO Property Management (Chongqing) Co. Ltd.	Chongqing	China	100.00
Metro Property Management (Cixi) Co., Limited	Cixi	China	100.00
Metro Property Management (Dongguan) Co. Ltd.	Dongguan	China	100.00
Metro Property Management (Hangzhou) Company Limited	Hangzhou	China	100.00
METRO Property Management (Harbin) Co. Ltd.	Harbin	China	100.00
Metro Property Management (Hefei) Co. Ltd.	Hefei	China	100.00

Metro Property Management (Jiangyin) Company Limited	Jiangyin	China	100.00
Metro Property Management (Jiaxing) Co. Ltd.	Jiaxing	China	100.00
Metro Property Management (Kunshan) Company Limited	Suzhou	China	100.00
METRO Property Management (Nanchang Qingshanhu) Co. Ltd.	Nanchang	China	100.00
Metro Property Management (Nantong) Co. Ltd.	Nantong	China	100.00
METRO Property Management (Shenyang) Co. Ltd.	Shenyang	China	100.00
METRO Property Management (Shenzhen) Co. Ltd.	Shenzhen	China	100.00
Metro Property Management (Suzhou) Co., Ltd.	Suzhou	China	100.00
METRO Property Management (Tianjin Hongqiao) Co., Ltd.	Tianjin	China	100.00
Metro Property Management (Wuhan) Co., Ltd.	Wuhan	China	100.00
METRO Property Management (Xiamen) Co., Ltd.	Xiamen	China	100.00
METRO Property Management (Xian) Co., Ltd.	Xian	China	100.00
Metro Property Management (Zhengzhou) Co., Ltd.	Zhengzhou	China	100.00
METRO Property Management (Zhongshan) Co. Limited	Zhongshan	China	100.00
METRO Property Management Wuxi Co. Ltd.	Wuxi	China	100.00
Metro Real Estate Limited	Manchester	Great Britain	100.00
METRO Real Estate Ltd.	Zagreb	Croatia	100.00
Metro Reinsurance N.V.	Amsterdam	Netherlands	100.00
Metro SB-Großmärkte GmbH & Co. Kommanditgesellschaft	Esslingen am Neckar	Germany	100.00
Metro SB-Großmärkte GmbH & Co. Kommanditgesellschaft	Linden	Germany	100.00
Metro SB-Großmärkte Verwaltungsgesellschaft mit beschränkter Haftung	Muelheim an der Ruhr	Germany	100.00
METRO Sechste Gesellschaft für Vermögensverwaltung mbH	Duesseldorf	Germany	100.00
METRO Service GmbH	Voesendorf	Austria	100.00
Metro Servizi Logistici S. p. A.	San Donato Milanese	Italy	100.00
METRO Siebte Gesellschaft für Vermögensverwaltung mbH	Duesseldorf	Germany	100.00
METRO South East Asia Holding GmbH	Voesendorf	Austria	100.00
METRO SYSTEMS GmbH	Duesseldorf	Germany	100.00
METRO Systems Ukraine LLC	Kiev	Ukraine	100.00
METRO Warehouse Management (Chongqing) Co. Ltd.	Chongqing	China	100.00
Metro Warehouse Management (Hangzhou) Co. Ltd.	Hangzhou	China	100.00
METRO Warehouse Management (Suzhou) Co. Ltd.	Suzhou	China	100.00
Metro Warehouse Management (Wuhan) Co. Ltd.	Wuhan	China	100.00
Metro Warehouse Management (Yantai) Co., Limited	Yantai	China	100.00
Metro Warehouse Noginsk Limited Liability Company	Moscow	Russia	100.00
METRO Zehnte Gesellschaft für Vermögensverwaltung mbH	Duesseldorf	Germany	100.00
METRO Zehnte GmbH & Co. KG	Duesseldorf	Germany	100.00
METRO Zwölfte Gesellschaft für Vermögensverwaltung mbH	Duesseldorf	Germany	100.00
MFM METRO Group Facility Management GmbH	Duesseldorf	Germany	100.00
MGA METRO Group Advertising GmbH	Duesseldorf	Germany	100.00
MGA METRO Group Advertising Polska Sp. z o.o. i Spólka Sp.k.	Warsaw	Poland	100.00
MGA METRO Group Advertising Polska Spolka z ogranicona odpowiedzialoscia	Warsaw	Poland	100.00
MGA METRO Group Advertising Romania srl	Bukarest	Romania	100.00
MGA METRO Group Advertising Rus OOO	Moscow	Russia	100.00
MGB METRO Group Buying HK Limited	Hong Kong	China	100.00
MGB Metro Group Buying Romania SRL	Bukarest	Romania	100.00
MGB METRO Group Buying RUS LLC	Moscow	Russia	100.00
MGB Metro Group Buying South s.r.l.	Cinisello Balsamo	Italy	100.00
MGB METRO Group Buying TR Satinalma Ticaret Limited Sirketi	Istanbul	Turkey	100.00

MGC METRO Group Clearing GmbH	Duesseldorf	Germany	100.00
MGE Warenhandelsgesellschaft mbH	Duesseldorf	Germany	100.00
MGI Metro Group Iletisim ve Enformasyon Ticaret Limited Sirketi	Istanbul	Turkey	100.00
MGI METRO Group Information Technology Polska Sp. z o.o.	Warsaw	Poland	100.00
MGI Metro Group Information Technology Romania S.R.L.	Bukarest	Romania	100.00
MGI Metro Group Information Technology RU LLC	Moscow	Russia	100.00
MGL LOGISTICS SERVICES GREECE Eteria Periorismenis Efthinis	Agios Ioannis Rentis	Greece	100.00
MGL METRO Group Logistics Bulgaria LTD	Sofia	Bulgaria	100.00
MGL METRO Group Logistics GmbH	Duesseldorf	Germany	100.00
MGL Metro Group Logistics Italy S.r.l.	Cinisello Balsamo	Italy	100.00
MGL METRO Group Logistics Limited Liability Company	Moscow	Russia	100.00
MGL METRO Group Logistics Polska Sp. z o.o.	Warsaw	Poland	100.00
MGL METRO Group Logistics Polska Sp. z o.o. i Spólka Sp.k.	Warsaw	Poland	99.87
MGL METRO GROUP LOGISTICS UKRAINE LLC	Kiev	Ukraine	100.00
MGL METRO Group Logistics Warehousing Beteiligungs GmbH	Sarstedt	Germany	100.00
MGL METRO Group Logistics Warehousing GmbH	Sarstedt	Germany	100.00
MGL METRO Group Lojistik Hizmetleri Ticaret Limited sirketi	Istanbul	Turkey	100.00
MGP METRO Group Account Processing GmbH	Kehl	Germany	100.00
MGP METRO Group Account Processing International AG	Baar	Switzerland	100.00
MGT METRO Group Travel Services GmbH	Duesseldorf	Germany	100.00
MIAG Asia Co. Ltd.	Hong Kong	China	100.00
MIAG B.V.	Venlo	Netherlands	100.00
MIAG Commanditaire Vennootschap	Diemen	Netherlands	100.00
MIAG RUS Limited Liability Company	Kotelniki	Russia	100.00
MIB METRO Group Insurance Broker GmbH	Duesseldorf	Germany	100.00
MIB Services (UK) Ltd	Manchester	Great Britain	100.00
Miller N. V.	Wommelgem	Belgium	100.00
MIP METRO Group Intellectual Property GmbH & Co. KG	Duesseldorf	Germany	100.00
MIP METRO Group Intellectual Property Management GmbH	Duesseldorf	Germany	100.00
MMS Online Nederland B.V.	Rotterdam	Netherlands	100.00
Morocco Fish Trading Company SARL AU	Casablanca	Morocco	100.00
MS Digital Download S.a.r.l.	Esch-sur-Alzette	Luxembourg	100.00
MS E-Business Concepts & Service GmbH	Ingolstadt	Germany	100.00
MS E-Commerce GmbH	Wiener Neustadt	Austria	100.00
MS ISTANBUL IC VE DIS TICARET LIMITED SIRKETI	Istanbul	Turkey	100.00
MS Multichannel Retailing Ges.m.b.H.	Voesendorf	Austria	100.00
MS Powerservice GmbH	Voesendorf	Austria	100.00
MTE Grundstücksverwaltung GmbH & Co. Objekt Duisburg oHG	Pullach im Isartal	Germany	19.00[1]
MTT METRO Group Textiles Transport GmbH	Duesseldorf	Germany	100.00
multi media Kommunikationstechnik Zwei GmbH	Heilbronn	Germany	100.00
multi media Service GmbH	Heilbronn	Germany	80.00
Multi-Center Warenvertriebs GmbH	Hannover	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Detmold KG	Pullach im Isartal	Germany	19.00[1]
NIGRA Verwaltung GmbH & Co. Objekt Eschweiler KG	Pullach im Isartal	Germany	19.00[1]
NIGRA Verwaltung GmbH & Co. Objekt Germersheim KG	Pullach im Isartal	Germany	19.00[1]
NIGRA Verwaltung GmbH & Co. Objekt Langendreer KG	Pullach im Isartal	Germany	19.00[1]
NIGRA Verwaltung GmbH & Co. Objekt Ludwigshafen KG	Pullach im Isartal	Germany	49.00[1]
NIGRA Verwaltung GmbH & Co. Objekt Moers KG	Pullach im Isartal	Germany	19.00[1]

NIGRA Verwaltung GmbH & Co. Objekt Neunkirchen KG	Pullach im Isartal	Germany	19.00[1]
NIGRA Verwaltung GmbH & Co. Objekt Oberhausen oHG	Pullach im Isartal	Germany	19.00[1]
NIGRA Verwaltung GmbH & Co. Objekt Rendsburg KG	Pullach im Isartal	Germany	19.00[1]
NIGRA Verwaltung GmbH & Co. Objekt Salzgitter KG	Pullach im Isartal	Germany	19.00[1]
OOO Marktkauf Russland	Moscow	Russia	100.00
OOO Media-Markt-Saturn	Moscow	Russia	100.00
OOO Media-Saturn-Russland	Moscow	Russia	100.00
OOO Saturn	Moscow	Russia	100.00
OSKUS Verwaltung GmbH & Co. Objekt Aachen SB-Warenhaus KG	Pullach im Isartal	Germany	0.00[1]
OSKUS Verwaltung GmbH & Co. Objekt Krefeld KG	Pullach im Isartal	Germany	0.00[1]
PAROS Verwaltung GmbH & Co. Objekt Duisburg KG	Pullach im Isartal	Germany	6.00[1]
PAROS Verwaltung GmbH & Co. Objekt Heinsberg KG	Pullach im Isartal	Germany	6.00[1]
PAROS Verwaltung GmbH & Co. Objekt Hürth KG	Pullach im Isartal	Germany	0.00[1]
PAROS Verwaltung GmbH & Co. Objekt Koblenz KG	Pullach im Isartal	Germany	6.00[1]
PAROS Verwaltung GmbH & Co. Vermietungs-KG	Pullach im Isartal	Germany	1.00[1]
PayRed Card Services AG	Geroldswil	Switzerland	100.00
Peoplefone Beteiligungsgesellschaft mbH	Ingolstadt	Germany	100.00
PIL Grundstücksverwaltung GmbH	Saarbruecken	Germany	100.00
PowerService Nederland B.V.	Rotterdam	Netherlands	100.00
Pro. FS GmbH	Boeblingen	Germany	100.00
Qingdao Metro Warehouse Management Co. Ltd.	Qingdao	China	100.00
RaW Real Estate Asia Pte.Ltd.	Singapore	Singapore	100.00
real ,- Sp. z o.o. i Spólka spólka komandytowa	Warsaw	Poland	100.00
Real Estate Management Misr LLC	Cairo	Egypt	100.00
Real Properties Ukraine LLC	Kiev	Ukraine	100.00
real,- Group Holding GmbH	Duesseldorf	Germany	100.00
real,- Handels GmbH	Duesseldorf	Germany	100.00
real,- Hipermarketler Zinciri Anonim Sirketi	Istanbul	Turkey	100.00
real,- Holding GmbH	Alzey	Germany	100.00
real,- Hypermarket OOO	Moscow	Russia	100.00
real,- Hypermarket Romania S.R.L.	Bukarest	Romania	100.00
real,- SB-Warenhaus GmbH	Alzey	Germany	100.00
real,- Spólka z ograniczona odpowiedzialnoscia	Warsaw	Poland	100.00
red blue Marketing GmbH	Munich	Germany	100.00
Remo Zaandam B.V.	Zaandam	Netherlands	100.00
Renate Grundstücksverwaltungsgesellschaft mbH	Saarbruecken	Germany	100.00
Retail Real Estate Limited Liability Company	Moscow	Russia	100.00
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gerlingen KG	Duesseldorf	Germany	94.00[1]
Rotterdam Trading Office B.V.	Diemen	Netherlands	100.00
RUDU Verwaltungsgesellschaft mbH	Duesseldorf	Germany	100.00
RUTIL Verwaltung GmbH & Co. SB-Warenhaus Bielefeld KG	Pullach im Isartal	Germany	19.00[1]
Saalbau-Verein Ulm GmbH	Saarbruecken	Germany	100.00
SATURN 14	Ris-Orangis	France	100.00
SATURN 15	Ris-Orangis	France	100.00
SATURN 16	Ris-Orangis	France	100.00
SATURN 17	Ris-Orangis	France	100.00
SATURN ALICANTE ELECTRO, S.A.U.	El Prat de Llobregat	Spain	100.00
SATURN ANNECY	Annecy	France	100.00

Saturn Athens I Commercial Anonymi Eteria	Athens	Greece	100.00
Saturn Athens II Commercial Anonymi Eteria	Athens	Greece	100.00
Saturn Athens III Commercial Anonymi Eteria	Athens	Greece	100.00
SATURN AUBERGENVILLE	Aubergenville	France	100.00
SATURN AULNAY SOUS BOIS	Bobigny	France	100.00
SATURN BARAKALDO ELEKTRO, S.A.	Barakaldo	Spain	99.90
SATURN Basel Stücki AG	Basel	Switzerland	90.00
SATURN Brugge	Bruges	Belgium	90.00
SATURN BUDA Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Budapest	Hungary	90.00
SATURN DOMUS ROSNY SOUS BOIS	Bobigny	France	100.00
Saturn Duna Video Tv Hifi Elektro Photo Computer Kereskedelmi Kft.	Budapest	Hungary	100.00
Saturn Düsseldorf-Am Wehrhahn GmbH	Duesseldorf	Germany	90.00
Saturn Düsseldorf-Königsallee GmbH	Duesseldorf	Germany	90.00
SATURN E502 ELECTRO, S.A.U.	El Prat de Llobregat	Spain	100.00
SATURN E503 ELECTRO,S.A.U.	El Prat de Llobregat	Spain	100.00
SATURN E508 ELECTRO, S.A.U.	El Prat de Llobregat	Spain	100.00
SATURN E–515 Electro, S.A.U.	Barcelona	Spain	100.00
SATURN E–516 ELECTRO S.A.U.	El Prat de Llobregat	Spain	100.00
SATURN E–517 ELECTRO S.A.U.	Barcelona	Spain	100.00
Saturn Electro-Handelsges.m.b.H.	Salzburg	Austria	90.00
Saturn Electro-Handelsges.m.b.H.	Vienna	Austria	90.00
Saturn Electro-Handelsges.m.b.H.	Graz	Austria	90.00
Saturn Electro-Handelsgesellschaft m.b.H.	Voesendorf	Austria	90.00
Saturn Electro-Handelsgesellschaft m.b.H.	Linz	Austria	90.00
Saturn Electro-Handelsgesellschaft mbH	Karlsruhe	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Ansbach	Ansbach	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Augsburg	Augsburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Bad Oeynhausen	Bad Oeynhausen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin I	Berlin	Germany	94.50
Saturn Electro-Handelsgesellschaft mbH Berlin-Charlottenburg	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Gesundbrunnen	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Reinickendorf	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Spandau	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Steglitz	Berlin	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Berlin-Zehlendorf	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Bielefeld	Bielefeld	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Bocholt	Bocholt	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Bochum	Bochum	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Braunschweig	Braunschweig	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Bremen	Bremen	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Bremen-Habenhausen	Bremen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Bremerhaven	Bremerhaven	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Chemnitz	Chemnitz	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Chemnitz-Zentrum	Chemnitz	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Darmstadt	Darmstadt	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Delmenhorst	Delmenhorst	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Dessau	Dessau-Rosslau	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Dortmund	Dortmund	Germany	90.01

Saturn Electro-Handelsgesellschaft mbH Dortmund-Eving	Dortmund	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Dresden-Reick	Dresden	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Duisburg	Duisburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Erfurt	Erfurt	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Erlangen	Erlangen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Essen City	Essen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Essen-Steele	Essen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Esslingen	Esslingen am Neckar	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Euskirchen	Euskirchen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Flensburg	Flensburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Frankfurt/Main	Frankfurt am Main	Germany	92.00
Saturn Electro-Handelsgesellschaft mbH Freiburg	Freiburg im Breisgau	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Freising	Freising	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Fürth	Fuerth	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Gelsenkirchen	Gelsenkirchen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Gelsenkirchen-Buer	Gelsenkirchen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Gießen	Giessen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Göttingen	Goettingen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Gummersbach	Gummersbach	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Hagen	Hagen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Hamburg-Altstadt	Hamburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Hamm	Hamm	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Hanau	Hanau	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Hannover	Hannover	Germany	90.01
Saturn Electro-Handelsgesellschaft mbH Hattingen	Hattingen	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Herford	Herford	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Ingolstadt	Ingolstadt	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Isernhagen	Isernhagen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Kaiserslautern	Kaiserslautern	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Karlsruhe-Durlach	Karlsruhe	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Kassel	Kassel	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Kempten	Kempten (Allgaeu)	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Kleve	Kleve	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Koblenz	Koblenz	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Krefeld	Krefeld	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Landshut	Landshut	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Leipzig	Leipzig	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Leipzig-Hauptbahnhof	Leipzig	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Leonberg	Leonberg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Lübeck	Luebeck	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Lüdenscheid	Luedenscheid	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Ludwigsburg	Ludwigsburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Ludwigshafen	Ludwigshafen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Lünen	Luenen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Magdeburg	Magdeburg	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Mainz	Mainz	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Mannheim	Mannheim	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Marl	Marl	Germany	90.00

Saturn Electro-Handelsgesellschaft mbH Moers	Moers	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Mülheim	Muelheim an der Ruhr	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH München	Munich	Germany	90.07
Saturn Electro-Handelsgesellschaft mbH München-Riem	Munich	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Münster	Muenster	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Neckarsulm	Neckarsulm	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Neu-Isenburg	Neu-Isenburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Nürnberg	Nuernberg	Germany	90.01
Saturn Electro-Handelsgesellschaft mbH Oberhausen	Oberhausen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Oldenburg	Oldenburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Osnabrück	Osnabrueck	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Passau	Passau	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Pforzheim	Pforzheim	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Regensburg	Regensburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Remscheid	Remscheid	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Reutlingen	Reutlingen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Rostock	Rostock	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Saarbrücken	Saarbruecken	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Schweinfurt	Schweinfurt	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Senden	Senden	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Soest	Soest	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Solingen	Solingen	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Stuttgart	Stuttgart	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Tübingen	Tuebingen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Weimar	Weimar	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Weiterstadt	Weiterstadt	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Wesel	Wesel	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Wiesbaden	Wiesbaden	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Witten	Witten	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Wolfsburg	Wolfsburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Wuppertal-Barmen	Wuppertal	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Zwickau	Zwickau	Germany	90.00
Saturn Electro-Handelsgesellschaft mit beschränkter Haftung	Cologne	Germany	100.00
SATURN Electronic-Service GmbH	Cologne	Germany	100.00
Saturn Graz V VertriebsgmbH	Graz	Austria	90.00
Saturn Groningen B.V.	Groningen	Netherlands	90.10
Saturn Győr Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Győr	Hungary	100.00
Saturn Haid Electro-Handelsges.m.b.H.	Haid	Austria	90.00
Saturn Heerhugowaard B.V.	Heerhugowaard	Netherlands	100.00
Saturn Hoofddorp B.V.	Hoofddorp	Netherlands	100.00
Saturn Innsbruck Electro-Handeslges.m.b.H.	Innsbruck	Austria	90.00
SATURN IVRY SUR SEINE	Ivry-sur-Seine	France	100.00
Saturn Klagenfurt Electro-Handelsges.m.b.H.	Klagenfurt	Austria	90.00
Saturn Kortrijk N.V.	Kortrijk	Belgium	90.00
SATURN LE HAVRE	Le Havre	France	100.00
Saturn Leidsche Rijn B.V.	Utrecht	Netherlands	100.00
SATURN Liège Médiacité	Liège	Belgium	100.00
Saturn Luxembourg S.A.	Luxemburg	Luxembourg	100.00

SATURN Lyon Carré de Soie	Vaulx en Velin	France	100.00
SATURN LYON LA PART DIEU	Lyon	France	100.00
SATURN MADRID CARABANCHEL ELECTRO, S.A.	Madrid	Spain	99.90
SATURN MADRID-PLENILUNIO ELEKTRO, S.A.	Madrid	Spain	99.90
Saturn Management GmbH	Ingolstadt	Germany	100.00
SATURN MASSALFASAR-VALENCIA ELECTRO, S.A.	València	Spain	99.90
Saturn Mega Markt GmbH Wuppertal	Wuppertal	Germany	90.05
SATURN MEIR ANTWERPEN	Antwerpen	Belgium	100.00
SATURN METZ	Metz	France	100.00
Saturn Mons N.V.	Mons	Belgium	100.00
SATURN MULHOUSE	Mulhouse	France	100.00
SATURN MURCIA THADER ELECTRO, S.A.U.	Murcia	Spain	100.00
Saturn online GmbH	Ingolstadt	Germany	100.00
SATURN OVIEDO ELECTRO, S.A.	El Prat de Llobregat	Spain	99.90
SATURN PEST Video TV HiFi Elektro Photo Computer Kereskedelmi Kft.	Budapest	Hungary	100.00
SATURN PLANET Sp. z o.o.	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. 11 Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. 13 Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. 15 Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. 16 Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. 17 Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. 18 Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. 19 Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. 4 Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. 9 Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. Bydgoszcz Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Gdańsk I Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Katowice I Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Kraków I Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Łódź I Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Łódź II Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. Lubin Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Poznań I Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Tychy Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Warszawa I Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Warszawa II Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Warszawa III Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Warszawa IV Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Warszawa V Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Wrocław I Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Wrocław II Spółka Komandytowa	Warsaw	Poland	90.00
SATURN POITIERS	Poitiers	France	100.00
SATURN REIMS	Cormontreuil	France	100.00
SATURN RENNES	Rennes	France	100.00
SATURN RIVAS VACIAMADRID ELECTRO, S.A.	Madrid	Spain	99.90
Saturn Rotterdam Zuidplein B.V.	Rotterdam	Netherlands	100.00
SATURN SAN JUAN DE AZNALFARACHE ELECTRO, S.A.U.	El Prat de Llobregat	Spain	100.00
SATURN SAN SEBASTIAN DE LOS REYES ELECTRO, S.A.	Madrid	Spain	99.90

SATURN Schönbühl (Moosseedorf) AG	Moosseedorf	Switzerland	90.00
Saturn Techno-Markt Electro GmbH & Co. oHG	Duesseldorf	Germany	100.00
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Huerth	Germany	90.00
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Aachen	Germany	90.00
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Moenchengladbach	Germany	90.00
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Dueren	Germany	90.00
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Siegen	Germany	90.01
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Neuss	Germany	90.09
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Leverkusen	Germany	90.09
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Sankt Augustin	Germany	90.09
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Bergisch Gladbach	Germany	90.20
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Cologne	Germany	100.00
SATURN TENERIFE 3 DE MAYO ELECTRO, S.A.	El Prat de Llobregat	Spain	99.90
Saturn Thessaloniki I Commercial Anonymi Eteria	Athens	Greece	100.00
Saturn Thessaloniki II Comercial Anonymi Eteria	Athens	Greece	100.00
Saturn Tilburg B.V.	Tilburg	Netherlands	90.10
Saturn Venlo B.V.	Venlo	Netherlands	100.00
SATURN Volketswil AG	Volketswil	Switzerland	90.00
Saturn Wien X VertriebsgmbH	Vienna	Austria	90.00
Saturn Wien XX VertriebsgmbH	Vienna	Austria	90.00
Saturn Wien XXII Electro-Handelsges.m.b.H.	Vienna	Austria	90.00
Saturn Wien XXIII Electro-Handelsges.m.b.H.	Vienna	Austria	90.00
SATURN Wilrijk	Wilrijk	Belgium	90.00
SATURN Winterthur AG	Winterthur	Switzerland	90.00
SATURN WITTENHEIM	Mulhouse	France	100.00
Saturn Zaandam B.V.	Zaandam	Netherlands	100.00
Saturn-Mega Markt GmbH Halle	Halle (Saale)	Germany	90.05
Saturn-Mega Markt GmbH Trier	Trier	Germany	90.05
Schaper Grundbesitz-Verwaltungsgesellschaft mbH	Saarbruecken	Germany	100.00
Secundus Grundstücksverwertungs-GmbH & Co. Objekt Stuttgart-Königstraße KG	Saarbruecken	Germany	100.00
SIG Import GmbH	Duesseldorf	Germany	100.00
SIL Verwaltung GmbH & Co. Objekt Haidach KG	Schwabhausen	Germany	92.00
Sinco Großhandelsgesellschaft m. b. H.	Voesendorf	Austria	73.00
Smart Retail Kft.	Budaörs	Hungary	100.00
Sociedad Ibérica Restaurantes de Tecnología Avanzada S. A. U.	Madrid	Spain	100.00
SOLUM Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Promohypermarkt Donaueschingen KG	Duesseldorf	Germany	94.00[1]
SOLUM Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Promohypermarkt Köln KG	Duesseldorf	Germany	94.00[1]
SPORTARENA GmbH	Cologne	Germany	100.00
Star Farm (Shanghai) Agriculture Information Consulting Company Limited	Shanghai	China	100.00
STW Grundstücksverwaltung Gesellschaft mit beschränkter Haftung	Saarbruecken	Germany	100.00
TANDOS Grundstücks-Verwaltungsgesellschaft mbH	Saarbruecken	Germany	100.00
TECHNO-Service Reparatur und Wartungs GmbH	Landshut	Germany	51.00
Tertia Handelsbeteiligungsgesellschaft mbH	Cologne	Germany	60.00
TIMUG GmbH & Co. Objekt Homburg KG	Munich	Germany	0.00[1]
TKC Objekt Cottbus GmbH & Co. KG	Saarbruecken	Germany	100.00
VALENCIA TRADING OFFICE, S.L.	Madrid	Spain	100.00
Venalisia Asia Hong Kong Limited	Hong Kong	China	100.00
Venalisia Import GmbH	Ingolstadt	Germany	100.00

Vierte real,- Holding GmbH	Alzey	Germany	100.00
Vierte real,- SB-Warenhaus GmbH	Alzey	Germany	100.00
VR-LEASING METRO GmbH & Co. Objekt Karlsruhe KG	Eschborn	Germany	0.00[1]
VR-LEASING METRO GmbH & Co. Objekte Rhein-Neckar KG	Eschborn	Germany	0.00[1]
Weinkellerei Thomas Rath GmbH	Duesseldorf	Germany	100.00
Wholesale Real Estate Belgium N.V.	Wommelgem	Belgium	100.00
Wholesale Real Estate Poland Sp. z o.o.	Warsaw	Poland	100.00
Wirichs Immobilien GmbH	Saarbruecken	Germany	100.00
Wirichs Verwaltungsgesellschaft mbH & Co. Objekt Schwelm KG	Saarbruecken	Germany	100.00
Wirichs Verwaltungsgesellschaft mbH & Co. Objekt Voerde und Kamen KG	Saarbruecken	Germany	100.00
Wolfgang Wirichs GmbH	Saarbruecken	Germany	100.00
World Import N. V.	Puurs	Belgium	100.00
WRE REAL ESTATE Limited Liability Partnership	Almaty	Kazakhstan	100.00
Yugengaisha MIAG Japan	Tokio	Japan	100.00
ZARUS Verwaltung GmbH & Co. Dritte Vermietungs-oHG	Pullach im Isartal	Germany	19.00[1]
ZARUS Verwaltung GmbH & Co. Objekt Braunschweig Berliner Straße KG	Pullach im Isartal	Germany	19.00[1]
ZARUS Verwaltung GmbH & Co. Objekt Mutterstadt KG	Pullach im Isartal	Germany	19.00[1]
ZARUS Verwaltung GmbH & Co. Objekt Osnabrück KG	Pullach im Isartal	Germany	19.00[1]
ZARUS Verwaltung GmbH & Co. Objekte Niedersachsen KG	Pullach im Isartal	Germany	19.00[1]
Zentra Beteiligungsgesellschaft mit beschränkter Haftung	Saarbruecken	Germany	100.00
Zentra-Grundstücksgesellschaft mbH	Saarbruecken	Germany	100.00
Zweite real,- Multi-Markt Verwaltungsgesellschaft mbH	Alzey	Germany	100.00
Zweite real,- SB-Warenhaus GmbH	Alzey	Germany	100.00
Joint ventures			
Intercompra LDA	Lisbon	Portugal	50.00
MAXXAM B.V.	Ede	Netherlands	33.33
MAXXAM C.V.	Ede	Netherlands	33.33
METSPA Beszerzési és Kereskedelmi Kft.	Budaörs	Hungary	33.33
METSPA d.o.o. za trgovinu	Zagreb	Croatia	50.00
Disclosure at equity			
European EPC Competence Center GmbH	Cologne	Germany	30.00
Iniziative Methab s.r.l.	Bolzano	Italy	50.00
Peoplefone Polska Spółka Akcyjna	Warsaw	Poland	49.00
xplace GmbH	Goettingen	Germany	25.01
Disclosure not at equity			
EZW Kauf- und Freizeitpark GmbH & Co. Kommanditgesellschaft	Bremen	Germany	49.00[2]
EZW Kauf- und Freizeitpark Verwaltungs-GmbH	Bremen	Germany	49.04[2]
IfH Gesellschaft für Markt- und Unternehmensanalysen mbH	Cologne	Germany	20.00[2]
Metro plus Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	Germany	20.00[2]
Investments			
DEG Eishockey GmbH	Duesseldorf	Germany	12.40
EKS Handelsgesellschaft mbH	Salzburg	Austria	25.00
EKS Handelsgesellschaft mbH & Co. KG	Salzburg	Austria	25.00
Elbrus Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Frankfurt-Zeil KG	Mainz	Germany	94.00

Erschließungsgesellschaft Schwerin-Krebsförden mbH & Co. KG	Lueneburg	Germany	18.18
Fiege Mega Center Erfurt GmbH & Co. KG	Nesse-Apfelstaedt	Germany	49.00
Fiege Mega Center Erfurt Verwaltungs GmbH	Nesse-Apfelstaedt	Germany	49.00
Loyalty Partner Holdings S.A.	Luxemburg	Luxembourg	9.53
QUANTIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Darmstadt KG	Schoenefeld	Germany	6.00
QUANTIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Junior Augsburg KG	Schoenefeld	Germany	6.00
Stadtmarketinggesellschaft Hamm mbH	Hamm	Germany	6.25
Unterstützungskasse für ehemalige Kaufhalle-Mitarbeiter GmbH	Duesseldorf	Germany	100.00
Verwaltungsgesellschaft Lebensmittelgesellschaft "GLAWA" mbH & Co. KG	Hamburg	Germany	18.75
VR-LEASING MUSCARI GmbH & Co. Immobilien KG	Eschborn	Germany	94.00
Wirichs Immobilien GmbH & Co. Objekt Herford KG	Saarbruecken	Germany	45.45

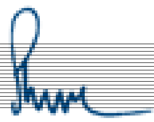
[1] Disclosure according to IFRS, SIC–12
[2] No at equity valuation due to materiality

28 February 2011

THE MANAGEMENT BOARD


DR CORDES


KOCH


MULLER


SAVEUSE

Statement of the legal representatives

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

28 February 2011

THE MANAGEMENT BOARD

DR CORDES	**KOCH**	**MULLER**	**SAVEUSE**

Auditor's report

We have audited the consolidated financial statements prepared by METRO AG comprising the balance sheet, the income statement, the reconciliation from net profit for the period to comprehensive profit, the statement of changes in equity, the cash flow statement and the notes to the consolidated financial statements, together with the Group management report for the financial year from 1 January to 31 December 2010. The preparation of the consolidated financial statements and the Group management report in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Section 1 of the German Commercial Code 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 consolidated financial statements and on the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 of the German Commercial Code and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (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 consolidated financial statements in accordance with the applicable financial reporting framework and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group 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 consolidated financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and Group 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 consolidated financial statements comply with IFRS, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Section 1 of the German Commercial Code 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 Group in accordance with these requirements. The Group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunity and risks of future development.

Cologne, 28 February 2011

KPMG AG
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

DR BÖTTCHER
AUDITOR

KLAASSEN
AUDITOR

→ p. 255

METRO GROUP 2010

STRATEGY
INVESTMENT
BUSINESS
SERVICE

SERVICE

GLOSSARY

A

Anti-fraud measures
Prevention and identification of as well as response to fraudulent in-house activities.

Asset management
Acquisition, development, management and sale of real estate assets. At METRO GROUP, this is the responsibility of METRO Group Asset Management.

B

Best agers
Marketing concept referring to consumers in the over–50s age group.

C

Commissioning
Packing of a defined number of goods and preparation for delivery.

Compliance
All measures specifying a company's and its employees' behaviour in accordance with legislation, established social guidelines and values.

Consumer electronics store
Large retail store specialised in consumer electronics, household goods, new media, telecommunications, computer and photo assortments. Media Markt and Saturn are the consumer electronics stores of METRO GROUP.

Core real estate asset
High-quality rented real estate property in an attractive location.

D

Department store
Large retail store that is generally located in the city centre and offers all types of goods, including textiles, household goods and food. Galeria Kaufhof is METRO GROUP's department store operator.

Discounter
A retail format characterised by a limited product assortment and an aggressive low-price policy.

Diversity management
Key element of human resources policy that leverages the diversity of the workforce with respect to gender, age, ethnic origin, faith, sexual identity or disabilities for the Company's business success.

E

EBIT (Earnings Before Interest and Taxes)
Serves as the basis for international comparisons of companies.

EBITaC (Earnings Before Interest and Taxes after Cost of Capital)
This metric shows whether a company successfully deploys its business assets and generates value contributions exceeding its cost of capital.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)
This metric serves as the basis for comparisons between companies using different accounting standards.

EBT (Earnings Before Taxes)
This metric serves as the basis for comparisons between companies even when different tax systems apply.

F

Facility management
Management and operation of buildings, plants and building services with the aim of reducing costs, ensuring the technical functionality and maintaining the long-term value of a building.

Fast-moving consumer goods
Consumer goods that are purchased particularly frequently and are generally consumed on a daily basis, such as milk and bread.

G

Governance
Principles governing the management and supervision of the different players that influence a company's direction.

H

Horizontal providers
A provider with a broad range of products from various manufacturers.

Hypermarket
Large retail store with different articles offered largely in a self-service arrangement. Aside from food products, the assortment also includes consumer durables and non-durables. Real is the hypermarket operator within METRO GROUP.

I

IASB (International Accounting Standards Board)
An independent international body that developed the International Financial Reporting Standards (IFRS) and continues to modify them.

IFRIC (International Financial Reporting Interpretations Committee)
This group is part of the International Accounting Standards Committee Foundation (IASCF) and resolves controversial accounting issues.

IFRS (International Financial Reporting Standards)
International rules governing the accounting policies of stock corporations. In contrast to the financial statements according to the German Commercial Code, the focus of IFRS is on investor-orientated information.

L

Like-for-like growth
Sales growth adjusted for selling space reflects sales growth on a comparable area or with respect to a comparable group of locations in local currency. It includes only the sales volumes of locations that were neither newly opened during the reporting year or the preceding year nor closed during the reporting year, and whose area did not change substantially as a result of restructuring work.

M

Meeting Metro
An informative METRO GROUP event focusing on training and career prospects in the retail industry and aimed at potential management recruits and teachers.

METRO GROUP Future Store Initiative
A group of more than 90 companies from the retail and trade, consumer goods, information technology and services sectors as well as from research and academia. The partners jointly promote the modernisation process in the retail industry.

Multichannel-marketing
Retail strategy to reach customers via several parallel, interlinked marketing approaches, for example via outlets and Internet shops.

N

Net earnings
Net profit of a company. The Annual General Meeting decides on the appropriation of net earnings.

Net working capital
Difference between current assets (receivables) and short-term debt capital (liabilities). This metric measures the short-term financial strength of a company and serves as a basis for an assessment of a companys' efficiency.

Nonfood items
A term that describes essential household items in retail assortments.

O

Own brands
Also known as exclusive brands. Branded articles that have been created and trademarked by a retail company and that offer attractive value for money.

P

Performance share
Performance-based participation. A performance share entitles its owner to a cash payment matching the share price.

R

Radio Frequency Identification (RFID)
Technology for contactless data transmission and automatic identification of goods movements.

RoCE (Return on Capital Employed)
This metric indicates shows whether a company makes profitable use of its available capital, less liquid funds and short-term debt capital.

S

Sales brand
A company with a consistent and independent market presence. Two sales brands with an identical sales concept can be positioned within one sales division, as in the case of Media Markt and Saturn.

Sales division
Subsidiary of a retail group that operates outlets or stores under a certain sales concept.

Shape 2012
METRO GROUP's efficiency and value-enhancing programme. The earnings improvement potential targeted from 2012 and beyond amounts to €1.5 billion. The resulting earnings improvement depends on the development of the macroeconomic environment in our sales markets.

Share unit
Unit for performance shares.

Shop-in-shop concept
A type of presentation for partial assortments in the retail trade. It is used particularly to integrate well-known brand manufacturers on the selling space.

Solar-powered air-conditioning
Air-conditioning technology using solar power that can cool and heat stores or other buildings with the help of solar collectors and an absorption refrigeration system.

Supply chain
Various processes that contribute to a company's value creation. At METRO GROUP, this includes logistics, marketing and sales, among other things

Supply chain councils
Monitoring bodies for the activities of the former cross-divisional service company MGL METRO GROUP Logistics in the countries where several METRO GROUP sales divisions operate.

T

Trading-up strategy
Quality improvement of a retail group's offering, for example through larger product assortments, a higher level of quality, more comprehensive services and a more sophisticated store design.

V

Vertical provider
Provider with a deep product range who generally controls the entire supply chain – from development through manufacturing to sales.

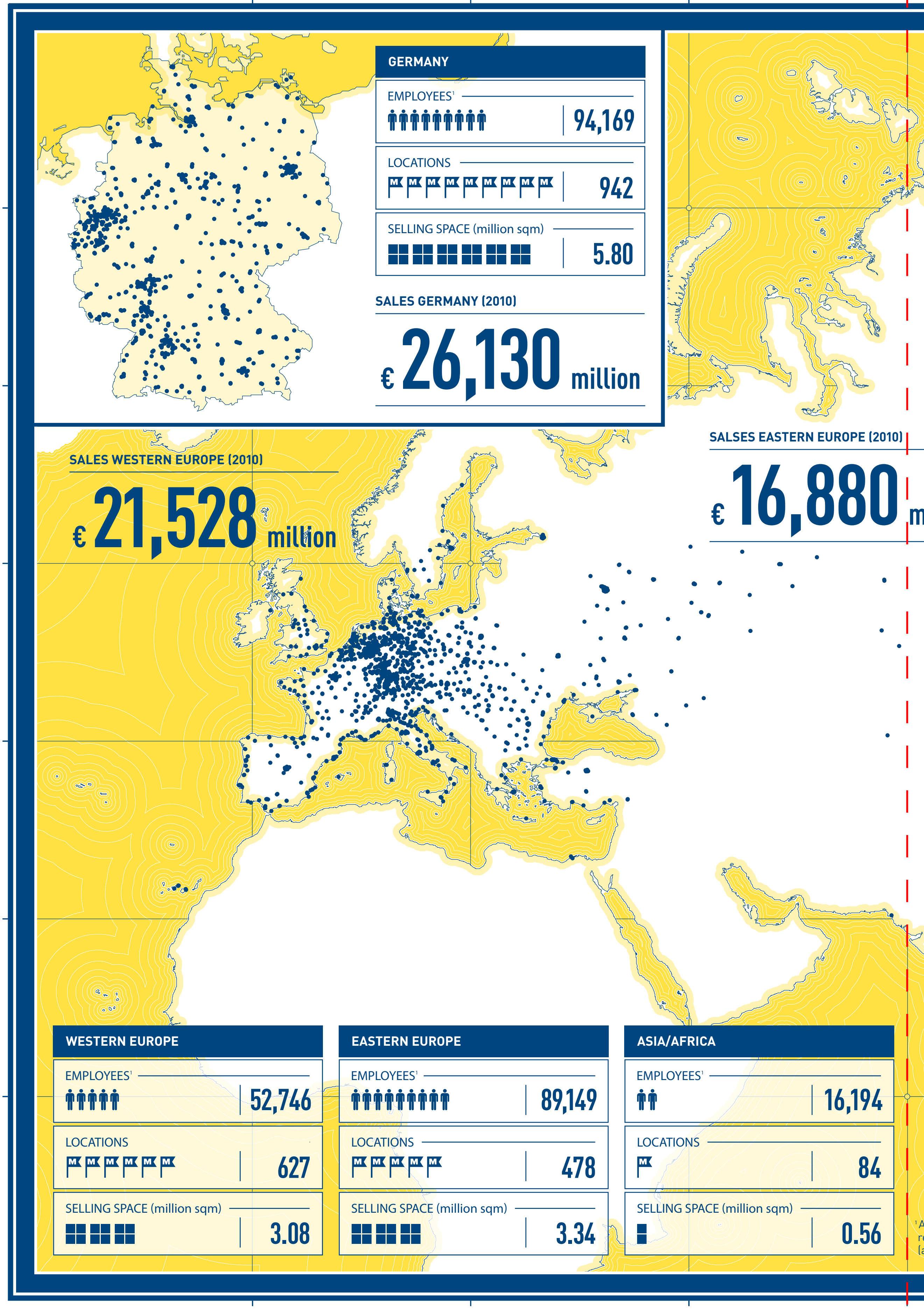
W

Wholesale
A trade format where merchandise is sold to commercial resellers, processors or commercial users. Metro Cash & Carry is the wholesale division of METRO GROUP.

MULTI-YEAR OVERVIEW[1]

€ million		2010	2009[2]	2008[3]	2007	2006	2005	2004
Key financial figures								
Sales (net)		67,258	65,529	67,955	64,210	58,279	55,722	53,475
EBITDA		3,726[5]	3,319[4,5]	3,540[7]	3,343	3,162	2,938	2,844
EBIT		2,415[5]	2,024[5]	2,222[7]	2,078	1,928	1,738	1,723
EBIT margin	%	3.6[5]	3.1[5]	3.3[7]	3.2	3.3	3.1	3.2
Earnings before taxes		1,834[5]	1,393[5]	1,648[7]	1,561	1,564	1,358	1,260
Net profit for the period[6]		1,139[7]	824[7]	722[7]	1,051	1,196	649	927
thereof from continuing operations		1,139[7]	824[7]	1,151[7]	1,065	1,079	618	858
thereof attributable to shareholders of METRO AG[6]		850	383	401	825	1,059	531	828
Investments		1,683	1,517	2,423	2,154	3,011	2,138	1,744
Total assets[6]		35,067	33,282	33,516	33,862	32,190	28,767	28,352
Equity		6,460	5,992	6,061	6,498	6,050	5,313	4,849
Equity ratio	%	18.4	18.0	18.1	19.2	18.8	18.5	17.1
Return on equity after taxes	%	17.6[7]	13.8[7]	11.9[7]	16.2	19.8	12.2	19.1
Earnings per share[6,8]	€	2.60	1.17	1.23	2.52	3.24	1.63	2.53
thereof from continuing operations	€	2.60	1.17	2.54	2.58	2.88	1.54	2.32
thereof from discontinued operations	€	0.00	0.00	–1.31	–0.06	0.36	0.09	0.21
Distribution								
Dividend per ordinary share	€	1.35[9]	1.18	1.18	1.18	1.12	1.02	1.02
Dividend per preference share	€	1.485[9]	1.298	1.298	1.298	1.232	1.122	1.122
Operating data								
Employees (annual average by headcount)		283,280	286,329	290,940	275,520	253,117	246,875	231,841
Locations		2,131	2,127	2,111[10]	2,097	2,119	2,171	2,110
Selling space (1,000 sqm)		12,771	12,629	12,302[10]	11,779	11,481	10,518	9,941

[1] From 2004 only continuing operations (discontinued operations: 2005 Praktiker, 2006 Praktiker and Extra, 2007 and 2008 Extra and Adler, 2009 Adler)
[2] Adjustment due to revised disclosure
[3] Adjustment due to first-time adoption of new and revised IFRS in the financial year 2009
[4] Adjustment due to netting of non-scheduled write-downs and write-ups in EBITDA totalling €9 million (Real), €6 million (Real Estate) and €–6 million (consolidation).
[5] 2010 (2009) adjusted for special items from Shape 2012: €135 million was adjusted in EBITDA (€251 million), with Metro Cash & Carry accounting for €11 million (€104 million), Real for €11 million (€16 million), Media Markt and Saturn for €58 million (€4 million), Galeria Kaufhof for €–1 million (€57 million), Real Estate for €–14 million (€5 million), others for €41 million (€65 million) and consolidation for €29 million (€0 million); €204 million was adjusted in EBIT and earnings before taxes (€343 million), with Metro Cash & Carry accounting for €10 million (€143 million), Real for €27 million (€16 million), Media Markt and Saturn for €133 million (€5 million), Galeria Kaufhof for €0 million (€58 million), Real Estate for €–20 million (€15 million), others for €41 million (€106 million) and consolidation for €13 million (€0 million)
[6] Including discontinued operations
[7] 2010, 2009 and 2008 adjusted for special items from Shape 2012
[8] After non-controlling interests
[9] Subject to approval by the Annual General Meeting
[10] The 84 Dinea locations have been reclassified from the "others" segment to the Galeria Kaufhof segment. They are no longer counted as independent locations in the Galeria Kaufhof segment, but attributed to the respective Galeria Kaufhof location. As a result, the locations and their selling spaces are no longer disclosed separately.



GERMANY

EMPLOYEES[1] — 94,169

LOCATIONS — 942

SELLING SPACE (million sqm) — 5.80

SALES GERMANY (2010)

€ 26,130 million

SALES WESTERN EUROPE (2010)

€ 21,528 million

SALSES EASTERN EUROPE (2010)

€ 16,880

WESTERN EUROPE

EMPLOYEES[1] — 52,746

LOCATIONS — 627

SELLING SPACE (million sqm) — 3.08

EASTERN EUROPE

EMPLOYEES[1] — 89,149

LOCATIONS — 478

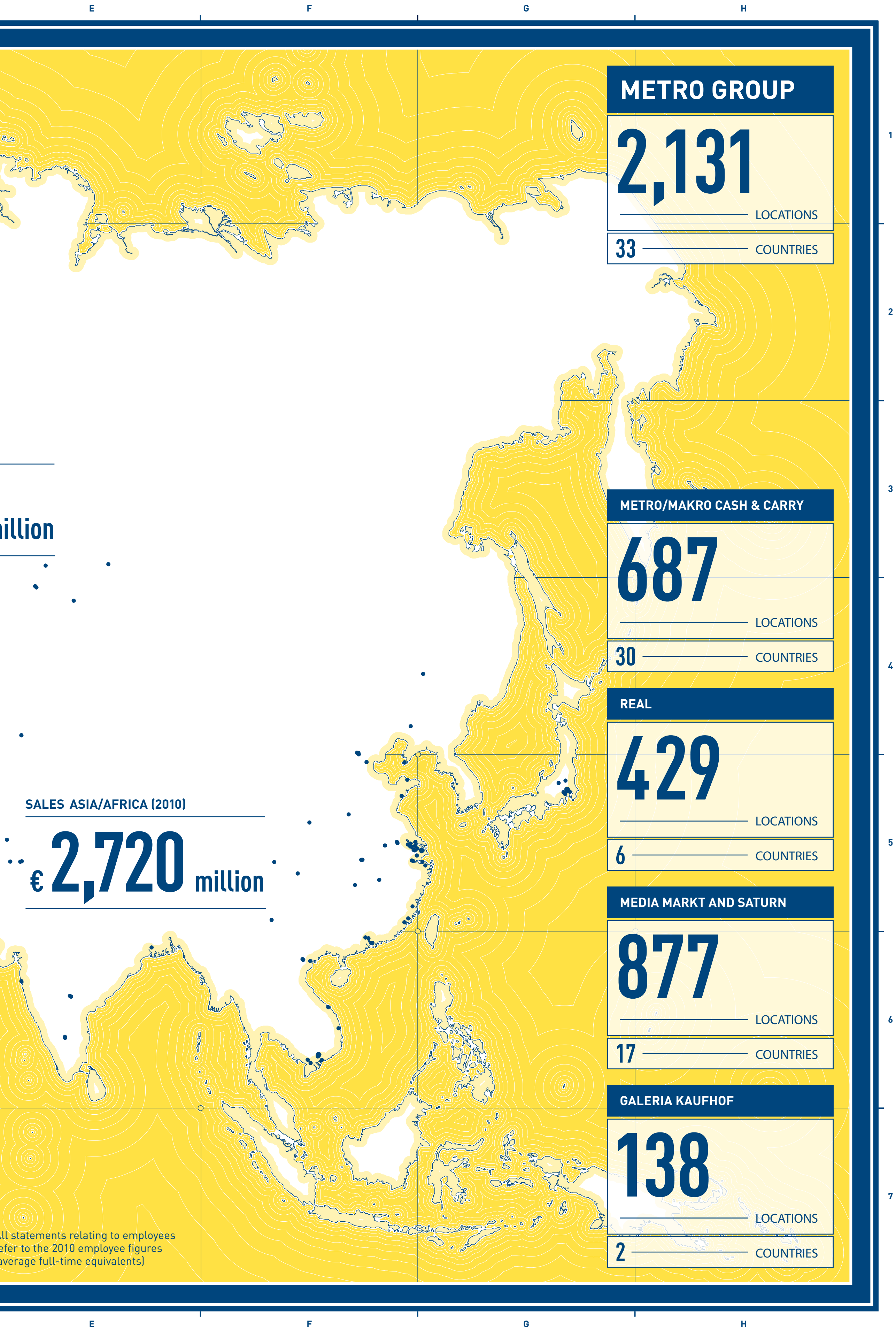
SELLING SPACE (million sqm) — 3.34

ASIA/AFRICA

EMPLOYEES[1] — 16,194

LOCATIONS — 84

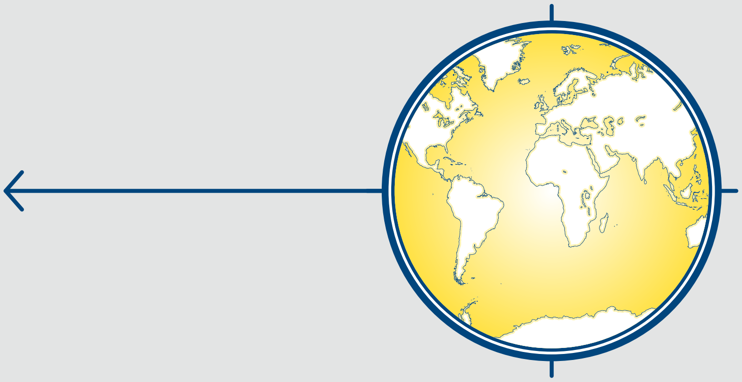
SELLING SPACE (million sqm) — 0.56


E
F
G
H
1
2
3
4
5
6
7
METRO GROUP
2,131
LOCATIONS
33
COUNTRIES
METRO/MAKRO CASH & CARRY
687
LOCATIONS
30
COUNTRIES
REAL
429
LOCATIONS
6
COUNTRIES
MEDIA MARKT AND SATURN
877
LOCATIONS
17
COUNTRIES
GALERIA KAUFHOF
138
LOCATIONS
2
COUNTRIES
illion
SALES ASIA/AFRICA (2010)
€ 2,720 million
ll statements relating to employees
efer to the 2010 employee figures
average full-time equivalents)

→ p. 261

METRO GROUP

LOCATIONS



FINANCIAL CALENDAR 2011

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Global Compact
Since 2011, METRO GROUP has subscribed to the principles of the UN Global Compact, a United Nations-led global initiative that aims to encourage businesses to adopt universal social and environmental principles. By subscribing to the UN Global Compact, we have committed ourselves to continuous improvements in the areas of human rights, labour norms, environmental protection and anti-corruption measures.

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