HALF-YEAR FINANCIAL REPORT OF METRO GROUP H1/Q2 2016/17

METRO GROUP

Improved sales trend at Media-Saturn and METRO Cash & Carry

— Adjusted for calendar effect, trend at Media-Saturn and METRO Cash & Carry improved
— Higher sales share of online and delivery business reflects transformation progress
— Demerger expected to be implemented by mid-2017

An important milestone in the group's repositioning was reached on 6 February 2017, when the METRO AG Annual General Meeting authorised the group's demerger into two independent, stock-listed companies. As a result, the consumer electronics segment, essentially consisting of the Media-Saturn sales line including the relevant holding functions, is recognised as a continuing operation. The discontinued operations of METRO GROUP include, above all, the METRO Cash & Carry and Real sales lines including associated real estate assets as well as related management and service activities.

Continuing operations

H1
Like-for-like sales of Media-Saturn rose by 0.1%, and by 0.3% without redcoon

Strong increase in online generated sales of the Media Markt and Saturn sales brands by more than 40%

EBIT of Media-Saturn and holding functions that are part of continuing operations: €280 million (H1 2015/16: €322 million); EBIT before special items of Media-Saturn and the holding functions that are part of continuing operations reached €289 million (H1 2015/16: €342 million); decrease in particular due to measures to increase market shares

Q2
Like-for-like sales of Media-Saturn rose by 0.3%, and by 0.5% without redcoon

Like-for-like sales in Germany increased markedly by 3.4%

Strong increase in online generated sales of the Media Markt and Saturn sales brands by more than 40%

EBIT of Media-Saturn and holding functions that are part of continuing operations: €-34 million (Q2 2015/16: €25 million); EBIT before special items of Media-Saturn and the holding functions that are part of continuing operations reached €-19 million (Q2 2015/16: €38 million)

Discontinued operations

In the case of discontinued operations, the realisation of long-term assets does not result from its continuous operational use, but through its recognition in the course of the spin-off. As a result, in accordance with IFRS 5, depreciation - allocated over the useful life of the company - is suspended as of the classification as discontinued operations (February 2017). However, the key figures described on page 4 continue to be relevant to the management of the activities, with the continuation of scheduled depreciation in accordance with IFRS 5. As a result, the reported values - which result from IFRS 5 - as well as the key management indicators are reported for the discontinued operations.

H1
METRO Cash & Carry posted 0.4% higher like-for-like sales, with sales up 2.3% (in local currency: +1.1%)

Due partly to the calendar effect, like-for-like sales at Real declined by 3.4%

EBIT: €614 million (H1 2015/16: €884 million); EBIT before special items after renewed depreciation/amortisation in accordance with IFRS 5: €603 million (H1 2015/16: €496 million); improvement compared to previous year due to gains from real estate transactions and positive currency effects

Q2
Despite negative calendar effects, like-for-like sales of METRO Cash & Carry exceeded the previous year's level by 0.1% in Q2 2016/17; sales increased by 5.4% (in local currency: +2.6%)

Due also to the calendar effect, like-for-like sales at Real declined by 5.4%

EBIT: €193 million (Q2 2015/16: €-59 million); EBIT before special items after renewed depreciation/amortisation in accordance with IFRS 5: €90 million (Q2 2015/16: €-27 million); improvement compared to previous year due to gains from real estate transactions and positive currency effects

INTERIM GROUP MANAGEMENT REPORT

Macroeconomic conditions

The global economy developed more positively and evenly during the first half of 2016/17 than a year earlier. Most Western European economies continued their moderate recovery, bolstered by continued low interest rates and moderate inflation. The Eastern European economies also presented a more uniform overall picture again: Most economies continued to record stable growth. The Russian economy showed signs of an economic recovery. In China, growth levelled out at a somewhat lower level than in the previous years. However, Asia as a whole once again posted the strongest growth rates and cyclical risks in the region subsided. The global economy gained momentum over the past half-year compared with the same period of the previous year.

Germany recorded generally solid developments during H1 2016/17. Amid continued strength in the labour market, private consumption and retail in particular bolstered the domestic economy.

Growth accelerated somewhat in **Western Europe**, which was due to labour market improvements in particular. Retail benefited from stronger private consumption, but suffered from rising prices.

More stable development in **Eastern Europe** during H1 2016/17: All in all, the economies of Central Europe stabilised somewhat. Consumption and trade could not yet profit equally from stronger economic momentum in Russia and slightly lagged the overall economy. Greater exchange rate stability was reflected in lower prices.

The emerging economies of **Asia** once again posted the strongest economic growth in H1 2016/17. With respective growth rates of just under 7%, China and India continued their positive economic development. The Japanese economy has also gained strength recently, although growth remains stubbornly low.

Asset, financial and earnings position

Key performance indicators

METRO GROUP is managed on the basis of performance indicators that are determined in accordance with IFRS (International Financial Reporting Standards) requirements. In addition, the group uses alternative performance indicators such as like-for-like sales growth, EBIT before special items after renewed depreciation/amortisation in accordance with IFRS 5, EBITDA before special items and net debt. For more details on the performance indicators used in group management, see METRO GROUP's Annual Report 2015/16, pages 54-55, and the footnotes to the tables on pages 102-103.

At the Annual General Meeting of METRO AG on 6 February 2017, the shareholders approved the separation of METRO GROUP into two independent, stock-listed companies. As a result, the activities of the METRO Cash & Carry and Real sales lines including the associated real estate assets and management and service activities are shown as "discontinued operations". METRO GROUP's financials have been recalculated accordingly and the previous year's figures have been adjusted (with the exception of the balance sheet). The demerger is expected to be implemented by mid-2017.

Sales

Like-for-like sales growth is an important key performance indicator: It reflects sales growth in local currency on a comparable area or with respect to a comparable group of locations or sales concepts such as online retail and delivery. The figure only includes sales of locations with a comparable history of at least one year. This means that locations affected by openings, closures or material refurbishments during the reporting period or comparable year are excluded.

Like-for-like sales of continuing operations increased by 0.1% in H1 2016/17. Sales in local currency matched the previous year's level. Overall, currency effects were slightly positive, with positive effects from the development of the Russian rouble outweighing the negative effects from the development of the Turkish lira.

Despite the calendar effect (leap day in the previous year), like-for-like sales rose by 0.3% in Q2 2016/17. However, sales in local currency declined by 0.5%. As this was offset by slightly positive currency effects, quarterly sales matched the previous year's level at €5.3 billion.

€ million	H1 2015/16	H1 2016/17
Total sales in € (as reported)	12,148	**12,150**
Total sales in local currency[1]	12,155	**12,150**
Sales that were not part of the like-for-like panel in H1 2016/17[2]	274	**255**
Like-for-like sales	11,882	**11,895**

[1] Sales in local currency of the previous year were calculated by converting reported sales of the previous year at the average exchange rate of the current financial year
[2] Not included in the like-for-like panel are, among others, new openings, stores in start-up phase, closures, cross-divisional service companies and major refurbishments

Earnings

Earnings before interest and taxes (EBIT) of METRO GROUP's continuing operations essentially comprise the Media-Saturn sales line and the holding functions that are part of continuing operations. In H1 2016/17, EBIT totalled €280 million (H1 2015/16: €322 million). This figure includes special items totalling about €9 million (H1 2015/16: €20 million). EBIT before special items amounted to €289 million (H1 2015/16: €342 million) including additional expenses for the formation of the stock-listed management holding company. The decline is due, in particular, to measures aimed at adding market share in various countries of the Media-Saturn sales line such as the value-added tax campaign at Saturn Germany in January.

In Q2 2016/17, EBIT of METRO GROUP's continuing operations totalled €-34 million (Q2 2015/16: €25 million). Special items amounted to about €14 million (Q2 2015/16: €12 million). Special items particularly concern restructuring and efficiency-enhancing measures. EBIT before special items came in at €-19 million (Q2 2015/16: €38 million).

The **net financial result** of continuing operations amounts to €0 million (H1 2015/16: €-3 million) and comprises a balanced interest result.

In H1 2016/17, **EBT** amounted to €279 million (H1 2015/16: €319 million). EBT before special items totalled €288 million (H1 2015/16: €338 million).

Reported tax expenses are determined in line with the interim financial reporting rules by applying the so-called integral approach, with the calculation based on current corporate planning as of the end of the financial year. A comparison of tax expenses and earnings before taxes produces the applicable expected group tax rate.

In line with the applicable IFRS 5 requirements, the tax rates of continuing and discontinued operations must be determined accordingly. For the purpose of tax calculation, the ratio of budgeted tax expense items of continuing and discontinued operations to total budgeted tax expenses is applied based on causation in the half-year financial statements.

Based on this calculation method, tax expenses for continuing operations amount to €157 million (H1 2015/16: €124 million), which corresponds to a tax rate of 56.2% (H1 2015/16: 39.0%). Tax expenses before special items amounted to €142 million (H1 2015/16: €130 million) and correspond to a calculatory group tax rate of 49.2% (H1 2015/16: 38.5%).

In H1 2015/16, **profit for the period** from continuing operations stood at €122 million (H1 2015/16: €195 million). Profit for the period before special items declined from €208 million to €146 million. In consideration of the suspended depreciation/amortisation, profit for the period of discontinued operations declined from €349 million to €249 million. Before special items after renewed depreciation/amortisation that was suspended in accordance with IFRS 5, profit for the period increased from €166 million to €311 million.

Profit for the period of METRO GROUP, comprising both continuing and discontinued operations, stood at €371 million in H1 2016/17 (H1 2015/16: €544 million).

In H1 2016/17, METRO GROUP's **earnings per share**, comprising both continuing and discontinued operations, amounted to €1.01 (H1 2015/16: €1.48). Adjusted for special items after renewed depreciation/amortisation in accordance with IFRS 5, earnings per share stood at €1.24 (H1 2015/16: €0.95).

In Q2 2016/17, earnings per share came to €0.40 (Q2 2015/16: €-0.20). Adjusted for special items after renewed depreciation/amortisation in accordance with IFRS 5, earnings per share stood at €0.07 in Q2 2016/17 (Q2 2015/16: €-0.18).

Investments

Capex of METRO GROUP's continuing operations amounted to €115 million in H1 2016/17 (H1 2015/16: €142 million). In Q2 2016/17, capex of continuing operations totalled €60 million (Q2 2015/16: €78 million).

Funding

Capital market issuance serves as a source of medium-term and long-term financing for the continuing operations of

METRO GROUP. In this context, METRO GROUP issued a promissory note loan with a volume of €250 million spread over 5-, 7- and 10-year terms in March 2017. In addition, the group concluded multi-year bilateral and syndicated credit facilities with banks totalling €1.015 billion with terms until 2022. These will become available to the group's continuing operations once the hive-down and demerger have become legally effective.

Balance sheet

Compared with the end of the financial year as of 30 September 2016, total assets of continuing and discontinued operations increased by €0.8 billion to €25.8 billion. Year on year as of 31 March 2016, total assets increased by €0.3 billion.

Not considering the upcoming demerger, equity of METRO GROUP amounted to €5.4 billion. Following a relevant resolution of the METRO AG Annual General Meeting on 6 February 2017, a liability to distribute non-cash assets as a dividend to the company's owners must be recognised in the context of the demerger of METRO GROUP. Pursuant to IFRIC 17, this liability must be measured at its fair value, while derecognised assets and liabilities of discontinued operations are measured at amortised carrying amounts. This results in a purely temporary, non-cash effect. As of 31 March 2017, METRO GROUP's balance sheet therefore disclosed €-2.7 billion in equity. Following the implementation of the demerger, the reportable non-cash gain from the demerger is expected to cause equity to turn positive again.

Net debt, after netting cash and cash equivalents as well as financial investments with financial liabilities (including finance leases), totalled €-0.7 billion (net deposits) for continuing operations as of 31 March 2017. The previous year's figure as of 31 March 2016 also includes discontinued operations and amounts to €2.7 billion. The comparable figure as of 31 March 2017 was €3.2 billion.

Cash flow

Between October 2016 and March 2017, cash inflow from operating activities of METRO GROUP amounted to €0.3 billion (H1 2015/16: €0.3 billion). In the previous year, the one-time repayment of a €0.2 billion receivable towards a benevolent fund is included under Others. Adjusted for this effect, cash flow thus improved by €0.2 billion.

Cash flow from investing activities of continuing operations of METRO GROUP totalled €-0.1 billion (H1 2015/16: €-0.1 billion).

Cash outflow from financing activities of continuing operations of METRO GROUP totalled €0.1 billion (H1 2015/16: cash outflow of €0.4 billion). The increase in cash flow from financing activities results from the issuance of a promissory note loan in March 2017.

Continuing operations

Media-Saturn

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like	
	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17
Total	**12,148**	**12,150**	**0.9%**	**0.0%**	**-1.0%**	**0.1%**	**1.9%**	**0.0%**	**0.6%**	**0.1%**
Germany	5,789	**5,841**	3.6%	**0.9%**	0.0%	**0.0%**	3.6%	**0.9%**	2.0%	**1.1%**
Western Europe (excl. Germany)	4,926	**4,825**	2.3%	**-2.1%**	0.4%	**-0.1%**	1.9%	**-2.0%**	0.5%	**-2.2%**
Eastern Europe	1,433	**1,484**	-12.2%	**3.6%**	-7.8%	**0.7%**	-4.4%	**2.9%**	-4.8%	**3.9%**

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like	
	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17
Total	**5,259**	**5,258**	**1.9%**	**0.0%**	**-0.9%**	**0.4%**	**2.8%**	**-0.5%**	**0.7%**	**0.3%**
Germany	2,498	**2,548**	4.1%	**2.0%**	0.0%	**0.0%**	4.1%	**2.0%**	1.1%	**3.4%**
Western Europe (excl. Germany)	2,169	**2,089**	1.9%	**-3.7%**	-0.2%	**0.1%**	2.2%	**-3.8%**	0.8%	**-3.9%**
Eastern Europe	592	**619**	-6.6%	**4.5%**	-6.5%	**3.5%**	0.0%	**1.1%**	-0.8%	**2.2%**

Despite the calendar effect in H1 2016/17, like-for-like **sales** of Media-Saturn increased slightly by 0.1%. However, sales in local currency matched the previous year's level. The stable first-quarter sales trend continued in Q2 2016/17. At €12.2 billion, sales in H1 2016/17 matched the level of the previous year's period, leading to another increase in the overall market share.

Online generated sales of the Media Markt and Saturn sales brands increased by more than 40% in both H1 2016/17 and Q2 2016/17. Total online sales rose by more than 25%, reaching nearly 12% of total sales in Q2 2016/17.

Media Markt successfully continued its customer value added strategy in H1 2016/17. In February 2017, the customer loyalty programme Media Markt Club in Germany celebrated its first anniversary. The number of Media Markt club members in Germany increased to 2.3 million.

The focus on innovative expansion concepts was reflected in the new store openings in H1 2016/17. More than half of the new openings are small formats.

In **Germany,** like-for-like sales rose markedly by 1.1% in H1 2016/17 as the slight decline during the Christmas quarter was more than offset by sales in Q2 2016/17. Overall, sales in Germany increased by 0.9% to €5.8 billion in H1 2016/17.

In **Western Europe,** like-for-like sales fell by 2.2% in H1 2016/17. Sales in local currency declined by 2.0%. All in all, half-year sales at Media-Saturn amounted to €4.8 billion, down 2.1% from the same period a year earlier. Sales in Q2 2016/17 declined more strongly than during the Christmas quarter due to negative sales trends in Italy and Switzerland, among others.

In **Eastern Europe,** like-for-like rose markedly by 3.9% in H1 2016/17. In local currency, the increase amounted to 2.9%. As a result, total sales rose by 3.6% to €1.5 billion. Sales also continued their upward trend in Q2 2016/17, with like-for-like sales rising by 2.2%. The key driver behind this positive trend was the development in Turkey which more than compensated for the negative trend in Russia. While sales in local currency rose by 1.1%, total sales jumped 4.5% to €0.6 billion thanks to positive currency effects.

€ million	H1 2015/16	H1 2016/17	Change	Q2 2015/16	Q2 2016/17	Change
EBIT	332	**299**	-10.0%	31	**-19**	–
EBIT before special items	352	**308**	-12.5%	43	**-4**	–
Investments	142	**115**	-19.3%	78	**60**	-24.0%

In H1 2016/17, **EBIT** amounted to €299 million (H1 2015/16: €332 million). This figure includes special items totalling €9 million (H1 2015/16: €20 million). EBIT before special items declined to €308 million from €352 million. The decline is due, in particular, to measures aimed at adding market share in various countries such as the value-added tax campaign at Saturn Germany in January.

In Q2 2016/17, EBIT before special items declined from €43 million to €-4 million.

Others (continuing operations)

€ million	H1 2015/16	H1 2016/17	Change	Q2 2015/16	Q2 2016/17	Change
Sales	–	**–**	–	–	**–**	–
EBIT	-10	**-19**	-96.0%	-5	**-15**	>-100%
EBIT before special items	-10	**-19**	-96.0%	-5	**-15**	>-100%
Investments	0	**0**	–	0	**0**	–

The Others segment for continuing operations of METRO GROUP comprises, in particular, activities related to the management of METRO AG as an stock-listed management holding company.

In H1 2016/17, EBIT stood at €-19 million (H1 2015/16: €-10 million) and essentially comprised additional expenses for the formation of the stock-listed management holding company.

Discontinued operations

In the interim financial statements as of 31 March 2017, METRO GROUP's discontinued operations are recognised and measured in accordance with IFRS 5 – Non-current assets held for sale and discontinued operations – as the Annual General Meeting had approved the demerger. However, the key performance indicators reflecting renewed depreciation/amortisation in accordance with IFRS 5, which are described on page 4, remain relevant for the management of these activities. As a result, both the reported figures – based on IFRS 5 measurement – and the figures relevant for the management of these activities are shown for discontinued operations.

Sales

Like-for-like and currency-adjusted sales declined slightly by 0.4% in H1 2016/17. This was partly due to developments at Real, which were also dampened by the calendar effect. Sales in local currency fell short of the previous year's level. Currency effects were positive. At €18.6 billion, total sales exceeded the previous year's level by 0.5%.

In Q2 2016/17, like-for-like, currency-adjusted sales decreased by 1.1%. While sales at METRO Cash & Carry slightly exceeded the previous year's level, sales at Real declined markedly partly due to the calendar effect. The previous year's reporting quarter included both the additional calendar day due to the leap year and the Easter business. Sales in local currency rose by 0.3%. All in all, sales for the quarter increased by 2.4% to €8.5 billion, boosted partly by the stronger Russian rouble and by the acquisitions of METRO Cash & Carry (particularly Pro à Pro in France), which more than offset the decline in sales at Real.

€ million	H1 2015/16	H1 2016/17
Total sales in € (as reported)	18,515	**18,608**
Total sales in local currency[1]	18,680	**18,608**
Sales that were not part of the like-for-like panel in H1 2016/17[2]	1,010	**1,007**
Like-for-like sales in local currency	17,670	**17,600**

[1] Sales in local currency of the previous year were calculated by converting reported sales of the previous year at the average exchange rate of the current financial year
[2] Not included in the like-for-like panel are, among others, new openings, stores in start-up phase, closures, cross-divisional service companies and major refurbishments

Earnings

In H1 2016/17, **EBIT** of METRO GROUP's discontinued operations stood at €614 million (H1 2015/16: €884 million) and comprised special items of €106 million, particularly from restructuring at Real and METRO Cash & Carry. The previous year's figure included positive special items totalling €388 million. These primarily concerned gains from the disposal of METRO Cash & Carry Vietnam. EBIT before special items after renewed depreciation/amortisation in accordance with IFRS 5 reached €603 million (H1 2015/16: €496 million). The increase is due to gains from real estate transactions and positive currency effects.

In Q2 2016/17, EBIT totalled €193 million (Q2 2015/16: €-59 million). Special items amounted to €13 million (Q2 2015/16: €32 million). Due to the above-mentioned gains from real estate transactions and positive currency effects, EBIT before special items after renewed depreciation/amortisation in accordance with IFRS 5 reached €90 million (Q2 2015/16: €-27 million).

In H1 2016/17, **the net financial result** amounted to €-74 million (H1 2015/16: €-194 million), with the improvement due, in particular, to positive currency effects and lower interest expenses.

In H1 2016/17, **earnings before taxes** amounted to €539 million (H1 2015/16: €690 million). Earnings before taxes and special items after renewed depreciation/amortisation in accordance with IFRS 5 reached €527 million (H1 2015/16: €314 million).

Tax expenses stood at €291 million (H1 2015/16: €341 million) and correspond to a tax rate of 53.9% (H1 2015/16: 49.4%). Tax expenses before special items after renewed depreciation/amortisation in accordance with IFRS 5 amounted to €216 million (H1 2015/2016: €148 million), which corresponds to a tax rate of 41.1% (H1 2015/16: 47.1%). For more information about the distinctive aspects of tax calculations and the resulting tax rates, see the explanations on page 5.

In H1 2016/17, **profit for the period** from discontinued operations totalled €249 million (H1 2015/16: €349 million). Profit for the period before special items after renewed depreciation/amortisation in accordance with IFRS 5 increased markedly from €166 million to €311 million.

Investments

Capex of discontinued operations amounted to €346 million in H1 2016/17 (H1 2015/16: €383 million). In Q2 2016/17, METRO GROUP invested €259 million (Q2 2015/16: €110 million). This figure includes the acquisition of French food service distribution specialist for professional customers Pro à Pro.

Funding

Net debt of discontinued operations, after netting cash and cash equivalents as well as financial investments with financial liabilities (including finance leases), totalled €3.9 billion as of the closing date of 31 March 2017 (31 March 2016: €3.5 billion). The increase of almost €0.4 billion compared to the previous year is due to the purchase of Pro à Pro, among others.

METRO GROUP employs typical ongoing capital market programmes for the funding purposes of discontinued operations. To cover medium- and long-term funding requirements, the group uses a debt issuance programme. Bonds are issued from this programme. The maximum programme volume amounts to €6.0 billion and was drawn down by about €2.5 billion as of 31 March 2017 (31 March 2016: €3.5 billion). In February 2017, the outstanding portion of the former €750 million bond of about €622 million was repaid on time.

Short-term financing requirements are covered through the Euro Commercial Paper Programme and a commercial paper programme geared especially to French investors. The maximum volume of each programme amounts to €2.0 billion. The total drawdown on both programmes between October 2016 and March 2017 amounted to about €0.5 billion on average (H1 2015/16: €0.3 billion).

In addition, METRO GROUP has bilateral and syndicated credit facilities amounting to €3.1 billion with durations up to 2021. As of 31 March 2017, a total of €0.3 billion was drawn down (31 March 2016: €0.4 billion). A total of €2.8 billion in syndicated and bilateral credit facilities was not drawn on.

Following the legally effective implementation of the hive-down and spin-off, these financial instruments will continue to be available to continued operations based on future requirements.

Cash flow

Between October 2016 and March 2017, cash outflow from discontinued operations amounted to €0.1 billion (H1 2015/16: cash inflow of €0.2 billion).

Cash flow from investing activities of discontinued operations totalled €-0.4 billion (H1 2015/16: €0.0 billion) and comprises above all investments in property, plant and equipment, investment certificates and cash outflow from the acquisition of Pro à Pro. The previous year's figure included the cash inflow from the sale of METRO Cash & Carry Vietnam.

Cash flow from financing activities of discontinued operations showed inflows of €0.3 billion (H1 2015/16: cash outflow of €2.1 million).

METRO Cash & Carry

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like	
	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17
Total	**14,535**	**14,867**	**-2.4%**	**2.3%**	**-2.4%**	**1.2%**	**0.0%**	**1.1%**	**0.3%**	**0.4%**
Horeca	6,848	**6,940**	2.8%	**1.3%**	-1.0%	**-0.9%**	3.9%	**2.3%**	1.8%	**-0.9%**
Multispecialists	6,193	**6,547**	-3.4%	**5.7%**	-3.8%	**4.1%**	0.4%	**1.7%**	-1.6%	**1.0%**
Traders	1,365	**1,367**	-3.1%	**0.1%**	-5.0%	**-1.5%**	1.9%	**1.7%**	2.0%	**4.0%**
Others	130	**13**	–	**–**	–	**–**	–	**–**	–	**–**

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like	
	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17
Total	**6,498**	**6,852**	**-2.9%**	**5.4%**	**-2.5%**	**2.8%**	**-0.3%**	**2.6%**	**0.5%**	**0.1%**
Horeca	3,047	**3,155**	3.1%	**3.6%**	-1.3%	**-1.5%**	4.4%	**5.1%**	2.2%	**-0.4%**
Multispecialists	2,848	**3,076**	-3.2%	**8.0%**	-3.7%	**7.7%**	0.5%	**0.3%**	-1.4%	**-0.4%**
Traders	598	**618**	-4.3%	**3.4%**	-4.5%	**0.5%**	0.2%	**2.9%**	0.5%	**5.2%**
Others	6	**3**	–	**–**	–	**–**	–	**–**	–	**–**

Like-for-like **sales** at METRO Cash & Carry rose by 0.4% in H1 2016/17. Sales in local currency increased by 1.1%. Thanks to positive currency effects, total sales rose by 2.3% to €14.9 billion. For the first time, the acquisition of Pro à Pro in France, which has been part of METRO since the beginning of February 2017, contributed to total sales. In Q2 2016/17, like-for-like sales increased by 0.1%. However, in local currency, the sales increase was markedly higher at 2.6%, with total sales up 5.4% to €6.9 billion.

METRO Cash & Carry's **delivery sales** continued to develop positively, with sales rising by more than 23% to €2.1 billion in H1 2016/17. At 14.2%, the sales share of the delivery business thus reached a new record high. The acquisition of Pro à Pro contributed to this increase. As a result, growth was even higher in Q2 2016/17, with delivery sales increasing by more than 30% to €1.1 billion, reaching 16.1% of total sales of METRO Cash & Carry.

Like-for-like sales in the **Horeca** segment declined by 0.9% in H1 2016/17. However, sales in local currency rose by 2.3%. Total sales increased by 1.3% to €6.9 billion and were dampened slightly by negative currency effects. In Q2 2016/17, the calendar effect had a negative impact on like-for-like sales, which fell by 0.4%. Despite negative currency effects, though, total sales rose by 3.6% to €3.2 billion, driven mostly by the acquisitions of Pro à Pro and Rungis Express. Partly due to the calendar effect, like-for-like sales declined in the largest Horeca country Germany. Like-for-like sales in Turkey, in turn, continued their strong growth.

Like-for-like sales in the **multispecialists** segment rose by 1.0% in H1 2016/17. Sales in local currency increased by 1.7%. Thanks to positive currency effects, sales rose by 5.7% to €6.5 billion. In Q2 2016/17, like-for-like sales fell by 0.4%. Negative developments in Russia and the Netherlands were partly compensated by positive trends in Pakistan and India. Thanks to positive currency effects, sales rose by 8.0% to €3.1 billion.

Like-for-like sales in the **traders** segment rose by 4.0% in H1 2016/17, with Ukraine and Romania as key drivers. Sales in local currency climbed by 1.7%. As a result of negative currency effects, however, sales increased by just 0.1% to €1.4 billion. Developments improved in Q2 2016/17 and sales rose by 3.4% to €0.6 billion thanks also to slightly positive currency effects.

€ million	H1 2015/16	H1 2016/17	Change	Q2 2015/16	Q2 2016/17	Change
EBIT	865	**603**	-30.2%	-12	**199**	–
EBIT before special items after renewed depreciation/amortisation in accordance with IFRS 5	497	**563**	13.3%	38	**132**	>100%
Investments	172	**261**	51.4%	67	**212**	>100%

In H1 2016/17, **EBIT** amounted to €603 million (H1 2015/16: €865 million) and included special items amounting to €31 million, which essentially concerned restructurings. The previous year's figure included positive special items totalling €368 million. These primarily concerned gains from the disposal of METRO Cash & Carry Vietnam. At €563 million, EBIT before special items after renewed depreciation/amortisation in accordance with IFRS 5 was €66 million higher than in the comparable period of the previous year.

In Q2 2016/17, EBIT before special items after renewed depreciation/amortisation in accordance with IFRS 5 totalled €132 million (Q2 2015/16: €38 million). The distinct improvement is due, in particular, to a real estate transaction in China, which contributed about €80 million to earnings. In addition, EBIT was bolstered by positive currency effects of €24 million that primarily related to Russia.

Real

	Sales (€ million)		Change (€)		Like-for-like	
	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17
Germany	**3,945**	**3,718**	**-2.8%**	**-5.7%**	**-0.6%**	**-3.4%**

	Sales (€ million)		Change (€)		Like-for-like	
	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17
Germany	**1,800**	**1,660**	**-1.6%**	**-7.8%**	**0.5%**	**-5.4%**

In H1 2016/17, like-for-like **sales** at Real decreased by 3.4%. Due mostly to store disposals, sales declined by 5.7% to €3.7 billion compared with the previous year's period. In Q2 2016/17, like-for-like sales fell by 5.4%. This decline is partly attributable to the negative calendar effect. Stronger increase in food prices also dampened footfall. Due to nine store closures, sales fell more steeply by 7.8% to €1.7 billion year-to-year.

Online sales continued to develop very positively, rising markedly by more than 40% from €37 million to €53 million in H1 2016/17. In Q2 2016/17, sales even grew by nearly 60%. Since mid-February, Real has been offering more than 5 million products in its online store thanks to the full integration of the Hitmeister online store.

€ million	H1 2015/16	H1 2016/17	Change	Q2 2015/16	Q2 2016/17	Change
EBIT	66	**45**	-32.8%	-18	**26**	–
EBIT before special items after renewed depreciation/amortisation in accordance with IFRS 5	67	**68**	2.1%	-16	**-3**	79.7%
Investments	157	**32**	-79.5%	14	**19**	35.7%

In H1 2016/17, **EBIT** stood at €45 million (H1 2015/16: €66 million). This figure includes special items from restructuring measures totalling €47 million (H1 2015/16: €0 million). EBIT before special items after renewed depreciation/amortisation in accordance with IFRS 5 amounted to €68 million after €67 million in the previous year's period.

In Q2 2016/17, EBIT before special items after renewed depreciation/amortisation in accordance with IFRS 5 increased to €-3 million (Q2 2015/16: €-16 million). Positive effects from the closure of loss-making stores in the previous year's period, higher value added from trade transactions and lower selling and administrative expenses as well as a one-time gain from a real estate transaction more than offset the sales-related earnings decline.

Others (discontinued operations)

€ million	H1 2015/16	H1 2016/17	Change	Q2 2015/16	Q2 2016/17	Change
Sales	35	**22**	-37.7%	16	**2**	-87.0%
EBIT	-43	**-32**	26.6%	-28	**-25**	9.5%
EBIT before special items after renewed depreciation/amortisation in accordance with IFRS 5	-63	**-25**	60.3%	-48	**-33**	31.3%
Investments	54	**53**	-0.7%	29	**27**	-5.2%

The Others segment comprises, among others, METRO AG including all activities related to discontinued activities, the procurement organisation in Hong Kong, which also operates on behalf of third parties, as well as logistics services and real estate activities of METRO PROPERTIES, which are not attributed to any sales lines (that is speciality stores, warehouses, head offices, etc.).

In H1 2016/17, **sales** in the Others segment fell markedly to €22 million (H1 2015/16: €35 million) and include above all the 4 remaining Real stores in Romania and commissions from the third-party business operated by METRO GROUP's Hong Kong-based procurement organisation. However, the stores in Romania were sold as of the end of Q1 2016/17 so that the resulting sales have no longer been included in total sales as of 1 January 2017.

In H1 2016/17, **EBIT** stood at €-32 million (H1 2015/16: €-43 million). Special items amounted to €28 million (H1 2015/16: €20 million). EBIT before special items after renewed depreciation/amortisation in accordance with IFRS 5 reached €-25 million (H1 2015/16: €-63 million). The distinct improvement was due, in particular, to an individual real estate transaction in Q1 2016/17.

Risks and opportunities

Since the preparation of the consolidated financial statements (22 November 2016), no material changes arose from the reported risks and opportunities concerning the ongoing development of METRO AG as described in the Annual Report 2015/16 (pp. 117-134).

There are no risks that could endanger the company's existence and, at present, none can be identified for the future.

Events after the quarterly closing date

No reporting events occurred after the quarterly closing date.

Demerger of the group

On 6 February 2017, the Annual General Meeting of METRO AG approved the separation of METRO GROUP into a wholesale and food specialist and a company focusing on consumer electronics. The consumer electronics group will essentially comprise the Media-Saturn sales line including the holding functions that are relevant to continuing operations, while the wholesale and retail specialist will comprise the METRO Cash & Carry and Real sales lines including real estate assets and the associated management and service activities. The hive-down and spin-off (demerger) and thus the formation of two independent, stock-listed market leaders in their respective segments is expected to become legally effective in mid-2017.

Outlook

Due to the authorisation of the demerger of METRO GROUP by METRO AG's Annual General Meeting on 6 February 2017, the activities of the METRO Cash & Carry and Real sales lines as well as the associated management and service activities are shown as "discontinued operations". As a result, the forecast for METRO GROUP will be adjusted as it now relates exclusively to continuing operations of METRO GROUP.

The forecast is based on currency-adjusted figures. In addition, it is based on the assumption of a continuously complex geopolitical situation.

Sales
For financial year 2016/17, we expect a slight increase in overall sales from continuing operations, despite the persistently challenging economic environment. We expect like-for-like sales from continuing operations to trend slightly higher again.

Earnings
We expect EBIT before special items from continuing operations to increase slightly compared with the figure of €466 million for financial year 2015/16.

Locations

Store network development H1 2016/17

	30/9/2016	New store openings/ additions H1 2016/17	Closures/ disposals H1 2016/17	31/3/2017	Change (absolute)
Media-Saturn[1]	1,023	**+20**	-9	**1,034**	+11
METRO Cash & Carry[2]	752	**+2**	-3	**751**	-1
Real[2]	285	**+0**	-3	**282**	-3
Total	**2,064**	**+22**	**-19**[4]	**2,067**	**+3**

Store network as of 31 March 2017

	Media-Saturn[1]			METRO Cash & Carry[2]			Real[2]			Total		
	Openings / additions H1 2016/17	Closures / disposals H1 2016/17	31/3/2017	Openings / additions H1 2016/17	Closures / disposals H1 2016/17	31/3/2017	Openings / additions H1 2016/17	Closures / disposals H1 2016/17	31/3/2017	Openings / additions H1 2016/17	Closures / disposals H1 2016/17	31/3/2017
Germany	**+2**		**426**		**-1**	**105**		**-3**	**282**	**+2**	**-4**	**813**
Belgium	+3	-2	**24**			**16**				+3	-2	**40**
France						**94**						**94**
Italy	+4		**115**			**49**				+4		**164**
Luxembourg			**2**									**2**
Netherlands			**49**			**17**						**66**
Austria	+1		**50**			**12**				+1		**62**
Portugal	+1		**10**			**10**				+1		**20**
Sweden			**27**									**27**
Switzerland		-1	**27**								-1	**27**
Spain	+1		**80**			**37**				+1		**117**
Western Europe (excl. Germany)	**+10**	**-3**	**384**			**235**				**+10**	**-3**	**619**
Bulgaria						**11**						**11**
Greece			**11**									**11**
Kazakhstan						**6**						**6**
Croatia						**9**						**9**
Moldova						**3**						**3**
Poland	+1		**84**			**30**				+1		**114**
Romania						**30**					-4[3]	**30**
Russia		-4	**57**			**89**					-4	**146**
Serbia					-1	**9**					-1	**9**
Slovakia						**6**						**6**
Czech Republic						**13**						**13**
Turkey	+5	-2	**48**			**32**				+5	-2	**80**
Ukraine					-1	**31**					-1	**31**
Hungary	+2		**24**			**13**				+2		**37**
Eastern Europe	**+8**	**-6**	**224**		**-2**	**282**				**+8**	**-12**[4]	**506**
China				+1		**87**				+1		**87**
India						**23**						**23**
Japan				+1		**10**				+1		**10**
Pakistan						**9**						**9**
Asia				+2		**129**				+2		**129**
Total	**+20**	**-9**	**1,034**	**+2**	**-3**	**751**		**-3**	**282**	**+22**	**-19**[4]	**2,067**

[1] Continuing operations
[2] Discontinued operations
[3] Disposal of 4 stores from Others
[4] Including disposal of 4 stores in the Others segment

Reconciliation of special items from continuing operations[1]

H1 2016/17

Special items

by sales line

	As reported		IFRS 5 measurement		Special items		Before special items	
€ million	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17
EBITDA	**442**	**398**	**–**	**–**	**14**	**8**	**457**	**406**
thereof Media-Saturn	452	**418**	–	**–**	14	**8**	467	**425**
Others	-10	**-19**	–	**–**	0	**0**	-10	**-19**
Consolidation	0	**0**	–	**–**	0	**0**	0	**0**
EBIT	**322**	**280**	**–**	**–**	**20**	**9**	**342**	**289**
thereof Media-Saturn	332	**299**	–	**–**	20	**9**	352	**308**
Others	-10	**-19**	–	**–**	0	**0**	-10	**-19**
Consolidation	0	**0**	–	**–**	0	**0**	0	**0**
Net financial result	**-3**	**0**	**–**	**–**	**0**	**0**	-3	0
EBT (earnings before taxes)	**319**	**279**	**–**	**–**	**20**	**9**	338	288
Income taxes	-124	**-157**	–	**–**	-6	**15**	-130	**-142**
Profit or loss for the period from continuing operations	**195**	**122**	**–**	**–**	**13**	**24**	208	146
Profit or loss for the period from discontinued operations after taxes	349	**249**	–	**-91**	-183	**153**	166	311
Profit or loss for the period	**544**	**371**	**–**	**-91**	**-170**	**177**	374	457
Profit or loss for the period attributable to non-controlling interests	60	**40**	–	**-1**	4	**14**	64	52
from continuing operations	50	**25**	–	**–**	4	**13**	55	38
from discontinued operations	9	**15**	–	**-1**	0	**1**	9	15
Profit or loss for the period attributable to the shareholders of METRO AG	484	**331**	–	**-90**	-174	**164**	310	405
from continuing operations	144	**98**	–	**–**	9	**11**	154	109
from discontinued operations	340	**233**	–	**-90**	-183	**153**	157	296
Earnings per share in € (basic = diluted)	**1.48**	**1.01**	**–**	**-0.27**	**-0.53**	**0.50**	**0.95**	**1.24**
from continuing operations	0.44	**0.30**	–	**–**	0.03	**0.03**	0.47	**0.33**
from discontinued operations	1.04	**0.71**	–	**-0.27**	-0.56	**0.47**	0.48	**0.91**

[1] The reconciliation of events related to special items can be found in the supplement to the management report on pages 43-47.

Reconciliation of special items from continuing operations[1]

Q2 2016/17

Special items

by sales line

	As reported		IFRS 5 measurement		Special items		Before special items	
€ million	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17
EBITDA	**89**	**27**	**–**	**–**	**7**	**13**	**96**	**40**
thereof Media-Saturn	94	**42**	–	**–**	7	**13**	102	**55**
Others	-5	**-15**	–	**–**	0	**0**	-5	**-15**
Consolidation	0	**0**	–	**–**	0	**0**	0	**0**
EBIT	**25**	**-34**	**–**	**–**	**12**	**14**	**38**	**-19**
thereof Media-Saturn	31	**-19**	–	**–**	12	**14**	43	**-4**
Others	-5	**-15**	–	**–**	0	**0**	-5	**-15**
Consolidation	0	**0**	–	**–**	0	**0**	0	**0**
Net financial result	**-1**	**-1**	**–**	**–**	**0**	**0**	**-1**	**-1**
EBT (earnings before taxes)	**24**	**-35**	**–**	**–**	**12**	**14**	**37**	**-20**
Income taxes	-9	**53**	–	**–**	-4	**-47**	-13	**7**
Profit or loss for the period from continuing operations	15	**19**	**–**	**–**	9	**-32**	24	**-14**
Profit or loss for the period from discontinued operations after taxes	-69	**122**	–	**-91**	2	**15**	-67	**46**
Profit or loss for the period	**-53**	**141**	**–**	**-91**	**10**	**-17**	**-43**	**33**
Profit or loss for the period attributable to non-controlling interests	12	**9**	–	**-1**	3	**1**	14	**9**
from continuing operations	7	**-2**	–	**–**	3	**1**	10	**-1**
from discontinued operations	4	**11**	–	**-1**	0	**0**	4	**10**
Profit or loss for the period attributable to the shareholders of METRO AG	-65	**131**	–	**-90**	8	**-18**	-57	**24**
from continuing operations	8	**21**	–	**–**	6	**-33**	14	**-13**
from discontinued operations	-73	**111**	–	**-90**	2	**15**	-71	**36**
Earnings per share in € (basic = diluted)	**-0.20**	**0.40**	**–**	**-0.27**	**0.02**	**-0.05**	**-0.18**	**0.07**
from continuing operations	0.03	**0.06**	–	**–**	0.02	**-0.10**	0.04	**-0.04**
from discontinued operations	-0.22	**0.34**	–	**-0.27**	0.01	**0.05**	-0.22	**0.11**

[1] The reconciliation of events related to special items can be found in the supplement to the management report on pages 43-47.

Reconciliation of special items from discontinued operations[1]

H1 2016/17

Special items

by sales line

in € million		As reported		IFRS 5 measurement		Special items		Before special items and before application of IFRS 5	
		H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17	H1 2015/16	H1 2016/17
EBITDA		**1,223**	**858**	**–**	**–**	**-386**	**96**	**836**	**954**
thereof	METRO Cash & Carry	1,074	**755**	–	**–**	-367	**22**	707	**777**
	Real	138	**93**	–	**–**	0	**47**	138	**140**
	Others (discontinued operations)	17	**14**	–	**–**	-20	**28**	-3	**41**
	Consolidation (discontinued operations)	-6	**-4**	–	**–**	0	**0**	-6	**-4**
EBIT		**884**	**614**	**–**	**-116**	**-388**	**106**	**496**	**603**
thereof	METRO Cash & Carry	865	**603**	–	**-72**	-368	**31**	497	**563**
	Real	66	**45**	–	**-23**	0	**47**	67	**68**
	Others (discontinued operations)	-43	**-32**	–	**-21**	-20	**28**	-63	**-25**
	Consolidation (discontinued operations)	-4	**-3**	–	**0**	0	**0**	-4	**-2**
Net financial result		**-194**	**-74**	**–**	**–**	**12**	**-2**	**-182**	**-76**
EBT (earnings before taxes)		**690**	**539**	**–**	**-116**	**-376**	**104**	**314**	**527**
Income taxes		-341	**-291**	–	**25**	193	**49**	-148	**-216**
Profit or loss for the period from discontinued operations after taxes		**349**	**249**	**–**	**-91**	**-183**	**153**	**166**	**311**
Profit or loss for the period attributable to non-controlling interests		9	**15**	–	**-1**	0	**1**	9	**15**
Profit or loss for the period attributable to the shareholders of METRO AG		340	**233**	–	**-90**	-183	**153**	157	**296**
Earnings per share in € from discontinued operations (undiluted = diluted)		**1.04**	**0.71**	**–**	**-0.27**	**-0.56**	**0.47**	**0.48**	**0.91**

[1] The reconciliation of events related to special items can be found in the supplement to the management report on pages 43-47.

Reconciliation of special items from discontinued operations[1]

Q2 2016/17

Special items from discontinued operations

by sales line

		As reported		IFRS 5 measurement		Special items		Before special items and before application of IFRS 5	
in € million		Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17
EBITDA		**116**	**253**	**–**	**–**	**33**	**12**	**149**	**266**
thereof	METRO Cash & Carry	93	**235**	–	**–**	52	**5**	145	**240**
	Real	18	**38**	–	**–**	1	**-6**	19	**32**
	Others (discontinued operations)	6	**-14**	–	**–**	-20	**13**	-13	**0**
	Consolidation (discontinued operations)	-2	**-6**	–	**–**	0	**0**	-2	**-6**
EBIT		**-59**	**193**	**–**	**-116**	**32**	**13**	**-27**	**90**
thereof	METRO Cash & Carry	-12	**199**	–	**-72**	51	**5**	38	**132**
	Real	-18	**26**	–	**-23**	1	**-6**	-16	**-3**
	Others (discontinued operations)	-28	**-25**	–	**-21**	-20	**13**	-48	**-33**
	Consolidation (discontinued operations)	-1	**-6**	–	**0**	0	**0**	-1	**-6**
Net financial result		**-63**	**-20**	**–**	**–**	**-19**	**-2**	**-81**	**-23**
EBT (earnings before taxes)		**-122**	**173**	**–**	**-116**	**13**	**10**	**-109**	**67**
Income taxes		53	**-51**	–	**25**	-12	**5**	42	**-21**
Profit or loss for the period from discontinued operations after taxes		**-69**	**122**	**–**	**-91**	**2**	**15**	**-67**	**46**
Profit or loss for the period attributable to non-controlling interests		4	11	–	-1	0	0	4	10
Profit or loss for the period attributable to the shareholders of METRO AG		-73	111	–	-90	2	15	-71	36
Earnings per share in € from discontinued operations (undiluted = diluted)		-0.22	0.34	–	-0.27	0.01	0.05	-0.22	0.11

[1] The reconciliation of events related to special items can be found in the supplement to the management report on pages 43-47.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Income statement

€ million	H1 2015/16	H1 2016/17	Q2 2015/16	Q2 2016/17
Sales	**12,149**	**12,151**	**5,259**	**5,258**
Cost of sales	-9,689	**-9,740**	-4,166	**-4,212**
Gross profit on sales	**2,460**	**2,411**	**1,093**	**1,046**
Other operating income	74	**91**	31	**45**
Selling expenses	-1,960	**-1,956**	-969	**-981**
General administrative expenses	-249	**-263**	-128	**-142**
Other operating expenses	-3	**-3**	-2	**-2**
Earnings share of operating companies recognised at equity	0	**0**	0	**0**
Earnings before interest and taxes EBIT	**322**	**280**	**25**	**-34**
Earnings share of non-operating companies recognised at equity	0	**0**	0	**0**
Other investment result	0	**0**	0	**0**
Interest income	11	**9**	5	**5**
Interest expenses	-14	**-10**	-7	**-5**
Other financial result	-1	**0**	1	**-1**
Net financial result	**-3**	**0**	**-1**	**-1**
EBT (earnings before taxes)	**319**	**279**	**24**	**-35**
Income taxes	-124	**-157**	-9	**53**
Profit or loss for the period from continuing operations	**195**	**122**	15	**19**
Profit or loss for the period from discontinued operations	349	**249**	-69	**122**
Profit or loss for the period	**544**	**371**	**-53**	**141**
Profit or loss for the period attributable to non-controlling interests	60	**40**	12	**9**
from continuing operations	50	**25**	7	**-2**
from discontinued operations	9	**15**	4	**11**
Profit or loss for the period attributable to the shareholders of METRO AG	484	**331**	-65	**131**
from continuing operations	144	**98**	8	**21**
from discontinued operations	340	**233**	-73	**111**
Earnings per share in € (basic = diluted)	**1.48**	**1.01**	**-0.20**	**0.40**
from continuing operations	0.44	**0.30**	0.03	**0.06**
from discontinued operations	1.04	**0.71**	-0.22	**0.34**

Reconciliation from profit or loss for the period to total comprehensive income

€ million	H1 2015/16	H1 2016/17	Q2 2015/16	Q2 2016/17
Profit or loss for the period	**544**	**371**	**-53**	**141**
Other comprehensive income				
Items of "other comprehensive income" that will not be reclassified to profit or loss	**-47**	**-24**	**-45**	**-70**
Remeasurement of defined benefit pension plans	-67	**88**	-65	**21**
Income tax attributable to items of "other comprehensive income" that will not be reclassified to profit or loss	20	**-112**	20	**-91**
Items of "other comprehensive income" that may be reclassified to profit or loss	**-23**	**151**	**-11**	**52**
Currency translation differences from translating the financial statements of foreign operations	-19	**151**	-5	**56**
Effective portion of gains/losses from cash flow hedges	-3	**0**	-7	**-4**
Gains/losses on remeasuring financial instruments in the category "available for sale"	-1	**0**	0	**0**
Income tax attributable to items of "other comprehensive income" that may be reclassified subsequently to profit or loss	0	**1**	1	**0**
Other comprehensive income	**-70**	**127**	**-56**	**-18**
Total comprehensive income	**474**	**498**	**-109**	**123**
Total comprehensive income attributable to non-controlling interests	58	**37**	12	**8**
Total comprehensive income attributable to the shareholders of METRO AG	416	**461**	-121	**116**

Balance sheet

Assets

€ million	30/9/2016	31/3/2016	31/3/2017
Non-current assets	**13,369**	**12,996**	**1,640**
Goodwill	3,361	3,322	**515**
Other intangible assets	497	467	**90**
Property, plant and equipment	8,141	7,848	**855**
Investment properties	126	178	**0**
Financial assets	104	63	**31**
Investments accounted for using the equity method	188	183	**0**
Other financial and non-financial assets	289	280	**52**
Deferred tax assets	663	655	**98**
Current assets	**11,583**	**12,526**	**24,156**
Inventories	5,456	6,009	**2,956**
Trade receivables	808	706	**307**
Financial assets	0	3	**0**
Other financial and non-financial assets	2,734	3,347	**1,439**
Entitlements to income tax refunds	216	233	**131**
Cash and cash equivalents	2,368	2,209	**1,032**
Assets held for sale	0	19	**18,290**
	24,952	**25,522**	**25,796**

Equity and liabilities

€ million	30/9/2016	31/3/2016	31/3/2017
Equity	**5,332**	**5,252**	**-2,717**[1]
Liability to distribute non-cash assets as a dividend pursuant to IFRIC 17	–	–	**-8,160**[1]
Equity before liability to distribute non-cash assets as a dividend pursuant to IFRIC 17	5,332	5,252	**5,443**
Share capital	835	835	**835**
Capital reserve	2,551	2,551	**2,551**
Reserves retained from earnings	1,934	1,850	**2,030**
Non-controlling interests	12	16	**27**
Non-current liabilities	**5,950**	**6,042**	**1,102**
Provisions for post-employment benefits plans and similar obligations	1,414	1,331	**704**
Other provisions	383	430	**63**
Borrowings	3,812	3,925	**267**
Other financial and non-financial liabilities	191	212	**68**
Deferred tax liabilities	150	144	**0**
Current liabilities	**13,670**	**14,228**	**27,411**
Trade liabilities	9,383	9,547	**5,056**
Provisions	705	615	**152**
Borrowings	947	1,687	**18**
Liabilities from distribution of non-cash assets as a dividend pursuant to IFRIC 17	0	0	**8,160**
Other financial and non-financial liabilities	2,465	2,115	**1,044**
Income tax liabilities	170	264	**194**
Liabilities related to assets held for sale	0	0	**12,787**
	24,952	**25,522**	**25,796**

[1] Due to the recognition of a liability to distribute non-cash assets as a dividend to the company's owners in the context of the demerger of METRO GROUP, as resolved by the Annual General Meeting of METRO AG on 6 February 2017, the consolidated equity of METRO GROUP is temporarily negative. Once the demerger has been implemented, the demerger gain to be recognised will cause equity to turn positive again.

Cash flow statement

€ million	H1 2015/16	H1 2016/17
EBIT	322	**280**
Depreciation/amortisation/impairment losses/reversal of impairment losses of assets excl. financial investments	120	**119**
Change in provisions for post-employment benefits plans and similar obligations	-20	**-24**
Change in net working capital	-143	**84**
Income taxes paid	-107	**-88**
Reclassification of gains (-) / losses (+) from the disposal of fixed assets	1	**1**
Other	142	**-95**
Cash flow from operating activities of continuing operations	**315**	**277**
Cash flow from operating activities of discontinued operations	161	**-141**
Cash flow from operating activities	**476**	**136**
Acquisition of subsidiaries	-29	**-14**
Investments in property, plant and equipment (excl. finance leases)	-125	**-124**
Other investments	-14	**-29**
Financial investments	0	**0**
Disposals of subsidiaries	0	**0**
Disposal of fixed assets	21	**22**
Gains (+) / losses (-) from the disposal of fixed assets	-1	**-1**
Disposal of financial investments	0	**0**
Cash flow from investing activities of continuing operations	**-148**	**-146**
Cash flow from investing activities of discontinued operations	7	**-360**
Cash flow from investing activities	**-141**	**-506**
Dividends paid		
to METRO AG shareholders[1]	-349	**-346**
to other shareholders[2]	-23	**-14**
Redemption of liabilities from put options of non-controlling interests	0	**0**
New borrowings	0	**265**
Redemption of borrowings	-18	**0**
Interest paid	-13	**-4**
Interest received	7	**9**
Profit and loss transfers and other financing activities	-7	**27**
Cash flow from financing activities of continuing operations	**-403**	**-63**
Cash flow from financing activities of discontinued operations	-2,128	**329**
Cash flow from financing activities	**-2,531**	**266**
Total cash flows	**-2,196**	**-104**
Currency effects on cash and cash equivalents	-12	**3**
Total change in cash and cash equivalents	**-2,208**	**-101**
Cash and cash equivalents as of 1 October	4,417	**2,368**
Cash and cash equivalents shown under IFRS 5 assets	2	**0**
Cash and cash equivalents as of 1 October	**4,415**	**2,368**
Cash and cash equivalents on 31 March	2,209	**2,267**
Cash and cash equivalents shown under IFRS 5 assets	0	**1,235**
Cash and cash equivalents on 31 March	**2,209**	**1,032**

[1] Reported dividends include dividends to minority shareholders in the amount of €-19 million (previous year: €-22 million) whose shareholdings are shown under debt capital due to put options

[2] Reported dividends include dividends to minority shareholders in the amount of €-5 million (previous year: €-5 million) whose shareholdings are shown under debt capital due to put options

Statement of changes in equity

€ million	Share capital	Capital reserve	Effective portion of gains/losses from cash flow hedges	Gains/losses on remeasuring financial instruments in the category "available for sale"	Currency translation differences from translating the financial statements of foreign operations	Remeasurement of defined benefit pension plans	Income tax attributable to components of "other comprehensive income"	Other reserves retained from earnings
1/10/2015	835	2,551	70	0	-626	-646	131	2,864
Dividends	0	0	0	0	0	0	0	-349[1]
Total comprehensive income	0	0	-3	-1	-18	-66	20	484
Capital balance from acquisitions of shares	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	-10
31/3/2016	**835**	**2,551**	**67**	**-1**	**-644**	**-712**	**151**	**2,989**
1/10/2016	835	2,551	72	0	-576	-851	193	3,096
Dividends	0	0	0	0	0	0	0	-346[1]
Total comprehensive income	0	0	0	0	154	87	-111	331
Capital balance from acquisitions of shares	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	-20
31/3/2017	**835**	**2,551**	**72**	**0**	**-422**	**-764**	**82**	**3,062**

Continued statement of changes in equity

€ million	Total reserves retained from earnings	Total equity before non-controlling interests	attribut-able to "other comprehensive income"	Non-controlling interests	attribut-able to "other comprehensive income"	Equity before liability to distribute non-cash assets as a dividend IFRIC 17	Liability to distribute non-cash assets as a dividend IFRIC 17	Total equity
1/10/2015	1,793	5,179		-7		**5,172**	0	**5,172**
Dividends	-349	-349		-32[2]		**-381**	0	**-381**
Total comprehensive income	416	416	(-68)	58	(-2)	**474**	0	**474**
Capital balance from acquisitions of shares	0	0		-4		**-4**	0	**-4**
Other changes	-10	-10		1		**-9**	0	**-9**
31/3/2016	**1,850**	**5,236**		**16**		**5,252**	**0**	**5,252**
1/10/2016	1,934	5,320		12		**5,332**	0	**5,332**
Dividends	-346	-346		-34[2]		**-379**	0	**-379**
Total comprehensive income	461	461	(130)	37	(-3)	**498**	0	**498**
Capital balance from acquisitions of shares	0	0		0		**0**	0	**0**
Other changes	-20	-20		11		**-9**	-8,160[3]	**-8,169**
31/3/2017	**2,030**	**5,416**		**27**		**5,443**	**-8,160**	**-2,717[3]**

[1]Reported dividends include dividends to minority shareholders in the amount of about €-19 million (31/3/2016: €-22 million) whose shareholdings are shown under debt capital due to put options

[2]Reported dividends include dividends to minority shareholders in the amount of about €-5 million (31/3/2016: €-5 million) whose shareholdings are shown under debt capital due to put options

[3]Due to the recognition of a liability to distribute non-cash assets as a dividend to the company's owners in the context of the demerger of METRO GROUP, as resolved by the Annual General Meeting of METRO AG on 6 February 2017, the consolidated equity of METRO GROUP is temporarily negative. Once the demerger has been implemented, the demerger gain to be recognised is expected to cause equity to turn positive again.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Segment reporting H1 2016/17

Operating segments

	Media-Saturn		METRO Cash & Carry[1]		Real[1]		Others[2]	
€ million	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**	**H1 2016/17**
Sales	12,148	**12,150**	14,535	**14,867**	3,945	**3,718**	35	**22**
Internal sales (net)	1	**1**	4	**7**	5	**5**	49	**46**
Sales (net)	12,149	**12,151**	14,539	**14,873**	3,949	**3,723**	85	**68**
EBITDA	452	**418**	1,074	**755**	138	**93**	7	**-6**
EBITDA before special items	467	**425**	707	**777**	138	**140**	-13	**22**
Depreciation/amortisation/impairment losses	120	**119**	209	**225**	71	**72**	70	**66**
Reversals of impairment losses	0	**0**	0	**2**	0	**0**	10	**0**
EBIT	332	**299**	865	**531**	66	**21**	-53	**-72**
EBIT before special items	352	**308**	497	**563**	67	**68**	-73	**-44**
Investments	142	**115**	172	**261**	157	**32**	54	**53**
Segment assets	5,839	**6,096**	10,993	**11,729**	2,841	**2,836**	1,770	**1,864**
thereof non-current	(1,467)	**(1,517)**	(7,620)	**(8,107)**	(1,821)	**(1,791)**	(1,219)	**(1,133)**

Operating segments continued

	Consolidation[2]		METRO GROUP - continuing and discontinued operations		Discontinued operations incl. IFRS 5 measurement		METRO GROUP - continuing operations	
€ million	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**	**H1 2016/17**
Sales	0	**0**	30,663	**30,758**	18,515	**18,608**	12,149	**12,151**
Internal sales (net)	-58	**-59**	0	**0**	n/a	**n/a**	n/a	**n/a**
Sales (net)	-58	**-59**	30,663	**30,758**	n/a	**n/a**	n/a	**n/a**
EBITDA	-6	**-4**	1,665	**1,256**	1,223	**858**	442	**398**
EBITDA before special items	-6	**-4**	1,293	**1,361**	836	**954**	457	**406**
Depreciation/amortisation/impairment losses	-2	**-1**	469	**482**	349	**362**	120	**119**
Reversals of impairment losses	0	**0**	10	**2**	10	**2**	0	**0**
EBIT	-4	**-2**	1,206	**777**	884	**497**	322	**280**
EBIT before special items	-4	**-2**	838	**892**	496	**603**	342	**289**
Investments	0	**0**	525	**461**	383	**346**	142	**115**
Segment assets	-422	**-682**	21,021	**21,843**	15,192	**15,755**	5,829	**6,089**
thereof non-current	(-32)	**(-40)**	(12,094)	**(12,507)**	(10,636)	**(10,997)**	(1,458)	**(1,511)**

[1]Includes only discontinued operations
[2]Includes both continuing and discontinued operations

Regional segments[1]

	Germany		Western Europe (excl. Germany)		Eastern Europe		Asia		International	
€ million	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**	**H1 2016/17**
Sales	12,176	**11,930**	9,942	**9,909**	6,240	**6,579**	2,305	**2,340**	18,487	**18,828**
Internal sales (net)	81	**59**	90	**113**	0	**2**	13	**10**	104	**124**
Sales (net)	12,258	**11,989**	10,033	**10,022**	6,240	**6,581**	2,318	**2,350**	18,591	**18,952**
EBITDA	414	**405**	359	**295**	364	**383**	534	**171**	1,257	**849**
EBITDA before special items	402	**479**	398	**299**	401	**404**	97	**176**	896	**879**
Depreciation/amortisation/ impairment losses	217	**216**	106	**120**	112	**105**	34	**41**	251	**266**
Reversals of impairment losses	10	**0**	0	**2**	0	**0**	0	**0**	0	**2**
EBIT	206	**189**	253	**178**	252	**278**	500	**130**	1,005	**586**
EBIT before special items	194	**264**	293	**186**	293	**300**	63	**140**	649	**626**
Investments	322	**148**	83	**241**	97	**55**	22	**17**	203	**313**
Segment assets	8,352	**8,832**	6,136	**6,457**	5,293	**5,527**	1,699	**1,763**	13,128	**13,747**
thereof non-current	(4,189)	**(4,210)**	(3,247)	**(3,504)**	(3,613)	**(3,724)**	(1,046)	**(1,073)**	(7,907)	**(8,300)**

Regional segments continued

	Consolidation[2]		METRO GROUP - continuing and discontinued operations		Discontinued operations incl. IFRS 5 measurement		METRO GROUP - continuing operations	
€ million	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**	**H1 2016/17**
Sales	0	**0**	30,663	**30,758**	18,515	**18,608**	12,149	**12,151**
Internal sales (net)	-185	**-184**	0	**0**	n/a	**n/a**	n/a	**n/a**
Sales (net)	-185	**-184**	30,663	**30,758**	n/a	**n/a**	n/a	**n/a**
EBITDA	-5	**2**	1,665	**1,256**	1,223	**858**	442	**398**
EBITDA before special items	-5	**2**	1,293	**1,361**	836	**954**	457	**406**
Depreciation/amortisation/impairment losses	0	**0**	469	**482**	349	**362**	120	**119**
Reversals of impairment losses	0	**0**	10	**2**	10	**2**	0	**0**
EBIT	-5	**2**	1,206	**777**	884	**497**	322	**280**
EBIT before special items	-5	**2**	838	**892**	496	**603**	342	**289**
Investments	0	**0**	525	**461**	383	**346**	142	**115**
Segment assets	-459	**-736**	21,021	**21,843**	15,192	**15,755**	5,829	**6,089**
thereof non-current	(-2)	**(-2)**	(12,094)	**12,507**	(10,636)	**(10,997)**	(1,458)	**(1,511)**

[1] Includes both continuing and discontinued operations
[2] Also includes consolidation effects between the regions outside of Germany

Segment reporting Q2 2016/17

Operating segments

	Media-Saturn		METRO Cash & Carry[1]		Real[1]		Others[2]	
€ million	**Q2 2015/16**	**Q2 2016/17**	**Q2 2015/16**	**Q2 2016/17**	**Q2 2015/16**	**Q2 2016/17**	**Q2 2015/16**	**Q2 2016/17**
Sales	5,259	**5,258**	6,498	**6,852**	1,800	**1,660**	16	**2**
Internal sales (net)	0	**1**	2	**3**	2	**2**	22	**22**
Sales (net)	5,259	**5,258**	6,500	**6,855**	1,802	**1,662**	38	**24**
EBITDA	94	**42**	93	**235**	18	**38**	1	**-29**
EBITDA before special items	102	**55**	145	**240**	19	**32**	-19	**-15**
Depreciation/amortisation/impairment losses	64	**61**	106	**108**	36	**36**	35	**33**
Reversals of impairment losses	0	**0**	0	**0**	0	**0**	0	**0**
EBIT	31	**-19**	-12	**127**	-18	**3**	-33	**-61**
EBIT before special items	43	**-4**	38	**132**	-16	**-3**	-53	**-48**
Investments	78	**60**	67	**212**	14	**19**	29	**27**
Segment assets	5,839	**6,096**	10,993	**11,729**	2,841	**2,836**	1,770	**1,864**
thereof non-current	(1,467)	**(1,517)**	(7,620)	**(8,107)**	(1,821)	**(1,791)**	(1,219)	**(1,133)**

Operating segments continued

	Consolidation[2]		METRO GROUP - continuing and discontinued operations		Discontinued operations incl. IFRS 5 measurement		METRO GROUP - continuing operations	
€ million	**Q2 2015/16**	**Q2 2016/17**	**Q2 2015/16**	**Q2 2016/17**	**Q2 2015/16**	**Q2 2016/17**	**Q2 2015/16**	**Q2 2016/17**
Sales	0	**0**	13,574	**13,772**	8,315	**8,514**	5,259	**5,258**
Internal sales (net)	-26	**-27**	0	**0**	n/a	**n/a**	n/a	**n/a**
Sales (net)	-26	**-27**	13,574	**13,772**	n/a	**n/a**	n/a	**n/a**
EBITDA	-2	**-6**	205	**280**	116	**253**	89	**27**
EBITDA before special items	-2	**-6**	246	**306**	149	**266**	96	**40**
Depreciation/amortisation/impairment losses	-1	**0**	239	**237**	175	**176**	64	**61**
Reversals of impairment losses	0	**0**	0	**1**	0	**0**	0	**0**
EBIT	-1	**-6**	-34	**44**	-59	**77**	25	**-34**
EBIT before special items	-1	**-6**	11	**71**	-27	**90**	38	**-19**
Investments	0	**0**	188	**318**	110	**259**	78	**60**
Segment assets	-422	**-682**	21,021	**21,843**	15,192	**15,755**	5,829	**6,089**
thereof non-current	(-32)	**(-40)**	(12,094)	**(12,507)**	(10,636)	**(10,997)**	(1,458)	**(1,511)**

[1]Includes only discontinued operations
[2]Includes both continuing and discontinued operations

Regional segments[1]

	Germany		Western Europe (excl. Germany)		Eastern Europe		Asia		International	
€ million	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17
Sales	5,367	**5,240**	4,374	**4,410**	2,647	**2,885**	1,185	**1,237**	8,206	**8,532**
Internal sales (net)	34	**28**	43	**55**	0	**1**	6	**5**	49	**61**
Sales (net)	5,402	**5,268**	4,417	**4,465**	2,647	**2,886**	1,191	**1,242**	8,255	**8,593**
EBITDA	50	**37**	29	**14**	72	**100**	53	**130**	154	**244**
EBITDA before special items	26	**44**	66	**10**	109	**122**	44	**130**	219	**262**
Depreciation/amortisation/ impairment losses	110	**107**	53	**60**	59	**52**	17	**18**	129	**130**
Reversals of impairment losses	0	**0**	0	**0**	0	**0**	0	**0**	0	**1**
EBIT	-59	**-71**	-24	**-45**	12	**48**	37	**112**	25	**115**
EBIT before special items	-83	**-64**	14	**-49**	53	**71**	27	**112**	93	**134**
Investments	102	**84**	35	**201**	42	**24**	9	**10**	85	**235**
Segment assets	8,352	**8,832**	6,136	**6,457**	5,293	**5,527**	1,699	**1,763**	13,128	**13,747**
thereof non-current	(4,189)	**(4,210)**	(3,247)	**(3,504)**	(3,613)	**(3,724)**	(1,046)	**(1,073)**	(7,907)	**(8,300)**

Regional segments continued

	Consolidation[2]		METRO GROUP - continuing and discontinued operations		Discontinued operations incl. IFRS 5 measurement		METRO GROUP - continuing operations	
€ million	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16	Q2 2016/17
Sales	0	**0**	13,574	**13,772**	8,315	**8,514**	5,259	**5,258**
Internal sales (net)	-83	**-89**	0	**0**	n/a	**n/a**	n/a	**n/a**
Sales (net)	-83	**-89**	13,574	**13,772**	n/a	**n/a**	n/a	**n/a**
EBITDA	1	**0**	205	**280**	116	**253**	89	**27**
EBITDA before special items	1	**0**	246	**306**	149	**266**	96	**40**
Depreciation/amortisation/impairment losses	0	**0**	239	**237**	175	**176**	64	**61**
Reversals of impairment losses	0	**0**	0	**1**	0	**0**	0	**0**
EBIT	1	**0**	-34	**44**	-59	**77**	25	**-34**
EBIT before special items	1	**0**	11	**71**	-27	**90**	38	**-19**
Investments	0	**0**	188	**318**	110	**259**	78	**60**
Segment assets	-459	**-736**	21,021	**21,843**	15,192	**15,755**	5,829	**6,089**
thereof non-current	(-2)	**(-2)**	(12,094)	**(12,507)**	(10,636)	**(10,997)**	(1,458)	**(1,511)**

[1]Includes both continuing and discontinued operations
[2]Also includes consolidation effects between the regions outside of Germany

Notes to the accounting principles and methods for interim consolidated financial statements

These unaudited interim consolidated financial statements as at 31 March 2017 have been prepared in accordance with International Accounting Standard (IAS) 34 (Interim Financial Reporting), which regulates interim financial reporting under the International Financial Reporting Standards (IFRS). As a condensed interim report, it does not contain all the information required by IFRS for annual consolidated financial statements. These interim consolidated financial statements are unaudited, but they were subject to an auditor's review in accordance with Section 37w (5) of the German Securities Trading Act (WpHG).

These interim consolidated financial statements have been prepared in euros. All amounts are shown in millions of euros (€ million) unless other statements are made. Furthermore, to provide a better overview within the tables, decimal places have been partly omitted. Figures in the tables may include rounding differences.

During the financial year, sales-related and cyclical items are accounted for pro-rata, where material. In accordance with IAS 8.32, the following effects were considered: A changed view on the likelihood that short-term provisions will be utilised results in a positive effect of €20 million within discontinued operations. In connection with the capitalisation of subsidiary costs of purchase to determine the value of inventories, a remeasurement produced a positive effect of €14 million within continuing operations. No effects are expected to result from this in subsequent periods.

In preparing these interim consolidated financial statements, all applicable standards and interpretations published by the International Accounting Standards Board (IASB), insofar as these were adopted by the European Union, were applied. With the exception of new or revised accounting methods described below, the same recognition and measurement principles have been applied as in the last consolidated financial statements as of 30 September 2016. More information regarding the recognition and measurement principles applied can be found in the notes to the annual consolidated financial statements as of 30 September 2016 (see Annual Report 2015/16, pages 176-185).

New accounting rules

The new and amended standards that are material to METRO AG and have generally had to be applied since 1 October 2016 are explained in the following.

IAS 1 (Presentation of Financial Statements)
In the context of the Disclosure Initiative, the following amendments were made to IAS 1 (Presentation of Financial Statements) with respect to the materiality principle, the presentation of the asset position and the presentation in the income statement and other comprehensive income as well as the notes to the financial statements.

In accordance with the materiality principle, information should not be obscured by aggregating information; materiality considerations apply to all parts of a financial statement, and the materiality principle must be considered even when a standard requires a specific disclosure. For one, the amendment clarifies that the list of line items to be presented in the financial statements can be disaggregated and aggregated as relevant and include additional guidance on subtotals in these statements. With respect to the notes to the financial statements, the amendment clarifies that understandability and comparability should be considered when determining the order of the notes.

These amendments have no impact on these consolidated interim financial statements.

Additional IFRS amendments
Among other things, the annual improvements 2012-2014 comprise a clarification in IAS 34 (Interim Financial Reporting) regarding the disclosure of information "elsewhere in the interim financial report". Following this change in wording, several disclosures may now be replaced by references to the management report. The option to incorporate cross-references will simplify the preparation of the notes to the financial statements at METRO AG, but has not yet been applied in these interim financial statements.

In addition, as part of the improvements, two clarifications were made in IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations). If an entity reclassifies an asset (or disposal group) from held for sale to held for distribution, and with this an entity moves from one method of disposal to the other without interruption, this reclassification is seen as a continuation of the original plan of sale. As a result, the entity can continue to apply the accounting requirements applicable to assets (or disposal groups) that are classified as held for sale. The same applies to reclassifications from the category held for distribution to the category held for sale. The reclassification does not result in an extension of the period in which the sale or distribution must be completed.

Assets (or disposal groups) that no longer satisfy the criteria for classification as held for distribution must be treated in the same way as an asset that is no longer classified as held for sale and must no longer be recognised in accordance with IFRS 5. METRO AG will make use of this clarification in future transactions.

Discontinued operations

Due to the authorisation of the separation of METRO GROUP by the METRO AG Annual General Meeting on 6 February 2017, which comprises the METRO Cash & Carry and Real sales lines as well as the associated management and service activities of METRO GROUP, among others, the division to be spun off will be recognised and measured as a "discontinued operation" in accordance with IFRS 5. IFRS 5 requires the assets' current carrying amounts to be determined based on the requirements that have applied to date. Subsequently, assets must be measured at the lower of carrying amount and fair value plus costs to sell. No further depreciation/amortisation is carried out. The assets and liabilities allocable to "discontinued operations" in the meaning of a business unit to be disposed of must be disclosed separately in the balance sheet.

METRO GROUP's financials have generally been adjusted for the figures of the division to be spun off and the previous year's figures have been adjusted (with the exception of the balance sheet and the respective notes to the balance sheet).

Since the segmentation is based on the group's internal management and reporting structures, which continue to apply in spite of the resolution of the Annual General Meeting, segment reporting continues to be based on key performance indicators that abstract from the requirements of IFRS 5. The respective reconciliation is included in the table on segment reporting.

The demerger is expected to be implemented by mid-2017.

Notes on business combinations

First-time consolidation Pro à Pro

As of 1 February 2017, and pursuant to the purchase contract dated 7 July 2016, METRO Cash & Carry International Holding B.V. acquired 100% in the Pro à Pro group from SAS ETS FR. Colruyt, Belgium. The Pro à Pro group is made up of eleven individual entities that are bundled under SAS Colruyt France. The purchase price in the lower to middle triple-digit million euros was made in cash. The Pro à Pro group is a leading food supplier in France. The company specialises in food supplies to major food service customers such as canteens. The acquisition of the Pro à Pro group enables METRO GROUP to expand its activities in the food service distribution business. The company's first-time consolidation was effected in Q2 2016/17. The Pro à Pro group is part of the METRO Cash & Carry segment.

As of the acquisition date, the fair values of the acquired assets and liabilities of the consolidated Pro à Pro group can be broken down as follows:

€ million	
Assets	
Other intangible assets	**61**
Property, plant and equipment	**61**
Deferred tax assets	**9**
Inventories	**52**
Trade receivables	**105**
Other financial and non-financial assets (current)	**22**
Entitlements to income tax refunds	**0**
Cash and cash equivalents	**70**
	380
Liabilities	
Provisions for post-employment benefits plans and similar obligations	**5**
Other provisions	**3**
Borrowings (non-current)	**1**
Deferred tax liabilities	**24**
Trade liabilities	**99**
Borrowings (current)	**1**
Income tax liabilities	**0**
Other financial and non-financial liabilities (current)	**16**
	149

With regard to the determination of the final purchase price and the valuation of assets and liabilities of the opening balance sheet, the first-time consolidation of the Pro à Pro group should be seen as provisional.

The acquisition of the Pro à Pro group resulted in goodwill of €21 million.

From the date of first-time consolidation on 1 February 2017, the Pro à Pro group contributed €128 million to METRO GROUP's total sales (including third-party sales of €124 million) and €2 million to profit for the period (net profit). The Pro à Pro group currently employs about 1,833 people.

If the company had been acquired on 1 October 2016, the Pro à Pro group would have contributed €363 million to METRO GROUP's sales and €4 million to METRO GROUP's profit for the period.

Notes to the income statement

Profit or loss for the period from discontinued operations after taxes

At the Annual General Meeting on 6 February 2017, METRO AG's shareholders approved the proposal of the Management and Supervisory Boards to split METRO GROUP into two independent companies by means of a spin-off: a wholesale and food specialist that will operate under the METRO brand, and a group of companies focused on consumer electronics products and services that will operate under the CECONOMY brand. Since February 2017, all assets and liabilities of the wholesale and food business of METRO Wholesale & Food

Specialist AG have been classified as held for distribution to owners in accordance with IFRS 5 paragraph 15A and will therefore be treated as a discontinued operation until their spin-off. Accordingly, the presentation of total comprehensive income is based on IFRS 5 paragraph 31 ff. Together with all associated consolidation components in the consolidated income statement, current earnings of the wholesale and food business of METRO Wholesale & Food Specialist AG were reclassified to profit or loss for the period from discontinued operations after taxes. To enhance the economic validity of the income statement for the continuing operation, its portion of the consolidation effects was also shown under discontinued operations in the income statement. The previous year's figures have been restated accordingly. The measurement of assets and liabilities pursuant to the relevant IFRS (IFRS 5, No. 18), which must be effected immediately prior to the first-time classification as held for sale, did not lead to any earnings effects.

No impairment losses had to be recognised as the fair value less costs to sell/distribution costs of the discontinued operation exceeded the recognised carrying amounts.

As a result, profit or loss for the period from discontinued operations after taxes is made up as follows:

€ million	H1 2015/16	H1 2016/17
Sales	19,436	**19,155**
Expenses	-18,746	**-18,616**
Current earnings from discontinued operations before taxes	**690**	**539**
Income taxes on current earnings	-341	**-291**
Profit or loss for the period from discontinued operations	**349**	**249**

At €16 million, profit for the period from discontinued operations after taxes is attributable to non-controlling interests and at €233 million to the shareholders of METRO AG.

In connection with the spin-off, expenses totalling €22 million were recognised in EBIT, with €1 million allocated to EBIT of continuing operations. The remaining €21 million form part of current earnings from discontinued operations before taxes. The net financial result does not include any gains or losses in connection with the spin-off.

In view of the impairment test of deferred tax assets in connection with the spin-off, expenses of about €80 million are expected in income taxes as of the end of the financial year. They have been considered accordingly in the underlying tax rate resulting from the tax calculation based on the integral approach.

In METRO GROUP's cash flow statement, cash flows from operating, investing and financing activities are shown separately for discontinued operations. The previous year's figures in the cash flow statement have been adjusted accordingly.

Depreciation/amortisation/impairment losses

Depreciation/amortisation/impairment losses of continuing operations of €119 million (H1 2015/16: €120 million) include impairment losses of €4 million (H1 2015/16: €6 million), with €4 million thereof related to Q2 2016/17 (Q2 2015/16: €6 million).

The attribution of depreciation/amortisation/impairment losses in the income statement and the affected asset categories is as follows:

€ million	H1 2015/16	H1 2016/17
Cost of sales	3	**3**
Selling expenses	103	**103**
General administrative expenses	14	**14**
Other operating expenses	0	**0**
Net financial result	0	**0**
	120	**119**

€ million	H1 2015/16	H1 2016/17
Goodwill	0	**0**
Other intangible assets	15	**12**
Property, plant and equipment	105	**107**
Investment properties	0	**0**
Financial assets	0	**0**
Investments accounted for using the equity method	0	**0**
Assets held for sale	0	**0**
	120	**119**

€ million	Q2 2015/16	Q2 2016/17
Cost of sales	3	**1**
Selling expenses	54	**53**
General administrative expenses	7	**7**
Other operating expenses	0	**0**
Net financial result	0	**0**
	64	**61**

€ million	Q2 2015/16	Q2 2016/17
Goodwill	0	**0**
Other intangible assets	9	**6**
Property, plant and equipment	55	**55**
Investment properties	0	**0**
Financial assets	0	**0**
Investments accounted for using the equity method	0	**0**
Assets held for sale	0	**0**
	64	**61**

Impairments of capitalised financial instruments measured at amortised cost amount to €14 million (H1 2015/16: €8 million), with €12 million thereof related to Q2 2016/17 (Q2 2015/16: €4 million).

Notes to the cash flow statement

Cash flows from discontinued operations relate to the operations to be spun off that include the METRO Cash & Carry and Real sales lines including real estate assets and the associated management and service activities. Cash flows from discontinued operations are determined as follows:

€ million	H1 2015/16	H1 2016/17
EBIT	884	**614**
Depreciation/amortisation/impairment losses/reversal of impairment losses of assets excl. financial investments	339	**244**
Change in provisions for post-employment benefits plans and similar obligations	-34	**-19**
Change in net working capital	-399	**-489**
Income taxes paid	-115	**-103**
Reclassification of gains (-) / losses (+) from the disposal of fixed assets	3	**-118**
Other	-517	**-270**
Cash flow from operating activities of discontinued operations	**161**	**-141**

€ million	H1 2015/16	H1 2016/17
Acquisition of subsidiaries	0	**-180**
Investments in property, plant and equipment (excl. finance leases)	-311	**-281**
Other investments	-46	**-63**
Financial investments	-254	**-481**
Disposals of subsidiaries[1]	577	**-74**
Disposal of fixed assets	44	**60**
Gains (+) / losses (-) from the disposal of fixed assets	-3	**118**
Disposal of financial investments	0	**541**
Cash flow from investing activities of discontinued operations	**7**	**-360**

€ million	H1 2015/16	H1 2016/17
Dividends paid		
to METRO AG shareholders	0	**0**
to other shareholders	-9	**-19**
Redemption of liabilities from put options of non-controlling interests	-86	**-20**
New borrowings	511	**1,541**
Redemption of borrowings	-2,438	**-1,100**
Interest paid	-143	**-99**
Interest received	30	**13**
Profit and loss transfers and other financing activities	7	**13**
Cash flow from financing activities of discontinued operations	**-2,128**	**329**

[1]Disposals of subsidiaries include payments for the sale of the Galeria Kaufhof group in the amount of €-27 million (previous year: €220 million).

Notes to the balance sheet

Assets held for sale/liabilities related to assets held for sale

Separation of METRO GROUP by means of a hive-down and spin-off

Following the approval of the demerger by METRO shareholders at the Annual General Meeting on 6 February 2017, all assets and liabilities of the wholesale and food business of METRO Wholesale & Food Specialist AG including the real estate assets and management/service functions have since February 2017 been classified as held for distribution to owners in accordance with IFRS 5 paragraph 15A and will therefore be treated as a discontinued operation until their spin-off. In consideration of the consolidation of all intra-group assets and liabilities, they are therefore shown in the items "assets held for sale" (€18,288 million) or "liabilities related to assets held for sale" (€12,787 million) in the consolidated balance sheet as of 31 March 2017. The respective asset and liability items to be consolidated are generally considered in the respective balance sheet items of continuing and discontinued operations.

As of the balance sheet date, the balance sheet items reclassified to assets and liabilities held for sale as part of the recognition of discontinued operations can be broken down as follows:

€ million	31/3/2017
Non-current assets	**11,740**
Goodwill	2,875
Other intangible assets	490
Property, plant and equipment	7,398
Investment properties	126
Financial assets	81
Investments accounted for using the equity method	183
Other financial and non-financial assets	223
Deferred tax assets	364
Current assets	**6,548**
Inventories	3,309
Trade receivables	506
Financial assets	1
Other financial and non-financial assets	1,314
Entitlements to income tax refunds	182
Cash and cash equivalents	1,236
	18,288
Non-current liabilities	**4,825**
Provisions for post-employment benefits plans and similar obligations	620
Other provisions	285
Borrowings	3,671
Other financial and non-financial liabilities	119
Deferred tax liabilities	130
Current liabilities	**7,962**
Trade liabilities	4,598
Provisions	520
Borrowings	1,496
Other financial and non-financial liabilities	1,087
Income tax liabilities	261
	12,787

No amortisation/depreciation expenses to be recognised in EBIT arose in the context of the measurement to be carried out immediately prior to the reclassification of all affected assets and liabilities to discontinued operations. Since the time of reclassification to discontinued operations, amortisation/depreciation of the affected non-current assets has been suspended. No impairments arose as a result of the recognition of assets and liabilities of discontinued operations at the lower of carrying amount and fair value less costs to sell/distribution costs.

The impacts of other comprehensive income from assets and liabilities held for sale that are included in METRO GROUP's equity comprise items totalling €-383 million that will not be recognised through profit or loss in the future, as well as items totalling €-290 million that could be recognised through profit or loss.

Real estate

The value of individual properties held for sale changed from €0 million to €2 million in H1 2016/17 as a result of the reclassification of individual properties from non-current assets to "assets held for sale".

METRO GROUP expects to dispose of the real estate assets recognised as assets held for sale within a year following their first-time recognition in this balance sheet item. No impairment losses to a lower fair value less costs to sell became necessary. Within segment reporting, these assets are recognised in segment assets of the METRO Cash & Carry segment.

Dividends paid

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 6 February 2017, a dividend of €1.00 per ordinary share and €1.06 per preference share, for a total of €327 million, was paid from the reported profit for the period of €341 million for financial year 2015/16, with the remaining amount carried forward to the new account. The dividend was paid out on 9 February 2017.

Effects on equity of the liability to distribute non-cash assets as a dividend

Not considering the upcoming separation of METRO GROUP, equity of METRO GROUP amounted to €5.4 billion. In accordance with the demerger resolution of the Annual General Meeting of METRO AG of 6 February 2017, a liability to distribute non-cash assets as a dividend to the company's owners must be recognised. Pursuant to IFRIC 17, this liability must be measured at its fair value, while derecognised assets and liabilities of discontinued operations are measured at amortised carrying amounts. The fair value was calculated on the basis of the agreed corporate planning using a weighted cost of capital rate of 7.3% and applying the discounted cash flow method in compliance with the IDW S1 principles. This results in a purely temporary non-cash effect. As of 31 March 2017, METRO GROUP's balance sheet therefore disclosed €-2.7 billion in equity. Once the demerger has become legally effective, the reportable non-cash gain from the demerger is expected to cause equity to turn positive again.

Effects of the remeasurement of defined benefit pension plans

In H1 2016/17, an amount of €88 million increasing equity (Q2 2015/16: €-67 million, reducing equity) from the remeasurement of defined benefit pension plans as of 31 March was recognised in METRO AG's other comprehensive income outside of profit or loss in connection with the recognition of actuarial gains and losses. The remeasurement comprises effects from the higher actuarial interest rate as well as from the adjustment of the inflation rate in the United Kingdom. In this context, an effect from deferred taxes of €-112 million had the opposite effect on equity (Q2 2015/16: €20 million). This includes effects from deferred tax assets on temporary differences totalling €-92 million that were derecognised due to the separation of METRO GROUP.

The national actuarial rates of interest and inflation rates have changed as follows:

	31/3/2016					31/3/2017				
%	Germany	Netherlands	United Kingdom	Switzerland	Other countries	Germany	Netherlands	United Kingdom	Switzerland	Other countries
Actuarial interest rate	1.80	2.40	3.60	1.00	2.18	**1.70**	**2.10**	**2.60**	**0.15**	**2.02**
Inflation rate	1.50	1.00	2.30	0.00	1.97	**1.50**	**0.90**	**2.50**	**0.00**	**1.98**

Carrying amounts and fair values according to measurement categories

The carrying amounts and fair values of recognised financial instruments are as follows:

	31/3/2016				
		Balance sheet value			
€ million	Carrying amount	(Amortised) cost	Fair value through profit or loss	Fair value outside of profit or loss	Fair value
Assets	**25,522**	**n/a**	**n/a**	**n/a**	**n/a**
Loans and receivables	**2,901**	**2,901**	**0**	**0**	**2,900**
Loans and advance credit granted	57	57	0	0	57
Receivables due from suppliers	1,713	1,713	0	0	1,713
Trade receivables	706	706	0	0	706
Miscellaneous financial assets	425	425	0	0	425
Held to maturity	**0**	**0**	**0**	**0**	**0**
Securities	0	0	0	0	0
Miscellaneous financial assets	0	0	0	0	0
Held for trading	**7**	**0**	**7**	**0**	**7**
Derivative financial instruments not in a hedging relationship according to IAS 39	7	0	7	0	7
Securities	0	0	0	0	0
Miscellaneous financial assets	0	0	0	0	0
Available for sale	**621**	**10**	**0**	**611**	**n/a**
Investments	10	10	0	0	n/a
Securities	611	0	0	611	611
Miscellaneous financial assets	0	0	0	0	0
Derivative financial instruments within hedges according to IAS 39	**17**	**0**	**0**	**17**	**17**
Cash and cash equivalents	**2,209**	**2,209**	**0**	**0**	**2,209**
Receivables from finance lease (amount according to IAS 17)	**32**	**n/a**	**n/a**	**n/a**	**46**
Assets not classified according to IFRS 7	**19,733**	**n/a**	**n/a**	**n/a**	**n/a**
Equity and liabilities	**25,522**	**n/a**	**n/a**	**n/a**	**n/a**
Held for trading	**31**	**0**	**31**	**0**	**31**
Derivative financial instruments not in a hedging relationship according to IAS 39	31	0	31	0	31
Miscellaneous financial liabilities	0	0	0	0	0
Other financial liabilities	**15,142**	**15,142**	**0**	**0**	**15,278**
Financial liabilities excl. finance leases (incl. hedged items in hedging relationships according to IAS 39)	4,331	4,331	0	0	4,466
Trade liabilities	9,547	9,547	0	0	9,547
Miscellaneous financial liabilities	1,265	1,265 [1]	0	0	1,266
Derivative financial instruments within hedges according to IAS 39	**0**	**0**	**0**	**0**	**0**
Liabilities from finance lease (amount according to IAS 17)	**1,281**	**n/a**	**n/a**	**n/a**	**1,585**
Liabilities not classified according to IFRS 7	**9,067**	**n/a**	**n/a**	**n/a**	**n/a**

	31/3/2017				
		Balance sheet value			
€ million	Carrying amount	(Amortised) cost	Fair value through profit or loss	Fair value outside of profit or loss	Fair value
Assets	25,796	n/a	n/a	n/a	n/a
Loans and receivables	1,603	1,603	0	0	1,603
Loans and advance credit granted	14	14	0	0	14
Receivables due from suppliers	1,184	1,184	0	0	1,184
Trade receivables	307	307	0	0	307
Miscellaneous financial assets	98	98	0	0	98
Held to maturity	0	0	0	0	0
Securities	0	0	0	0	0
Miscellaneous financial assets	0	0	0	0	0
Held for trading	0	0	0	0	0
Derivative financial instruments not in a hedging relationship according to IAS 39	0	0	0	0	0
Securities	0	0	0	0	0
Miscellaneous financial assets	0	0	0	0	0
Available for sale	18	18	0	0	n/a
Investments	18	18	0	0	n/a
Securities	0	0	0	0	0
Miscellaneous financial assets	0	0	0	0	0
Derivative financial instruments within hedges according to IAS 39	0	0	0	0	0
Cash and cash equivalents	1,032	1,032	0	0	1,032
Receivables from finance lease (amount according to IAS 17)	0	n/a	n/a	n/a	0
Assets not classified according to IFRS 7	23,142	n/a	n/a	n/a	n/a
Equity and liabilities	25,796	n/a	n/a	n/a	n/a
Held for trading	5	0	5	0	5
Derivative financial instruments not in a hedging relationship according to IAS 39	5	0	5	0	5
Miscellaneous financial liabilities	0	0	0	0	0
Other financial liabilities	13,955	13,955	0	0	13,956
Financial liabilities excl. finance leases (incl. hedged items in hedging relationships according to IAS 39)	267	267	0	0	267
Trade liabilities	5,056	5,056	0	0	5,056
Miscellaneous financial liabilities	8,632	8,632	0	0	8,632
Derivative financial instruments within hedges according to IAS 39	0	0	0	0	0
Liabilities from finance lease (amount according to IAS 17)	18	n/a	n/a	n/a	18
Liabilities not classified according to IFRS 7	11,818	n/a	n/a	n/a	n/a

[1] Previous year's figure adjusted, also comprises put options and earn-out liabilities

Classes were formed based on similar risks for the respective financial instruments and correspond to the categories of IAS 39. Derivative financial instruments in a hedging relationship under IAS 39 and other financial liabilities are classified in each case to a separate class.

The fair value hierarchy comprises three levels which reflect the degree of closeness to the market of the input parameters used in the determination of the fair values. In cases in which the valuation is based on different input parameters, the fair value is attributed to the hierarchy level corresponding to the input parameter of the lowest level that is significant for the valuation.

Input parameters for level 1: quoted prices (that are adopted unchanged) in active markets for identical assets or liabilities which the company can access at the valuation date.

Input parameters for level 2: other input parameters than the quoted prices included in level 1 which are either directly or indirectly observable for the asset or liability.

Input parameters for level 3: input parameters that are not observable for the asset or liability.

Of the total carrying amount of investments of €18 million (Q2 2015/16: €10 million), €18 million (Q2 2015/16: €10 million), are recognised at historical cost because a fair value cannot be reliably determined. These concern off-exchange financial instruments without an active market. The company currently does not plan to dispose of the investments recognised at historical cost.

In addition, securities in the amount of €0 million (Q2 2015/16: €611 million) are recognised outside of profit or loss. This primarily concerns highly liquid stock-listed money market funds.

Miscellaneous financial liabilities include liabilities from put options of non-controlling interests in the amount of €51 million (Q2 2015/16: €81 million) and earn-out liabilities (contingent consideration in the context of corporate acquisitions) in the amount of €0 million (Q2 2015/16: €25 million). Of these, €4 million (Q2 2015/16: €37 million) are recognised outside of profit or loss and €47 million (Q2 2015/16: €69 million) are recognised at fair value through profit or loss.

The following table depicts the financial instruments that are recognised at fair value in the balance sheet. These are classified into a 3-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:

	31/3/2016				31/3/2017			
€ million	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets	**635**	**611**	**24**	**0**	**0**	**0**	**0**	**0**
Held for trading								
Derivative financial instruments not in a hedging relationship according to IAS 39	7	0	7	0	**0**	**0**	**0**	**0**
Available for sale								
Investments	0	0	0	0	**0**	**0**	**0**	**0**
Securities	611	611	0	0	**0**	**0**	**0**	**0**
Derivative financial instruments in a hedging relationship according to IAS 39	**17**	**0**	**17**	**0**	**0**	**0**	**0**	**0**
Equity and liabilities	**31**	**0**	**31**	**0**	**5**	**0**	**5**	**0**
Held for trading								
Derivative financial instruments not in a hedging relationship according to IAS 39	31	0	31	0	**5**	**0**	**5**	**0**
Miscellaneous financial liabilities	0	0	0	0	**0**	**0**	**0**	**0**
Other financial liabilities								
Miscellaneous financial liabilities	0	0	0	0	**0**	**0**	**0**	**0**
Derivative financial instruments in a hedging relationship according to IAS 39	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**604**	**611**	**-7**	**0**	**-5**	**0**	**-5**	**0**

The measurement of securities (level 1) is carried out based on quoted market prices on active markets.

Interest rate swaps and currency 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 affected during the reporting period.

The measurement of liabilities from put options and earn-out liabilities is carried out using discounted cash flow methods or in consideration of contractual upper values.

The changes in value of the put options and earn-out liabilities developed as follows:

€ million	2015/16	2016/17
As of 1/10	**177**	**49**
Total gains (–) or losses (+) for the period	5	**2**
Profit or loss for the period	0	**2**
Other comprehensive income	5	**0**
Changes in goodwill	10	**0**
Other changes in value outside of profit or loss	-86	**0**
As of 31/3	**106**	**51**

Financial instruments that are recognised at amortised cost in the balance sheet, but for which the fair value is stated in the notes, are also classified according to a three-level fair value hierarchy.

Due to their mostly short terms, the fair values of receivables due from suppliers, trade receivables and liabilities as well as cash and cash equivalents essentially correspond to their carrying amounts.

The measurement of the fair value of bonds, liabilities to banks and promissory note loans is based on the market interest rate curve following the zero-coupon method in consideration of credit spreads (level 2). 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 (level 2).

Other notes

Segment reporting

The segmentation corresponds to the group's internal controlling and reporting structures. Operating segments are aggregated to form reporting segments based on the division of the business into individual sectors. The resolution of the Annual General Meeting has not resulted in any changes to this situation. As a result, segment reporting remains based on key performance indicators that abstract from the requirements of IFRS 5. The respective reconciliation is included in the table on segment reporting.

Aside from the information on the operating segments, equivalent information is provided on the METRO GROUP regions. Here, a distinction is made between the regions Germany, Western Europe (excluding Germany), Eastern Europe and Asia.

The key components of segment reporting are as follows:
- 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 EBITDA comprises EBIT before depreciation, amortisation and impairment losses and reversals of impairment losses of property, plant and equipment, intangible assets and investment properties.
- EBIT, as the key ratio for segment reporting, describes earnings before interest and taxes for the period before net financial result and income taxes. Intra-group rental contracts are shown as operating leases in the segments. The properties are leased at market rates. In principle, store-related risks and recoverability risks related to non-current assets are only shown in the segments where they represent group risks. In analogy, this also applies to deferred assets and liabilities, which are only shown at segment level if this was also required in the consolidated balance sheet.
- Transactions that do not regularly recur such as restructurings or changes to the group portfolio are adjusted in EBITDA and EBIT before special items.

For more information on the reconciliation of EBITDA before special items to reported EBITDA and the reconciliation of EBIT before special items to reported EBIT, see the supplementary appendix to the management report on pages 43 to 47.

- Segment investments include additions to non-current intangible assets and property, plant and equipment (including additions to the consolidation group) as well as investment properties, except for additions due to the reclassification of "assets held for sale" as non-current assets.
- Segment assets include non-current and current assets. They do not include mostly financial assets, investments accounted for using the equity method, tax items, cash and cash equivalents and assets allocable to discontinued operations.

The reconciliation from segment assets to group assets is shown in the following table:

€ million	31/3/2016	31/3/2017
Segment assets	**21,021**	**21,843**
Non-current and current financial assets	66	**31**
Investments accounted for using the equity method	183	**0**
Cash and cash equivalents	2,209	**1,032**
Deferred tax assets	655	**98**
Entitlements to income tax refunds	233	**131**
Other entitlements to tax refunds[1]	430	**123**
Assets held for sale	0	**2,417**
Receivables from other financial transactions[2]	706	**1**
Other	19	**119[3]**
Group assets	**25,522**	**25,796**

[1]Included in the balance sheet item "other financial and non-financial assets" (current)
[2]Included in the balance sheet item "other financial and non-financial assets" (non-current and current)
[3]Includes renewed depreciation/amortisation of €116 million in accordance with IFRS 5

- In principle, transfers between segments are made based on the costs incurred from the group's perspective.

Contingent liabilities

€ million	31/3/2016	31/3/2017
Liabilities from suretyships and guarantees	14	**12**
Liabilities from guarantee and warranty contracts	58	**52**
	72	**64**

Remaining legal issues

Information on legal disputes, investigations and other legal issues as well as on the related possible risks and consequences for METRO GROUP can be found in nos. 47. "Other legal issues" and 48. "Events after the closing date" of the notes to the consolidated financial statements of METRO AG as of 30 September 2016.

The following material developments with regard to legal disputes, investigations and other legal issues have occurred since the consolidated financial statements were prepared:

Legal disputes in relation to Media-Saturn-Holding GmbH
Through its fully owned subsidiary METRO Kaufhaus und Fachmarkt Holding GmbH (METRO KFH), METRO AG (METRO) indirectly holds 78.38% of the shares in Media-Saturn-Holding GmbH (MSH). On 21 April 2015, the Ingolstadt Regional Court (RC) dismissed the complaint of the minority shareholder through which the shareholder aimed to achieve the dismissal of the managing director of MSH installed by METRO KFH. The Higher Regional Court (HRC) in Munich dismissed the appeal lodged by the minority shareholder through its decision of 2 December 2015 and did not allow a further appeal. On 17 January 2017, the Federal Court of Justice (FCJ) rejected the complaint against the denial of leave to appeal that had been filed by the minority shareholder. The complaint of the minority shareholder is thereby dismissed in a legally binding manner.

In another complaint filed against MSH at the Ingolstadt RC, the minority shareholder requested that dismissive resolutions at the MSH shareholder meeting in April 2015 – in relation to the minority shareholder's demands to have MSH's articles of association amended – be declared null and void, and that the corresponding resolution be noted as positively worded. Such modifications relate to the areas of responsibility of the shareholders' meeting. The Ingolstadt RC dismissed the complaint in its ruling of 16 February 2016. In its ruling of 13 September 2016, the HRC in Munich rejected the appeal filed by the minority shareholder. The ruling rejecting the minority shareholder's appeal is binding.

In its ruling of 5 April 2016, the Ingolstadt RC upheld a complaint filed at the court by METRO KFH, involving shareholder resolutions – including those relating to a measure taken by management – that are composed by the minority shareholder alone in a shareholder meeting that does not constitute a quorum in accordance with MSH articles of association and that furthermore has no competence, in METRO's opinion, in relation to the measure taken by management. In its ruling of 13 January 2017, the HRC in Munich rejected this appeal filed by the minority shareholder. The ruling in favour of METRO KFH is binding.

In another complaint filed at the Ingolstadt RC, METRO KFH sought to have declared invalid a supposed resolution of the MSH shareholder meeting in December 2015 on the continued employment of retired MSH managers in other positions. In its ruling of 29 April 2016, the Ingolstadt RC upheld the complaint filed by METRO KFH. In its ruling of 13 January 2017, the HRC in Munich rejected this appeal filed by the minority shareholder. The ruling in favour of METRO KFH is binding.

The minority shareholder demanded the recall and suspension of the MSH manager delegated by METRO KFH through another complaint filed against MSH on 28 January 2016, at the Ingolstadt RC, seeking voidance, annulment, and a positive resolution finding, involving dismissive resolutions of the MSH shareholder meeting in December 2015. The Ingolstadt RC rejected this complaint in its ruling of 7 March 2017. The minority shareholder filed an appeal against the ruling on 15 March 2017. The case is therefore still pending. In METRO's view, the chances of success of the appeal are low.

In another resolution-deficiency complaint filed on 10 February 2016 against MSH at the Ingolstadt RC, involving other dismissive resolutions of the MSH shareholder meeting in December 2015, the minority shareholder seeks to enforce damages claims that in the opinion of the minority shareholder exist against MSH management for alleged breach of duty. The Ingolstadt RC rejected this complaint in its ruling on 18 November 2016. The minority shareholder filed an appeal against the ruling on 12 December 2016. In its ruling of 2 May 2017, the Munich HRC stated that the responsible senate planned to reject the appeal given its unanimous view that the case is without merit. The case is still pending. In METRO's view, the chances of success of the appeal are low.

In addition, please see the information in the combined management report – risk and opportunity report – in the consolidated financial statements of METRO AG as of 30 September 2016.

Remaining legal issues
Companies of METRO GROUP are parties to other judicial or arbitral and antitrust law proceedings in various European countries. This also includes investigations by the EU Commission into the Media-Saturn group of companies and Redcoon GmbH, which were initiated with searches related to suspected anti-competitive agreements with suppliers in 2013 and 2015, respectively. Insofar as the liability has been sufficiently specified, appropriate risk provisions have been formed for these proceedings.

In addition, METRO GROUP is increasingly exposed to regulatory changes related to procurement and changed sales tax regulations in some countries. With respect to procurement, this has meant that the procurement models of certain national subsidiaries, for example in Russia and the Czech Republic, have had to be adapted to the new regulatory parameters through complex change processes.

METRO GROUP companies claim damages against companies that have acted against antitrust and affected METRO GROUP, for example certain credit card companies and sugar producers.

Annual General Meetings of METRO AG and METRO Wholesale & Food Specialist AG

The Annual General Meetings of METRO AG (METRO) and METRO Wholesale & Food Specialist AG (MWFS) approved the carve-out and spin-off agreement (demerger agreement) between METRO and MWFS on 6 February 2017 and 10 February 2017, respectively. Since then, the 20-member Supervisory Board of MWFS (in the future: METRO AG) has been newly appointed; Mr Jürgen B. Steinemann was elected as Chairman of the MWFS Supervisory Board. The terms of office of Mr Jürgen B. Steinemann, Ms Gwyn Burr and Mr Mattheus P.M. (Theo) de Raad as members of the Supervisory Board of METRO (in the future: CECONOMY AG) end with their respective resignations as of the effective date of the demerger. In the constituent session of the newly constituted Supervisory Board of the future CECONOMY AG, Mr Jürgen Fitschen is to be elected as Chairman of the Supervisory Board.

In the context of the planned separation of METRO GROUP, several shareholders – including the minority shareholder of MSH – have filed an action for rescission or annulment and/or declaratory action against the resolutions adopted at the Annual General Meeting of METRO on 6 February 2017 under agenda items 3 and 4 regarding the approval of actions taken by members of the Management Board and Supervisory Board for financial year 2015/16, the resolutions adopted under agenda items 9 and 10 regarding the amendment to § 1 Section 1 of the Articles of Association (company) as well as other amendments to the Articles of Association, and against the resolution adopted under agenda item 11 regarding the approval of the demerger agreement and partly with regard to the agreement itself. All above-mentioned lawsuits against the resolutions adopted during the company's Annual General Meeting on 6 February 2017 are pending before the district court of Düsseldorf. The actions filed against the demerger resolution of the Annual General Meeting currently prevent the registration of the approval in the trade register of METRO AG. The company considers all of these legal actions unfounded. Irrespective of these actions, METRO assumes that the hive-down and spin-off will be implemented with a sufficient likelihood in the meaning of IFRS 5. METRO expects the shares of MWFS (in the future: METRO AG) to be listed on the exchange in mid-2017.

In relation to the above-mentioned legal actions, METRO has applied for special proceedings in accordance with the German Transformation Act (UmwG) at the Higher Regional Court of Düsseldorf. The court has announced its intention to rule on the application for special proceedings based on a hearing on 22 June 2017. METRO expects that the Higher Regional Court of Düsseldorf will decide that the actions filed against the resolution of the Annual General Meeting do not preclude the registration of the hive-down and spin-off in the trade register and that the preconditions for the registration have been fulfilled.

Events after the quarterly closing date

No reporting events occurred after the quarterly closing date.

Supplement to the management report: Reconciliation of events related to special items

Continuing operations H1 2016/17

H1 2016/17 in € million	as reported	Special items IFRS 5 measurement	Portfolio changes	Restructuring and efficiency-enhancing measures	Risk provisions including impairment losses on goodwill	Other special items	before special items
EBITDA	**398**	**–**	**–**	**18**	**–**	**-10**	**406**
EBIT	**280**	**–**	**–**	**19**	**–**	**-10**	**289**
Net financial result	**0**	**–**	**–**	**–**	**–**	**–**	**0**
EBT	**279**	**–**	**–**	**19**	**–**	**-10**	**288**
Income taxes	**-157**	**–**	**–**	**–**	**–**	**15** [1]	**-142**
Profit or loss for the period from continuing operations	**122**	**–**	**–**	**19**	**–**	**5**	**146**
Profit or loss for the period from discontinued operations after taxes	**249**	**-91**	**-1**	**79**	**–**	**76**	**311**
Profit or loss for the period	**371**	**-91**	**-1**	**97**	**–**	**81**	**457**
Profit or loss for the period attributable to non-controlling interests	**40**	**-1**	**–**	**–**	**–**	**14** [1]	**52**
from continuing operations	**25**	**–**	**–**	**–**	**–**	**13** [1]	**38**
from discontinued operations	**15**	**-1**	**–**	**–**	**–**	**1** [1]	**15**
Profit or loss for the period attributable to the shareholders of METRO AG	**331**	**-90**	**-1**	**97**	**–**	**68**	**405**
from continuing operations	**98**	**–**	**–**	**19**	**–**	**-8**	**109**
from discontinued operations	**233**	**-90**	**-1**	**79**	**–**	**75**	**296**
Earnings per share in € (basic = diluted)	**1.01**	**-0.27**	**n/a**	**n/a**	**n/a**	**n/a**	**1.24**
from continuing operations	**0.30**	**–**	**n/a**	**n/a**	**n/a**	**n/a**	**0.33**
from discontinued operations	**0.71**	**-0.27**	**n/a**	**n/a**	**n/a**	**n/a**	**0.91**

H1 2015/16 in € million	as reported	Special items IFRS 5 measurement	Portfolio changes	Restructuring and efficiency-enhancing measures	Risk provisions including impairment losses on goodwill	Other special items	before special items
EBITDA	**442**	**–**	–	6	–	9	**457**
EBIT	**322**	**–**	–	11	–	9	**342**
Net financial result	-3	–	–	–	–	–	-3
EBT	**319**	**–**	**–**	**11**	**–**	**9**	**338**
Income taxes	-124	–	–	–	–	-6 [1]	-130
Profit or loss for the period from continuing operations	**195**	**–**	**–**	**11**	**–**	**2**	**208**
Profit or loss for the period from discontinued operations after taxes	349	–	-448	75	–	191	166
Profit or loss for the period	**544**	**–**	**-448**	**86**	**–**	**193**	**374**
Profit or loss for the period attributable to non-controlling interests	60	–	–	–	–	4 [1]	64
from continuing operations	50	–	–	–	–	4 [1]	55
from discontinued operations	9	–	–	–	–	–	9
Profit or loss for the period attributable to the shareholders of METRO AG	**484**	**–**	**-448**	**86**	**–**	**189**	**310**
from continuing operations	144	–	–	11	–	-2	154
from discontinued operations	340	–	-448	75	–	191	157
Earnings per share in € (basic = diluted)	**1.48**	**–**	**n/a**	**n/a**	**n/a**	**n/a**	**0.95**
from continuing operations	0.44	–	n/a	n/a	n/a	n/a	0.47
from discontinued operations	1.04	–	n/a	n/a	n/a	n/a	0.48

[1] The special item included in "income taxes" and "non-controlling interests" results from the application of the integral approach and therefore cannot be allocated to the clusters

Q2 2016/17

Q2 2016/17 in € million	as reported	Special items: IFRS 5 measurement	Portfolio changes	Restructuring and efficiency-enhancing measures	Risk provisions including impairment losses on goodwill	Other special items	before special items
EBITDA	**27**	**–**	**–**	**18**	**–**	**-5**	**40**
EBIT	**-34**	**–**	**–**	**19**	**–**	**-5**	**-19**
Net financial result	**-1**	**–**	**–**	**–**	**–**	**–**	**-1**
EBT	**-35**	**–**	**–**	**19**	**–**	**-5**	**-20**
Income taxes	**53**	**–**	**–**	**–**	**–**	**-47** [1]	**7**
Profit or loss for the period from continuing operations	**19**	**–**	**–**	**19**	**–**	**-52**	**-14**
Profit or loss for the period from discontinued operations after taxes	**122**	**-91**	**-2**	**-1**	**–**	**19**	**46**
Profit or loss for the period	**141**	**-91**	**-2**	**19**	**–**	**-33**	**33**
Profit or loss for the period attributable to non-controlling interests	**9**	**-1**	**–**	**–**	**–**	**1** [1]	**9**
from continuing operations	**-2**	**–**	**–**	**–**	**–**	**1** [1]	**-1**
from discontinued operations	**11**	**-1**	**–**	**–**	**–**	**0** [1]	**10**
Profit or loss for the period attributable to the shareholders of METRO AG	**131**	**-90**	**-2**	**19**	**–**	**-34**	**24**
from continuing operations	**21**	**–**	**–**	**19**	**–**	**-53**	**-13**
from discontinued operations	**111**	**-90**	**-2**	**-1**	**–**	**19**	**36**
Earnings per share in € (basic = diluted)	**0.40**	**-0.27**	**n/a**	**n/a**	**n/a**	**n/a**	**0.07**
from continuing operations	**0.06**	**–**	**n/a**	**n/a**	**n/a**	**n/a**	**-0.04**
from discontinued operations	**0.34**	**-0.27**	**n/a**	**n/a**	**n/a**	**n/a**	**0.11**

Q2 2015/16 in € million	as reported	Special items: IFRS 5 measurement	Portfolio changes	Restructuring and efficiency-enhancing measures	Risk provisions including impairment losses on goodwill	Other special items	before special items
EBITDA	**89**	**–**	**–**	**7**	**–**	**0**	**96**
EBIT	25	–	–	13	–	0	38
Net financial result	-1	–	–	–	–	–	-1
EBT	**24**	**–**	**–**	**13**	**–**	**0**	**37**
Income taxes	-9	–	–	–	–	-4 [1]	-13
Profit or loss for the period from continuing operations	**15**	**–**	**–**	**13**	**–**	**-4**	**24**
Profit or loss for the period from continuing operations after taxes	-69	–	-52	67	–	-14	-67
Profit or loss for the period	**-53**	**–**	**-52**	**80**	**–**	**-18**	**-43**
Profit or loss for the period attributable to non-controlling interests	12	–	–	–	–	3 [1]	14
from continuing operations	7	–	–	–	–	3 [1]	10
from discontinued operations	4	–	–	–	–	0 [1]	4
Profit or loss for the period attributable to the shareholders of METRO AG	**-65**	**–**	**-52**	**80**	**–**	**-21**	**-57**
from continuing operations	8	–	–	13	–	-7	14
from discontinued operations	-73	–	-52	67	–	-14	-71
Earnings per share in € (basic = diluted)	**-0.20**	**–**	**n/a**	**n/a**	**n/a**	**n/a**	**-0.18**
from continuing operations	0.03	–	n/a	n/a	n/a	n/a	0.04
from discontinued operations	-0.22	–	n/a	n/a	n/a	n/a	-0.22

[1]The special item included in "income taxes" and "non-controlling interests" results from the application of the integral approach and therefore cannot be allocated to the clusters

Discontinued operations

H1 2016/17

H1 2016/17		Special items					
in € million	as reported	IFRS 5 measurement	Portfolio changes	Restructuring and efficiency-enhancing measures	Risk provisions including impairment losses on goodwill	Other special items	Before special items after renewed depreciation/ amortisation in accordance with IFRS 5
EBITDA	858	–	0	69	–	27	954
EBIT	614	-116	0	79	–	27	603
Net financial result	-74	–	-2	–	–	–	-76
EBT	539	-116	-1	79	–	27	527
Income taxes	-291	25	–	–	–	49[1]	-216
Profit or loss for the period from discontinued operations after taxes	249	-91	-1	79	–	76	311
Profit or loss for the period attributable to non-controlling interests	15	-1	–	–	–	1[1]	15
Profit or loss for the period attributable to the shareholders of METRO AG	233	-90	-1	79	–	75	296
Earnings per share in € from discontinued operations (undiluted = diluted)	0.71	-0.27	n/a	n/a	n/a	n/a	0.91

H1 2015/16		Special items					
in € million	as reported	IFRS 5 measurement	Portfolio changes	Restructuring and efficiency-enhancing measures	Risk provisions including impairment losses on goodwill	Other special items	Before special items after renewed depreciation/ amortisation in accordance with IFRS 5
EBITDA	1,223	–	-460	76	–	-2	836
EBIT	884	–	-460	75	–	-2	496
Net financial result	-194	–	12	–	–	–	-182
EBT	690	–	-448	75	–	-2	314
Income taxes	-341	–	–	–	–	193[1]	-148
Profit or loss for the period from discontinued operations after taxes	349	–	-448	75	–	191	166
Profit or loss for the period attributable to non-controlling interests	9	–	–	–	–	–	9
Profit or loss for the period attributable to the shareholders of METRO AG	340	–	-448	75	–	191	157
Earnings per share in € from discontinued operations (undiluted = diluted)	1.04	–	n/a	n/a	n/a	n/a	0.48

[1]The special item included in "income taxes" and "non-controlling interests" results from the application of the integral approach and therefore cannot be allocated to the clusters

Q2 2016/17

Q2 2016/17	Special items						
in € million	as reported	IFRS 5 measurement	Portfolio changes	Restructuring and efficiency-enhancing measures	Risk provisions including impairment losses on goodwill	Other special items	Before special items after renewed depreciation/ amortisation in accordance with IFRS 5
EBITDA	**253**	**–**	**0**	**-1**	**–**	**14**	**266**
EBIT	**193**	**-116**	**0**	**-1**	**–**	**14**	**90**
Net financial result	**-20**	**–**	**-2**	**–**	**–**	**–**	**-23**
EBT	**173**	**-116**	**-2**	**-1**	**–**	**14**	**67**
Income taxes	**-51**	**25**	**–**	**–**	**–**	**5[1]**	**-21**
Profit or loss for the period from discontinued operations after taxes	**122**	**-91**	**-2**	**-1**	**–**	**19**	**46**
Profit or loss for the period attributable to non-controlling interests	**11**	**-1**	**–**	**–**	**–**	**0[1]**	**10**
Profit or loss for the period attributable to the shareholders of METRO AG	**111**	**-90**	**-2**	**-1**	**–**	**19**	**36**
Earnings per share in € from discontinued operations (undiluted = diluted)	**0.34**	**-0.27**	**n/a**	**n/a**	**n/a**	**n/a**	**0.11**

Q2 2015/16			Special items				
in € million	as reported	IFRS 5 measurement	Portfolio changes	Restructuring and efficiency-enhancing measures	Risk provisions including impairment losses on goodwill	Other special items	Before special items after renewed depreciation/ amortisation in accordance with IFRS 5
EBITDA	116	–	-33	69	–	-2	149
EBIT	**-59**	**–**	**-33**	**67**	**–**	**-2**	**-27**
Net financial result	-63	–	-19	–	–	–	-81
EBT	**-122**	**–**	**-52**	**67**	**–**	**-2**	**-109**
Income taxes	53	–	–	–	–	-12[1]	42
Profit or loss for the period from discontinued operations after taxes	**-69**	**–**	**-52**	**67**	**–**	**-14**	**-67**
Profit or loss for the period attributable to non-controlling interests	4	–	–	–	–	–	4
Profit or loss for the period attributable to the shareholders of METRO AG	-73	–	-52	67	–	-14	-71
Earnings per share in € from discontinued operations (undiluted = diluted)	**-0.22**	**–**	**n/a**	**n/a**	**n/a**	**n/a**	**-0.22**

[1]The special item included in "income taxes" and "non-controlling interests" results from the application of the integral approach and therefore cannot be allocated to the clusters

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group 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 for the remaining financial year.

Düsseldorf, 29 May 2017

The Management Board

OLAF KOCH **PIETER C. BOONE** **MARK FRESE** **PIETER HAAS** **HEIKO HUTMACHER**

REVIEW REPORT

To METRO AG, Düsseldorf

We have reviewed the condensed interim consolidated financial statements of METRO AG – comprising the balance sheet, the income statement, reconciliation from profit or loss for the period to total comprehensive income, cash flow statement, statement of changes in equity and selected explanatory notes – together with the interim group management report of the METRO AG, for the period from 1 October 2016 to 31 March 2017 that are part of the semi-annual financial report according to § 37w WpHG ["Wertpapierhandelsgesetz": "German Securities Trading Act"]. The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the reviews so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an audit certificate.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Cologne, 29 May 2017

KPMG AG
Wirtschaftsprüfungsgesellschaft

Lurweg	Münstermann
Auditor	Auditor

Financial calendar

Quarterly Statement 9M/Q3 2016/17	Thursday	31 August 2017	7.30 a.m.

All time specifications are CET

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