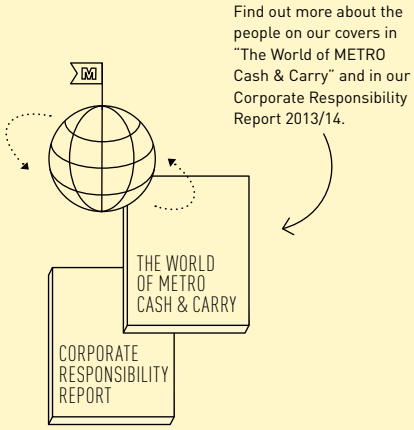
ANNUAL REPORT 2013/14

CONSOLIDATED FINANCIAL STATEMENTS OF METRO AG

METRO GROUP
MADE TO TRADE.

10 out of 249,150[1]

THE COVERS OF OUR PUBLICATIONS FOR FINANCIAL YEAR 2013/14.



Find out more about the people on our covers in "The World of METRO Cash & Carry" and in our Corporate Responsibility Report 2013/14.

In financial year 2013/14, we are offering you insight into our business activities with three publications: the Annual Report, our Corporate Responsibility Report and "The World of METRO Cash & Carry". Although these are very different publications, they all have one thing in common: they are centred on our employees. Our staff works hard every day to help our customers and, through their personalities, gives our company a face. This is why our publications highlight ten such employees, looking at their hobbies, how they give something back to society and what really matters to them.

You can find our publications online too:

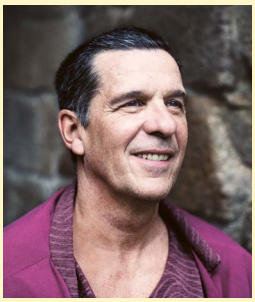
The World of METRO Cash & Carry
reports.metrogroup.de/2013-14/metro-world

Corporate Responsibility Report 2013/14
reports.metrogroup.de/2013-14/corporate-responsibility-report

[1] Employees METRO GROUP by headcount as of 30 September 2014

←
LING JIAXING
likes music and the sound of his hulusi.

↑
JULIA POLOTSEVA
loves traditional Russian dancing.



↑
ALAIN COLAS
has a soft spot for the Middle Ages.

↑
JUSTYNA KUŹMA
enjoys watching and photographing birds in her free time.

↑
MARTIN TREIBERT
has a passion for beekeeping.

↑
MARGARET CHAN
is dedicated to ensuring compliance with social standards.

↑
MAREK KAPUSNIAK
has innovative ideas about conserving resources.

↑
GABRIELE ERB
makes delivery processes transparent for her customers.

↑
RALF CREMER
focuses on repairs instead of waste disposal.

↑
JULIA SELLE
coordinates METRO GROUP's social engagement.

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4 SERVICE

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REPORTS.METROGROUP.DE/2013-14/AR

METRO GROUP IN FIGURES[1]

€ million		Short financial year 9M 2013	2012/13[2,3]	2013/14	Change in %
Key financial figures					
Like-for-like sales development	%	–1.2	–1.3	**0.1**	–
Sales development adjusted for portfolio and currency effects	%	0.9	–1.4	**1.3**	–
Sales (net)		46,321	65,679	**63,035**	–4.0
thereof METRO Cash & Carry		22,559	31,165	**30,513**	–2.1
thereof Media-Saturn		14,405	21,053	**20,981**	–0.3
thereof Real		7,261	10,366	**8,432**	–18.7
thereof Galeria Kaufhof		2,086	3,082	**3,099**	0.5
EBITDA		1,657	3,133	**2,545**	–18.8
EBITDA before special items[4]		1,603	3,230	**2,836**	–12.2
EBIT		703	1,688	**1,273**	–24.6
EBIT before special items[4]		728	2,000	**1,727**	–13.7
thereof METRO Cash & Carry[4]		725[5]	1,379[5]	**1,125**	–18.4
thereof Media–Saturn[4]		–33	299	**335**	12.0
thereof Real[4]		29[5]	145[5]	**81**	–44.1
thereof Galeria Kaufhof[4]		40[5]	229[5]	**193**	–15.8
EBT (earnings before taxes)		189	1,048	**709**	–32.3
Earnings before taxes and special items[5]		282	1,429	**1,233**	–13.7
Profit or loss for the period		–71	58	**182**	–
Profit or loss for the period before special items[4]		16	580	**673**	16.0
Earnings per share (basic = diluted)	€	–0.22	–0.11	**0.39**	–
Earnings per share before special items[4, 6]	€	0.03	1.47	**1.84**	24.7
Dividend per ordinary share	€	0.00	–	**0.90[7]**	–
Dividend per preference share	€	0.00	–	**1.13[7, 8]**	–
Cash flow from operating activities		–1,768	2,667	**2,008**	–24.7
Investments		691	1,175	**1,209**	2.9
Equity ratio	%	18.1	18.1	**17.9**	–
Net debt		5,391	5,391	**4,655**	–13.7
Employees (annual average by headcount)		269,493	272,867	**255,033**	–6.5
Locations		2,221	2,221	**2,200**	–0.9
Selling space (1,000 m²)		12,773	12,773	**12,236**	–4.2

[1] Rounding differences may occur
[2] The period 12M 2012/13 consists of the former quarters Q4 2012, Q1 2013, Q2 2013 and Q3 2013 and was calculated for comparison purposes
[3] Unaudited
[4] Special items for 2012/13 and 2013/14 are found on pages 92 and 93
[5] Revised presentation (for more information, see the notes to the group accounting principles and methods); the comparative periods have been adjusted accordingly
[6] After non-controlling interests
[7] Subject to the resolution of the Annual General Meeting
[8] The dividend proposal contains a preference dividend of €0.17 per preference share to cover the dividend that was not paid in the short financial year 2013 and that must be subsequently paid in accordance with the Articles of Association of METRO AG

LETTER TO THE SHAREHOLDERS

Dear Ladies and Gentlemen,

Financial year 2013/14 was a challenging one for METRO GROUP, particularly in light of the current geopolitical situation. Nonetheless, we can look back on a satisfying year in this report – and not just because of the 50th anniversary of METRO Cash & Carry that we celebrated during the reporting period. We successfully moved forward with our transformation process and continued to fill our new corporate culture with life. As part of this process, our around 250,000 employees have had to face many challenges. On behalf of the Management Board, I would like to express my sincere gratitude for their hard work and dedication.

Following our short financial year 2013, our annual report once again covers a period of twelve months and for the first time from October to September. Our financial year will thus always begin with the important Christmas quarter. This change has already paid off for us: our Christmas business no longer falls at the end of our financial year, and we have more planning security following the first quarter than we did before.

The focus of our work continues to be the creation of added value for our customers. This is the reason why we constantly work to improve the range of products and services offered by each sales line and to make them more attractive – and we have succeeded in doing so. During financial year 2013/14, we boosted the contribution that our own brands make to total sales to 11.5 per cent, raised delivery sales by 9.5 per cent to €2.8 billion and increased online sales by about 30 per cent to €1.5 billion. This third metric demonstrates the importance and success of our work to expand our multichannel presence.

During the reporting period, the unexpected political developments in Ukraine and Russia posed a major challenge for the group. Due to the unstable situation and violent conflicts in the eastern part of Ukraine, our business there developed very poorly. Here, we made the safety of our workforce the highest priority. Our business activities in Russia remained stable in spite of the import ban ordered during the summer. But we put off our planned capital market transaction as a result of the political situation.

We made further progress in our effort to streamline the portfolio of METRO GROUP. We successfully brought the divestment process of Real Eastern Europe to a close. This significantly reduced our net debt. We also sold our Real business in Turkey and closed both of our MAKRO Cash & Carry stores in Egypt because of a lack of prospects. In August, we also reached an agreement to sell METRO Cash & Carry Vietnam. The primary reasons for this decision included a very attractive offer as well as good prospects under the new owner. We are awaiting approval of the deal by antitrust authorities. Should the agreement be approved, we expect to see a one-time positive effect on EBIT in financial year 2014/15 amounting to a mid-range nine-digit euro sum. We also took advantage of attractive real estate prices to dispose of a portion of our company headquarters in Düsseldorf as part of a sale-and-lease-back transaction.

We also reached an agreement on other portfolio changes at the beginning of financial year 2014/15: the partial sale of METRO Cash & Carry Denmark and the closure of the remaining three stores there.

On the other hand, we were unable to carry out our plans for a partial IPO in our successful METRO Cash & Carry business in Russia as a result of the aforementioned political situation between Russia and Ukraine. With the revenue produced by this transaction, we could continue to expand in growth markets such as Russia, Turkey, China and India, and further reduce our net debt. At present, it is impossible to say when we will be able to resume our effort to carry out this partial IPO. But we are well-prepared to do so.

And how were our results in financial year 2013/14? Overall, we performed well in the reporting period and hit our most important financial targets. In spite of negative currency effects of 2.3 per cent, we generated sales of €63.0 billion and produced a slight gain of 0.1 per cent in like-for-like sales. Before special items, we produced EBIT of €1,727 million, although this figure was impacted by negative currency effects totalling €82 million. Once again, we significantly cut our net debt, lowering it by €0.7 billion to €4.7 billion. Since 2012, we have lowered our net debt by a total of €3.1 billion.

METRO Cash & Carry is the heart of METRO GROUP and is our most important pillar. In 2014, we celebrated our sales line's 50th anniversary in all 28 countries – with a broad array of campaigns and events for customers, employees and suppliers. We are also beginning to see the initial results of the steps we have taken in recent years: at the end of financial year 2013/14, we recorded our fifth consecutive quarter of like-for-like sales growth. The foundation of this positive performance is our focus on our main customer groups and a product mix that is tailored to their needs. This is a clear indication that we have taken the right approach in our drive to become the best possible partner for independent entrepreneurs. Our clear focus on our customers and our close relationship with them are reflected in our new brand positioning. This positioning is brought to life by the global communications campaign YOU & METRO that we launched in financial year 2013/14.

Our delivery service is a central strategic issue at METRO Cash & Carry. In this area, we are continuing to improve our offering and our infrastructure. Our objective is to gradually move away from deliveries made from the wholesale store

and to introduce a professional food distribution concept, including the use of delivery depots that house products which cater to the specific needs of local Horeca customers. We already opened our first depots in China and Germany during the reporting period. We are also continuing to refine the product range in METRO Cash & Carry's wholesale stores.

At **Media-Saturn,** we took a great leap forward in our online retailing business. Now, in the first quarter 2014/15, we offer more than 80,000 products at Media Markt and around 64,000 at Saturn online. As a result, we are well prepared for the 2014 Christmas business. But the competition in this segment remains intense. For this reason, our work to further link all sales channels has taken on even more importance. This has already proven to be a real competitive advantage: more than 40 per cent of our customers now pick up the products they ordered online at their local Media Markt or Saturn consumer electronics stores. Our suppliers are taking notice of this, since a close cooperation with the market leader in continental Europe is quite attractive to them. Furthermore, we continued to work on increasing the attractiveness of our stores by taking such steps as offering interesting innovations, the latest technology and an expanded range of services. Customers are increasingly taking notice of this – a trend that is reflected in the very positive development of like-for-like sales.

At **Real,** we are exclusively focusing on the German market following the disposal of our activities in Eastern Europe and Turkey. In light of the strong competition faced by our sales line, the right concepts play a critical role in our success. We made further strides during the reporting period: we now have refurbished 50 hypermarkets using our new Real store in Essen as a model. This store represents the hypermarket of the future and offers a completely new shopping experience. As a result of the extremely strong performance of the remodelled hypermarkets, we are planning to refurbish at least 60 additional stores next year. In addition, we are gradually introducing new concepts in a number of departments. These changes have already had a positive effect on customer totals, average transaction size and therefore sales. We also turned many heads with the introduction of our new own brand, "Marke ohne Namen" (no-name brand). We now have more than 100 products that cost less than the discounter price level. By taking these and other steps, Real will push forward with its strategic transformation to further increase its profitability.

Our sales line **Galeria Kaufhof,** which celebrated its 135th anniversary in 2014, is a true success story. We continue to work against the trend in this segment and generate growth. The primary reason for this growth is our intense focus on our customers, who find an attractive product range in our department stores – and enjoy an incomparable shopping experience. In order to respond to the tremendous competitive pressure and to remain successful in the marketplace, we have to continuously reinvent the department store and adapt it to the latest trends. This is the reason that our sales line is sharpening its profile as a multichannel retailer and is focusing on more closely dovetailing stationary business and online retail. Moreover, employees in our German department stores are now equipped with tablet computers. This means they can give their customers an opportunity to order goods from the online assortment directly in the store and have them delivered to their homes.

Unfortunately, METRO GROUP's satisfying performance was not reflected in its share price during the financial year. The METRO share produced very strong gains in financial year 2013. This trend initially continued in financial year 2013/14. In particular, the plans for a partial IPO in METRO Cash & Carry Russia received a very positive reception from the capital market. But as the political situation became more volatile, our share price suffered – just like the stocks of other companies that have extensive business operations in Russia. Between 1 October 2013 and 30 September 2014, the price of the ordinary share fell by 11 per cent to €26.08.

After METRO AG decided not to pay a dividend for the short financial year 2013 due to the lack of Christmas business, the Management Board and Supervisory Board are recommending that you, our shareholders, receive a dividend of €0.90 per ordinary share. This recommendation is based on our dividend policy, which calls for a dividend amounting to 40 to 50 per cent of earnings per share before special items. The actual payout ratio for this recommendation is 48.9 per cent. You will have an opportunity to vote on this proposal on 20 February 2015 at our Annual General Meeting, to which I would like to cordially invite you.

And what do we expect in the new financial year? In 2014/15, we will press ahead with our transformation process in order to build on our successes. The start to financial year 2014/15 was marked by the 50th anniversary of METRO Cash & Carry on 27 October. The anniversary served as an occasion to celebrate with our customers, suppliers and employees. With the events and campaigns we held during the year, we also generated new momentum for a collaborative working relationship with our customers – very much in the spirit of our brand message YOU & METRO. We believe that this momentum and the enthusiasm that could very often be felt among our employees and customers will live on during the financial year and inspire us to perform at the highest level.

We also expect to see continued gains in other sales lines. At Media-Saturn, we have demonstrated that the multichannel strategy is the key to the future. We intend to use this strategy to significantly expand our market share. At Real, we are now directing our full attention to the German market after disposing of our business in Eastern Europe. And at Galeria Kaufhof, we are focusing on systematically dovetailing our department store and online business.

This means one thing: we expect to generate a slight gain in like-for-like sales and to produce a small increase in EBIT before special items and currency effects in spite of the economic and political challenges that we continue to face in many of our countries. In addition, we are determined to further reduce our net debt – in part by disposing of our METRO Cash & Carry activities in Vietnam. By taking this step, we can provide long-term strength to our balance sheet and improve our rating. All in all, METRO GROUP is well positioned for the future. My Management Board colleagues and I are looking forward to working together with our employees to further increase the value of your company.

Best regards,

Olaf Koch
Chairman of the Management Board of METRO AG

Düsseldorf, 16 December 2014

WE SAY THANK YOU!

For METRO GROUP, 2014 was a special year, with two big anniversaries: 50 years of METRO Cash & Carry and 135 years of Galeria Kaufhof. In the past months, we not only duly celebrated the anniversaries of our sales lines within Germany and abroad, but we also used these as an opportunity to generate even more enthusiasm for our company among our customers. Many people contributed to making this effort a great success. We would like to thank you for your dedication, your original ideas and your creativity!

Our activities surrounding the anniversary are just some of the many examples that made one thing clear: our strategy is alive. The past months have shown how successful we already are in creating value in every country and, specifically, for individual target groups. This is just as true for the Kirana store owners in India as it is for the tech fan in Ingolstadt, the family in Wuppertal or the fashion-conscious customer in Berlin. Constantly rethinking our concepts for all of our target groups and staying a step ahead requires a lot of energy and willingness to change. Our employees are the ones who demonstrate this commitment day in and day out.

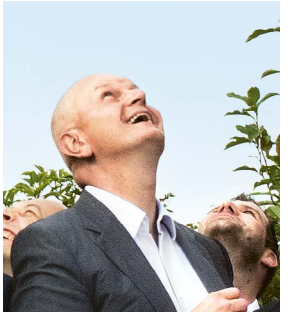
METRO GROUP is anything but an anonymous organisation. Our around 250,000 employees give our company a face and help make us diverse and vibrant. One thing is certain: This is a valuable foundation for our future success.

The Management Board of METRO AG

OLAF KOCH | MARK FRESE | PIETER HAAS | HEIKO HUTMACHER

HAPPY BIRTHDAY, METRO CASH & CARRY!

Our largest and best-performing sales line celebrated its 50th anniversary in 2014. We are proud of five decades of successful wholesale business and grateful for our trusting relationships with our customers, partners and colleagues – we look forward to our future together!



THE MANAGEMENT BOARD

Olaf Koch

Olaf Koch
Chairman of the Management Board

Responsibilities: Corporate Communications, Corporate Group Strategy/M&A, Corporate Legal Affairs & Compliance, Corporate Office, Corporate Public Policy, Business Innovation, New Ventures, METRO Cash & Carry, Real

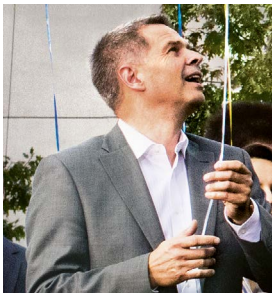
Profile: Olaf Koch took over as Chairman of the Management Board of METRO AG on 1 January 2012 and is appointed until 13 September 2018. He also serves as CEO of METRO Cash & Carry. The 44-year-old joined the Management Board of METRO AG as CFO in September 2009. He previously worked for the financial investor Permira. Olaf Koch, who holds a degree in business administration, launched his career in 1994 at Daimler-Benz AG. Between 2002 and 2007, he was a member of the board of management of Mercedes Car Group.

Mark Frese

Mark Frese
Chief Financial Officer

Responsibilities: Group Finance (Corporate Planning & Controlling, Corporate Treasury, Corporate Group Financial Services), Corporate Accounting, Global Business Services, Corporate Group Tax, Corporate Investor Relations, Corporate Risk Management & Internal Control Finance, Galeria Kaufhof, METRO PROPERTIES, MIB METRO GROUP Insurance Broker, METRO LOGISTICS

Profile: Mark Frese was named Chief Financial Officer of METRO AG on 1 January 2012. The 50-year-old is appointed until 31 December 2017. He has also served as CFO of METRO Cash & Carry since April 2012. Mark Frese has worked for METRO GROUP since 1994. Following managerial positions at group subsidiary Galeria Kaufhof, he became Head of Corporate Planning & Controlling at METRO AG in 2009. In September 2010, he took over as CFO of METRO Cash & Carry Europe/MENA.



Pieter Haas

Pieter Haas
Member of the Management Board

Responsibility: Media-Saturn

Profile: Pieter Haas has been a member of the Management Board of METRO AG since 1 April 2013 and is appointed until 31 March 2016. On 6 May 2014, he became Vice Chairman of the Management Board of Media-Saturn-Holding GmbH. He had already worked for the sales line. In 2001, he took on the role of managing director at the sales line's Dutch subsidiary. Pieter Haas was appointed to the management board of Media-Saturn-Holding GmbH as COO in 2008. In the ten years leading up to his career at Media-Saturn, the 51-year-old business economist held leadership roles at various companies.

Heiko Hutmacher

Heiko Hutmacher
Member of the Management Board and
Chief Human Resources Officer

Responsibilities: Human Resources (Corporate House of Learning, Corporate Performance & Rewards, Executive Resources, Group Labour Relations & Labour Law, HR Operations, HR Processes, Analytics & Projects, Corporate Talent Management, Leadership & Change), Corporate IT Management, Group Internal Audit, Sustainability & Regulatory Affairs, METRO SYSTEMS, MGT METRO GROUP Travel Services

Profile: Heiko Hutmacher joined the Management Board of METRO AG in October 2011 as the member responsible for human resources. In April 2012, the 57-year-old also assumed responsibility for human resources at METRO Cash & Carry. He holds a degree in business management and has more than 30 years of experience in human resources management, including at such companies as IBM and Akzo Nobel. Heiko Hutmacher is appointed until 30 September 2017.

THE YEAR IN REVIEW

SELECTED EVENTS DURING FINANCIAL YEAR 2013/14

Q1 2013/14

REAL PRESENTS NEW STORE CONCEPT

↓

23/10/2013 —— After 17 months of construction, Real opens a new hypermarket in the Altendorf neighbourhood of Essen. The store serves as a model for the future enhancement of the Real concept in Germany. On a selling space of approximately 9,500 square metres, Real offers roughly 80,000 items. Freshness, variety and regionality are at the centre of the assortment design.

EASY AND FAST PAYMENT AT GALERIA KAUFHOF

↓

18/11/2013 —— Galeria Kaufhof introduces new card payment systems for contactless payment in all German outlets. The systems employ innovative near field communication (NFC) technology. Customers can now pay at the department store's cash registers using PayPass-enabled cards from MasterCard and payWave-enabled cards from Visa. In the future, they will also be able to use NFC-capable mobile phones. This cuts the duration of the payment process to just a few seconds.

METRO GROUP EARNS TOP MARKS ON CDP CLIMATE INDEX

↓

19/11/2013 —— In terms of its climate reporting, METRO GROUP ranks among the top ten companies in the German-speaking world. This is the result of the 2013 climate performance ranking compiled by the non-profit organisation CDP. The ranking evaluates whether companies are effectively addressing the opportunities and risks arising from climate change and whether they provide transparent information on these efforts.

METRO CASH & CARRY INTRODUCES NEW BRAND POSITIONING

↓

12/12/2013 —— The sales line METRO Cash & Carry presents its new brand positioning during METRO GROUP's business press conference and analyst conference. With this new positioning, the wholesaler intends to become the best partner for independent entrepreneurs. The new claim YOU & METRO underscores this commitment and serves as the focal point of an international image campaign in 2014.

METRO GROUP JOINS EUROPEAN SUPPLY CHAIN INITIATIVE

↓

20/12/2013 —— METRO GROUP joins the European Supply Chain Initiative and expands its commitment to reliable and transparent trading activities. With this step, the company pledges to adhere to and implement the principles of fair commercial dealings in the supply chain.

Q2 2013/14

50 YEARS OF METRO CASH & CARRY

↓

01/01/2014 —— METRO Cash & Carry is turning 50 in 2014. Throughout the entire year, the METRO Cash & Carry countries are celebrating the anniversary with numerous campaigns, offers and events for customers, employees and suppliers.

COMMITTED TO FAIR WORKING CONDITIONS

↓

03/02/2014 —— In a joint declaration, METRO GROUP and the trade union umbrella organisation UNI Global Union reaffirm their commitment to promoting fair working conditions. The declaration complements existing obligations to comply with the working standards of the International Labour Organization (ILO). These include collective bargaining rights as well as employees' freedom of association.

CHANGE ON THE SUPERVISORY BOARD I

↓

12/02/2014 —— Dr Fredy Raas was appointed to the Supervisory Board of METRO AG at the company's Annual General Meeting. He had already joined the Board at the end of July 2013 in a temporary appointment that expired at the end of the Annual General Meeting. Raas is a member of the management board of the Otto Beisheim Group as well as of the boards of the Prof. Otto Beisheim foundations in both Baar, Switzerland, and Munich, Germany.

GALERIA KAUFHOF NAMED TOP EMPLOYER

↓

07/03/2014 —— The Top Employers Institute in Düsseldorf awards Galeria Kaufhof the distinction "Top Arbeitgeber 2014" (Top Employer 2014). Some of the criteria evaluated were corporate culture, work-life balance, training and development and career opportunities. Galeria Kaufhof is one of 125 companies in Germany that received this distinction.

Q3 2013/14

135 YEARS OF GALERIA KAUFHOF

↓

01/04/2014 —— The sales line celebrates 135 years of business. To celebrate the anniversary, Galeria Kaufhof launches numerous campaigns and anniversary offers for customers in the department store's outlets and in the online shop galeria.de.

MULTICHANNEL BECOMES ITS OWN DEPARTMENT

↓

11/04/2014 —— Galeria Kaufhof establishes a separate management department for the growth area of multichannel retail. With this move, the sales line is bolstering its structures to energetically push ahead with the dovetailing of its online and stationary business.

PARTICIPATION RECORD AT THE METRO GROUP MARATHON

↓

27/04/2014 —— At roughly 16,000 amateur and professional athletes from more than 70 countries, the number of participants in this year's METRO GROUP Marathon is larger than ever. This marks the twelfth time the sporting event has been held in Düsseldorf.

STRATEGIC TRANSFORMATION AT MEDIA-SATURN

↓

30/04/2014 —— The Media-Saturn sales line realigns its structures, fuelling its transformation into Europe's leading multichannel retailer. The focus of the effort is on developing its product and service offering as well as all sales channels. To do this, Media-Saturn will bundle all customer-centric multichannel activities in Media-Saturn E-Business GmbH and merge the operational capabilities for the stationary and online business.

ACCELERATED EXPANSION IN INDIA

↓

05/05/2014 —— METRO GROUP accelerates its expansion in India: by 2020, METRO Cash & Carry hopes to increase its presence on the subcontinent to 50 wholesale stores. That would make India one of the most important expansion countries for the company.

CHANGES TO THE MANAGEMENT BOARD OF MEDIA-SATURN

↓

06/05/2014 —— METRO GROUP delegates member of the Management Board Pieter Haas to the Management Board of the Media-Saturn sales line and names him Vice Chairman of the Management Board. He succeeds Horst Norberg in this position. Haas retains his Board position at METRO AG but will pass on his responsibility for Business Innovation and IT to other members of the Board.

SAME-DAY DELIVERY

↓

12/05/2014 —— Media Markt and Saturn partner with the market leader for same-day delivery, tiramizoo, to test out the delivery of online orders within three hours. The pilot project will initially roll out in seven major German cities. Following a successful test phase, the service will expand to additional urban areas in Germany.

TRANSPARENCY IN THE FISH SUPPLY CHAIN

↓

18/06/2014 —— METRO GROUP introduces a unique traceability system to track the origin of fish and meat products. METRO Cash & Carry customers can now use a smartphone app to determine where and how the fish was caught. In the future, detailed information on the origin, processing, quality and sustainability of meat products is to be available as well.

REAL TURKEY SOLD

↓

27/06/2014 —— METRO GROUP signs an agreement with retailer Hacı Duran Beğendik to sell all twelve hypermarkets as well as the head office of Real Turkey. In the future, the Real sales line will focus on the successful development of its business in Germany.

PARTIAL SALE OF OFFICE PROPERTIES AT COMPANY HEADQUARTERS

↓

30/06/2014 —— METRO GROUP disposes of individual office properties at its headquarters in Düsseldorf as part of a sale-and-lease-back transaction. With this step, METRO GROUP is taking advantage of the positive price trend in the real estate market.

Q4 2013/14

CHANGE ON THE SUPERVISORY BOARD II

↓

21/07/2014 —— Baroness Lucy Neville-Rolfe, who had been a member of the Supervisory Board of METRO AG since May 2013, is appointed Parliamentary Under Secretary in the British Department for Business, Innovation and Skills and as a result has to resign her seat on the Board as of 18 August 2014.

SALE OF WHOLESALE BUSINESS IN VIETNAM CONFIRMED

↓

07/08/2014 —— The Thailand-based Berli Jucker Public Company Limited (BJC) takes over the wholesale business of METRO Cash & Carry Vietnam for €655 million. The transaction, which is still awaiting the approval of regulatory authorities, comprises the entire operational business, 19 wholesale stores and the real estate portfolio. The revenue from the sale gives METRO GROUP the opportunity to invest in future growth and strengthen its own balance sheet.

GALERIA KAUFHOF LAUNCHES CHINESE WEBSITE

↓

11/08/2014 —— With a new website in the Chinese language, the sales line underscores its strong customer orientation. At galeria.cn, customers in China can learn about the company, its brands and its outlets as well as about special services for international customers before they travel to Germany.

DISPOSAL OF STAKE IN BOOKER

↓

03/09/2014 —— METRO GROUP disposes of its entire stake of approximately 9 per cent in Booker Group PLC. The funds from the disposal will primarily be used for the further expansion of METRO GROUP and to further reduce debt.

WITHDRAWAL FROM DENMARK

↓

18/09/2014 —— METRO GROUP considers withdrawing its wholesale business from Denmark. The Danish market is considered to be saturated and no longer offers sufficient growth prospects. In early October, METRO GROUP announces the sale of two stores and the closure of the three remaining stores at year's end.

MEDIA MARKT OPENS IN INGOLSTADT

↓

18/09/2014 —— The innovative Media Markt store at the company's headquarters offers its customers a modern shopping experience that epitomises multichannel retailing. The numerous interactive offers represent the future for the sales line's other stores. The new Media Markt store is also home to the world's first drive-thru for electronics.

METRO GROUP LISTED ON DJSI WORLD AND EUROPE

↓

22/09/2014 —— The METRO share is once again listed on the Dow Jones Sustainability Index (DJSI) World. Earning 71 points in this year's ranking, METRO AG's share will also be added to the DJSI Europe. The indices include those companies that represent the best environmental, social and economic performers in their particular industry. The METRO share is also listed for the first time in the FTSE4Good.

CONTRACT EXTENSION FOR OLAF KOCH

↓

24/09/2014 —— The Supervisory Board of METRO AG has unanimously extended Chairman Olaf Koch's employment contract. This renews his contract that was to run until September 2015 and extends it until September 2018.

METRO CASH & CARRY

ANNIVERSARY YEAR 2014

50 YEARS OF METRO CASH & CARRY — In 2014, METRO Cash & Carry celebrated 50 years in business with numerous events and special activities. Among the highlights in Germany were the anniversary celebrations in Berlin and Düsseldorf, the mini-truck tour as well as the "50 Super Deals" that offered customers a special anniversary price on one product each day from September to October. Creative anniversary ideas also came from the other 27 METRO Cash & Carry countries: Employees of MAKRO Cash & Carry Poland gave a concert using instruments made from packaging materials. METRO Cash & Carry Pakistan and China celebrated the way they feel: "Young and Wild". With the creation of the METRO Community Stars award, METRO Cash & Carry recognised outstanding entrepreneurial community service. Approximately 1,400 entrepreneurs from 17 countries submitted their nominations. The winners' stories can also be found on the anniversary website, www.50yearsmetro.com, along with comprehensive reports, pictures and videos about numerous other anniversary activities for customers, employees and partners.

MEDIA MARKT

SEPTEMBER 2014

EUROPE'S MOST MODERN CONSUMER ELECTRONICS STORE

EUROPE'S MOST CUTTING-EDGE CONSUMER ELECTRONICS STORE ——— More store, more service, more possibilities: the new Media Markt in Ingolstadt opened its doors in September 2014 – and offers an entirely new shopping experience. Across 3,400 square metres of selling space, customers can find an even larger and more diverse range of electronics. Highlights include a massive interactive video wall where customers can navigate through the entire product range. There are also free charging stations for smartphones, electric cars and e-bikes. Another special feature is the first drive-thru of its kind. Here, customers can drive in and pick up orders they have placed online or over the phone. While the Ingolstadt Media Markt was once one of the oldest in Germany, today, it has a new message: welcome to the most cutting-edge consumer electronics store in Europe!

SATURN

APRIL 2014

TECH-NICK ON TWITTER

SATURN

NEW BRAND AMBASSADOR FOR ALL CHANNELS

Likeable and a little nerdy: the promotional figure Tech-Nick has been active on social media with his own Twitter account since April 2014. The electronics expert, played by actor Antoine Monot Jr, regularly posts witty and informative tweets. He not only provides insights into his private life but also talks shop with tech lovers about the latest products, comments on the news of the day and offers tips on events and deals. The new Twitter presence is part of the consumer electronics retailer's comprehensive social media strategy that also includes the channels Facebook and YouTube. Tech-Nick was introduced in October 2013 as part of a Christmas TV campaign. As an ambassador for the brand, he embodies Saturn's love of technology in a humorous and authentic manner.

REDCOON

JUNE 2014

GOOGLE TRUSTED STORE

TOP-NOTCH SHOPPING EXPERIENCE — In June 2014, Redcoon became a Google Trusted Store. The seal of quality from Google is only awarded to online retailers who offer excellent service and a reliable ordering process. Thanks to the seal of quality, Redcoon customers also benefit from free buyer protection, which Google provides under certain circumstances. Potential customers see the logo in the results of their Google search and immediately know one thing: this is a reliable retailer who guarantees quality and security. For Redcoon, it is another seal of quality that shows: the sales line not only stands for low prices but also for a comfortable shopping experience, excellent customer service and fast shipping.

REAL

SEPTEMBER 2014

A NEXT-GENERATION STORE

STRONG BASIS FOR A SUSTAINABLE ORIENTATION

At the end of September 2014, Real was able to look back on a successful transformation process. Throughout Germany, the sales line has remodelled 50 locations based on a store concept in Essen-Altendorf that was successfully implemented in October 2013. The result in all stores: an optimised assortment structure, lower prices and an improved shopping environment. In addition to freshness and variety, a clear focus is placed on regional products. This has laid the foundation for remodelling a large number of other stores in 2015 and bolstering the company's future. The store in Essen-Altendorf is already setting standards: here, a new generation of store has emerged that offers a unique shopping experience on around 9,500 square metres of selling space. Highlights range from the futuristic building form to the inviting atmosphere of the newly designed departments: this is what the future of shopping looks like.

GALERIA KAUFHOF

JULY 2014

A NEW QUALITY AT GALERIA KAUFHOF

MULTICHANNEL RETAIL WITH AROUND 1,100 TABLETS Galeria Kaufhof is causing a sensation by uniting online and stationary shopping. Since July 2014, the sales line has been using tablets to take customer assistance conversations to a new level. With the handheld mini-computer, employees have access to the online shop galeria.de and can, for example, order products that are sold out at the department store or are not part of the usual inventory. The selected items are either sent to the address provided by the customer or to the local store. For this innovative service, around 1,100 tablets are being used in German stores. This approach adds new quality to multichannel retailing at Galeria Kaufhof and continues to fuel online business, which began with the relaunch of galeria.de in October 2011 and has been on a growth path ever since.

STRATEGY

1

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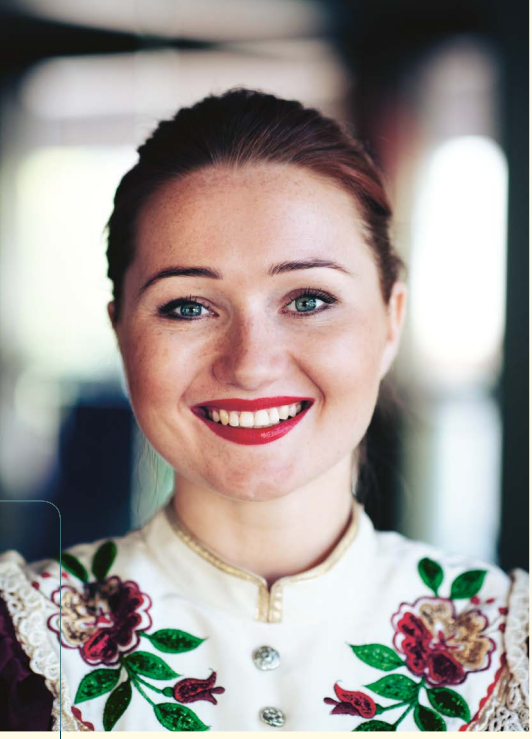
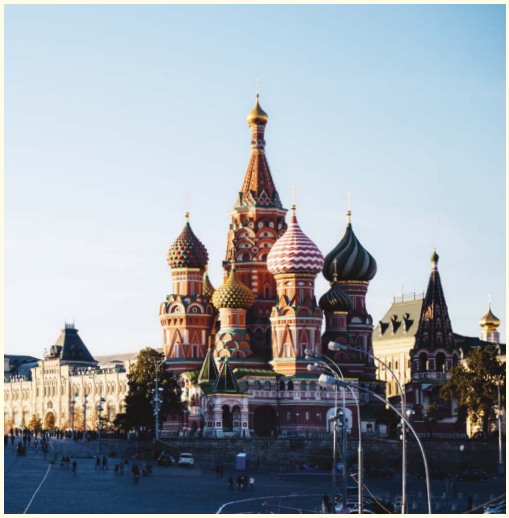


↑
As a purchasing assistant at the head office of METRO Cash & Carry Russia in Moscow, JULIA POLOTSEVA focuses on her customers. In her free time, however, her heart belongs to traditional Russian dance. She feels that music and movement give her soul wings.

RU

Moscow, Russia

Julia Polotseva in the dance studio



FACTS & FIGURES

METRO CASH & CARRY
RUSSIA

Market entry
2001

Head office
Moscow

Number of wholesale stores	Number of employees
73	17,669

FOCUS MARKET

RUSSIA

LAND AREA
17,098,200 km²

POPULATION
142.9 million

CURRENCY
Russian rouble [RUB]

ДОБРЫЙ ДЕНЬ!

[dobry den‘]

HELLO!

With over 17 million square kilometres, Russia is the world's largest country in terms of area. It extends from the Baltic Sea across the Urals and on to the Pacific Ocean. This span of almost 10,000 kilometres runs through eleven time zones. Russia is home to nearly 143 million people, most of which live in the cities and the urban industrial areas in the central and southern regions as well as in western Siberia. Moscow and St Petersburg are Russia's major economic and cultural centres. About twelve million people live in the greater Moscow area alone.

ДО СВИДАНИЯ!

[do svidaniya]

GOODBYE!

Learn more about Julia Polotseva and her hobby starting on page 54 of the publication "The World of METRO Cash & Carry" or at reports.metrogroup.de/2013-14/metro-world

"WE MUST ALWAYS THINK *ONE* DIMENSION »AHEAD.«"

In the following interview, Olaf Koch, Chairman of the Management Board of METRO AG, talks about the tremendous strides being made in the transformation process, the normality of undesired events – and ways to reach the hearts of customers and employees.

Mr Koch, METRO GROUP hit its sales and earnings targets in financial year 2013/14. Is the company's transformation coming along well?

We have made definite progress in every sales line by systematically focusing on our customer groups in the areas of product range, services and solution expertise. And this progress is reflected in our figures. In financial year 2013/14, the trend improved from quarter to quarter. We also realise that continued progress will not just happen on its own. It requires continuous optimisation. For this reason, one of our core jobs in the years to come will be to not only continue this transformation process, but also to intensify it.

Where do you see the greatest growth opportunities for METRO GROUP?

Each of our sales lines has its very own potential and strategic focal points. At METRO Cash & Carry, the systematic focus on our professional core customer groups is a top priority. Other priorities are improving our delivery service as well as expanding our successful franchise concept and own-brand strategy. At Media-Saturn, we are concentrating entirely on the issue of multichannel sales. We also see tremendous opportunities in the areas of service and customer assistance. Other equally important areas are innovative products and product experiences. By this, I mean fun with and enthusiasm for the product range. At Galeria Kaufhof, we have already seen our focus on local target groups pay off. This strategy is reflected not only in the department stores' product ranges, but also in the way we manage our selling space. We will continue to build on this. At Real, our job is to further refine the hypermarket format and to prepare it for the future. Real has tremendous potential, but also a great need for change.

"WE CAN ONLY DEVELOP AN IDEAL ATTITUDE ... WE SHOULD ALWAYS BE MOVING FORWARD, THINKING ONE STEP AHEAD AND CREATING ADDED VALUE AS A RESULT."

What other challenges is METRO GROUP facing?

In both economic and capital market terms, our business experienced some very hard times for the third consecutive year. We also faced unexpected regional crises on top of this in 2014. I think we will have to get used to the idea that undesired events have become a normal part of business. This is one challenge. A second one involves our own positioning – particularly in such an environment. As soon as we begin to believe that we have wrapped up our work and can call it a day, we have completely misunderstood something. We have to realise that the state of our business will never be ideal. We can only develop an ideal attitude about it: we should always be moving forward, thinking one step ahead and creating added value as a result.

That is a high standard. How do you motivate your employees and yourself for this process?

A company is always measured by its figures. They clearly show whether we have hit our targets or not. But the

numbers themselves cannot motivate people over the long run. Rather, the key aim is to find something meaningful in what you do. This is the strongest motivator. Let's use METRO Cash & Carry as an example: with the new brand core and our communication efforts surrounding the brand campaign YOU & METRO, we are reaching both the minds and, increasingly, the hearts of employees and customers. Our goal of making small and medium-sized enterprises successful is not some hollow endeavour. It is actually something that is becoming a bigger reality day after day. And the countries that systematically apply this core philosophy are already profiting the most from it – both in terms of sales and earnings. This makes me especially happy! We are also working hard to change our corporate culture. This is the second critical aspect in regard to motivation. Just as people are the focus of our business transformation, they are also the focus of our company. We do not want to hold back the people with whom we work. Rather, we want to see them grow. More and more people in our company are beginning to understand this.

It is not just the corporate culture that makes METRO GROUP an attractive employer. It is also its internationality. When do you plan to enter new markets once again?

Internationality is indeed one of METRO GROUP's greatest achievments. But, in the past, we focused too much on expansion into new countries for a period of time. It almost became something we did by rote. For this reason, we have concentrated over the past three years on bundling both our financial and personnel energies. We have already made major strides in this work. Nonetheless, we are still keeping an eye on new markets and will act if we believe that they present a real opportunity for us.

This could give your share price a boost. It began the year in a stable position and then came under pressure. What caused this to happen?

When you talk about our stock's performance, you cannot overlook the political situation, particularly with regard to Ukraine and Russia. Negative developments in an area that is critical to our business operations generally also have negative repercussions on our share price. Our industry has been going through sweeping changes for some time now. The capital market is keeping a close watch to see who takes a systematic and long-range approach to change. Companies that act on impulse or fly by the seat of their pants will not hear any applause from investors. The much more critical question in an investor's evaluation of a company is this: is a turnaround on the horizon, and is it reasonable to believe it will hold this course in the future? For this reason, we are systematically applying our strategy so that we can continue to accomplish the goal that we reached during the past financial year: improving like-for-like sales development. In the end, the capital market will see this as a sign of our company's progressing transformation.

Among other things, METRO GROUP is once again focusing more closely on innovations …

… because we are determined to actively shape the direction of the far-reaching change that is sweeping through our industry. To intensely and systematically address the issue of innovation, we set up the Business Innovation department in November 2013 and defined five fields of innovation: store; channel; marketing; logistics, supply chain & delivery; and new products & services. Our sales lines have already begun to test a large number of new ideas in these areas. These include individualised offerings in marketing, express delivery within a three-hour window and apps that offer additional product information and digital shopping lists.

Another aspect of METRO GROUP's future-driven transformation is creating added value while reducing negative developments. How firmly has sustainability been integrated into the company?

In 2014, we were again added to the Dow Jones Sustainability Index World and Europe. We have also been listed for the first time on the FTSE4Good Global Index and FTSE4Good Europe Index. This is a tremendous accomplishment. It clearly demonstrates that our activities are paying off and that our commitment is being recognised. But we want something much more: every individual in our company should grasp the importance of sustainability and to bring this attitude to life. Like change, sustainability must become

the norm at METRO GROUP, too. To make this happen, we have already taken a number of steps. In one of them, we have linked remuneration of the Management Board and top-level executives to our company's ranking on the Dow Jones Sustainability Index. By doing this, we have intensified our internal discourse about the issue as well as our commitment to it.

METRO Cash & Carry celebrated its 50th anniversary during this financial year. Did the anniversary produce the boost that you hoped it would?

Our primary goal was to significantly increase our appeal to customers. We wanted to increase customer frequency, gain new customers and reactivate ones who are idle. Thanks to the activities and special campaigns we undertook during this anniversary year, we were able to take a major step forward in all of these areas. In addition – and this is just as important – we had a great time with our customers and employees and offered them some tremendous deals as a way of rewarding their loyalty. As a result, we are quite pleased about the results of the anniversary year.

But the German market remains a challenge. In recent months, METRO Cash & Carry has focused much of its time on reworking its product ranges and expanding its customer assistance and services. How satisfied are you with business performance?

I am very satisfied with the progress. Germany is one of the METRO countries with the most potential for generating strong growth and regaining market share. Our primary goal must be to get even better at reaching customers, to make them more satisfied and to create new growth momentum in the process. We have already taken a number of steps here – not only in terms of the product range and delivery, but also in terms of fine-tuning our price strategy. In recent years, though, we have invested too little in our German business operation. We will now take a back-to-attack approach and intensify our investment in the German market.

"LIKE CHANGE, SUSTAINABILITY MUST BECOME THE NORM AT METRO GROUP, TOO."

Speaking of back to attack: Media-Saturn is also working intensively on its own transformation in its work to gain or regain market share. Critics frequently say that especially its online business has some catching up to do.

We have made great progress in our online business in recent years. Now, in the first quarter 2014/15, the online shops of Media Markt and Saturn offer more than 80,000 and about 64,000 products, respectively – and the number continues to grow. Media-Saturn is also working to further expand the purely online business run by Redcoon. But our intensified effort in this area does not mean that we are turning our backs on our stationary business. We intend to link all channels. Our goal is to be everywhere the customer is. Media Markt's new consumer electronics store in Ingolstadt epitomises this concept. Online terminals and department tablets link the store with the online shop. At Saturn, we are also testing digital price tags. With them, prices can be changed at the press of a button. By creating the world's first drive-thru for electronic products and a 24-hour pick-up station, we have taken specific steps to respond to customers' changing shopping habits and service needs. Thanks to our changes, customers can profit from the strengths of our stationary business and also take advantage of our new mobile and online shopping opportunities. This interlinked system puts us a step ahead of companies that only conduct their business online.

Much has also changed at Real. The new store in Essen is serving as a blueprint for a sweeping store refurbishment programme. In this financial year alone, 50 hypermarkets were remodelled across Germany.

And this work has paid off: customer frequency and sales have already begun to rise in the refurbished stores. As a result, we will systematically move ahead with our investments. Next year, we are planning to remodel a large number of other stores on the basis of the Essen concept. Another one of our important jobs will be to inform our customers more clearly about the benefits of shopping at Real. For instance, Real is the only German food retailer to have a butcher's shop in every store. Real's meat department is already well ahead of the ones operated by competitors. We also have a very strong position in other product groups such as fruit and vegetables or fish. We have to bring this tremendous expertise about freshness and variety to life and communicate this better.

The Galeria Kaufhof sales line also celebrated an anniversary in 2014. But a 135-year tradition alone does not guarantee success in the future.

Galeria Kaufhof's good commercial position and its promising future are primarily the result of our far-sighted and deliberate management. First, we have always run the business well – even during those years when sales were falling. Second, Galeria Kaufhof has continuously and extensively invested in the format. As a result, its stores are in great shape. And, finally, we have constantly refined the business model. I should add that this work was not simply aimed at getting the next brand and the next product out into the store. The much more critical step was our decision to carefully analyse our target groups, which we have intensively done since 2011. Thanks to this research, we made specific changes in the product range, reorganised selling space and systematically invested in product presentations. All of this hard work is paying off: for seven quarters now, Galeria Kaufhof has generated like-for-like sales growth.

The new financial year has already begun for METRO GROUP. What are you expecting in 2014/15?

We have already seen that we have a good foundation for starting the new financial year 2014/15: during the fourth quarter 2013/14, we increased like-for-like sales in every sales line. We can now build on this. We are well prepared and can look optimistically towards the Christmas quarter. We are quite aware of the large amount of volatility in markets created by a broad array of regional crises. But we are confident that we will be able to produce another slight gain in like-for-like sales in 2014/15. We also expect EBIT before special items to rise slightly adjusted for currency effects. The strides that we have already made in the transformation of our business models are paying off here. We intend to make more progress in this regard as we move forward. In addition, we will continue to closely focus on efficient structures and strict cost management.

STRATEGIC POSITIONING OF METRO GROUP

METRO GROUP

METRO GROUP, based in Düsseldorf, is a leading international retail company. Worldwide, around 250,000 employees dedicate themselves to optimally fulfilling the expectations of our customers. Our operating business focuses on self-service wholesale trade, consumer electronics stores, hypermarkets, department stores and online trade. In these areas, our four independent sales lines are leaders:

- METRO Cash & Carry is a leading international player in self-service wholesale trade.
- Media-Saturn is number one among consumer electronics stores in Europe.
- Real is one of the leading hypermarket companies in Germany.
- Galeria Kaufhof is the market leader in the department store segment in Germany and Belgium.

With their products and services, our sales lines serve professional and private customers in 31 countries in Europe and Asia. To reach new target groups and establish long-term relationships with customers, the sales lines are tapping new sales channels and increasingly dovetailing their stationary business with online retailing. In addition, Media-Saturn's subsidiaries offer pure online shopping options.

Focus on customer value

The objective of METRO GROUP's strategy is generating long-range, sustainable growth. First and foremost, our aim is to improve like-for-like sales and earnings. We are also boosting our performance strength and appeal by optimising our cost position and cash flow, improving our margins and reducing our net debt. The prerequisite for METRO GROUP's long-range sustainable growth is our persistent focus on creating value for our customers. Five focal points guide us in this work: transform, grow, improve, expand and innovate. They provide the strategic framework for our business activities and lend a shared direction to our group across all sales lines and companies.

Transform

Our customers' needs and expectations form the starting point for all our strategic considerations. Which product ranges do they need in their local stores? Can we offer new services to pique the interest of consumers or professional customers in our business models? Which sales channels do we have to develop to meet our customers' increasing demands? Using these questions as our starting point, we have already made significant strides in the areas of multichannel, delivery, franchising and own brands. In this and other areas, we are rigorously forging ahead with the strategic repositioning of our sales lines.

Grow

Our second focal point is growth in all business segments. We intend to achieve this first and foremost by improving sales per square metre of selling space in existing stores. An absolute focus on the customer and engaging in socially and environmentally responsible business practices are crucial to this effort. We also aim to significantly improve customer satisfaction. To raise our appeal to private and professional customers, we are making targeted investments in new services. In addition, we are selectively adjusting our sales lines' price levels to further bolster their competitive positions. Finally, we are realigning our incentive systems for employees to encourage additional productivity enhancements.

Improve

A company's competitiveness depends as much on its process performance as on an attractive product and service offering. Our objective is to create streamlined, effective organisational structures. For this reason, we have to continually examine our processes, systematically review our country portfolio and improve our cost structure. In this way, we can improve our cash flow and create headroom for additional investments.

Expand

Efficient processes, optimised cash flow and sales growth with stable or improved earnings represent the foundation for our further expansion outside our home market of Germany. After all, our mission is to invest in a business model that is customer-oriented, competitive and sustainable. Many countries in which METRO GROUP is active offer excellent opportunities for enhancing our footprint. We are currently focusing our expansion and are seizing new opportunities: by opening new stores in such countries as China, Russia, Turkey and India as well as by enhancing our offering in all other countries.

Innovate

Creating added value for customers means responding to changing requirements early on or even shaping this change by recognising technological, societal and consumer trends, by identifying their potential relevance to our own business and by devising specific solutions such as optimised processes or new sales concepts. This work begins by firmly anchoring business innovation within our company structure as well as defining innovation focal points that are relevant to our customers and hold growth potential. The key is cultivating a structured network with internal and external experts. This approach forms the foundation of our innovation management.

For more information about innovation management at METRO GROUP, see the combined management report in chapter 7 Innovation management.

Framework for sustainable growth

Our business objectives are aligned with ecological and social requirements. For this reason, we have firmly anchored the principle of sustainability within our corporate strategy. Our sustainability vision serves as a group-wide foundation for the long-term transformation of METRO GROUP: "METRO GROUP. We offer quality of life. For our customers, for our employees, for all who work for us and for society."

For more information about METRO GROUP's sustainability management, see the combined management report in chapter 8 Sustainability management.

METRO Cash & Carry

METRO Cash & Carry is a leading international player in self-service wholesale trade. METRO GROUP's largest sales line, which lent the company its name, celebrated its 50th anniversary in 2014. In 1964, founder Otto Beisheim opened the first METRO Cash & Carry wholesale store in Mülheim an der Ruhr. Its concept was revolutionary at the time: professional customers could select their own purchases all under one roof, pay for them in cash and take the items with them. Over the decades, METRO Cash & Carry has continually expanded this business model, adding new items and services geared to customer needs and local requirements.

50 years of METRO Cash & Carry

During the anniversary year of 2014, METRO Cash & Carry celebrated the occasion in every country where our sales line does business, organising numerous events and special activities for customers, employees and partners. Highlights in Germany included a mini-truck tour through approximately 100 cities. During the tour, customer managers from around Germany visited customers at their business locations and presented products from the new Mediterranean product assortment. Customers also stood at the centre of the anniversary campain "50 Super Deals – the Grand Anniversary Finale" that was launched exactly 50 days before the anniversary of METRO Cash & Carry on 27 October: for seven weeks in 24 different countries, METRO Cash & Carry sold a selected item at a very special price to thank customers for their many years of loyalty to the company.

METRO Cash & Carry's countries also showed their creativity in devising original activities to mark the anniversary year: in Poland, for instance, employees gave an anniversary concert using instruments made from packaging materials. MAKRO Cash & Carry in the Czech Republic released an anniversary cookbook. And METRO Cash & Carry in Pakistan and China celebrated anniversary parties with the slogan "Young and Wild". METRO Cash & Carry Germany invited employees,

customers and suppliers to an anniversary party in Berlin. The anniversary was also celebrated in the headquarters of METRO GROUP.

The array of events was rounded out by a website developed especially for the anniversary, www.50yearsmetro.com, the anniversary magazine "Recipes for Success" and the first METRO Start-Up Study.

New brand positioning YOU & METRO

METRO Cash & Carry also used the anniversary year 2014 as an occasion to reformulate its mission and focus for the future. The key to future success will be long-term, trusting and collaborative relationships with customers, employees, partners and suppliers. METRO Cash & Carry expressed this commitment with a new slogan: YOU & METRO. The sharpened brand profile enables the company to communicate the values for which it stands even more clearly. The wholesaler's aim is to be the best partner possible for independent entrepreneurs. Using the new brand positioning as a starting point during the reporting period, METRO Cash & Carry also developed a uniform international employer brand based on the YOU & METRO slogan. This effort focuses on the company's employees. They tell their own personal METRO story and thus bring the company's brand promise to life.

Optimised approach to target groups

METRO Cash & Carry operates under the brand names METRO and MAKRO in 28 European and Asian countries. In Germany, the portfolio is complemented by the C+C Schaper brand. Every day, 117,255 employees around the world work to make their customers successful. Hotel and restaurant owners, catering firms, independent retailers, service providers and public authorities particularly value the comprehensive range of products offered by METRO Cash & Carry. For each of these customer groups, our sales line offers customised assortments and services at an excellent value for money. This offer is complemented by specific solutions such as retail concepts and professional consulting services to optimally support professional customers in their respective businesses and make them more successful.

In recent years, our sales line has further honed its approach to addressing target groups to better meet the special requirements of customers and to more systematically focus the product range on their needs. In one reflection of this effort, METRO Cash & Carry Germany is now concentrating on bakers and butchers, whose business fields are changing: Bakeries are taking on the characteristics of restaurants. Butcher shops are adding catering and party services alongside supplemental products and lunch offerings. A systematic review of customer visits and an analysis of sales figures, turnover and market research data have shown that these groups offer a high level of revenue and new customer potential for METRO Cash & Carry. In response, our sales line is making the changes it needs to serve these target groups – including special product ranges of snack food and supplemental items as well as special training for customer managers.

In the Czech Republic, METRO Cash & Carry is also taking an optimised and more focused approach to addressing its target groups: here, our sales line has identified the nearly 80,000 Vietnamese who live in the country as a separate target group. Their culture has been a major influence on the country since the 1970s: restaurants, bars and small businesses that sell a specialised line of products are found throughout the country. In 2010, MAKRO Cash & Carry began to support the approximately 3,000 Vietnamese retailers by offering customised product ranges and targeted training. A 20-member sales team now conducts this business. The work is paying off, too: the target group of these retailers now makes up 30 per cent of the trader business in the Czech Republic. Since 2010, MAKRO Cash & Carry Czech Republic has nearly doubled its sales with Vietnamese retailers.

Customer feedback as the basis for improvements

Customer satisfaction is a top priority at METRO Cash & Carry. It is a key indicator of how well products and services meet the customers' expectations. Customer feedback also serves as an important basis for improvements. To measure customer satisfaction, METRO Cash & Carry launched the company-wide Customer Satisfaction Pulse Initiative in November 2013. Since then, an independent market research institute has conducted a quarterly customer survey in more than 750 wholesale stores in all METRO Cash & Carry countries. The key issues addressed in the survey include product assortment, availability, quality, price and employee contact. Drawing on the data, each whole-

sale store defines specific steps designed to increase customer satisfaction. At the same time, country headquarters devise programmes that can be used on the national level. The data collected in the following quarter are used to measure the success of these efforts. With the Customer Satisfaction Pulse Initiative, METRO Cash & Carry has created a regular process that it can use to fuel customer-focused improvements.

Customer-specific marketing

METRO Cash & Carry is committed not only to constantly improving its range of products and services, but also to communicating a more individual message to its customers. To this end, our sales line employs new customer communication formats such as targeted 1:1 marketing. The basic idea of this approach is to further develop print and mass communications like the printed publication METRO Post. In this work, METRO Cash & Carry aims to communicate with customers on a more digital and individual basis as well as to more closely dovetail the various channels. In the first element of this marketing program, METRO Cash & Carry has introduced 1:1 couponing on a test basis in Russia, Poland, Germany and the Netherlands. As part of this program, the sales lines identifies customers whose purchases at METRO Cash & Carry have declined. In another part of it, new offerings are created using customer-specific transaction data.

The introduction of 1:1 couponing and the individual METRO Post in additional countries are being prepared at the moment. METRO Cash & Carry is also working to improve its infrastructure and data mining options. As a result, it will be able to send personalised customer communications by e-mail, post and text message.

Tailored assortments

A broad product range designed to meet the needs of individual target groups, quality, freshness and tailored services – these are the compelling benefits METRO Cash & Carry offers to professional customers in 28 countries around the world. Our sales line markets products from renowned producers as well as own-brand products that combine high quality with attractive prices. The product assortment comprises about 50,000 items. METRO Cash & Carry emphasises local products: up to 90 per cent of its assortment is purchased from local producers and providers.

In financial year 2013/14, our sales line further expanded its assortment of local products. In addition, METRO Cash & Carry added more than 80 Greek and Turkish products to the Mediterranean assortment introduced in Germany in 2013, bringing the total number of products to 450.

International procurement strategy

METRO Cash & Carry supports independent businesspeople with a broad product range. In particular, the selection and composition of food products are critical to the company. The reason for this is clear: our sales line generates approximately 80 per cent of its sales from these products. To be able to offer a unique and attractive product range to customers in every country where it does business, METRO Cash & Carry employs a company-wide procurement strategy. The main objective of this strategy is to obtain products as directly as possible in order to have the greatest influence on such aspects as quality, price, availability and sustainability. Procurement category teams decide whether a category will be procured on a global or local level. The country organisations themselves handle local procurement. Up to 90 per cent of foods continue to be purchased locally. For products that are produced in a particular region but are sold in a large number of countries, such as Italian cheese and Spanish wine, METRO Cash & Carry bundles demand and purchasing.

To be able to procure goods directly where they are produced, our sales line opened international trading offices (ITO) in 2009. Today, METRO Cash & Carry has six such procurement centres located in Rotterdam, Boston, Concarneau, Valencia, Hong Kong and Düsseldorf. In 2013, the trading office in Valencia procured more than 200,000 tonnes of fruit and vegetables from producers in Spain, Italy, Morocco, Greece, Turkey and countries overseas for combined orders from METRO Cash & Carry countries. METRO Cash & Carry countries benefit from these structures in a number of ways: they lower product costs and result in a better purchase price. Furthermore, uniform quality and traceability standards are applied and a high level of reliability is assured. In financial year 2013/14, METRO Cash & Carry achieved a volume of €1 billion with the joint procurement of foods.

Strong own brands for professional customers

Since 2009, METRO Cash & Carry has been forging ahead with its own-brand strategy through a focused product portfolio: the six core own brands Aro, H-Line, Horeca Select, Fine Life, Rioba and Sigma offer excellent value for money and thus real added value, particularly for professional customers. The own-brand share of METRO Cash & Carry's total sales rose to 17.0 per cent during the reporting period. This amounts to sales of €5.2 billion.

In particular, the own brand Rioba, which features special product solutions for cafés and bars, represents a success story. The product range includes professional espresso machines and a complete tableware assortment as well as various coffee varieties and baked goods. There are now a number of Rioba cafés that have been set up as part of a partnership between METRO Cash & Carry and coffee shop owners. Launched as complete solutions, the coffee shops exclusively use and sell own-brand products.

Flexible merchandising concept

From the very beginning, the merchandising concept of METRO Cash & Carry has been one of the strengths of the wholesale store operator: it is so flexible that it can be optimally adapted to meet the specific conditions and needs of the respective countries. METRO Cash & Carry varies its formats, particularly with respect to assortment depth and selling space, which covers anywhere from 2,500 to 22,000 square metres. Most of the stores have a selling space of between 6,500 to 8,500 square metres.

In addition, METRO Cash & Carry is increasingly adding new sales formats to account for different customer groups' expectations and needs. Our sales line has developed a special store format especially for city centre locations in France. These city centre stores have been successfully introduced in Italy and Spain as well. With a selling space of up to 3,000 square metres, these stores systematically address the needs of the key target group of hotels, restaurants and catering firms, and primarily offer fresh foods. Thanks to city centre locations, METRO Cash & Carry can shorten trips made by suppliers and customers. This enables fast and comfortable shopping – and makes it easier for customers to meet urgent needs in a timely and cost-effective manner.

In response to tremendous competitive pressure and aggressive price policies, METRO Cash & Carry in Italy has introduced the new budget concept METRO Piazza Affari as a new format. The first pilot store opened in February 2013 in Abruzzo, a less-prosperous region of Italy. To increase productivity, the store's inventory was reduced: the number of food products being sold was cut by 50 per cent compared with other stores, and the non-food assortment was even reduced by 70 per cent. At the same time, METRO Piazza Affari offers about 2,000 items whose individual prices are more than 10 per cent lower than those at other wholesale stores. The aim is to generate a large volume of sales as a way of gaining market share and generating profitable growth.

Expanded business model: delivery

Delivering goods to customers contradicted the original cash-and-carry concept for many years. The delivery service is now considered one of the most important successes in the sales concept's transformation. By expanding its business model, METRO Cash & Carry aims to attract new customers, with a particular focus on hotel and restaurant owners as well as catering firms. This option, which was introduced in 2009, has become an integral part of the services offered in all countries where METRO Cash & Carry does business. Around the world, several thousand employees work to process customer orders, package products and then deliver them. With its delivery service, our sales line generated sales of €2.8 billion during financial year 2013/14 – a 13.6 per cent increase over the comparable period in 2012/13.

The delivery service also aims to create customer value: the simple ordering process enables customers to save time shopping. Professional customers can order goods in the same high quality they have come to expect at attractive prices, and they can do so by using a number of channels. Customers typically receive their orders within 24 hours. Additional services such as personalised order forms and pre-commissioning with in-store pick-up round off the sales line's service range. In addition, online shops complement stationary stores in countries such as China, Poland, the Netherlands, Romania and Hungary. Customer service is also provided by the sales line's sales force, which works with customers on site and serves as the first point of contact for customer requests. The aim is to optimise consulting and service options for customers, to better leverage the existing potential for expanding customer business through personal

contact, and to generate greater sales. The specially trained sales employees have a unique range of products they can actively offer to their customers.

Further development: Food Service Distribution (FSD)

To provide even better service to customers and to continue to produce profitable growth, METRO Cash & Carry began to further professionalise and optimise its delivery service during financial year 2013/14. As part of this effort, our sales line is working to apply basic rules such as a focused product range, stable prices and a specialised sales force everywhere.

In China, Germany and Russia, METRO Cash & Carry is also restructuring its logistics operations. The aim is to gradually break away from wholesale store-based deliveries on an individual or national basis and to introduce a professional food service distribution concept. This approach is already being taken in Qingdao, China: in June 2014, METRO Cash & Carry opened a distribution centre in the Chinese port city and expanded the existing delivery service in the process. In the approximately 2,000 square-metre depot, the sales line is warehousing products that specifically meet the needs of local Horeca customers. Based on the success of the new distribution centre in Qingdao, METRO Cash & Carry China plans to introduce the FSD concept in other cities as well.

In Germany, the concept will be rolled out at the store in Weiterstadt. A delivery depot was integrated into the wholesale store in 2010 and was expanded in 2014. In the future, the centre will store fresh and ultra-fresh items, regional products and fast-moving items. For slow-moving products, METRO Cash & Carry will use its central warehouse in Hamm. In years to come, METRO Cash & Carry plans to introduce this concept in other wholesale stores.

During financial year 2013/14, METRO GROUP also acquired a 75 per cent stake in the Spanish food service distribution company MIDBAN. The aim of the transaction is to grow the food service distribution business at METRO Cash & Carry Spain and to sustainably secure the company's excellent market position.

Network for independent retailers

The support of independent food retailers – especially in emerging markets – is also a key business area for METRO Cash & Carry. For this customer group, our sales line has developed specially tailored programmes. The key aim of these programmes is to bolster the competitiveness of small retailers, protect their independence and establish long-term business relationships with these customers. The programmes comprise country-specific measures that help to professionalise and modernise professional customers' businesses. Together with the customer, METRO Cash & Carry analyses and assesses, for example, specific store parameters and operations. Drawing on the collected data, the sales line's employees develop specific improvement measures with a view, for instance, to assortments, prices, store layout and marketing. In Russia, the Czech Republic and India, METRO Cash & Carry regularly organises seminars to impart specific trade knowledge to independent retailers.

Our sales line has now introduced the Trader Franchise Programme for independent food retailers and kiosks in nine countries. Here, METRO Cash & Carry acts as a kind of franchisor with an individual advertising campaign and offers the companies training, advice on assortments, marketing packages and professional price comparisons. The store owners manage their stores completely independently, but use standardised logos and the joint advertising campaign for their own purposes. METRO Cash & Carry provides the necessary expertise, offers professional support and delivers the products. In turn, retailers agree, among other things, to include a minimum number of own-brand articles and products in their assortments. In addition, the assortment of the small food stores is designed to ensure that consumers find everything to satisfy their daily needs – including fresh fruit and vegetables. More than 6,000 independent retailers have now joined the franchise network.

Focus on growth regions

METRO Cash & Carry has the largest global footprint of all METRO GROUP sales lines. It operates in 28 countries on two continents and faces different conditions in each individual market. While trade structures in the Western European markets are already fully developed, markets in Eastern Europe and Asia are in different developmental phases – this must be taken into account in the sales line's daily work.

METRO Cash & Carry continued to expand its store network in financial year 2013/14. A total of 17 new wholesale stores were opened. The international share of sales declined from 84.5 per cent to 84.2 per cent. In line with our strategy, we first concentrated on improving like-for-like sales in markets where we already do business and accelerating expansion in selected countries where we already have stores. The focal areas of expansion are the growth regions of Eastern Europe and Asia, particularly China, Russia and Turkey. In financial year 2013/14, we also identified India as another country for the international expansion of METRO Cash & Carry. The aim is to have 50 wholesale stores in India in the year 2020. The company continues to sharpen its focus and is concentrating on stores and regions where market share can be gained. For this reason, METRO GROUP decided to give up its cash-and-carry business in Egypt and Denmark. In addition, an agreement to sell METRO Cash & Carry Vietnam to the Thai retail group Berli Jucker Public Company Limited was concluded.

Media-Saturn

In terms of sales, Media-Saturn is METRO GROUP's second-largest sales line and number one among consumer electronics stores in Europe. Media Markt, Saturn, the online retailer Redcoon and the Russian online shop 003.ru belong to the group of companies. These sales brands carry out business autonomously in the marketplace. The company 24–7 Entertainment, one of Europe's leading providers of technology for the distribution of digital content, is also part of the sales line. In addition, Media-Saturn holds a stake in Xplace, a technology service provider that is one of the leaders in the European market for interactive customer information, as well as in Flip4New, a leading German platform for purchasing used electronic products.

Since 2010, the two sales brands Media Markt and Saturn have been systematically transforming themselves by employing a clearly defined multichannel strategy in which the stationary business is closely linked to corresponding online shops and mobile offerings. The core competences of attractive prices, large selection, innovation, brand variety, service offers and eye-catching advertising will remain key objectives in the future. This strategy is designed to fuel the continued international growth of Media Markt and Saturn.

Redcoon and 003.ru, on the other hand, are positioned as online providers of discounted electronic products and sell them exclusively via the Internet.

Flip4New purchases used electronic products through Media Markt and Saturn in exchange for vouchers. In Germany, customers can make these transactions on mediamarkt.de and saturn.de as well as in all Saturn stores. Customers in Austria, the Netherlands, Poland, Spain and Sweden can also take advantage of this service. It is to be introduced in Belgium, Italy and Switzerland by the end of 2014.

Multichannel and dual online strategy

Consumers are increasingly going online to learn about products and to obtain goods and services. The Media-Saturn group of companies has responded to this trend in its dual online strategy. While Media Markt and Saturn increasingly serve customers both at stationary stores and in online shops, Redcoon and 003.ru have exclusively positioned themselves as pure online retailers. The objective is to also lead the European market for online consumer electronics retailing.

A core element of the strategy employed by Media-Saturn is the dovetailing of sales channels. As a result, Media Markt and Saturn customers can choose to purchase products online from home, with their smartphones while on the go or in their local consumer electronics store. Products can be ordered online and, if available, picked up on the same day at the nearest store. If a customer needs additional assistance with the product purchased online, he or she can also get this at a selected Media Markt or Saturn store. In some cases, service packages can also be booked online. To provide customers with even more flexible online shopping options, Media Markt and Saturn are currently testing same-day delivery and scheduled deliveries in a number of cities in Germany. In nearly all countries, Media Markt and Saturn have improved their online offering for smartphones so customers can shop while they are on the go. The multichannel strategy will be systematically expanded. In financial year 2013/14, our Media-Saturn sales line extensively revamped its structures to

meet multichannel needs and adapted its internal processes, structures and interfaces to address the requirements of the new strategy. At Media-Saturn E-Business GmbH, all operational areas that were formerly located in various areas of the company were combined in a cross-channel manner. At the end of financial year 2013/14, customers in 13 countries could shop online or on mobile devices at Media Markt and Saturn: in Austria, Belgium, Germany, Greece, Hungary, Italy, the Netherlands, Poland, Russia, Spain, Sweden, Switzerland and Turkey.

Moreover, Media Markt and Saturn are increasingly positioning themselves in the digital entertainment segment. For several years now, they have been offering digital products online – including music and film files, video games, computer programs and e-books. Through a subscription system, the online service JUKE, operated by 24–7 Entertainment GmbH, provides customers with unlimited access to more than 25 million music tracks in a streaming process – via computers, smartphones and tablets as well as selected digital home entertainment systems.

The second core element of the online strategy of Media-Saturn is pure online retailing. The sales brand Redcoon, one of the largest German-language online discounters for televisions, household appliances, computers, notebooks, smartphones, digital cameras and stereos, is represented in a total of eight European countries. With Redcoon, our sales line can target price-conscious consumers who shop online. In Russia, Media-Saturn does business in this segment by way of the company 003.ru.

A culture of competition

Media Markt, Saturn, Redcoon and 003.ru act as competitors in the marketplace, a fact that fuels their performance. In addition, the individual Media Markt and Saturn consumer electronics stores are generally positioned as independent companies in which the local managing director holds a stake of up to 10 per cent. This organisational structure provides managers with decision-making freedom and facilitates entrepreneurial thinking and actions. It also ensures that each store can flexibly react to local conditions. For example, a large number of customer contacts, advertising campaigns, product selection and personnel planning are managed directly by the individual consumer electronics stores. As part of the multichannel strategy, stores also receive a share of online sales, including for products that are ordered online and then picked up in the store.

Comprehensive selection and service

Media Markt and Saturn view themselves as industry trendsetters. This fact is reflected in the selection and presentation of products online and in stores as well as store design. The entire assortment in flagship stores – marquee stores in excellent locations – includes up to 100,000 items, particularly small and large electronic devices as well as entertainment electronics and media. In the online shop, consumers can select from approximately 60,000 individual items, and this number is rising sharply. The sales brands also offer services such as financing, warranty extension, repair and disposal of old devices and appliances. Under the umbrella of "Power Service", Media Markt and Saturn provide a number of additional services, including delivery, set-up, data recovery, inspection of built-in units and satellite systems, and maintenance packages. In July 2014, Media Markt and Saturn added their own mobile phone rates.

Large selection of own brands

In 2010, Media Markt and Saturn began to offer exclusive own brands in Europe: "ok." for the budget price segment and "KOENIC" for high-quality small and large household appliances. Media-Saturn also introduced the "PEAQ" brand for consumer electronics as well as the "ISY" brand for accessories. In 2014, redcoon.de began to sell these brands as well. There are currently about 400 own-brand items available for sale. As a result, the consumer electronics stores cover all price segments and an array of product categories. To assure the highest possible product quality, the sales line works closely with well-known manufacturers. Own-brand products are available in most countries where Media Markt and Saturn operate stores. Media Markt and Saturn are also gradually adding these products to the assortments of their respective national online shops.

Strong marketing campaigns

Media Markt, Saturn and now Redcoon are known for their unusual advertising campaigns and memorable slogans both in Germany and in other countries. Media Markt and Saturn advertisements are designed to inform, entertain, polarise and attract people at the same time. During the reporting period, the sales brands once again launched marketing campaigns that caught people's attention. One example of this was the Media Markt

campaign "Jetzt spart ganz Deutschland die Mehrwertsteuer" (We're dropping the value added tax across Germany): for three days in July 2014, customers received 19 per cent off their purchases. For its part, Saturn further refined its brand message "Soo! muss Technik" (Technology: the way it has to be!). The campaign with the new character Tech-Nick that was launched in October 2013 was continued in 2014. Under the slogan "Bei Technikfragen Tech-Nick fragen" (For tech questions, ask Tech-Nick), the friendly "store employee" (actor Antoine Monot Jr) advises customers on their purchases. Tech-Nick also shares his thoughts on his own Twitter channel. Media Markt and Saturn have aligned their marketing concepts with the multichannel strategy and are continuously expanding their presence in social media networks. In addition, Saturn regularly publishes the free customer magazine "TURN ON", which unites print and online media. For its part, Media Markt is increasingly focusing on integrating all media. In the process, the sales brand will fill the various channels with content depending on its needs.

Expansion and store optimisation

In Europe, Media-Saturn is number one in consumer electronics retailing. As of the end of September 2014, the sales line had 986 stores in 15 countries and operated a pure online sales channel in nine countries. The selling space in the consumer electronics stores ranges from 1,000 to 18,000 square metres.

In the financial year, Media-Saturn had 38 more consumer electronics stores than it had on 30 September 2013. The company will press forward with its expansion as well as continuously expand its online offering. At its existing stores, our sales line is continuously optimising its portfolio and fine-tuning it to address the latest trends and customer needs. This work also includes tests of new formats and space concepts such as Saturn Connect in Poland, a proximity store concept with small shops that specialise in connectivity and mobile products. Another format that Media-Saturn has been testing since May 2013 is Media Depot in Hungary. The concept is based on a simple warehouse atmosphere and a new product mix that includes a large number of white goods and supplemental items for such things as gardening and leisure activities. It is designed in particular for economically weaker countries and regions. With the newly opened Media Markt at the company's headquarters in Ingolstadt, Media-Saturn has created a modern, multichannel shopping experience that epitomises multichannel retailing. The consumer electronics store's numerous interactive offers represent the future for the sales line's other stores. To profit even more from synergies, Media-Saturn in Belgium, the Netherlands, Italy and Turkey is focusing on the Media Markt sales brand. A large majority of Saturn stores were reopened in these countries as Media Markt.

Real

A comprehensive range of food and non-food products, high-quality fresh items and attractive prices: all this makes Real one of the leading hypermarket companies in Germany. Its aim is to provide customers with the best shopping experience as a result of its product expertise, variety, attractive prices and modern stores. The sales line operates 307 stores across Germany, including two drive-thru grocery stores as well as the Real online shop. Its business in Turkey was acquired by Hacı Duran Beğendik during the reporting period.

Real's hypermarkets have between 5,000 and 15,000 square metres of selling space. These stores offer customers products that cover all their daily needs under a single roof. Real generates three quarters of its sales with food items. The centrepieces of its product range are fresh foods, including fruits and vegetables, meat, sausage, fish and cheese. Real also offers a wide range of non-food items, including electronic devices, household products and textiles. Up to 80,000 different items are available in every Real hypermarket. In response to customers' changing shopping habits, Real has more closely dovetailed its stationary retail operations with its online business. As a result, the sales line can interact with customers on a cross-channel basis both in stationary retail and online.

Our sales line continues to systematically employ the strategy it devised at the end of 2012. This strategy addresses every business segment at Real and covers six focal points: customer orientation, marketing efficiency, multichannel operations, supply chain management and purchasing, operational excellence and new organisational structures/corporate culture. Each of the projects described below must make a clear contribution to one of these focal points.

Successful transformation

In 2014, Real systematically continued to carry out its strategic transformation. In the process, it reinforced and expanded new structures and processes. At the beginning of 2014, all business operations conducted by Zweite real,- SB-Warenhaus GmbH, including the stores, were spun-off and transferred to real,- SB-Warenhaus GmbH. Since then, the 64 stores have been integrated into the Real store network. This step reduced administrative complexity.

To keep the company on its successful course, Real took far-reaching modernisation steps during the reporting period and examined its store network. As part of these considerations, a decision was taken to close 16 stores – partially due to a lack of business opportunities and partially due to expiring leases that contained no extension option. At the same time, Real bolstered its profitable stores: in Göttingen, Kulmbach and Regensburg, METRO PROPERTIES acquired the properties from Redos Real Estate GmbH. In the process, the leases with Real were extended ahead of schedule. Furthermore, METRO GROUP acquired ten stores from the Delek Group of Netanya, Israel. These stores are located in Bremerhaven-Pferdebade, Castrop-Rauxel, Groß-Gerau, Darmstadt, Freiburg (Gundelfinger Straße), Heidenau, Würzburg (Nürnberger Straße), Wetzlar, Raunheim and Wiesbaden (Mainzer Straße). This acquisition will facilitate an orderly structuring and systematic development of the store network.

Far-reaching changes were also made in the entire supply chain operation. As a result of a logistics system that has been adjusted to the inventory turnover of individual product groups and a higher central warehouse share in the dry goods range, incoming deliveries will be sharply cut and costs will be lowered. At the beginning of financial year 2014/15, the transfer of ownership of the warehouse inventory from METRO LOGISTICS to Real took effect. Altogether, the changes will significantly improve product availability in stores. Thanks to lower costs throughout the entire supply chain, efficiency will also be improved. In addition, inventories in the central warehouse and in stores will be significantly reduced.

Store refurbishment

The new concept implemented at the Real hypermarket that opened in October 2013 in Essen has been a success: between November 2013 and August 2014, sales climbed by more than 15 per cent and the number of customers increased by more than 25 per cent. For this reason, our sales line modernised 30 more stores in the first half of 2014 on the basis of the Essen concept. While the focus of the food section was primarily placed on sales campaigns and seasonal displays in the entryway, new non-food concepts have been designed to set Real apart from its competitors. All product areas have been better geared towards changed customer habits: the layout of product sections and departments is increasingly based on customer behaviour while searching for items. The stores now seem bigger and more clearly organised thanks to wider aisles, an open central corridor and lower shelves. The altered assortment structure and product location as well as new services that include free Wi-Fi significantly increase customer value. Positive feedback and increased customer frequency in the refurbished stores prompted Real to introduce the new concept at 20 other hypermarkets in the fourth quarter of the reporting period. A large number of other stores are scheduled to follow in financial year 2014/15.

New concepts involving fruit, vegetables, textiles and drugstore items are helping to boost the attractiveness of our hypermarkets: the new fruit and vegetable concept "Milano" that has been added to 185 hypermarkets is based on modular components that are broken down by the areas of organic foods, regional products and exotic items. Handwritten product signs evoke the feel of a weekly market. The changes have had a positive impact on the number of customers, average transaction value per customer and thus sales: some stores with restructured fruit and vegetable departments recorded double-digit increases in sales during the first weeks after the changes. By the beginning of 2015, the "Milano" concept is scheduled to be expanded to about 200 fruit and vegetable departments.

With the "textile" concept, our sales line is continuing to tap the high level of differentiation potential offered by one of the most important product groups. Real is striving to become one of the leading sellers of textiles in Germany. By focusing on in-house development, increased direct sales from relevant procurement markets and a consolidation of suppliers, the textile segment is repositioning itself. As part of this effort, our sales line is modernising the product presentation of clothing collections in all hypermarkets. The basis of these changes

is a comprehensive analysis of customers. In addition to focusing on proven basics, classic clothing and seasonal trends, Real is concentrating on textiles that can be combined with one another in a number of ways. The concept is unique and is setting new standards. In the drugstore department "Meine Drogerie", Real has developed a new concept that creates a more emotional shopping experience. It has already been introduced in 31 stores and will be used in all other store refurbishments.

With its modern store concepts, Real is underscoring its leading role in Germany's food retail industry. This simplifies working relationships with business partners. For suppliers, Real has become a pacesetter in the addition of innovations to its product mix. Furthermore, Real category management is working closely with manufacturers to develop brand-name products exclusively for Real and is continuously developing its own innovations in the area of customer approach and services.

Closer to the customer

Another element of this systematic transformation is the sales line's territorial strategy. After completing the pilot phase launched at 32 stores in 2013, Real will introduce it at all 307 hypermarkets across Germany. The objective is to better leverage existing customer potential in the stores' catchment areas. To this end, the sales line analysed each hypermarket's catchment area using data provided by the Customer Information Management (CIM) and Controlling departments. Data about customer groups as well as information regarding competitive influences and purchasing power were also evaluated. These data identify the areas of the store that have the greatest potential: in terms of regaining former customers and attracting new ones through targeted advertising activities, increasing customer frequency and boosting the average consumer transaction value. Using these findings, stores can more precisely address the needs of customers, develop more specific measures and tailor their product ranges. Continuous and accurate controlling of the data generated each day reveals whether decisions were effective or whether the stores must take additional steps.

Own-brand share continues to grow

With the three own brands "real,- QUALITY", "real,- BIO" and "real,- SELECTION", Real offers its customers an alternative to traditional brand-name products priced in the medium-to-upper segment that is both inexpensive and of equal quality. With "TiP", the sales line also runs one of Germany's most well-known own brands in the budget price segment. In October 2013, another brand was added to the own-brand line-up: the "Marke ohne Namen" (No-name brand) is specifically designed for the customer group whose buying power falls below that of average consumers and offers prices that are lower than the discount level. The slogan "Ohne Schnickschnack. Ohne teuer." (No frills. No extra cost.) sums up the brand promise. The products clearly distinguish themselves from the other own brands sold in food retailing. After starting with 20 products, the range has been expanded to 100 food and non-food items in response to positive customer feedback. As an example of the quality found in the "Marke ohne Namen" line of products, the "MoN fruit-nut mixture, 500 g" won the Salute to Excellence Award as the best own-brand product from the Private Label Manufacturers Association (PLMA) just eight months after its store introduction.

During the reporting period, Real had more than 5,500 own-brand items in its product range. The products that Real sells under its own name help to sharpen the brand's profile. In addition, the margins of own-brand products are frequently better than those of traditional brands. Real also has exclusive own-brand food and non-food products that do not include "Real" in their names. As part of this strategy, Real introduced Sôi, the own-brand line of drugstore products at the beginning of financial year 2014/15.

Round-the-clock shopping

Real has designed all of its digital projects in a way that will bolster the stores' stationary business. The effort has been running very smoothly ever since our sales line took over the logistics of the online shop in August 2013 and the online operation has been more closely integrated into the stationary business: sales are well above the previous year's level, and the cost structure has been significantly improved. The four hypermarkets in Bochum-Wattenscheid, Wildau, Göttingen and Böblingen-Hulb have assumed the role of master stores: they put together the products ordered online and ship them. Customers can choose to have their purchases delivered to their home, to a Deutsche Post Packstation or to their local hypermarket free of

charge. Working people in particular benefit from longer opening hours with the store delivery option. This system creates new incentives for customers to visit our hypermarkets.

In addition to the non-food business, the food segment can profit from the new online solution. In October 2013, Payback coupons were linked to the Real app. The digital coupons are activated by the app, and the customer only has to present the Payback card at the cash register to collect extra points. The app has been found to create an additional buying incentive, something that will promote customer frequency and sales. Each month, customers redeem about one million e-coupons using the Real app. Following the relaunch of the Real app in September 2013, it was the most frequently downloaded app in the lifestyle category of the Apple App Store with 32,000 downloads. By the end of September 2014, the app had been downloaded 750,000 times.

As part of its multichannel operations, Real operates two drive-thru grocery stores in Isernhagen-Altwarmbüchen near Hanover and in Cologne-Porz. Customers can order food and drugstore items online at www.real-drive.de and then pick up the order two hours later at one of the two pick-up stores. In the upcoming financial year, the drive concept is scheduled to be introduced to at least two other stores.

Turning customers into fans

During the reporting period, Real modified its entire advertising activities to reflect the new, modern marketing concept. The objective is to be authentic and turn customers into true fans. As part of this work, the weekly advertising flyer was completely redesigned in January 2014. The result is a more modern, dynamic and attractive flyer with a high level of brand recognition.

Since March 2014, the new Real advertising campaign has given an authentic, credible and emotional new look to the Real brand. The main characters of the TV commercials are actual Real customers in everyday settings. The four ads broadcast during the reporting period promoting textiles, barbecuing, the World Cup and drugstore items caught people's attention and attracted new customers.

During the entire reporting period, Real exhibited product range expertise with supplemental advertising flyers and the continuation of the gourmet weeks entitled "Das Gute Essen" (Eat good food). Using the slogan "Zu Ostern das Beste genießen" (Enjoying the best at Easter), the sales line offered a large number of culinary specialities for traditional Easter meals and a relaxing Easter brunch. During the final quarter of the financial year, the "Italienwochen" (Italian weeks) were repeated. As is typical for this unique sales promotion, a special selection of high-quality products, some of which were available for only a limited time, were offered.

Real has extended its agreement with its long-time partner Payback until 2020. Our sales line is investing in additional customer services as a way of making shopping easier, faster and less expensive for Payback customers. As a result, Payback customers have been able to digitally collect their points for regular Real loyalty campaigns since mid-February. With this option, which was unique on its launch date in Germany, Real has bolstered its position as a leader in innovation in the German retail industry. In June 2014, Real became the first member of the food retail industry to issue an exclusive reward catalogue containing a large selection of brand-name products. In September 2014, customers were also given the option of redeeming their points in Real's online shop.

To celebrate the World Cup, Real launched many exciting campaigns in its stores and online channels: following "Real Minis", the second major campaign of the year was launched in May 2014 with the collectible cards "Welt Fußball Stars" (World football stars). During the competition itself, the website real.de was filled with World Cup information. A special World Cup section provided users with a live ticker, a schedule that included real-time results and up-to-date information. On the website as well as the app for smartphones and tablets created for this express purpose, users could also put their penalty-kicking skills to the test. They could also use the app to fill in a digital photo album. The special brochure "Kochen wie die Weltmeister" (Cook like a world champion) provided customers with some culinary inspiration from the eight nations whose teams have won the World Cup in the past. The products needed to cook these dishes were presented in an authentic setting in the stores.

Use of new media

Real has successfully employed new media for marketing and communication purposes. For its digital flyer strategy, the systematic use of individual digital communication channels and its "digital maturity", Real received a rating of "good" on the Digital Readiness Index for Retailing Companies in Germany

during the financial year. As a result, it finished in third place. Employing more than 80 evaluation criteria, the strategic consulting firm Neuland analysed the digital strengths and weaknesses of participating companies. The jury expressed particular praise for Real's continuous commitment to the areas of "online", "mobile" and "social".

Real uses social media to maintain its dialogue with customers: the sale line's official Facebook page had more than 423,000 fans as of mid-2014, a total of 63,000 more than a year earlier. Such results make Real the leader among its competitors. In addition, the sales line also informs customers about its products, services, deals and sweepstakes on its own YouTube channel and the microblogging platform Twitter.

Customer satisfaction rises again

The results of the Customer Barometer 2014 showed that Real made further improvements regarding the quality of meat and cold-cut products as well as in the fruit and vegetable department. In terms of employee friendliness and expertise as well as value for money, our sales line continued to make significant strides regarding customer satisfaction compared with the first survey year. The Customer Barometer is a telephone survey of about 34,000 German consumers that Real conducts once a year, most recently in January and February 2014. The survey questions address service aspects that are very important to Real. These provide the basis for the calculation of a performance index. Furthermore, Real has used additional indices to measure the trust and loyalty of its customers since 2010.

Responsible business practices

In addition to freshness, product variety, price perception and digitisation, the issues of sustainability and social responsibility play a major role at Real. For this reason, the company has integrated sustainability into its strategy and is expanding its social and environmental commitment throughout its entire value chain. In line with its credo "Handeln aus Verantwortung" (Responsible business practice), Real is carrying out a large number of projects and activities in the areas of product range, environment, employees and customers. In one reflection of this effort, our sales line is continuously increasing the share of socially fairly and environmentally consciously produced goods and regional products in its assortment, systematically investing in energy-saving technology and efficiently using resources at its stores. Social commitment forms another central pillar of Real's sustainability activities. Real plays an active role in a large number of charitable projects and regularly organises local collection drives to support social initiatives. During the reporting period, Real joined its customers in donating more than €800,000.

For more information about the sustainability activities of Real, see the combined management report in chapter 8 Sustainability management and the METRO GROUP Corporate Responsibility Report 2013/14.

Galeria Kaufhof

Galeria Kaufhof is the market leader in the department store segment in Germany and Belgium. The sales line is positioned as a modern retail brand and as a competent multichannel retailer with an unmistakable profile. Its stores are characterised by high-quality, international product ranges. They comprise both well-known manufacturer brands and high-quality own brands. The department stores, which have between 7,000 and 35,000 square metres of selling space, are generally located in prime city centre locations. In Germany, Galeria Kaufhof operates 105 department stores under the names Galeria Kaufhof and Kaufhof as well as 17 sporting goods stores under the names Sportarena and Wanderzeit. In Belgium, the sales line operates 15 stores under the name Galeria Inno. The service company Dinea operates the restaurant section in around 60 department stores in Germany.

New company structure

In financial year 2013/14, our Galeria Kaufhof sales line was given a new corporate structure. The reason for this change was the dissolution of the real estate segment of METRO AG as of 1 October 2013 and the integration of operational activities into the respective sales lines. As a subsidiary of METRO AG, Galeria Holding GmbH now comprises the operational department store business and the real estate portfolio. Three subsidiaries operate under its umbrella: Galeria Kaufhof GmbH continues to run the operational department store business with all subsidiaries that are part of it. Galeria Immobilienservice GmbH serves, among other things, as the property service provider and as an interim tenant between Galeria Kaufhof GmbH and the real estate companies. Galeria Real Estate Holding GmbH is responsible for the strategic management of the real estate portfolio.

The core strategy: multichannel

The goal of Galeria Kaufhof is to become Europe's leading multichannel department store. In particular, the company sees growth opportunities in the systematic dovetailing of its outlet and online business; that is, the integrated use of stationary and digital sales channels for customer assistance and sales. In the reporting period, Galeria Kaufhof pushed ahead with its effort to link its online channel, galeria.de, with its store network: in the summer of 2014, our sales line began to use approximately 1,100 tablets in its German stores. In more than 1,000 training sessions, all employees were taught how to use the tablets. The mobile computers give users access to the inventories of all department stores and to galeria.de. With this new service, the stores provide access to products that they do not have in stock or that are not part of their normal lines. The selected articles can be sent either to the address provided by the customer or to the local store. About 160,000 items are currently available in the online shop galeria.de. This product range will be gradually expanded. Our sales line is bolstering its competitive position by closely linking its online channel with its stationary retail network. At the same time, Galeria Kaufhof is creating added value for its customers. They can now experience the Galeria Kaufhof brand on all channels: conveniently at home, on their smartphone or as a shopping experience at the store. In financial year 2013/14, online sales generated by Galeria Kaufhof totalled about €63 million. This amounted to an increase of 64 per cent compared with 2012/13. The aim is for the sales line's online operation to produce about 10 per cent of total sales in about three years.

Localisation process advances

During the reporting period, Galeria Kaufhof remodelled five stores – without interrupting business. The aim of this refurbishment was to give the department stores an appealing new look and to create a new atmosphere. In addition, the assortment was tailored to meet local needs. After all, the relationship among customers, the local market and local competitors varies from store to store. Customer needs always guide this work – for each business area. By carrying out this localisation process, our sales line is producing added value for its customers and can tap additional potential at its stores.

Regular analyses ensure that Galeria Kaufhof can quickly respond to changes in the local competitive environment or the local market situation at an early stage. Based on such research, our sales line decided in 2013 to close the department stores located in Düsseldorf Berliner Allee (late 2014), Augsburg (mid-2015) and Heilbronn Am Wollhaus (late 2015). These department stores offered no business or strategic potential for profitable operation in the long term. During the reporting period, work began to develop socially fair solutions for affected employees.

In Belgium, Galeria Inno will open a new store in the fashion city of Hasselt in the province of Limburg in November 2014. The department store, which has a prime location in the city centre, has more than 8,000 square metres of selling space. With this new department store, the number of Galeria Inno outlets that the company operates in all major cities across Belgium has risen to 16.

Website for Chinese customers

With a new Chinese-language website, the sales line has underscored its strong customer orientation. The company launched the website galeria.cn at the beginning of August 2014. At this site, customers in China can learn about the company, its brands and its outlets as well as about special services for international customers before they travel to Germany. Thanks to a tax-free service, customers can easily and conveniently receive a VAT refund for their purchases. Chinese visitors are customers with substantial purchasing power. In the reporting period, tax-free sales generated by Chinese customers at Galeria Kaufhof in Germany rose by 23 per cent compared with the previous year.

An event-filled anniversary year

In 2014, our Galeria Kaufhof sales division celebrated its 135th anniversary. With the opening of a small textile shop in Stralsund, the businessman Leonhard Tietz laid the foundation for the company on 14 August 1879. At the time, a department store was an innovation. Unique features included the availability of many different products under one roof, the opening of the store to any customer, set prices and cash sales.

Under the slogan of "Wir feiern unser Jubiläumsjahr" (We are celebrating our anniversary), Galeria Kaufhof surprised its customers across Germany with numerous events and special deals. Some stores, for instance, offered huge anniversary cakes and the proceeds from the sales of these treats were donated to charities. For eight traditional stores, our sales line created a touring exhibition that took viewers on an entertaining and interactive journey through the 135 years of the company's history.

INVESTMENT

2

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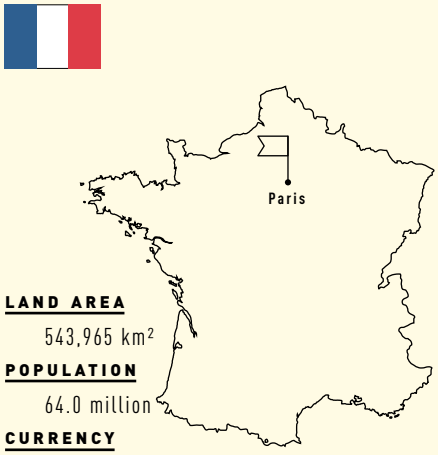
FOCUS MARKET

FRANCE



LAND AREA
543,965 km²

POPULATION
64.0 million

CURRENCY
euro [EUR]

BONJOUR!

[bɔ̃.ʒuʁ]

HELLO!

In terms of land area, France is the largest and one of the most populous countries of the European Union. The national economy is the fifth-largest worldwide. France is also the second-largest industrial country in Europe next to Germany. Major pillars of the economy include the aviation and automotive industries, energy, food and agriculture, luxury goods, pharmaceutical products and the chemical and electronics industries. Food is of great importance to French people. France thus has the second-highest per capita spending on food in Europe next to Switzerland.

FR

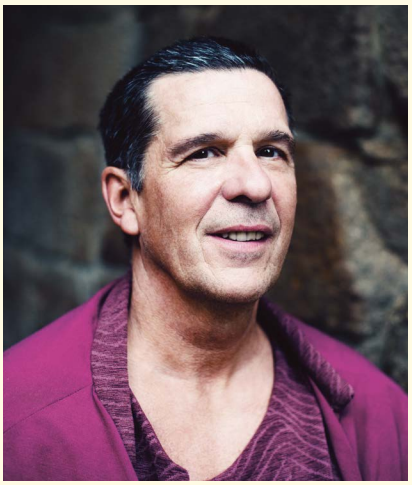
Dinan, France

Alain Colas at the medieval market: Fête des Remparts

AU REVOIR!

[o.ʁə.vwaʁ]

GOODBYE!



↑
ALAIN COLAS is a big fan of the Middle Ages. Old forgotten varieties of vegetables are his speciality. The customers of METRO Cash & Carry also get to benefit from his knowledge and his enthusiasm, because Alain Colas works as an assistant manager in the fruit and vegetable department of the store in Saint-Malo.

FACTS & FIGURES

METRO CASH & CARRY
FRANCE

Market entry
1971

Head office
Nanterre

Number of wholesale stores
93

Number of employees
8,559

Learn more about Alain Colas and his hobby starting on page 30 of the publication "The World of METRO Cash & Carry" or at reports.metrogroup.de/2013-14/metro-world

METRO SHARE

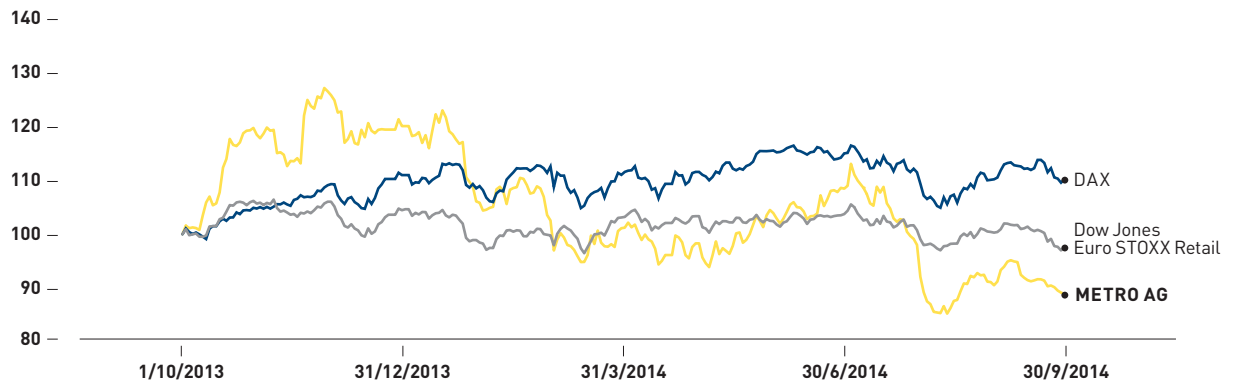
In financial year 2013/14, the METRO share could not repeat the very positive performance it exhibited during the previous year: the price of the ordinary share decreased by 11.0 per cent. During the same period, the Dow Jones Euro STOXX Retail index also declined, falling 2.7 per cent. By contrast, the German stock market index, the DAX, gained 10.2 per cent.

Over the course of financial year 2013/14, the development of the METRO share price showed high volatility. On 27 November 2013, the share price reached its yearly high of €37.28. However, the METRO share came under pressure in January 2014 because the Christmas business failed to meet the expectations of all retailers. In February and March, currency fluctuations in emerging markets and the political situation in Ukraine and Russia had a negative impact on market sentiment and on the price of the METRO share. In mid-April, the price of the METRO share began a steady but at times fluctuating move upwards. One reason for this was the rebound of Russian retail shares. Moreover, the half-year financial report of METRO AG for 2013/14 was positively received by the market.

In early July, though, market sentiment markedly deteriorated due to the geopolitical conflict involving Russia and Ukraine. On the one hand, investors called the possible partial IPO of METRO Cash & Carry in Russia into question. On the other hand, they feared that economic sanctions would result in a decline in demand in Russia, which in turn would negatively impact METRO AG's earnings. In light of these developments, the share price experienced a significant drop, falling to its yearly closing price low of €25.00 on 12 August 2014.

Positive analyst commentary following METRO AG's announcements of two portfolio transactions in August and September boosted the share price. One of these transactions was the agreement with Berli Jucker on the sale of METRO Cash & Carry's Vietnamese business for a total transaction value of €655 million. In early September, the divestment of METRO AG's stake in Booker, which resulted in a cash inflow of €244 million, was also announced. But the good news remained overshadowed by the geopolitical conflict in Russia and Ukraine. Overall, the price of the METRO share was able to recover from its low in August and closed the financial year at €26.08.

Development of the METRO share price (%)



Performance comparison of the METRO ordinary share 2013/14 vs Dow Jones Euro STOXX Retail vs DAX

METRO GROUP	Dow Jones Euro STOXX Retail	DAX
–11.0%	–2.7%	10.2%

Source: Bloomberg

METRO shares 2012–2013/14

			2012	9M 2013	2013/14
Closing price	Ordinary shares	€	21.00	29.30	**26.08**
	Preference shares	€	23.05	23.82	**20.25**
High	Ordinary shares	€	31.18	30.00	**37.28**
	Preference shares	€	27.50	24.84	**29.20**
Low	Ordinary shares	€	20.05	20.88	**25.00**
	Preference shares	€	20.80	21.70	**20.09**
Dividend	Ordinary shares	€	1.00	0.00	**0.90**[1]
	Preference shares	€	1.06	0.00	**1.13**[1]
Dividend yield	Ordinary shares	%	4.8	0.0	**3.5**[1]
based on closing price	Preference shares	%	4.6	0.0	**5.6**[1]
Market capitalisation (billion)		€	6.9	9.6	**8.5**

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

Information about the METRO shares

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

Shareholder structure of METRO AG

The shareholders Haniel, Schmidt-Ruthenbeck and Beisheim are the major shareholders of METRO AG. According to information available to METRO AG, they held 54.88 per cent of the voting rights as of 30 September 2014. The shareholder groups Haniel and Schmidt-Ruthenbeck are the group's major shareholders. According to notifications of voting rights pursuant to the German Securities Trading Act (WpHG), they held 45.78 per cent of the voting rights as of the closing date. The Beisheim shareholder group holds 9.10 per cent of the voting rights according to voting rights notifications.

On 31 October 2014, the voting rights pooling agreement between the Haniel and Schmidt-Ruthenbeck shareholder groups was terminated. According to the notifications of voting rights received by METRO AG from both shareholder groups, Haniel continues to hold 30.01 per cent and Schmidt-Ruthenbeck 15.77 per cent of the voting rights; however, pursuant to § 22 (2) WpHG, these voting rights are no longer combined as of the termination of the pooling contract.

METRO AG's freefloat share of 45.12 per cent is divided among a large number of national and international investors. Mandatory notifications from fund management firms and other publicly available data sources indicate that US and British investors now account for the largest share of institutional investors, followed by investors from Germany and France. According to a voting rights announcement dated 20 November 2012, the largest institutional investor is Franklin Mutual Advisers, LLC, an investment company with 3.06 per cent of voting rights. According to a voting rights announcement dated 11 September 2014, the investment company Templeton Global Advisors Limited holds nearly the same share of voting rights at 3.04 per cent. The ten largest institutional investors hold nearly 39 per cent of the free float. It is estimated that about 70,000 private investors also hold shares in METRO AG.

Market capitalisation and index inclusion

As a result of share price losses, METRO AG's market capitalisation declined, falling from €9.6 billion at the end of September 2013 to €8.5 billion at the end of September 2014. On a typical trading day at the Frankfurt stock exchange, the average volume of METRO shares traded totalled around 1.1 million shares (9M 2013: 1.2 million). This decline can be attributed to the fact that trading volume on the Frankfurt stock exchange has generally fallen. In addition, alternative trading platforms are becoming more popular. Approximately 20,000 shares of the less liquid preference shares were traded daily (9M 2013: 8,000 shares).

Despite a market capitalisation of nearly €8.5 billion, METRO AG is no longer a member of the German stock market index DAX 30. This is because Deutsche Börse, in accordance with its own rules and regulations, determines the index-relevant market capitalisation solely on the basis of the free float. At the end of September 2014, market capitalisation of METRO AG's free float totalled approximately €3.8 billion.

In Deutsche Börse's index ranking, the METRO AG share ranked 40th in terms of market capitalisation and 30th in terms of stock market trading volume as of the end of September 2014.

The METRO share is one of the MDAX's biggest members in terms of market capitalisation and has the highest stock market trading volume. METRO AG remains a member of the Dow Jones Euro STOXX Retail.

In September 2014, METRO AG returned to the ranks of the world's sustainability leaders in retailing. After a several-year absence, METRO AG was once again included in the Dow Jones Sustainability World and the Dow Jones Sustainability Europe indices.

For the first time in its history, METRO AG made it into the FTSE4Good and is now a member of the FTSE4Good Global and the FTSE4Good Europe indices. These two British indices include companies that set themselves apart through good corporate social responsibility and corporate governance practices.

The inclusion in the world's two most important sustainability index families demonstrates that METRO GROUP is on the right track with its sustainable business practices.

Dividend and dividend policy

METRO AG aims to pay an attractive dividend. For this reason, it has adopted a dividend policy in which the dividend amounts to 40 to 50 per cent of earnings per share before special items.

The Management and Supervisory Boards of METRO AG will therefore propose to the Annual General Meeting of METRO AG on 20 February 2015 a dividend of €0.90 per ordinary share and €1.13 per preference share. The amount of €1.13 per preference share includes a subsequent payment of €0.17 from the short financial year 2013.

On the basis of the closing price on 30 September 2014, the dividend yield amounts to 3.5 per cent for ordinary shares and 5.6 per cent for preference shares.

The payout ratio totals 48.9 per cent based on earnings per share before special items of €1.84 per ordinary share.

Analysts' recommendations

METRO GROUP is monitored and evaluated by roughly 40 analysts from respected national and international banks. METRO GROUP regularly reports the respective recommendations and share price targets in the Investor Relations section of its website. As of the close of financial year 2013/14, 45 per cent (30/9/2013: 30 per cent) of analysts recommended the METRO share as a "buy"; 49 per cent (30/9/2013: 35 per cent) rated it a "hold" and 6 per cent (30/9/2013: 35 per cent) a "sell". The median value of share price targets increased considerably, totalling €31.00 at the end of September 2014 compared with €24.00 on 30 September 2013.

Investor Relations

Throughout the year, the Investor Relations department provides comprehensive information to all capital market participants. In performing this work, we apply the guidelines of contemporary capital market support. In particular, this involves:

- Topicality: assurances of information leadership
- Continuity: consistency in external communications
- Credibility: dissemination of completely accurate information
- Equal treatment: all recipients receive the same information at the same time

The fixed dates for regular reporting form the framework for capital market communications. The financial year began with such communications efforts as the announcement of the sales results for the past financial year in October 2013. During a conference for analysts and investors on 12 December 2013, METRO AG presented the annual report, covering business developments for the short financial year 2013. About a month after the end of each quarter, METRO AG held a conference call to inform capital market participants about the previous reporting period. The conference calls can be followed live online and are available along with a presentation in the Investor Relations section of METRO GROUP's website. The associated reports are also available there. We inform the public about additional relevant developments in investor news.

In financial year 2013/14, the Investor Relations department presented our company in all key financial markets in Europe and the United States. Nine conferences in New York, London, Munich, Berlin and Paris as well as 15 roadshow days in nine countries supported the group's capital market communications. In addition, analysts and investors had the opportunity to assure themselves about METRO GROUP's high-performance capabilities throughout store visits at the METRO GROUP headquarters in Düsseldorf. Nearly 200 meetings were held with more than 500 investors. This is evidence of the high level of interest in METRO GROUP.

The numerous private investors in METRO AG are another significant shareholder group. They constitute the largest number of investors. Their central and practical source of information is the Investor Relations section of METRO GROUP's website. The web presence includes insights into the company's strategy and business development, new publications as well as an archive of annual reports going back to the establishment of METRO AG in 1996. In addition, investors can contact the Investor Relations team directly. The Annual General Meeting provides shareholders with the opportunity to learn more about METRO GROUP and see the members of the Management Board in person. During the Annual General Meeting, the Investor Relations team can be approached directly.

What speaks in favour of the METRO share?

With METRO shares, investors acquire a stake in METRO GROUP, one of the largest and most international retail companies in the world with

- METRO Cash & Carry – an international leader in the cash-and-carry business,
- Media-Saturn – number one among consumer electronics stores in Europe,
- Real hypermarkets – one of the leading hypermarket companies in Germany,
- Galeria Kaufhof – market leader in the department store segment in Germany and Belgium,
- a presence in more than 31 countries with an exceptional market position in both growth countries and mature markets around the world,
- a comprehensive Internet presence combined with a multichannel strategy that offers customers added benefits,
- focus on profitable growth as well as sustainable, systematic value enhancement,
- high self-financing power and an above-average return on capital employed in industry comparison.

Contact Investor Relations

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BUSINESS

3

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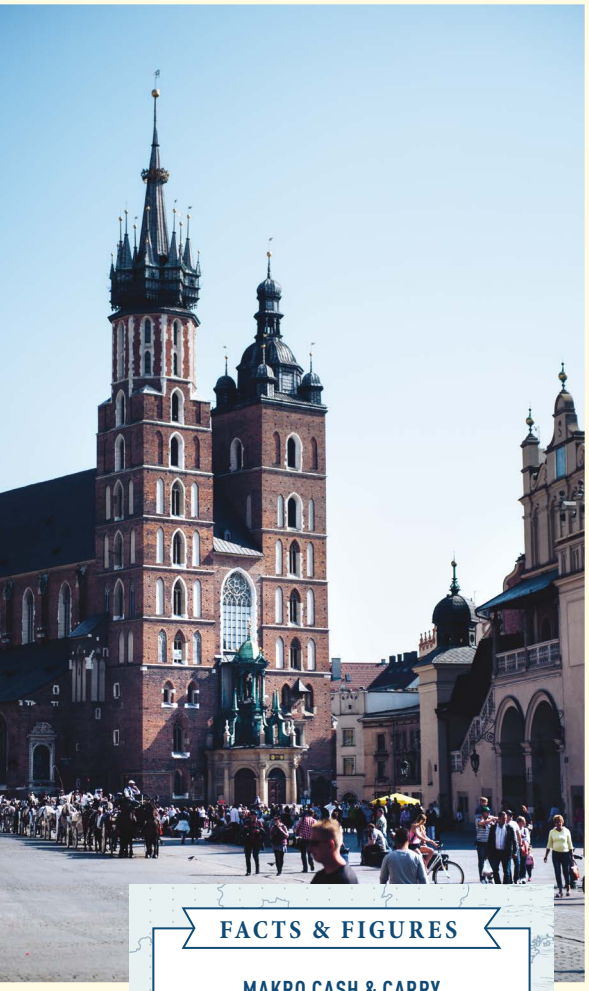

FOCUS MARKET

POLAND

LAND AREA

312,679 km²

POPULATION

38.5 million

CURRENCY

Polish złoty [PLN]

Zakopane, Poland

Justyna Kuźma on the Kasprowy Wierch in the High Tatras

Learn more about Justyna Kuźma and her hobby starting on page 42 of the publication **"The World of METRO Cash & Carry"** or at **reports.metrogroup.de/2013-14/metro-world**

JUSTYNA KUŹMA'S great passion is watching and photographing birds. Her sharp eye and close attention to detail are also qualities that she uses every day in her job in the marketing department at the head office of MAKRO Cash & Carry Poland in Warsaw.

DZIEŃ DOBRY!

[d͡ʑɛɲ ˈdɔbrɨ]

HELLO!

With a land area of about 313,000 square kilometres, Poland is the sixth-largest country in the European Union. Its population of about 38.5 million represents the third-largest consumer market in Eastern Europe. The Polish economy has undergone a remarkable development since its transition to democracy. The government is continuing to pursue a course of liberalisation and deregulation, which includes the privatisation of government companies. This now makes the country a major sales market and manufacturing site for foreign businesses. In recent years, Poland has consistently registered positive growth.

DO WIDZENIA!

[dɔ͡vɨˈd͡ʑɛ̃ɲa]

GOODBYE!

FACTS & FIGURES

MAKRO CASH & CARRY

POLAND

Market entry

1994

Head office

Warsaw

Number of wholesale stores	Number of employees
41	6,147

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

Düsseldorf,
10 December 2014

The global economy picked up at best a bit of speed in the period between October 2013 and September 2014. Overall, though, the recovery that followed two years of economic weakness remained modest and generated little momentum for retailing. As a result, the development of METRO GROUP during financial year 2013/14 received no significant boost from the economy. In light of this situation, the sales growth generated during the reporting period clearly underscores the successes produced by the transformation of the group: adjusted for portfolio changes and currency effects, METRO GROUP increased its sales by 1.3 per cent during financial year 2013/14. The company's like-for-like sales also rose again slightly by 0.1 per cent, compared with –1.3 per cent in the previous year. This positive development is a clear sign that the steps taken and investments in the future initiated by the Management Board will prove effective.

We, the members of the Supervisory Board of METRO AG, closely monitored the transformation of the group's business models and strategic portfolio changes during the reporting period and actively supported this process with our decisions. The planning and decisions of the Management Board received our full support.

We would like to express our special thanks to the employees of METRO GROUP who demonstrated their entrepreneurial spirit and energetically and passionately implemented these decisions.

Consultation and supervision of executives

The Supervisory Board carried out the duties set forth by law and by the company's Articles of Association during financial year 2013/14. We extensively advised the Management Board on the operations of METRO AG and the group and continuously supervised the company's executives. In line with its reporting obligations, the Management Board provided us with regular, timely and comprehensive written and oral reports about all developments of material importance for METRO GROUP. The reports covered, in particular, fundamental questions about company planning, the company's profitability, current business developments and operations of material importance. The Supervisory Board thoroughly discussed and reviewed all reports and documents that were submitted to it. No objections about the legality, advisability and regularity of the Management Board's activities were raised. We approved individual business matters insofar as this was required by law, on the basis of the Articles of Association or by proprietary determinations. We made no use of the rights of inspection and audit granted under § 111 Section 2 Sentence 1 and 2 of the German Stock Corporation Act (AktG) because no matters requiring clarification arose.

FRANZ M. HANIEL
Chairman of the Supervisory Board

Profile: Franz M. Haniel became Chairman of the Supervisory Board of METRO AG in November 2011. He had previously held the same position from November 2007 to May 2010. Mr Haniel, who was born in Oberhausen in 1955, holds a degree in mechanical engineering and an MBA from the international graduate school INSEAD. He initially worked as a consultant for Booz Allen Hamilton. In 1986, he joined the investment companies of the Quandt family. In 2000, he became managing director of Giesecke & Devrient, a manufacturer of bank notes, security and identification documents. Since 2003, he has been the Chairman of the Supervisory Board of Franz Haniel & Cie. GmbH.

For more information about the other members of the Supervisory Board, see the Company – Supervisory Board section of www.metrogroup.de.

During financial year 2013/14, the Supervisory Board held nine meetings, two of which were unscheduled. Four decisions were taken outside a Board meeting. In my function as Chairman of the Supervisory Board, I remained in constant contact with the Chairman of the Management Board and discussed important business transactions and upcoming decisions with him during regular face-to-face meetings.

The German Corporate Governance Code recommends that a statement be included in this report if a member of the Supervisory Board attended fewer than half of all Supervisory Board meetings in any given financial year. Baroness Lucy Neville-Rolfe resigned in writing from the Board on 18 July 2014. As a result, she did not attend half of the meetings that the Supervisory Board of METRO AG held during the reporting period. Apart from this exception, no member attended fewer than half of the meetings.

No conflicts of interest involving members of the Management Board and Supervisory Board requiring disclosure to the Supervisory Board arose in financial year 2013/14. One member of the Supervisory Board informed the body that he was considering an offer to work as a consultant for a third party and that this relationship could result in conflicts of interest in individual cases. A specific threat to the company's interest did not exist. As a precaution, the affected member of the Supervisory Board announced that he would not take part in any future Board discussions or decisions that could result in a conflict of interests.

Key issues covered by Supervisory Board meetings and resolutions during the year

October 2013 – During the first meeting of financial year 2013/14, the Supervisory Board decided to re-appoint Mr Heiko Hutmacher to the Management Board of METRO AG and to the position of Chief Human Resources Officer for the period of 1 October 2014 to 30 September 2017. In addition, we approved the employment contract between Mr Hutmacher and METRO AG for this term. Other key points included the report of the Management Board about business developments and the governance functions in the group, in particular risk management, the internal control systems and the compliance system. During the Supervisory Board meeting held in October 2013, we also examined the efficiency of our committee work. The foundation of this efficiency review was an internal company questionnaire.

December 2013 – Our audit meeting held on 10 December 2013 focused on the annual and consolidated financial statements for the short financial year 2013, the combined METRO AG and group management report for 2013, the Management Board's proposal for the appropriation of the balance sheet profit to the Annual General Meeting 2014 as well as the Management Board's report about relations with associated companies in 2013. The auditor attended this meeting and reported on the key findings of his audits. Another focal point of the meeting was a resolution regarding a new variable remuneration component for members of the Management Board that is designed to act as a long-range incentive. The new remuneration component was presented to the Annual General Meeting in February 2014. The meeting then approved it by an overwhelming majority. Other issues addressed by the Supervisory Board in December 2013 were the report of the Supervisory Board and the corporate governance report for the short financial year 2013, preparations for the Annual General Meeting 2014, recent business developments, individual projects, legal issues and the donation report of the Management Board. Subject to the election of the auditors by the Annual General Meeting 2014, we also adopted the audit assignments for the annual and consolidated financial statements, the combined management report and the dependency report for the financial year ending on 30 September 2014. Also subject to the election of the auditors, we approved the request for the review of the abbreviated consolidated financial statements as of 31 March 2014 and the consolidated management report covering the period from 1 October 2013 to 31 March 2014.

January 2014 – In this unscheduled telephone conference, we renewed Mr Mark Frese's appointment to the Management Board of METRO AG for the period of 1 January 2015 to 31 December 2017 and concluded an employment contract for this term. Furthermore, we closely examined the Management Board's plans for a listing of minority interests in METRO Cash & Carry Russia and approved resolution proposals related to this plan. In the months that followed, market conditions for a listing worsened as a result of the political conflict between Ukraine and Russia. For this reason, the plans are currently on hold.

February 2014 – In a meeting held immediately before the Annual General Meeting on 12 February 2014, we discussed performance-based Management Board remuneration for the short financial year 2013. To ensure the individual performance orientation of Management Board remuneration, we reserve the general right to reduce or increase the weight of individual annual performance-based remuneration by up to 30 per cent, respectively, at our discretion. The necessary decision regarding how this discretion would be applied for the short financial year 2013 was outlined in a Supervisory Board resolution. We also discussed the key criteria related to the future application of this discretion after the end of the ongoing financial year 2013/14. The Management Board reported about the latest business developments and a planned real

estate project. As a precaution, the Supervisory Board passed a resolution on the hiring of a law firm in preparation for the eventuality of legal challenges or complaints for nullity against resolutions passed during the Annual General Meeting 2014.

In a written procedure initiated immediately after the conclusion of the Annual General Meeting, the Supervisory Board reappointed Dr Fredy Raas to the Accounting and Audit Committee. The reappointment was necessary because his membership on the Supervisory Board ended with the adjournment of the Annual General Meeting on 12 February 2014 and his appointment to the Board was renewed on the same day by the Annual General Meeting.

April 2014 – In this meeting, we approved the appointment of Mr Pieter Haas to the Management Board of Media-Saturn-Holding GmbH and relieved him of all responsibilities extending beyond the Media-Saturn sales line that arose from his position on the Management Board of METRO AG for the duration of his appointment. We then modified the assignment of responsibilities on the Management Board to reflect this change. Furthermore, we approved the purchase of pension reinsurance to cover risks from pension obligations outside Germany and the repurchase of a real estate portfolio. The Management Board reported about the latest business developments, the status of plans for a listing of minority interests in METRO Cash & Carry Russia and a number of other current projects and issues. In addition, the Management Board presented two projects that were the subject of Supervisory Board resolutions passed outside a Board meeting in May 2014.

May 2014 – Outside a meeting, we approved the divestment of METRO AG's indirect stake in Booker Group PLC and the purchase of three properties used by the Real sales line.

June 2014 – Also outside a meeting, the Supervisory Board approved the sale of a portion of properties in Düsseldorf used by group companies and the subsequent renting of the objects that had already been presented during the February meeting.

July 2014 – In financial year 2013/14, two Supervisory Board meetings were held in July. This is a proven practice that creates sufficient time to discuss strategic issues with the Management Board. Both meetings were held on consecutive days in Paris, France. The key issue addressed during the first day's meeting was the METRO Cash & Carry sales line's strategy, with a particular focus on France. Other issues addressed during this meeting were macroeconomic conditions, the current business developments of METRO GROUP and the strategic priorities of the group. Following this meeting, we joined the Management Board and other group executives on a tour of two stores operated by the METRO Cash & Carry sales line in Paris and learned about the store-specific concepts developed there. Subjects addressed during the second day's meeting included the strategy for Media-Saturn with a special focus on the dialogue with the minority shareholder as well as the strategic responsibilities of human resources, including long-term succession planning on various levels of the group. During this second meeting, the Supervisory Board also approved a new company car policy for members of the Management Board, was informed about key legal changes and approved the hiring of a service provider who will assist with successor planning for shareholder representatives. Finally, the Management Board informed us about the planned disposal of METRO Cash & Carry's business in Vietnam.

August 2014 – In an unscheduled telephone conference, we approved the disposal of METRO Cash & Carry's operational business in Vietnam, including the related real estate portfolio.

September 2014 – On 24 September 2014, we renewed Mr Olaf Koch's appointment to the Management Board of METRO AG and to his position as Chairman of the Board for the period of 14 September 2015 to 13 September 2018. We also approved the conclusion of an employment contract between Mr Koch and METRO AG for this period. The Management Board informed us about the latest business developments. We also approved the budget plan submitted by the Management Board. Other resolutions dealt with the annual declaration of compliance issued pursuant to § 161 of the German Stock Corporation Act (AktG) as well as the latest version of the by-laws and objectives regarding appointments to the Supervisory Board and the Management Board. In September, the Supervisory Board also carefully examined the group's governance functions (internal control system, risk management system, internal auditing and compliance) as well as additional personnel matters regarding the Management Board and was informed about the status of the legal dispute with the minority shareholder of Media-Saturn-Holding GmbH. In a final matter, we elected Dr Florian Funck to the Supervisory Board's Accounting and Audit Committee. The election was necessary because I decided not to take the seat on the committee that had been reserved for the Chairman of the Supervisory Board.

Work of the committees

Five committees support the Supervisory Board in its work, greatly contributing to the Board's overall efficiency: the Presidential Committee, the Personnel Committee, the Accounting and Audit Committee, the Nominations Committee and the Mediation Committee pursuant to § 27 Section 3 of the German Co-determination Act (MitbestG). The committees prepare resolutions and discussions of the Supervisory Board. In addition, decision-making responsibilities have been transferred to individual committees within legally allowed parameters. The work of the committees is described in detail in the annual statement on corporate management pursuant to § 289 a of the German Commercial Code (HGB). It can be found on the website www.metrogroup.de in the Company – Corporate Governance section. I, as Chairman of the Supervisory Board, chair all committees with the exception of the Accounting and Audit Committee. The contents and results of committee meetings are reported to the Supervisory Board in a timely manner. The committees of the Supervisory Board currently take the following forms:

- **Presidential Committee:**
  Franz M. Haniel (Chairman), Werner Klockhaus (Vice Chairman), Dr Wulf H. Bernotat, Uwe Hoepfel

- **Personnel Committee:**
  Franz M. Haniel (Chairman), Werner Klockhaus (Vice Chairman), Dr Wulf H. Bernotat, Uwe Hoepfel

- **Accounting and Audit Committee:**
  Dr jur. Hans-Jürgen Schinzler (Chairman), Werner Klockhaus (Vice Chairman),
  Dr Florian Funck, Rainer Kuschewski, Dr Fredy Raas, Xaver Schiller

- **Nomination Committee:**
  Franz M. Haniel (Chairman), Jürgen Fitschen, Dr jur. Hans-Jürgen Schinzler

— **Mediation Committee pursuant to § 27 Section 3 of the German Co-determination Act (MitbestG):**
Franz M. Haniel (Chairman), Werner Klockhaus (Vice Chairman), Uwe Hoepfel,
Dr jur. Hans-Jürgen Schinzler

As of 10 December 2014

Accounting and Audit Committee – The Accounting and Audit Committee primarily handles accounting and auditing issues as well as the oversight of governance functions (the internal control system, risk management, internal auditing and compliance). Eight meetings were held in financial year 2013/14. The Chairman of the Management Board and the Chief Financial Officer attended all meetings. Representatives of the auditor and the managers of the relevant departments of METRO AG attended certain meetings to address particular agenda items.

The Accounting and Audit Committee prepared the Supervisory Board's balance sheet meeting in December 2013 and reviewed the annual and consolidated financial statements for the short financial year 2013, the combined management report of METRO AG and the group for 2013 as well as the report of the Management Board on relations with associated companies. The committee discussed the results of the audit in the presence of the auditor. On this basis, the Accounting and Audit Committee made concrete recommendations to the Supervisory Board after holding detailed discussions. These included, in particular, the recommendation to approve the annual and consolidated financial statements for the short financial year 2013 and the Management Board's proposal to the Annual General Meeting 2014 on the appropriation of the balance sheet profit.

Another focal point of the committee work was the selection of the auditor for financial year 2013/14 by the Annual General Meeting and preparation of the mandates related to the Supervisory Board's implementation of this decision. The members of the Accounting and Audit Committee discussed quarterly financial reports and the half-year financial report for financial year 2013/14 prior to their respective release. Other issues addressed by the committee were the Management Board's budget planning, the auditing plan of the selected auditor, the plan for a listing of minority interests in METRO Cash & Carry Russia and the governance functions in the group (internal control system, risk management system, internal auditing and compliance). The committee was also informed about continuing changes in international accounting standards and discussed the status of a sampling audit conducted by the German Financial Reporting Enforcement Panel, the updating of business by-laws and the objectives regarding appointments to the Supervisory Board and the Management Board. The Accounting and Audit Committee also addressed group tax planning and the distribution of donations. Furthermore, it received regular reports about legal issues. These issues included the management and status of antitrust proceedings, the status and implications of a challenge filed against a resolution of the Annual General Meeting 2013 and the dispute with the minority shareholder of Media-Saturn-Holding GmbH. Finally, the committee conducted an efficiency review on the basis of an internally developed questionnaire and prepared the declaration of compliance pursuant to § 161 of the German Stock Corporation Act (AktG).

Personnel Committee – The Personnel Committee deals primarily with personnel issues concerning the Management Board. During financial year 2013/14, five committee meetings took place, of which four were held together with the Presidential Committee. One resolution was prepared outside a meeting. The Personnel Committee discussed the composition of the Management Board, its assignment of responsibilities, employment contracts and other personnel matters, and prepared the corresponding decisions for

the Supervisory Board during the reporting period. In particular, these issues included the reappointment of Messrs Heiko Hutmacher, Mark Frese and Olaf Koch to the Management Board, the renewed appointment of Mr Olaf Koch as Chairman of the Management Board and the new individual employment contracts. In financial year 2013/14, the committee reviewed the individual performance targets of the members of the Management Board. The achievement of these goals is a key criterion for the exercise of discretion related to the Supervisory Board's determination of the annual performance-based remuneration paid to the Management Board. Other key issues discussed by the committee were the preparation of a Supervisory Board resolution regarding a new variable remuneration component that is designed to serve as a long-range incentive as well as the long-term successor planning for the Management Board. Finally, the Personnel Committee discussed the amendment of the business by-laws made during the reporting period as well as the objectives regarding the composition of the Supervisory Board and the Management Board. As required, the committee conducted its regular review of expenditures on the basis of the travel cost guidelines that apply to members of the Management Board.

Presidential Committee – The Presidential Committee deals with the monitoring of compliance with legal regulations and the application of the German Corporate Governance Code. Until its remit was changed in September 2014, it was also responsible for strategy. In consideration of § 107 Section 3 Sentence 3 of the German Stock Corporation Act (AktG), the Presidential Committee takes decisions about urgent matters and matters submitted to it by the Supervisory Board. The Presidential Committee met four times during financial year 2013/14, each time with the Personnel Committee. As part of its joint work with the Personnel Committee, the Presidential Committee discussed strategic aspects of incentives and successor planning for the Management Board. Other key issues addressed by the Presidential Committee included corporate governance at METRO GROUP, including the corporate governance report for the short financial year, and the preparation of the declaration of compliance in accordance with § 161 of the German Stock Corporation Act (AktG). No resolutions about pressing issues or issues delegated by the Supervisory Board were required.

Nomination Committee – The Nomination Committee is responsible for proposing suitable candidates for the Supervisory Board's election proposals to the Annual General Meeting. During financial year 2013/14, the Nomination Committee held one telephone conference. The Nomination Committee recommended to the Supervisory Board that an external consultant should be hired to assist with successor planning regarding representatives of shareholders on the Supervisory Board.

Mediation Committee – The Mediation Committee formulates proposals for the appointment and dismissal of members of the Management Board in cases pursuant to § 31 of the German Co-determination Act (MitbestG). The Mediation Committee did not have to meet in financial year 2013/14.

Corporate governance

The Management Board and the Supervisory Board report on METRO GROUP's corporate governance in the corporate governance report for financial year 2013/14. Together with the statement on corporate management pursuant to § 289 a of the German Commercial Code (HGB), the report is also published on the website www.metrogroup.de in the Company – Corporate Governance section.

In September 2014, the Management Board and the Supervisory Board of METRO AG issued their most recent declaration of compliance with regard to the recommendations of the Government Commission on the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act. The declaration was made permanently available to shareholders on the website www.metrogroup.de. It also appears in full in the corporate governance report 2013/14.

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

The annual financial statements of METRO AG for financial year 2013/14, in consideration of accounting, that were submitted by the Management Board pursuant to the regulations laid down in the German Commercial Code (HGB), the consolidated financial statements compiled by METRO AG according to International Financial Reporting Standards (IFRS) – as they are to be applied in the European Union – and the group's combined management report for financial year 2013/14 were reviewed by KPMG AG Wirtschaftsprüfungsgesellschaft and were given unqualified approval. The auditor provided a written report on the findings.

We, the Supervisory Board, reviewed the annual financial statements of METRO AG and the consolidated financial statements for financial year 2013/14, the combined management report of METRO AG and the group for financial year 2013/14 as well as the Management Board's proposal to the Annual General Meeting 2015 on the appropriation of the balance sheet profit. For this purpose, these documents and the reports of the auditor were provided to us in a timely manner, and were discussed and reviewed in detail during the Supervisory Board's annual accounts meeting held on 10 December 2014. The auditor attended this meeting, reported the key findings of the reviews and was at the Supervisory Board's disposal to answer questions and provide additional information – even in the absence of the Management Board. The auditor did not report any material weaknesses of the internal control and risk management system with regard to the accounting process. The auditor also provided information on services rendered in addition to auditing services. According to the information provided, no disqualification or bias issues arose. We concurred with the findings of the auditor's review. In a concluding finding of our own review, we determined that no objections were necessary. We support, in particular, the conclusions reached by the Management Board in the combined management report of METRO AG and the group's management report and have endorsed the annual financial statements compiled by the Management Board. As a result, the annual financial statements of METRO AG have been adopted. Following careful consideration of the interests involved, we endorsed the Management Board's proposal for the appropriation of the balance sheet profit.

Pursuant to § 312 of the German Stock Corporation Act (AktG), the Management Board of METRO AG prepared a report about relations with affiliated companies for financial year 2013/14 (in short, "dependency report"). The auditor reviewed this report, provided a written statement about the findings of the review and issued the following opinion:

"After our due audit and assessment, we confirm that

1. the factual information in the report is correct,
2. in the legal transactions listed in the report, the company's expenses were not inappropriately high,
3. no circumstances related to the measures listed in the report required an assessment deviating materially from that of the Management Board."

The dependency report was submitted to us together with the audit report in a timely manner and was discussed and reviewed particularly in terms of thoroughness and accuracy during the annual accounts meeting that the Supervisory Board held on 10 December 2014. The auditor attended this meeting, reported the key findings of the review, and was at our disposal to answer questions and to provide information – even in the absence of the Management Board. We concurred with the findings of the auditor's review. In a concluding finding of our own review, we determined that no objections have to be made with respect to the statement of the Management Board at the conclusion of the dependency report.

The aforementioned reviews by the Supervisory Board accounts were carefully prepared by the Accounting and Audit Committee on 08 December 2014. The auditor also attended this committee meeting, reported on the key findings of his review and was available to answer questions. The Accounting and Audit Committee urged the Supervisory Board to approve the financial statements prepared by the Management Board and to endorse the Management Board's recommendation for appropriation of the balance sheet profit.

Appointments and resignations

Upon the order of the Local Court in Düsseldorf, Dr Fredy Raas joined the Supervisory Board in July 2013. As planned, his court-approved appointment ended with the conclusion of the Annual General Meeting of METRO AG on 12 February 2014. On the same day, Dr Raas was elected to a new term on the Board by the Annual General Meeting.

In financial year 2013/14, Baroness Lucy Neville-Rolfe was appointed Parliamentary Under Secretary in the British Department for Business, Innovation and Skills and as a result had to resign her seat on the Supervisory Board of METRO AG as of 18 August 2014. The Supervisory Board congratulates Baroness Neville-Rolfe on her appointment to the government position and thanks her for her energetic and expert work on behalf of METRO AG. Upon the order of the Local Court in Düsseldorf, she was replaced on the Supervisory Board on 9 December 2014 by Ms Gwyn Burr.

Düsseldorf, 10 December 2014

The Supervisory Board

FRANZ M. HANIEL
Chairman

CORPORATE GOVERNANCE REPORT

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

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

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

Implementation of the German Corporate Governance Code

During financial year 2013/14, the Management Board and the Supervisory Board of METRO AG discussed METRO GROUP's implementation of the recommendations of the German Corporate Governance Code in detail and issued the following declaration pursuant to § 161 of the German Stock Corporation Act (AktG) in September 2014[1]:

"The Management Board and Supervisory Board of METRO AG hereby declare

that the recommendations of the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice in the official section of the Federal Bulletin in the version of 13 May 2013 have been complied with in full since the last declaration of compliance was issued in September 2013.

The Management Board and Supervisory Board intend to comply with the recommendations in the version of 13 May 2014 in future."

This and the declarations pursuant to § 161 of the German Stock Corporation Act (AktG) made over the last five years are permanently available to METRO AG shareholders on the website www.metrogroup.de.

In addition to recommendations, the German Corporate Governance Code contains suggestions that listed companies can – but do not have to – address. METRO AG follows the vast majority of these suggestions. In financial year 2013/14, there was only one suggestion that the company did not fully implement:

Subsection 2.3.3 of the German Corporate Governance Code calls for enabling shareholders to follow the Annual General Meeting via modern communication media such as the Internet. As in previous years, METRO AG only broadcast the speech by the Chairman of the Management Board in financial year 2013/14. This practice will be continued.

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

The clear division between corporate management and corporate supervision is a key element of corporate governance for

[1] After approving this Corporate Governance Report, the Management Board and Supervisory Board of METRO AG issued a new declaration pursuant to § 161 of the German Stock Corporation Act (AktG); it has been made permanently available on the website www.metrogroup.de.

German stock corporations. Duties and areas of responsibility are clearly divided between the Management Board and the Supervisory Board.

The Management Board of METRO AG, which has four members, is responsible for running the company. The management duties of the Management Board of METRO AG include defining corporate objectives and determining the strategic positioning for the group as well as managing the company, monitoring and planning. In addition, the Management Board of METRO AG ensures the availability of investment funds, decides on their allocation within the group and is responsible for attracting and supporting highly qualified managers.

Pursuant to the German Co-determination Act (MitbestG), the German Stock Corporation Act (AktG) and the Articles of Association, the Supervisory Board of METRO AG is composed of ten shareholder representatives and ten employee representatives. The Supervisory Board appoints the members of the Management Board, advises them and monitors their corporate management, including the attainment of long-term corporate objectives. The Supervisory Board is brought into the planning of the development of METRO GROUP by the Management Board to the same degree that it is included in decisions about important measures. Aside from its legally prescribed approval obligations, the Supervisory Board has determined its own approval requirements for certain actions and business dealings of the Management Board.

For more information about members of the Management Board and Supervisory Board, see the notes to the consolidated financial statements of METRO AG in no. 55 Corporate Boards of METRO AG and their mandates.

The modes of operation of the Management Board and Supervisory Board, the composition and functions of the Supervisory Board committees and information on key corporate management practices are described in the statement on corporate management pursuant to § 289 a of the German Commercial Code (HGB). The declaration of compliance pursuant to § 161 of the German Stock Corporation Act (AktG) also appears in full in this report.

The statement on corporate management is available on the website www.metrogroup.de in the section Company – Corporate Governance.

Objectives regarding the composition of the Management Board and Supervisory Board

To properly carry out its duties, the Management Board and the Supervisory Board must possess a broad range of knowledge, skills and experience.

Requirements related to appointments to the Management Board

The decisions taken by the Supervisory Board regarding the composition of the Management Board are based on careful analysis of current and future business challenges. Potential members of the Management Board must not only have solid general qualifications, but must also be individuals capable of helping the company to address its current situation and future challenges.

Diversity on the Management Board

In selecting members of the Management Board, the Supervisory Board also heeds the recommendations of the German Corporate Governance Code. In particular, the Supervisory Board considers the issue of diversity and strives to provide adequate consideration of women. In the calendar year 2017, the share of women on the Management Board of METRO AG should amount to at least 25 per cent (total as of September 2014: 0 per cent). To reach this target, the Supervisory Board will consider this issue as it searches for suitable candidates for the Management Board in the future.

The Supervisory Board's planning corresponds with the Management Board's goals regarding the promotion of female executives at METRO GROUP. As part of this effort, the share of women in the first two management levels below the Management Board of METRO AG should also amount to 25 per cent in 2017 (total as of September 2014: 23.7 per cent).

Requirements related to appointments to the Supervisory Board

To ensure that the Supervisory Board of METRO AG can duly perform these responsibilities, its members have formulated certain objectives regarding appointments. These objectives are:

Diversity on the Supervisory Board

Bearing in mind METRO GROUP's international expansion, the Supervisory Board should include both retailing experts for Western European markets and individuals with in-depth experience in the growth regions of Eastern Europe and Asia. The current composition of the Supervisory Board fulfils this objective. Employee representatives on the Board contribute experience from each of the group's sales lines in Germany. Two shareholder representatives are former METRO executives who have special national and international retailing expertise. Other shareholder representatives have gained extensive experience in the growth regions of Eastern Europe and Asia while serving in high-ranking managerial positions.

As early as 2010, an objective regarding female representation on the Supervisory Board was defined to make better use of the pool of qualified candidates available for appointment to the Supervisory Board. Following the Supervisory Board election in 2013, at least 20 per cent of the Board's seats were to be held by women. The objective for 2018 was set at 30 per cent. The company not only fulfilled the first step of this objective in 2013, but also surpassed it, achieving 25 per cent.

In September 2014, the Supervisory Board of METRO AG updated and raised its target: following the regularly scheduled Annual General Meeting in 2016, women and men should each make up at least 30 per cent of representatives on the Supervisory Board. The minimum requirement should be fulfilled by representatives of both shareholders and employees. The new objective reflects the plans of Germany's governing coalition regarding the continued promotion of women and men in management positions. At the beginning of December 2014, the share of women on the Supervisory Board amounted to [25 per cent]. Broken down, the share of female shareholder representatives was [20 per cent] and the share of employee representatives was 30 per cent.

Impartiality of the Supervisory Board

In accordance with legal stipulations, the Supervisory Board of METRO AG is composed of ten employee representatives and ten shareholder representatives. At least five shareholder representatives are to be impartial in accordance with Subsection 5.4.2 of the German Corporate Governance Code. The current composition of the Supervisory Board of METRO AG fulfils this objective.

Accounting and Audit Committee, impartiality of the committee Chairman

To ensure a qualified appointment to the Accounting and Audit Committee from the members of the Supervisory Board, at least one member of the Board must fulfil the requirements stipulated for the chairperson of the Accounting and Audit Committee. Pursuant to the by-laws of the Accounting and Audit Committee, the committee chairperson must be impartial and possess professional knowledge in the areas of accounting and auditing as well as internal control measures (financial expert). The other committee members should possess sufficient professional knowledge and experience in these areas. Ideally, one potential member of the Accounting and Audit Committee should also possess special knowledge in the area of compliance.

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

Potential conflicts of interest on the Supervisory Board/age restrictions

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

The Supervisory Board of METRO AG currently meets these objectives. No member of the Supervisory Board has passed the age limit of 75 years, and no member has a seat on the supervisory board of a direct and material competitor. One member of the Supervisory Board will turn 75 in 2015 and is to remain on the Board until the end of the Annual General Meeting that will formally approve the actions of the Management Board for financial year 2016/17. As a result, the Supervisory Board of METRO AG identified one justified exceptional case in the short financial year 2013. The Board determined that the in-depth knowledge and experience of the member in question were particularly valuable to the future work of the Supervisory Board.

Compliance and risk management

The activities of METRO GROUP are subject to various legal stipulations and self-imposed standards of conduct. METRO GROUP has bundled its measures securing compliance with these rules and regulations in its group-wide compliance management system.

The aim of the compliance management system is to systematically and sustainably prevent regulatory infringements within the company. METRO GROUP regularly identifies behavioural compliance risks, establishes the necessary organisational

structures and rigorously monitors and controls these risks through the responsible divisions. The company practises systematic group reporting. This ensures that the key compliance risks and measures are transparent and documented. The need for the further development of the compliance management system is ascertained from the results of regular employee surveys, internal reviews and audits.

METRO GROUP's risk management forms another integral component of value-oriented corporate management. This takes the form of a systematic, group-wide process that helps company management identify, assess and manage risks and opportunities. As such, risk and opportunity management is a uniform process. Risk management renders unfavourable developments and events transparent at an early stage and analyses their implications. This allows us to put the necessary countermeasures in place. At the same time, it allows us to systematically exploit emerging opportunities. Both the risk and opportunity management system and the compliance management system are continually refined.

In addition to these systems, further management systems include internal control systems (ICS) and internal auditing. In financial year 2013/14, METRO AG further modified its management systems. In addition, selected subsystems were tested to determine their effectiveness. The results of the reviews have confirmed that METRO GROUP has adequate management systems. The reviews also provide an important foundation for the continued improvement of the systems and their continuous modification in response to changing business processes in METRO GROUP.

For more information about the subjects of compliance and risk management, see the combined management report in chapter 12 Risk and opportunity report as well as the statement on corporate management pursuant to § 289 a of the German Commercial Code (HGB). The declaration is available on the website www.metrogroup.de in the section Company – Corporate Governance.

Transparent corporate management

Transparency is an essential element of good corporate governance. The website www.metrogroup.de serves as an important source of information for METRO AG shareholders, the capital market and the general public. Aside from a host of information on METRO GROUP's business segments and sales lines, the site contains the financial reports and ad hoc statements of METRO AG as well as investor news and other publications pursuant to the German Securities Trading Act (WpHG). METRO GROUP publishes the dates for the most important regular publications and events (announcements of annual sales results, annual reports as well as quarterly and half-year reports, the annual business press conference and the Annual General Meeting) in a financial calendar on its website with a reasonable lead time. The website also offers information shown as part of annual business conferences, roadshows, investor conferences and information events for private investors. Furthermore, an electronic investor relations newsletter can be subscribed to.

The Annual General Meeting

The Annual General Meeting of METRO AG gives shareholders the opportunity to exercise their legal rights – in particular, to exercise their rights to vote (where these apply) as well as to address questions to the company's Management Board. To help shareholders exercise their individual rights at the Annual General Meeting, METRO AG posts documents and information for each Annual General Meeting in advance on its website.

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

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

Shareholders may also authorise company-appointed proxies to exercise their voting rights (known as proxy voting). The following rules apply: in addition to voting right authorisations,

shareholders must also provide instructions on how to exercise these voting rights. The proxies appointed by the company are obliged to vote according to these instructions. For the assignment of voting rights during the Annual General Meeting for those shareholders who initially participate in the Annual General Meeting but who want to leave early without forgoing the exercise of their voting rights, proxies appointed by METRO AG are also available. Naturally, the right to appoint other proxies to exercise one's voting rights is not affected by this. The details on proxy voting are listed in the invitation to each Annual General Meeting.

In the interest of shareholders, the Chairman of the Annual General Meeting, as a rule the Chairman of the Supervisory Board, works to ensure that the Annual General Meeting is conducted efficiently and effectively. The objective is to complete a regular METRO AG Annual General Meeting within four to six hours at the most.

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

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

Notifications of directors' dealings during financial year 2013/14 have been published on the website www.metrogroup.de in the section Investor Relations – Legal Announcements.

The ownership of METRO AG shares held by all members of the Management and Supervisory Boards totalled less than 1 per cent of the shares issued by the company as of 30 September 2014.

Audit

Audits 2013/14

On 12 February 2014, the Annual General Meeting of METRO AG elected KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG) to be the auditor for financial year 2013/14. The Supervisory Board's commissioning of the contract to carry out the accounts audit considered the recommendations listed in Subsection 7.2 of the German Corporate Governance Code.

Throughout the audit, which was completed in November 2014, KPMG made no reports to the Supervisory Board regarding grounds for disqualification or conflicts. There was also no evidence that any existed. Furthermore, in the course of the audit, there were no unexpected substantial findings or events concerning Supervisory Board functions. As a result, an extraordinary report from the auditor to the Supervisory Board was not required. The auditor found no deviations from the Management and Supervisory Boards' statements of compliance with the German Corporate Governance Code.

Auditor's impartiality

The auditor fulfils two key functions. The auditor supports the Supervisory Board in exercising corporate control. In addition, the audit activities provide the basis for the trust of the general public and capital market participants, in particular, in the accuracy of the annual accounts, notes to the financial statements and the management reports. The auditor's impartiality is a key precondition of fulfilling these two functions. To strengthen the impartiality of METRO AG's auditor, the Management Board – after coordination with the Supervisory Board's Accounting and Audit Committee – decided – at the end of 2011 to introduce a voluntary commitment going beyond the legal regulations and recommendations of the German Corporate Governance Code. Under this commitment, the annual fees for non-audit services rendered by the elected auditor and the members of its network must amount to no more than one third of the total annual fee for the audit and audit-related services starting in 2012. The Management Board requires the approval of the Accounting and Audit Committee to commission or approve non-audit assignments exceeding this threshold.

For more information about the topic of corporate governance at METRO GROUP, see the website www.metrogroup.de in the section Company – Corporate Governance.

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COMBINED MANAGEMENT REPORT

Overview of financial year 2013/14 and outlook

Earnings position

- Sales at METRO GROUP climbed by 1.3 per cent in financial year 2013/14, adjusted for portfolio changes and currency effects
- Reported sales for financial year 2013/14 decreased by 4.0 per cent to €63.0 billion (in local currency: –1.7 per cent).
- EBIT before special items: €1,727 million, (2012/13: €2,000 million; comparable prior-year figure: €1.7 billion)
- Net profit for the period before special items rose by 16.0 per cent to €673 million (2012/13: €580 million)
- Earnings per share before special items increased by 24.7 per cent to €1.84 (previous year €1.47)

Financial and asset position

- Net debt declined markedly by €0.7 billion to €4.7 billion (30/9/2013: €5.4 billion)
- Investments totalled €1,209 million (2012/13: €1,175 million)
- Cash flow from operating activities reached €2.0 billion (2012/13: €2.7 billion)
- Total assets amounted to €28.0 billion; (30/9/2013: €28.8 billion)
- Equity: €5.0 billion; (30/9/2013: €5.2 billion); equity ratio: 17.9 per cent (30/09/2013: 18.1 per cent)
- Long-term rating of BBB– (Standard & Poor's) and Baa3 (Moody's)

Outlook of METRO GROUP

The outlook is based on the current group structure and adjusted for currency effects. It also assumes a stable geopolitical situation.

Sales
For financial year 2014/15, METRO GROUP expects to see a slight rise in overall sales, despite the persistently challenging economic environment.

In like-for-like sales, METRO GROUP foresees a slight increase that will follow the reporting period's small rise of 0.1 per cent.

Earnings
In financial year 2014/15, earnings development will also be shaped by the persistently challenging economic environment.

Nevertheless, METRO GROUP is confident that it can again achieve a slight earnings increase as a result of the progress it has made and will continue to make in transforming its business models. In addition, METRO GROUP will again closely focus on efficient structures and strict cost management in 2014/15.

For these reasons, we expect EBIT before special items to rise slightly above the €1,727 million achieved in financial year 2013/14, including usual levels of income from real estate sales.

Change of financial year

In 2013, METRO GROUP moved the end of its financial year from 31 December to 30 September. For transition purposes, financial year 2013 was a nine-month short financial year (1 January 2013 to 30 September 2013). The current financial year 2013/14 from 1 October 2013 to 30 September 2014 is once again a normal twelve-month financial year.

To ensure comparability in the combined management report, the previous year's period refers to a twelve-month period for 2012/13 (1 October 2012 to 30 September 2013) which comprises the fourth quarter of 2012 as well as the short financial year 2013. Because the figures from the fourth quarter of 2012 were not reviewed by an auditor, the 2012/13 period is unaudited.

1. Group business model

METRO GROUP's corporate structure is characterised by a clear division of responsibilities. The company is headed by METRO AG. As a central management holding company, it oversees group management functions, including, in particular, Finance, Controlling, Legal and Compliance. The central management and administrative functions for METRO Cash & Carry are formally anchored within METRO AG.

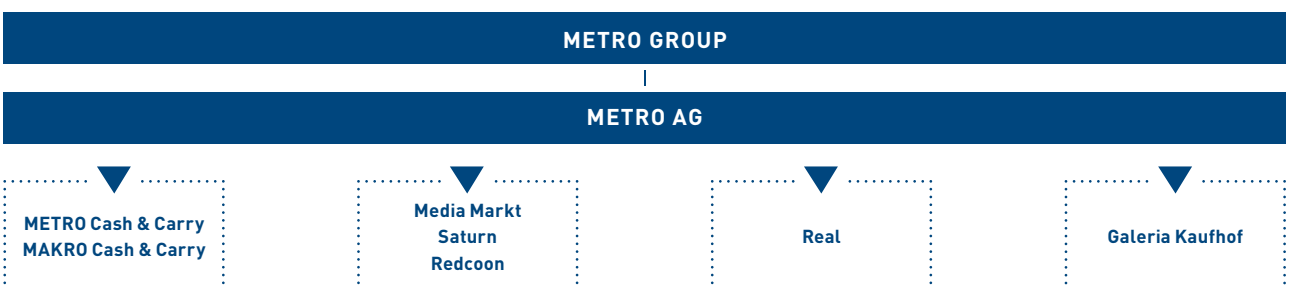
The group's operational business is handled by our four sales lines. In some cases, the sales lines operate in the market with several sales brands or through subsidiaries, depending on the respective strategy, segment and specific competitive environment.

METRO Cash & Carry is responsible for the group's wholesale business, Media-Saturn for consumer electronics retailing, Real for hypermarkets and Galeria Kaufhof for department stores. All sales lines have undivided responsibility for their entire value chain – from procurement to logistics to stationary and online sales.

So far, we have bundled our real estate capabilities, structures and functions in the service company METRO PROPERTIES. To ensure more efficient processes within our company, the operational real estate activities were integrated into the METRO GROUP sales lines on 1 October 2013. Real estate activities will therefore no longer be separately disclosed.

Service companies support all METRO GROUP sales lines with services in such areas as procurement, information technology and logistics. Together with METRO AG as a management holding, they are recognised under "Others".

Overview of METRO GROUP



Overview of METRO GROUP

METRO Cash & Carry is a leading international player in self-service wholesale trade. Its brands METRO and MAKRO operate in 28 countries throughout Europe and Asia. The wholesale stores offer products and services tailored to the specific needs of professional customers, such as hotels and restaurants, catering firms, independent retailers, service providers and public authorities. In financial year 2013/14, both MAKRO Cash & Carry stores in Egypt were closed and an agreement concerning the sale of the wholesale business in Vietnam was signed. In addition, the sales line's withdrawal from Denmark was decided in October.

Media-Saturn is Europe's number one consumer electronics retailer. In nearly all 15 countries where the sales line is active, the stationary business of Media Markt and Saturn is closely dovetailed with the online offering. The pure online retailer Redcoon, in which Media-Saturn holds a 100 per cent stake, sells its products in eight countries. The online shops in Denmark and France were closed. In Russia, the online shop is operated by 003.ru. A decentralised organisational structure, attractive offers, dedicated employees and innovative marketing all contribute to the success of Media-Saturn.

Real is one of the leading hypermarket operators in Germany, where it runs both stationary stores and an online store. All Real hypermarkets are characterised by a large proportion of high-quality fresh produce, a wide range of non-food articles and attractive prices offering good value for money. The sales line's business operations in Turkey, which comprise twelve hypermarkets and its head office, were sold to the retailer Hacı Duran Beğendik in financial year 2013/14. The remaining Real hypermarket in Moscow was taken over by METRO Cash & Carry. The sales transaction in Poland was completed.

Galeria Kaufhof is the market leader in the department store segment in Germany and Belgium. In Germany, the sales line is active under the name Galeria Kaufhof, in Belgium it uses the name Galeria Inno. Its stores are characterised by high-performance assortments with international brands and top-quality own brands. Its stores' event-oriented product presentation provides for a special customer experience. Galeria Kaufhof is positioned as a modern retail brand with an unmistakable profile.

Store network by country and segment

	METRO Cash & Carry		Media-Saturn		Real		Galeria Kaufhof		METRO GROUP	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Germany	**107**	**107**	**405**	**415**	**310**	**307**	**122**	**122**	**944**	**951**
Austria	12	**12**	47	**47**					59	**59**
Belgium	13	**15**	22	**23**			15	**15**	50	**53**
Denmark	5	**5**							5	**5**
France	93	**93**							93	**93**
Italy	49	**49**	115	**117**					164	**166**
Luxembourg			2	**2**					2	**2**
Netherlands	17	**17**	43	**45**					60	**62**
Portugal	10	**10**	9	**9**					19	**19**
Spain	37	**37**	70	**72**					107	**109**
Sweden			29	**27**					29	**27**
Switzerland			25	**25**					25	**25**
Western Europe (excl. Germany)	**236**	**238**	**362**	**367**			**15**	**15**	**613**	**620**
Bulgaria	14	**14**							14	**14**
Croatia	7	**7**							7	**7**
Czech Republic	13	**13**							13	**13**
Greece	9	**9**	10	**10**					19	**19**
Hungary	13	**13**	21	**21**					34	**34**
Kazakhstan	8	**8**							8	**8**
Moldova	3	**3**							3	**3**
Poland	41	**41**	66	**71**	57	**0**			164	**112**
Romania	32	**32**			4	**4**			36	**36**
Russia	70	**73**	50	**63**	1	**0**			121	**136**
Serbia	10	**10**							10	**10**
Slovakia	6	**6**							6	**6**
Turkey	27	**28**	34	**39**	12	**0**			73	**67**
Ukraine	33	**33**							33	**33**
Eastern Europe	**286**	**290**	**181**	**204**	**74**	**4**			**541**	**498**
China	69	**78**							69	**78**
Egypt	2	**0**							2	**0**
India	15	**16**							15	**16**
Japan	9	**9**							9	**9**
Pakistan	9	**9**							9	**9**
Vietnam	19	**19**							19	**19**
Asia/Africa	**123**	**131**							**123**	**131**
International	**645**	**659**	**543**	**571**	**74**	**4**	**15**	**15**	**1,277**	**1,249**
METRO GROUP	**752**	**766**	**948**	**986**	**384**	**311**	**137**	**137**	**2,221**	**2,200**

2. Management system

METRO GROUP's rigorous focus on creating added value for customers is also reflected in our internal management system. The primary objective is to create sustained value for the company by focusing on added value for customers. For this reason, METRO GROUP has been using value-oriented performance metrics since 2000 to plan, manage and monitor business activities. The corresponding value drivers that have a direct impact on value creation form the core of our operational management system. Our focus in this process is on growth (sales), operational efficiency (EBIT) and optimised capital deployment.

Please note that, in line with the formal specifications of German Accounting Standard No. 20 (GAS 20), only the most meaningful key performance indicators (sales growth as well as EBIT before special items) are part of the outlook and the comparison with actual business developments in the following year that is based on this outlook. Voluntary forecasts of other key figures will no longer be included in the outlook, but in the respective chapters of the combined management report, which are indicated in the following. Unless otherwise stated, the key figures in the consolidated financial statements, which are prepared pursuant to International Financial Reporting Standards (IFRS), are used.

Key performance indicators: earnings position

For METRO GROUP as a retail company, **sales growth** represents a key operational performance indicator. As a result, sales growth is one of the key metrics of METRO GROUP and is reported both as total sales in euros and as like-for-like sales. To enhance its assessments of operational developments, the Management Board also regularly informs itself about the key drivers of sales development, such as the online or delivery business.

Alongside sales growth, **EBIT before special items** is one of the group's key performance indicators. Adjustment for special items reflects a focus on operational developments and serves to enhance comparisons between the reporting periods.

For more information about special items, see chapter 4 Earnings position.

Earnings per share and **profit or loss for the period** are also included in METRO GROUP's key performance indicators. They integrate the tax and net financial result into management of the earnings position and enable shareholders to better assess the group's earnings position.

For more information about these performance metrics, see chapter 4 Earnings position.

Key performance indicators: financial and asset position

METRO GROUP manages its financial and asset position to ensure the long-term liquidity of group companies and cover their funding requirements in a cost-efficient manner.

For more information about the financial and asset position, see chapter 5 Financial and asset position.

Key performance indicators include investments, which are planned and reported on aggregate group level as well as separately for the sales lines. In addition, the Management Board conducts differentiated assessments of different investments (for example, expansion and online business) with a view to enhancing customer benefits and METRO GROUP's company value.

Aside from the focus on investments, regular **net working capital** analyses are carried out to maintain a focus on operations and optimised capital deployment.

For more information about the composition of net working capital, see the notes to the consolidated financial statements in no. 41 Notes to the cash flow statement.

Investments and net working capital not only impact customer benefits and the company's value creation, but also have an effect on the company's indebtedness and financial position. In this context, **cash flow before financing activities** and **net debt** serve as key performance indicators for liquidity and the capital structure.

For more information about these performance metrics, see chapter 5 Financial and asset position.

Value-oriented performance metrics

As METRO GROUP's management system is strongly focused on value creation for the company, it also comprises value-oriented key performance indicators such as **EBIT after cost of capital (EBITaC)** and **return on capital employed (RoCE),** which are based on the aforementioned operational key performance indicators.

For more information about these performance metrics, see chapter 4 Earnings position.

3. Macroeconomic and sector-specific parameters[1]

Global economic momentum increased slightly during the past financial year. Following two years of economic crisis, recovery remained modest with several setbacks during the course of the year. More sustainable economic growth was hampered in particular by problems related to government debt. At 2.4 per cent, projected global economic output for 2014 is just marginally above the 2.3 per cent generated last year. Economic performance varied greatly in the developed world and emerging countries: while recovery was observable in the United States and the eurozone, economic momentum slowed considerably in many emerging countries. A key trigger for this was the US Federal Reserve Board's decision to gradually wind down its expansionary monetary policy in autumn of 2013, causing investors to withdraw funds from emerging countries. In addition, specific national problems resulted in slower economic growth in the respective countries.

At the same time, many political crises and conflicts intensified during the year, particularly in the Middle East. In Europe, the Ukraine conflict cast a long shadow over the political agenda. It led to significant economic problems in Ukraine and continued to negatively impact the already sluggish economic performance of Russia as well. The Russian economy was weakened as a whole by declining investor confidence and the sanctions imposed by the European Union and the United States.

The currencies of many emerging economies weakened substantially as investors withdrew funds and current account deficits climbed to high levels in some cases. The Ukrainian hryvnia lost more than half its value, while the currencies of Russia, Turkey and India declined over 10 per cent in value over the course of financial year 2013/14.

The falling value of these currencies resulted in an above-average increase in consumer prices, in particular in Russia, Turkey and India. By the end of the financial year, the increase in consumer prices in these countries was in the high single-digit range. By contrast, inflation in most European countries was below average in light of the ongoing muted economic growth overall. Consumer prices actually decreased in several countries. This was especially true of food prices: following record-breaking increases in the eurozone in 2012 and 2013, a decline of 1 per cent and thus a deflationary trend was registered at the end of the reporting year.

In terms of the regions in which METRO GROUP is active, growth in Germany continued to outpace that in other Western European countries. While most Western European countries were able to pull themselves out of the recession during the reporting period, high levels of government debt and the rocky path to consolidation continue to hinder dynamic growth. At the same time, recovery was very uneven.

Central European countries benefited from the slight recovery thanks to their economic ties to Western Europe and experienced somewhat stronger growth than in 2013. In contrast, the economic situation in the emerging countries of Eastern Europe was considerably more difficult, due in part to political crises. Economic momentum lagged behind the previous year's level particularly in Russia and Ukraine, but also in Turkey. The projected growth rate of just under 1 per cent for Central and Eastern Europe as a whole is therefore below the previous year's level yet again.

The highest growth rates were once again seen in the emerging countries of Asia. However, investors' withdrawal from these countries hurt economic growth there as well. Projected economic growth for this region as a whole in 2014 is just under 4 per cent, slightly below the previous year's level.

[1] The numbers indicating the development of gross domestic product in the chapter Macroeconomic and sector-specific parameters represent the entire years of 2013 and 2014. As such, the figures for 2014 represent projections. Unless otherwise indicated, the qualitative statements in the text refer to the reporting period.

Development of gross domestic product in key global regions and Germany
Percentage change year-on-year

	2013[1]	2014[2]
World	2.3	**2.4**
Germany	0.1	**1.3**
Western Europe (excl. Germany)	–0.2	**1.0**
Eastern Europe	1.2	**0.8**
Asia	4.0	**3.8**

Source: Feri
[1] Previous year's figures may deviate from the Annual Report 2013 if final figures were not yet available at the reporting date
[2] Forecast

Below-average growth continues in consumer goods retailing

The impact of economic developments on retailing in the regions where METRO GROUP does business was varied. After two years of declining sales, the retail industry made a gradual recovery in Western Europe with a slight nominal plus of nearly 0.5 per cent in the past financial year. On a price-adjusted basis, sales were slightly higher as a result of declining retail prices on the whole. Nominal growth rates in the retail industry were indeed higher in Eastern Europe and Asia, with Asia once again posting the strongest growth. However, growth in both regions lagged behind the rates seen in the same period of the previous year. At the same time, sales were driven much more strongly by prices.

Germany
The German economy continued to outperform other Western European countries in the reporting period. After a dynamic first half of the year, the second half was marked by a slowdown. Overall, the economy is expected to grow 1.3 per cent in 2014 (previous year: +0.1 per cent). Unemployment continued to decline in comparison to the same period of the previous year, and disposable income generated solid growth. Real consumer purchasing power increased as a result of low inflation. This had a correspondingly positive impact on consumption and retailing. The retail industry generated nominal growth of nearly 2 per cent (real: approximately 1 per cent) in the reporting period and thus expanded at a somewhat faster pace than in the previous year. In addition, sales growth in food was still somewhat higher than growth in non-food.

Western Europe
Economic growth in Western Europe remained modest despite the gradual recovery. Following a downward trend in the previous year, gross domestic product is expected to increase by approximately 1 per cent in 2014. The unemployment rate only slowly declined in the reporting period from the record level reached in autumn 2013. Despite some exceptions, crisis-hit countries and more robust core markets continued to develop at different paces. Aside from Germany, the economy grew at an above-average rate, particularly in Sweden and Switzerland. In addition, the former crisis country of Spain performed very well, with an expected real increase in its gross domestic product of 1.5 per cent in 2014. In comparison, Italy's economy is expected to continue shrinking slightly, and France's economy barely generated any growth at all in 2014 as a result of structural problems.

As a result of slightly improved conditions, the retail industry in Western Europe generated a nominal gain of just under 0.5 per cent in the reporting period (2012/13: –1.0 per cent) in the reporting year. In most countries, the different economic development trends were also mirrored in the retail industry. In addition to Germany, the retail sector performed especially well in Austria and Sweden. The economic upswing made itself felt in Spain with a slight upturn in retail sales following several years of decline. By contrast, retail sales declined in France and Portugal, among other countries.

Eastern Europe
On the one hand, Eastern European countries benefited from the gradual recovery due to their economic ties to Western Europe. On the other, political and economic conditions deteriorated, in particular in Russia and Ukraine as a result of their political conflict. The Turkish economy also cooled noticeably in 2014. Overall, growth in Eastern Europe continues to fall short of its economic potential. Projected economic growth of just under 1 per cent for 2014 is once again just below the previous year's level (1.2 per cent). Poland and Hungary are performing exceptionally well, however, with expected growth rates of 3 per cent each. By contrast, economic performance is declining in Russia and Ukraine as well as – prospectively – in Croatia and Serbia and once again Greece. As a result, retail performance was particularly weak in Greece and Croatia. Russia and Turkey continued to record high nominal retail growth despite the economic downturn. However, increases in prices were also above average, meaning that growth was substantially lower in

real terms. Furthermore, the weakening of both countries' currencies against the euro reached double-digit figures in percentage terms. By contrast, retail sales developed positively in Hungary and Romania, even on a price-adjusted basis.

Asia/Africa

The emerging economies of Asia were once again the source of the greatest growth in the past financial year. The projected growth rate of just under 4 per cent for Asia is only slightly below the previous year's level. However, the emerging economies of Asia had to contend with weaker economic momentum. In China, another government stimulus programme shored up the economy and enabled growth to remain above 7 per cent. Solid growth of 1 per cent is forecast for Japan in 2014. A special development affecting consumption occurred in April when the value added tax was increased 3 percentage points from 5 per cent to 8 per cent. Prior to the increase, consumption and retail sales rose at an above-average rate and then decreased again afterwards. Over the course of the entire financial year, retail trade experienced above-average growth at a nominal rate of approximately 2 per cent.

Retail growth remained high in the emerging countries of Asia. In China, the retail business again grew by more than 10 per cent nominally during the past financial year. Other emerging economies in Asia also produced growth that nearly reached double-digit levels. But inflation hit high single-digit levels particularly in India and Pakistan, meaning that real sales were significantly lower.

Development of gross domestic product in METRO GROUP countries
Percentage change year-on-year

	2013[1]	2014[2]
China	7.7	**7.4**
India	4.7	**6.0**
Vietnam	5.4	**4.8**
Kazakhstan	6.0	**4.6**
Pakistan	4.0	**3.4**
Hungary	1.1	**3.3**
Poland	1.6	**2.8**
Luxembourg	2.1	**2.7**
Turkey	4.1	**2.4**
Slovakia	0.9	**2.3**
Czech Republic	–0.9	**2.3**
Sweden	1.5	**2.1**
Moldova	8.9	**1.8**
Switzerland	1.9	**1.7**
Bulgaria	0.9	**1.5**
Spain	–1.2	**1.5**
Germany	0.1	**1.3**
Romania	3.3	**1.2**
Japan	1.5	**1.0**
Belgium	0.3	**1.0**
Austria	0.2	**0.8**
Portugal	–1.4	**0.8**
Denmark	0.4	**0.7**
Netherlands	–0.7	**0.7**
France	0.4	**0.3**
Greece	–3.9	**–0.1**
Italy	–1.9	**–0.3**
Croatia	–0.7	**–0.4**
Russia	1.3	**–0.5**
Serbia	2.5	**–1.5**
Ukraine	0.0	**–7.4**

[1] Previous year's figures may deviate from the Annual Report 2013 if final figures were not yet available at the reporting date
[2] Forecast

METRO Cash & Carry: sector development in the cash-and-carry business

In terms of sales, METRO Cash & Carry is the global market leader in self-service wholesale. Although the sales line closed its operations in Egypt during the reporting period as part of the continual strategic portfolio optimisation process, its presence in 28 countries undisputedly gives it the highest degree of internationalisation worldwide.

In Germany, sales generated by the self-service wholesale trade during financial year 2013/14 remained at approximately the same level seen in the comparable prior-year period. The cash-and-carry segment performed slightly worse than food retailing as a whole, which was above the previous year's level. Increases in food prices are slowing, causing the positive momentum created by such trends for sector development to subside. METRO Cash & Carry remains the leader in the self-service wholesale trade in Germany. Its market share remained relatively unchanged in financial year 2013/14.

Sales in self-service wholesale trade in Western Europe decreased slightly during the reporting period. However, this decline was smaller than the decrease recorded in the previous year. Deflationary tendencies are also evident here in many cases, in particular in food prices. Development in the cash-and-carry segment in the individual countries was varied again. The crisis countries in the eurozone enjoyed a modest recovery in financial year 2013/14. The sales decline in self-service wholesale trade in Portugal and Spain, for example, lessened in comparison to the same period of the previous year.

In Eastern Europe, sales generated by self-service wholesale trade in local currency increased once again in financial year 2013/14. Overall, development in the region is very non-uniform due to the different economic conditions. Sales continue to grow in Poland and Turkey. In Ukraine, business has been hurt by the worsening political situation between Russia and Ukraine. Economic sanctions imposed against Russia are causing food prices to rise sharply. In conjunction with the slowdown in economic growth, the final quarter provided indicators for changes in food shopping behaviour. As a whole, however, sales in Russia continue to develop positively.

In Asia, growth in self-service wholesale trade continued in financial year 2013/14. With its expansion in the region, METRO Cash & Carry was once again the growth driver in the sector and increased its market share in the reporting period. China and India are the main focal points of METRO Cash & Carry's strategic expansion. Thanks to the continued low market concentration found in many countries and the higher number of small, traditional retailers, the region continues to exhibit tremendous growth potential. In India, METRO Cash & Carry has little international competition due to the existing restrictions on foreign retailing activities on the Indian market.

Media-Saturn: sector development in consumer electronics retailing

The Media-Saturn group of companies maintained its leading position among consumer electronics stores in Europe during financial year 2013/14 and further increased its market share. The sales line is focusing in particular on generating growth via multichannel sales and so-called online pure play concepts.

Following a weak Christmas quarter, the German consumer electronics retailing segment gained significant momentum from January onwards, growing more than 3 per cent during the reporting period. As expected, major sports events such as the Olympic Games and the FIFA World Cup had a positive impact, in particular on the entertainment electronics product groups TV and audio.

The economic upswing in the overall economy in the first half of the reporting period fuelled growth for IT product groups. However, this momentum was stronger in the business-to-business segment and thus of less relevance to the speciality centre segment.

In Southern Europe, sales generated by the consumer electronics stores remained non-uniform. In particular, the Iberian countries, whose economies were under pressure for a long period of time, returned to a growth path in the past financial year. Greece has almost been able to halt its downward spiral, while Italy is still grappling with significant market contractions.

The situation in Eastern Europe is also varied: while Hungary has enjoyed continuous double-digit growth rates for months now, electronics stores in Russia and Poland are currently down approximately 2 per cent and 1 per cent, respectively.

In comparison, Turkey benefited from the current instability in neighbouring countries and generated double-digit growth rates.

The other, more saturated markets in Belgium, the Netherlands, Austria and Switzerland contracted slightly, while the market in Sweden generated slight growth.

Real: sector development in the food retail business

On a price-adjusted basis, the food retail business in Germany regressed in the first half of financial year 2013/14. Key factors in this development included in particular decreasing customer frequency as well as a shift in the Easter business from March to April. On a price-adjusted basis, sales at large-area supermarkets likewise declined during the first half of financial year 2013/14. At the same time, sales also declined at Real.

In the second half of the financial year, sales in the food retail business, particularly in the segment of fast moving consumer goods (FMCG), rose at a higher rate than the otherwise moderate price increases. This is also the case for large consumer stores.

Following the successful sale of Real Turkey and the executed sale of its business in Poland, Real is now exclusively focusing on the still highly competitive German market.

Galeria Kaufhof: sector development in the department store business

Sales in the department store segment in Germany rose in financial year 2013/14 for the first time in years. By contrast, textile and clothing sales, the focal points of the department stores, declined slightly overall as a result of the weak development in the fourth quarter.

The conflicting market trend taken by different sales channels continued in the reporting period. While mail-order sales continued to rise significantly as a result of online sales in the textile and clothing market, sales produced by stationary stores continued to decline.

In Belgium, the market environment remained challenging due to the economic crisis.

4. Earnings position

Overview of group business development

In financial year 2013/14, METRO GROUP sales, adjusted for portfolio and currency effects, grew by 1.3 per cent. Like-for-like sales also grew, increasing slightly by 0.1 per cent. Significantly negative currency and portfolio effects, especially through the disposal of Real Eastern Europe, led to a 4.0 per cent decline in sales to €63.0 billion.

Group EBIT reached a total of €1,273 million in financial year 2013/14. EBIT before special items totalled €1,727 million.

Comparison of outlook with actual business developments

Sales
For financial year 2013/14, METRO GROUP, adjusted for portfolio changes and based on the assumption of nearly consistent exchange rates, forecast a slight rise in overall sales. With an increase of 1.3 per cent, METRO GROUP exceeded this target.

In like-for-like sales, METRO GROUP expected a trend improvement and a level of sales that would roughly equal the previous year's level. With a 0.1 per cent increase in like-for-like sales, this target was met.

For the sales lines METRO Cash & Carry and Media-Saturn, a slight gain in total sales measured in local currency was forecast. This guidance was met, as sales rose by 2.0 per cent and 0.8 per cent, respectively. On a like-for-like basis, sales in both sales lines were expected to remain at the previous year's level. While METRO Cash & Carry boosted like-for-like sales by 1.0 per cent, these fell slightly by 0.9 per cent at Media-Saturn. At Real Germany and Galeria Kaufhof, like-for-like sales were also expected to remain at the previous year's level. This figure declined slightly by 0.9 per cent at Real Germany and climbed by 0.5 per cent at Galeria Kaufhof.

EBIT
For EBIT before special items, METRO GROUP had forecast a distinct increase compared with the previous year's €1.7 billion based on the assumption that exchange rates would remain virtually unchanged. The target was later specified at €1.75 billion at unchanged exchange rates. METRO GROUP's actual EBIT before special items reached €1,727 million. The impact of markedly negative currency effects totalled €82 million. Furthermore, income from real estate made a positive contribution to earnings. As a result, METRO GROUP hit its target.

As forecast, EBIT before special items was largely determined by METRO Cash & Carry and Media-Saturn. Earnings at Media-Saturn rose sharply. In line with projections, the comparable earnings of METRO Cash & Carry rose slightly. As forecast, Real also achieved a slight increase due to income from real estate. Galeria Kaufhof almost achieved the previous year's figure with a similar earnings level.

Sales and earnings development

In financial year 2013/14, group sales totalled €63.0 billion, 4.0 per cent below the previous year's level (2012/13: €65.7 billion). Sales declined by 1.7 per cent in local currency. The decrease primarily resulted from the disposal of Real in Eastern Europe. Adjusted for portfolio changes and currency effects, sales rose by 1.3 per cent. Like-for-like sales rose by 0.1 per cent.

In **Germany,** sales fell slightly by 0.6 per cent to €25.5 billion (2012/13: €25.6 billion).

In **international business,** sales adjusted for portfolio changes and currency effects rose by 2.5 per cent. However, as a result of negative currency effects and portfolio changes, sales fell by 6.2 per cent to €37.6 billion. The decrease primarily resulted from the disposal of Real in Eastern Europe.

The international share of total sales declined from 61.0 per cent to 59.6 per cent.

Sales in **Western Europe (excluding Germany)** declined slightly by 0.6 per cent to €19.1 billion (in local currency: –0.4 per cent). This was largely the result of developments in Belgium, the Netherlands and Denmark. By contrast, the development in Spain was very pleasing.

Sales in **Eastern Europe** adjusted for currency effects and portfolio changes increased by 4.6 per cent. In particular, Russia and Turkey contributed strongly to this rise. But as a result of currency effects and the disposal of Real Eastern Europe, sales fell considerably by 14.1 per cent to €14.8 billion. Sales declined by 6.5 per cent in local currency.

The **Asia/Africa** region continued to generate strong growth. Adjusted for portfolio changes and currency effects, sales climbed by 7.8 per cent. As a result of the closure of business operations in Egypt and currency effects, sales rose only by 1.0 per cent to €3.7 billion. However, they rose by 6.2 per cent in local currency. As a result, Asia/Africa is the fastest-growing region at METRO GROUP.

During financial year 2013/14, EBIT at METRO GROUP totalled €1,273 million, a total of €415 million below the previous year's level (2012/13: €1,688 million). This figure contains special items amounting to €454 million (2012/13: €313 million). These special items can be broken down into portfolio changes totalling €19 million (in particular from METRO Cash & Carry's withdrawal from the Danish market as well as the divestment of Real Turkey and Real Eastern Europe), restructuring and efficiency improvement measures totalling €264 million (primarily the planned closures at Real and restructurings at METRO Cash & Carry in Belgium and the Netherlands as well as at Real and Media-Saturn), impairment losses on goodwill totalling €88 million (affects METRO Cash & Carry in the Netherlands) as well as other special items totalling €83 million.

Special items are non-recurring transactions such as restructuring or changes to the group portfolio. Reporting before special items better reflects the company's operating performance and thus renders the earnings presentation more meaningful.

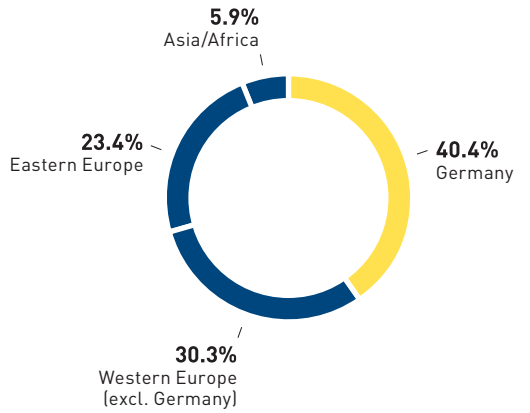
An overview including the reconciliation of special items can be found on pages 92 and 93.

In financial year 2013/14, EBIT before special items at METRO GROUP fell from €2,000 million to €1,727 million. In this regard, it should, however, be noted that the comparable result from the previous year totalled about €1.7 billion. The lower comparable figure for the previous year was adjusted for unusually high income from real estate disposals and earnings contributions from portfolio changes. In addition, earnings were hurt during the reporting period by negative currency effects totalling €82 million.

Development of group sales
by sales line and region

	9M 2013 € million	12M 2012/13 € million	12M 2013/14 € million	Change in % compared with the previous year's period: in €	Currency effects in percentage points	in local currency
METRO Cash & Carry	22,559	31,165	**30,513**	–2.1	–4.1	2.0
Media-Saturn	14,405	21,053	**20,981**	–0.3	–1.2	0.8
Real	7,261	10,366	**8,432**	–18.7	–0.3	–18.3
Galeria Kaufhof	2,086	3,082	**3,099**	0.5	0.0	0.5
Others	10	14	**10**	–24.3	0.0	–24.3
METRO GROUP	**46,321**	**65,679**	**63,035**	**–4.0**	**–2.3**	**–1.7**
thereof Germany	17,840	25,623	**25,478**	–0.6	0.0	–0.6
thereof international	28,481	40,056	**37,557**	–6.2	–3.9	–2.3
Western Europe (excl. Germany)	13,664	19,192	**19,081**	–0.6	–0.1	–0.4
Eastern Europe	12,011	17,180	**14,755**	–14.1	–7.6	–6.5
Asia/Africa	2,805	3,685	**3,722**	1.0	–5.2	6.2

Group sales of METRO GROUP 2013/14
by region



Development of group EBIT and EBIT of the sales lines

€ million	EBIT[1, 2] 9M 2013	12M 2012/13	12M 2013/14
METRO Cash & Carry	725	1,379	**1,125**
Media-Saturn	–33	299	**335**
Real	29	145	**81**
Galeria Kaufhof	40	229	**193**
Others	–32	–54	**–6**
Consolidation	–2	2	**0**
METRO GROUP	**728**	**2,000**	**1,727**

[1] Revised presentation (for more information, see the notes to the group accounting principles and methods); the comparative periods have been adjusted accordingly
[2] Before special items

Sales and earnings development of the sales lines

METRO Cash & Carry

Like-for-like sales at METRO Cash & Carry rose by 1.0 per cent during financial year 2013/14. As a result of very negative currency effects, sales fell by 2.1 per cent to €30.5 billion. However, sales rose by 2.0 per cent in local currency.

Sales generated by the delivery business continued to show a dynamic development, climbing by 9.5 per cent to €2.8 billion (2012/13: €2.5 billion). In local currency, sales even rose by 13.6 per cent. The sales share of own brands continued to rise. In financial year 2013/14, this share rose from 16.8 per cent in the previous year to 17.0 per cent.

In Germany, sales decreased slightly by 0.4 per cent to €4.8 billion during financial year 2013/14 (like-for-like –0.3 per cent). A slight trend reversal occurred during the financial year thanks to the success of a modified product range.

In **Western Europe (excluding Germany),** sales in financial year 2013/14 declined slightly by 1.1 per cent to €10.5 billion (2012/13: €10.7 billion). Like-for-like sales declined by 1.5 per cent. While sales in the Netherlands, Denmark and Belgium declined markedly, sales trends in France and Spain were positive.

In **Eastern Europe,** sales fell by 5.0 per cent to €11.4 billion due to distinctly negative currency effects. However, sales rose markedly in local currency, gaining 4.2 per cent. Like-for-like sales also rose markedly by 2.9 per cent. In Russia, like-for-like sales continued to climb sharply in spite of the difficult political situation and rose by nearly a double-digit percentage. By contrast, Ukraine saw a decline in sales. The recovery continued in Poland, where like-for-like sales increased markedly. The sales trend in Turkey was also very positive.

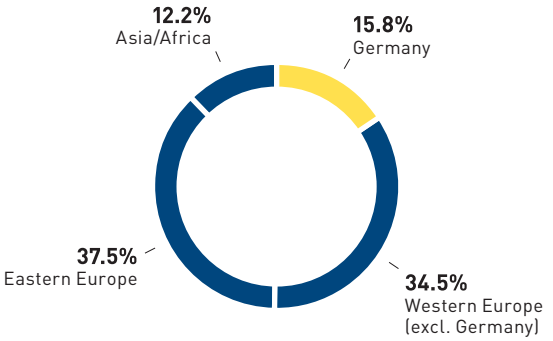
Sales in **Asia/Africa** totalled €3.7 billion, an increase of 2.5 per cent. Exchange rates had a negative impact here as well. Sales rose by 7.9 per cent in local currency. Like-for-like sales also climbed sharply in virtually all countries and rose by 4.4 per cent in the region. India performed well, recording double-digit growth in like-for-like sales. China also showed a positive development.

Key figures METRO Cash & Carry 2013/14
in year-on-year comparison

	9M 2013 € million	12M 2012/13 € million	12M 2013/14 € million	Change in % compared with the previous year's period: in €	Currency effects in percentage points	in local currency	like-for-like sales in local currency
Sales	22,559	31,165	**30,513**	–2.1	–4.1	2.0	1.0
Germany	3,444	4,837	**4,819**	–0.4	0.0	–0.4	–0.3
Western Europe (excl. Germany)	7,750	10,668	**10,547**	–1.1	0.0	–1.1	–1.5
Eastern Europe	8,587	12,037	**11,431**	–5.0	–9.2	4.2	2.9
Asia/Africa	2,778	3,623	**3,716**	2.5	–5.3	7.9	4.4
EBIT[1, 2]	725	1,379	**1,125**	–18.4	–	–	–
EBIT margin[1, 2] (%)	3.2	4.4	**3.7**	–	–	–	–
Locations (number)	752	752	**766**	1.9	–	–	–
Selling space (1,000 m²)	5,554	5,554	**5,576**	0.4	–	–	–

[1] Revised presentation (for more information, see the notes to the group accounting principles and methods); the comparative periods have been adjusted accordingly
[2] Before special items

Sales of METRO Cash & Carry 2013/14
by region



In financial year 2013/14, the share of international business in the total sales of METRO Cash & Carry fell slightly from 84.5 per cent to 84.2 per cent as a result of currency effects.

EBIT at METRO Cash & Carry totalled €904 million in financial year 2013/14 (2012/13: €1,205 million). This figure includes special items of €221 million. The largest individual item was non-cash impairment of goodwill at METRO Cash & Carry in the Netherlands (€88 million). The figure also includes portfolio measures as well as restructuring and closing costs that involve a large number of individual measures. These are primarily related to the withdrawal from the Danish market as well as restructurings in Belgium and the Netherlands. EBIT before special items amounted to €1,125 million (2012/13: €1,379 million). This decline was mainly the result of the lack of earnings from the real estate transaction in France in the previous year's period as well as negative currency effects. Adjusted for these effects, earnings before special items improved.

On 30 September 2014, METRO Cash & Carry operated 766 stores located in 28 countries. Of these stores, 107 were in Germany, 238 in Western Europe (excluding Germany), 290 in Eastern Europe and 131 in Asia.

Media-Saturn

Sales of Media-Saturn grew by 0.8 per cent in local currency in financial year 2013/14. In euros, they fell slightly by 0.3 per cent to €21.0 billion. Like-for-like sales declined by 0.9 per cent. A significant trend improvement occurred as the financial year progressed. In addition to successful marketing campaigns launched, among others, as part of the football World Cup, rising multichannel sales contributed to this positive reversal.

Online sales continued to grow dynamically. These sales increased by nearly 30 per cent to €1.4 billion during financial year 2013/14 and achieved 6.9 per cent of total sales.

In **Germany,** sales totalled €9.8 billion during financial year 2013/14 and were therefore slightly below the previous year's level. Like-for-like sales declined by 1.9 per cent. However, trends improved considerably as the year progressed. In addition to positive stationary sales, the increased multichannel sales of Media-Saturn contributed to this turnaround.

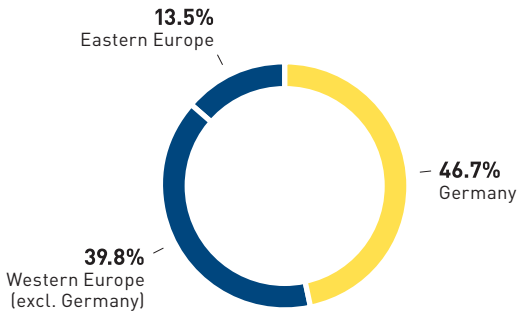
Customer demand for the multichannel offering remains very strong. The online product range was expanded once again. At the end of September 2014, it consisted of nearly 66,000 items at mediamarkt.de and more than 49,000 at saturn.de. The in-store pick-up rate was about 40 per cent.

Key figures Media-Saturn 2013/14
in year-on-year comparison

	9M 2013 € million	12M 2012/13 € million	12M 2013/14 € million	Change in % compared with the previous year's period: in €	Currency effects in percentage points	in local currency	like-for-like sales in local currency
Sales	14,405	21,053	**20,981**	–0.3	–1.2	0.8	–0.9
Germany	6,692	9,839	**9,795**	–0.4	0.0	–0.4	–1.9
Western Europe (excl. Germany)	5,784	8,341	**8,356**	0.2	–0.3	0.5	–0.1
Eastern Europe	1,908	2,819	**2,831**	0.4	–8.4	8.8	0.7
Asia/Africa	21	54	**0**	–	–	–	–
EBIT[1]	–33	299	**335**	12.0	–	–	–
EBIT margin[1] (%)	–0.2	1.4	**1.6**	–	–	–	–
Locations (number)	948	948	**986**	4.0	–	–	–
Selling space (1,000 m²)	3,022	3,022	**3,070**	1.6	–	–	–

[1] Before special items

Sales of Media-Saturn 2013/14
by region



In **Western Europe (excluding Germany),** sales rose by 0.2 per cent to €8.4 billion. In local currency, sales increased by 0.5 per cent compared with the previous year's level. Like-for-like sales decreased only marginally. In many countries, additional market share was captured. Like-for-like sales declined in Sweden and Italy. But they rose in Spain, Portugal, the Netherlands and Switzerland.

In **Eastern Europe,** sales rose slightly by 0.4 per cent to €2.8 billion. They were softened in particular by negative exchange rate effects. In local currency, however, sales rose steeply by 8.8 per cent. Here, too, sales trends became very positive as the year progressed. Like-for-like sales rose by 0.7 per cent. In this area, Hungary and Turkey performed extremely well, generating double-digit gains.

The **international share of sales** was unchanged at 53.3 per cent during financial year 2013/14.

EBIT at Media-Saturn climbed to €244 million (2012/13: €184 million). This figure includes special items of €91 million. These items involved numerous restructuring and efficiency improvement measures, particularly in Germany. EBIT before special items climbed sharply from €299 million to €335 million. Sales-related declines in earnings were compensated through cost savings and margin improvements. In addition, the required risk provisions came in lower compared with the previous year and positively impacted earnings.

On 30 September 2014, Media-Saturn had 986 consumer electronics stores in 15 countries, including 415 in Germany, 367 in Western Europe (excluding Germany) and 204 in Eastern Europe.

Real

Sales at Real fell by 18.7 per cent to €8.4 billion during financial year 2013/14 due to the disposal of Real Eastern Europe (in local currency: –18.3 per cent). Like-for-like sales, in turn, declined by just 0.8 per cent.

In **Germany,** sales fell by 1.3 per cent to €7.9 billion. The like-for-like decline was 0.9 per cent. Trends improved as the year progressed. Real's improved positioning played a major role in this business, which is known for its aggressive pricing. In particular, Real's refurbished stores developed positively.

The sales share of own brand products continued to increase during financial year 2013/14, rising from 16.1 per cent to 16.3 per cent.

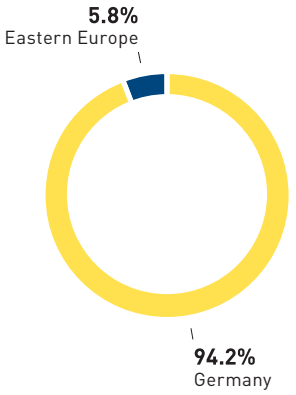
Sales **in Eastern Europe** dropped by 78.8 per cent to €0.5 billion as a result of the disposal of Real Eastern Europe.

Key figures Real 2013/14
in year-on-year comparison

	9M 2013 € million	12M 2012/13 € million	12M 2013/14 € million	Change in % compared with the previous year's period: in €	Currency effects in percentage points	in local currency	like-for-like sales in local currency
Sales	7,261	10,366	**8,432**	–18.7	–0.3	–18.3	–0.8
Germany	5,744	8,043	**7,939**	–1.3	0.0	–1.3	–0.9
Eastern Europe	1,517	2,323	**493**	–78.8	–0.4	–78.4	–
EBIT[1, 2]	29	145	**81**	–44.1	–	–	–
EBIT margin[1, 2] (%)	0.4	1.4	**1.0**	–	–	–	–
Locations (number)	384	384	**311**	–19.0	–	–	–
Selling space (1,000 m²)	2,758	2,758	**2,145**	–22.2	–	–	–

[1] Revised presentation (for more information, see the notes to the group accounting principles and methods); the comparative periods have been adjusted accordingly
[2] Before special items

Sales of Real 2013/14
by region



EBIT at Real totalled €19 million during financial year 2013/14 (2012/13: €224 million). This included special items of €62 million relating almost exclusively to the closure of stores in Germany and the disposal of Real Turkey. By contrast, a special item resulting from the disposal of Real Eastern Europe had the opposite effect. EBIT before special items amounted to €81 million, compared with €145 million in the previous year's period. This decline was largely due to the loss of earnings contributions from Real's divested business in Eastern Europe. In Germany, EBIT before special items rose, largely due to earnings contributions from real estate transactions.

On 30 September 2014, Real had a total of 307 hypermarkets in Germany and 4 in Romania.

Galeria Kaufhof

Sales of Galeria Kaufhof rose by 0.5 per cent to €3.1 billion during financial year 2013/14. Like-for-like sales also grew by 0.5 per cent.

In **Germany,** sales of Galeria Kaufhof totalled €2.9 billion, an increase of 0.7 per cent compared with the previous year's figure. Like-for-like sales rose by 0.8 per cent. In addition to the department store's attractive product range, the sales growth in online retail also contributed to the increase. The online operations developed very positively. Galeria.de and sportarena.de boosted sales by 64 per cent to €63 million during financial year 2013/14.

Key figures Galeria Kaufhof 2013/14
in year-on-year comparison

	9M 2013 € million	12M 2012/13 € million	12M 2013/14 € million	Change in % compared with the previous year's period: in €	Currency effects in percentage points	in local currency	like-for-like sales in local currency
Sales	2,086	3,082	**3,099**	0.5	0.0	0.5	0.5
Germany	1,955	2,899	**2,920**	0.7	0.0	0.7	0.8
Western Europe (excl. Germany)	131	183	**178**	–2.8	0.0	–2.8	–2.8
EBIT[1, 2]	40	229	**193**	–15.8	–	–	–
EBIT margin[1, 2] (%)	1.9	7.4	**6.2**	–	–	–	–
Locations (number)	137	137	**137**	0.0	–	–	–
Selling space (1,000 m²)	1,439	1,439	**1,446**	0.5	–	–	–

[1] Revised presentation (for more information, see the notes to the group accounting principles and methods); the comparative periods have been adjusted accordingly
[2] Before special items

In **Western Europe (excluding Germany),** sales fell by 2.8 per cent to €0.2 billion. This was largely the result of a slight decline in the Belgian textile market.

EBIT at Galeria Kaufhof totalled €193 million during financial year 2013/14 (2012/13: €214 million). EBIT before special items also amounted to €193 million (2012/13: €229 million). Among other things, the decline was due to income from real estate transactions in the same period of the previous year.

As of 30 September 2014, the store network of Galeria Kaufhof comprised 137 department stores: 122 locations in Germany and 15 in Belgium.

Sales of Galeria Kaufhof 2013/14
by region

Others

The Others segment comprises, among others, METRO AG as the management holding company of METRO GROUP, 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. These include speciality centres, warehouses and head offices.

In financial year 2013/14, sales in the Others segment totalled €10 million (2012/13: €14 million). Among others, sales included commissions from third-party business via METRO GROUP's procurement organisation in Hong Kong.

EBIT totalled €–91 million in financial year 2013/14 (2012/13: €–145 million). This figure includes positive special items totalling €85 million (2012/13: €91 million). Among other things, this comprises risk provisions for legal disputes. EBIT before special items improved significantly from €–54 million to €–6 million. This turnaround primarily was the result of increased income from real estate transactions. Individual office properties at the Düsseldorf headquarters was sold at the end of June. The timing for such a transaction was very favourable due to the positive development of the real estate market.

Net financial result and taxes

€ million	9M 2013	12M 2012/13	12M 2013/14
Earnings before interest and taxes EBIT	**703**	**1,688**	**1,273**
Result from associates and joint ventures	6	6	**9**
Other investment result	7	19	**78**
Interest income/expenses (interest result)	–365	–517	**–409**
Other net financial result	–162	–148	**–242**
Financial result	**–514**	**–640**	**–564**
Earnings before taxes EBT	**189**	**1,048**	**709**
Income taxes	–260	–990	**–527**
Profit or loss for the period	**–71**	**58**	**182**

Financial result

The financial result primarily comprises the interest result of €–409 million (2012/13: €–517 million) and the other financial result of €–242 million (2012/13: €–148 million). The interest result improved thanks largely to the repayment of high-interest debt that was then refinanced at lower rates and reduced debt. The change in the other financial result of €–94 million was caused primarily by negative currency effects that had been recognised as equity outside of profit or loss up to now and that are recognised in profit or loss as a result of the disposal of subsidiaries and in the year the subsidiary's business activities were discontinued. These currency effects were recognised as special factors and amount to about €–122 million in the current financial year, which can be primarily attributed to Real Turkey and Real Poland. The corresponding total from the previous year of €–66 million primarily involved Real Russia and Real Romania. Furthermore, income of €62 million from the disposal of a 9 per cent stake in Booker Group PLC impacted the other investment result.

For more information about the financial result, see the notes to the consolidated financial statements in no. 6 Result from associates and joint ventures, no. 7 Other investment result, no. 8 Net interest income/interest expenses and no. 9 Other net financial result.

Taxes

The rise in recognised tax expenses from 9M 2013 to 12M 2013/14 was primarily caused by the increased pre-tax result in the reporting year compared with the short financial year 2013 and can largely be attributed to the sales lines Media-Saturn and METRO Cash & Carry.

The decline in income tax expenses reported in the above table from 12M 2012/13 to 12M 2013/14 is a calculated value that results from adding the tax expenses of the fourth quarter of the 2012 calendar year to the tax expenses of the nine-month short financial year. For systemic reasons, however, comparability is limited. A detailed actual tax calculation for the twelve-month comparable period is not available. For this reason, a detailed itemisation of the tax positions for the twelve-month comparable period is not possible in the following table.

€ million	9M 2013	12M 2013/14
Actual tax	232	**496**
thereof Germany	(67)	**(128)**
thereof international	(165)	**(368)**
thereof tax expenses/income of current period	(240)	**(473)**
thereof tax expenses/income of previous periods	(–8)	**(23)**
Deferred taxes	28	**31**
thereof Germany	(–9)	**(43)**
thereof international	(37)	**(–12)**
	260	**527**

Compared with the previous year, deferred taxes on balance only changed insignificantly.

In the reporting period, the group tax rate stood at 74.32 per cent (9M 2013: 137.81 per cent). Adjusted for special items, the rate amounted to 45.41 per cent (9M 2013: 94.50 per cent). The group tax rate represents the relationship between recognised income tax expenses and earnings before taxes. The major difference between the reported tax rate and the tax rate adjusted for special items largely results from the fact that the expenses related to the special items generally have no corresponding tax effect (in particular, expenses related to portfolio changes as well as impairment losses on goodwill at METRO Cash & Carry in the Netherlands).

For more information about income taxes, see the notes to the consolidated financial statements in no. 11 Income taxes.

Profit or loss for the period and earnings per share

Profit for the period in financial year 2013/14 totalled €182 million, an increase of €124 million over the previous year's result (2012/13: €58 million). Net of non-controlling interests, profit for the period attributable to the shareholders of METRO AG totalled €127 million (2012/13: €–35 million). This represents a significant improvement of €162 million.

Profit for the period included special items totalling €491 million (2012/13: €522 million). As a result, profit for the period adjusted for these special items stood at €673 million (2012/13: €580 million).

In financial year 2013/14, METRO GROUP improved its earnings per share to €0.39 (2012/13): €–0.11). The calculation for the reporting period continued to be based on a weighted number of 326,787,529 shares. Profit for the period attributable to the shareholders of METRO AG of €127 million was distributed according to this number of shares. There was no dilution from so-called potential shares in financial year 2013/14 or in the previous year.

Earnings per share before special items totalled €1.84 (2012/13: €1.47). This result forms the basis for the dividend recommendation.

					Change	
		9M 2013	12M 2012/13	12M 2013/14	absolute	%
Profit or loss for the period	€ million	–71	58	**182**	124	–
Profit or loss for the period attributable to non-controlling interests	€ million	0	93	**55**	–38	–41.2
Profit or loss for the period attributable to shareholders of METRO AG	€ million	–71	–35	**127**	162	–
Earnings per share (basic = diluted)[1]	€	–0.22	–0.11	**0.39**	0.50	–
Earnings per share before special items[1]	€	0.03	1.47	**1.84**	0.37	24.7

[1] After non-controlling interests

Value-based management

METRO GROUP's strength is reflected, among other things, in its ability to continuously increase the company's value through growth and operational efficiency as well as optimal capital deployment. METRO GROUP has also been using value-oriented performance metrics which draw on operational key

performance indicators since 2000 to ensure the company's sustained value creation. Since 2009, we have measured the value contribution in terms of EBITaC (EBIT after cost of capital). Under the EBITaC concept, a positive value contribution is achieved when earnings before interest and taxes exceed the cost of capital needed to finance the average capital employed.

EBITaC = EBIT[1] – cost of capital
= EBIT[1] – (capital employed x WACC[2])

[1] Special items generally periodised over four years
[2] WACC = weighted average cost of capital

The use of the performance metric EBITaC generally enables METRO GROUP to focus on the key drivers of the operating business that management can influence: value-adding growth, increases in operational efficiency and optimisation of capital employed. Value-adding growth is achieved through our strategy of focusing on like-for-like sales growth in the company's existing markets, complementing the stationary business through targeted new sales channels such as online retail and delivery services as well as accelerating its expansion in select countries. In each case, our customers are at the core of our thinking and acting. As part of the expansion strategy, we have now added India to the list of key expansion countries for our wholesale business. The other countries are Russia, China and Turkey. In addition, we continue to implement measures to ensure operational and administrative efficiency and are forging ahead with the optimisation of capital deployment. We are achieving this latter goal by taking such steps as offering tailored solutions for individual customer target groups. In this work, customer-focused product group management based on specific needs in terms of product range, price groups, packaging and marketing plays a key role.

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

The cost of capital before taxes is calculated on the basis of capital market models. It corresponds to the minimum return on capital demanded by capital providers. As such, it reflects the total cost of capital employed and thus consists of equity and debt capital costs. In financial year 2013/14, METRO GROUP's cost of capital before taxes amounted to 9.0 per cent. This is calculated on the basis of an aggregation of segment-specific cost of capital.

Capital employed represents interest-carrying assets. It comprises segment assets plus cash and cash equivalents less trade liabilities as well as other operational liabilities and deferred income. We use an average capital employed calculated from quarterly financial statements in order to also consider developments in capital employed that occur during the relevant period.

In the calculation of EBITaC, special items are generally distributed over four years on a straight-line basis and considered in EBIT. As the respective positive EBIT effects largely arise with a time lag to expenses, the distribution of these special items over several years provides for an improved presentation of operating performance. As a result, short-term special effects do not fully impact earnings during the period in which they occur.

€ million	2012/13[1]	2013/14	Delta
EBIT before special items	2,000	**1,727**	–273
EBIT after periodisation of special items[2]	1,680	**1,376**	–304
Capital employed	15,076	**13,579**	–1,497
WACC before taxes	9.0%	**9.0%**	
Cost of capital	–1,357	**–1,222**	135
EBITaC	323	**153**	–170

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

In 2013/14, EBIT after periodisation of special items from previous years (2010/11: €177 million, 2011/12: €463 million, 2012/13: €313 million) and periodised one-time expenses from 2013/14 totalling €454 million amounted to €1,376 million. Given an average capital employed of €13,579 million, the cost of capital amounted to €1,222 million. Despite the slow pace of the economy, METRO GROUP successfully deployed its capital in 2013/14 and achieved a positive EBITaC of €153 million. The decrease was due in particular to the decline of income from real estate transactions as part of the transformation of the real estate strategy, the loss of earnings contributions resulting from the disposal of Real's business in Eastern Europe and negative currency effects.

Alongside EBITaC, the metric return on capital employed (RoCE) is used for the purpose of better comparability of the individual segments. RoCE measures the return on business assets deployed during the review period. For the purpose of this segment comparison, business assets also include cash

rental values to account for the different ownership structures of real estate assets. METRO GROUP bases its calculation of RoCE on EBIT before special items because it adequately reflects the units' operational earnings strength independent of special effects.

RoCE = EBIT[1] / business assets including cash rental values

[1] EBIT before special items

RoCE is contrasted with the segment-specific capital cost rate before taxes as the latter represents a market-oriented minimum rate of interest on capital employed based on capital market models.

The results of the EBITaC and RoCE analysis are used, among other things, for the management of METRO GROUP's portfolio as well as for the allocation of investment funds. Medium-to-long-term effects on value creation are the key factors determining the allocation of investment funds. As a result, the present value of future value added represents the key criterion for all investments within METRO GROUP. In order to also consider tax aspects in decisions on future expansion, value added after taxes is calculated. Additional criteria used to assess investment projects include in particular discounted cash flow and the cash recovery period as liquidity-based key performance metrics. As part of the continuously strong prioritisation during the allocation process of investment funds, profitability metrics relating to the funds deployed are used in addition to strategic relevance to assess alternative investment projects.

Special items

Special items
by sales line[1]

€ million		9M 2013 as reported	12M 2012/13 as reported	12M 2013/14 as reported	9M 2013 special items	12M 2012/13 special items	12M 2013/14 special items	9M 2013 before special items	12M 2012/13 before special items	12M 2013/14 before special items
EBITDA		**1,657**	**3,133**	**2,545**	**–54**	**98**	**292**	**1,603**	**3,230**	**2,836**
thereof	METRO Cash & Carry	1,004	1,797	**1,460**	65	45	**86**	1,069	1,842	**1,546**
	Media-Saturn	152	515	**537**	15	73	**87**	167	588	**625**
	Real	303	410	**172**	–168	–114	**43**	135	296	**215**
	Galeria Kaufhof	114	335	**314**	15	15	**0**	129	350	**314**
	Others	87	75	**64**	22	83	**79**	109	159	**143**
	Consolidation	–3	0	**–2**	–3	–4	**–4**	–6	–4	**–6**
EBIT		**703**	**1,688**	**1,273**	**25**	**313**	**454**	**728**	**2,000**	**1,727**
thereof	METRO Cash & Carry	600	1,205	**904**	125	174	**221**	725	1,379	**1,125**
	Media-Saturn	–54	184	**244**	21	115	**91**	–33	299	**335**
	Real	193	224	**19**	–163	–79	**62**	29	145	**81**
	Galeria Kaufhof	24	214	**193**	16	16	**0**	40	229	**193**
	Others	–62	–145	**–91**	30	91	**85**	–32	–54	**–6**
	Consolidation	2	6	**4**	–3	–4	**–4**	–2	2	**0**
Financial result		–514	–640	**–564**	68	69	**70**	–446	–571	**–494**
EBT		**189**	**1,048**	**709**	**93**	**381**	**524**	**282**	**1,429**	**1,233**
Income taxes		–260	–990	**–527**	–6	141	**–33**	–266	–849	**–560**
Profit or loss for the period		**–71**	**58**	**182**	**87**	**522**	**491**	**16**	**580**	**673**
Profit or loss for the period attributable to non-controlling interests		0	93	**55**	7	6	**19**	7	99	**73**
Profit or loss for the period attributable to shareholders of METRO AG		–71	–35	**127**	80	516	**472**	9	481	**600**
Earnings per share in € (basic = diluted)		**–0.22**	**–0.11**	**0.39**	**0.25**	**1.58**	**1.45**	**0.03**	**1.47**	**1.84**

[1] Revised presentation (for more information, see the notes to the group accounting principles and methods); the comparative periods have been adjusted accordingly

Special items
by region

€ million	9M 2013 as reported	12M 2012/13 as reported	12M 2013/14 as reported	9M 2013 special items	12M 2012/13 special items	12M 2013/14 special items	9M 2013 before special items	12M 2012/13 before special items	12M 2013/14 before special items
EBITDA	**1,657**	**3,133**	**2,545**	**–54**	**98**	**292**	**1,603**	**3,230**	**2,836**
thereof Germany	365	932	**965**	46	131	**145**	411	1,063	**1,110**
Western Europe (excl. Germany)	439	920	**610**	49	31	**107**	488	951	**717**
Eastern Europe	772	1,253	**869**	–138	–111	**31**	634	1,142	**900**
Asia/Africa	78	30	**105**	–11	46	**7**	67	75	**112**
Consolidation	3	–1	**–3**	0	0	**0**	3	–1	**–3**
EBIT	**703**	**1,688**	**1,273**	**25**	**313**	**454**	**728**	**2,000**	**1,727**
thereof Germany	–76	332	**402**	55	147	**155**	–22	479	**556**
Western Europe (excl. Germany)	240	627	**271**	68	51	**217**	309	678	**488**
Eastern Europe	528	825	**552**	–117	4	**75**	412	829	**627**
Asia/Africa	8	–95	**52**	18	111	**7**	26	16	**59**
Consolidation	3	–1	**–3**	0	0	**0**	3	–1	**–3**
Financial result	–514	–640	**–564**	68	69	**70**	–446	–571	**–494**
EBT	**189**	**1,048**	**709**	**93**	**381**	**524**	**282**	**1,429**	**1,233**
Income taxes	–260	–990	**–527**	–6	141	**–33**	–266	–849	**–560**
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Earnings per share in € (basic = diluted)	**–0.22**	**–0.11**	**0.39**	**0.25**	**1.58**	**1.45**	**0.03**	**1.47**	**1.84**

5. Financial and asset position

Financial management

Principles and objectives of financial activities
The financial management of METRO GROUP ensures the permanent liquidity of the company, reduces financial risks where economically feasible and grants loans to group companies. These activities are monitored and performed centrally by METRO AG for the group through guarantees and letters of comfort. The objective is to ensure that group companies can cover their funding requirements in a cost-efficient manner and, where possible, via the international capital markets. This applies to operating activities as well as to investments. As a matter of principle, METRO AG bases its selection of financial products on the maturities of the underlying transactions.

Intra-group cash pooling reduces the amount of debt and optimises the money market and capital market investments of METRO GROUP, which has a positive effect on the interest result. Cash pooling allows the surplus liquidity of individual group companies to be used to internally fund other group companies. METRO GROUP's financial activities are based on a financial budget for the group, which covers all relevant companies and is updated monthly. In addition, METRO AG provides a 14-day liquidity plan.

METRO AG's current long-term investment grade rating of BBB–/Baa3 and short-term rating of A-3/P-3 support access to capital markets.

Capital market access is supported by an intensive dialogue with bond investors and credit analysts. Our Creditor Relations team also presents our company to all key European financial markets during its annual roadshow. In addition, investors and analysts can learn about METRO GROUP's high-performance capabilities in face-to-face meetings and tours.

The following principles apply to all group-wide financial activities:

Financial unity
By presenting a single face to the financial markets, the group can optimise financial market conditions.

Financial leeway
In our relationships with banks and other business partners in the financial arena, we consistently maintain our leeway with regard to financial decisions in order to stay independent. In the context of our bank policy, limits have been defined to ensure that the group can replace one financing partner with another at any time.

Centralised risk management
We conduct financial transactions to cover our financing requirements and hedge risks related to underlying business transactions. METRO GROUP's total financial portfolio is centrally controlled by METRO AG.

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

Exclusively authorised contractual partners
METRO GROUP conducts financial transactions only with contractual partners who have been authorised by METRO AG. The creditworthiness of these contractual partners is tracked on a daily basis based on their ratings and the monitoring of their credit risk ratios (essentially credit default swap analyses). On this basis, the Treasury Controlling unit of METRO AG continuously monitors adherence to the authorised limits.

Approval requirement
As a matter of principle, all financial transactions of METRO GROUP companies are conducted with METRO AG. In cases where this is not possible for legal reasons, these transactions are concluded on behalf of the group company or directly between the group company and an external financial partner in coordination with METRO AG.

Audit security

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

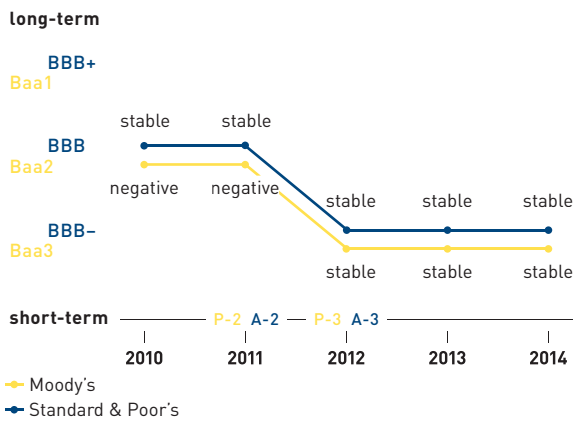
For more information about the risks stemming from financial instruments and hedge accounting, see the notes to the consolidated financial statements in no. 43 Management of financial risks.

Ratings

Ratings evaluate the ability of a company to meet its financial obligations. They communicate the creditworthiness of a company to potential debt capital investors. In addition, ratings facilitate access to international capital markets. METRO AG has commissioned the two leading international rating agencies – Moody's and Standard & Poor's – to continuously analyse METRO GROUP's creditworthiness.

The development of METRO GROUP's long- and short-term ratings over the past five years is depicted in the following graph:

Rating development and outlook



The current METRO GROUP ratings awarded by Moody's and Standard & Poor's are as follows:

	2014	
Category	**Moody's**	**Standard & Poor's**
Long-term	Baa3	BBB–
Short-term	P-3	A-3
Outlook	stable	stable

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

Financing measures

The company's medium- and long-term financing needs are covered by an ongoing capital market issuance programme with a maximum volume of €6 billion. In financial year 2013/14, we conducted no new transactions in the context of this programme. The €500 million bond that matured in November 2013 and the €600 million bond that matured in July 2014 were repaid according to schedule.

As of 30 September 2014, a total of €3.4 billion was utilised from the ongoing issuance programme.

Short-term financing requirements are covered through the Euro Commercial Paper Programme and a commercial paper programme geared especially to French investors. Both programmes have a maximum volume of €2 billion each. The average amount utilised from both programmes during the reporting period was €782 million. As of 30 September 2014, the used volume totalled approximately €938 million.

In addition, METRO GROUP used bilateral lines of credit totalling €865 million as of 30 September 2014.

For more information about financing programmes and lines of credit, see the notes to the consolidated financial statements in no. 36 Financial liabilities.

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

Unutilised lines of credit of METRO GROUP

	30/9/2013			30/9/2014		
		Remaining term			Remaining term	
€ million	Total	up to 1 year	over 1 year	Total	up to 1 year	over 1 year
Bilateral lines of credit	1,826	405	1,421	**1,430**	**300**	**1,130**
Utilisation	–1,096	–310	–787	**–865**	**–260**	**–604**
Unutilised bilateral lines of credit	730	95	634	**565**	**40**	**526**
Syndicated lines of credit	2,500	0	2,500	**2,525**	**0**	**2,525**
Utilisation	0	0	0	**0**	**0**	**0**
Unutilised syndicated lines of credit	2,500	0	2,500	**2,525**	**0**	**2,525**
Total lines of credit	4,326	405	3,921	**3,955**	**300**	**3,655**
Total utilisation	–1,096	–310	–787	**–865**	**–260**	**–604**
Total unutilised lines of credit	**3,230**	**95**	**3,134**	**3,090**	**40**	**3,051**

Investments/divestments

In financial year 2013/14, METRO GROUP invested €1,209 million and thus €34 million more than in the same period of the previous year. Despite reduced expansion activities, investments increased overall, mainly due to concept and modernisation measures, a major real estate transaction at Real and the acquisition of a real estate object at Galeria Kaufhof, which is leading to a consolidation of the property. Among other things, 50 hypermarkets were refurbished as part of the Big Bang project at Real in order to better cater to customer needs. The reduced expansion activities are reflected in a smaller number of 68 store openings including additions compared with 91 store openings in the previous year's period.

Investments of METRO GROUP

				Change	
€ million	9M 2013[1]	12M 2012/13[1]	12M 2013/14	absolute	%
METRO Cash & Carry	261	504	**441**	–63	–12.5
Media-Saturn	183	276	**244**	–32	–11.7
Real	68	117	**172**	56	47.9
Galeria Kaufhof	60	97	**208**	111	–
Others	119	181	**144**	–37	–20.7
METRO GROUP	**691**	**1,175**	**1,209**	**34**	**2.9**

[1] Revised presentation (for more information, see the Notes to the group accounting principles and methods); the comparative periods have been adjusted accordingly

In financial year 2013/14, **METRO Cash & Carry** invested €441 million and thus €63 million less than in the previous year's period. The significant decline in investments is, alongside currency effects, the result of reduced expansion activities (17 new store openings including takeovers in 2013/14 compared with 31 new openings in 2012/13). The expansion activities continued to focus on China and Russia, where 10 and 3 new METRO Cash & Carry stores, respectively, were added to the existing store network. 1 new METRO Cash & Carry store each was opened in India and Turkey; 2 new stores were opened in Belgium. 1 store was closed in China, and 2 were closed in Egypt.

In financial year 2013/14, investments of **Media-Saturn** amounted to €244 million, €32 million less than in the previous year's period. The decline in investments can be primarily attributed to reduced investments in the expansion of the store network. During the reporting period, 50 new stores were opened (previous year: 54). The focus of the expansion was on Eastern Europe, where 28 new consumer electronics stores were opened. In this region, 14 new stores were opened in Russia and 9 new stores were opened in Turkey. 5 new stores were added in Poland. In Western Europe (excluding Germany), the store network was expanded by 10 stores: 4 in the Netherlands and 2 each in Belgium, Italy and Spain. 12 stores were opened in Germany. In addition, 12 stores were closed during the financial year. In Turkey, 4 stores were closed. In addition, 2 stores each were closed in the Netherlands, Sweden and Germany. 1 store each was closed in Russia and Belgium.

Real invested €172 million in financial year 2013/14, €56 million more than in the previous year's period. The increase in investment was mainly due to the acquisition of three hypermarkets in Germany that had previously been rented. The invested funds were also used to advance the business model through concept changes. After the move in Essen, the most state-of-the-art Real hypermarket in Germany opened its doors in October 2013. The new concept implemented at the store introduced a broader assortment with a larger share of fresh produce from the region alongside a diverse product range. During the financial year, 50 additional hypermarkets were transformed according to this new concept. In financial year 2013/14, Real expanded its store network by 1 store in Germany and disposed of a total of 74 stores. This concerned the disposal of Real Poland (57 stores) and Real Turkey (12 stores). In Germany, 4 stores were closed. The remaining Real hypermarket in Moscow was transferred to METRO Cash & Carry.

Investments at **Galeria Kaufhof** totalled €208 million in the reporting period, an increase of €111 million over the previous year's period. This marked increase in investments can be primarily attributed to the additional purchase of a stake in a store, which led to consolidation. In addition, the investments primarily involved concept and modernisation measures. In financial year 2013/14, no new stores were opened and no existing department stores were closed.

Investments in the **Others** segment totalled €144 million in financial year 2013/14 (2012/13: €181 million). The investments were largely attributable to intangible assets and business and office equipment. In addition, investments were made through the exercise of purchasing rights and further real estate transactions.

Investment obligations incurred for the acquisition of property, plant and equipment, intangible assets and investment properties amounted to €129 million.

For more information about this, see the notes to the consolidated financial statements in no. 19 Other intangible assets, no. 20 Property, plant and equipment and no. 21 Investment properties.

From divestments, METRO GROUP received cash and cash equivalents amounting to €534 million, which stemmed primarily from the disposal of shares in Booker Group PLC (€244 million) as well as the sale of individual office properties at METRO GROUP headquarters in Düsseldorf (€187 million).

For more information about divestments, see the cash flow statement in the consolidated financial statements as well as the notes to the consolidated financial statements in no. 41 Notes to the cash flow statement.

Liquidity (cash flow statement)

METRO GROUP's liquidity is calculated on the basis of the cash flow statement. The cash flow statement serves to calculate and display the cash flows that METRO GROUP generated or employed in the financial year from operating, investing and financing activities. In addition, it shows the total change in cash and cash equivalents between the beginning and end of the financial year.

Cash inflow from operating activities in financial year 2013/14 amounted to €2,008 million (2012/13: €+2,667 million). Investing activities led to cash outflow of €715 million (2012/13: €+721 million). Compared with the previous year's period, this represents a decrease in cash flow before financing activities of €2,095 million to €1,293 million. The cash flow from financing activities totalled €1,448 million (2012/13: €–2,814 million).

For more information about divestments, see the cash flow statement in the consolidated financial statements as well as the notes to the consolidated financial statements in no. 41 Notes to the cash flow statement.

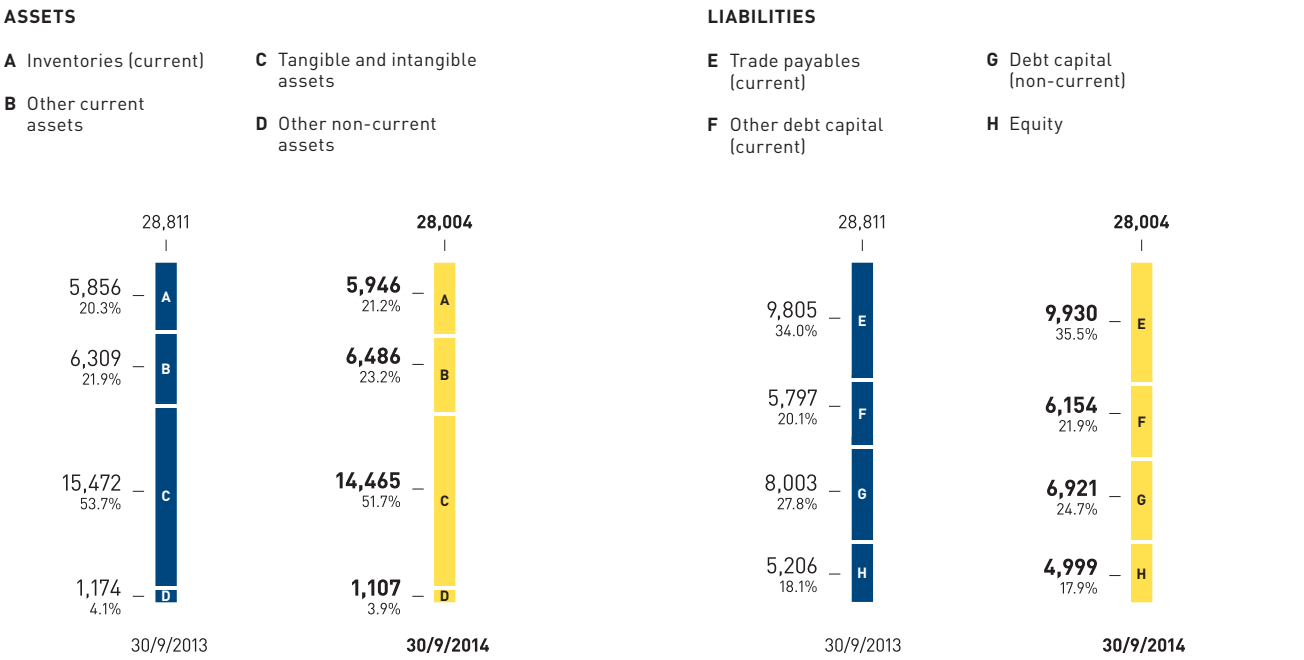
Cash flow statement[1]

€ million	9M 2013	12M 2012/13	12M 2013/14
Cash flow from operating activities	**–1,768**	**2,667**	**2,008**
Cash flow from investing activities	**747**	**721**	**–715**
Cash flow before financing activities	**–1,021**	**3,388**	**1,293**
Cash flow from financing activities	**–1,690**	**–2,814**	**–1,448**
Total cash flows	**–2,711**	**574**	**–155**
Currency effects on cash and cash equivalents	–24	–19	**–1**
Total change in cash and cash equivalents	**–2,735**	**555**	**–156**

[1] Abridged version. The complete version is shown in the consolidated financial statements.

Capital structure

Capital structure of METRO GROUP
€ million



As of 30 September 2014, METRO GROUP's balance sheet showed equity of €5.0 billion (30/9/2013: €5.2 billion). This reduction was largely due to the change in the reserves retained from earnings. They have declined by €191 million since 30 September 2013. The decrease was mainly the result of the remeasurement of defined benefit pension plans. The increase in other reserves retained from earnings, which largely stemmed from profit for the period, had a positive impact. The equity ratio stood at 17.9 per cent (30/9/2013: 18.1 per cent). The share of reserves retained from earnings in equity totalled 32.0 per cent compared with 34.4 per cent on 30 September 2013.

€ million	Note no.	30/9/2013	30/9/2014
Equity	31	**5,206**	**4,999**
Share capital		835	**835**
Capital reserve		2,551	**2,551**
Reserves retained from earnings		1,793	**1,602**
Non-controlling interests		27	**11**

Net debt improved significantly by €736 million to €4.7 billion as of 30 September 2014 (30/9/2013: €5.4 billion). This is calculated by netting borrowings, including finance leases of €7.1 billion (30/9/2013: €8.0 billion) with cash and cash equivalents according to the balance sheet of €2.4 billion (30/9/2013: €2.6 billion) as well as monetary investments of €7 million (30/9/2013: €8 million).

€ million	30/9/2013	30/9/2014
Cash and cash equivalents according to the balance sheet	2,564	**2,406**
Monetary investments > 3 months < 1 year[1]	8	**7**
Borrowings (incl. finance leases)	7,963	**7,068**
Net debt	**5,391**	**4,655**

[1] Shown in the balance sheet under Other financial and non-financial assets (current)

As of 30 September 2014, non-current liabilities amounted to €6.9 billion (30/9/2013: €8.0 billion) and were thus reduced by €1.1 billion. This was primarily achieved by reducing non-current borrowings by €1.3 billion (30/9/2014: €4.5 billion; 30/9/2013: €5.8 billion). The decline largely stems from the reclassification of a bond with a nominal volume of €1 billion that matures in March 2015 to short-term financial investments as well as the reclassification of liabilities to banks at METRO Cash & Carry Vietnam totalling approximately €97 million to liabilities related to assets held for sale. The opposite effect was produced by the €176 million increase in provisions for pensions and similar obligations to €1.7 billion (30/9/2013: €1.5 billion). This was in some cases caused by significantly lower actuarial interest rates, which led to an increase in pension obligations.

As of 30 September 2014, METRO GROUP had current liabilities totalling €16.1 billion (30/9/2013: €15.6 billion). The increase can primarily be attributed to the €415 million rise in current borrowings (30/9/2014: €2.6 billion; 30/9/2013: €2.2 billion). The increase compared with 30 September 2013 is largely attributable to the reclassification of a bond with a nominal volume of €1 billion that matures in March 2015 from non-current to current borrowings as well as a €555 million increase in the commercial paper programme. The redemption of two bonds with a total nominal volume of €1.1 billion had a very positive effect.

Compared with 30 September 2013, the debt ratio increased by 0.2 percentage points to 82.1 per cent. Current liabilities accounted for 69.9 per cent of total debt compared with 66.1 per cent as of 30 September 2013.

For more information about the maturity, currency and interest rate structure of financial liabilities as well as the lines of credit, see the notes to the consolidated financial statements in no. 36 Financial liabilities.

€ million	Note no.	30/9/2013	30/9/2014
Non-current liabilities		**8,003**	**6,921**
Provisions for pensions and similar obligations	32	1,508	**1,684**
Other provisions	33	429	**478**
Borrowings	34, 36	5,763	**4,453**
Other financial and non-financial liabilities	34, 37	176	**176**
Deferred tax liabilities	24	127	**130**
Current liabilities		**15,602**	**16,084**
Trade liabilities	34, 35	9,805	**9,930**
Provisions	33	621	**615**
Borrowings	34, 36	2,200	**2,615**
Other financial and non-financial liabilities	34, 37	2,531	**2,528**
Income tax liabilities	34	181	**198**
Liabilities related to assets held for sale	30	264	**198**

For more information about the development of liabilities, see the notes to the consolidated financial statements in the numbers listed in the table. Information about contingent liabilities and other financial liabilities can be found in the notes to the consolidated financial statements in no. 44 Contingent liabilities and no. 45 Other financial liabilities.

Asset position

In financial year 2013/14, total assets decreased by €807 million to €28.0 billion (30/9/2013: €28.8 billion).

In financial year 2013/14, non-current assets declined by €1.0 billion to €15.6 billion, primarily due to a reduction in property, plant and equipment of €684 million to €10.0 billion (30/9/2013: €10.7 billion). This reduction is attributable to negative currency effects particularly in Russia and Ukraine, the disposal of property, plant and equipment as well as reclassifications to assets held for sale. In addition, long-term financial investments were €248 million lower than in the previous year (30/9/2014: €71 million; 30/9/2013: €319 million). This decline essentially resulted from the disposal of 9 per cent of the company's shares in Booker Group PLC. These shares were gained as part of the agreement regarding the sale of METRO GROUP's wholesale business in the United Kingdom. In addition, goodwill impairment losses related to METRO Cash & Carry in the Netherlands of €88 million also caused goodwill to decline (30/9/2014: €3.7 billion; 30/9/2013: €3.8 billion).

Non-current assets

€ million	Note no.	30/9/2013	30/9/2014
Non-current assets		**16,646**	**15,572**
Goodwill	18	3,763	**3,671**
Other intangible assets	19	393	**380**
Property, plant and equipment	20	10,709	**10,025**
Investment properties	21	156	**223**
Financial investments	22	319	**71**
Investments accounted for using the equity method	22	132	**95**
Other financial and non-financial assets	23	337	**272**
Deferred tax assets	24	837	**835**

For more information about the development of non-current assets, see the notes to the consolidated financial statements in the numbers listed in the table.

Current assets rose by €267 million to €12.4 billion. This increase is largely due to the €235 million increase in the item other financial and non-financial assets (30/9/2014: €2.8 billion; 30/9/2013: €2.6 billion). In particular, the main reason for this gain was the higher amount of receivables due from suppliers and the significant increase in entitlements to value added tax refunds. In addition, assets held for sale increased by €168 million to €460 million (30/9/2013: €292 million). This was mainly the result of the reclassification of assets held by METRO Cash & Carry Vietnam to this item as well as the first-time recognition of ten properties used by the Real sales line that were immediately recognised in assets held for sale given the intention to sell these in the near future. The deconsolidation of Real's business in Poland had a negative effect.

Current assets

€ million	Note no.	30/9/2013	30/9/2014
Current assets		**12,165**	**12,432**
Inventories	25	5,856	**5,946**
Trade receivables	26	547	**560**
Financial investments		8	**1**
Other financial and non-financial assets	23	2,601	**2,836**
Entitlements to income tax refunds		297	**223**
Cash and cash equivalents	29	2,564	**2,406**
Assets held for sale	30	292	**460**

For more information about the development of current assets, see the notes to the consolidated financial statements in the numbers listed in the table.

Overall statement by the Management Board of METRO AG on the business development and situation of METRO GROUP

For METRO GROUP, financial year 2013/14 was a particularly challenging one. This was due largely to geopolitical events. Nonetheless, the Management Board can look back at a successful year overall. The transformation of METRO GROUP was successfully continued and our efforts to focus our portfolio progressed well. In addition, we could further reduce our debt level.

Overall, the Management Board is very pleased with the company's performance, especially because all communicated goals for METRO GROUP were achieved. As a result, we will propose a dividend to our shareholders once again.

We believe we are well prepared for the Christmas business and have started financial year 2014/15 on an optimistic note.

6. Employees

Sustainable human resource policies

It is the goal of our company to ensure that it produces long-term growth in sales and earnings. To achieve this goal, we need dedicated employees who bring our strategy to life on the job every day, and, above all, create added value for our customers. One thing is certain: METRO GROUP can only grow if we support our employees. Our human resource strategy focuses on two key aspects: on human resource management, which includes employee recruitment, retention and development, and on occupational safety and health management. Our objective is to attract the very best employees, to support them in accordance with their drive and abilities, and to strengthen their long-term connection to our company. By taking this approach, we are determined to become an employer of choice among current and future employees.

Recruiting employees

In the competition for the most highly skilled employees and executives, we take steps to polish our image among potential applicants. Our initial training and trainee programmes give young people the opportunity to join METRO GROUP.

Initial training at METRO GROUP

With a vocational training rate – including interns and students – of 7.7 per cent (2012/13: 7.8 per cent), we are one of Germany's largest training providers. We also provide young people an opportunity to enter the world of retail in other countries where our sales lines do business. During the reporting period, our company had a total of 9,109 trainees around the world (2012/13: 9,262). This represented a decline of 1.7 per cent.

In Germany, we hired 2,247 new trainees during the reporting period. The total number of our trainees during the reporting period was 6,745 (2012/13: 6,917). This was a 2.5 per cent decline from the same period of the previous year. We focus on needs-based training with the aim of hiring a large number of trainees at the end of the programme. Together with our Group Works Council, we defined this objective in a group works agreement governing the hiring of trainees that was completed during the past financial year. In this agreement, management and the Group Works Council agreed that trainees who complete the programme with a positive aptitude assessment will generally be hired for permanent, full-time positions. The individual companies of METRO GROUP defined their own specific requirements and possible exceptions. In the reporting period, 60.4 per cent (2012/13: 61.4 per cent) of trainees who completed the programme subsequently received an employment contract. We also profit from the good performance of our young staff: after all, 95.0 per cent (2012/13: 94.9 per cent) successfully completed their training programme in the reporting period. In July 2014, five trainees at Media-Saturn even received the Bavarian State Prize for outstanding performance.

In addition to traditional training content, we also teach our young employees how to quickly take on responsibility and become involved in social causes. One such activity is the "Zu schade für die Tonne" (Too good for the trash) project initiated by our Real sales line. In more than 30 hypermarkets, trainees conducted a campaign to reduce food waste. Trainees at the Real store in Iserlohn launched a Mother's Day campaign as well as an 18-day customer rally to raise awareness for fair-trade products. Their creativity and efforts earned them third place in the "FABI – Deutschlands fairste Azubis" (FABI - Germany's fairest trainees) competition conducted by the non-profit organisation TransFair.

In addition to dual vocational training, we offer young people the opportunity to attend a dual course of study with practical modules. During the 2013/14 reporting period, 295 students in Germany were enrolled in nine degree programmes.

METRO Potentials

After conducting assessment centres in the summer of 2014, METRO Cash & Carry launched the METRO Potentials programme in all 28 countries where the sales line does business in October 2014. The programme targets the best university graduates and young professionals worldwide who have two to three years of career experience at METRO Cash & Carry or other companies. Its aim is to develop a sufficient supply of future managers and executives. During the two-year trainee programme, participants broaden their knowledge in various hands-on projects. They are also coached by their local mentor, a member of the responsible country management. Trainees complete various stations in their own country and abroad as well as at headquarters in Düsseldorf. After completing the programme, they are able to assume a management position, such as store manager. But the career path can go far beyond that, up to a position in country management.

Employer brand and personnel marketing

To enhance our profile among job applicants, we have partnered at the central level with universities and organisations such as the international student association Enactus. By contributing funds and ideas, we play a role in the scholarship programme AccountingTalents at the University of Münster, which recognises outstanding work performed by students in the areas of accounting and controlling. METRO GROUP promotes dialogue with students and graduates through the career network "careerloft". Through this programme, we support members in finding internships and offer exclusive events organised in conjunction with our sales lines.

In 2013, METRO GROUP created a company profile in the XING social network. The page's 2,244 subscribers (2012/13: 1,418) are continuously informed about group news and job openings.

Our sales lines also conduct their own personnel marketing measures. One example are the career information events that Real offers at schools. The hypermarkets also take part in national campaign days such as Girls' Day and Boys' Day: in the 2013/14 reporting period, about 400 young people took a look behind the scenes at the company for an entire day and learned about various training opportunities. To recruit young people, Real also takes advantage of a number of other channels. These include broadcasting national radio commercials in Germany, providing information about training on own-brand products and adding content to the sales line's Facebook page.

During the reporting period, Media-Saturn also participated in Girls' Day once again. The group of companies provided information in particular about the technical jobs available in information technology (IT). In February 2014, the sales line's IT company promoted itself as an employer at the CeBIT computer expo in Hanover. In March 2014, the Saturn sales brand launched a new personnel marketing campaign called "Meine Welt. Mein Beruf." (My world. My career.): in it, Saturn employees tell their stories. The campaign comprises such communication media as a new career website, flyers and posters, and supports the consumer electronics store in its search for staff.

At Galeria Kaufhof, recruiting activities focus on the needs of individual target groups and regions. In the Munich area, for instance, a movie ad was developed with the aim of piquing the interest of younger target groups in retail training positions. In addition, the microsite Wir-lieben-ecommerce.de, which was launched in July 2014, is aimed especially at applicants who are interested in new technology, multichannel marketing and online shopping. It is intended to raise this Internet-savvy group's awareness of Galeria Kaufhof as a modern employer.

During the reporting period, our biggest sales line, METRO Cash & Carry, developed a uniform international employer brand for the first time in its 50-year history. The brand is based on the wholesaler's new brand positioning and is also being creatively implemented as part of the YOU & METRO claim. By taking this approach, METRO Cash & Carry is boosting its image as an employer and can ensure a uniform image with consistent messages worldwide. Employees of the company are at the heart of the campaign. They explain what features distinguish METRO Cash & Carry as an employer, what kind of people the sales line is looking for, what it expects of employees and what it offers in return. A total of more than 30 advertising images as well as an image film were created.

Employer of choice

Independent rankings confirm the appeal of METRO GROUP as an employer in Germany and abroad. For instance, MAKRO Cash & Carry Belgium and MAKRO Cash & Carry Spain were once again named Top Employers during the reporting period, while METRO Cash & Carry Italy earned the honour for the first time. MAKRO Cash & Carry Spain was also awarded the Great Place to Work seal. METRO Cash & Carry India is one of its country's best employers, according to the study India's Best Companies to Work For 2014. The Galeria Kaufhof sales line also demonstrated its attractiveness by being recognised with the distinction Top Employer.

Media-Saturn's Italian subsidiary was named Top Employer Italy 2014 for the second time after earning the title for the first time in 2013. It also earned tenth place in the 2014 Great Place to Work competition. In addition, Media-Saturn's Ingolstadt location was given the distinction Fair Company by the online portal karriere.de.

Employee retention

Our remuneration models provide incentives for employees and managers to perform and to carry out their work in accordance with our guiding principles. Our systematic succession planning enables our skilled employees and managers to develop attractive careers within METRO GROUP.

Performance-based compensation for executives
Our PERFORM & REWARD remuneration system comprises a fixed monthly base salary and variable compensation components whose total is tied to our company's business performance. The total amount of variable compensation is determined in part by the individual's role in creating customer value and his or her efforts to practice the guiding principles of our company in their daily work.

Remuneration principles
The remuneration model for the approximately 600 top executives of METRO GROUP worldwide is based on the following four principles:
— Fair and consistent compensation
— Performance-based pay
— Market-driven and appropriate salaries
— Encouragement of role model behaviour

The primary elements of our remuneration model are the base salary, one-year variable compensation and multi-year variable compensation. As with the compensation of the Management Board, the first tranche of the new sustainable performance plan was allotted during the reporting period. We also introduced a green car policy during the reporting period, which, besides capping the CO_2 emissions of the company's vehicle fleet, also offers alternative mobility concepts. Unused funds in the car leasing budget can be converted into pension benefits. In addition, we provide our top executives with a company pension scheme that includes both contribution-based and performance-based components.

During the reporting period, we began to apply these remuneration principles to the compensation of other managers. Among other things, a specialist career model that also applies these principles is being developed for Germany. Plans also call for this prototype to be adapted and implemented internationally.

For more information about the remuneration system, see chapter 9 Remuneration report.

Performance reviews and succession planning
At METRO GROUP, systematic executive development is a central responsibility of the companies' general management teams as well as of the strategic management holding company, METRO AG. By taking this approach, we ensure that the skills and abilities of our managers are consistently aligned with the requirements and strategic objectives of our company. It also allows us to systematically offer international career paths to our executives – regardless of the sales line or segment in which they work. Moreover, our career planning processes enable us to identify the right candidates for key positions in the company and to support them. As a result, we can fill vacancies from our own ranks. In the reporting period, the in-house succession rate for the senior management level – in particular the managing directors of group companies as well as divisional heads of METRO AG – was 88 per cent.

Individual job performance reviews
Once a year, we conduct an individual job performance review with our top managers as part of the RESULTS & GROWTH process. The objective of these reviews is to better measure progress and abilities as well as to create a culture of feedback that focuses on individual job performance and professional growth. At the beginning of each financial year, priorities are defined as a way of providing direction. These goals are reviewed during a half-yearly interview and modified when necessary. The job performance review is held at the end of each financial year. This meeting includes a feedback interview that covers both the achievement of priorities and observance of the guiding principles.

Systematic succession planning
As part of the Leadership Talent Review (LTR) process, succession planning is conducted for our core positions once a year. During this review, we examine the skills, abilities and experience of every potential succession candidate and rate these individuals according to the particular responsibilities of the positions. The process ensures that we identify and support suitable candidates for key positions at an early stage. During a subsequent professional development evaluation, employees and their supervisors jointly create a career development plan and determine targeted measures. As a result, the Leadership Talent Review acts as something more than a succession planning tool. It also serves as a long-term development process for our candidates for top positions in our company. This process is supported through other methods such as the development centre and 360-degree feedback meetings. These indicate the development potential each employee possesses.

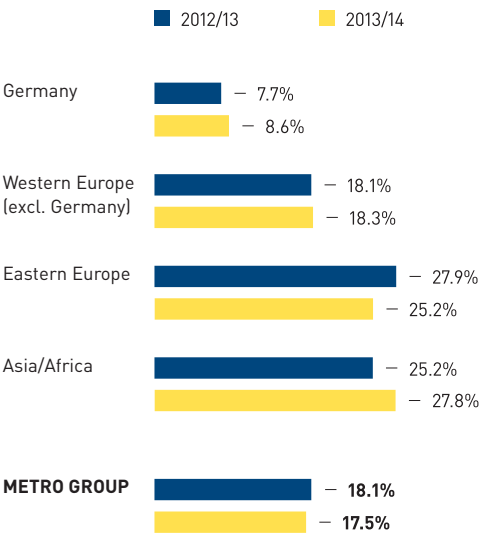
Executive development
With the goal of supporting the personal development of our employees, talented employees can be nominated for the development centre, where their strengths and areas for improvement are assessed. Based on this assessment, they are asked to create their own plan for development.

We select the candidates for the Excellence, Impact and Connect programmes for executive development according to the decisions made during the systematic succession planning process. Each of these programmes is designed to address the varying needs of the groups of participants. Some of the facilitators are members of our top management. We also bring in well-known international trainers in order to ensure that our instruction and discussions reflect the latest developments and case studies. These external partners include the Business School for the World (INSEAD) in France and Ashridge Business School in England. During the reporting period, more than 100 future and current managers took part in the programmes.

As part of the activities celebrating the 50th anniversary of METRO Cash & Carry, our sales line conducted the Crossing Borders initiative for the first time in 2014. This initiative is specifically designed for the managers of tomorrow. The 50 participants traded jobs for 50 days. Employees from the country headquarters, for example, worked in a store in another country in order to learn about operations there. Conversely, store employees gained insight into administrative work. This real-world change in perspective in a host country gave participants the opportunity to develop both personally and professionally.

Employee turnover rate
During the reporting period, average job tenure rose by 0.5 years to 9.5 years. The group-wide turnover rate totalled 17.5 per cent (2012/13: 18.1 per cent). In Germany, the turnover rate was 8.6 per cent (2012/13: 7.7 per cent). Turnover rates varied widely according to region. The development of the fluctuation rates by region are shown in the following graphic for comparison.

METRO GROUP turnover rate
by region



Further training for employees

METRO GROUP is determined to promote lifelong learning among its staff as a way of responding to current and future challenges in retailing. The following training methods are used in our company:

E-learning is the most effective way to train a large number of learners. Today, most of the sales lines as well as various METRO GROUP companies use this method to provide instruction on product knowledge, product presentation and sustainability. More than one million modules in 40 different languages have been completed since 2009.

Seminars allow interactive communication with other participants and are ideal for smaller groups that are led by an experienced trainer. This method is applied to convey in-depth knowledge, hone skills, rehearse behaviour and profit from personal feedback. Increasingly, local trainers conduct on-site seminars to ensure a high degree of practical relevance.

On-the-job training is conducted locally at the respective workplace and places the instructional content in the actual business context. This involves the transfer of newly acquired knowledge, new skills and conduct to daily workflows.

Webinars are a virtual form of seminars. The content is communicated online through presentations, demonstrations and discussions. This form of training aims to provide information about standards and processes and to encourage participants to contribute their own comments.

At METRO Cash & Carry, for example, the House of Learning is responsible for employee development programmes. Since its founding in 2004, it has continuously expanded its programmes and adapted them to the needs of daily business. The focus is on the qualification of employees and managers who work in sales, purchasing, marketing and finance. During the reporting period, METRO Cash & Carry conducted a total of 333,709 e-learning courses with 247,636 participants and 327,562 participant hours. In addition, 34,770 seminars or on-the-job training sessions were completed by 299,796 participants in over 2,312,563 participant hours. In total, there were 369,376 training sessions with 550,827 participants and 2,646,203 participant hours.

The training content of the House of Learning is comprised of the corporate strategy, successful activities and guiding principles of METRO Cash & Carry. There are a total of six teams of experts for management skills, marketing, operations, purchasing, systems and finance. The experts develop the training solutions together with didactics specialists. In addition to the methods described above, the House of Learning team continuously explores new training concepts, including self-organised learning environments, educational games and simulations. Moreover, the unit pursues the goal of establishing a learning culture within METRO GROUP by, among other things, creating an open learning platform.

The other sales lines also invest in further training for their employees. At Real, for example, another 58 employees successfully completed the programmes offered by the German Chamber of Commerce and Industry that qualified them as specially trained employees for quality baked goods or for fresh fish and seafood delicacies. At the end of the reporting period, around 600 Real employees had taken part in the two qualification programmes.

Media-Saturn's e-learning programme that offers product and technical training to store employees was nominated for the Human Resources Excellence Award – one of the most prominent honours for human resource management in Germany – in the knowledge management category and achieved second place in December 2013.

Embedding the guiding principles

During the reporting period, the process of cultural transformation was advanced in particular by METRO Cash & Carry. The goal is to increase value for customers. The effort is based on the guiding principles developed in 2012:

— Customer orientation
— Global entrepreneurship
— Success through excellence
— Trust in our people
— Authentic leadership
— Sustainability

During the reporting period, these guiding principles were further integrated into personnel programmes and processes as part of employee development. By taking this approach, we provide support to the company's new direction with the aim of creating a corporate culture characterised by mutual support, individual responsibility and personal growth.

As part of Leadership for Growth workshops conducted by METRO Cash & Carry, around 91,000 employees and managers from 26 countries talked about cultural change. All of the employees in 18 national subsidiaries completed the workshop – from top managers to store employees. This is the first step in the change process. The aim of Leadership for Growth is to hone the ability of each individual employee to manage himself or herself and to create the necessary conditions for cultural change.

In the next step, twelve national subsidiaries of METRO Cash & Carry started the follow-up workshop Leadership for Growth 2 for managers in administrative positions and stores during the reporting period. The workshop focuses on developing management skills that effectively improve cross-departmental collaboration. Twelve additional national subsidiaries plan to begin conducting the workshops in the next few months.

The company's other sales lines are also systematically working to shape and fuel cultural change. At Real, for instance, managers in administrative positions and hypermarkets are participating in Leadership for Growth workshops as well. Galeria Kaufhof, on the other hand, actively supports employees during the sales line's transformation from purely stationary to multichannel sales. To this end, more than 1,000 training sessions were held between July and November 2014. They aimed to pique employees' interest in the topic of multichannel sales and train employees to use tablets to advise customers according to their needs.

Employee commitment

One critically important element in our effort to measure our staff's morale and commitment to our company is the global employee survey that we regularly conduct in the countries where METRO Cash & Carry does business, in the cross-divisional service companies and in the headquarters. As part of the follow-up process, executives obtain in-depth insights into the survey results, discuss these with their teams and develop measures to improve employee commitment. In the reporting period, the data were collected for the seventh time. In the company units that were surveyed, 87 per cent of employees responded to the questionnaire. A total of 100,000 employees participated – more than ever before. The results of this effort: since the last survey, the commitment score has increased from 66 per cent to 72 per cent and was thus significantly above the 58 per cent Global Retail Benchmark of Aon Hewitt. This score shows the share of employees that are committed to the company. Commitment means that these employees are proud of their company and speak positively about it, they are loyal, feel a connection to the company and demonstrate above-average levels of dedication. The positive trend can be attributed to both an intensive succession process and to the group-wide initiatives we use to increasingly promote a focus on innovative ideas and encourage the recognition of our staff.

Occupational safety and health management

METRO GROUP places high priority on ensuring fair working conditions for all employees. Occupational safety and health management are fundamental to this effort. In a personnel-intensive industry like retail, prevention, safety and health are essential – and we take action accordingly within clear and efficient structures. A specific organisational structure for occupational health and safety (OHS) has been defined for all METRO Cash & Carry countries, to be achieved through such measures as the designation of an Occupational Health and Safety Officer. The countries are working on implementation. The principle of acting as locally as possible is retained here. METRO AG initiates OHS projects that are of interest across multiple companies and countries. For example, an SAP system developed by Real that documents workplace accidents was adapted for international use. This system facilitates the identification of the primary causes of accidents and possible training needs. During the reporting period, the system was introduced in twelve countries where METRO Cash & Carry does business. In all other countries that use SAP, implementation is in progress.

At the national level, a decline in accidents was recorded during the reporting period compared with the same period of the previous year. The 1,000-person rate for METRO GROUP companies in Germany was 23.45 for financial year 2013/14. This figure shows the relative frequency of accidents per 1,000 full-time equivalents. In total, 2,177 accidents were reported.

In the operating business and under the leadership of the Global Store Sales department, which is responsible for delivery service and store solutions, the OHS organisation of METRO AG is assisting in the development of a pioneering new cashier desk model for METRO Cash & Carry wholesale stores. It combines productivity and customer orientation with ergonomic aspects. Specific strains on employees have been considered during development. The model is currently being tested in selected countries.

METRO GROUP has launched a range of projects to assess the risks of psychological stress in the working world: Real is working with the Dresden University of Technology and the trade and logistics guild Berufsgenossenschaft Handel und Warendistribution to develop the "Gesunde Arbeit im Handel" (Healthy work in retail) project. The pilot phase is currently under way.

MIB METRO GROUP Insurance Broker GmbH carried out a risk assessment regarding psychological stress using the simplified psychological stress method for its employees at the Düsseldorf location. The results offer a good working basis with an initial step that defines possible fields of action. MIB shared the results of its risk assessment with the other group companies in order to offer them access to possible solutions.

Stress prevention continues to be a focus at Galeria Kaufhof. Managers play a key role when it comes to creating a good working climate as well as maintaining performance and motivation up to retirement age. For this reason, the company offers managerial seminars on such subjects as "Gesundes Führen" (Healthy management).

Another objective of METRO GROUP in the context of occupational safety and health management activities is to address the growing demands of the working world and demographic trends. In this context, METRO Cash & Carry Germany and the German Sport University Cologne are working on a project

called "Gestaltung von alter(n)sgerechten Arbeitsplätzen" (Designing age-appropriate workplaces). As part of this project, the workplaces in the Incoming Goods department were analysed and fields of action defined. Seven stores are currently undergoing a six-week intervention phase in which the implementation of defined recommendations is being tested.

Other examples of OHS initiatives can be found in many countries of the METRO GROUP, including France, where a survey regarding the psychological stress of employees was conducted. The results will be incorporated into management training. An external psychological emergency team was established. Prevention guidelines that consider individual physical risks are being prepared for each job and each store.

Diversity management

METRO GROUP is one of the leading international retail and wholesale companies. Our employees are just as diverse as our customers, stores and suppliers. During the reporting period, people from 170 countries worked for METRO GROUP. The average age of our workforce was 38.7 years (2012/13: 38.2). We also open the way for older workers to participate in the working world. During the reporting period, METRO GROUP hired 861 full-time equivalents (2012/13: 717) in the 50-plus age group. Internationally, the total was 974 (2012/13: 1,027) employees. The share of members of the workforce in this age group totalled 20.0 per cent (2012/13: 18.8 per cent). In Germany, they made up 34.5 per cent (2012/13: 33.0 per cent). During the reporting period, we also employed 6,082 (2012/13: 5,883) people whose level of disability is recognised as severe in Germany. As a result, the rate exceeds the minimum legal requirement of 5 per cent. Our company also works to support the long-term provision of training positions for people with disabilities: in one reflection of this effort, our sales lines began in 2007 to promote the "Verzahnte Ausbildung mit Berufsbildungswerken" (Integrated Training with Vocational Education Centres) project organised by the "Bundesarbeitsgemeinschaft der Berufsbildungswerke" (German Association of Vocational Education Centres). This programme makes it possible for young people with disabilities to receive occupational training.

Since July 2014, Galeria Kaufhof has worked in cooperation with vocational training centres to allow people who are unable to carry out their previous jobs to re-enter the workforce. Our sales line enables participants to complete the practical portion of their retraining to become retail sales specialists in the department stores.

Our Real sales line has also directed its attention to young people who have been unable to find a training position or are not fully prepared to assume such a position, who have learning difficulties or are socially disadvantaged. They are given the opportunity to take part in a company job-entry qualification "Einstiegsqualifizierung, EQ" programme. This is a national occupational orientation programme in Germany that is part of the National Pact for Career Training and Skilled Manpower Development. The young people get acquainted with working life over a period of six to twelve months. The initial qualification programme serves to open doors to a training position or job. During the reporting period, more than 70 young people at Real took part in the EQ programme. About 50 per cent began an apprenticeship position after having completed the programme.

In addition, many Media Markt and Saturn consumer electronics stores are cooperating with the German Federal Employment Agency to, for example, support young people by providing job-entry qualification programmes while they become integrated into the vocational process.

During the reporting period, METRO GROUP refined its strategy for promoting inclusion and diversity. Our company strives to take a leading position in this area within the trade industry. As part of this effort, we are initially concentrating on our METRO Cash & Carry sales line, which operates 766 stores in 28 countries. The goal is conscious recognition and appreciation of varying needs so that employees are able to commit themselves to the company and a wide range of resources can be employed. The strategic approach consists of the elements Lead, Link and Live. The Lead element targets the activities of managers, who are to promote inclusion and diversity within the organisation and live these principles in their leadership style. The Link approach connects worldwide programmes with the activities of the decentralised and centralised units. It also reinforces the integration of inclusion and diversity into human resource processes. The Live element involves the practical transfer of inclusion and diversity to daily company life, such as in employee networks and at events. In addition, employees and managers are to consider inclusion and diversity in their daily business decisions and dealings with each other.

METRO GROUP has been represented on the board of directors of Charta der Vielfalt e. V. (Diversity charter) since 2013. During

the reporting period, we teamed up with 16 other companies to create a regional diversity network. For the second German Diversity Day in June 2014, the partners organised the first event in Düsseldorf for the North Rhine-Westphalia region. The focus of the event was on allowing the nearly 100 top managers who were invited to share their experiences.

Equal opportunities on the job

As part of our diversity management, we promote equal professional opportunities for men and women. In 2011, together with other listed German companies, METRO GROUP voluntarily pledged to increase the share of women in management levels one to three. During financial year 2013/14, METRO GROUP renewed its voluntary pledge to increase the share of women in management positions. By 2017, the share of women in management positions (levels one to three) is to reach 25 per cent. At METRO AG, the share of women in the first two management levels below the Management Board should also amount to 25 per cent by 2017. These objectives have been incorporated into our recruiting and succession planning and correspond with the Supervisory Board's objectives for the Management Board.

For more information about the objectives regarding the composition of the Management and Supervisory Boards, see the corporate governance report.

The share of women in the entire workforce was 53.8 per cent as of the closing date of 30 September 2014 (30/9/2013: 55.1 per cent). In management levels one to three, 18.5 per cent of managers were female as of the closing date of 30 September 2014 (30/9/2013: 18.5 per cent). The share of women in management positions is particularly high in countries outside Germany: as of the closing date of 30 September 2014, 21.0 per cent of managers in countries other than Germany were female. The Women in Trade (WiT) employee network now has about 130 members. The network intends to help to raise the share of women in management positions over the long term, to promote internal and external dialogue and to create better working conditions for women in the company. The network is internationally active and is aimed at colleagues in all countries.

Work-life balance programmes based on phases of life

Our headquarters in Düsseldorf has three day care centres with 238 full-time slots for children from the age of four months. The staff speak German and English to the children. In 2014, we once again offered a holiday childcare programme at our company headquarters. More than 150 children of employees took part.

Galeria Kaufhof opened a new parent-child office in its headquarters in Cologne so that parents can bring their children to work with them in emergencies. Since 2010, the headquarters of Media-Saturn in Ingolstadt has been certified as a family-friendly company by the Hertie Foundation. As part of an array of measures aimed at supporting work-life balance, Media-Saturn in Ingolstadt offers holiday childcare as well as nursery slots for children of employees.

The share of part-time employees at METRO GROUP rose slightly to 28.4 per cent compared with the previous year's period (9M 2012/13: 27.8 per cent). In Germany, 44.8 per cent of our staff work part-time (2012/13: 44.8 per cent).

METRO GROUP wants to support employees in all phases of life – and that includes the care of loved ones. In cooperation with the German carers' organisation Deutscher Pflegering, METRO AG began offering its employees two service models in March 2014: The online care portal offers information about the topic and includes an index with more than 25,000 care providers. The care hotline allows employees to discuss their questions directly with caregiving experts.

Employer-employee relationships

METRO GROUP supports open dialogue at various levels between its management and employees or employee representatives. We want to ensure good long-term working conditions for employees and thus contribute to growth. In concrete terms:

- We apply the principles of fair working conditions and social partnership in all of our activities.
- We encourage our management to create an open and trusting work environment in which people share their ideas and problems.
- We regularly meet with our employees and/or their representatives to inform them about the business situation and ask them for feedback.
- We regularly check that our stores and offices observe our principles governing fair working conditions and social partnership.

METRO GROUP pledged its commitment to this approach by signing a joint declaration with the international trade union UNI Global Union in December 2013. This declaration underscores the shared commitment to a good and long-term partnership. It affirms our efforts to promote fair working conditions.

METRO GROUP plays an important role in the annual meeting of the UNI Global METRO Alliance. In October 2013, employee representatives met with management representatives in Bucharest to discuss their views regarding developments within METRO GROUP in the various countries.

At the European level, the METRO GROUP Euro Forum acts as a European works council. Negotiations for a new Euro Forum agreement were successfully concluded in the 2013/14 reporting period. The agreement reflects the changes in legislation regarding European works councils.

At the national level, METRO GROUP continued its social dialogue with employee representatives such as works councils and unions. This resulted in several collective labour agreements at the business unit, country or store level, depending on local laws and customary practices.

Development of staff numbers

During the reporting period, METRO GROUP employed an average of 226,934 full-time equivalents (2012/13: 242,967). This is a decrease of 6.6 per cent from the same period of the previous year. The majority of our employees work outside of our home market of Germany. In Western Europe (excluding Germany), Eastern Europe and Asia/Africa, we had 139,510 full-time equivalents, 9.9 per cent less than during the same period of the previous year. A key reason for this decrease was the disposal of Real's Eastern European business. In Germany, the number of full-time equivalents fell slightly by 0.9 per cent to 87,424.

During the period under review, our METRO Cash & Carry sales line had an average of 110,483 full-time equivalents. This is a decrease of 1.7 per cent from the same period of the previous year. Media-Saturn employed an average of 57,553 full-time equivalents in the reporting period, an increase of 1.2 per cent over the same period of the previous year. At Real, the number of full-time equivalents fell by 30.4 per cent to 32,322, due to the sale of Real's Eastern European business. At Galeria Kaufhof, the number of full-time equivalents decreased by 0.1 per cent to 17,536 compared with the same period of the previous year. The number of full-time equivalents in the Others segment decreased by 7.1 per cent to 9,040.

Development of employee numbers of METRO GROUP
annual average

Workforce by headcount

	Germany	International	Total
2012/13	105,517	167,350	272,867
2013/14	**104,616**	**150,417**	**255,033** (–6.5%)

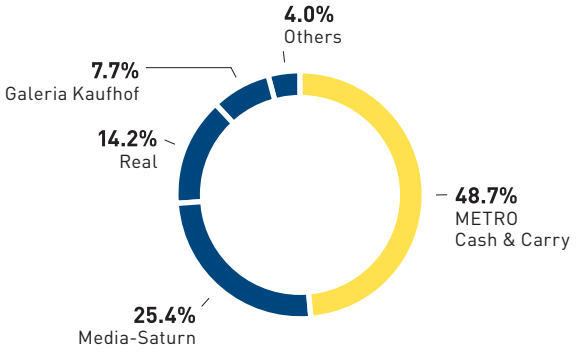
Workforce by full-time equivalents

	Germany	International	Total
2012/13	88,180	154,787	242,967
2013/14	**87,424**	**139,510**	**226,934** (–6.6%)

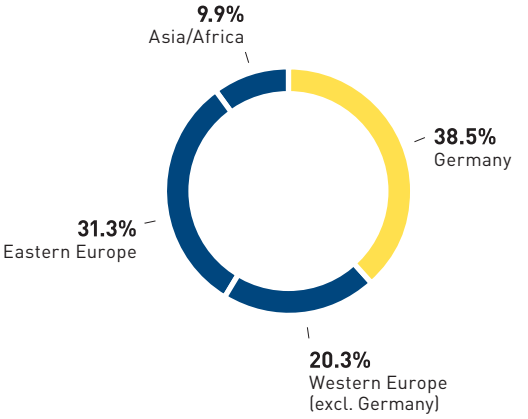
Development of personnel expenses

Our personnel expenses fell by 1.8 per cent to €7.2 billion compared with the same period of the previous year (2012/13: €7.3 billion). Of that amount, €5.8 billion (2012/13: €6.0 billion) was attributable to wages and salaries, including income taxes and employee contributions to social insurance programmes. The rest was attributable to social welfare contributions, post-employment benefits plans and employee benefits.

Employees by segment
full-time equivalents



Employees by region
full-time equivalents



We encourage our staff to set up their own private pension accounts. Our group-wide future package provides them with voluntary benefits that exceed the collective bargaining standards generally seen in the industry. In the reporting period, 55,064 employees in Germany took advantage of these benefits (2012/13: 55,579 employees). This represents a share of 53.9 per cent (2012/13: 53.9 per cent).

For more information about personnel expenses, see the notes to the consolidated financial statements in no. 16 Personnel expenses.

Development of employee numbers by country and segment
by headcount as of closing date of 30/9

	METRO Cash & Carry		Media-Saturn		Real		Galeria Kaufhof		Others		METRO GROUP	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Germany	**14,914**	**14,788**	**26,447**	**26,906**	**36,944**	**36,538**	**19,944**	**19,851**	**6,315**	**6,065**	**104,564**	**104,148**
Austria	2,088	**2,113**	2,668	**2,737**							4,756	**4,850**
Belgium	3,226	**3,312**	1,521	**1,603**			1,218	**1,264**			5,965	**6,179**
Denmark	755	**667**	28	**35**							783	**702**
France	8,808	**8,559**	17	**12**							8,825	**8,571**
Italy	4,449	**4,429**	6,754	**6,499**							11,203	**10,928**
Luxembourg			125	**127**							125	**127**
Netherlands	4,625	**4,080**	4,415	**4,513**					10	**11**	9,050	**8,604**
Portugal	1,191	**1,188**	490	**504**							1,681	**1,692**
Spain	3,837	**3,881**	5,213	**5,494**							9,050	**9,375**
Sweden			1,850	**1,491**							1,850	**1,491**
Switzerland			1,226	**1,224**					88	**87**	1,314	**1,311**
United Kingdom			1	**0**							1	**0**
Western Europe (excl. Germany)	**28,979**	**28,229**	**24,308**	**24,239**			**1,218**	**1,264**	**98**	**98**	**54,603**	**53,830**
Bulgaria	2,366	**2,268**									2,366	**2,268**
Croatia	1,111	**1,140**									1,111	**1,140**
Czech Republic	3,473	**3,440**									3,473	**3,440**
Greece	1,028	**1,010**	752	**783**							1,780	**1,793**
Hungary	2,626	**2,626**	1,079	**1,096**					68	**6**	3,773	**3,728**
Kazakhstan	1,208	**1,012**							5	**0**	1,213	**1,012**
Moldova	655	**617**									655	**617**
Poland	6,014	**6,147**	4,694	**4,915**	9,064	**0**			563	**511**	20,335	**11,573**
Romania	5,325	**4,931**			643	**655**			654	**703**	6,622	**6,289**
Russia	17,955	**17,669**	4,125	**4,305**	271	**0**			1,029	**561**	23,380	**22,535**
Serbia	1,444	**1,309**									1,444	**1,309**
Slovakia	1,341	**1,275**									1,341	**1,275**
Turkey	4,450	**4,565**	2,403	**2,224**	1,796	**0**			129	**115**	8,778	**6,904**
Ukraine	5,309	**4,250**							11	**1**	5,320	**4,251**
Eastern Europe	**54,305**	**52,259**	**13,053**	**13,323**	**11,774**	**655**			**2,459**	**1,897**	**81,591**	**68,134**
China	10,824	**11,935**	18	**15**					503	**515**	11,345	**12,465**
Egypt	447	**55**									447	**55**
India	3,186	**3,349**							417	**529**	3,603	**3,878**
Japan	1,069	**1,080**									1,069	**1,080**
Pakistan	1,910	**1,852**									1,910	**1,852**
Singapore[1]	34	**0**									34	**0**
Vietnam	3,636	**3,703**									3,636	**3,703**
Asia/Africa	**21,106**	**21,974**	**18**	**15**					**920**	**1,044**	**22,044**	**23,033**
USA[2]	3	**5**									3	**5**
International	**104,393**	**102,467**	**37,379**	**37,577**	**11,774**	**655**	**1,218**	**1,264**	**3,477**	**3,039**	**158,241**	**145,002**
METRO GROUP	**119,307**	**117,255**	**63,826**	**64,483**	**48,718**	**37,193**	**21,162**	**21,115**	**9,792**	**9,104**	**262,805**	**249,150**

[1] Employees in Singapore work in administrative companies
[2] US employees are employees of the Boston Trading Office (BTO). The trading office is responsible for seafood procurement.

Development of employee numbers by country and segment
full-time equivalents as of closing date of 30/9[1]

	METRO Cash & Carry		Media-Saturn		Real		Galeria Kaufhof		Others		METRO GROUP	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Germany	**12,848**	**12,748**	**23,685**	**24,081**	**28,479**	**28,158**	**16,286**	**16,313**	**6,215**	**5,955**	**87,513**	**87,255**
Austria	1,878	**1,910**	2,305	**2,353**							4,183	**4,263**
Belgium	2,705	**2,796**	1,419	**1,514**			977	**1,017**			5,100	**5,327**
Denmark	518	**461**	28	**35**							546	**495**
France	8,448	**8,238**	17	**12**							8,464	**8,250**
Italy	3,893	**3,862**	6,029	**5,823**							9,922	**9,685**
Luxembourg			120	**122**							120	**122**
Netherlands	2,772	**2,471**	2,450	**3,421**					10	**11**	5,232	**5,902**
Portugal	1,132	**1,130**	463	**459**							1,595	**1,589**
Spain	3,481	**3,515**	4,389	**4,589**							7,870	**8,104**
Sweden			1,320	**1,053**							1,320	**1,053**
Switzerland			1,085	**1,051**					83	**82**	1,168	**1,133**
United Kingdom			1	**0**							1	**0**
Western Europe (excl. Germany)	**24,826**	**24,383**	**19,624**	**20,431**			**977**	**1,017**	**93**	**93**	**45,520**	**45,924**
Bulgaria	2,338	**2,261**									2,338	**2,261**
Croatia	1,093	**1,122**									1,093	**1,122**
Czech Republic	3,313	**3,281**									3,313	**3,281**
Greece	920	**902**	693	**713**							1,613	**1,615**
Hungary	2,545	**2,586**	1,060	**1,078**					68	**6**	3,673	**3,670**
Kazakhstan	1,208	**1,007**							1	**0**	1,209	**1,007**
Moldova	655	**617**									655	**617**
Poland	5,728	**5,883**	4,646	**4,864**	8,314	**0**			555	**507**	19,243	**11,254**
Romania	5,311	**4,908**			638	**652**			654	**702**	6,603	**6,262**
Russia	16,353	**17,512**	4,105	**4,283**	271	**0**			1,029	**558**	21,758	**22,353**
Serbia	1,444	**1,309**									1,444	**1,309**
Slovakia	1,332	**1,269**									1,332	**1,269**
Turkey	4,310	**4,420**	2,403	**2,224**	1,636	**0**			129	**115**	8,477	**6,759**
Ukraine	5,065	**4,249**							11	**1**	5,076	**4,250**
Eastern Europe	**51,613**	**51,326**	**12,906**	**13,162**	**10,859**	**652**			**2,446**	**1,888**	**77,824**	**67,028**
China	10,724	**11,910**	18	**15**					494	**506**	11,236	**12,431**
Egypt	446	**54**									446	**54**
India	3,167	**3,335**							416	**528**	3,583	**3,863**
Japan	755	**777**									755	**777**
Pakistan	1,910	**1,843**									1,910	**1,843**
Singapore[2]	33	**0**									33	**0**
Vietnam	3,560	**3,634**									3,560	**3,634**
Asia/Africa	**20,595**	**21,552**	**18**	**15**					**910**	**1,034**	**21,523**	**22,601**
USA[3]	3	**5**									3	**5**
International	**97,037**	**97,266**	**32,548**	**33,608**	**10,859**	**652**	**977**	**1,017**	**3,449**	**3,015**	**144,870**	**135,558**
METRO GROUP	**109,885**	**110,014**	**56,234**	**57,689**	**39,337**	**28,810**	**17,263**	**17,330**	**9,664**	**8,970**	**232,383**	**222,813**

[1] Rounding differences may occur
[2] Employees in Singapore work in administrative companies
[3] US employees are employees of the Boston Trading Office (BTO). The trading office is responsible for seafood procurement.

7. Innovation management

As a retail company, METRO GROUP does not make its own products and therefore does not conduct research and development in the strict sense of the term. When it comes to innovation management, we concentrate more on pursuing the objective of fuelling our transformation within a world that is constantly reinventing itself.

After all, our industry is in the midst of a profound evolution that will especially be driven by digitisation. It is for this reason that devices such as smartphones and tablets have become fixtures in our lives. The resulting permanent accessibility of information about products and services generates a high level of price transparency, and online retailers have become serious competitors. In pursuing a successful repositioning, we are focusing on the continued improvement and optimisation of our stationary retail formats: proven practices will be enhanced with new elements to create innovative sales formats. When adapting strategy and technology from the digitised world, we see an opportunity for our company to reach existing and potential customers in new ways.

For this reason, METRO GROUP must leverage synergies between online and stationary retailing. Our sales lines began developing strategies at an early stage to tap the potential of the online business and digital technology, thus supplementing and supporting the stationary business. In November 2013, METRO GROUP created a new organisational unit called Business Innovation that systematically and intensely works with innovation and new business models in five focal areas (see graphic).

The responsibility for the actual shaping of innovation lies with the sales lines. The new organisational unit's primary task is to bundle and support existing activities and to fuel the implementation of innovation projects. This includes promoting discussions across sales lines among internal experts, external partners and universities. In addition, METRO GROUP plays a role in start-up companies by providing venture capital. Within our innovation management, we distinguish between evolutionary and revolutionary processes. The former describes the improvement and optimisation of existing sales formats; the latter describes the evaluation, testing and realisation of new business models.

In this way, our innovation management helps us to create advanced multichannel forms of retail. Generally speaking, the idea is to reach customers where they take purchasing decisions: sitting at the computer in the office, on the sofa holding a tablet, on the go with a smartphone or in the store, where our sales lines can be experienced and our employees can provide face-to-face assistance.

The five areas of innovation at METRO GROUP

Our sales lines have already begun testing numerous new ideas in the five aforementioned areas of innovation and are successfully putting them into practice. Selected examples are outlined below.

At certain **METRO Cash & Carry** pilot stores, customers receive personalised deals tailored to their preferences in the form of coupons. This helps to minimise waste coverage in advertising. Since introducing targeted marketing in October 2013, numerous multi-step campaigns have been conducted in Germany, the Netherlands, Poland and Romania and have reached more than ten million people.

Media-Saturn is in the midst of a fierce battle with online competition and must measure up to these retailers' fast delivery of goods in particular. Media Markt and Saturn have been testing a more customer-friendly delivery service since April 2014: Upon checkout, customers can now choose between an order that arrives within three hours (express delivery) or an order that arrives at a designated time of their choice. For now, express deliveries are being tested in seven selected German cities. After a successful test phase, the service is scheduled to be rolled out in other German urban centres. In September 2014, Media Markt opened the world's first drive-thru store for electronics in the southern German city of Ingolstadt. Here, customers can simply drive up, present their order confirmation at the window and then pick up their purchase.

Real has introduced a new app. Customers can do more than just check current specials in a digital sales catalogue; they also receive detailed product information. The app also features a product search engine. In addition, the barcode on a product's packaging can be scanned with a smartphone camera to access more detailed information. One important feature of the app is a digital shopping list that can be used and edited by several people at the same time. The related data are saved on an online server. Additional functions include a digital coupon organiser for Payback points and Real loyalty points as well as an option that allows users to rate the sales line's own brands. With this approach, Real can take customer feedback into account in the development of new products and in the improvement of existing items.

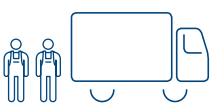
To facilitate future growth, **Galeria Kaufhof** is rigorously forging ahead with its effort to dovetail its department store and online businesses; that is, integrating stationary and digital business concepts into customer assistance and sales. In mid-2014, employees in our sales lines began using tablets while advising customers. Using the device, they can access inventory information about products that are not available at the department store or are not part of the outlet's usual product range.

Employees can process orders right on the tablet. Delivery can be made to either the address of the customer's choice or to the respective department store. Roughly 1,100 tablets are currently in use.

Other new technologies have also made their way into the stores and outlets of our sales lines. Both Galeria Kaufhof and Real offer their customers new payment systems. This includes self-checkouts and cash registers equipped with wireless near field communication (NFC) transaction technology. With NFC, contactless purchases can be made using compatible cards or mobile phones. METRO Cash & Carry, on the other hand, has installed electronic shelf labels at all of its wholesale stores in Germany. Future versions of these labels may even offer our sales lines an innovative way of providing customers with new obligatory consumer information.

8. Sustainability management

METRO GROUP views itself as a member of society that contributes to value creation. As part of its corporate responsibilities, our company strives to create a strong bond that links economic goals that extend beyond legal requirements with the needs of society as well as those of customers, employees, investors and partners. In the process, we must respect the limits placed on us by the environment. By taking this approach, we act today for the good of tomorrow. Viewed in terms of METRO GROUP's sustainability vision "We offer quality of life", our business activities are designed to create value while reducing negative effects.

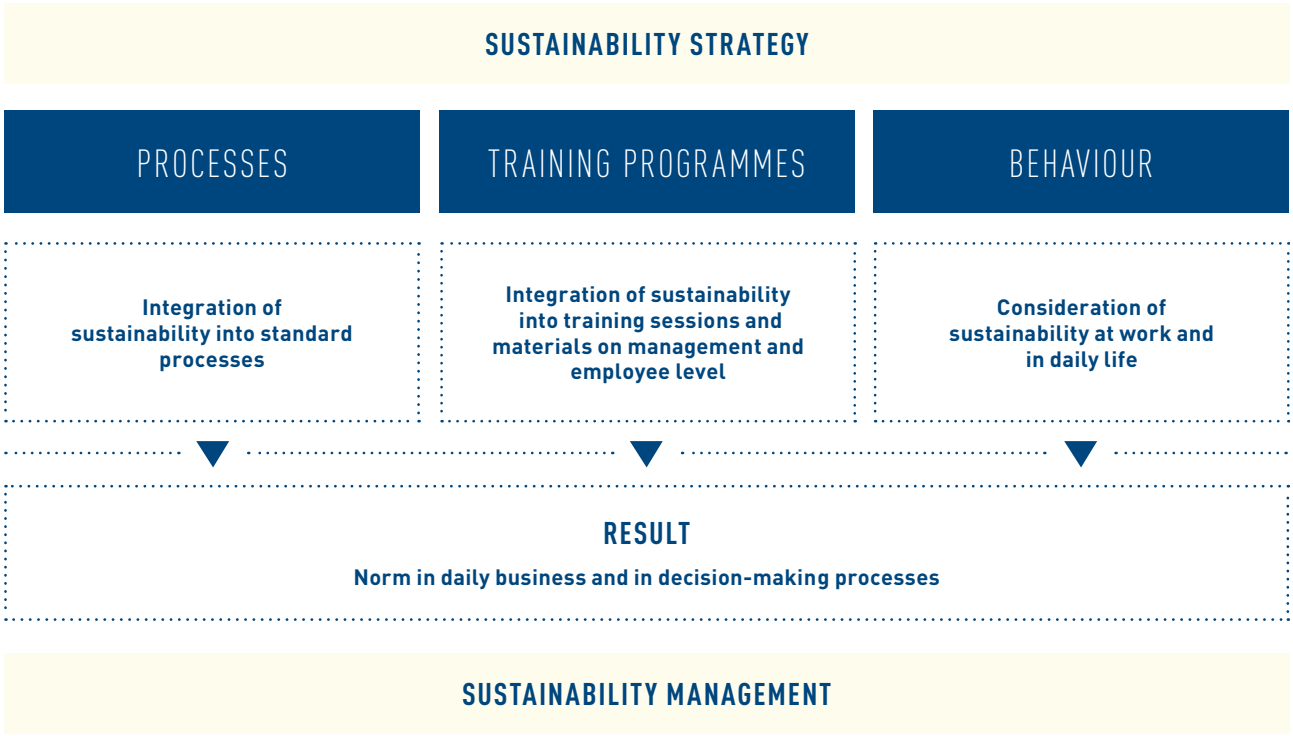
We offer quality of life ...		**Because we are acting more sustainably, ...**	
... for our customers, ...	... by providing them with safe, high-quality products and services locally and around the world, and by constantly improving our processes. And with products that are produced, processed and recycled in a socially responsible, environmentally sound and resource-friendly manner. This enables us to secure our future.	**... we are working on a responsible range of products and assortment design.**	By 2015, we will have defined processes that will enable us to evaluate the impact of the own-brand products of METRO GROUP's sales lines on sustainability. By continuously carrying out our general METRO GROUP purchasing policy on sustainability, we will adjust all relevant product categories to reflect aspects of sustainability.
... for our employees, ...	... by respecting, protecting and helping them to grow professionally at all times, and by building trusting relationships with them. This enables us to create an attractive working environment.	**... we systematically make sustainability a part of our work.**	Sustainability will be integrated into all (fundamental) business processes by 2016. Our employees' awareness of sustainable behaviour will be sharpened through information campaigns. Training programmes focused on corporate responsibility will be developed and offered to all employees.
... for all who work for us, ... 	... by doing business fairly and responsibly and by providing good living and working conditions. This enables us to demonstrate responsibility in the supply chain.	**... we support humane working conditions.**	Inclusion of all non-food own-brand suppliers[1] in a BSCI or equivalent social standard system by the end of 2014 if the final product is produced in a risk country (risk country based on BSCI definition). This effort involves suppliers from whom we acquire products in a decentralised manner and suppliers with whom we maintain a direct relationship through MGB Hong Kong.
... for society, ...	... by protecting the environment, conserving natural resources and minimising our effect on the climate. This enables us to create a sound foundation for retailing of tomorrow.	**... we are working on solutions to global challenges with a steadfast commitment to the issue and a trusting relationship with our stakeholders.**	Our contribution to climate and resource protection: by 2020, METRO GROUP will have cut its greenhouse gas emissions by 20 per cent since the reference year of 2011.

[1] This covers the producers of merchandise (own brands and own imports) who carry out the final significant and value-creating production step

Embedding sustainability

The strategic integration of sustainability into our core business operations is an essential aspect of our work to carry out our sustainability vision. We use a number of channels to ensure that this happens. These channels include our Sustainability Board and its committees as well as modifications of relevant business processes and decision-making procedures along with changes in our individual behaviours. The issue can indeed be encouraged from the top down, but it must be carried out by everyone.

EMBEDDING SUSTAINABILITY



Our sustainability management

Sustainability management is designed to facilitate the integration of sustainability into our core business operations and to consider the interplay between economic, environmental and social aspects in an efficient, solution-driven manner. It is closely tied to risk and opportunity management at METRO GROUP. In this process, the company's management is supported in its work to systematically identify, assess and manage possible deviations from the sustainability goals; that is, risks and opportunities.

For more information about risk and opportunity management, see chapter 12 Risk and opportunity report.

As an organisation of METRO GROUP, the Sustainability Board ensures that the strategic objectives regarding the group's sustainability performance are defined and that fundamental issues are reflected in corresponding goals.

The round table on corporate responsibility serves as the interface between the strategic and operational aspects of sustainability. This body lays the groundwork for decisions taken by the Sustainability Board and helps to carry them out.

SUSTAINABILITY BOARD

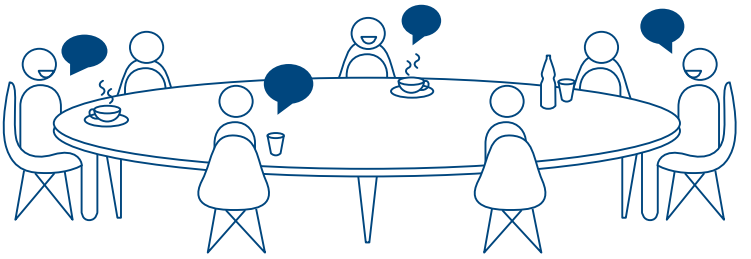
MANAGING DIRECTORS OF THE SALES LINES UNDER THE LEADERSHIP OF THE MEMBER OF THE MANAGEMENT BOARD RESPONSIBLE FOR SUSTAINABILITY, SUSTAINABILITY OFFICERS OF THE SALES LINES AND METRO AG

defines METRO GROUP's sustainability strategy.

ROUND TABLE ON CORPORATE RESPONSIBILITY

SUSTAINABILITY OFFICERS OF THE SALES LINES AND METRO AG

bundles sustainability know-how, supports Sustainability Board and sales lines at the operational level.



SALES LINES

are responsible for their own sustainability management and its operational implementation, assign experts to project groups.

Assessment of relevant sustainability indices and rankings

Index/ranking	Rating/points	Scale	Year
Dow Jones Sustainability Index (DJSI) – World/Europe	**71 listed**	0 to 100	2014
Oekom Corporate Rating	**C**	D– to A+	2014
CDP Climate Disclosure Leadership Index (CDLI) Germany, Austria, Switzerland	**98/A– (disclosure/performance) listed; sector leader consumer staples**	0 to 100 / E to A	2014
FTSE4Good Global/Europe Index	**listed**	–	2014

On the operational level, the sales lines are charged with defining specific goals and programmes, putting them into practice in their daily business operations and reaching these objectives over the long term. They report their progress to the Sustainability Board through the round table.

The sustainability measures carried out by METRO GROUP are evaluated in part by ratings prepared by our stakeholders. These ratings provide important motivation to us and serve as a management tool because they demonstrate the progress of and potential to improve our activities.

Supply chain activities

We concentrate our sustainability activities on the parts of the value chain and our interaction with society where our influence on processes relevant to sustainability is the greatest. Here, our actions have an accordingly efficient impact. Our exemplary supply chain comprises the following areas:

— Procurement, production and processing
— Transport, warehousing and stores
— Customers
— Disposal
— Social commitment

In the following section, we will provide an overview of our activities in the individual areas that we initiate to address specific challenges. In the process, we also use sustainable development key performance indicators (SD-KPIs) that are relevant to the group management report.

For in-depth information and other key performance indicators relevant to the topic of sustainability, see the METRO GROUP Corporate Responsibility Report 2013/14 as well as the Responsibility section of our website.

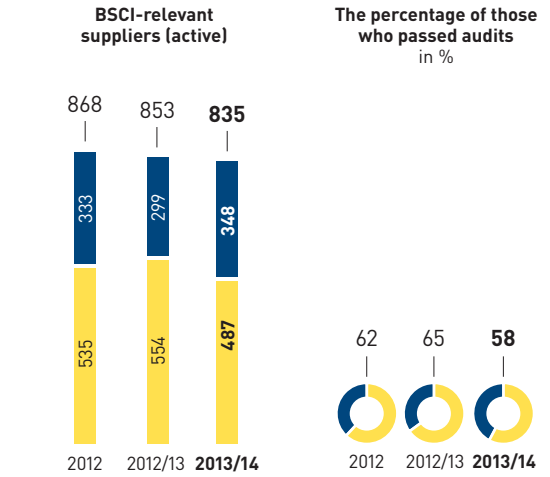
Procurement, production and processing

In terms of procurement, production and processing, it is important for us to know which resources and raw materials are used to produce our products and under which social and environmental conditions our products are made. In managing these issues, we draw on our group-wide and cross-product purchasing policy "Sustainability". In this policy, we have formulated the fundamental requirements for sustainable supply chain and procurement management. At the same time, our purchasing policy forms the framework for guidelines that address specific issues related to individual product and raw material categories. By developing and implementing guidelines for sustainable purchasing, we are strengthening our procurement channels and helping to improve the sustainability of our products.

To ensure socially compatible working conditions within our procurement channels, we are committed to the implementation of social standard systems in our suppliers' business operations.

All of our producers in defined risk countries (based on the assessment of the Business Social Compliance Initiative, BSCI) who supply us with clothing, shoes, toys and hardware through our import company MGB METRO Group Buying Hong Kong undergo audits conducted in accordance with BSCI or equivalent standards. As of 30 September 2014, 835 producers had been audited. Of this group, 58 per cent received a grade of "good". Producers who fail to pass the audit have 18 months following the audit date to improve conditions at the site. Should these improvements not be made, the production site will receive no more orders until it can demonstrate that it has sustainably improved its organisational processes. In financial year 2013/14, 12 per cent of suppliers who had not passed the audit demonstrated improvement. Overall, though, the share of suppliers who passed audits declined. This is primarily the result of stricter BSCI requirements for audits.

Social audits of own imports through MGB Hong Kong
as of closing date



Suppliers who passed audits

Active suppliers are those who generated actual sales as of the closing date. Suppliers who have passed the audit can demonstrate their successful compliance with the BSCI standard by presenting a certificate awarded by an independent third party.

Topic	Goals	Status goal	Measures	Status measures
INTERNATIONAL LABOUR STANDARDS/SOCIAL STANDARDS	METRO GROUP expands its commitment to fair working conditions at its suppliers.		Inclusion of all non-food own-brand suppliers[1] in a BSCI or equivalent social standard system by the end of 2014 if the final product is produced in a risk country (risk country based on BSCI definition).	

[1] This covers the producers of merchandise (own brands and own imports) who carry out the final significant and value-creating production step
You will find annotations to the symbols on page 124

Transport, warehousing and stores

As a retail company, we assume responsibility for climate and resource protection within the areas of the value chain on which we can have a direct impact: from the warehousing and refrigeration of products to transport and the operation of our stores and administrative offices. We pursue two central goals in this effort: First, we intend to reduce climate-relevant emissions produced in connection with our business operations. Second, we intend to lower our consumption of resources. By taking this approach, we also help lower our operating costs.

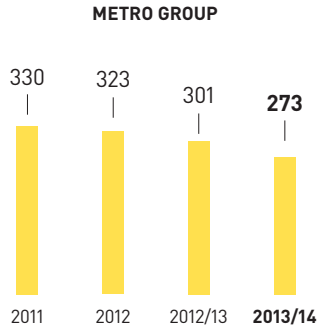
Topic	Goals	Status goal	Measures	Status measures
CLIMATE PROTECTION/ RESOURCE MANAGEMENT	METRO GROUP will reduce its greenhouse gas emissions by 20 per cent from 330 kg/m² in 2011 to 264 kg/m² in 2020.		Continuation of "low-hanging fruit programme" as an energy-saving programme; additional Energy Awareness Programme (EAP) started in 2013.	

You will find annotations to the symbols on page 124

Status climate protection target

From October 2013 to September 2014, METRO GROUP generated 273 kilograms of CO_2 equivalent per square metre of selling space. As a result, our group-wide emissions fell by about 28 kilograms of CO_2 per square metre of selling space compared with the same period of the previous year. As a result, we are coming closer to our target of 264 kilograms of CO_2 per square metre. The decline in emissions primarily stems from three factors: measures to reduce energy consumption, the sale of stores in Eastern Europe and Turkey that generally had high emissions as well as the general technical and scientific developments that are reflected in the emission factors for calculating CO_2 equivalents of consumption.

Status climate protection target
greenhouse gas emissions in kg CO_2 (CO_2 equivalent) per m² of selling space



Unlike in previous years, we will no longer make portfolio adjustments (divestment of Real in Poland, Russia, Ukraine, Romania and Turkey in 2012 and 2013) for environmental metrics starting this reporting period. For this reason, the previous year's figures presented in this report and the figures for the reference year 2011 deviate from the figures in last year's report. In addition, the volume of emissions may deviate from those specified in previous reports due to an update of emission factors and estimate corrections. This leads, particularly in terms of emissions caused by refrigerants, to a slight change in the figure extending back to the reference year of 2011.

Customer

The specific product mixes of our sales lines are designed in such a way that they optimally meet the wide range of needs of our private and professional customers. These products and services must not just meet quality and safety requirements. Increasingly, they must also fulfil critical requirements regarding social compatibility and environmental consciousness – from production and procurement to usage and disposal. One of our primary concerns is that our customers can put their faith in these qualities when they purchase and use our products. For this reason, we systematically introduce measures that we can use to influence the safety, quality and sustainability of our product range. We achieve this in our supply chain and product management by implementing our guidelines on sustainable purchasing. These guidelines define quality and sustainability criteria, and require regular audits to determine whether quality and sustainability standards are being observed. We also create transparency by maintaining direct relationships with our business partners and employing innovative technical solutions that can be used to monitor the individual links of the supply chain. Furthermore, to underscore our costumer orientation we use product labels that indicate our compliance with certain quality or sustainability standards. We also label our own brands accordingly. In addition, we accompany this by providing specially prepared information in our stores and engaging in dialogue with our customers. By doing so, we support and encourage responsible consumption by our customers.

Our sales lines' assortments include fair-trade products as well as foods that bear the European organic symbol. In financial year 2013/14, our sales lines METRO Cash & Carry, Real and Galeria Kaufhof generated sales of products certified by the EU Regulation on organic farming totalling €96 million in Germany. Our stores also offer products from sustainable, environmentally conscious fisheries. The seal of the Marine Stewardship Council (MSC) communicates this fact to customers. In financial year 2013/14, the sustainable fish product range of our sales lines METRO Cash & Carry, Real and Galeria Kaufhof in Germany comprised 90 MSC-certified own-brand

products and 775 brand items. These products generated sales of approximately €56 million.

Our sales lines also provide customers in other product groups with a broad range of environmentally conscious and socially responsible products. These products include

- efficient electric appliances bearing energy labels from A+ to A+++,
- stationery based on the standards of the "Blauer Engel" (Blue Angel), a German environmental seal, or of sustainable forestry,
- natural cosmetics in accordance with BDIH and NATRUE standards and
- textiles made from organic cotton or cotton produced in accordance with the "Cotton made in Africa" standard.

As a helpful guide to customers, our Galeria Kaufhof sales line adds the logo "natürlich GALERIA" (naturally GALERIA) to products that meet the requirements of a defined sustainability standard. Nearly 13,600 products in the Kaufhof assortment now fulfil this standard.

METRO GROUP is taking innovative approaches to traceability: in 2013, we began to work with other retailers, well-known partners and the standardisation organisation GS1 Germany on an international cross-industry solution. Our goal is to create complete transparency regarding the resources that have been used and the procurement of products throughout the value chain. The key element of this solution, which we call "Traceability in the cloud", is the electronic collection of relevant data and consolidation of these data on an integrated software platform. This platform significantly improves access to this information and arranges it intuitively, creating more transparency throughout the entire value chain – all the way to the end consumer.

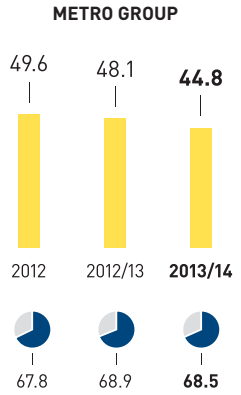
Topic	Goals	Status goal	Measures	Status measures
CONSERVATION OF RESOURCES/ SAFEGUARDING OF FOOD SUPPLIES/ SUSTAINABLE SOURCING	METRO GROUP initiates and supports the development of an international, intersectoral and product-spanning technical solution for traceability.		Following a successful test phase of the traceability solution for fish and meat at MCC in Germany and its subsequent roll-out, we will introduce this solution in other countries at the beginning of 2015. The project will also be expanded to other interested suppliers of selected product categories in 2015.	

You will find annotations to the symbols on page 124

Disposal

As a retail company, METRO GROUP needs resources that will be available far into the future. These raw materials are essential because they are required to produce and package the company's products. At the end of a product's usage phase, we consider whether and how the raw materials used in it can be recycled or disposed of in the most environmentally conscious manner. The first component of this programme is the avoidance strategy. Its aim is to prevent waste from being created in the first place. One way it accomplishes this goal is by optimally using resources in the manufacture of products and packaging. A second component involves resource recovery. Instead of throwing out products and packaging that are no longer needed, we repurpose them. The third component of this approach – recycling – has commercial potential. For this reason, we are committed to promoting innovative manufacturing and recycling technologies and to thinking in terms of cycles. Because consumers are in possession of products and packaging when they reach the end of their useful lives, we consider it our duty to advise customers about disposal: we provide our customers with information about resources, encourage them to avoid waste and create incentives and opportunities for correct disposal. In this manner, we do our part to ensure that waste materials can once again be used as raw materials.

Waste
Waste generation in kg per m² of selling space at METRO GROUP locations / recycling rate in %



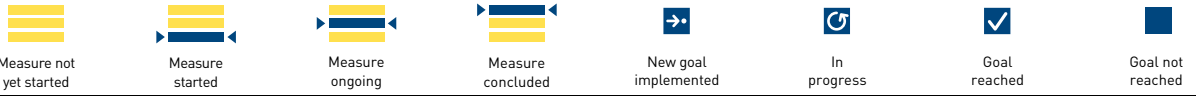
Social commitment

METRO GROUP views its commitment to society as a form of value creation because it plays a role in addressing social challenges. Our broad range of activities is designed to promote intercultural dialogue, support our stores and the communities where they are located and systematically facilitate help for the needy.

Investments in the community

in €1,000	2013/14
Donations to charity	2,943
Social investments	524
Commercial initiatives	4,058
Total	**7,525**

Degree of goal achievement



9. Remuneration report

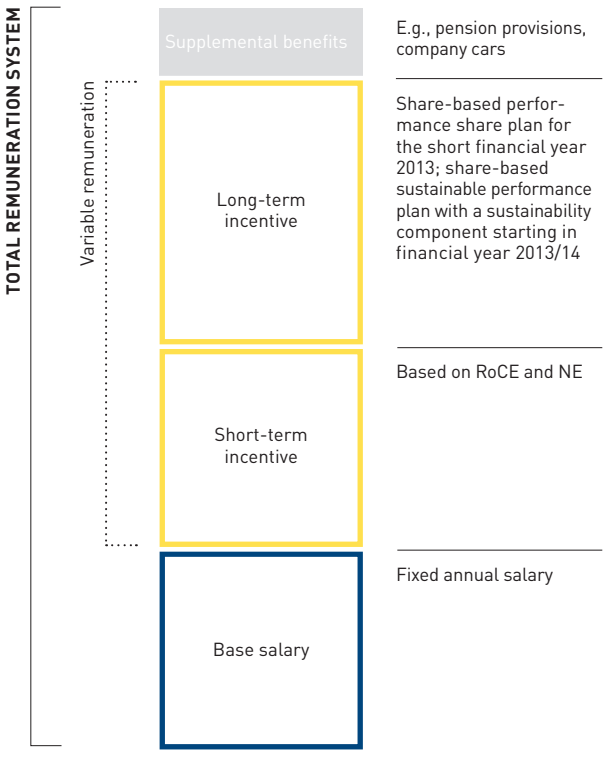
The following report describes the remuneration received by the Management Board and the Supervisory Board of METRO AG for financial year 2013/14 (1 October 2013 to 30 September 2014) compared with the short financial year 2013 (1 January 2013 to 30 September 2013) paid in accordance with the standards laid down by the German Commercial Code (HGB) and the German Corporate Governance Code. It outlines the system of compensation for the Management and Supervisory Boards and contains information about share-based compensation for METRO GROUP executives.

The remuneration system for the Management Board is approved by the Supervisory Board of METRO AG and is prepared by its Personnel Committee. The current remuneration system, including the performance-based remuneration scheme with a long-term incentive effect (sustainable performance plan) that was introduced at the beginning of financial year 2013/14, was approved by a majority of 98.43 per cent at the Annual General Meeting held on 12 February 2014.

The remuneration system for members of the Management Board

Management Board remuneration consists of a fixed salary and two variable performance-based components: the short-term incentive and the long-term incentive. The company also offers pension provisions and other supplemental benefits.

Remuneration system for the members of the Management Board



(Schematic illustration)

As a rule, the fixed salary and the variable remuneration paid to new members of the Management Board are reduced on a percentage basis in the first two years of service.

Total remuneration and the individual compensation components are appropriately geared to the responsibilities of each individual member of the Board, his or her personal performance and the company's economic situation. They fulfil legal stipulations regarding customary remuneration. Variable remuneration serves as an incentive for the Management Board to increase the company's value and is designed to generate sustainable, long-term company growth. In financial year 2013/14, the individual components of Management Board remuneration were as follows:

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

Short-term incentive
The short-term incentive for members of the Management Board is determined mainly by the development of return on capital employed (RoCE) and net earnings (NE) on the basis of a financial year. The use of the metric NE combined with RoCE rewards profitable growth of METRO GROUP. EBIT is divided by capital employed to determine RoCE. NE principally amount to profit for the period. The Supervisory Board may resolve an adjustment for special items. To ensure the individual performance orientation of Management Board remuneration, the Supervisory Board of METRO AG now also reserves the general right to reduce or increase the weight of the individual short-term incentive by up to 30 per cent at its discretion.

For a financial year, members of the Management Board receive between €500 and €833 per 0.01 percentage point of RoCE above 7 per cent. For each additional €1 million in NE, they receive an additional €304 to €506. The amounts are set by the Supervisory Board of METRO AG based on the company's strategy and medium-term targets, are regularly reviewed and are adjusted if necessary. The payout of the short-term performance-based remuneration granted for RoCE and NE is capped each year. The following individual values were determined as the basis for Management Board remuneration in financial year 2013/14:

€ p.a.	Amount per 0.01 percentage points of RoCE above 7 per cent	Amount per €1 million in NE	Payout cap for financial year 2013/14
Olaf Koch	833	506	3,900,000
Mark Frese[1]	594	361	2,470,000
Pieter Haas	500	304	2,080,000
Heiko Hutmacher	625	380	2,600,000

[1] Proportionate average level for financial year 2013/14, based on the following amounts: RoCE €500 for 1 October to 31 December 2013 and €625 for 1 January to 30 September 2014; NE €304 for 1 October to 31 December 2013 and €380 for 1 January to 30 September 2014

The short-term performance-based remuneration of members of the Management Board is generally paid out four months after the end of a financial year.

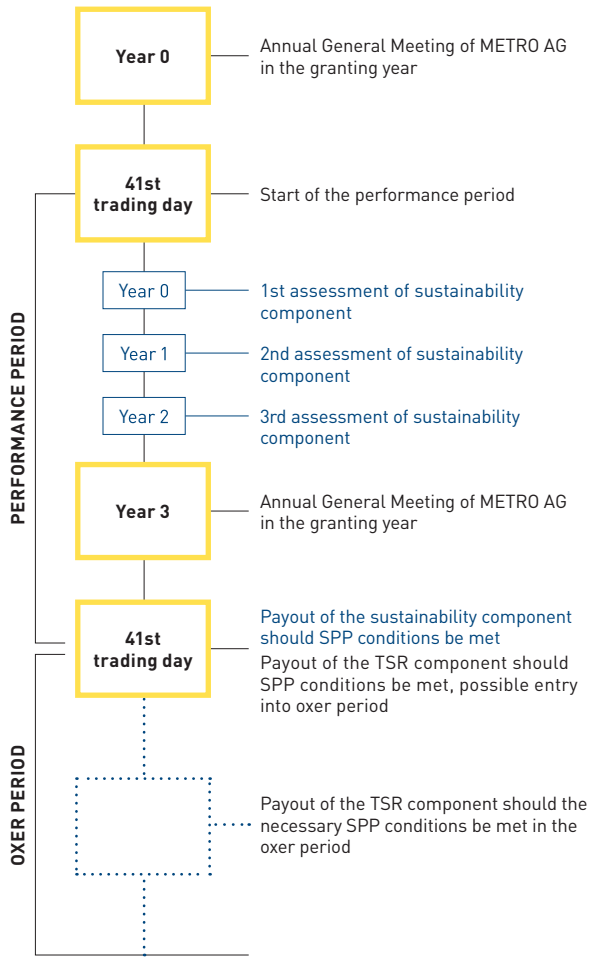
Long-term incentive
The long-term incentive is a performance-based compensation component with a long-term incentive effect. It is designed to achieve sustainable growth in the company's value and applies a multi-year assessment basis.

Sustainable performance plan 2013/14–2015/16
After the last tranche of the performance share plan was paid in the short financial year 2013, the Supervisory Board of METRO AG decided on 10 December 2013 to approve a three-tranche, long-term performance-based remuneration scheme for financial years 2013/14, 2014/15 and 2015/16: the sustainable performance plan. The sustainable performance plan creates incentives for the sustainable and successful performance of METRO GROUP under consideration of the long-term expectations of shareholders and other stakeholders as well as the group's environmental responsibility. Performance will be measured both by share-based key indicators as well as by qualitative aspects of business, environmental and social company management.

A target value in euros is set for each member of the Management Board. 75 per cent of this amount will be based on the so-called TSR component (total shareholder return), a metric that will be determined on the basis of the METRO ordinary share's performance relative to a defined reference index during a performance period. The remaining 25 per cent will be based on a so-called sustainability component that considers the ranking that METRO AG achieves during the performance period as part of the Corporate Sustainability Assessment conducted by the independent agency RobecoSAM AG. In case of employment termination, separate rules for the payout of the tranches have been agreed upon.

The timing of the sustainable performance plan is structured as follows:

Timing of the sustainable performance plan (SPP)



To calculate the **TSR component,** the Xetra closing prices of the METRO ordinary share will be recorded over a period of 40 trading days that directly follow the Annual General Meeting of METRO AG. The arithmetic mean calculated from these prices will then be used as the starting share price. The performance period for the respective tranche will begin on the 41st trading day following the Annual General Meeting. In the next step that will also cover a period of 40 trading days directly following the Annual General Meeting held three years after the determination of the starting share price and the issuance of the respective tranche, the Xetra closing prices of METRO's ordinary share will be recorded. The arithmetic mean calculated from these prices will then be used as the ending share price. The TSR percentage value will be determined on the basis of the change in the METRO share price and the total amount of reinvested dividends throughout the performance period in relation to the starting and ending share prices.

The METRO TSR calculated in this manner will be compared with the TSR of the Dow Jones STOXX Europe 600 Retail Index (index TSR) during the performance period, and the factor for computing the TSR component will be determined in this way:

— If METRO's TSR is identical to the index TSR, the factor for the TSR component will be one.
— If METRO's TSR is 30 percentage points or more below the index TSR, the factor for the TSR component will be zero.
— If METRO's TSR is 30 percentage points above the index TSR, the factor for the TSR component will be two.
— If METRO's TSR is 60 percentage points or more above the index TSR, the factor for the TSR component will be a maximum of three (cap).
— Outside these values, the TSR factor for the sustainable performance plan will be determined using the linear interpolation method and calculated to the hundredth place value.

If the TSR factor is zero, no payment will be made and the TSR component will be closed. If the TSR factor is positive, the following additional condition will apply: a payment of 75 per cent of the target amount multiplied by the TSR factor will be made only if the calculated ending price of the METRO share does not fall below the starting share price. Should this condition not be met, the calculated amount will not be paid initially. In this case, an entitlement to payment will exist only if the Xetra closing price of the METRO ordinary share is higher than or equivalent to the starting share price for 40 consecutive trading days within a three-year period after the completion of the performance period, or oxer period. Should this condition not be met within the three years after the performance period ends, no payment of the TSR component of the tranche will be made.

To determine the factor of the **sustainability component,** METRO AG takes part in the Corporate Sustainability Assessment conducted by the independent agency RobecoSAM AG during each year of the three-year performance period of the sustainable performance plan. RobecoSAM AG uses this as-

sessment to determine the ranking of METRO AG within the industry group "Food and Staples Retailing" that is defined in accordance with the Global Industry Classification Standard (GICS). S&P Dow Jones Indices uses this ranking as the basis for decisions regarding a company's inclusion in the Dow Jones Sustainability Indices (DJSI). METRO AG is informed each year by RobecoSAM AG about its new ranking. The company's average ranking – rounded to whole numbers – is determined on the basis of the three rankings communicated by RobecoSAM AG during the performance period. The factor for the sustainability component is determined in the following manner on the basis of the average ranking during the performance period:

Average ranking (rounded)	Sustainability factor tranche for financial year 2013/14	Sustainability factor tranche for financial year 2014/15	Sustainability factor tranche for financial year 2015/16
1	3.00	3.00	3.00
2	3.00	3.00	2.50
3	3.00	2.50	2.00
4	2.50	2.00	1.50
5	2.00	1.50	1.25
6	1.50	1.25	1.00
7	1.25	1.00	0.75
8	1.00	0.67	0.50
9	0.50	0.33	0.25
Below 9	0.00	0.00	0.00

The following additional condition will also apply: A payment of 25 per cent of the target amount multiplied by the sustainability factor will be made only if the ranking of METRO AG does not fall by more than two places below the last announced ranking before the issuance of the tranche in any year of the performance period. Otherwise, the factor for the sustainability component will be zero.

Performance share plan 2009–2013

By resolution of the Personnel Committee of the Supervisory Board and with the approval of the Supervisory Board, METRO AG introduced a five-year performance share plan in 2009. The last tranche of this plan was paid in the short financial year 2013. A target value in euros was set for each member of the Management Board. The target number of performance shares was calculated by dividing this target value by the share price upon allotment, based on the average price of the METRO share during the three months up to the allotment date. The key metric in this calculation was the three-month average price of the METRO share before allotment. A performance share entitles its holder to a cash payment in euros matching the price of the METRO share on the payment date. The key metric in this calculation was also the three-month average price of the METRO share before the payment date.

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

Payment can be made at six possible times that are set in advance. The earliest payment date is three years after allotment of the performance shares. From this time, payment can be made every three months. The members of the Management Board can choose the date upon which they want to exercise performance shares. A distribution over several payment dates is not permitted. The payment cap in euros amounts to five times the target value.

METRO GROUP introduced so-called share ownership guidelines along with its performance share plan: as a precondition for the payout of performance shares, the members of the Management Board are obliged to undertake a significant continuous self-financed investment in METRO shares up to the end of the three-year blocking period. This ensures that, as shareholders, they will directly participate in share price gains as well as potential losses of the METRO share. Their investment in company shares promotes the remuneration system's long-term structure and orientation towards sustainable development and results in a healthy balance of the various remuneration elements. The self-financed investment applies to the entire term of the performance share plan.

Pension provisions

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

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

An entitlement to pension benefits exists

- if the working relationship ends with or after the reaching of standard retirement age as it applies to the German state pension scheme,
- as early retirement benefits, if the working relationship ends at the age of 60 or after the age of 62 for pension benefits that were granted after 31 December 2011, as well as ends before reaching standard retirement age,
- as disability benefits, if the working relationship ends before the standard retirement age is reached and preconditions have been fulfilled,
- as surviving dependants' benefits, if the working relationship is ended by the person's death.

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

Further benefits in case of an end to employment

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

Supplemental benefits

The supplemental benefits granted to members of the Management Board include non-cash benefits and expense allowances (for example, company cars).

In financial year 2013/14, a new company car scheme for the members of the Management Board called the Green Car Policy was approved by the Supervisory Board. It represents the first time that the company has placed a limit on the CO_2 emissions of company cars as a sustainability criteria – similar to the new company car policy for METRO GROUP executives. It also contains a cap on the non-cash benefit covering the private use of company cars.

Other

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

Remuneration of the Management Board in financial year 2013/14[1]

				Short-term incentive[2]		Long-term incentive			
€1,000	Short financial year 2013 Financial year 2013/14	Fixed salary	Supplemental benefits	for the short financial year 2013	for financial year 2013/14	Value of granted tranches[3]	(Payout from tranches granted in the past)	Total[4]	(Effective salary[5])
Olaf Koch	2013 (9 months)	900	52	0	0	1,573	(0)	2,525	(952)
	2013/14 (12 months)	**1,200**	**16**	**575**	**676**	**1,098**	**(0)**	**3,565**	**(2,467)**
Mark Frese	2013 (9 months)	540	17	0	0	944	(0)	1,501	(557)
	2013/14 (12 months)	**855**	**102**	**332**	**445**	**823**	**(0)**	**2,557**	**(1,734)**
Pieter Haas[6]	2013 (9 months)	360	7	0	0	944	(0)	1,311	(367)
	2013/14 (12 months)	**720**	**107**	**203**	**390**	**659**	**(0)**	**2,079**	**(1,420)**
Heiko Hutmacher	2013 (9 months)	540	86	0	0	944	(0)	1,570	(626)
	2013/14 (12 months)	**900**	**54**	**304**	**468**	**823**	**(0)**	**2,549**	**(1,726)**
Total[7]	2013 (9 months)	2,340	162	0	0	4,405	(0)	6,907	(2,502)
	2013/14 (12 months)	**3,675**	**279**	**1,414**	**1,979**	**3,403**	**(0)**	**10,750**	**(7,347)**

[1] Statements pursuant to § 285 Sentence 1 No. 9 a and § 314 Section 1 No. 6 a of the German Commercial Code (HGB) (excluding pension provisions)
[2] In the short financial year 2013, no data for the short-term incentive was reported, as it was calculated on the basis of the 2013 calendar year and, according to German Accounting Standard 17 (GAS 17), may only be shown upon full entitlement. In financial year 2013/14, the short-term incentive for both the short financial year 2013 and financial year 2013/14 is shown.
[3] Shown here is the fair value at the time of granting the tranche
[4] Total of the columns fixed salary, supplemental benefits, the short-term incentive and value of the granted tranche
[5] Total of the columns fixed salary, supplemental benefits, the short-term incentive and payout from the tranches of the long-term incentive granted in the past
[6] Member of the Management Board since 1 April 2013
[7] Reported figures for the short financial year 2013 relate to active members of the Management Board in financial year 2013/14

Long-term incentives in financial year 2013/14

The target value for the 2013/14 tranche is €1.6 million for Mr Koch, €1.2 million each for Mr Frese and Mr Hutmacher, and €0.96 million for Mr Haas. The value of the tranche distributed in financial year 2013/14 as part of the sustainable performance plan was calculated at the time of granting by external experts using recognised financial-mathematical methods.

Sustainable performance plan (tranches 2013/14–2015/16)

Tranche	End of the performance period	Starting price for the TSR component	Target amount Management Board as of 30/9/2014
2013/14	41st trading day following the Annual General Meeting three years after the issuance of the tranche	€29.73	€4,960,000

In addition to the tranche from the sustainable performance plan in financial year 2013/14, the active members of the Management Board in this financial year possess rights from the following tranches of the performance share plan: Mr Koch possesses rights from the tranches from 2010, 2011, 2012 and 2013; Mr Haas rights from the tranches from 2013; and Mr Hutmacher rights from the tranches from 2012 and 2013.

Performance share plan (tranches 2009–2013)

Tranche	End of the blocking period	Three-month average price before allotment	Number of Management Board performance shares as of 30/9/2014
2009	August 2012	€36.67	Expired
2010	August 2013	€42.91	11,652
2011	August 2014	€41.73	11,982
2012	April 2015	€29.18	87,731
2013	April 2016	€22.84	154,117

The blocking period for the 2010 and 2011 tranches ended in August 2013 and August 2014, respectively. No payouts from these tranches were made to members of the Management Board in financial year 2013/14.

In financial year 2013/14, value changes resulted from the current tranches of performance-based payment programmes with a long-term incentive effect. The company's expenses amounted to €0.54 million for Mr Koch, €0.4 million for Mr Haas and €0.36 million for Mr Hutmacher. The total for Mr Frese was €0.4 million.

Services after the end of employment in financial year 2013/14 (including pension provisions)

In financial year 2013/14, a total of €0.57 million according to International Financial Reporting Standards (IFRS) and €0.54 million according to the German Commercial Code (HGB) were used for the remuneration of the active members of the Management Board of METRO AG for benefits to be provided after the end of their employment (9M 2013 determined on the basis of IFRS and HGB: €4.6 million). Of this total, approximately €0.169 million was allotted to Mr Koch for pension provisions according to IFRS, approximately €0.129 million to Mr Frese, approximately €0.144 million to Mr Haas and approximately €0.131 million to Mr Hutmacher.

According to the German Commercial Code (HGB), approximately €0.165 million was allocated to Mr Koch, approximately €0.123 million to Mr Frese, approximately €0.129 million to Mr Haas and approximately €0.121 million to Mr Hutmacher.

The cash value of provisions according to IFRS and the German Commercial Code (HGB) was approximately €0.007 million for Mr Koch, approximately €0.015 million for Mr Frese, approximately €0.026 million for Mr Haas and approximately €0.016 million for Mr Hutmacher.

Total compensation of former members of the Management Board in financial year 2013/14

Former members of the Management Boards of METRO AG and the companies that were merged into METRO AG as well as their surviving dependants received €3.5 million (9M 2013: €7.0 million).

The corresponding cash value of provisions for current pensions and pension entitlements according to IFRS amounts to €54.3 million (30/9/2013: €54.1 million).

The corresponding cash value of provisions for current pensions and pension entitlements according to the German Commercial Code (HGB) amounts to €44.0 million (30/9/2013: €46.6 million).

Long-term incentive for executives

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

Sustainable performance plan 2013/14–2015/16

The sustainable performance plan 2013/14–2015/16 applies not only to the members of the Management Board, but also to high-level executives of METRO AG as well as to high-level managing directors and executives of METRO GROUP companies. Under this scheme, eligible managers are given an individual target amount as part of the sustainable performance plan (target value) in accordance with the significance of their responsibilities. The additional rules of this plan correspond to provisions for the Management Board.

Sustainable performance plan (tranches 2013/14–2015/16)

Tranche	End of the performance period	Starting price for the TSR component	Target amount executives as of 30/9/2014
2013/14	41st trading day following the Annual General Meeting three years after the issuance of the tranche	€29.73	€3,355,000

The value of the tranches allotted in financial year 2013/14 as part of the sustainable performance plan amounted to €2.3 million at the time of allotment (previous year performance share plan 9M 2013: €17.3 million) and was calculated by external experts using recognised financial-mathematical methods.

Performance share plan 2009–2013

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

additional rules of this plan correspond to provisions for the Management Board.

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

Like those for the Management Board, the following conditions apply:

Performance share plan (tranches 2009–2013)

Tranche	End of the blocking period	Three-month average price before allotment	Number of Management Board performance shares as of 30/9/2014
2009	August 2012	€36.67	Expired
2010	August 2013	€42.91	252,125
2011	August 2014	€41.73	289,993
2012	April 2015	€29.18	465,434
2013	April 2016	€22.84	647,535

The blocking period for the 2010 and 2011 tranches ended in August 2013 and August 2014 respectively. No payouts from these tranches were made to members of the Management Board in financial year 2013/14.

Compensation of members of the Supervisory Board

Remuneration of members of the Supervisory Board is regulated by § 13 of the Articles of Association of METRO AG. Following a proposal by the Management Board and Supervisory Board, the Annual General Meeting 2013 decided to switch to only fixed compensation for members of the Supervisory Board. For this reason, no variable compensation was paid in financial year 2013/14. Fixed compensation totals €65,000 for every ordinary member of the Board.

The value added tax payable to the compensation is reimbursed to the members of the Supervisory Board in accordance with § 13 Section 5 of METRO AG's Articles of Association.

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

[1] With a minimum of two meetings/resolutions

The individual amount of Supervisory Board remuneration takes into account the duties and responsibilities of the individual members of the Supervisory Board by considering special assignments. The compensation of the Chairman of the Supervisory Board is three times higher than that of an ordinary member of the Supervisory Board; that of the Vice Chairman and the Chairmen of the committees is twice as high; and that of the other members of the committees is 1.5 times higher. The remuneration for membership or chairmanship of a committee will be paid only if at least two meetings or other resolutions took place during the respective financial year. A member of the Supervisory Board who holds several offices at once receives compensation for only one office; in the case of different levels of remuneration, the member is compensated for the most highly paid office.

The relevant individual amounts for financial year 2013/14 are as follows:

Remuneration of members of the Supervisory Board for financial year 2013/14 pursuant to § 13 of the Articles of Association[1]

€	Financial year[2]	Multiplier	Fixed salary	Performance-based remuneration[3]	Total
Franz M. Haniel, Chairman	2013	●●●	105,000	52,128	157,128
	2013/14	●●●	**195,000**	**–**	**195,000**
Werner Klockhaus, Vice Chairman	2013	●●	70,000	34,752	104,752
	2013/14	●●	**130,000**	**–**	**130,000**
Prof. Dr oec. Dr iur. Ann-Kristin Achleitner	2013	●	35,000	17,376	52,376
	2013/14	●	**65,000**	**–**	**65,000**
Dr Wulf H. Bernotat	2013	●◖	52,500	26,064	78,564
	2013/14	●◖	**97,500**	**–**	**97,500**
Ulrich Dalibor	2013	●	35,000	17,376	52,376
	2013/14	●	**65,000**	**–**	**65,000**
Jürgen Fitschen	2013	●◖	52,500	26,064	78,564
	2013/14	●	**65,000**	**–**	**65,000**
Hubert Frieling	2013	●	35,000	17,376	52,376
	2013/14	●	**65,000**	**–**	**65,000**
Dr Florian Funck	2013	●	35,000	17,376	52,376
	2013/14	● / ●◖	**67,708**	**–**	**67,708**
Andreas Herwarth	2013	●	35,000	17,376	52,376
	2013/14	●	**65,000**	**–**	**65,000**
Uwe Hoepfel	2013	● / ●◖	44,722	22,203	66,925
	2013/14	●◖	**97,500**	**–**	**97,500**
Peter Küpfer	2013	●	35,000	17,376	52,376
	2013/14	●	**65,000**	**–**	**65,000**
Rainer Kuschewski	2013	● / ●◖	44,722	22,203	66,925
	2013/14	●◖	**97,500**	**–**	**97,500**
Susanne Meister	2013	●	14,583	7,240	21,823
	2013/14	●	**65,000**	**–**	**65,000**
Baroness Lucy Neville-Rolfe DBE CMG (until 18/8/2014)	2013	●	14,583	7,240	21,823
	2013/14	●	**59,583**	**–**	**59,583**
Mattheus P. M. (Theo) de Raad	2013	●	35,000	17,376	52,376
	2013/14	●	**65,000**	**–**	**65,000**
Dr Fredy Raas	2013	● / ●◖	8,750	5,068	13,818
	2013/14	●◖	**97,500**	**–**	**97,500**
Gabriele Schendel	2013	●	35,000	17,376	52,376
	2013/14	●	**65,000**	**–**	**65,000**
Xaver Schiller	2013	●◖	52,500	26,064	78,564
	2013/14	●◖	**97,500**	**–**	**97,500**
Dr jur. Hans-Jürgen Schinzler	2013	●●	70,000	34,752	104,752
	2013/14	●●	**130,000**	**–**	**130,000**
Angelika Will	2013	●	35,000	17,376	52,376
	2013/14	●	**65,000**	**–**	**65,000**
Total[4]	2013		844,860	420,162	1,265,022
	2013/14		**1,719,791**	**–**	**1,719,791**

[1] Plus applicable value added tax in accordance with § 13 Section 5 of the Articles of Association
[2] Financial year 2013 was the short financial year (1 January to 30 September 2013)
[3] The 2013 performance-based remuneration was due for the last time after the conclusion of the Annual General Meeting of METRO AG on 12 February 2014
[4] Reported figures for 2013 relate to active members of the Supervisory Board in financial year 2013/14

No remuneration applied to the memberships of the Supervisory Board's Nominations and Mediation Committee in financial year 2013/14.

In financial year 2013/14, individual members of the Supervisory Board of METRO AG also received compensation from the group companies for Supervisory Board mandates at group companies.

Other intra-group compensation[1] of members of the Supervisory Board for financial year 2013/14

€	Financial year[2]	
Ulrich Dalibor	2013	6,750
	2013/14	**5,250**
Uwe Hoepfel	2013	49,800
	2013/14	**49,800**
Werner Klockhaus	2013	6,695
	2013/14	**9,300**
Rainer Kuschewski	2013	18,979
	2013/14	**39,400**
Gabriele Schendel	2013	49,800
	2013/14	**49,800**
Susanne Meister	2013	3,000
	2013/14	**2,500**
Mattheus P. M. (Theo) de Raad[3]	2013	–
	2013/14	**17,692**
Xaver Schiller	2013	9,000
	2013/14	**9,000**
Angelika Will	2013	2,000
	2013/14	**–**
Total	2013	146,024
	2013/14	**182,742**

[1] Plus value added tax
[2] Financial year 2013 was the short financial year (1 January to 30 September 2013)
[3] Remuneration paid in the reporting period by a group company with a different financial year

Beyond this, the members of the Supervisory Board were not granted any remuneration or benefits for work performed, in particular consulting and brokerage services, on behalf of companies of METRO GROUP in the sense of Subsection 5.4.6 of the German Corporate Governance Code.

10. Notes pursuant to § 315 Section 4 and § 289 Section 4 of the German Commercial Code and explanatory report of the Management Board

Composition of capital (§ 315 Section 4 No. 1 and § 289 Section 4 No. 1 of the German Commercial Code)

On 30 September 2014, the share capital of METRO AG totalled €835,419,052.27. It is divided into a total of 324,109,563 ordinary bearer shares (proportional value of the share capital: ca. €828,572,941, ca. 99.18 per cent) as well as 2,677,966 preference bearer shares (proportional value of the share capital: ca. €6,846,111, ca. 0.82 per cent). The proportional value per share amounts to about €2.56.

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

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

(2) Should the balance sheet profit available for distribution not suffice in any one financial year to pay the preference dividend, the arrears (excluding any interest) shall be paid from the balance sheet profit of future financial years in an order based on age; that is, in such manner that any older arrears are paid off prior to any more recent ones and that the preference dividends payable from the profit of a financial year are not distributed until all of any accumulated arrears have been paid.

(3) After the preference dividend has been distributed, the holders of ordinary shares will receive a dividend of €0.17 per ordinary share. Thereafter, a non-cumulative extra dividend of €0.06 per share will be paid to the holders of non-voting preference shares. The extra dividend shall amount to 10 per cent of such dividend as, in accordance with Section 4 herein below, will be paid to the holders of ordinary shares insofar as such dividend equals or exceeds €1.02 per ordinary share.

(4) The holders of non-voting preference shares and of ordinary shares will equally share in any additional dividends paid in the proportion of their shares in the share capital."

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

Limitations relevant to voting rights (§ 315 Section 4 No. 2 and § 289 Section 4 No. 2 of the German Commercial Code)

To the knowledge of the Management Board, the following agreements exist or existed during financial year 2013/14. These agreements can be regarded as restrictions in the sense of § 315 Section 4 No. 2 and § 289 Section 4 No. 2 of the German Commercial Code:

A pooling agreement exists among Otto Beisheim Betriebs GmbH, Otto Beisheim Holding GmbH and OB Beteiligungsgesellschaft mbH, which includes the METRO AG shares held by Otto Beisheim Holding GmbH and OB Beteiligungsgesellschaft mbH.

Until the end of the day on 31 October 2014, an agreement also existed among BVG Beteiligungs- und Vermögensverwaltung GmbH, Franz Haniel & Cie. GmbH, Haniel Finance B. V., Haniel Finance Deutschland GmbH, METRO Vermögensverwaltung GmbH & Co. KG, METRO Vermögensverwaltung GmbH, 1. HSB Beteiligungsverwaltung GmbH & Co. KG and 1. HSB Verwaltung GmbH to coordinate the exercise

of voting rights associated with shares of METRO AG. Furthermore, until the end of the day on 31 October 2014, an agreement existed among BVG Beteiligungs- und Vermögensverwaltung GmbH, Franz Haniel & Cie. GmbH, Haniel Finance Deutschland GmbH and Haniel Finance B. V. to coordinate the joint exercise of interests from the METRO AG shares economically attributable to the shareholder groups Haniel and Schmidt-Ruthenbeck. Both of these agreements expired at the end of the day on 31 October 2014.

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

Capital interests (§ 315 Section 4 No. 3 and § 289 Section 4 No. 3 of the German Commercial Code)

At the time that the financial statements were prepared, the following direct and indirect (pursuant to § 22 of the German Securities Trading Act) capital interests exceed 10 per cent of the voting rights:

At the time that the financial statements were prepared (24 November 2014)

Name/company	Direct/indirect stakes exceeding 10 per cent of voting rights
METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf, Germany	Direct and indirect (together)
METRO Vermögensverwaltung GmbH, Düsseldorf, Germany	Indirect
Haniel Finance Deutschland GmbH, Duisburg, Germany	Direct and indirect
Franz Haniel & Cie. GmbH, Duisburg, Germany	Indirect
Palatin Verwaltungsgesellschaft mbH, Essen, Germany	Direct
BVG Beteiligungs- und Vermögensverwaltung GmbH, Essen, Germany	Indirect
Gebr. Schmidt GmbH & Co. KG, Essen, Germany	Indirect
Gebr. Schmidt Verwaltungsgesellschaft mbH, Essen, Germany	Indirect
Dr Michael Schmidt-Ruthenbeck, Zurich, Switzerland	Indirect

Until the the end of the day on 31 October 2014, an agreement existed among BVG Beteiligungs- und Vermögensverwaltung GmbH, Franz Haniel & Cie. GmbH, Haniel Finance B. V., Haniel Finance Deutschland GmbH, METRO Vermögensverwaltung GmbH & Co. KG, METRO Vermögensverwaltung GmbH, 1. HSB Beteiligungsverwaltung GmbH & Co. KG and 1. HSB Verwaltung GmbH to coordinate the exercise of voting rights associated with shares of METRO AG. Until the end of the day on 31 October 2014, an agreement existed among BVG Beteiligungs- und Vermögensverwaltung GmbH, Franz Haniel & Cie. GmbH, Haniel Finance Deutschland GmbH and Haniel Finance B. V. to coordinate the joint exercise of interests from the METRO AG shares economically attributable to the shareholder groups Haniel and Schmidt-Ruthenbeck. Both of these agreements expired at the end of the day on 31 October 2014.

As of the closing date, the following direct and indirect (pursuant to § 22 of the German Securities Trading Act) capital interests exceeded 10 per cent of the voting rights:

As of the closing date (30 September 2014)

Name/company	Direct/indirect stakes exceeding 10 per cent of voting rights
METRO Vermögensverwaltung GmbH & Co. KG, Düsseldorf, Germany	Direct and indirect
METRO Vermögensverwaltung GmbH, Düsseldorf, Germany	Indirect
1. HSB Beteiligungsverwaltung GmbH & Co. KG, Schönefeld-Waltersdorf, Germany	Direct and indirect
1. HSB Verwaltung GmbH, Schönefeld-Waltersdorf, Germany	Indirect
Haniel Finance B. V., Venlo, Netherlands	Indirect
Haniel Finance Deutschland GmbH, Duisburg, Germany	Direct and indirect
Franz Haniel & Cie. GmbH, Duisburg, Germany	Indirect
BVG Beteiligungs- und Vermögensverwaltung GmbH, Essen, Germany	Indirect
Gebr. Schmidt GmbH & Co. KG, Essen, Germany	Indirect
Gebr. Schmidt Verwaltungsgesellschaft mbH, Essen, Germany	Indirect
Dr Michael Schmidt-Ruthenbeck, Zurich, Switzerland	Indirect

The information contained in the tables is particularly based on notifications under § 21 of the German Securities Trading Act that METRO AG has received and released.

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

Owners of shares with special rights and type of voting rights control where capital interests are held by employees (§ 315 Section 4 Nos. 4 and 5 and § 289 Section 4 Nos. 4 and 5 of the German Commercial Code)

The company has not issued any shares with special rights pursuant to § 315 Section 4 No. 4 and § 289 Section 4 No. 4 of the German Commercial Code. No capital interests are held by employees pursuant to § 315 Section 4 No. 5 and § 289 Section 4 No. 5 of the German Commercial Code.

Regulations governing the appointment and removal of members of the Management Board and changes to the Articles of Association (§ 315 Section 4 No. 6 and § 289 Section 4 No. 6 of the German Commercial Code)

In instances where members of the Management Board of METRO AG are appointed and removed, legal regulations laid down in §§ 84, 85 of the German Stock Corporation Act and §§ 30, 31, 33 of the German Co-determination Act apply. A supplementary regulation is contained in § 5 of METRO AG's Articles of Association. It states that the Management Board shall have not less than two members and that, apart from this, the actual number of members of the Management Board will be determined by the Supervisory Board.

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

Authorities of the Management Board (§ 315 Section 4 No. 7 and § 289 Section 4 No. 7 of the German Commercial Code)

Authorities to issue new shares

The Annual General Meeting on 23 May 2012 authorised the Management Board to increase the share capital, with the consent of the Supervisory Board, by issuing new ordinary bearer shares in exchange for cash or non-cash contributions in one or several tranches for a total maximum of €325,000,000 by 22 May 2017 (authorised capital I).

In the process, a subscription right is to be granted to existing shareholders. The new shares may also be acquired by banks chosen by the Management Board if the banks agree to tender them to the shareholders. However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights in the following cases:

- to compensate for fractions of shares from rounding;
- insofar as shares are issued in exchange for non-cash contributions for the purpose of corporate mergers or for the acquisition of companies, divisions of companies or interests in companies;
- in the event of a capital increase in exchange for cash capital contributions to the extent necessary to grant subscription rights to new shares to the holders of warrant or convertible bearer bonds issued by METRO AG and affiliates thereof in which METRO AG holds at least 90 per cent of shares, directly or indirectly, in the scope to which they would be entitled upon exercise of the warrant or conversion rights or fulfilment of the warrant or conversion obligations;
- in the event of capital increases in exchange for cash capital contributions if the aggregate par value of such capital increases does not exceed 10 per cent of the company's share capital and the issue price of the new shares is not substantially lower than the stock exchange price of existing shares of the same class. The limit of 10 per cent of the company's share capital is diminished by the fraction of the share capital represented by the company's own shares which are (i) used as own shares or sold during the term of authorised capital while excluding subscription rights in application of § 186 Section 3 Sentence 4 of the German Stock Corporation Act *mutatis mutandis* or (ii) issued from contingent capital to service warrant and convertible bearer bonds which, in turn, have

been or are issued while excluding subscription rights in application of § 186 Section 3 Sentence 4 of the German Stock Corporation Act *mutatis mutandis.* Once a new authorisation for the exclusion of shareholder subscription rights issued by the Annual General Meeting pursuant to § 186 Section 3 Sentence 4 of the German Stock Corporation Act has become effective, the limit diminished in accordance with the above sentence is raised again to the extent of the new authorisation, but to a maximum of 10 per cent of the share capital.

The Management Board is authorised, with the consent of the Supervisory Board, to define further details of the capital increases. To date, the authorised capital I has not been used. No concrete plans as to the utilisation of this authorisation exist.

Authorisation to issue warrant and/or convertible bonds

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

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

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

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

The Management Board is also authorised, with the consent of the Supervisory Board, to entirely exclude shareholder subscription rights to bonds issued in exchange for cash payment carrying warrant or conversion rights or obligations insofar as the Management Board concludes, after careful review, that the issue price of the bonds is not substantially lower than the hypothetical market value ascertained using recognised financial mathematical methods. This authorisation to exclude subscription rights applies for bonds which are issued with warrant or conversion rights or obligations to ordinary shares comprising no more than 10 per cent of the share capital both at the time the authorisation takes effect or – if this value is lower – at the time the authorisation is exercised. The following count towards the aforementioned 10 per cent limit: (i) new ordinary shares issued from authorised capital excluding subscription rights according to § 186 Section 3 Sentence 4 of the German Stock Corporation Act during the term of the authorisation prior to the issuance of bonds with warrant or conversion rights or obligations without subscription rights according to § 186 Section 3 Sentence 4 of the German Stock Corporation Act, (ii) ordinary shares acquired based on the authorisation of the Annual General Meeting according to § 71 Section 1 No. 8 of the German Stock Corporation Act and sold according to §§ 71 Section 1 No. 8 Sentence 5, 186 Section 3 Sentence 4 of the German Stock Corporation Act during the term of such authorisation, prior to the issuance of bonds with warrant or conversion rights or obligations excluding subscription rights according to § 186 Section 3 Sentence 4 of the German Stock Corporation Act.

If bonds carrying warrant or conversion rights or obligations are issued, the warrant or conversion price is determined based on the rules in § 4 Section 8 of METRO AG's Articles of Association.

In the case of bonds carrying warrant or conversion rights or obligations, the warrant or conversion price may be adjusted after closer determination in order to preserve the value of such rights or obligations in the event their economic value is

diluted, to the extent that such an adjustment is not already provided for by law. The terms of the bonds may also provide for an adjustment of warrant or conversion rights or obligations in case of a capital reduction or other extraordinary measures or events (for example, unusually high dividends, acquisition of control by third parties). In case of the acquisition of control by third parties, the terms of the bonds may provide for adjustment of the warrant or conversion price in accordance with typical market terms. Furthermore, the terms of the bonds may provide for a variable conversion ratio and/or variable warrant and conversion price, whereby the warrant or conversion price is determined within a range to be set based on the development of the share price during the term. The minimum issue price based on the stipulations of § 4 Section 8 of METRO AG's Articles of Association may not be undercut.

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

The terms of the bonds may also call for a warrant or conversion obligation at the end of the term (or at any other time), or authorise METRO AG to grant bond holders ordinary shares in METRO AG or shares in another exchange-listed company upon maturity of bonds carrying warrant or conversion rights (including bonds which mature due to termination), in whole or in part, in lieu of a maturity payment in cash. The percentage of share capital represented by the ordinary shares in METRO AG issued upon the exercise of warrant or conversion rights must not exceed the par value of the bonds. §§ 9 Section 1, 199 Section 2 of the German Stock Corporation Act apply.

The Management Board is authorised, with the consent of the Supervisory Board, to determine the further details pertaining to the issuance and terms of the bonds, particularly the coupon, issue price, term, division into shares, rules for the protection against dilution and the warrant or conversion period, or to define such details in consultation with the corporate bodies of the affiliate of METRO AG which issues the warrant or convertible bonds.

To date, the authorisation to issue warrant and/or convertible bonds has not been used and no concrete plans exist as to the utilisation of this authorisation.

Authorisation to buy back the company's own shares

The company is authorised to buy back its own shares in accordance with § 71 of the German Stock Corporation Act. On the basis of § 71 Section 1 No. 8 of the German Stock Corporation Act, the Annual General Meeting decided on 5 May 2010 to authorise the company to acquire shares of the company of any share class on or before 4 May 2015. The authorisation is limited to the acquisition of shares collectively representing a maximum of 10 per cent of the share capital issued as of the date the Annual General Meeting resolution is passed. The authorisation to acquire own shares may be exercised in whole or in part, and in the latter case may also be exercised several times. It may also be exercised for the acquisition of either ordinary shares or preference shares only.

Shares may be acquired on the stock exchange or by way of a public tender offer. In the process, the authorisation includes prescriptions regarding the purchase price and procedures to be followed in case a public tender offer is oversubscribed.

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

— Listing of shares of the company on any foreign stock exchanges where they were not hitherto admitted for trading, whereby the authorisation includes prescriptions regarding the initial listing price.
— Transfer of shares in the company to third parties in connection with corporate mergers or in connection with the acquisition of other companies, divisions of other companies or interests in other companies.
— Redemption of shares of the company, without the need for any further resolution by the Annual General Meeting authorising such redemption and implementation of such. Such redemption may also be accomplished without a

reduction in capital by adjusting the proportional value of the remaining no-par-value shares to the share capital of the company. In this case, the Management Board is authorised to adjust the number of no-par-value shares in the Articles of Association.

— Sale of shares of the company by means other than via the stock exchange or via an offer to all shareholders, provided that the sale is for cash payment and at a price not substantially lower than the stock exchange price in effect for listed shares of the company with the same terms on the date of the sale. The foregoing authorisation is limited to the sale of shares collectively representing no more than 10 per cent of the share capital. The limit of 10 per cent of the share capital is reduced by the pro rata amount of share capital represented by any shares issued (i) during the effective period of this authorisation in the course of any capital increase under exclusion of subscription rights according to § 186 Section 3 Sentence 4 of the German Stock Corporation Act, or (ii) to service warrant or convertible bonds providing for warrant or conversion rights or obligations, insofar as such bonds were issued during the effective period of this authorisation under exclusion of subscription rights by application of § 186 Section 3 Sentence 4 of the German Stock Corporation Act *mutatis mutandis*.

— Delivery of shares to holders of warrant or convertible bonds of the company or its affiliates, according to the terms and conditions applicable to such warrant or convertible bonds; this also applies to the delivery of shares based upon the exercise of subscription rights, which in the event of a sale of company shares through an offer to all shareholders may be granted to holders of warrant or convertible bonds of the company or any of its affiliates, to the same extent that holders of such warrant or convertible bonds would have subscription rights for shares of the company after exercising the warrant or conversion rights or performing the warrant or conversion obligations. The shares transferred based upon this authorisation shall collectively not exceed a pro rata amount of 10 per cent of the share capital. Shares issued or sold by direct or application of § 186 Section 3 Sentence 4 of the German Stock Corporation Act *mutatis mutandis* during the effective period of this authorisation up to the date of use shall count towards the aforementioned limit.

The above authorisations to use the company's own shares may be exercised on one or several occasions, in whole or in part, individually or collectively. Company shares acquired based on the above authorisation as collateral for liabilities under the performance share plan 2009 may be sold exclusively via the stock exchange.

The subscription rights of shareholders are excluded if company shares are used for any of the purposes authorised above except for the authorisation for the redemption of shares.

To date, the authorisation to buy back the company's own shares has not been used and no concrete plans currently exist as to the use of this authorisation.

Fundamental agreements subject to change of control clauses in case of a takeover offer (§ 315 Section 4 No. 8 and § 289 Section 4 No. 8 of the German Commercial Code)

As a borrower, METRO AG is currently party to two syndicated loan agreements that the lender may cancel in the case of a takeover offer insofar as the credit rating of METRO AG drops in a way stipulated in the contract as a result of the takeover offer. The requirements of a takeover are, first, that the shareholders who controlled METRO AG at the time when each contract was signed lose control over METRO AG. The second requirement is the assumption of control of METRO AG by one or several parties. The lending banks may cancel the contract and demand the return of the loan only if the takeover and a resulting drop in the credit rating occur cumulatively. The regulations as described here are common market practice and serve the purpose of creditor protection. In the financial year 2013/14, these loan facilities were not drawn.

Compensation agreements in case of a takeover offer (§ 315 Section 4 No. 9 and § 289 Section 4 No. 9 of the German Commercial Code)

No compensation agreements with the members of the Management Board or employees have been concluded with a view to takeover offers.

11. Characteristics of the accounting-related internal control and risk management system and explanatory report of the Management Board

METRO GROUP's accounting-related internal control and risk management system employs coordinated instruments and measures for the prevention, early detection, assessment and management of risks. The Corporate Accounting department of METRO AG is responsible for the group-wide implementation of these instruments and measures.

Overarching responsibility for all processes related to the preparation of the consolidated and individual financial statements as well as the combined management report of METRO AG rests with the Board department of the Chief Financial Officer of METRO AG, Mr Mark Frese. The actual preparation of the financial statements as well as the combined management report in the legal sense, however, is the responsibility of the Management Board of METRO AG. Following the preparation of the financial statements, the consolidated and individual financial statements as well as the combined management report are audited and approved by the auditor. They are then discussed and reviewed by the Supervisory Board of METRO AG. The auditor attends this Supervisory Board meeting, reports the key findings of his audit and answers additional questions. Barring any objections on the part of the Supervisory Board, the annual financial statements and the combined management report are approved by the Supervisory Board. The annual financial statements of METRO AG are released once this approval is given.

Group-wide framework

Building on the "Internal Control – Integrated Framework" concept of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Corporate Accounting department of METRO AG has defined group-wide minimum requirements regarding the design of the accounting-related internal control system of METRO AG, the sales lines and the major service companies. With these requirements, the company particularly wants to ensure adherence to the relevant accounting standards and the respective internal guidelines (for example the IFRS accounting guideline).

Among others, these requirements cover the design and implementation of controls, monitoring the effectiveness of controls and reporting about effectiveness analyses.

- Design of controls: Taking a top-down approach, the company has identified the risk of material errors with regard to financial reporting for eleven financial and accounting processes. In addition, the Corporate Accounting department has stipulated binding group-wide control objectives which the key group companies must meet through company-specific control activities.
- Implementation of controls: The group companies must keep records of the implementation of these controls. These provide the basis for an independent review of the effectiveness of controls by the Group Internal Audit department and the group's auditor.
- Effectiveness of controls: The major group companies are obliged to evaluate the effectiveness of controls at the end of each financial year (self-evaluation). In the process, they must apply the uniform, group-wide method stipulated by the Corporate Accounting department. In addition, the effectiveness of controls is reviewed as part of the risk-oriented, independent audits conducted by the Group Internal Audit department.
- Reporting: The results of the self-evaluations must be reported to the Corporate Accounting department using a standardised reporting format. The group companies must confirm that their self-evaluations were conducted using the stipulated method. Aside from the control activities, the group companies must also report on the other four components of the COSO framework: control environment, risk assessment, information and communication as well as monitoring. Companies' individual reports are validated by the Corporate Accounting department and compiled in an overall report on METRO GROUP's accounting-related internal control system. This is reported to the Governance, Risk and Compliance Committee (GRCC) as well as the Management Board of METRO AG.

The key requirements (for example, the IFRS accounting guideline), accounting processes, individual controls and independent review by the Group Internal Audit department and the auditor are described in detail below.

IFRS accounting guideline

The interim consolidated financial statements and the consolidated financial statements of METRO AG are prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Commission. A group-wide IFRS accounting guideline that is compulsory for all companies included in the consolidated financial statements ensures the uniform group-wide application of accounting procedures in accordance with IFRS. The guideline explains IFRS regulations to group companies and makes stipulations regarding accounting measurements. To monitor compliance with the IFRS accounting guideline, the management of each group company is obliged to confirm compliance by means of a letter of representation. The IFRS accounting guideline covers all IFRS relevant to METRO AG and does not relate only to certain accounting events. The Corporate Accounting department of METRO AG is responsible for ensuring compliance with this guideline. Amendments to IFRS are continually included in the IFRS accounting guideline and communicated to all companies included in the consolidated financial statements.

Accounting processes of companies included in the consolidated financial statements

The preparation of the individual financial statements of consolidated companies according to IFRS for consolidation purposes is principally carried out in SAP-based accounting systems (SAP FI). The organisational separation of central and subledger accounting, for example, asset accounting, provides for clear assignments among individual tasks related to the preparation of the financial statements. It also provides for a functional separation that ensures control processes such as the two-signature principle. These systems are used to prepare the individual financial statements of a large share of group companies based on a centrally managed table of accounts using uniform accounting rules.

The consolidation of financial data in the context of group reporting is carried out by means of a centralised, SAP-based consolidation system (SAP EC-CS). All consolidated METRO GROUP companies are integrated into this system without exception. This system provides for a uniform accounts table used by all consolidated companies in accordance with the IFRS accounting guideline. The accounts tables for the individual IFRS financial statements and the consolidated financial statements are interlinked.

Aside from failure to comply with accounting rules, risks can also arise from failure to observe formal deadlines. An online planning tool was introduced to help avoid these risks and document the obligatory processes required in the context of the preparation of individual and consolidated financial statements under IFRS, their sequence and the responsible persons. This tool is used to monitor content and timing of the processes related to the preparation of the individual and consolidated financial statements under IFRS. It provides for the necessary tracking and tracing systems to ensure that risks of overarching group units can be detected and eliminated early on.

The planning tool divides the process of preparing the individual financial statements into key milestones, which in turn are divided into individual activities. In terms of content, these milestones and activities are geared towards METRO GROUP's IFRS accounting guideline and thus reflect its implementation. Compliance with additional deadlines and milestones that are centrally provided by the planning tool for the purpose of structuring and coordinating the preparation of the consolidated financial statements is monitored by METRO AG's Corporate Accounting department. The scheduling and monitoring of the milestones and activities required to achieve these group milestones as part of the preparation of individual financial statements are part of the responsibilities of the respective company's management.

Once they have been transmitted from the individual financial statements under IFRS to the SAP-based consolidation system, the financial data are subjected to an automated plausibility review in relation to accounting-specific contexts and dependencies. Any errors or warning messages generated by the system during this validation process must be addressed by the person responsible for the individual financial statements before the data are transmitted to the consolidation facility.

The report in which all essential group companies provide a comparison of key items of the balance sheet and the income statement with prior-period figures as well as relevant comments represents another monitoring instrument. Every essential group company must provide this report to METRO AG in the context of the preparation of individual financial statements.

Access regulations for accounting-related EDP systems (SAP FI) provide for IT security. Each company included in the consolidated financial statements is subject to the regulations concerning IT security. These regulations are summarised in an IT security guideline, with group-wide compliance being monitored by the Group Internal Audit department of METRO AG. This ensures that users only have access to the information and systems needed to fulfil their specific task.

Accounting processes in the context of consolidation

The planning tool also divides the process of preparing the consolidated financial statements into key milestones, activities and deadlines. In the process, the completion of typical consolidation measures – including sales elimination as well as expense, income, liability and capital consolidation – represents specific milestones in the preparation of the consolidated financial statements. Personnel responsibilities for the consolidation measures mentioned above are documented in consideration of stand-in arrangements.

The group also relies on external service providers to handle support activities related to the preparation of the consolidated financial statements. These services essentially relate to valuations of real estate, pension obligations and share-based payments.

The consolidation measures required to prepare the consolidated financial statements are subject to various systematic and manual controls. The automated plausibility reviews (validations) used in individual financial statements data also apply to the consolidation measures. Additional monitoring mechanisms at group level include target-performance comparisons as well as analyses dealing with the composition and changes of individual items in the balance sheet and the income statement. Compliance with internal controls covering the preparation and accounting process in the context of the compilation of the consolidated financial statements is regularly monitored by the Group Internal Audit department of METRO AG.

Access regulations for the consolidation system SAP EC-CS are implemented to ensure adherence to IT security regulations (writing and reading authorisations). Authorisations to use the consolidation system are managed centrally by METRO AG. The approval is given only from the Corporate Accounting and Corporate Planning & Controlling departments. This ensures that users only have access to data they require to fulfil their specific tasks.

Independent audit/control

Group Internal Audit
The Group Internal Audit department of METRO AG provides independent and objective audit and consulting services within METRO GROUP and supports the Management Board of METRO AG and the management of the group companies in reaching their goals through a potential-oriented assessment of key management and business processes. In coordination with the Management Board and the group companies, the Group Internal Audit department develops a risk-oriented annual audit and project plan.

Based on the described principles, the Group Internal Audit department carries out independent audits of the controls governing the process of preparing the consolidated financial statements, the implementation of the IFRS accounting guideline and group accounting processes within METRO GROUP. In the process, focal topics are defined as part of risk-oriented planning for the annual audit.

External audit
The IFRS accounting guideline is reviewed by the auditor of the consolidated financial statements and made available to the auditors of the companies included in the consolidated financial statements. These, in turn, confirm the consistent application of the IFRS accounting guideline by the companies included in the consolidated financial statements.

In addition, the individual IFRS financial statements prepared by the group companies for consolidation purposes as well as the consolidated financial statements and combined management report of METRO AG are reviewed and monitored for compliance with applicable accounting standards as well as with additional rules and regulations by the respective auditors.

The interim consolidated financial statements for the six-month period undergo an auditor's review and the full-year consolidated statements are audited. The final auditor's opinion on the consolidated financial statements is published as an audit certificate in the annual report.

12. Risk and opportunity report

Risk and opportunity management system

In a dynamic market environment, the early identification and systematic exploitation of opportunities is a fundamental entrepreneurial task. This is the precondition for our company's long-term success. We are regularly exposed to risks that can impede the realisation of our short-term and medium-term objectives or the implementation of long-term strategies. In some cases, we must consciously take controllable risks to be able to exploit opportunities in a targeted manner. We define risks as internal or external events resulting from uncertainty about future developments that can negatively impact the realisation of our corporate objectives. We define opportunities as possible successes that extend beyond the defined objectives and can thus positively impact our business development. We consider risks and opportunities as inextricably linked. For example, risks can emerge from missed or poorly exploited opportunities. Conversely, exploiting opportunities in dynamic growth markets or in new business areas always entails risks.

With this in mind, we regard our company's risk and opportunity management system as a tool that helps us to realise our corporate goals. It is a systematic, group-wide process. It helps the company's management to identify, classify and control risks and opportunities. As such, risk and opportunity management is a uniform process. Risk management renders developments and events that could hinder us from reaching our business targets transparent at an early stage and analyses their implications. This allows us to put the necessary countermeasures into place in a timely manner. At the same time, this forecasting process allows us to systematically exploit emerging opportunities.

Centralised management and efficient organisation

Group-wide risk and opportunity management tasks and responsibilities are clearly defined and reflect our corporate structure. We combine centralised business management by the management holding company METRO AG with the decentralised operating responsibility of the individual sales lines.

It is the responsibility and a legal requirement of the Management Board of METRO AG to organise a governance system for METRO GROUP. We regard the risk management system, the internal control system and the compliance management system as well as internal auditing as components of the governance, risk and compliance system (GRC system). This organisational structure is based on the governance elements identified in § 107 Section 3 of the German Stock Corporation Act (AktG) as well as the German Corporate Governance Code. The fundamental principles of the GRC system are defined and documented in the governance, risk and compliance guideline. The goal of this guideline is to render structures and processes more transparent as well as provide for a uniform procedural-organisational framework for the subsystems. The guideline sets the binding framework for existing and future regulations. This is the foundation on which we plan to increase the overall efficiency of the GRC system within METRO GROUP and to continuously enhance its effectiveness.

The group committee for governance, risk and compliance (GRC committee) co-chaired by the CEO and the CFO of METRO AG regularly discusses ways to harmonise and refine the GRC subsystems. The committee also discusses the current risk and opportunity situation. Permanent members include representatives of Corporate Accounting (including Risk Management and Internal Control Finance), Corporate Planning & Controlling, Corporate Treasury, Corporate Legal Affairs & Compliance (including Internal Control Operations), Group Internal Audit, Group Strategy and M&A as well as the Group Finance Director.

Risk management

The Management Board of METRO AG assumes overall responsibility for the effectiveness of the risk management system as part of the GRC system. The sales lines and group companies are responsible for identifying, assessing and managing risks. Key elements of internal monitoring include effectiveness checks in the form of self-assessments by the management of the sales lines and group companies as well as internal audits.

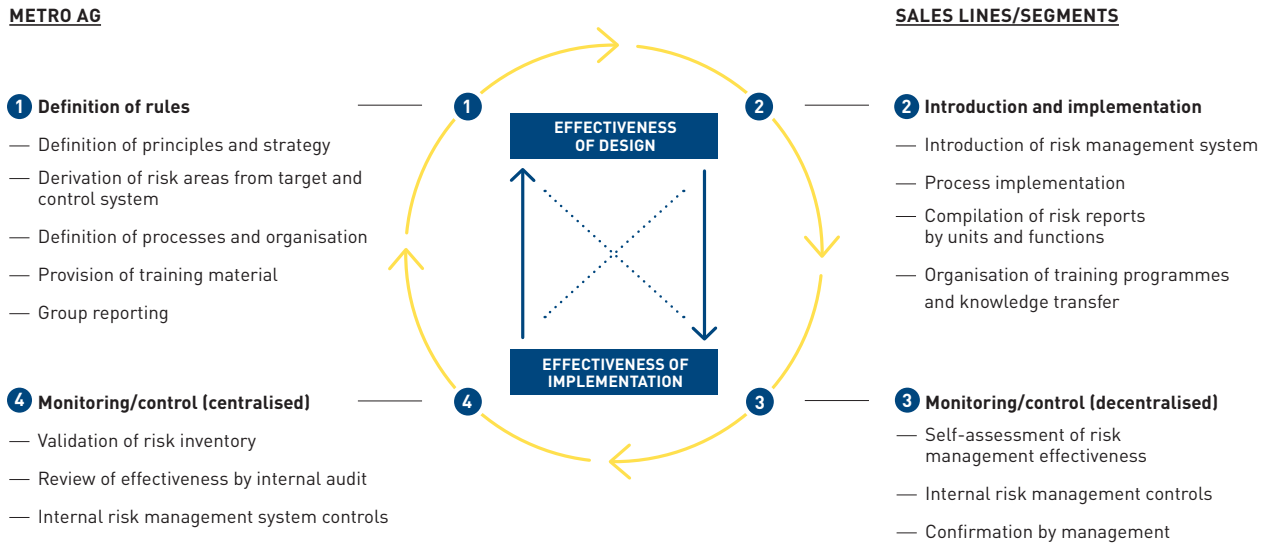
The Supervisory Board of METRO AG also oversees the effectiveness of risk management. In compliance with the provisions of the German Corporate Sector Supervision and Transparency Act (KonTraG), the external auditor submits the company's early-detection system as part of the risk management system to a periodic review. The results of this review are presented to the Management Board and Supervisory Board.

The Risk Management department within the Corporate Accounting department of METRO AG is responsible for overseeing and refining our risk management system. In coordination with the GRC committee, METRO GROUP's risk management

officer determines the company's risk management approaches, methods and standards. The risk management officer also coordinates the underlying process. Together with representatives from individual group departments who are also members of the GRC committee, the officer continuously and promptly informs the Management Board of METRO AG of important developments in risk management, facilitates an exchange of information within our company and supports the continued development of risk management in all sales lines, group companies and central departments.

The risk management system is organised as a closed loop. As a result, we ensure the design's effectiveness with respect to the defined risk management rules. In addition, this allows us to guarantee effective implementation and continuous improvement of the system based on results and experiences.

Risk management as a closed loop



Opportunity management

Systematically identifying and communicating opportunities is an integral part of the management and controlling system of METRO GROUP. Opportunities may refer to internal or external events and developments that can have a positive impact on our business development. In principle, we strive to balance opportunities and risks.

We conduct macroeconomic analyses, study relevant trends and evaluate market, competition and location analyses. In addition, we analyse the critical success factors of our business models and relevant cost drivers of our company. The Management Board of METRO AG specifies the derived market and business opportunities as well as efficiency enhancement potential in the context of strategic as well as short-term and medium-term planning. To this end, it entertains regular dialogue with the management of the sales lines, group companies and central holding units. As a company, we focus primarily on business approaches driven by the market and by customers. We continuously review the various elements of our profitable growth strategy.

Reporting
Group reporting is the central element of internal risk and opportunity communication. It is complemented by risk and opportunity management reporting. The aim is to allow for the structured and continuous monitoring of risks and opportunities and document this in line with legal and regulatory stipulations.

We conduct an annual risk inventory to systematically map and assess all material group-wide risks based on quantitative and qualitative indicators and uniform criteria relating to loss potential and the probability of occurrence. The results of the risk inventory and the risk portfolio are updated on a regular basis.

The centrally responsible risk coordinators in functional terms, for example, in procurement, sales or administrative functions, validate the results reported by the sales lines, group companies and central departments. In a second step, they summarise these in a functional risk profile coupled with a detailed description of material individual risks. In a third step, risk profiles for selective categories are validated in direct interaction between the risk coordinators and the GRC committee, and specific steps to improve risk management are devised.

In addition, we consider the results of the SWOT (strengths, weaknesses, opportunities, threats) analysis carried out as part of the strategic planning process. We also consider analyses of reports that we compile as part of our medium-term planning and projections. Furthermore, we examine relevant results from the internal control system, the compliance management system, the opportunity management system and internal auditing.

The overarching risk and opportunity portfolio at METRO GROUP that emerges from these findings enables us to gain a very good understanding of the company's risk and opportunity situation. The so-called GRC report describes the current situation and includes recommendations on risk management and measures to improve the effectiveness of GRC subsystems.

The Management Board regularly informs the Supervisory Board and the Accounting and Audit Committee about risk and opportunity management issues. Once a year, the Supervisory Board receives a comprehensive written report informing it about the organisation and alignment of risk and opportunity management as well as the current risk and opportunity situation.

At the same time as the half-year financial report was being prepared, we reviewed and updated the overarching risk and opportunity portfolio for METRO GROUP that was compiled in the short financial year 2013.

Furthermore, an emergency notification system takes effect if serious risks to our asset, financial and earnings position arise. In this case, the Management Board of METRO AG directly and promptly receives the necessary information.

Strict risk policy principles

In principle, METRO GROUP takes entrepreneurial risks only if they are manageable and if the associated opportunities promise reasonable added value.

Risks incurred in conjunction with the core processes of wholesaling and retailing are borne by METRO GROUP. The core processes include the development and implementation of business models, decisions about store locations, and the procurement and sale of merchandise and services. Risks from support processes are reduced within the group or, where this appears sensible, transferred to third parties. In principle, we do not assume risks that are not related to core processes or support processes.

Risk management details clearly defined

The coordinated application of risk management tools is assured by the compilation of all relevant facts in guidelines. These include the Articles of Association and by-laws of group companies, internal group procedures and our group-wide risk management guideline. It defines

- the risk management framework (terms, basic structure, strategy, principles),
- the risk management organisation (roles and responsibilities, risk units),
- processes (risk identification, assessment and management),
- risk reporting as well as
- monitoring and controlling the effectiveness of risk management.

Based on the internationally recognised COSO II standard, the risk management framework addresses the three levels of risk management: corporate objectives, processes and organisation.

The first level of risk management relates to the clustering of corporate objectives. In this respect, METRO GROUP has defined the following clusters:

- Strategic objectives related to safeguarding the company's future economic viability (cluster strategy)
- Operational objectives related to the attainment of set key operational metrics (cluster operations)
- Corporate management objectives related to compliance with laws, regulations, internal guidelines and specified procedures (cluster governance)
- Objectives related to appropriate preparations to mitigate event risks such as breakdowns, business interruptions and other crisis events (cluster events)

On the second risk management level – the process level – the definition of objectives also serves as the starting point for risk mapping. In this context, we identify, classify and manage risks that would jeopardise or inhibit the achievement of our objectives should they materialise. As a rule, we consider all external and internal risks.

In addition, clusters are delineated in terms of functional categories based on the group's organisational structures, such as procurement, sales, human resources or real estate. In principle, we consider risks over a prospective one-year period. Strategic risks cover at least the medium-term planning horizon (three years). Any risks that are likely to occur are included in our business plans and outlook.

Risk classification

All identified risks are classified based on uniform standards and quantitative and qualitative indicators with respect to loss potential (negative effects on our corporate objectives and key performance indicator EBIT) and probability of occurrence (in per cent). In our assessment, we classify the loss potential for the group on the basis of three categories: ≥ €50 million, ≥ €100 million and ≥ €500 million. The probability of occurrence is broken down into five classes: low (< 10 per cent), unlikely (≥ 10 to 25 per cent), possible (> 25 to 50 per cent), likely (> 50 to 90 per cent), high (> 90 per cent). All risks are assessed on the basis of their potential impact at the time of the risk analysis and before potential risk-minimising measures (presentation of gross risks, that is, before the implementation of risk limitation measures).

Risk units

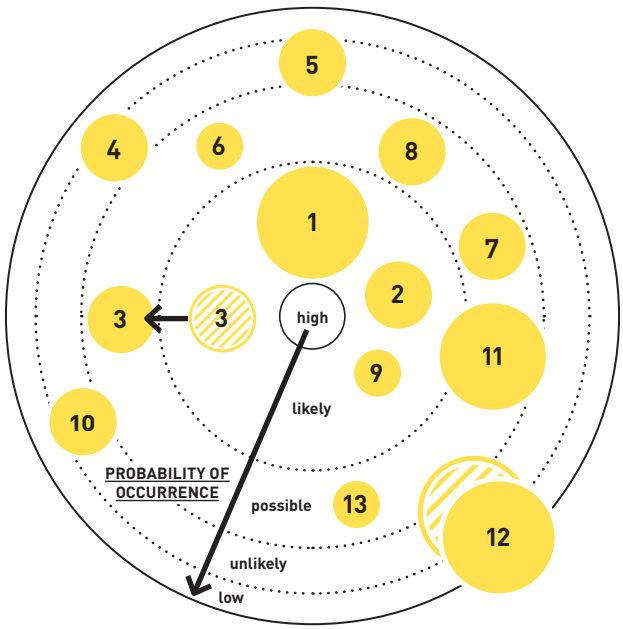
On the organisational level, we determine the corporate units responsible for setting objectives in a clearly defined area as well as for identifying, classifying and managing risks. METRO GROUP's risk management defines these areas in line with the corporate organisation using independent risk units – generally companies – as well as in terms of function using categories that are responsible for a certain operational function or administrative task. The risk units cover the entire consolidation group in the consolidated financial statements.

Presentation of the risk situation

We have classified METRO GROUP's overall risk portfolio into risk groups. In addition to general risks, the Management Board of METRO AG identified and assessed the especially relevant risks (gross risks) to METRO GROUP during the reporting period. These are listed in the following overview along with their changes since the previous year: in financial year 2013/14, risk number 13 (geopolitical situation in Russia/Ukraine) was included in the particularly relevant risks for the first time.

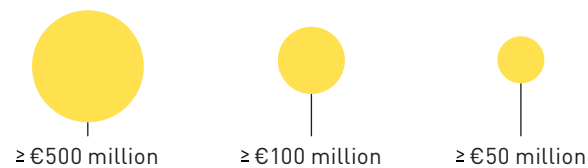
Risk group	No.	Particularly relevant risks 2013/14	Change since 2013
Risks related to the business environment			
Macroeconomic and sociopolitical risks	13	Geopolitical conflict in Russia/Ukraine	New
Environmental risks			
Sector risks			
Risks related to the retail/wholesale business	1	Challenge of the business model/change in consumer habits	Unchanged
	2	Loss of customers with relatively low sales volumes (C customers) at METRO Cash & Carry	Unchanged
	3	Inadequate customer-oriented food and non-food strategy at METRO Cash & Carry	Probability of occurrence has fallen from "likely" to "possible"; expansion of risk monitor to food strategy
	8	Inadequate implementation of strategic projects	Unchanged
Real estate risks	4	Unprofitable use of selling space	Unchanged
Risks related to business performance			
Supplier and product risks			
Supply chain risks			
Financial risks			
	7	Unexpected deviations from the budget or outlook	Unchanged
	11	Impairment of goodwill and other assets	Unchanged
	12	Multiple rating downgrades with a negative impact on liquidity and group financing	Probability of occurrence lowered from "unlikely" to "low"
Other risks			
Risks from portfolio changes			
Information technology risks	5	Business interruptions caused by IT system failures	Unchanged
Human resources risks	6	Inadequate developmentand support of talented employees	Unchanged
Legal and tax risks	10.1	Violations of antitrust or competition law	Unchanged
Compliance risks	10.2	Corruption	Unchanged
	9	Inadequate or ineffective internal control systems in store, purchasing, expansion and construction processes	Unchanged

These particularly relevant risks are classified as follows on the basis of loss potential (before risk limitation steps) as well as on the basis of probability of occurrence:



Short financial year 2013

Size of circle = potential impact



Notes

Low < 10%
Unlikely ≥ 10–25%
Possible > 25–50%
Likely > 50–90%
High > 90%

The width of the rings visualises the underlying probability of occurrence.

Unlike in the previous year, the circles in the image denoting the individual risks were placed in the middle of the accordant probability of occurrence ring to clearly convey the fact that the assessment of probability of occurrence is only conducted within the specified range.

In the process, we only list risks with a low probability of occurrence (< 10 per cent) if a particularly relevant risk from the previous year has changed in this area.

The following sections outline the individual risk groups as well as key management measures and the especially relevant risks. In principle, all group segments are affected. For specific issues, the respective business segments are indicated.

Risks related to the business environment

Macroeconomic and sociopolitical risks

As an international company, METRO GROUP is dependent on the political and economic situation in the countries in which it operates.

The global economy did pick up speed somewhat during financial year 2013/14. Overall, though, the recovery that followed two years of economic crisis remained modest. Economic momentum slowed considerably in many emerging countries in Eastern Europe and Asia. At the same time, many political crises and conflicts intensified during the year, particularly in the Middle East.

In Europe, the Ukraine conflict cast a long shadow over the political agenda. This conflict slowed the economies of both Ukraine and Russia.

During the current financial year, we expect to see only a slight improvement in economic conditions. At the same time, global economic risks have risen as a whole. Furthermore, the effort to consolidate government debt in the eurozone is a drawn-out process that will continue to suffer setbacks. Overall, the global economy has not yet returned to a path of sustainable economic growth following the financial and sovereign debt crisis.

Compared with the previous year, the risk and opportunities profile for the short-to-medium-term development of the retail sector and thus for METRO GROUP has once again improved only slightly. We are continuing to systematically expand in the growth regions of Asia and Eastern Europe to reduce potential risks posed by the regional differences in economic performance.

Our international position requires us to address possible economic, legal and political risks. The situation in individual countries can change rapidly. Unrest, changes in political leadership, terrorist attacks or natural disasters can endanger METRO GROUP's business in the affected country. In this context, the Ukraine conflict in particular is important to note for

the reporting period (risk number 13, new). Risks emerging from this conflict for METRO GROUP pertain to the loss or destruction of property/real estate, exchange rate fluctuations, restrictions on the movement of goods and regulatory changes. We insure ourselves as far as possible and to the appropriate extent against the loss of tangible assets and business interruptions that, for example, are the result of political unrest. Professional crisis management allows for a fast response and crisis management. In this regard, we have responded rapidly and effectively to the ongoing crisis in Ukraine, implementing our crisis reaction plan for the METRO Cash & Carry stores impacted by the violence. This plan includes evacuation guidelines, training and standard operating procedures for local employees. As a result, we were able to keep our employees and customers from harm and compensate the losses incurred through business interruptions and destroyed property through existing insurance policies (risk number 13, new). Our international presence provides us with the opportunity to offset economic, legal and political risks as well as fluctuations in demand between individual countries.

To limit the risks of expansion as much as possible, we plan each investment and each market entry based on a structured process and proven methods. We identify risks and opportunities by using feasibility studies that consider legal, political and economic conditions. We only enter new markets when risks and opportunities are deemed to be manageable. Even though we base our expansion decisions on the best information available, we cannot rule out the possibility that the growth momentum in individual countries will fall short of our expectations in the coming years. Difficulties in dealings with local authorities represent another risk, particularly in emerging markets. Occurrence of these risks would result in lower-than-forecast sales and earnings.

In financial year 2013/14, METRO GROUP took a number of different steps designed to further optimise internal processes related to expansion decisions and their successful implementation and, thus, to counteract the corresponding risks (risk number 9, unchanged since last year). Committees from the sales lines are involved in the decision-taking process regarding the efficient use of investment funds for expansion. The coordination processes are being continuously improved. Furthermore, previously taken investments decisions are being carefully monitored in a revised process.

For more information about our assessment of the development of the economic environment, see chapter 13 Report on events after the closing date and outlook.

Environmental risks

METRO GROUP is aware of its responsibility for the environment and has firmly embedded the principle of sustainable business in its corporate strategy. Environmentally harmful practices along the supply chain can seriously damage our image over the long term and endanger our business. This is why we implement numerous measures to ensure environmentally responsible business practices.

Specific environmental risks are discussed in the sections "Supplier and product risks" and "Real estate risks".

For more information about environmental protection, see chapter 8 Sustainability management.

Sector risks

Risks related to the retail/wholesale business

The saturated markets of Western Europe, in particular, are characterised by rapid change and intense competition. The resulting conditions can influence business development and represent natural business risks. A fundamental business risk is consumers' fluctuating propensity to consume.

Changes in consumer behaviour and customer expectations pose high risks, among others, in the face of demographic change, rising competition and increasing digitisation. Failing to adequately consider customer trends and price developments or missing trends in our assortments and with respect to appropriate sales formats and new sales channels can have a negative impact on group sales and jeopardise our growth objectives (number 1, unchanged since last year). To counter these risks, we are expanding our sales channels based on a multichannel strategy tailored to our different sales lines. In the process, we are strengthening our online activities and expanding our delivery service. In addition, we are developing new stores for METRO Cash & Carry on the basis of a franchise concept while intensifying our competitor analyses. Through the application of an array of different strategies, we are working to further improve our purchasing and sales processes and to create added value for our customers.

The METRO Cash & Carry sales line faces the risk of losing customers with relatively low sales volumes, also known as C customers (number 2, unchanged from last year). We have started to implement systematic assortment, price, communication and marketing measures to counter this risk. These steps include a change in the communication model and concentrate on the continued digitisation and modification of marketing campaigns. Thanks to its cutting-edge IT technologies,

METRO Cash & Carry can increasingly employ new forms of interaction with customers – including social media and other new digital communications channels.

In principle, METRO Cash & Carry faces the potential risk of not meeting customers' needs in the food and non-food business (risk number 3). To create a broad overview, we have added the food strategy to our year-on-year risk assessment in this reporting period. To address this risk and to provide targeted product ranges, we continuously optimise our sales concepts and refine them to cater to the needs and shopping behaviour of our customers. In one reflection of this, we are expanding our range of regionally traded products in all sales lines and increasingly gearing our assortments to meet our customers' increasing demands with regard to environmental, social and health considerations. The probability of occurrence for risk number 3 has fallen from "likely" last year to "possible" now that the steps we have taken to create an improved, customer-oriented assortment design are taking effect.

We pursue transformation programmes aimed at boosting long-term sales and earnings and protecting the intrinsic value of our assets. In this context, risks emerge from the insufficient implementation and execution of strategic projects (risk number 8, unchanged since last year). To limit these risks, we have set up a comprehensive system that monitors project progress in the national subsidiaries and have created training programmes that are designed to facilitate project implementation.

To recognise market trends and changing consumer expectations at an early stage, we regularly analyse internal and external information. In the process, the group's own market research draws on qualitative market and trend analyses as well as on quantitative methods such as time series analyses or forecasts of market developments derived from analyses of sales data and the results of panel market research. Time series analyses also include the observation of product segments on the market over a certain period of time.

Real estate risks

Various factors pose a risk to the intrinsic value of METRO GROUP's store network. These include

- the unprofitable use of selling space; this also includes the risk emerging from unused selling space for which no further useful purpose can be found (risk number 4, unchanged since last year),
- intense competition for suitable properties during expansion,
- the risk of incorrect decisions in the selection of business locations and
- a deterioration in the profitability of a location, for example due to social-demographic changes in the catchment area.

To prevent maintenance and repair backlogs in stores, a far-sighted maintenance plan has been put into place. In addition, some locations may suffer loss of rental income as a result of a tenant's bankruptcy or possible deficient rental cover. We counteract this risk by continuously monitoring rental income and conducting new negotiations at an early stage. In addition, we get involved in the search for new tenants with good credit histories and in the development of new usage concepts for our real estate. In some regions, our real estate portfolio is also exposed to such natural disasters as earthquakes, flooding and storms. We seek protection against their potential effects by introducing structural measures and by taking out insurance.

We counter these risks through strategic and operational real estate management, far-sighted investment planning and technical risk management. Our active real estate management is primarily designed to increase the value of our entire real estate portfolio and is based on continuous market monitoring, transparent profitability audits and strategic decisions. In all countries, we select our locations on the basis of an intense examination. Since we continually monitor the profitability of our network of locations, we can identify adverse developments at individual stores or retail outlets early on and respond quickly. Should the measures we have taken not produce any successful results and should we think that a long-range improvement of the situation at the particular store or outlet is unlikely to occur, we will close the location, ensuring the continuous optimisation of the store network in the process.

In our real estate operations, we also intend to assume our responsibility for the environment and address possible risks (see the section "Environmental risks"). In this manner, we reduce the ecological footprint of our business locations. By 2020, we will reduce our specific greenhouse gas emissions by 20 per cent from their level in 2011. To achieve this goal, we are investing in such things as technical energy-saving solutions and in programmes designed to change the behaviour patterns of every employee. With the help of these energy-saving measures, we can also reduce our energy costs or at least cap them in the face of rising prices.

Risks related to business performance

Supplier and product risks

As a retail company, METRO GROUP depends on external producers and providers for the supply of goods and services. We choose our suppliers very carefully, especially in the own-brand area. We place a particularly high priority on the reliability of our own-brand suppliers in terms of product quality and compliance with safety and social standards as well as suppliers' own efforts with regard to compliance. Defective or unsafe products, an exploitation of our environment or inhumane working conditions as well as failure to adhere to our compliance standards would cause continuous damage to the image of METRO GROUP and pose a long-range threat to the company's success. For this reason, we continuously monitor our own-brand suppliers to determine whether they adhere to METRO GROUP's high procurement and compliance policy standards. In particular, these include the quality standards tested by the Global Food Safety Initiative (GFSI), such as the International Food Safety Standard and the GLOBALGAP certification for agricultural products. They help to ensure the safety of foods on all cultivation, production and sales levels.

We are not the only ones who have these concerns. Our customers place priority on quality and safety and are becoming increasingly interested in the environmental and social sustainability of the products sold in our stores and of the processes used to make these products. In light of this shift, METRO GROUP approved a group-wide, cross-product purchasing policy for sustainable supply chain and procurement management at the end of 2013.

In addition, METRO GROUP has been committed to promoting humane working conditions at its suppliers for many years and conducts a broad range of measures in support of this goal. For example, our own-brand suppliers are required to protect fundamental human rights and to guarantee fair working conditions. As proof of this, our supplier contracts demand an audit based on the BSCI (Business Social Compliance Initiative) standard or an equivalent standard. This requirement applies to own-brand suppliers of non-food articles who manufacture end products in high-risk countries as defined by the BSCI. With systematic training programmes, we help suppliers, particularly in emerging countries, to create fair and humane working conditions. As part of our effort to support the international fire safety agreement for increased building safety in the Bangladesh textile industry, the Bangladesh Accord on Fire and Building Safety, we are working to increase building safety in the factories of all of our producers in Bangladesh. Our requirements on suppliers are contractually regulated. We regularly check to determine whether the requirements are being met. Violations of conditions can lead to exclusion from our supplier network or, in case of unacceptable production methods such as sandblasting of jeans, which is harmful to health, to a procurement ban on a product. In this way, we further minimise our supplier risk. Should, however, an incident related to quality occur, the process steps described in our manual on incidents and crises take effect. Our top priority is to correctly manage the incident in the customers' best interest. In addition, we examine possible improvements to our quality assurance systems.

To prevent disruptions in the supply of goods and to avoid becoming dependent on individual companies, we work with a variety of suppliers and ensure that we do not become dependent on individual companies. By taking this approach, we ensure that the desired product is practically always in stock in the desired quality and quantity and, in the process, achieve high levels of customer satisfaction.

Our success also depends heavily on the purchase prices of the products offered for sale. In many cases, our large purchasing volumes in numerous countries have a positive effect. Product prices are based on the availability of the required raw materials that may temporarily or continually become scarce. This can drive up purchase prices or lead to a certain level of volatility. We address procurement risks by continuously optimising the purchasing process. Such steps include joint procurement and the negotiation of terms with our suppliers. Prompt implementation of these improvements is a key success factor.

Over the medium term, such global challenges as climate change, the overfishing of the world's seas and access to clean water could restrict the availability of raw materials, including reductions in populations of certain types of fish. These trends can trigger price increases. For this reason, METRO GROUP has been supporting standards for more sustainable fishing and fish farming for years and has been working with relevant suppliers.

Another example is METRO GROUP's decision to join the Roundtable on Sustainable Palm Oil (RSPO) in 2011. The organisation, which includes companies and non-governmental organisations, promotes the sustainable cultivation of palm oil, a raw material primarily used in cosmetics and sweets. METRO GROUP plans to only use certified sustainable palm oil in its own-brand products beginning in 2020.

Other examples of product risks include supply bottlenecks after natural disasters, longer delivery times and price increases. METRO GROUP's purchasing and supply chain management create the structures that are needed to ensure the availability of goods at all times.

METRO GROUP comprehensively reports about the risks and opportunities resulting from climate change as part of its annual participation in a survey conducted by the independent non-governmental organisation CDP (formerly: the Carbon Disclosure Project). The CDP assessment shows whether companies are effectively addressing the effect of climate change on their business processes and whether they provide transparent information on these efforts.

For more information about our work to create a sustainable supply chain, see chapter 8 Sustainability management.

Supply chain risks

The responsibility of the supply chain is to ensure maximum product availability at optimised cost structures while considering aspects related to sustainability, such as energy and fuel consumption.

The growing variety of items in the product range and high merchandise turnover, however, result in organisational, IT, logistics and inventory risks. The growing internationalisation of our suppliers and the focus on regional and local product assortments increase these risks. The lack of active inventory management conducted on the basis of adequate planning parameters can result in significantly higher warehousing costs, above-average write-downs on products and, in exceptional cases, in the destruction of goods. Disruptions in the value chain, including in the transport of goods from the supplier to our stores or customers (during delivery), can intensify this effect. We counteract this by optimising inventory and product group management.

Inadequate regular communications regarding future product volume as a result of such things as non-existent or incorrect projections can result in insufficient product availability and inefficiencies in logistics. We respond to this risk by systematically reassigning and bundling responsibilities for customer order processing, procurement planning and master data administration in the Supply Chain Planning department.

Incomplete or poorly managed product and customer master data can lead to serious delays and disruptions in the inclusion and removal of products as well as the product supply to our customers. For this reason, we have intensified our efforts to ensure the completeness and accuracy of master data by taking such steps as regularly monitoring relevant performance indicators.

Additional challenges arise from the expansion of our online activities, our multichannel business, delivery options and the increased complexity that results from these activities as well as other innovative sales formats. We address the resulting risks by intensifying cooperation among the affected departments. We also expect to produce synergies with joint supply chain solutions.

We prevent unnecessary complexity in the portfolio of our external logistics service providers and thus excessively high total costs by harmonising business partners. In the process, we also work to prevent dependencies on individual service providers from emerging.

Another logistics risk arises from the generally complex and at the same time underdeveloped supply structures that prevail in particular in emerging and developing markets. In many cases, these go hand-in-hand with particularly challenging climatic conditions that can result in food spoilage on the way from the producer to the store. METRO GROUP creates the necessary structures to ensure consistently high quality in the supply chain at all times. We conduct qualification programmes to prepare our suppliers and logistics providers in emerging markets for these logistics requirements. In this way, we also make a lasting contribution to local food supplies and counter the problem of food waste.

In case of product incidents, our logistics systems must be prepared to trace the product's itinerary and origin within a very short time. This is done with the help of modern technologies and product identification standards. We are actively involved in various international organisations to foster the developments of these standards and promote the introduction of innovative technologies for improved product identification.

Financial risks

The risk of price changes (interest rate risks, currency risks, share price risks), liquidity risks, credit risks in dealings with counterparties in the context of financial transactions and risks arising from cash flow fluctuations may have a significant negative impact on our financial result. For this reason, the financial risks of METRO GROUP are centrally managed.

Ensuring METRO GROUP's unlimited access to the capital markets is integral to the management of financial risks. Multiple rating downgrades would have a significant negative impact on our liquidity and group financing (risk number 12). To prevent this, our current strategy focuses on debt reduction. Among other things, this is achieved by continuously optimising our net working capital and focusing our investment funds on measures that add value to the company. In this way, we gain additional flexibility to finance the transformation of our business models in response to the continuously changing needs and demands of our customers while allowing for a stabilisation and medium-term improvement of our rating. In comparison to last year, the probability of occurrence of risk number 12 has fallen from "unlikely" to "low" because the debt has been further reduced and rating-relevant metrics have improved slightly.

Another identified risk concerns unexpected deviations from our budget or outlook (risk number 7, unchanged since last year). This could mean we would not hit our target figures and would have to revalue our assets, including our goodwill. In turn, this would have a negative impact on our asset and earnings position (risk number 11, unchanged since last year). For this reason, we attach a high priority to measures designed to limit these risks. In one reflection of this, we are implementing systematic strategic earnings improvement measures for the sales lines of METRO GROUP, focusing in particular on countries that are subject to impairment risk.

In addition, the steps we take to counter this risk include careful monitoring of risks and opportunities as well as the effective internal controls for the budget and forecast process. The Internal Audit department regularly reviews the effectiveness of the internal control system as part of its audit schedule. During the past financial year, we further intensified the planning and the related internal coordination process. The change of financial year has resulted in additional early planning security because our very profitable Christmas business now takes place at the beginning of the financial year, instead of at the end of it. Finally, the outlook offers far-reaching insights into the group's expectations for business development during the coming financial year.

For more information about financial risks and their management, see the notes to the consolidated financial statements in no. 43 Management of financial risks.

Other risks

Risks from portfolio changes

METRO GROUP aims to continuously optimise its portfolio. All portfolio changes and the related strategic and investment or divestment decisions are guided by their contribution to the company's success in terms of value-based management. We can reduce risks related to the intrinsic value of our assets – both in terms of individual groups of assets and in terms of our overall portfolio – through value-based management.

In financial year 2013/14, the disposal of the Eastern European business of the Real sales line (excluding Turkey) with the sale and subsequent deconsolidation of Real Poland was concluded after fulfilment of the final condition precedent. The disposal of Real's business in Turkey was also completed during the reporting period following the review of antitrust authorities in the summer of 2014. As a result of inadequate market opportunities, the Management Board of METRO AG decided to pull METRO Cash & Carry out of Denmark. As part of this decision, two stores will be sold, subject to the approval of antitrust authorities. The three remaining stores will close on 31 December 2014. The closure of METRO Cash & Carry's business in Egypt was completed in the first quarter of 2013/14. METRO GROUP also decided to sell METRO Cash & Carry's operations in Vietnam. The disposal of METRO Cash & Carry's business in Vietnam is expected to be concluded in financial year 2014/15 and is still subject to fulfilment of the usual conditions of execution and approvals by the responsible authorities. These transactions will increase the flexibility of METRO GROUP and facilitate investments in future growth. Risks resulting from these portfolio changes are reflected in the financial statements to the extent that this is required in the balance sheet.

During financial year 2013/14, METRO GROUP also acquired a 75 per cent stake in the Spanish food service distribution company MIDBAN. The aim of the transaction is to grow the food service distribution business at METRO Cash & Carry Spain and to sustainably secure the company's excellent market position.

Information technology risks

The demands of our information technology (IT) have markedly increased as a result of new formats and sales channels and their increasing importance to the group's business, such as online retail and deliveries. Other tasks of information technology include real-time analyses of business processes and timely monitoring and management of goods flows. Regulations such as those regarding data protection in credit card processing, the use of customer-specific information in big

data solutions that are associated with an increased public debate about misuse as well as the growing complexity of IT generate additional risks for our company.

As a result, we have reinforced the organisational measures that ensure our compliance with internal and external IT regulations. We regularly check systems connected to the Internet for weak spots. We counter the high complexity of modern IT landscapes through clear management regulations and a centralised corporate architecture, known as enterprise architecture management.

Important business processes such as purchasing/product ordering, marketing and sales have used IT systems for many years. New systems for online retailing must be continuously available, as these systems are a prerequisite for unlimited access outside normal store hours. As a result, the continuous availability of the infrastructure is a critical factor in the development and implementation of our IT solutions. Systems that are essential business operations in the stores, especially checkouts, are largely self-contained and can continue to be used for some time, even during events such as network failures or the failure of central systems. In case of partial network failures, they can automatically reroute shipments or switch to redundant routes.

Modern technologies such as remote server management and cloud computing allow us to use our hardware efficiently. In addition, in the event of one or several server failures, centralised IT systems can be quickly restored. We operate several central computer centres, which even enable us to compensate for business interruptions and to limit them to a minimum. We have introduced a contingency plan to restore computer centres in Germany following longer-term outages (for example, as a result of fires, natural disasters or criminal actions) (risk number 5, unchanged since last year).

Information is a key resource for all companies of METRO GROUP. This means that it must enjoy the same protection as all other assets. For this reason, METRO AG developed a documented IT security management system (ISMS), which was launched at the start of 2013. The aim of this system's framework is to ensure the confidentiality (access only for authorised users) and integrity (accuracy and completeness) of this information. Among other things, the management principles for IT security describe our operational and organisational structures. We have implemented IT security controls in accordance with the industry standard ISO 27000. For example, the IT security guideline sets out requirements for the assignment of passwords. In this way, we ensure that the data we process are correct and complete and can only be viewed by authorised staff. The necessary user accounts and access authorisations are administered centrally according to predefined, partially automated processes. We regularly review whether group specifications are followed in terms of critical user rights and provide centralised reports on the results of our examinations. Affected employees are made aware of IT security issues, prepared for these and kept up-to-date through regular, standardised training courses in accordance with ISO 27000. In addition, the key processes and IT systems of our central IT company METRO SYSTEMS are reviewed by internal audit and by external inspectors who examine and certify them in accordance with the international standard for audit reports of service organisations ISAE 3402 (International Standard on Assurance Engagements).

Awareness of the importance of data protection was further strengthened at all levels of our group. The commitment to adhere to the data protection standards of the German Federal Data Protection Act (BDSG) is part of all employment contracts. In particular employees of company units that have access to and handle sensitive data undergo on-site training on data protection. Employees with privileged access rights (for example, administrators) must sign an additional formal obligation.

Human resources risks

The expertise, dedication and motivation of our employees are key success factors that have a decisive impact on METRO GROUP's competitive position. One prerequisite for achieving strategic goals are highly qualified experts and managers. It is an ongoing challenge to recruit and retain such valuable employees for the group, in particular in the face of demographic change and intense competition for the best people. Intra-company programmes for the continued qualification of employees and the strengthening of corporate culture are also indispensable. To ensure that our employees have the requisite expertise and leadership skills, we optimise training and professional development programmes at all levels. Training courses and effective human resource development measures promote entrepreneurial thinking and actions; variable pay components based on the attainment of corporate and individual objectives serve as an incentive. Direct participation in business success increases employees' identification with METRO GROUP and enhances their awareness of opportunities and risks in all entrepreneurial decisions.

One thing is certain: METRO GROUP can only grow if we support our employees. This is reflected in annual performance reviews in which past achievements are assessed and future development measures are agreed upon with individual employees. With targeted training programmes, which we implement in cooperation with various partners, we manage to attract young people to METRO GROUP and to optimally develop their particular strengths. In Germany, in particular, METRO GROUP companies therefore place great value on their own training programmes for employees. With a share of 7.7 per cent in the reporting period, we are one of Germany's largest providers of occupational training.

Succession planning at METRO GROUP, in particular in senior management positions, is guaranteed through customised career paths and development plans. All these measures serve to counter the key risks of insufficient talent development and promotion (risk number 6, unchanged since last year).

Health promotion concepts, occupational safety measures and locally coordinated programmes such as back therapy training, fitness classes, company sports activities, dietary tips, stress prevention training courses, ergonomic advice, computer glasses and employee counselling programmes provide for a safe, hazard-free work environment. We counter risks of non-compliance with applicable labour regulations by introducing clear guidelines and compliance rules in connection with a respectful approach to our employees. This effort is supported by guidelines on fair working conditions and social partnership. Our guidelines on occupational safety and health management aim to create a work environment characterised by respect, fairness and partnership.

For more information about METRO GROUP's human resources policy, see chapter 6 Employees.

Legal and tax risks

Legal risks arise primarily from labour and civil law cases as well as from changes in trade laws. In addition, risks for METRO GROUP may arise from preliminary investigations, for example, possible infringements of antitrust or competition law (risk number 10.1, unchanged since last year). Antitrust law risks may arise in the context of business dealings with METRO GROUP suppliers in such areas as the resale price of retail goods. For pending antitrust law proceedings, where sufficiently substantiated, necessary risk provisions were created.

Tax risks mainly emanate from external audits which take a differing view of certain circumstances and transactions. In addition, risks may result from interpretations of sales tax regulations. The Corporate Group Tax department of METRO AG has established appropriate guidelines to ensure early detection and minimisation of tax risks. These risks are regularly and systematically examined. The resulting risk minimisation measures are coordinated by the Corporate Group Tax department of METRO AG and the national subsidiaries.

Control of Media-Saturn-Holding GmbH

Based on the arbitral award of 8 August 2012, the approval of this decision by the Higher Regional Court of Munich of 18 December 2013 as well as the binding ruling by the Munich court on 9 August 2012, the Management Board feels confirmed in its opinion that the consolidation of the Media-Saturn group of companies was rightfully effected according to the relevant IFRS (International Financial Reporting Standards) regulations, both in the past and in the consolidated financial statements as of 30 September 2014.

Through its fully owned subsidiary METRO Kaufhaus und Fachmarkt Holding GmbH (METRO KFH), METRO AG indirectly holds 78.38 per cent of the shares in Media-Saturn-Holding GmbH (MSH). In March 2011, the shareholders' general meeting of MSH decided, with the votes of METRO KFH, to create an advisory board to strengthen the governance structures at MSH. The advisory board takes decisions by simple majority in number on operational measures proposed by the executive board of MSH that require approval. According to the Articles of Association of MSH, METRO AG, or METRO KFH, has the right to delegate one more member to the advisory board than the collective body of shareholders and therefore has a majority by number on the advisory board. The appellate court dealing with the appeal of a non-controlling shareholder ruled fully in favour of METRO AG, endorsing the effective establishment of an advisory board and determining that an arbitration court is the responsible authority for all issues of authority and majority requirements of the advisory board. Upon the appeal of METRO KFH, the arbitration court endorsed key aspects of METRO's position in its arbitral ruling of 8 August 2012: the advisory board can take decisions by simple majority in number on operational transactions proposed by the executive board of MSH that require approval. However, a minority shareholder of MSH has appealed the ruling of the Munich court that endorsed the arbitral award to the German Federal Court of Justice.

In addition, the member of the advisory board appointed by the non-controlling shareholder has filed several legal challenges against MSH and raised questions about decisions taken by the advisory board of MSH. This concerns, among other things, the budget resolutions for 2012/13 and 2013/14. They particularly criticise that a majority of 80 per cent is required in the advisory board and that this majority had not been reached, representing a violation of the division of authorities determined in the articles of incorporation. Most of these actions – in connection with the approval of the preparation of the annual financial statements of MSH as of 30 September 2012 and in relation to budget resolutions for 2012/13 – have already been dismissed in the first instance. The relevant defeated claimant filed an appeal against these verdicts with the Higher Regional Court of Munich. Meanwhile, the Higher Regional Court of Munich decided that it intends to dismiss the appeal because the senate believed it was without merit. In response, the claimant in this case regarding the approval of the preparation of the annual financial statements has withdrawn the appeal. Furthermore, in connection with the budget resolutions for 2012/13, the Higher Regional Court of Munich dismissed the appeal on the basis of the previous resolution. The claimant filed a complaint relating to non-admission with the German Federal Court of Justice. In METRO's view, the chances of success of the non-admission complaint and other challenges are also low. In particular, METRO does not expect the courts to deviate from the arbitration court's decision regarding the majority voting requirement for the advisory board.

Moreover, the minority shareholder filed additional complaints against MSH – namely against resolutions of the shareholders' meeting regarding the individual location changes implemented in the meantime and the minority shareholder's aspired dismissal of a managing director installed by METRO. After MSH and METRO won the case involving the location changes before the Ingolstadt District Court, the Higher Regional Court of Munich upheld the appeal in part and demanded in concrete circumstances an individual content-related vote by METRO. MSH and METRO have filed a complaint relating to non-admission with the German Federal Court of Justice. The Ingolstadt District Court has not yet reached a decision on the complaint of the minority shareholder through which the shareholder aims to achieve the dismissal of a managing director installed by METRO. The Ingolstadt District Court has already dismissed the minority shareholder's request for an injunction against the managing director that would have prohibited him from performing his duties. The minority shareholder has filed an appeal with the Higher Regional Court of Munich.

Furthermore, a METRO AG shareholder filed a nullity plea regarding the approved annual financial statements of METRO AG as of 31 December 2012, citing an alleged infringement of the regulations governing the structure of the annual financial statements due to the allegedly flawed consolidation of the Media-Saturn group of companies in the consolidated financial statements of METRO AG. On 3 April 2014, the Düsseldorf District Court ruled in METRO's favour in a legally binding decision.

If, contrary to the expectations of the Management Board, the German Federal Court of Justice were to side with the minority shareholder, the arbitral verdict were invalidated and, in another procedural step, another arbitral court were to decide this matter to the disadvantage of METRO, or a court were to reach a ruling that contradicted the arbitral verdict in relevant issues as a result of other legal challenges filed by such individuals as members of the advisory board, the Management Board's opinion on the full consolidation of the Media-Saturn group of companies would have to be reviewed. In that case, a deconsolidation of the Media-Saturn group of companies might become necessary if the sustained power to exercise control cannot be assumed any more. A deconsolidation of the Media-Saturn group of companies based on current values would lead to one-time non-cash deconsolidation income. Following the deconsolidation, the interest in the Media-Saturn group of companies would have to be recognised at equity. This change regarding the consolidation of the Media-Saturn group of companies could impact the company's key financials.

For more information about legal issues, see the notes to the consolidated financial statements in no. 46 Other legal issues.

Compliance risks

The activities of METRO GROUP are subject to various legal stipulations and self-imposed standards of conduct. Legal requirements in the various jurisdictions as well as the expectations of our customers and the public regarding corporate compliance have generally continued to increase and become more complex. In response to these requirements, METRO GROUP has established a group-wide compliance system that it continuously refines. The aim of this system is to systematically and sustainably prevent regulatory infringements within the company. METRO GROUP regularly identifies behavioural corporate risks.

Our compliance management is primarily focused on preventing corruption and antitrust law risks. On the one hand, corruption risks arise in dealings with public authorities and public

officials, for example, in the context of the company's international expansion or authorisation processes. On the other hand, they can arise in business dealings with suppliers and other business partners (risk number 10.2, unchanged since last year). In addition, the group-wide compliance management system covers other relevant criminal and penal risks, data protection and labour law-related risks such as discrimination.

As part of the compliance management system, the necessary organisational structures are established in consideration of all identified and assessed compliance risks. The responsible departments consistently manage and control the risks within the existing structures.

METRO AG has introduced group-wide standards of conduct to manage the identified compliance risks, including a handbook on antitrust law that provides guidelines on supplier negotiations, among other areas. This handbook also contains templates for antitrust law-compliant communications with suppliers. In addition, METRO AG has introduced group-wide anti-corruption policies outlining standards of conduct for dealings with both authorities and public officials and with business partners. The anti-corruption guidelines also stipulate that a compliance check must be carried out before entering into a business relationship with business partners in high-risk areas.

Compliance guidelines are continuously updated and adjusted in a risk-based manner. These efforts are complemented by compulsory training courses, systematic and target group-oriented communications and the consistent, disciplined handling of compliance incidents and relevant follow-up measures. In addition, METRO GROUP employees, their business partners and customers have access to a professional reporting system that enables them to notify the company of compliance violations and potential violations in all group languages. If necessary, incidents may be reported anonymously. The compliance organisation ensures that all reported cases are investigated in an appropriate fashion.

By strengthening its internal control system, the company ensures that compliance and governance requirements are being increasingly integrated into its operational business and financial processes and reviewed.

In sensitive process areas, particularly expansion, construction, purchasing and store processes, we will continue to apply the improvements we initiated in the previous financial year (risk number 9, unchanged since last year). This is the reason that we conduct risk analyses as well as modify or expand our operational control structures. In addition, we increasingly assess the effectiveness of standard controls for specific processes.

Presentation of the opportunity situation

METRO GROUP has numerous opportunities to ensure long-term positive business development. Above all, these are due to the fact that we respond in a rigorous manner and at an early stage to the needs of private consumers and professional customers. Our key goal is to create value for our customers. As part of this work, we employ new sales channels and exploit the opportunities created by demographic trends and the increasing differentiation of the mature markets of Western Europe and population growth in developing and emerging countries. We analyse the relevant global and national trends and take decisions aimed at systematically exploiting opportunities in the future and creating competitive edges.

Opportunities from the development of business conditions

During the current financial year, we expect to see only a slight improvement in business conditions for retail.

Our sales and earnings could profit from the slightly improved business situation. Demand – including for the long term – is rising in countries with growing populations. METRO GROUP does business in many markets where we can benefit from this trend. In addition, we are continuing our selective expansion in the growth regions of Asia and Eastern Europe. In the process, we are focusing on business units and countries where we can build a distinct profile and strong market position. As a result, we plan to continue expanding our activities in China, Russia and Turkey as well as India.

The removal of bureaucratic barriers can help ease METRO GROUP's entry into new markets. Trade between countries of the European Union (EU) and third countries with which the EU has concluded free-trade agreements (including Canada, Moldova, South Korea and Ukraine) or with which the EU is currently conducting negotiations (including India, Japan, the United States and Vietnam) could be conducted with no or limited customs duties. In our view, ongoing negotiations regarding an agreement to facilitate trade are also particularly promising. Imports and exports could be streamlined and the costs of international shipments of goods could be reduced by

up to 10 per cent. For this reason, METRO GROUP welcomes the results of the Ninth WTO (World Trade Organization) Ministerial Conference in Bali in December 2013 and the decision of the 160 WTO members to conclude a multilateral agreement aimed at streamlining customs-clearing procedures and boosting the efficiency of the customs processes used by WTO member countries.

Strategic business opportunities

METRO GROUP's sales lines have high levels of brand equity in the countries where they do business. We have assumed leading positions in many markets. We must further strengthen and expand these. Weaker market participants have withdrawn from the market, especially in countries that were hit particularly hard by the ongoing economic and financial crisis. We are working to fill these gaps or, when reasonable, to take over individual locations. Market exits of competitors would create additional opportunities for market share gains. In addition, we see potential in the successful repositioning of national subsidiaries operating in a challenging economic environment (including Germany and Southern Europe). The ongoing transformation and restructuring measures we have already launched aim to improve these companies' market position and boost their profitability.

By optimising sales concepts, continuing to focus on core target groups and modernising stores, we are creating opportunities to win new customer groups and to bolster existing customer relationships. To this end, METRO GROUP continuously provides funds for investment. The company's investment strategy is aimed at protecting and consolidating the competitive strength of all sales brands while addressing customers even better and in an even more targeted manner. Examples include a distinct intensification of our online activities and multichannel business, measures to strengthen our own brands, franchise concepts, investments in innovative sales formats and customer-centric services and solutions. In all sales lines, we see great opportunity in the sensible dovetailing of stationary and electronic retailing. In the cash-and-carry business, we see further substantial potential in the continued expansion of our delivery channel and in tapping additional professional customer groups. For Real's business, opportunities are being created by the strategic transformation that is focusing on store refurbishment, the optimisation of the store network and a stronger customer orientation, among other things.

Online sales remain an important opportunity for our company's future success. Online retail is experiencing strong growth. We still believe that this development will continue and project continued competitive momentum both in the stationary business and in online retail over the medium term. As a result, it is imperative for METRO GROUP to further strengthen its online sales channel. All our sales lines now have online shops in Germany and in many other countries. During the past financial year 2013/14, we continuously improved the online shops of Media Markt, Saturn, Redcoon, Real and Galeria Kaufhof. By doing so, we made additional strides in the shift from strictly stationary retail to integrated multichannel marketing. Unlike strictly online providers, we create real added value for customers this way. All sales lines of METRO GROUP are evolving into multichannel companies with the aim of becoming no-line retailers, that is, optimally linking store, online and mobile offerings. The dynamic development of information technologies creates opportunities for our company to optimise its own processes and offer its customers new solutions. Our first step in this area is to launch a pilot project to test the extent to which we can deploy an innovation at our company and to invest in interesting start-up companies. This approach ensures control over feasibility and security risks as well as risks related to the integration of these innovations into our existing systems. On the basis of its key strengths – name recognition, customer frequency, store network and purchasing power – the group focuses on five innovation areas in its drive to move the company forward:

- Store: offer products via mobile devices that had previously only been available online;
- Channel: integrate sales channels and continue to develop new channels: e-commerce, mobile commerce, food e-commerce;
- Marketing: individualise and improve effectiveness and efficiency of marketing and of customer relationship management/smart data;
- Logistics, supply chain and delivery: deliver the right products at the right time to the right place for the lowest price possible;
- New products and services: introduce and link new products and services.

These innovation areas are being fuelled in particular by information technologies that are more widely and easily used, including mobile communications ("mobile computing"), social media and cloud solutions. The implementation of solutions to process large amounts of data (big data) should create improved marketing instruments, more efficient logistics and an opportunity to introduce new products and services.

Demographic trends offer another tremendous opportunity for METRO GROUP. Ageing populations in Western Europe and the growing concentration in economic and cultural centres dominate our customers' current and future needs. The stores of our sales lines are easy to reach and, as a rule, are located on the ground level. In addition, the outlets offer assistance and products designed to meet the needs of customers from all generations. As a result, we see good opportunities to gain additional market share.

Business performance opportunities

In addition to rigorously leveraging cost-cutting opportunities, we are creating a foundation for long-term success by increasing our productivity, especially through process optimisations. This effort includes a number of projects that we have already initiated and will now systematically continue to pursue. As a result, we will continue to expand our delivery activities and increase the share of high-margin own-brand products in total sales. Should we make more progress in the implementation of further productivity enhancements than we currently expect, this could have a positive impact on our business development.

In addition to cost components, quality and freshness are critical differentiating factors that are particularly relevant for food. By having employees who continuously check and ensure quality, we can gain an edge on our competitors and create customer perception that will have a positive effect on sales and earnings.

Additional opportunities will arise from efforts to cut our greenhouse gas emissions. Our climate protection goal will indeed require investments. But as a result of lower costs, particularly for energy, these investments will create savings over the medium and long term. These savings will result in financial and environmental benefits and improvements.

The operational activities of our real estate company METRO PROPERTIES were integrated into the sales lines on 1 October 2013 to ensure efficient processes and solid cooperation in the context of METRO GROUP's current transformation. METRO PROPERTIES applies its expertise to the key value drivers in portfolio and asset management, project development and real estate sales. METRO PROPERTIES conducts regular benchmarking with leading real estate companies to ensure the delivery of best-in-class solutions for the group. In addition, the company promotes select project developments that help the sales lines to enhance their appeal to customers while raising the value of METRO GROUP's property portfolio. These values are supported by active, comprehensive and intelligent real estate. Targeted transactions ensure that risks and opportunities in the property portfolio are carefully balanced. In this way, METRO PROPERTIES makes an important contribution to the strength of METRO GROUP.

Overall assessment of the risk situation by the company's management

The Management Board and the Supervisory Board of METRO AG are regularly informed about the company's risk and opportunities situation. Overall, the risk and opportunities profile of METRO GROUP remains at last year's level due to the slow recovery of the global economy during the reporting period. To evaluate the present risk situation, risks and opportunities were not only examined in isolation: the interdependencies between risks were analysed and rated according to their probability. Our assessment shows that the risks are generally manageable and that the identified individual and cumulative risks do not represent any of those that jeopardise the continuity of the group due to illiquidity or over-indebtedness over a period of at least one year. We are confident that METRO GROUP's earnings strength provides a solid foundation for sustained positive business development and the exploitation of numerous opportunities. This assessment is mirrored by the ratings of the internationally leading, independent rating agencies that we have commissioned: both Moody's and Standard & Poor's continue to award METRO GROUP an investment grade rating with a stable outlook. The Management Board of METRO AG currently does not expect any fundamental change in the risk and opportunities situation.

13. Report on events after the closing date and outlook

Report on events after the closing date

Events after the closing date

Between the closing date (30 September 2014) and the preparation of the consolidated financial statements (24 November 2014), the following events of material importance to an assessment of the earnings, financial and asset position of METRO AG and METRO GROUP occurred:

As part of the decision taken during the reporting period to withdraw from the wholesale business in Denmark, METRO GROUP signed an agreement in October on the partial sale of METRO Cash & Carry Denmark to Euro Cater, a leading grocery wholesaler in Denmark and Sweden. Subject to the approval of Danish antitrust authorities, Euro Cater will take over the wholesale stores in Glostrup and Aarhus. In addition, METRO GROUP will close the remaining three wholesale stores in Denmark on 31 December 2014 and thus withdraw from the Danish market. The anticipated financial effects of the disposal and closure were recognised in the annual financial statements for 2013/14 by means of asset impairments and the creation of provisions for expected closure costs. For this reason, these events should have only a minimal impact on the financial result in coming financial years.

On 21 October 2014, METRO GROUP successfully issued a benchmark bond in the corporate Eurobond market, thus optimising its financing maturity profile. The seven-year bond has a volume of €500 million and a coupon of 1.375 per cent. The issue was priced at 75 basis points above the seven-year swap rate.

In November 2014, 100 per cent of shares in MAKRO Cash & Carry Wholesale S.A., Greece, were sold to INO S.A., a company 70 per cent owned by the Greek retail company I. & S. Sklavenitis Trade S.A. The sale comprises all assets and liabilities from the operating business and real estate. MAKRO Cash & Carry Greece generated sales of €289 million in financial year 2013/14. The sale was concluded at a company value of €65 million and will likely result in revenue of a similar amount. The transaction is still subject to the approval of the Supervisory Board of METRO AG as well as the responsible antitrust authorities. It will likely be concluded in the first half of the 2015 calendar year.

Outlook

The outlook of METRO GROUP considers relevant facts and events that were known at the time of preparation of the consolidated financial statements and that can have an impact on future business developments. The outlook on economic parameters is based on the evaluation of leading indicators. In addition, it draws on the analyses of a number of national and international economic research institutes and organisations. The outlook is largely based on the analyses of Consensus Economics, Feri EuroRating Services and the Economist Intelligence Unit (EIU). Fundamentally speaking, the following conclusions reflect a mid-range scenario of expectations.

Economic parameters for 2014/15

During the reporting period, global economic momentum increased slightly once again. However, the recovery that followed two years of economic weakness remained subdued.

While leading indicators in the United States are developing relatively robustly overall, the economies of eurozone countries are weakening once again. Overall, economic conditions in the eurozone and in emerging economies remain challenging. For these reasons, we expect that economic growth in 2015 will likely at most be slightly above the growth forecast for 2014 of 2.4 per cent. As a result, growth will again likely remain below-average in a long-term comparison.

At the same time, global economic risks have risen again slightly. The conflict between Ukraine and Russia is impeding growth beyond these countries' own borders. In addition, the political conflicts in the Middle East are fuelling uncertainty overall. Moreover, the eurozone is still in the process of consolidating government debt, and new setbacks cannot be ruled out. As a result, we anticipate at most a slight uptick in growth for Western Europe during the new financial year. For Eastern Europe, we expect to see a somewhat higher growth rate following the weak basis for growth of under 1 per cent in 2014. We do not expect the region to produce significant growth momentum. The same is true for Asia. Here, our best-case scenario is a growth rate slightly above this year's level.

Overall, the global economy has not yet returned to a path of sustainable economic growth following the financial and sovereign debt crisis.

Germany

In the past financial year, the German economy initially picked up speed but then lost significant momentum as the year progressed. Overall, though, the German economy continued to produce above-average growth compared with the rest of Western Europe, expanding by an estimated 1.3 per cent. However, the most recent leading indicators are pointing to a slowdown – due in part to global economic weakness. While we expect to see solid economic growth of 1 per cent for 2015, it will likely remain below 2014 levels. However, this level of growth should be sufficient to ensure stable development in the job market. As a result, we expect private consumption and retailing to produce solid growth similar to that seen in the past financial year. The German economy is still in good shape compared with the rest of Europe. However, continued below-average levels of investment could impede medium term growth prospects.

Western Europe

Despite the moderate pace of recovery, economic momentum in Western Europe remained altogether subdued. The ongoing efforts to consolidate sovereign debt continue to act as a drag on economic recovery. In addition, foreign demand is only growing at a slow rate overall. Leading indicators for many countries are pointing to a slowdown. The risk of the region falling into another recession is a real possibility. Overall, we expect that economic growth in 2015 will be along the lines of 2014 at nearly 1 per cent. Growth will be supported by the weakening of the euro against the US dollar, a development that will improve export prospects altogether.

Due to the continued below-average growth prospects, the unemployment rate will decline only very slowly. As a result, we foresee little momentum for retail growth. Following a nominal growth rate of nearly 0.5 per cent in the past financial year, we expect to see at most a slightly higher nominal gain of 1 per cent for the current financial year. On a price-adjusted basis, this would mean stagnation.

At the same time, the divergent economic development of the periphery countries hurt by the economic crisis and the considerably more robust core countries is still visible. However, significant differences are already being observed among the former crisis countries. Spain is performing particularly well. Both its economy as a whole and the retail sector are also likely to grow at an above-average rate in Western European comparison during the new financial year. By contrast, the economic situation in Italy remains challenging. The country still needs to implement far-reaching reforms to improve economic output. With a view to the core countries, we expect France in particular to produce only weak economic growth during the new financial year. Aside from Germany, we expect to see above-average economic growth and thus robust retail conditions, especially in Austria, Switzerland and the Scandinavian countries.

Eastern Europe

During the past financial year, the economies of Central and Eastern Europe moved in different directions. The countries of Central Europe in particular were able to participate somewhat in the slow recovery of Western Europe thanks to their economic ties to the region. In Eastern Europe, by contrast, economic conditions proved challenging, especially in Russia and Ukraine as a result of their political conflict, as well as in Turkey.

Despite slightly improved economic prospects in Central Europe, Eastern Europe as a whole was only able to grow by just around 1 per cent in the past financial year. For 2015, we again expect to see slightly higher growth overall. However, it is very likely that growth will remain below 2 per cent and thus below the region's growth potential for yet another year. Key factors influencing the region's economic prospects will be the ongoing conflict in Ukraine and developments in the eurozone. Altogether, we expect that the countries of the region will continue to develop at varying speeds in 2015. The countries of Central Europe – particularly Poland, Hungary, the Czech Republic and Slovakia – are likely to produce solid economic growth. While the Ukrainian economy is likely to continue to weaken, we expect the Russian economy to produce at least a slight gain in growth again. In the medium term, we anticipate that economic momentum in Eastern Europe will increase and the high degree of catch-up potential will be fully tapped.

Below-average economic growth will continue to create challenging retail conditions. Higher nominal retail growth rates, as seen in Russia and Turkey, are primarily price-driven. Food prices have risen dramatically in recent months, particularly in Russia as a result of the ban on food imports. This situation is likely to persist for some time. For the countries of Central Europe, we project considerably more modest retail growth rates of 3 per cent. Despite the anticipated extremely low rate of inflation, price-adjusted growth would still represent real growth of nearly 2 per cent.

Asia

The emerging economies of Asia once again recorded the highest growth in the past financial year. For 2015, we project that Asia will again generate the highest growth among the regions where METRO GROUP does business. Growth will likely total approximately 4 per cent (2014: 3.8 per cent) – including Japan. For this country, we anticipate growth of approximately 1 per cent or slightly more. Over the medium term, the growth potential of Asia's emerging economies will remain high. However, the region still needs to implement structural reforms to boost economic output.

During the reporting period, China recorded a growth rate of more than 7 per cent. As in previous years, this was the highest growth of all countries where METRO GROUP does business. For 2015, we project that growth will slip slightly below this level. Overall, the world's second-largest economy will continue to generate less growth momentum than it had in previous years. The steps undertaken by the government to reduce existing imbalances and further liberalise the economy should be sufficient to increase growth momentum over the medium term.

Retail conditions in Asia's emerging economies are still relatively good overall. For China and India, we project nominal double-digit retail growth rates once again for 2015. In India, this growth will continue to be inflation-driven: consumer prices are only slowly declining due to the current account deficit and the devaluation of the country's currency. In the saturated Japanese market, we foresee only moderate retail momentum in 2015 following the value added tax (VAT) increase that took effect during the reporting period and the related pull-forward effects.

Building on our forecast for economic and retail sector developments, the following section provides an overview of the resulting implications for individual sectors as well as our sales lines.

Future sector trends and developments at METRO GROUP

METRO Cash & Carry

The performance of the self-service wholesale trade industry can be seen against the backdrop of current macroeconomic parameters. For the upcoming financial year, we expect the global economy to experience a slow and uneven recovery in the regions. For this reason, we assume that the varied development of the economic regions will be reflected in the performance of the cash-and-carry segment.

For Germany and Western Europe, we expect to see only small growth impulses for self-service wholesale trade in light of the relatively subdued economic momentum overall. Demand for food products should reach about the same level as in past years. As inflation related to food prices will likely remain low, we expect price increases to produce only few positive growth impulses. For non-food products, we expect to see a slightly negative trend in those countries with weak economies. In other countries, we believe demand will pick up a bit. Overall, we expect to see a slight increase in sales in the Western European cash-and-carry segment.

In Eastern Europe, we foresee growth for self-service wholesale trade sales in local currency during the upcoming financial year. Growth could be affected by the political crises in the region. Should the conflict in Ukraine continue to intensify, we anticipate negative effects on demand in both Ukraine and Russia. For Turkey, we continue to project dynamic growth, under the condition that the political conflict in Syria will not negatively impact economic momentum in Turkey. In addition, we expect price increases in the region to support growth in the upcoming financial year. Overall, there is still potential for growth within the region's cash-and-carry segment, even though we believe that the growth rates in this segment will lag behind those of the fast-growing modern food retail segment.

For the upcoming reporting period, we expect Asia's emerging economies to produce the highest cash-and-carry growth rates. Macroeconomic conditions continue to form a good basis for dynamic retail growth. In particular in India, we expect positive impulses from price increases to support segment sales. In spite of the easing of the ban on direct investments in India made by international retail companies, we project that competition from modern grocery retailing formats will remain relatively weak there in the near future. As a result, traditional retailers, an important customer group for self-service wholesale trade, continue to act as the most critical supply channel for food in large parts of the region. For this reason, the region offers tremendous potential for self-service wholesale trade.

In spite of the intended disposal of activities in Vietnam, Asia and Eastern Europe will remain a focus of METRO Cash & Carry's strategic expansion during the upcoming financial year.

Media-Saturn
Because economic conditions in Europe are expected to differ widely, divergent regional trends in consumer electronics retailing will continue.

In Germany, consumer electronics retailing performed extremely well during the past financial year, generating growth of around 4 per cent. Due to the base effect associated with this, we are now projecting only a slight gain of around 1 per cent for 2015. While demand for such trendy product groups as tablets and smartphones is weakening, innovations beyond the TV and mobile segments are gaining relevance.

In audio, streaming-enabled devices, such as multi-room systems, mini-speakers and sound bars, hold the greatest sales potential. The product family of so-called wearables, such as smart watches and fitness bands, is still in the early stages of market introduction.

Both trends are creating a completely new demand situation with regard to the connected world, a segment all modern sales formats must address.

In Western Europe, the sector will again face a number of challenges during the upcoming year. This applies especially to Italy, while the Iberian markets have stabilised following a period of weakness and will produce moderate sales growth, according to our estimates.

On the other hand, we foresee sales stagnation in the Benelux countries, Austria, Switzerland and Sweden given their already high level. In these mature markets, we expect a significant shift towards multichannel concepts.

In Eastern Europe, we anticipate stagnation over the short term due to the charged political conflict and strained economic situation, which – should the crisis come to a rapid end – will likely spur moderate sales growth for consumer electronics stores in Russia and Poland.

Across all regions, multichannel providers will grow if they are able to more closely dovetail their online and stationary stores.

Real
For the food retail business, economic conditions in Germany have so far provided a good foundation for robust growth. For this reason, we foresee slight growth in sales in 2015 – provided that geopolitical tensions do not intensify and consumer sentiment does not decline further. Overall, we again expect to see somewhat higher price increases than in the past financial year. However, these should remain moderate.

In the face of tough competition in stationary food retailing, Real will continue to bolster its competitiveness through innovative concepts, targeted investments in its store network and the systematic expansion of cross-channel activities.

Galeria Kaufhof
Overall, business conditions in Germany are also favourable for the department store segment. For 2015, we indeed believe that the department store segment will trail behind the retail industry as a whole for another year. But Galeria Kaufhof, acting as the store, concept and system leader in the department store business, will be able to profit from robust business conditions. This will be supported by our multichannel marketing offensive and the related systematic integration of stationary and digital department store worlds. As a multichannel provider, Galeria Kaufhof will therefore continue to outperform its competitors in years to come.

Expected earnings position: outlook for METRO GROUP and its segments

The outlook is based on the current group structure and adjusted for currency effects. It also assumes a stable geopolitical situation.

Expected sales development at METRO GROUP in 2014/15
For financial year 2014/15, METRO GROUP expects to see a slight rise in overall sales, despite the persistently challenging economic environment.

In like-for-like sales, METRO GROUP foresees a slight increase that will follow the reporting period's small rise of 0.1 per cent.

Expected earnings development at METRO GROUP in 2014/15
In financial year 2014/15, earnings development will also be shaped by the persistently challenging economic environment.

Nevertheless, METRO GROUP is confident that it can again achieve a slight earnings increase as a result of the progress it has made and will continue to make in transforming its business models. In addition, METRO GROUP will again closely focus on efficient structures and strict cost management in 2014/15.

For these reasons, we expect EBIT before special items to rise slightly above the €1,727 million achieved in financial year 2013/14, including usual levels of income from real estate sales.

At the Media-Saturn and Real sales lines, the decline in like-for-like sales recorded in financial year 2013/14 should be reversed by the measures we have already introduced. This outlook is supported by the positive trend that emerged during the fourth quarter of 2013/14. For this reason, METRO GROUP expects that these two sales lines will also make a positive contribution to the slight increase in like-for-like sales and EBIT before special items during the upcoming financial year.

Overall statement by the Management Board of METRO AG on the medium term development of METRO GROUP

METRO GROUP's goal for the upcoming financial years is to continue the positive trend in sales and earnings. We will continue to sustainably expand METRO GROUP's position as one of the leading international retail companies. In particular, multichannel sales and the delivery business still hold great growth potential.

METRO GROUP has a successful portfolio of sales lines and countries, qualified employees and a corporate culture that places an emphasis on individual responsibility and entrepreneurial action. For this reason, METRO GROUP is well positioned for the future.

14. Supplementary notes for METRO AG (pursuant to the German Commercial Code)

Overview of financial year 2013/14 and outlook of METRO AG

As the management holding company of METRO GROUP, METRO AG is highly dependent on the development of METRO GROUP in terms of its own business development, position and potential development with its key opportunities and risks.

In light of the holding structure, the most important performance indicator for METRO AG in terms of GAS 20 is commercial net profit or loss – contrary to the case for the group as a whole.

Business development of METRO AG

The business development of METRO AG is primarily characterised by the development and dividend distributions of its investments. METRO AG's annual financial statements prepared under German commercial law serve as the basis for dividend distribution. The income statement and balance sheet of METRO AG prepared in accordance with the German Commercial Code (HGB) are outlined below. The results as of the closing date of 30 September 2014 are compared with the previous year's annual financial statements for the short financial year from 1 January 2013 to 30 September 2013.

Earnings position of METRO AG and profit appropriation

Income statement for the financial year from 1 October 2013 to 30 September 2014 in accordance with the German Commercial Code (HGB)

€ million	9M 2013	12M 2013/14
Investment result	347	**811**
Financial result	–101	**–95**
Other operating income	389	**475**
Personnel expenses	–89	**–148**
Depreciation/amortisation/impairment losses on intangible and tangible assets	–26	**–15**
Other operating expenses	–296	**–433**
Result from ordinary operations	**224**	**595**
Income taxes	0	**–7**
Other taxes	1	**–2**
Net profit or loss	**225**	**586**
Retained earnings from the previous year	22	**0**
Additions to reserves retained from earnings	–110	**–267**
Balance sheet profit	**137**	**319**

For financial year 2013/14, METRO AG posted investment income of €811 million, compared with €347 million in the previous year. In this regard, it should be noted that the reporting year represents a period of twelve months, while the comparative period of the previous year comprised a nine-month period.

Income from investments with profit and loss transfer agreements totalling €410 million (9M 2013: €478 million) primarily includes income from the Media-Saturn and Galeria Kaufhof sales lines, losses incurred by METRO Cash & Carry Germany and Real Germany as well as income from the intra-group transfer of shares to METRO Cash & Carry Russia.

Income from investments without profit and loss transfer agreements totalling €485 million (9M 2013: €147 million) essentially stems from disbursements of group real estate companies. It includes income from intra-group transfers of shares to real estate companies.

In light of the high amount of income from intra-group real estate transactions (€764 million), the possible collection of earnings from the operational business activities of foreign cash-and-carry companies was waived in financial year 2013/14.

In financial year 2013/14, losses of €16 million were assumed on the basis of profit and loss transfer agreements (9M 2013: €138 million). These losses were incurred in the group real estate service businesses.

Of impairments for investments in affiliates in the financial year, €29 million can be attributed to international cash-and-carry activities and €6 million to the real estate area.

Expenses arising from the disposal of financial assets in the amount of €33 million stem from the sale of the Real sales line's Turkish business.

The financial result amounted to €–95 million (9M 2013: €–101 million).

Under the transfer pricing system, METRO AG acts as a franchisor to the METRO Cash & Carry sales line. Services provided essentially include the provision and continued development of business concepts, software applications and holding services. In order to be able to render these services, the company acquires IT services and software in particular from METRO SYSTEMS GmbH, which leads to higher other expenses and write-downs. Services are billed at arm's-length prices. In financial year 2013/14 METRO AG billed the national and international operating companies of the METRO Cash & Carry sales line a franchise fee totalling €289 million (9M 2013: €222 million). The franchise fee itself represents a portion of the sales and earnings of the operating company calculated on the basis of the degree of service utilisation. During financial year 2013/14, these franchise fees billed to subsidiaries increased compared with the previous year due to the longer billing period.

Income from administrative services rendered for subsidiaries increased due to the longer billing period compared with the previous year.

Other operating income, other operating expenses and depreciation/amortisation on intangible and tangible assets of METRO AG resulted in an overall decrease in earnings from €67 million in the previous year to €27 million as of the closing date.

On average during the four quarters of financial year 2013/14, METRO AG employed 1,072 people (9M 2013: 940). Part-time employees and temporary workers were converted into full-time equivalents. Personnel expenses amounted to €148 million (9M 2013: €89 million). Apart from the effects of the longer reporting period in comparison to the short financial year as well as the increase in employees from the acquisition of group real estate companies, higher performance-based remuneration components led to an increase in personnel expenses.

Net profit amounted to €586 million (9M 2013: €225 million), slightly above the forecast for financial year 2013/14 provided at the beginning of the reporting period.

With €267 million having been transferred to reserves retained from earnings, the balance sheet profit of the company amounted to €319 million, compared with €137 million in the short financial year 2013.

Regarding the appropriation of the balance sheet profit for 2013/14, the Management Board of METRO AG will propose to the Annual General Meeting to distribute dividends in the amount of €0.90 per ordinary share and €1.13 per preference share from the reported balance sheet profit of €319 million – that is, a total of €295 million – and to carry forward the remaining amount to the new account. The dividend proposal contains a preference dividend of €0.17 per preference share to cover the dividend that was not paid in the short financial year 2013 and that must be subsequently paid in accordance with § 140 Section 2 of the German Stock Corporation Act and § 21 Section 2 of the Articles of Association of METRO AG.

Financial position of METRO AG

Cash flows

During the reporting period, cash flows primarily resulted from financial transactions with METRO GROUP companies. Short-term financial investments provided by the sales lines at the end of the financial year amounted to €381 million as of the closing date (9M 2013: €739 million). The decrease compared with the previous year primarily results from the fact that existing liquidity has increasingly been used to reduce financial liabilities.

Capital structure

Equity and liabilities

€ million	30/9/2013	30/9/2014
Equity		
Share capital	835	**835**
Ordinary shares	828	**828**
Preference shares	7	**7**
(Contingent capital)	(128)	**(128)**
Capital reserve	2,558	**2,558**
Reserves retained from earnings	2,256	**2,660**
Balance sheet profit	137	**319**
	5,786	**6,372**
Provisions	**326**	**384**
Liabilities	**4,948**	**4,352**
Deferred income	**6**	**5**
	11,066	**11,113**

Liabilities consisted of equity of €6,372 million (9M 2013: €5,786 million) and provisions, liabilities and deferred income of €4,741 million (9M 2013: €5,280 million). As of the closing date, the equity ratio amounted to 57.3 per cent compared with 52.3 per cent in the previous year. Provisions as of the closing date totalled €384 million (9M 2013: €326 million). Liabilities from bonds decreased slightly by €47 million to €2,834 million. Liabilities to banks increased slightly to €470 million (9M 2013: €465 million). Liabilities to associates declined to €956 million (9M 2013: €1,491 million). This decline was primarily due to the fact that the sales lines provided fewer short-term funds. As of the closing date, other liabilities stood at €81 million, which is €16 million below the previous year's level of €97 million.

Asset position of METRO AG

Assets

€ million	30/9/2013	30/9/2014
Fixed assets		
Intangible assets	18	**8**
Tangible assets	2	**2**
Financial assets	8,375	**7,886**
	8,395	**7,896**
Current assets		
Receivables and other assets	1,919	**2,819**
Cash on hand, bank deposits and cheques	739	**381**
	2,658	**3,200**
Prepaid expenses and deferred charges	**13**	**17**
	11,066	**11,113**

As of the closing date, assets totalled €11,113 million and were mostly comprised of financial assets in the amount of €7,886 million, receivables from affiliated companies at €2,552 million and bank deposits at €381 million. Financial assets declined by €489 million compared with the previous year and now account for 71.0 per cent of total assets. This overall decline stemmed from the €976 million reduction and a simultaneous new issue of a loan in the amount of €422 million from the area of long-term intra-group loans. Impairment losses for investments in affiliated companies were incurred in the amount of €35 million. Receivables from affiliated companies rose by €975 million compared with the previous year – this item reflects the group companies' short-term financing requirements as of the closing date and represents 23.0 per cent of total assets.

Cash on hand, bank deposits and cheques fell by €358 million to €381 million compared with the previous year. This decline in comparison with the previous year's closing date of 30 September 2013 primarily results from the fact that existing liquidity was increasingly used to reduce financial liabilities.

Risk situation of METRO AG

As METRO AG is closely engaged with the companies of METRO GROUP through financing and guarantee commitments as well as direct and indirect investments, among other things, the risk situation of METRO AG is highly dependent on the risk situation of METRO GROUP. As a result, the summary of the risk situation of METRO AG issued by the company's management also reflects the risk situation of METRO AG.

Forecast of METRO AG

The business development of METRO AG as the holding company essentially depends on the development and dividend distributions of its investments. Assuming a positive development of the participating sales lines, the company expects an increase in franchise fees from its function as franchisor. Assuming a stable financial result and a largely unchanged cost structure, we expect the net profit for financial year 2014/15 will remain at the level of the current financial year.

Planned investments of METRO AG

In the context of METRO GROUP's investment activities, METRO AG will support group companies with increases in shareholdings or loans, where necessary. In addition, investments in shareholdings in affiliated companies may result from intra-group share transfers.

Declaration on corporate management

The declaration on corporate management pursuant to § 289 a of the German Commercial Code (HGB) is available on the company's website (www.metrogroup.de) in the section Company – Corporate Governance.

Declaration of compliance pursuant to § 312 of the German Stock Corporation Act (AktG)

Pursuant to § 312 of the German Stock Corporation Act (AktG), the Management Board of METRO AG prepared a report about relations with affiliated companies for financial year 2013/14. At the end of the report, the Management Board made the following statement:

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

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CONSOLIDATED FINANCIAL STATEMENTS

Income statement
for the financial year from 1 October 2013 to 30 September 2014

€ million	Note no.	9M 2013	12M 2012/13[1]	12M 2013/14
Sales	1	**46,321**	**65,679**	**63,035**
Cost of sales		–36,950	–52,053	**–49,815**
Gross profit on sales		**9,371**	**13,626**	**13,220**
Other operating income	2	1,393	1,978	**1,372**
Selling expenses	3	–8,886	–12,181	**–11,768**
General administrative expenses	4	–1,044	–1,489	**–1,408**
Other operating expenses	5	–131	–246	**–143**
Earnings before interest and taxes EBIT		**703**	**1,688**	**1,273**
Result from associates and joint ventures	6	6	6	**9**
Other investment result	7	7	19	**78**
Interest income	8	62	89	**50**
Interest expenses	8	–427	–606	**–459**
Other net financial result	9	–162	–148	**–242**
Financial result		**–514**	**–640**	**–564**
Earnings before taxes EBT		**189**	**1,048**	**709**
Income taxes	11	–260	–990	**–527**
Profit or loss for the period		**–71**	**58**	**182**
Profit or loss for the period attributable to non-controlling interests	12	0	93	**55**
Profit or loss for the period attributable to shareholders of METRO AG		–71	–35	**127**
Earnings per share in € (basic = diluted)	13	**–0.22**	**–0.11**	**0.39**

[1] Unaudited

Reconciliation from profit or loss for the period to total comprehensive income
for the financial year from 1 October 2013 to 30 September 2014

€ million	9M 2013	12M 2012/13[1]	12M 2013/14
Profit or loss for the period	**–71**	**58**	**182**
Other comprehensive income			
Items of "other comprehensive income" that will not be reclassified subsequently to profit or loss	**7**	**–28**	**–215**
Remeasurements of defined benefit pension plans	10	–34	**–256**
Income tax attributable to items of "other comprehensive income" that will not be reclassified subsequently to profit or loss	–3	6	**41**
Items of "other comprehensive income" that may be reclassified subsequently to profit or loss	**–38**	**–60**	**–93**
Currency translation differences from translating the financial statements of foreign operations	–99	–135	**–30**
Effective portion of gains/losses from cash flow hedges	6	5	**21**
Gains/losses on remeasuring financial instruments in the category "available for sale"	65	68	**–70**
Income tax attributable to items of "other comprehensive income" that may be reclassified subsequently to profit or loss	–10	2	**–14**
Other comprehensive income	**–31**	**–88**	**–308**
Total comprehensive income	**–102**	**–30**	**–126**
Total comprehensive income attributable to non-controlling interests	–8	84	**57**
Total comprehensive income attributable to shareholders of METRO AG	–94	–114	**–183**

[1] Unaudited

Balance sheet as of 30 September 2014

Assets

€ million	Note no.	30/9/2013	30/9/2014
Non-current assets		**16,646**	**15,572**
Goodwill	18	3,763	**3,671**
Other intangible assets	19	393	**380**
Property, plant and equipment	20	10,709	**10,025**
Investment properties	21	156	**223**
Financial investments	22	319	**71**
Investments accounted for using the equity method	22	132	**95**
Other financial and non-financial assets	23	337	**272**
Deferred tax assets	24	837	**835**
Current assets		**12,165**	**12,432**
Inventories	25	5,856	**5,946**
Trade receivables	26	547	**560**
Financial investments		8	**1**
Other financial and non-financial assets	23	2,601	**2,836**
Entitlements to income tax refunds		297	**223**
Cash and cash equivalents	29	2,564	**2,406**
Assets held for sale	30	292	**460**
		28,811	**28,004**

Equity and liabilities

€ million	Note no.	30/9/2013	30/9/2014
Equity	31	**5,206**	**4,999**
Share capital		835	**835**
Capital reserve		2,551	**2,551**
Reserves retained from earnings		1,793	**1,602**
Non-controlling interests		27	**11**
Non-current liabilities		**8,003**	**6,921**
Provisions for pensions and similar obligations	32	1,508	**1,684**
Other provisions	33	429	**478**
Borrowings	34, 36	5,763	**4,453**
Other financial and non-financial liabilities	34, 37	176	**176**
Deferred tax liabilities	24	127	**130**
Current liabilities		**15,602**	**16,084**
Trade liabilities	34, 35	9,805	**9,930**
Provisions	33	621	**615**
Borrowings	34, 36	2,200	**2,615**
Other financial and non-financial liabilities	34, 37	2,531	**2,528**
Income tax liabilities	34	181	**198**
Liabilities related to assets held for sale	30	264	**198**
		28,811	**28,004**

Statement of changes in equity[1]
for the financial year from 1 October 2013 to 30 September 2014

€ 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
30/9 / 1/10/2012[2]	835	2,544	56	2	–278
Dividends	0	0	0	0	0
Total comprehensive income	0	0	–1	3	–38
Capital balance from acquisitions of shares	0	0	0	0	0
Other changes	0	0	0	0	0
31/12/2012 / 1/1/2013	835	2,544	55	5	–316
Dividends	0	0	0	0	0
Total comprehensive income	0	0	6	65	–91
Capital balance from acquisitions of shares	0	0	0	0	0
Other changes	0	7	0	0	0
30/9 / 1/10/2013	835	2,551	61	70	–407
Dividends	0	0	0	0	0
Total comprehensive income	0	0	21	–70	–34
Capital balance from acquisitions of shares	0	0	0	0	0
Other changes	0	0	0	0	0
30/9/2014	**835**	**2,551**	**82**	**0**	**–441**

[1] Changes in equity are explained in the notes to the consolidated financial statements in no. 31 Equity
[2] Unaudited

Remeasurements of defined benefit pension plans	Income tax attributable to components of "other comprehensive income"	Other reserves retained from earnings	Total reserves retained from earnings	Total equity before non-controlling interests	thereof attributable to "other comprehensive income"	Non-controlling interests	thereof attributable to "other comprehensive income"	Total equity
–580	166	2,873	2,239	5,618		31		**5,649**
0	0	0	0	0		–48		**–48**
–41	21	36	–20	–20	(–56)	92	(–1)	**72**
0	0	–10	–10	–10		–5		**–15**
0	0	5	5	5		3		**8**
–621	187	2,904	2,214	5,593		73		**5,666**
0	0	–327	–327	–327		–51		**–378**
10	–13	–71	–94	–94	(–23)	–8	(–8)	**–102**
0	0	–11	–11	–11		10		**–1**
0	0	11	11	18		3		**21**
–611	174	2,506	1,793	5,179		27		**5,206**
0	0	0	0	0		–86		**–86**
–254	27	127	–183	–183	(–310)	57	(2)	**–126**
0	0	–4	–4	–4		8		**4**
0	0	–4	–4	–4		5		**1**
–865	**201**	**2,625**	**1,602**	**4,988**		**11**		**4,999**

Cash flow statement[1]
for the financial year from 1 October 2013 to 30 September 2014

€ million	9M 2013	12M 2012/13[2]	12M 2013/14
EBIT	703	1,688	**1,273**
Depreciation/amortisation/impairment losses/reversal of impairment losses of assets excl. financial investments	955	1,445	**1,271**
Change in provisions for pensions and other provisions	–65	94	**24**
Change in net working capital	–2,395	468	**–28**
Income taxes paid	–323	–363	**–393**
Reclassification of gains (–) / losses (+) from the disposal of fixed assets	–184	–345	**–101**
Other	–459	–320	**–38**
Cash flow from operating activities	**–1,768**	**2,667**	**2,008**
Acquisition of subsidiaries	–12	–9	**0**
Investments in property, plant and equipment (excl. finance leases)	–549	–913	**–862**
Other investments	–179	–223	**–387**
Disposals of subsidiaries	953	953	**–89**
Disposal of long-term assets	350	568	**522**
Gains (+) / losses (–) from the disposal of fixed assets	184	345	**101**
Cash flow from investing activities	**747**	**721**	**–715**
Dividends paid			
to METRO AG shareholders	–327	–327	**0**
to other shareholders	–51	–99	**–86**
Redemption of liabilities from put options of non-controlling interests	–271	–271	**–1**
Proceeds from long-term borrowings	1,370	3,735	**3,390**
Redemption of borrowings	–1,968	–5,272	**–4,255**
Interest paid	–425	–593	**–450**
Interest received	61	94	**49**
Profit and loss transfers and other financing activities	–79	–81	**–95**
Cash flow from financing activities	**–1,690**	**–2,814**	**–1,448**
Total cash flows	**–2,711**	**574**	**–155**
Currency effects on cash and cash equivalents	–24	–19	**–1**
Total change in cash and cash equivalents	**–2,735**	**555**	**–156**
Total cash and cash equivalents as of 1 January / 1 October	5,299	2,075	**2,564**
Total cash and cash equivalents as of 30 September	2,564	2,630	**2,408**
Less cash and cash equivalents held for sale as of 30 September	0	–66	**–2**
Cash and cash equivalents as of 30 September	**2,564**	**2,564**	**2,406**

[1] The cash flow statement is explained in the notes to the consolidated financial statements in no. 41 Notes to the cash flow statement
[2] Unaudited

NOTES

Segment reporting[1]

Operating segments[2]

	METRO Cash & Carry			Media-Saturn			Real		
€ million	9M 2013[2]	12M 2012/13[3]	12M 2013/14	9M 2013	12M 2012/13[3]	12M 2013/14	9M 2013[2]	12M 2012/13[3]	12M 2013/14
External sales (net)	22,559	31,165	**30,513**	14,405	21,053	**20,981**	7,261	10,366	**8,432**
Internal sales (net)	36	50	**47**	2	3	**2**	0	0	**0**
Sales (net)	22,595	31,215	**30,560**	14,407	21,056	**20,983**	7,261	10,366	**8,432**
EBITDAR	1,138	1,958	**1,654**	654	1,178	**1,234**	524	705	**404**
EBITDA	1,004	1,797	**1,460**	152	515	**537**	303	410	**172**
Depreciation/amortisation/impairment losses	404	592	**557**	212	341	**295**	112	188	**153**
Reversals of impairment losses	0	0	**1**	6	10	**1**	1	2	**0**
EBIT	600	1,205	**904**	–54	184	**244**	193	224	**19**
Investments	261	504	**441**	183	276	**244**	68	117	**172**
Segment assets	11,556	11,556	**11,491**	5,086	5,086	**5,060**	3,139	3,139	**3,121**
thereof non-current	(8,457)	(8,457)	**(7,999)**	(1,668)	(1,668)	**(1,542)**	(2,105)	(2,105)	**(2,083)**
Segment liabilities	5,336	5,336	**5,590**	5,299	5,299	**5,532**	1,437	1,437	**1,042**
Selling space (1,000 m²)	5,554	5,554	**5,576**	3,022	3,022	**3,070**	2,758	2,758	**2,145**
Locations (number)	752	752	**766**	948	948	**986**	384	384	**311**

Geographical segments

	Germany			Western Europe (excl. Germany)			Eastern Europe		
€ million	9M 2013	12M 2012/13[3]	12M 2013/14	9M 2013	12M 2012/13[3]	12M 2013/14	9M 2013	12M 2012/13[3]	12M 2013/14
External sales (net)	17,840	25,623	**25,478**	13,664	19,192	**19,081**	12,011	17,180	**14,755**
Internal sales (net)	162	219	**194**	63	90	**131**	9	15	**15**
Sales (net)	18,002	25,843	**25,672**	13,727	19,282	**19,211**	12,021	17,194	**14,770**
EBITDAR	788	1,482	**1,511**	721	1,284	**1,012**	924	1,458	**1,048**
EBITDA	365	932	**965**	439	920	**610**	772	1,253	**869**
Depreciation/amortisation/impairment losses	442	604	**563**	204	298	**340**	246	433	**326**
Reversals of impairment losses	0	4	**0**	5	5	**1**	2	6	**9**
EBIT	–76	332	**402**	240	627	**271**	528	825	**552**
Investments	328	458	**654**	146	312	**227**	129	292	**252**
Segment assets	10,762	10,762	**10,805**	6,036	6,036	**5,977**	6,239	6,239	**5,708**
thereof non-current	(6,411)	(6,411)	**(6,314)**	(3,599)	(3,599)	**(3,464)**	(4,311)	(4,311)	**(3,873)**
Segment liabilities	6,926	6,926	**6,914**	4,223	4,223	**4,457**	2,941	2,941	**2,759**
Selling space (1,000 m²)	5,774	5,774	**5,760**	2,861	2,861	**2,841**	3,400	3,400	**2,855**
Locations (number)	944	944	**951**	613	613	**620**	541	541	**498**

[1] Segment reporting is explained in the notes to the consolidated financial statements in no. 42 Segment reporting
[2] Revised presentation (for more information, see the notes to the group accounting principles and methods); the comparative periods have been adjusted accordingly
[3] Unaudited

Galeria Kaufhof			Others			Consolidation			METRO GROUP		
9M 2013[2]	12M 2012/13[3]	12M 2013/14	9M 2013[2]	12M 2012/13[3]	12M 2013/14	9M 2013[2]	12M 2012/13[3]	12M 2013/14	9M 2013[2]	12M 2012/13[3]	12M 2013/14
2,086	3,082	**3,099**	10	14	**10**	0	0	**0**	46,321	65,679	**63,035**
0	0	**0**	4,141	5,774	**5,808**	–4,180	–5,828	**–5,857**	0	0	**0**
2,086	3,082	**3,099**	4,152	5,788	**5,818**	–4,180	–5,828	**–5,857**	46,321	65,679	**63,035**
212	465	**441**	18	–18	**–23**	–3	3	**–4**	2,543	4,291	**3,706**
114	335	**314**	87	75	**64**	–3	0	**–2**	1,657	3,133	**2,545**
90	122	**121**	149	224	**164**	–4	–6	**–6**	962	1,460	**1,282**
0	0	**0**	0	3	**9**	0	0	**0**	7	15	**11**
24	214	**193**	–62	–145	**–91**	2	6	**4**	703	1,688	**1,273**
60	97	**208**	119	181	**144**	0	0	**0**	691	1,175	**1,209**
2,146	2,146	**2,267**	2,838	2,838	**2,329**	–542	–542	**–447**	24,223	24,223	**23,821**
(1,558)	(1,558)	**(1,645)**	(1,627)	(1,627)	**(1,350)**	(–62)	(–62)	**(–52)**	(15,352)	(15,352)	**(14,566)**
906	906	**941**	2,157	2,157	**2,125**	–490	–490	**–391**	14,645	14,645	**14,839**
1,439	1,439	**1,446**	0	0	**0**	0	0	**0**	12,773	12,773	**12,236**
137	137	**137**	0	0	**0**	0	0	**0**	2,221	2,221	**2,200**

Asia/Africa			International			Consolidation			METRO GROUP		
9M 2013	12M 2012/13[3]	12M 2013/14	9M 2013	12M 2012/13[3]	12M 2013/14	9M 2013	12M 2012/13[3]	12M 2013/14	9M 2013	12M 2012/13[3]	12M 2013/14
2,805	3,685	**3,722**	28,481	40,056	**37,557**	0	0	**0**	46,321	65,679	**63,035**
23	32	**34**	96	137	**179**	–258	–356	**–373**	0	0	**0**
2,829	3,716	**3,755**	28,576	40,193	**37,737**	–258	–356	**–373**	46,321	65,679	**63,035**
109	70	**138**	1,754	2,812	**2,198**	2	–2	**–3**	2,543	4,291	**3,706**
78	30	**105**	1,290	2,202	**1,583**	3	–1	**–3**	1,657	3,133	**2,545**
70	124	**54**	520	856	**719**	0	0	**0**	962	1,460	**1,282**
0	0	**1**	7	11	**11**	0	0	**0**	7	15	**11**
8	–95	**52**	777	1,357	**875**	3	–1	**–3**	703	1,688	**1,273**
87	113	**75**	363	717	**555**	0	0	**0**	691	1,175	**1,209**
1,594	1,594	**1,719**	13,868	13,868	**13,404**	–407	–407	**–388**	24,223	24,223	**23,821**
(1,035)	(1,035)	**(919)**	(8,944)	(8,944)	**(8,256)**	(–3)	(–3)	**(–3)**	(15,352)	(15,352)	**(14,566)**
922	922	**1,047**	8,087	8,087	**8,262**	–367	–367	**–338**	14,645	14,645	**14,839**
738	738	**780**	6,999	6,999	**6,476**	0	0	**0**	12,773	12,773	**12,236**
123	123	**131**	1,277	1,277	**1,249**	0	0	**0**	2,221	2,221	**2,200**

Notes to the group accounting principles and methods

Accounting principles

METRO AG, the parent company of METRO GROUP, has its head office at Metro-Straße 1 in Düsseldorf, Germany. These consolidated financial statements as of 30 September 2014 were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London. They comply with all mandatory applicable accounting standards and interpretations adopted by the European Union as of this date. Compliance with these standards and interpretations ensures a true and fair view of the asset, financial and earnings position of METRO AG.

The consolidated financial statements in their present form comply with the stipulations of § 315 a of the German Commercial Code (HGB). Together with Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002 concerning the application of international accounting standards, they form the legal basis for group accounting according to international standards in Germany.

The date at which the Management Board of METRO AG signed the consolidated financial statements (24 November 2014) also represents the date at which the Management Board released the consolidated financial statements for publication and submitted them to the Supervisory Board.

These consolidated financial statements are based on the historical cost method except for financial instruments recognised at fair value and financial assets and liabilities that are recognised at fair value as hedged items within a fair value hedge. Furthermore, non-current assets held for sale and disposal groups are recognised at fair value less costs to sell as long as this value is lower than the carrying amount. Liabilities from cash-settled share-based payments are also recognised at fair value. In addition, financial liabilities from put options granted to non-controlling interests are recognised at fair value.

The income statement has been prepared using the cost of sales method.

Certain items in the income statement and the balance sheet have been combined to increase transparency and informative value. These items are listed separately and described in detail in the notes.

The consolidated financial statements have been prepared in euros. All amounts are stated in million euros (€ million) unless otherwise indicated. Amounts below €0.5 million are rounded down and reported as €0 million. Since 2012, only the amounts in the income statement, the reconciliation from profit or loss for the period to total comprehensive income, the balance sheet, the statement of changes in equity and the cash flow statement are rounded to produce the respective totals. In all other tables, the individual amounts and the totals were rounded separately. Rounding differences may occur.

The following accounting and measurement methods were used in the preparation of the consolidated financial statements.

Change of financial year

METRO AG adopted a new financial year in 2013. Since then, the financial years of METRO AG close on 30 September rather than on 31 December. During the transition, the financial year 2013 was a nine-month short financial year from 1 January 2013 to 30 September 2013. The current financial year 2013/14 is a regular, twelve-month financial year from 1 October 2013 to 30 September 2014.

To ensure the best possible comparability with the reporting period, these consolidated financial statements will present the adjusted comparable period 12M 2012/13 (1 October 2012 to 30 September 2013) as well as the reported previous year's figures from the period 9M 2013 (1 January 2013 to 30 September 2013) of the short financial year 2013. For the comparative figures of 12M 2012/13, the figures of the short financial year 2013 are added to the unaudited figures from 1 October 2012 to 31 December 2012 (Q4 2012). This method of comparison is applied both in this report's tables and text. The developments shown in movement schedules essentially cover the three-month period from 1 October 2012 to 31 December 2012/1 January 2013, the nine-month period from 1 January 2013 to 30 September 2013/1 October 2013 and the twelve-month period from 1 October 2013 to 30 September 2014.

The application of the revised IAS 19 (Employee Benefits) became mandatory on 1 January 2013. In accordance with the transitional provisions, METRO GROUP applied this for the first time retrospectively. The figures for the first quarter of 2012/13

included in these interim consolidated financial statements as part of 12M 2012/13 have been adjusted accordingly. Because the first quarter of 2012/13 had not been reported in the past in a separate quarterly report with figures according to the old rules, no tables will include notes relating to this change.

Application of new accounting methods

No first-time application of accounting standards in financial year 2013/14

In 2013, METRO AG changed its financial year to end on 30 September. These consolidated financial statements represent the financial year 2013/14, which comprises the period from 1 October 2013 to 30 September 2014. All new financial reporting standards applicable to financial years beginning on or after 1 January 2014 will be taken into consideration with the start of the next financial year, beginning on 1 October 2014. As a result, the consolidated financial statements as of 30 September 2014 did not apply any new financial reporting standards.

Accounting standards that were published but not yet applied in financial year 2013/14

A number of other accounting standards and interpretations newly adopted or revised by the IASB were not yet applied by METRO AG during the financial year 2013/14 because they were either not yet mandatory or have not yet been endorsed by the European Commission.

Standard/ Interpretation	Title	Effective date according to IFRS[1]	Application at METRO AG from[2]	Endorsed by EU[3]
IFRS 9	Financial Instruments	1/1/2018	1/10/2018[4]	No
IFRS 10	Consolidated Financial Statements	1/1/2013	1/10/2014[5]	Yes
IFRS 10	Consolidated Financial Statements (Amendment: Transition Guidance)	1/1/2013	1/10/2014[5]	Yes
IFRS 10	Consolidated Financial Statements (Amendment: Investment Entities)	1/1/2014	1/10/2014[4]	Yes
IFRS 10	Consolidated Financial Statements (Amendment: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)[6]	1/1/2016	1/10/2016[4]	No
IFRS 11	Joint Arrangements	1/1/2013	1/10/2014[5]	Yes
IFRS 11	Joint Arrangements (Amendment: Transition Guidance)	1/1/2013	1/10/2014[5]	Yes
IFRS 11	Joint Arrangements (Amendment: Accounting for Acquisitions of Interests in Joint Operations)[6]	1/1/2016	1/10/2016[4]	No
IFRS 12	Disclosure of Interests in Other Entities	1/1/2013	1/10/2014[5]	Yes
IFRS 12	Disclosure of Interests in Other Entities (Amendment: Transition Guidance)	1/1/2013	1/10/2014[5]	Yes
IFRS 12	Disclosure of Interests in Other Entities (Amendment: Investment Entities)	1/1/2014	1/10/2014[4]	Yes
IFRS 14	Regulatory Deferral Accounts[6]	1/1/2016	1/10/2016[4]	No
IFRS 15	Revenue from Contracts with Customers[6]	1/1/2017	1/10/2017[4]	No
IAS 16	Property, Plant and Equipment (Amendment: Bearer Plants)[6]	1/1/2016	1/10/2016[4]	No
IAS 16	Property, Plant and Equipment (Amendment: Clarification of Acceptable Methods of Depreciation and Amortisation)[6]	1/1/2016	1/10/2016[4]	No
IAS 19	Employee Benefits (Amendment: Defined Benefit Plans: Employee Contributions)[6]	1/7/2014	1/10/2014[4]	No
IAS 27	Separate Financial Statements (Revision and renaming as part of the introduction of IFRS 10)	1/1/2013	1/10/2014[5]	Yes
IAS 27	Separate Financial Statements (Amendment: Investment Entities)	1/1/2014	1/10/2014[4]	Yes
IAS 27	Separate Financial Statements (Amendment: Equity Method in Separate Financial Statements)[6]	1/1/2016	1/10/2016[4]	No
IAS 28	Investments in Associates and Joint Ventures (Revision and renaming as part of the introduction of IFRS 11)	1/1/2013	1/10/2014[5]	Yes
IAS 28	Investments in Associates and Joint Ventures (Amendment: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)[6]	1/1/2016	1/10/2016[4]	No
IAS 32	Financial Instruments: Presentation (Amendment: Offsetting Financial Assets and Financial Liabilities)	1/1/2014	1/10/2014[4]	Yes
IAS 36	Impairment of Assets (Amendment: Recoverable Amount Disclosures for Non-Financial Assets)	1/1/2014	1/10/2014[4]	Yes
IAS 38	Intangible Assets (Clarification of Acceptable Methods of Depreciation and Amortisation)[6]	1/1/2016	1/10/2016[4]	No
IAS 39	Financial Instruments: Recognition and Measurement (Amendment: Novation of Derivatives and Continuation of Hedge Accounting)	1/1/2014	1/10/2014[4]	Yes
IAS 41	Agriculture (Amendment: Bearer Plants)[6]	1/1/2016	1/10/2016[4]	No
IFRIC 21	Levies	1/1/2014	1/10/2014[4]	Yes
Various	Improvements to IFRS (2010–2012 and 2011–2013)	1/7/2014	1/10/2014[4]	No
Various	Improvements to IFRS (2012–2014)	1/1/2016	1/10/2016[4]	No

[1] Without earlier application
[2] Precondition: EU endorsement has been effected
[3] As of 30 September 2014
[4] Application as of 1 October due to deviation of financial year from calendar year
[5] Applicable for EU companies from 1 January 2014; application at METRO AG from 1 October due to deviation of financial year from calendar year
[6] Official German title not yet known – therefore own translation

IFRS 9 (Financial Instruments)

The new IFRS 9 standard (Financial Instruments) will replace IAS 39 (Financial Instruments: Recognition and Measurement) covering the classification and measurement of financial instruments.

Financial instruments are recognised when the company preparing the financial statements becomes a contractual partner and thus has retained the rights of the financial instrument or assumed comparable obligations. As a rule, the initial measurement of financial assets and liabilities is at fair value adjusted for transaction costs, if applicable. Only trade receivables without a significant financing component are recognised at the transaction price.

At the time of recognition, standards for classification are to be taken into account. According to IAS 39, the subsequent measurement of a financial asset and a financial liability is linked to its classification. Financial assets are classified on the basis of the characteristics of contractual cash flow of the financial asset and the business model which the entity uses to manage the financial asset. The original four measurement categories for financial assets were reduced to two categories: Financial assets recognised at amortised cost (category 1) and financial assets measured at fair value (category 2), wherein the latter category has two subcategories (for more information on financial instruments, see next section).

If the financial asset is held within a business model whose objective is collecting payments such as principal and interest, and if the contract terms stipulate certain payments are exclusively for principal and interest, this financial instrument shall be recognised at amortised cost (category 1). If the objective of the business model is collecting payments and selling financial assets, and if the payment dates are fixed, the changes in its fair value are recognised in other comprehensive income outside of profit or loss (subcategory 2 a). If these criteria are not cumulatively met, the financial asset is measured at fair value through profit or loss (subcategory 2 b). Amortised cost is determined using the effective interest, while IFRS 13 (Fair Value Measurement) is applied to determine fair value measurement.

As a rule, equity instruments are classified as subcategory 2 b based on the classification criteria stated above. However, for equity instruments not meeting the cash flow criteria, an irrevocable election can be made upon initial recognition to classify these as subcategory 2 a. Additionally, financial instruments can be classified as subcategory 2 b contrary to the definition of the fair value option according to IAS 39, but exclusively to eliminate accounting mismatches in doing so.

In general, financial liabilities are measured at amortised cost (category 1). In some cases, however, such as with financial liabilities held for trading, fair value measurement through profit or loss is required (subcategory 2 b). In addition, the fair value option of measurement at fair value through profit or loss also applies here in the case of inconsistencies. In contrast to financial assets, financial liabilities can include embedded derivatives that are required to be separated. If separation is required, the host contract is usually measured according to the rules of category 1 and the derivative according to the rules of subcategory 2 b.

Unlike IAS 39 (Incurred Loss Model), IFRS 9 focuses on expected losses. This expected loss model uses a three-stage approach for recognising impairment. At the first stage, impairment losses are recognised in the amount of the losses resulting from default on the financial instrument expected in the next twelve months after the closing date. At the second stage, the total losses due to default expected over the contractual term of a portfolio of similar instruments are taken into account, provided that these are trade receivables or certain leasing receivables or if the credit risk has significantly increased since initial recognition and exceeds a certain credit risk. At the third and final stage, impairment losses are recognised for additional objective indications with respect to the individual financial instrument.

In order to reduce the complexity and make hedge accounting more comprehensible on the balance sheet, the following key changes were made. The scope of possible hedged items was expanded. For example, several risk positions can now be more easily combined into a single hedged item and hedged. The net position can be designated as the hedged item if the risks partially offset each other in the combined risk position. In addition, non-derivative financial instruments classified as subcategory 2 b can be designated as hedging instruments. Furthermore, thresholds are no longer stipulated for measuring effectiveness. Effectiveness is assessed in reference to the economic relationship between the hedged item and hedging transaction taking into account the hedging ratio and default risk.

IFRS 9 in its current version is scheduled to apply in the EU as of 1 January 2018. Thus, IFRS 9 will be applied at METRO AG for

the first time in financial year 2018/19 starting on 1 October 2018. As a result, the potential impact of this new standard cannot be determined at this point.

IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) and IFRS 12 (Disclosure of Interests in Other Entities)

The new standards IFRS 10, 11 and 12 contain changes in accounting and disclosure requirements for consolidated financial statements. IFRS 10 (Consolidated Financial Statements) includes a new definition of control that determines which entities are consolidated. It replaces previous regulations governing consolidated financial statements included in IAS 27 (Consolidated and Separate Financial Statements – in the future, only Separate Financial Statements) and SIC-12 (Consolidation – Special Purpose Entities). The key change resulting from IFRS 10 concerns the introduction of a uniform definition of control. In the future, three criteria must be met for the existence of control. For one, the investor has power over the investee. This means that the investor has existing rights that give it the ability to direct the relevant activities; that is, the activities that significantly affect the investee's results. In addition, the investor is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

IFRS 11 (Joint Arrangements) describes the accounting for arrangements in which several parties have joint control over a joint venture or a joint operation. It replaces IAS 31 (Interests in Joint Ventures) and SIC-13 (Jointly Controlled Entities – Non-Monetary Contributions by Venturers) and amends IAS 28 (Investments in Associates – in the future: Investments in Associates and Joint Ventures). IFRS eliminates the option currently granted under IAS 31 to apply proportionate consolidation to joint ventures. In the future, joint ventures must be recognised using the equity method in accordance with the stipulations of IAS 28. As METRO AG has not made use of the option to apply proportionate consolidation, this amendment has no effect on the consolidated financial statements of METRO AG. According to IFRS 11, the individual partners in joint arrangements recognise their portion of jointly held assets and jointly incurred liabilities in their own balance sheet. Analogously, they also include their respective portion of sales, income and expenses deriving from the joint arrangement in their income statement.

The new IFRS 12 (Disclosure of Interests in Other Entities) markedly expands the disclosure requirements for investments in other entities. In the future, detailed information must be provided on subsidiaries, associates, joint arrangements, joint ventures, consolidated special purpose entities (so-called structured entities) and all special purpose entities that are not consolidated but with which an entity maintains a relationship.

The new standards IFRS 10, 11 and 12 as well as the amendments to IAS 27 and 28 apply from 1 January 2013. However, in its endorsement of the new standards, the EU postponed the date of application for listed companies within the EU to 1 January 2014. As a result of the company's change of financial year, METRO AG will therefore apply the new standards for the first time as of financial year 2014/15 starting on 1 October 2014. The first-time application of these standards is not expected to have a material effect on the consolidated financial statements of METRO AG.

IFRS 15 (Revenue from Contracts with Customers)

The new IFRS 15 will replace IAS 18 (Revenue) and IAS 11 (Construction Contracts) and related interpretations and stipulates a uniform and comprehensive model for recognising revenue from customers.

The new standard uses a five-step model to determine the amount of revenue and the date of realisation. In the first step, contracts with the customers are identified. According to IFRS 15, a contract is entered into by the contractual partners, the company can identify the rights of the customer to goods and services and the payment terms, and the agreement has economic substance. In addition, it is probable that the company will collect on the contract. If a company has more than one contract with a single customer at (virtually) the same time, and if certain criteria are met, the contracts can be combined and treated as a single contract.

As a rule, a contract as defined in IFRS 15 can include several performance obligations. In the second step, possible separate performance obligations are therefore identified within a single contract. In this step, contract terms and customary business practices are evaluated in order to identify which goods and services should be accounted for as separate performance obligations. A separate performance obligation is identified when a good or service is distinct. This is the case when the customer can use a good or service on its own or together with other readily available resources and it is separately identifiable from other commitments in the contract. Under certain circumstances, homogeneous goods or services can be treated as a single performance obligation.

In the third step, the transaction price corresponding to the expected consideration is determined. The consideration may include fixed and variable components. For variable compensation, the expected amount is estimated based on either the expected value or the most probable amount, depending on which amount best reflects the amount of consideration. In addition, the consideration includes the interest rate effect if the contract includes a financing component significant to the contract, the fair value of non-cash considerations and the effects of payments made to the customer such as rebates and coupons.

The allocation of the transaction price to separate performance obligations is carried out in the fourth step. In principle, the transaction price is to be allocated to the separately identified performance obligations in relation to the relative stand-alone selling price. Observable data must be used to determine the stand-alone selling price. If this is not possible, estimates are to be made. For this purpose, IFRS 15 suggests various methods for estimating according to which the estimates are based on market prices for similar services or expected costs plus a surcharge. In exceptional cases, the estimate can also be based on the residual value method.

In the fifth and final step, revenue is recognised at the point in time when the performance obligation is satisfied. The performance obligation is satisfied when the control of the good or service is transferred to the customer. The performance obligation can be satisfied at a point in time or over a period of time. If the performance obligation is satisfied over time, the revenue is recognised over the period the performance obligation is satisfied in a manner that best reflects the continuous transfer of control over time.

In addition to the five-step model, IFRS 15 addresses various special topics such as the treatment of costs for obtaining and fulfilling a contract, presentation of contract assets and liabilities, rights of return, commission business, customer retention and customer loyalty programmes.

In addition, the disclosures in the notes are significantly expanded. Accordingly, this includes qualitative and quantitative disclosures to be made in the future on contracts with customers, on significant estimates and judgements and to changes over time.

IFRS 15 is scheduled to apply in the EU as of 1 January 2017. Thus, IFRS 9 will be applied at METRO AG for the first time in financial year 2017/18 starting on 1 October 2017. As a result, the potential impact of this new standard cannot be determined at this point.

IAS 32 (Financial Instruments: Presentation)

Pursuant to IAS 32 (Financial Instruments: Presentation), financial assets and financial liabilities should be offset if the following two preconditions are met: first, the entity must have a legally enforceable right to set off the amounts as of the closing date; second, it must intend to either settle on a net basis or to realise the asset and settle the liability simultaneously. The amendment to IAS 32 "Offsetting of Financial Assets and Financial Liabilities" specifies when these conditions are considered met. In particular, it determines criteria for the existence of a legally enforceable right.

The amendment to IAS 32 will apply to financial years from 1 January 2014. Given the change of financial year, METRO AG will therefore implement this amendment for the first time in financial year 2014/15, which starts on 1 October 2014. At present, this amendment is not expected to have any material effect on the asset, financial and earnings position of METRO AG.

Additional IFRS amendments

Within the scope of the annual improvements to IFRS 2010–2012, slight revisions were made to IFRS 3 (Business Combinations) and IFRS 8 (Operating Segments), among others. In IFRS 3, clarification was provided that a contingent consideration is only classified as equity or a financial liability when there is a financial instrument. Additionally, the option to recognise effects from the subsequent measurement of contingent considerations outside of profit or loss in other comprehensive income was eliminated. In the future, their recognition through profit or loss is mandatory. Future transactions with contingent considerations will result in individual impacts on earnings for METRO AG.

Furthermore, aggregation of several operating segments to a single reportable segment in accordance with IFRS 8 requires a description of the aggregated operating segments. Additionally, the metrics used as a criterion for evaluating the existence of similar economic characteristics must be disclosed in the future. In the future, a reconciliation of segment assets to group assets is necessary only if the segment assets are part of reporting to the responsible corporate decision-maker. However, for the time being, METRO AG will continue to report the reconciliations from segment assets to group assets and from

segment liabilities to group liabilities. Until adopted by the EU, these amendments are to be applied by METRO AG in financial year 2014/15 beginning on 1 October 2014.

At this point, the first-time application of the other standards and interpretations listed in the table is not expected to have a material impact on the group's asset, financial and earnings position.

Changes to the accounting and measurement methods and the reporting structure

Revised presentation

Change of the segments

As part of METRO GROUP's transformation process for customer value and growth, the operational activities of METRO PROPERTIES were transferred to the sales lines in order to bundle all activities relating to customers and markets within one area of responsibility. Based on this shift, METRO AG modified its segment structure as of 1 October 2013. Real estate is no longer reported separately as a segment. Instead, this information is now reported in the sales lines' segments or the Others segment. The previous year's figures have been adjusted accordingly. This does not affect disclosures on segments by regions.

Adjustment of previous year's figures

Future lease payments from subleasing

In-depth analyses of lease agreements have led to the conclusion that individual lease payments due in the future to METRO GROUP from assets and shown as subleasing of assets held under operating leases in the notes to the consolidated financial statements as of 30 September 2013 are to be reclassified retrospectively. Future lease payments due to METRO GROUP coming from the subleasing of assets shown under operating leases were therefore reduced by €383 million to €538 million as of 30 September 2013. As a result, future lease payments due to METRO GROUP coming from the subleasing of assets shown under finance leases increased firstly by €34 million to €212 million as of 30 September 2013. Secondly, future lease payments for the rental of properties legally owned by METRO GROUP increased by €349 million to €463 million as of 30 September 2013 (< 1 year by €59 million to €75 million; > 1 year < 5 years by €157 million to €204 million; > 5 years by €133 million to €184 million).

Consolidation group

Apart from METRO AG, the consolidated financial statements comprise all companies in which METRO AG has indirect or direct control. Control exists if there is a possibility to control a company's financial and business policy through a majority of voting rights or according to the articles of association, company contract or contractual agreement in order to benefit from this

company's business activities. These include 723 German (30/9/2013: 710) and 613 international (30/9/2013: 614) companies indirectly or directly controlled by METRO AG in accordance with IAS 27 (Consolidated and Separate Financial Statements) in conjunction with SIC-12 (Consolidation – Special Purpose Entities).

The group of consolidated companies changed as follows in financial year 2013/14:

As of 1/10/2013	1,325
Changes in financial year 2013/14	
Companies merged with other consolidated subsidiaries	–10
Disposal of shares	–5
Other disposals	–11
Newly founded companies	23
Acquisitions	15
As of 30/9/2014	**1,337**

Disposals primarily include two Polish companies and one Turkish company related to the disposal of Real's Eastern European business. Mergers with other group companies mainly comprise six companies of the Media-Saturn sales line. Other disposals mostly include roll-ups and liquidations in the other disposals area (9 companies). Additions from newly founded companies (23 companies) pertain mainly to the Media-Saturn (7 companies) and Galeria Kaufhof sales lines (6 companies). Acquisitions primarily concern the Real sales line (13 companies).

Effects from changes in the consolidation group that are of special significance are explained separately in the respective items.

7 associates (30/9/2013: 6) and 7 joint ventures (30/9/2013: 7) are recognised in the consolidated financial statements according to the equity method. A total of 7 companies (30/9/2013: 7) in which METRO AG indirectly or directly holds between 20 and 50 per cent of the voting rights were valued at cost because they did not qualify as associates or because materiality considerations made the use of the equity method unnecessary.

A complete list of group companies and associates is shown in no. 54 Overview of the major fully consolidated group companies. In addition, a complete list of all group companies and associates is shown in no. 56 Affiliated companies of the group METRO AG as of 30 September 2014 pursuant to § 313 of the German Commercial Code.

Consolidation principles

The financial statements of German and foreign subsidiaries included in the consolidated accounts are prepared using uniform accounting and measurement methods as required by IAS 27 (Consolidated and Separate Financial Statements).

Consolidated companies that, unlike METRO AG, do not close their financial year on 30 September, prepared interim financial statements for IFRS consolidation purposes.

In accordance with IFRS 3 (Business Combinations), capital consolidation is accomplished using the purchase method. In the case of business combinations, the carrying amounts of the investments are offset against the revalued pro rata equity of the subsidiaries as of their acquisition dates. Any positive differences remaining after the allocation of hidden reserves and hidden burdens are capitalised as goodwill. Goodwill is tested for impairment regularly once a year – or more frequently if changes in circumstances indicate a possible impairment. If the carrying amount of a unit that was assigned a goodwill exceeds the recoverable amount, an impairment loss of the goodwill is recognised to the amount of the difference between both values.

In addition, in the case of company acquisitions, hidden reserves and burdens attributable to non-controlling interests must be disclosed and reported in equity as "non-controlling interests". METRO GROUP does not use the option to recognise the goodwill attributable to non-controlling interests. In accordance with IFRS 3, any negative differences remaining after the allocation of hidden reserves and burdens as well as after another review during the period in which the business combination took place are recognised through profit or loss.

Acquisitions of additional shareholdings in companies where a controlling interest has already been acquired are recognised as equity transactions. As a result, the assets and liabilities are not remeasured at fair value, nor are any gains or losses recognised. Any differences between the cost of the additional shareholding and the carrying amount of the net assets on the date of acquisition are directly offset against the capital attributable to the buyer.

Investments accounted for using the equity method are treated in accordance with the principles applying to full consolidation, with existing goodwill being included in the amount capitalised for investments, and any impairment losses of this goodwill

being included in the result from associates and joint ventures in the financial result. Any deviating accounting and measurement methods used in the equity valuation's underlying financial statements are retained as long as they do not substantially contradict METRO GROUP's uniform accounting and measurement methods.

Any impairment losses and reversals of impairment losses to shares in consolidated subsidiaries carried in the individual financial statements are reversed.

Intra-group profits and losses are eliminated, sales, expenses and income as well as receivables and liabilities and/or provisions are consolidated. Interim results in fixed assets or inventories resulting from intra-group transactions are eliminated unless they are of minor significance. In accordance with IAS 12 (Income Taxes), deferred taxes are recognised for consolidated procedures. Unrealised gains from transactions with companies accounted for using the equity method are derecognised against the investment in the amount of the group's share in the investee.

A reduction in the holding in a subsidiary must be recognised in reserves retained from earnings as an equity transaction outside of profit or loss as long as the parent company can continue to exercise a control opportunity. If a reduction in the holding or its complete disposal entails a loss of control, full consolidation of the subsidiary is ended when the parent company loses its control opportunity over the subsidiary. All assets, liabilities and equity items that were previously fully consolidated will then be derecognised at amortised group carrying amounts. Deconsolidation of the derecognised holdings is carried out in line with the general rules on deconsolidation. Any remaining residual shares are recognised at fair value as a financial instrument according to IAS 39 or as a holding valued based on the equity method pursuant to IAS 28.

Currency translation

Foreign currency transactions

In the subsidiaries' separate financial statements, transactions in foreign currency are valued at the rate prevailing on the transaction date. Monetary assets and liabilities in foreign currency are valued at the exchange rate at closing date. Non-monetary assets and liabilities that are measured at fair value in foreign currency are translated at the rate prevailing at the time the fair value was determined. Non-monetary items measured at historical acquisition or production costs in foreign currency are translated at the rate valid at the transaction date.

In principle, gains and losses from exchange rate fluctuations incurred until the closing date are recognised in profit or loss. Currency translation differences from receivables and liabilities in foreign currency, which must be regarded as a net investment in a foreign operation, equity instruments held for sale and qualified cash flow hedges are reported as reserves retained from earnings outside of profit or loss.

Foreign operations

The annual financial statements of foreign subsidiaries are translated into euros according to the functional currency concept of IAS 21 (The Effects of Changes in Foreign Exchange Rates). The functional currency is defined as the currency of the primary economic environment of the subsidiary. Since all consolidated companies operate as financially, economically and organisationally autonomous entities, their respective local currency is the functional currency. Assets and liabilities are therefore converted at the current exchange rate prevailing on the closing date, whereas income statement items are translated at the average exchange rate during the financial year. Differences from the translation of the financial statements of foreign subsidiaries do not affect income and are shown as separate items under reserves retained from earnings. To the extent that foreign subsidiaries are not under the full control of the parent company, the relevant share of currency differences is allocated to the non-controlling interests.

The currency differences are recorded through profit or loss in the year in which foreign subsidiaries are disposed of. In a partial disposal in which a controlling interest in the foreign subsidiary is retained, the relevant share of cumulated currency differences is allocated to the non-controlling interests. Should foreign associates or jointly controlled entities be partially sold without the loss of significant influence or joint con-

trol, the relevant share of the cumulated currency differences is recognised in the income statement.

For the financial year 2013/14, translations were made using the average exchange rate for the period from 1 October 2013 to 30 September 2014; the nine-month short financial year 2013 used the average exchange rate for the period from 1 January 2013 to 30 September 2013. For the comparative figures for the period 12M 2012/13, translations for the nine months of the short financial year were made using the average exchange rate defined above and for the three months of the fourth quarter of 2012 using the average exchange rate of the financial year 2012. The exchange rates at the closing date were determined for 30 September 2014 and 30 September 2013.

In financial year 2013/14, no functional currency of a consolidated company was classified as hyperinflationary as defined by IAS 29 (Financial Reporting in Hyperinflationary Economies).

The following exchange rates were applied in the translation of key currencies outside the European Monetary Union that are of major significance for METRO GROUP:

		Average exchange rate per €		Exchange rate at closing date per €	
		9M 2013	12M 2013/14	30/9/2013	30/9/2014
Bosnian mark	BAM	1.95583	**1.95583**	1.95583	**1.95583**
Bulgarian lev	BGN	1.95583	**1.95583**	1.95583	**1.95583**
Chinese renminbi	CNY	8.12135	**8.34171**	8.26450	**7.72620**
Croatian kuna	HRK	7.56235	**7.62536**	7.61530	**7.64250**
Czech koruna	CZK	25.74354	**27.29877**	25.73000	**27.50000**
Danish krone	DKK	7.45742	**7.45919**	7.45800	**7.44310**
Egyptian pound	EGP	9.02615	**9.36833**	9.28670	**8.98510**
Hong Kong dollar	HKD	10.21525	**10.52203**	10.47220	**9.77400**
Hungarian forint	HUF	296.79520	**305.88518**	298.15000	**310.57000**
Indian rupee	INR	75.63341	**82.82878**	84.84400	**77.85640**
Indonesian rupee	IDR	13,235.03000	**15,853.76000**	15,425.27000	**15,366.97000**
Japanese yen	JPY	127.30227	**138.81282**	131.78000	**138.11000**
Kazakhstani tenge	KZT	199.60568	**233.71997**	207.55000	**231.05000**
Moldovan leu	MDL	16.38863	**18.36509**	17.48880	**18.47930**
Moroccan dirhams	MAD	11.14603	**11.21069**	11.20510	**11.07545**
Norwegian krone	NOK	7.66175	**8.26985**	8.11400	**8.11900**
Pakistani rupee	PKR	131.44686	**138.88143**	143.13720	**129.39590**
Polish złoty	PLN	4.20115	**4.17814**	4.22880	**4.17760**
Pound Sterling	GBP	0.85175	**0.81927**	0.83605	**0.77730**
Romanian leu	RON	4.40879	**4.44849**	4.46200	**4.41020**
Russian rouble	RUB	41.66034	**47.09572**	43.82400	**49.76530**
Serbian dinar	RSD	112.67855	**115.74586**	114.60440	**118.85090**
Singapore dollar	SGD	1.64807	**1.70377**	1.69610	**1.60630**
Swedish krona	SEK	8.58111	**8.99692**	8.65750	**9.14650**
Swiss franc	CHF	1.23124	**1.22078**	1.22250	**1.20630**
Turkish lira	TRY	2.45831	**2.88971**	2.75100	**2.87790**
Ukrainian hryvnia	UAH	10.52213	**13.95118**	10.82012	**16.44676**
US dollar	USD	1.31679	**1.35691**	1.35050	**1.25830**
Vietnamese dong	VND	27,496.42000	**28,673.35000**	28,474.33000	**27,428.59000**

Income statement

Recognition of income and expenses

In accordance with IAS 18 (Revenue), **sales** and **other operating income** are reported immediately upon rendering of the service or delivery of the goods. In the latter case, the timing is determined by the transfer of risk to the customer. Where customers are granted the right to return goods and cancel services, sales are recognised only if the probability of return can be reliably estimated. To this end, return rates are calculated on the basis of historical data and projected to future take-back obligations. No sales are recognised for the portion allocated to the expected returns; instead, a provision is recognised. Sales are shown after deduction of value added tax, rebates and discounts. Gross amounts are shown – that is, at the level of the customer payment (less sales tax and revenue reduction) – where the company assumes the essential opportunities and risks associated with the sale of the goods or services. Net sales – that is, margins – are shown for commission business, as defined by the company. Sales revenues from contracts with several contractual components (for example, sale of goods plus additional services) are realised when the respective contractual components have been fulfilled. Sales realisation is based on the estimated relative fair value of the individual contractual components.

Performance-based **government grants** attributable to future periods are recognised on an accrual basis according to the corresponding expenses. Performance-based grants for subsequent periods which have already been received are shown as deferred income, and the corresponding income is recognised in subsequent periods.

Operating expenses are recognised as expenses upon use of the service or on the date of their causation.

The **financial result** at METRO GROUP primarily comprises dividends and interest. As a rule, dividends are recognised when the legal claim to payment arises. Interest is recognised as income or expenses and, where applicable, on an accrual basis using the effective interest method. Interest expenses on borrowings that are directly attributable to the acquisition, construction or production of a so-called qualified asset represent an exception as they must be included in the cost of the asset capitalised pursuant to IAS 23 (Borrowing Costs).

Income taxes

Income taxes concern direct taxes on income and deferred taxes. As a rule, they are recognised through profit or loss unless they are related to business combinations or an item that is directly recognised in equity or other comprehensive income.

Balance sheet

Goodwill

In accordance with IFRS 3 (Business Combinations), **goodwill** is capitalised. Goodwill resulting from business combinations is attributed to the group of so-called cash-generating units (CGUs) that benefits from the synergies of this business combination. In accordance with IAS 36 (Impairment of Assets), a CGU is defined as the smallest identifiable group of assets that generates cash inflows largely independently from the cash inflows of other assets or groups of assets. As a rule, single locations represent CGUs at METRO GROUP. Goodwill within METRO GROUP is monitored at the level of the organisational unit sales line per country for internal management purposes. Goodwill impairment tests are therefore conducted at the level of this respective group of cash-generating units.

Goodwill is tested for impairment regularly once a year – or more frequently if changes in circumstances indicate a possible impairment. If an impairment exists, an impairment loss is recognised through profit or loss. To determine a possible impairment, the recoverable amount of a CGU is compared to the respective carrying amount of the CGU. The recoverable amount is the higher of value in use and fair value less costs to sell. An impairment of the goodwill allocated to a CGU applies only if the recoverable amount is lower than the total of carrying amounts. No reversal of an impairment loss is performed if the reasons for the impairment in previous years have ceased to exist.

Other intangible assets

Purchased other intangible assets are recognised at cost of purchase. **Internally generated intangible assets** are capitalised at their production cost if the capitalisation criteria of IAS 38 (Intangible Assets) are met. Research costs, in contrast, are not capitalised, but immediately recognised as expenses. Development costs include all expenditures directly attributable to the development process. This may include the following costs:

Direct costs	Direct material costs
	Direct production costs
	Special direct production costs
Overhead	Material overhead
(directly attributable)	Production overhead
	Depreciation/amortisation/impairment losses
	Development-related administrative costs

Borrowing costs are factored into the determination of production costs only in the case of so-called qualified assets pursuant to IAS 23 (Borrowing Costs). Qualified assets are defined as non-financial assets that take a substantial period of time to prepare for their intended use or sale.

The subsequent measurement of other intangible assets is effected based on the cost model. No use is made of the revaluation option. All other intangible assets of METRO GROUP have a limited useful life and are therefore subject to straight-line amortisation. Capitalised internally created and purchased software as well as comparable intangible assets are amortised over a period of up to ten years, licences over their useful life. These intangible assets are examined for indications of impairment at each closing date. If the recoverable amount is below the amortised cost, an impairment loss is recognised. The impairment loss is reversed if the reasons for the impairment in previous years have ceased to exist.

Property, plant and equipment

Property, plant and equipment used in operations for a period of more than one year are recognised at amortised cost pursuant to IAS 16 (Property, Plant and Equipment). The production costs of internally generated assets include both direct costs and appropriate portions of attributable overhead. Borrowing costs are only capitalised in relation to qualified assets as a component of acquisition or production costs. In line with IAS 20 (Accounting for Government Grants and Disclosure), **investment grants** received are offset against the acquisition or production costs of the corresponding asset without recognition of an item of deferral for the grants on the liabilities side. **Dismantling and removing obligations** are included in the acquisition or production costs at the discounted settlement amount. Subsequent costs for acquiring or producing an item of property, plant and equipment are capitalised only if they result in a higher future economic benefit for METRO GROUP.

Items of property, plant and equipment are depreciated solely on a straight-line basis using the cost model pursuant to IAS 16. The optional revaluation model is not applied. Throughout the group, depreciation is based on the following useful lives:

Buildings	10 to 50 years
Leasehold improvements	8 to 15 years or shorter rental contract duration
Business and office equipment	3 to 13 years
Machinery	3 to 8 years

Capitalised costs of dismantling and removal are depreciated on a pro rata basis over the useful life of the asset.

Pursuant to IAS 36, an impairment test will be carried out if there are any indications of impairment of property, plant and equipment. Impairment losses on property, plant and equipment will be recognised if the recoverable amount is below the amortised cost. Impairment losses are reversed if the reasons for the impairment have ceased to exist.

In accordance with IAS 17 (Leases), economic ownership of leased assets is attributable to the lessee if all the material risks and rewards incidental to ownership of the asset are transferred to the lessee **(finance lease)**. If economic ownership is attributable to a METRO GROUP company acting as lessee, the leased asset is capitalised at fair value or at the lower present value of the minimum lease payments when the lease is signed. In analogy to the comparable purchased property, plant and equipment, leased assets are subject to depreciation over their useful lives or the lease term if the latter is shorter. However, if it is sufficiently certain that ownership of the leased asset will be transferred to the lessee at the end of the lease term, the asset is depreciated over its useful life. Payment obligations resulting from future lease payments are carried as liabilities.

An **operating lease** applies when economic ownership of the leased object is not transferred to the lessee. The lessee does not recognise assets or liabilities for operating leases, but merely recognises rental expenses in its income statement over the term of the lease using the straight-line method.

In the case of leasing agreements relating to buildings and related land, these two elements are generally treated separately and classified as finance or operating leases.

Investment properties
In accordance with IAS 40 (Investment Properties), **investment properties** comprise real estate assets that are held to earn rentals and/or for an increase in value. In analogy to property, plant and equipment, they are recognised at cost less depreciation and potentially required impairment losses based on the cost model. Measurement at fair value through profit or loss based on the fair value model does not apply. Depreciation of investment properties is effected over a useful life of 15 to 33 years. Furthermore, the fair value of these properties is stated in the notes. It is determined either on the basis of recognised measurement methods or independent expert opinions.

Financial assets
Financial assets that do not represent **associates** under IAS 28 (Investments in Associates) or **joint ventures** under IAS 31 (Interests in Joint Ventures) are recognised in accordance with IAS 39 (Financial Instruments: Recognition and Measurement) and assigned to one of the following categories:
— "Loans and receivables"
— "Held to maturity"
— "At fair value through profit or loss"
— "Available for sale"

The first-time recognition of financial assets is effected at fair value. In the process, incurred transaction costs are considered for all categories with the exception of "at fair value through profit or loss". Measurement is effected at the trade date.

Depending on the classification to the categories listed above, financial assets are capitalised either at amortised cost or at fair value:
— **"Loans and receivables"** are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised at amortised cost using the effective interest method.
— The measurement category **"held to maturity"** includes non-derivative financial assets with fixed or determinable payments and fixed maturity, with the company having both the positive intention and ability to hold them to maturity. They are also recognised at amortised cost using the effective interest method.
— The category **"at fair value through profit or loss"** comprises all financial assets "held for trading" as the fair value option of IAS 39 is not applied within METRO GROUP. For clarification purposes, the entire category is referred to as "held for trading" in the notes to the consolidated financial statements. Financial instruments "held for trading" are financial assets that are either acquired or incurred principally for the purpose of selling or repurchasing in the near term or that are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking. Furthermore, this category includes derivative financial instruments that are not part of an effective hedge. Financial instruments "held for trading" are measured at fair value through profit or loss.
— The category **"available for sale"** represents a residual category for primary financial assets that cannot be assigned to any of the other three categories. METRO GROUP does not make use of the optional designation of financial assets to the category "available for sale". "Available for sale" financial assets are recognised at fair value in equity. Fluctuations in the fair value of "available for sale" financial assets are recognised in other comprehensive income. The amounts recognised are not reclassified to profit or loss for the respective period until the financial asset is derecognised or an impairment of the assets has occurred.

Investments are assets to be classified as "available for sale". **Securities** are classified as "held to maturity", "available for sale" or "held for trading". **Loans** are classified as "loans and receivables".

Financial assets designated as **hedged items** as part of a fair value hedge are recognised at fair value through profit or loss.
Equity instruments for which no quoted price on an active market exists and whose fair value cannot be reliably measured, as well as derivatives on such equity instruments, are recognised at cost. This applies to several investments of METRO GROUP.

At each closing date, financial assets that are not measured at fair value through profit or loss are examined for objective, substantial indications of impairment. Such indications include delayed interest or redemption payments, defaults and changes in the borrower's creditworthiness. If there are any such indications, the respective financial asset is tested for impairment by comparing the carrying amount to the present value. The present value of financial assets measured at amortised cost corresponds to the present value of expected future cash flows, discounted at the original effective interest rate. However, the present value of equity instruments measured at cost in the category "available for sale" corresponds to expected future cash flows discounted at the current market interest

rate. If the present value is lower than the carrying amount, an impairment loss is recognised for the difference. Where decreases in the fair value of financial assets in the category "held for sale" were previously recognised in other comprehensive income outside of profit or loss, these are now recognised in profit or loss to the amount of determined impairment.

If, at a later date, the present value increases again, the impairment loss is reversed accordingly. In the case of financial assets recognised at amortised cost, the impairment loss reversal is limited to the amount of amortised cost which would have occurred without the impairment. In the category "available for sale", the reversal of previously recognised impairment losses for equity instruments is shown outside of profit or loss in other comprehensive income, while for debt instruments it is shown in profit or loss up to the amount of the impairment previously recognised through profit or loss. Increases in value for debt instruments beyond this are recognised outside of profit or loss in other comprehensive income.

Financial assets are derecognised when the contractual rights to cash flows from the item in question are extinguished or have expired or the financial asset is transferred.

Other financial and non-financial assets
The financial assets included in **other financial and non-financial assets** that are classified as "loans and receivables" under IAS 39 are measured at amortised cost.

Other assets includes, among others, investments and derivative financial instruments to be classified as "held for trading" in accordance with IAS 39. All other receivables and assets are recognised at amortised cost.

Prepaid expenses and deferred charges comprise transitory accruals.

Deferred tax assets and deferred tax liabilities
Deferred tax assets and deferred tax liabilities are determined using the asset-liability method in accordance with IAS 12 (Income Taxes). Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts of assets or liabilities in the consolidated financial statements and their tax base. Deferred tax assets are also considered for unused tax loss and interest carry-forwards.

Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profit will be available in the future to allow the corresponding benefit of that deferred tax asset to be realised.

Deferred tax assets and deferred tax liabilities are netted if these income tax assets and liabilities concern the same tax authority and refer to the same tax subject or a group of different tax subjects that are jointly assessed for income tax purposes. Deferred tax assets are remeasured at each closing date and adjusted if necessary.

Deferred taxes are determined on the basis of the tax rates expected in each country upon realisation. In principle, these are based on the valid laws or legislation that has been passed at the time of the closing date.

The assessment of deferred taxes reflects the tax consequences arising from how METRO GROUP expects to recover the carrying amounts of its assets and settle its obligations as of the closing date.

Inventories
In accordance with IAS 2 (Inventories), merchandise carried as **inventories** is reported at cost of purchase. The cost of purchase is determined either on the basis of a separate measurement of additions from the perspective of the procurement market or by means of the weighted average cost method. Supplier compensation to be classified as a reduction in the cost of purchase lowers the carrying amount of inventories.

Merchandise is valued as of the closing date at the lower of cost or net realisable value. Merchandise is written down on a case-by-case basis if the anticipated net realisable value declines below the carrying amount of the inventories. Such net realisable value corresponds to the anticipated estimated selling price less the estimated direct costs necessary to make the sale.

When the reasons for a write-down of the merchandise have ceased to exist, the previously recognised impairment loss is reversed.

METRO GROUP's inventories never meet the definition of so-called qualified assets. As a result, interest expenses on borrowings relating to inventories are not capitalised pursuant to IAS 23 (Interest Expense on Borrowings).

Trade receivables
In accordance with IAS 39, **trade receivables** are classified as "loans and receivables" and recognised at amortised cost. Where their recoverability appears doubtful, the trade receivables are recognised at the lower present value of the estimated future cash flows. Aside from the required specific bad debt allowances, a generalised specific allowance is carried out to account for the general credit risk.

Income tax assets and liabilities
The disclosed **income tax assets and liabilities** concern domestic and foreign income taxes for the reporting period as well as prior periods. They are determined in compliance with the tax laws of the respective country.

In addition, the effects of tax risks are considered in the determination of income tax liabilities. The premises and assessments underlying these risks are regularly reviewed and considered in the determination of income tax.

Cash and cash equivalents
Cash and cash equivalents comprise cheques, cash on hand and bank deposits with a term of up to three months and are recognised at their respective nominal values.

Assets held for sale, liabilities related to assets held for sale and discontinued operations
In accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), an asset is classified as an **asset held for sale** if the respective carrying amount will be recovered principally through a sale transaction rather than through continuing use. A sale must be planned and realisable within the subsequent twelve months. The valuation of the asset's carrying amount pursuant to the relevant IFRS must directly precede a first-time classification as held for sale. In case of reclassification, the asset is measured at the lower of carrying amount and fair value less costs to sell and presented separately in the balance sheet. Analogously, liabilities related to assets held for sale are presented separately in the balance sheet.

In accordance with IFRS 5, a **discontinued operation** is recognised as such if it is held for sale or has already been disposed of. An operation is a component of an entity representing a separate material business operation or geographical business operation which forms part of an individual, approved plan for divestment of a separate material business operation or geographical business operation or represents a subsidiary that was acquired solely for resale. The valuation of the component of an entity's carrying amount pursuant to the relevant IFRS must directly precede the first-time classification as held for sale. In case of reclassification, the discontinued operation is measured at the lower value of carrying amount and fair value less costs to sell. Discontinued operations are presented separately in the income statement, the balance sheet, the cash flow statement and the segment reporting, and explained in the notes. With the exception of the balance sheet, previous year's amounts are restated accordingly.

Employee benefits
Employee benefits include:
- Short-term employee benefits
- Post-employment benefits
- Obligations similar to pensions
- Termination benefits
- Share-based compensation

Short-term employee benefits include wages and salaries, social security contributions, vacation pay and sickness benefits and are recognised as liabilities at the repayment amount as soon as the associated job has been performed.

Post-employment benefits are provided in the context of defined benefit or defined contribution plans. In the case of **defined contribution plans**, periodic contribution obligations to the external pension provider are recognised as expenses for post-employment benefits at the same time as the beneficiary's job performance. Missed payments or pre-payments to the pension provider are accrued as liabilities or receivables. Liabilities with a term of over twelve months are discounted accordingly.

The actuarial measurement of pension provisions for company pension plans as part of a **defined benefit plan** is effected in accordance with the projected unit credit method stipulated by IAS 19 (Employee Benefits) on the basis of actuarial opinions. Based on biometric data, this method takes into account known pensions and pension entitlements at closing date as well as expected increases of future wages and pensions. Where the employee benefit obligations determined or the fair value of the plan assets increase or decrease between the beginning and end of a financial year as a result of experience adjustments (for example, a higher fluctuation rate) or changes in underlying actuarial assumptions (for example the discount rate), this will result in so-called actuarial gains or losses. These are recognised in other comprehensive income with no effect on

profit or loss. Effects of plan changes and curtailments are recognised fully under service costs through profit or loss. The interest element of the addition to the provision contained in the pension expense is shown as interest paid under the financial result. Insofar as plan assets exist, the amount of the provision is generally the result of the difference between the present value of defined benefit obligations and the fair value of the plan assets.

Provisions for obligations similar to pensions (such as anniversary allowances and death benefits) are comprised of the present value of future payment obligations to the employee less any associated assets measured at fair value. The amount of provisions is determined on the basis of actuarial opinions in line with IAS 19. Actuarial gains and losses are recognised in profit or loss in the period in which they are incurred.

Termination benefits comprise severance payments to employees. These are recognised as liabilities with an effect in profit or loss when contractual or factual payment obligations towards the employee are to be made in relation to the termination of the employment relationship. Such an obligation is given when a formal plan for the early termination of the employment relationship exists to which the company is bound. Benefits with terms of more than twelve months after the closing date must be recognised at their present value.

The share bonuses granted under the share-based payment system are classified as **"cash-settled share-based payments"** pursuant to IFRS 2 (Share-based Payment). Proportionate provisions measured at the fair value of the obligations entered into are formed for these payments. The proportionate formation of the provisions is prorated over the underlying lockup period and recognised in profit or loss as personnel expenses. The fair value is remeasured at each closing date during the lockup period until exercised based on an option pricing model. Provisions are adjusted accordingly in profit or loss.

Where granted share-based payments are hedged through corresponding hedging transactions, the hedging transactions are measured at fair value and shown under other financial and non-financial assets. The portion of the hedges' value fluctuation that corresponds to the value of fluctuation of the share-based payments is recognised in personnel expenses. The surplus amount of value fluctuations is recognised in other comprehensive income outside of profit or loss.

(Other) provisions

In accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), **(other) provisions** are formed if legal or constructive obligations to third parties exist that are based on past business transactions or events and will probably result in an outflow of financial resources that can be reliably determined. The provisions are stated at the anticipated settlement amount with regard to all identifiable risks attached. With individual obligations, the settlement amount with the highest possible probability of occurrence is used. If the determination of the provision for an individual situation results in a range of equally probable settlement amounts, the provision will be set at the average of these settlement amounts. For a multitude of uniform situations, the provision is set at the expected value resulting from the weighting of all possible results with the related probabilities.

Long-term provisions with a term of more than one year are discounted to the closing date using an interest rate for matching maturities which reflects current market expectations regarding interest rate effects. Provisions with a term of less than one year are discounted accordingly if the interest rate effect is material. Claims for recourse are not netted with provisions, but recognised separately as an asset if their realisation is considered virtually certain.

Provisions for onerous contracts are formed if the unavoidable costs of meeting the obligations under a contract exceed the expected economic benefits resulting from the contract. Provisions for deficient rental cover related to leased objects are based on a consideration of individual leased properties. Provisions in the amount of the present value of the funding gap are formed for all closed properties or properties with deficient rental cover. In addition, a provision is created for store-related risks related to leased, operational or not yet closed stores insofar as a deficient cover of operational costs or a deficient rental cover despite consideration of a possible subleasing for the respective location arises from current corporate planning over the basic rental term.

Provisions for restructuring measures are recognised if a constructive obligation to restructure was formalised by means of the adoption of a detailed restructuring plan and its communication vis-à-vis those affected as of the closing date. Restructuring provisions comprise only obligatory restructuring expenses that are not related to the company's current activities.

Warranty provisions are formed based on past warranty claims and the sales of the current financial year.

Financial liabilities
According to IAS 39, **financial liabilities** that do not represent liabilities from finance leases are assigned to one of the following categories:
— "At fair value through profit or loss" ("held for trading")
— "Other financial liabilities"

The first-time recognition of financial liabilities and subsequent measurement of financial liabilities "held for trading" is based on the same stipulations as for financial assets.

The category **"other financial liabilities"** comprises all financial liabilities that are not "held for trading". They are carried at amortised cost using the effective interest method, as the fair value option is not applied within METRO GROUP.

Financial liabilities designated as the hedged item in a fair value hedge are carried at their fair value. The fair values indicated for the financial liabilities have been determined on the basis of the interest rates prevailing on the closing date for the remaining terms and redemption structures.

In principle, financial liabilities from finance leases are carried at the present value of future minimum lease payments.

A financial liability is derecognised only when it has expired; that is, when the contractual obligations have been redeemed or annulled or have expired.

Other financial and non-financial liabilities
Other financial and non-financial liabilities are carried at their settlement amounts unless they represent derivative financial instruments or put options given out to non-controlling interests, which are recognised at fair value under IAS 39.

Deferred income comprises transitory deferrals.

Trade liabilities
Trade liabilities are recognised at amortised cost.

Other

Contingent liabilities
Contingent liabilities are, on the one hand, possible obligations arising from past events whose existence is confirmed only by the occurrence or non-occurrence of uncertain future events that are not entirely under the company's control. On the other hand, contingent liabilities represent current obligations arising from past events for which, however, an outflow of economic resources is not considered probable or whose amount cannot be determined with sufficient reliability. According to IAS 37, such liabilities are not recognised in the balance sheet but disclosed in the notes. Contingent liabilities are determined on the basis of the principles applying to the measurement of provisions.

Accounting for derivative financial instruments and hedge accounting
Derivative financial instruments are exclusively utilised to reduce risks. They are used in accordance with the respective group guideline.

In accordance with IAS 39, all derivative financial instruments are recognised at fair value and shown under other financial and non-financial assets or other financial and non-financial liabilities.

Derivative financial instruments are measured on the basis of interbank terms and conditions, possibly including the credit margin or stock exchange price applicable to METRO GROUP. Where no stock exchange prices are used, the fair value is determined by means of recognised financial models.

In the case of an effective hedge accounting transaction **(hedge accounting)** pursuant to IAS 39, fair value changes of derivatives designated as fair value hedges and the underlying transactions are reported in profit or loss. In cash flow hedges, the effective portion of the fair value change of the derivative is recognised in other comprehensive income outside of profit or loss. A transfer to the income statement is effected only when the underlying transaction is realised. The ineffective portion of the change in the value of the hedging instrument is immediately reported in profit or loss.

Supplier compensation
Depending on the underlying circumstances, **supplier compensation** is recognised as a reduction in the cost of purchase, reimbursement or payment for services rendered. Supplier

compensation is accrued at closing date insofar as it has been contractually agreed upon and is likely to be realised. Accruals relating to supplier compensation tied to certain calendar year targets are based on projections.

Summary of selected measurement methods

Item	Measurement method
Assets	
Goodwill	Cost (subsequent measurement: impairment test)
Other intangible assets	
Purchased other intangible assets	(Amortised) cost
Internally generated intangible assets	Development costs (direct costs and directly attributable overhead)
Property, plant and equipment	(Amortised) cost
Investment properties	(Amortised) cost
Financial assets	
"Loans and receivables"	(Amortised) cost
"Held to maturity"	(Amortised) cost
"At fair value through profit or loss" ("held for trading")	At fair value through profit or loss
"Available for sale"	At fair value recognised in equity
Inventories	Lower of cost and net realisable value
Trade receivables	(Amortised) cost
Cash and cash equivalents	At nominal value
Assets held for sale	Lower of carrying amount and fair value less costs to sell
Equity and liabilities	
Provisions	
Pension provisions	Projected unit credit method (benefit/years of service method)
Other provisions	Discounted settlement amount (with highest probability of occurrence)
Financial liabilities	
"At fair value through profit or loss" ("held for trading")	At fair value through profit or loss
"Other financial liabilities"	(Amortised) cost
Other financial and non-financial liabilities	At settlement amount or fair value
Trade liabilities	(Amortised) cost

Judgements, estimates and assumptions

The preparation of the consolidated financial statements was based on a number of **judgements, estimates and assumptions** that had an effect on the value and presentation of the reported assets, liabilities, income and expenses as well as contingent liabilities.

Judgements

Information on the key discretionary decisions that materially affected the amounts reported in these consolidated financial statements can be found in the following notes:

— Determination of the consolidation group by assessing control opportunities (chapter Consolidation group). Aside from special purpose entities, this particularly concerns investments where the control opportunity is not necessarily tied in with a simple majority of voting rights due to special regulations in the Articles of Association.
— Classification of leases as finance leases or operating leases – including sale-and-lease-back transactions (no. 2 Other operating income and no. 20 Property, plant and equipment)
— Classification of real estate assets as investment properties (no. 21 Investment properties)
— Classification of financial instruments to the category "held to maturity" (no. 40 Carrying amounts and fair values according to measurement categories)

Estimates and assumptions

Information on estimates and underlying assumptions with significant effects on these consolidated financial statements is included in the following notes:

— Uniform group-wide determination of useful lives for assets with a definite useful life (no. 14 Depreciation/amortisation/impairment losses, no. 19 Other intangible assets and no. 20 Property, plant and equipment)
— Impairment testing of assets with a definite useful life if warranted by events (no. 14 Depreciation/amortisation/impairment losses, no. 19 Other intangible assets and no. 20 Property, plant and equipment)
— Annual goodwill impairment tests (no. 18 Goodwill – including sensitivity analyses)
— Recoverability of receivables – particularly receivables from suppliers (no. 23 Other financial and non-financial assets)
— Recognition of supplier compensation on an accrual basis (no. 23 Other financial and non-financial assets)

- Ability to realise future tax receivables – particularly from tax loss carry-forwards (no. 24 Deferred tax assets/ deferred tax liabilities)
- Measurement of inventories (no. 25 Inventories)
- Determination of pension provisions (no. 32 Provisions for pensions and similar obligations)
- Determination of other provisions – for example, for deficient rental cover, restructuring, warranties and risks emerging from legal proceedings and litigation (no. 33 Other provisions [non-current]/provisions [current])

Although great care has been taken in making these estimates and assumptions, actual values may deviate from them in individual cases. The estimates and assumptions used in the consolidated financial statements are regularly reviewed. Changes are taken into account at the time new information becomes available.

Capital management

The aim of the capital management strategy of METRO GROUP is to secure the company's continued business operations, to enhance its enterprise value, to create solid capital resources to finance its profitable future growth and to provide for attractive dividend payments and capital service.

The capital management strategy of METRO GROUP has remained unchanged compared with the previous year.

EBIT after cost of capital (EBITaC)

Such metrics as EBIT after cost of capital (EBITaC) and return on capital employed (RoCE) are used in the context of value-based management. The focus is on the successful deployment of business assets and the achievement of a value contribution for METRO GROUP exceeding the cost of capital.

Additional information on EBITaC and RoCE is included in the combined management report in chapter 4 Earnings position in the section Value-based management.

Rating

METRO GROUP's ratings by the two international agencies Moody's and Standard & Poor's communicate the company's creditworthiness to existing and potential debt capital investors. Based on the current ratings, METRO GROUP has access to all financial markets.

For more information about the METRO GROUP rating, see the combined management report in chapter 5 Financial and asset position in the section Financial management.

Equity, liabilities and net debt in the consolidated financial statements

Equity amounts to €4,999 million (30/9/2013: €5,206 million), while debt amounts to €23,005 million (30/9/2013: €23,605 million). Net debt amounts to €4,655 million compared with €5,391 million as of 30/9/2013.

€ million	30/9/2013	30/9/2014
Equity	**5,206**	**4,999**
Liabilities	**23,605**	**23,005**
Net debt	**5,391**	**4,655**
Borrowings (incl. finance leases)	7,963	**7,068**
Cash and cash equivalents according to the balance sheet	2,564	**2,406**
Financial investments > 3 months ≤ 1 year[1]	8	**7**

[1] Shown in the balance sheet under "other financial and non-financial assets (current)"

Local capital requirements

The capital market strategy of METRO GROUP consistently aims to ensure that the group companies' capital resources comply with local requirements. During the current financial year, all external capital requirements were fulfilled. This includes, for example, adherence to a defined level of indebtedness or a fixed equity ratio.

Notes to the income statement

1. Sales

Sales (net) can be broken down as follows:

€ million	9M 2013	12M 2012/13	12M 2013/14
METRO Cash & Carry	22,559	31,165	**30,513**
Media-Saturn	14,405	21,053	**20,981**
Real	7,261	10,366	**8,432**
Galeria Kaufhof	2,086	3,082	**3,099**
Others	10	14	**10**
	46,321	**65,679**	**63,035**

Sales shown in the Others segment primarily concern MGB METRO Group Buying HK Ltd. at €6 million (12M 2012/13: €8 million; 9M 2013: €6 million) and the logistics companies at €3 million (12M 2012/13: €4 million; 9M 2013: €3 million).

Of total sales, €37.6 billion (12M 2012/13: €40.1 billion; 9M 2013: €28.5 billion) are attributable to international group companies.

Sales developments by business and geographical segments are presented in segment reporting.

2. Other operating income

€ million	9M 2013	12M 2012/13	12M 2013/14
Rents incl. reimbursements of subsidiary rental costs	336	458	**418**
Services/cost refunds	231	315	**321**
Services rendered to suppliers	234	353	**222**
Gains from the disposal of fixed assets and gains from the reversal of impairment losses	215	394	**150**
Income from deconsolidation	192	219	**44**
Miscellaneous	184	239	**217**
	1,393	**1,978**	**1,372**

Gains from the disposal of fixed assets and gains from the reversal of impairment losses primarily include income in the amount of €107 million from the disposal of real estate that will subsequently continue to be used by METRO GROUP as part of a lease agreement (12M 2012/13: €304 million; 9M 2013: €137 million). They mainly concern the sale of individual office properties at METRO GROUP's headquarters in Düsseldorf. Income in the amount of €21 million (12M 2012/13: €63 million; 9M 2013: €62 million) was generated from the disposal of real estate properties primarily or entirely used by third parties. In addition, this item primarily includes income from reversals of impairment losses in the amount of €11 million (12M 2012/13: €15 million; 9M 2013: €7 million).

Services rendered to suppliers mainly consists of €174 million (12M 2012/13: €151 million; 9M 2013: €121 million) from METRO Cash & Carry and €28 million (12M 2012/13: €179 million; 9M 2013: €99 million) from Real. The decline is primarily due to the disposal of Real's Eastern European business operations.

Income from deconsolidation essentially includes income from the disposal of Real's business in Eastern Europe (12M 2012/13: €194 million from the disposal of Real's business in Eastern Europe and €26 million from the disposal of the wholesale business in the United Kingdom; 9M 2013: €192 million from the disposal of Real's business in Eastern Europe).

Miscellaneous other operating income includes, in particular, income from compensation in the amount of €23 million (12M 2012/13: €18 million; 9M 2013: €11 million). Among others, this item also includes income from the derecognition of lapsed liabilities of €11 million (12M 2012/13: €8 million; 9M 2013: €7 million), public sector subsidies of €10 million (12M 2012/13: €10 million; 9M 2013: €7 million), income from other commissions of €6 million (12M 2012/13: €12 million; 9M 2013: €10 million) and income from construction services of €4 million (12M 2012/13: €31 million; 9M 2013: €26 million).

3. Selling expenses

€ million	9M 2013	12M 2012/13	12M 2013/14
Personnel expenses	4,375	5,901	**5,793**
Cost of material	4,511	6,280	**5,975**
	8,886	**12,181**	**11,768**

The decline in selling expenses compared with the comparable period of the previous year is largely due to the disposal of Real's Eastern European business operations. In the item "cost of material", this primarily involves rental expenses and depreciation.

In addition, the item "cost of material" was impacted in the previous year by higher expenses for the creation of impairments and provisions related to the decision to withdraw the Media Markt sales brand from the Chinese market.

4. General administrative expenses

€ million	9M 2013	12M 2012/13	12M 2013/14
Personnel expenses	581	778	**765**
Cost of material	463	711	**643**
	1,044	**1,489**	**1,408**

The decline in general administrative expenses is primarily due to the disposal of Real's Eastern European business operations.

In this context, the item "cost of material" included higher impairment losses and consulting expenses in the previous year.

5. Other operating expenses

€ million	9M 2013	12M 2012/13	12M 2013/14
Impairment losses on goodwill	31	101	**88**
Losses from the disposal of fixed assets	58	68	**38**
Miscellaneous	42	76	**16**
	131	**246**	**143**

Impairment losses on goodwill of €88 million stem solely from METRO Cash & Carry in the Netherlands (12M 2012/13: €65 million from METRO Cash & Carry Hungary, €20 million from METRO Cash & Carry Greece and €16 million from METRO Cash & Carry Denmark ; 9M 2013: €16 million from METRO Cash & Carry Denmark and €15 million from METRO Cash & Carry Hungary).

For more information about impairment losses on goodwill, see no. 18 Goodwill.

Losses from the disposal of fixed assets essentially include expenses related to the disposal of other property, plant and equipment in the amount of €35 million (12M 2012/13: €30 million; 9M 2013: €21 million).

Miscellaneous other operating expenses include, in particular, expenses from construction services totalling €3 million (12M 2012/13: €32 million; 9M 2013: €28 million).

6. Result from associates and joint ventures

The group's share of income from associates and joint ventures amounts to €9 million (12M 2012/13: €6 million; 9M 2013: €6 million).

7. Other investment result

The other investment result of €78 million (12M 2012/13: €19 million; 9M 2013: €7 million) primarily comprises income totalling €62 million from the disposal of a 9 per cent stake in Booker Group PLC which had been held since the financial year 2012 as a component of the purchase price from the disposal of METRO GROUP's wholesale business in the United Kingdom.

8. Net interest income/interest expenses

The interest result can be broken down as follows:

€ million	9M 2013	12M 2012/13	12M 2013/14
Interest income	62	89	**50**
thereof finance leases	(0)	(1)	**(0)**
thereof from company pensions	(5)	(17)	**(7)**
thereof from financial instruments of the measurement categories according to IAS 39:			
loans and receivables incl. cash and cash equivalents	(33)	(41)	**(30)**
held to maturity	(0)	(0)	**(0)**
held for trading incl. derivatives in a hedging relationship according to IAS 39	(6)	(8)	**(5)**
available for sale	(0)	(0)	**(0)**
Interest expenses	–427	–606	**–459**
thereof finance leases	(–93)	(–126)	**(–99)**
thereof from company pensions	(–40)	(–65)	**(–54)**
thereof from financial instruments of the measurement categories according to IAS 39:			
held for trading incl. derivatives in a hedging relationship according to IAS 39	(–10)	(–13)	**(–9)**
other financial liabilities	(–256)	(–339)	**(–265)**
	–365	**–517**	**–409**

Interest income and interest expenses from financial instruments are assigned to the measurement categories according to IAS 39 on the basis of the underlying transactions.

Interest expenses in the measurement category "other financial liabilities" primarily included interest expenses for issued bonds (including the commercial paper programme) of €196 million (12M 2012/13: €243 million; 9M 2013: €184 million) and for liabilities to banks of €46 million (12M 2012/13: €59 million; 9M 2013: €41 million).

The decline in interest expenses was the result of both more favourable refinancing terms and lower debt.

9. Other net financial result

The other financial income and expenses from financial instruments are assigned to measurement categories according to IAS 39 on the basis of the underlying transactions. Besides income and expenses from the measurement of financial instruments according to IAS 39, this also includes the measurement of foreign currency positions according to IAS 21.

€ million	9M 2013	12M 2012/13	12M 2013/14
Other financial income	167	206	**161**
thereof currency effects	(143)	(137)	**(91)**
thereof hedging transactions	(20)	(25)	**(36)**
Other financial expenses	–329	–355	**–403**
thereof currency effects	(–190)	(–191)	**(–166)**
thereof hedging transactions	(–24)	(–30)	**(–21)**
Other net financial result	**–162**	**–148**	**–242**
thereof from financial instruments of the measurement categories according to IAS 39:			
loans and receivables incl. cash and cash equivalents	(–43)	(–58)	**(–32)**
held to maturity	(0)	(0)	**(0)**
held for trading	(–16)	(–14)	**(–22)**
available for sale	(0)	(1)	**(0)**
other financial liabilities	(–30)	(–38)	**(–65)**
thereof fair value hedges:			
underlying transactions	(0)	(0)	**(0)**
hedging transactions	(0)	(0)	**(0)**
thereof cash flow hedges:			
ineffectiveness	(1)	(–1)	**(9)**

The overall result from currency effects and measurement results from hedging transactions and hedging relationships totalled €–61 million (12M 2012/13: €–59 million; 9M 2013: €–51 million). As in the previous year, this figure largely results from foreign currency financings in Eastern Europe. In addition, the other net financial result reflects €–122 million (12M 2012/13: €–66 million; 9M 2013: €–66 million) in currency effects resulting from the translation of the financial statements of foreign subsidiaries that are recognised through profit or loss in the year the subsidiary is deconsolidated or in the year business activities are discontinued.

For more information about possible effects from currency risks, see no. 43 Management of financial risks.

10. Net results according to measurement categories

The key effects of income from financial instruments are as follows:

9M 2013 € million	Invest-ments	Interest	Fair value measure-ments	Currency translation	Disposals	Impair-ments	Other	Net result
Loans and receivables incl. cash and cash equivalents	0	33	0	–30	0	–55	0	–53
Held to maturity	0	0	0	0	0	0	0	0
Held for trading incl. derivatives in a hedging relationship according to IAS 39	0	–4	–15	0	0	0	0	–19
Available for sale	7	0	0	0	0	0	0	7
Other financial liabilities	0	–256	0	–16	7	0	–14	–279
	7	**–227**	**–15**	**–46**	**7**	**–55**	**–14**	**–344**

12M 2012/13 € million	Invest-ments	Interest	Fair value measure-ments	Currency translation	Disposals	Impair-ments	Other	Net result
Loans and receivables incl. cash and cash equivalents	0	41	0	–36	0	–73	0	–67
Held to maturity	0	0	0	0	0	0	0	0
Held for trading incl. derivatives in a hedging relationship according to IAS 39	0	–5	–15	0	0	0	0	–20
Available for sale	20	0	0	0	1	0	0	21
Other financial liabilities	0	–339	0	–19	8	0	–20	–370
	20	**–303**	**–15**	**–54**	**9**	**–73**	**–20**	**–436**

12M 2013/14 € million	Invest-ments	Interest	Fair value measure-ments	Currency translation	Disposals	Impair-ments	Other	Net result
Loans and receivables incl. cash and cash equivalents	**0**	**30**	**0**	**–30**	**–1**	**–30**	**0**	**–30**
Held to maturity	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Held for trading incl. derivatives in a hedging relationship according to IAS 39	**0**	**–4**	**–13**	**0**	**0**	**0**	**0**	**–16**
Available for sale	**78**	**0**	**0**	**0**	**0**	**0**	**0**	**78**
Other financial liabilities	**0**	**–265**	**0**	**–46**	**11**	**0**	**–19**	**–318**
	78	**–238**	**–13**	**–76**	**11**	**–30**	**–19**	**–287**

Income and expenses from financial instruments are assigned to measurement categories according to IAS 39 on the basis of the underlying transactions.

Investment income and income effects from the disposal of investments are included in other investment income. Interest income and expenses are part of the interest result. Fair value measurements and effects from currency translation are included in the other net financial result. Income effects from the derecognition of other financial liabilities are included in earnings before interest and taxes (EBIT). Income effects from the disposal of assets classified as available for sale are included in the other net financial result to the extent that these do not concern investments. Expenses from impairments are essentially included in earnings before interest and taxes (EBIT).

For more information about impairments, see no. 27 Impairments of capitalised financial instruments.

Remaining financial income and expenses included in the other net financial result primarily concern bank commissions and similar expenses that are incurred within the context of financial assets and liabilities.

11. Income taxes

Income taxes include the expected taxes on income paid or owed in the individual countries as well as deferred taxes.

€ million	9M 2013	12M 2013/14
Actual taxes	232	**496**
thereof Germany	(67)	**(128)**
thereof international	(165)	**(368)**
thereof tax expenses / income of current period	(240)	**(473)**
thereof tax expenses / income of previous periods	(–8)	**(23)**
Deferred taxes	28	**31**
thereof Germany	(–9)	**(43)**
thereof international	(37)	**(–12)**
	260	**527**

The fact that figures for the reporting period cover a period of twelve months and the short financial year 2013 comprised only nine months results in limited comparability. An additional comparative period of twelve months cannot be presented in detail, as a corresponding tax calculation was not prepared for it.

The income tax rate of the German companies of METRO GROUP consists of a corporate income tax of 15.00 per cent plus a 5.50 per cent solidarity surcharge on corporate income tax as well as the trade tax of 14.70 per cent given an average assessment rate of 420.00 per cent. All in all, this results in an aggregate tax rate of 30.53 per cent. The tax rates are unchanged from the previous year. The income tax rates applied to foreign companies are based on the respective laws and regulations of the individual countries and vary within a range of 0.00 per cent (tax holidays) to 38.00 per cent (9M 2013: 36.15 per cent).

Deferred income tax liabilities for the financial year include gains of €2 million from changes in tax rates; the reporting period for 9M 2013 did not include any effect from changes in tax rates.

€ million	9M 2013	12M 2013/14
Deferred taxes in the income statement	28	**31**
thereof from temporary differences	(21)	**(89)**
thereof from loss and interest carry-forwards	(7)	**(–58)**

At €527 million (9M 2013: €260 million), income tax expenses, which are fully included in the result from ordinary activities, are €311 million (9M 2013: €202 million) higher than the expected tax expenses of €216 million (9M 2013: €58 million) that would have resulted if the German corporate income tax rate had been applied to the group's taxable income for the year.

Reconciliation of estimated to actual income tax expenses is as follows:

€ million	9M 2013	12M 2013/14
EBT (earnings before taxes)	**189**	**709**
Expected income tax expenses (30.53 %)	58	**216**
Effects of differing national tax rates	–47	**–18**
Tax expenses and income relating to other periods	–8	**23**
Non-deductible business expenses for tax purposes	77	**105**
Effects of not recognised or impaired deferred taxes	187	**218**
Additions and reductions for local taxes	16	**18**
Tax holidays	–8	**–28**
Other deviations	–15	**–7**
Income tax expenses according to the income statement	**260**	**527**
Group tax rate (in %)	**137.81**	**74.32**

The disproportionately high tax rate in the short financial year 2013 can largely be attributed to the lower pre-tax result that was due to the fact that the Christmas business was not included. By contrast, tax expenses were relatively high because no tax benefit from the measurement of current domestic tax losses was considered.

12. Profit or loss for the period attributable to non-controlling interests

Of profit or loss for the period attributable to non-controlling interests, profit shares accounted for €121 million (12M 2012/13: €152 million; 9M 2013: €53 million) and loss shares for €66 million (12M 2012/13: €59 million; 9M 2013: €53 million). This mainly concerns profit/loss shares of non-controlling interests in the Media-Saturn sales line.

13. Earnings per share

Earnings per share are determined by dividing profit or loss for the period attributable to METRO AG shareholders by the weighted number of issued shares. In the calculation of earnings per share, an additional dividend is generally deducted from profit or loss for the period attributable to METRO AG shareholders. Holders of preference shares are entitled to the retroactive payment of a preference dividend of €0.17 for the short financial year 2013 in accordance with § 140 Section 2 of the German Stock Corporation Act and § 21 Section 2 of the Articles of Association of METRO AG. There was no dilution in the reporting period or the previous year from so-called potential shares.

	9M 2013	12M 2012/13	12M 2013/14
Weighted number of no-par-value shares outstanding	326,787,529	326,787,529	**326,787,529**
Profit or loss for the period attributable to shareholders of METRO AG (€ million)	–71	–35	**127**
Earnings per share in € (basic = diluted)	**–0.22**	**–0.11**	**0.39**

In financial year 2013/14, earnings per preference share amounted to €0.45 (12M 2012/13: €0.06; 9M 2013: €–0.05) and thus exceed earnings per share by the amount of the additional dividend for preference shares of €0.06. In financial years 12M 2012/13 and 9M 2013, earnings per preference share included the retroactive payment of a preference dividend of €0.17 per preference share in accordance with the Articles of Association of METRO AG.

14. Depreciation/amortisation/impairment losses

Depreciation/amortisation/impairment losses of €1,283 million (12M 2012/13: €1,496 million; 9M 2013: €997 million) include impairment losses totalling €204 million (12M 2012/13: €367 million; 9M 2013: €157 million). Thereof, €88 million are attributable to the goodwill impairment losses related to METRO Cash & Carry Netherlands that were recognised in the second quarter of 2013/14 in light of negative business developments. The portfolio changes and selling space optimisations at METRO Cash & Carry required impairments of property, plant and equipment in the amount of €34 million. In addition, impairment losses include impairments of property, plant and equipment at Media-Saturn Russia in the amount of €30 million resulting, among other things, from measures undertaken to optimise the selling space of existing stores. Impairments related to the disposal of Real's business operations in Turkey also contributed €14 million to impairment losses. The attribution of depreciation/amortisation/impairment losses in the income statement and the affected asset categories is as follows:

€ million	9M 2013	12M 2012/13	12M 2013/14
Cost of sales	15	20	**18**
thereof depreciation/amortisation	(15)	(20)	**(18)**
thereof impairment losses	(0)	(0)	**(0)**
Selling expenses	804	1,172	**1,062**
thereof depreciation/amortisation	(720)	(961)	**(948)**
thereof impairment losses	(84)	(210)	**(114)**
General administrative expenses	112	167	**114**
thereof depreciation/amortisation	(105)	(147)	**(113)**
thereof impairment losses	(7)	(20)	**(2)**
Other operating expenses	66	136	**88**
thereof impairment losses	(66)	(136)	**(88)**
Financial result	0	1	**0**
thereof impairment losses	(0)	(1)	**(0)**
	997	**1,496**	**1,283**

€ million	9M 2013	12M 2012/13	12M 2013/14
Goodwill[1]	31	101	**88**
thereof impairment losses	(31)	(101)	**(88)**
Other intangible assets[1]	113	168	**131**
thereof amortisation	(107)	(150)	**(126)**
thereof impairment losses	(5)	(19)	**(4)**
Property, plant and equipment	802	1,171	**1,048**
thereof depreciation	(725)	(968)	**(943)**
thereof impairment losses	(77)	(203)	**(105)**
Investment properties	16	20	**16**
thereof depreciation	(8)	(11)	**(10)**
thereof impairment losses	(8)	(9)	**(6)**
Financial investments[2]	0	1	**0**
thereof impairment losses	(0)	(1)	**(0)**
Assets held for sale	34	34	**0**
thereof impairment losses	(34)	(34)	**(0)**
	997	**1,496**	**1,283**

[1] Goodwill and other intangible assets were shown as intangible assets in the previous year
[2] Including investments accounted for using the equity method

Of impairment losses, METRO Cash & Carry accounted for €139 million (12M 2012/13: €162 million; 9M 2013: €83 million, revised presentation – see chapter Notes to the group accounting principles and methods), Media-Saturn for €38 million (12M 2012/13: €78 million; 9M 2013: €16 million), Real for €17 million (12M 2012/13: €88 million; 9M 2013: €39 million) and other companies for €10 million (12M 2012/13: €40 million; 9M 2013: €19 million, revised presentation – see chapter Notes to the group accounting principles and methods).

15. Cost of materials

The cost of sales includes the following cost of materials:

€ million	9M 2013	12M 2012/13	12M 2013/14
Cost of raw materials, supplies and goods purchased	36,331	51,219	**48,909**
Cost of services purchased	14	20	**36**
	36,345	**51,238**	**48,945**

16. Personnel expenses

Personnel expenses can be broken down as follows:

€ million	9M 2013	12M 2012/13	12M 2013/14
Wages and salaries	4,414	5,960	**5,838**
Social security expenses, expenses for post-employment benefits and related employee benefits	1,023	1,368	**1,356**
thereof post-employment benefits	(66)	(78)	**(88)**
	5,437	**7,328**	**7,194**

Wages and salaries shown in personnel expenses include expenses relating to severance payments of €94 million (12M 2012/13: €95 million; 9M 2013: €55 million). In addition, wages and salaries include restructuring expenses of €59 million (12M 2012/13: €29 million; 9M 2013: €20 million), which also comprise severance components. Wages and salaries also include expenses for share-based payments totalling €3 million (12M 2012/13: €6 million; 9M 2013: €7 million).

Annual average number of group employees:

Number of employees (by headcount)	**9M 2013**	**12M 2012/13**	**12M 2013/14**
Blue collar/white collar	269,493	272,867	**255,033**
Apprentices/trainees	9,101	9,262	**9,109**
	278,594	**282,129**	**264,142**

This includes an absolute number of 72,548 (12M 2012/13: 75,861; 9M 2013: 75,144) part-time employees. The percentage of employees working outside of Germany (full-time equivalents) stood at 61.5 per cent (12M 2012/13: 63.7 per cent; 9M 2013: 63.5 per cent).

17. Other taxes

Other taxes (for example, tax on land and buildings, motor vehicle tax, excise tax and transaction tax) of €134 million (12M 2012/13: €164 million; 9M 2013: €118 million) are included in the cost of sales and the selling and general administrative expenses.

Notes to the balance sheet

18. Goodwill

Goodwill amounts to €3,671 million (30/9/2013: €3,763 million).

A number of shares in Media-Saturn-Holding GmbH held by a non-controlling shareholder were granted a put option. In exercising this put option the non-controlling shareholder sold his share in METRO Kaufhaus- und Fachmarkt Holding GmbH during the short financial year 2013. The final price determination in the current financial year resulted in a €1 million increase in goodwill (30/9/2013: increase of €10 million from delivery of the shares).

In 2009, the non-controlling shareholders of METRO Cash & Carry Romania were granted stock tender rights by METRO GROUP. The subsequent measurement of these put options resulted in a goodwill decrease of €7 million (30/9/2013: increase of €5 million).

At the closing date, the breakdown of goodwill among the major cash-generating units was as follows:

	30/9/2013		30/9/2014	
		WACC		WACC
	€ million	%	€ million	%
Real Germany	1,083	5.8	**1,083**	**5.7**
METRO Cash & Carry France	398	5.8	**398**	**5.7**
Media-Saturn Germany/ Redcoon group	300	7.5	**300**	**6.7**
METRO Cash & Carry Netherlands	352	5.9	**264**	**5.9**
METRO Cash & Carry Poland	257	6.4	**257**	**6.5**
METRO Cash & Carry Germany	223	5.8	**223**	**5.7**
METRO Cash & Carry Hungary	174	8.1	**174**	**8.0**
METRO Cash & Carry Italy	171	6.8	**171**	**6.6**
METRO Cash & Carry Belgium	145	5.9	**145**	**5.8**
METRO Cash & Carry Spain/Portugal	142	7.3	**142**	**6.6**
Media-Saturn Italy	72	8.7	**72**	**7.7**
Galeria Inno Belgium	57	6.7	**57**	**6.2**
METRO Cash & Carry Romania	61	7.9	**54**	**7.3**
Other companies (each < €50 million or corporate assets)	328		**331**	
	3,763		**3,671**	

In accordance with IFRS 3 in conjunction with IAS 36, goodwill is tested for impairment once a year. This is carried out at the level of a group of cash-generating units. In the case of goodwill, this group is the organisational unit sales line per country. Exceptions to this rule concern the cash-generating units METRO Cash & Carry Spain/Portugal and Media-Saturn Germany/Redcoon group. After acquiring the outstanding shares of Redcoon group and combining the central administrative functions of Media-Saturn Germany and Redcoon group, the new group of the cash-generating unit Media-Saturn Germany/ Redcoon group was tested for impairment. In the impairment test, the cumulative carrying amount of the group of cash-generating units is compared with the recoverable amount. The recoverable amount is defined as the fair value less costs to sell, which is calculated from discounted future cash flows and the level 3 input parameters of the fair value hierarchy (for an explanation of the fair value hierarchy, see no. 40 Carrying amounts and fair values according to measurement categories). Expected future cash flows are based on a qualified planning process under consideration of intra-group experience as well as macroeconomic data collected by third-party sources. In principle, the detailed planning period comprises three years. In exceptional cases, it may amount to five years in

the event of longer-term detailed planning. As in the previous year, the growth rates considered at the end of the detailed planning period are generally 1.0 per cent, with the exception of the group of the cash-generating unit Real Germany, for which a growth rate of 0.5 per cent is assumed. The capitalisation rate as the weighted average cost of capital (WACC) is determined using the capital asset pricing model. In the process, an individual peer group is assumed for all groups of cash-generating units operating in the same business segment. In addition, the capitalisation rates are determined on the basis of an assumed basic interest rate of 2.5 per cent (30/9/2013: 2.5 per cent) and a market risk premium of 6.0 per cent (30/9/2013: 6.5 per cent) in Germany. Country-specific risk premiums based on the respective country rating are applied to the equity cost of capital and to the debt cost of capital. The capitalisation rates after taxes determined individually for each group of cash-generating units range from 5.7 to 8.9 per cent (30/9/2013: 5.8 to 9.7 per cent).

The mandatory annual impairment test as of 30 September 2014 resulted in the following assumptions regarding the development of sales, EBIT and the EBIT margin targeted for the purposes of the balance sheet during the detailed planning period:

	Sales	EBIT	EBIT margin	Detailed planning period (years)
Real Germany	Slight growth	Strong growth	Strong growth	5
METRO Cash & Carry France	Solid growth	Solid growth	Unchanged	3
METRO Cash & Carry Netherlands	Slight growth	Strong growth	Strong growth	5
METRO Cash & Carry Poland	Substantial growth	Strong growth	Slight growth	3
METRO Cash & Carry Germany	Slight growth	Strong growth	Strong growth	5
Media-Saturn Germany	Solid growth	Solid growth	Unchanged	3
METRO Cash & Carry Hungary	Solid growth	Strong growth	Strong growth	5
METRO Cash & Carry Italy	Solid growth	Strong growth	Strong growth	3

As of 30 September 2014, the prescribed annual impairment test confirmed the recoverability of all capitalised goodwill. On 31 March 2014, impairment of €88 million was already carried out on the goodwill of METRO Cash & Carry Netherlands due to business development.

In addition to the impairment test, three sensitivity analyses were conducted for each group of cash-generating units. The first sensitivity analysis was based on the assumption of a 1 percentage point lower growth rate. In the second sensitivity analysis, the interest rate for each group of cash-generating units was raised by 10.0 per cent. In the third sensitivity analysis, a lump sum discount of 10.0 per cent was applied to assumed perpetual EBIT. With the exception of Real Germany, METRO Cash & Carry Netherlands, METRO Cash & Carry Germany and METRO Cash & Carry Hungary, these changes to the underlying assumptions would not result in impairment at any of the groups of cash-generating units.

In the goodwill impairment test at Real Germany, the fair value less costs to sell exceeded the carrying amount by €9 million. The corresponding amount for METRO Cash & Carry Germany was €20 million, and the amount for METRO Cash & Carry Hungary was €12 million. Assuming a 0.04 percentage point lower growth rate or a capitalisation rate of 5.71 per cent rather than 5.69 per cent or an assumed perpetual EBIT of €162 million rather than €163 million, the fair value less costs to sell of Real Germany would correspond to the carrying amount. At METRO Cash & Carry Netherlands, a perpetual EBIT of €45 million was assumed. For METRO Cash & Carry Germany, fair value less costs to sell would correspond to the carrying amount assuming a 0.2 percentage point lower growth rate or a capitalisation rate of 5.8 per cent rather than 5.7 per cent or an assumed perpetual EBIT of €84 million rather than €86 million. Assuming a 0.6 percentage point lower growth rate or a capitalisation rate of 8.4 per cent rather than 8.0 per cent or an assumed perpetual EBIT of €24 million rather than €25 million, the fair value less costs to sell of METRO Cash & Carry Hungary would correspond to the carrying amount.

€ million	Goodwill
Acquisition or production costs	
As of 1/10/2012	4,022
Currency translation	1
Additions to consolidation group	0
Additions	–9
Disposals[1]	–2
Reclassifications under IFRS 5[1]	–162
Transfers	0
As of 31/12/2012 / 1/1/2013	3,850
Currency translation	–2
Additions to consolidation group	0
Additions	17
Disposals[1]	0
Reclassifications under IFRS 5[1]	0
Transfers	0
As of 30/9 / 1/10/2013	3,864
Currency translation	1
Additions to consolidation group	0
Additions	2
Disposals[1]	–7
Reclassifications under IFRS 5[1]	0
Transfers	0
As of 30/9/2014	3,860
Impairment losses	
As of 1/10/2012	0
Currency translation	0
Additions, scheduled	0
Additions, non-scheduled	70
Disposals[1]	0
Reclassifications under IFRS 5[1]	0
Reversals of impairment losses	0
Transfers	0
As of 31/12/2012 / 1/1/2013	70
Currency translation	0
Additions, scheduled	0
Additions, non-scheduled	31
Disposals[1]	0
Reclassifications under IFRS 5[1]	0
Reversals of impairment losses	0
Transfers	0
As of 30/9 / 1/10/2013	101
Currency translation	0
Additions, scheduled	0
Additions, non-scheduled	88
Disposals[1]	0
Reclassifications under IFRS 5[1]	0
Reversals of impairment losses	0
Transfers	0
As of 30/9/2014	189
Carrying amount at 1/10/2012	4,022
Carrying amount at 31/12/2012	3,780
Carrying amount at 30/9/2013	3,763
Carrying amount at 30/9/2014	**3,671**

[1] Disposals and transfers to IFRS 5 were shown as disposals in the previous year

19. Other intangible assets

€ million	Intangible assets without goodwill	(thereof internally generated intangible assets)
Acquisition or production costs		
As of 1/10/2012	1,772	(1,000)
Currency translation	–1	(0)
Additions to consolidation group	0	(0)
Additions	42	(20)
Disposals[1]	–59	(–47)
Reclassifications under IFRS 5[1]	–13	(–2)
Transfers	0	(0)
As of 31/12/2012 / 1/1/2013	1,741	(972)
Currency translation	–6	(–2)
Additions to consolidation group	0	(0)
Additions	106	(67)
Disposals[1]	–55	(–25)
Reclassifications under IFRS 5[1]	–1	(0)
Transfers	11	(–1)
As of 30/9 / 1/10/2013	1,796	(1,012)
Currency translation	–5	(–1)
Additions to consolidation group	0	(0)
Additions	130	(75)
Disposals[1]	–70	(–21)
Reclassifications under IFRS 5[1]	–5	(–1)
Transfers	–7	(–6)
As of 30/9/2014	1,840	(1,056)
Amortisation/impairment losses		
As of 1/10/2012	1,354	(787)
Currency translation	–1	(0)
Additions, scheduled	42	(28)
Additions, non–scheduled	13	(7)
Disposals[1]	–59	(–52)
Reclassifications under IFRS 5[1]	–12	(–2)
Reversals of impairment losses	–3	(–3)
Transfers	0	(0)
As of 31/12/2012 / 1/1/2013	1,334	(766)
Currency translation	–5	(–1)
Additions, scheduled	107	(69)
Additions, non–scheduled	5	(3)
Disposals[1]	–47	(–19)
Reclassifications under IFRS 5[1]	–1	(0)
Reversals of impairment losses	0	(0)
Transfers	10	(0)
As of 30/9 / 1/10/2013	1,403	(817)
Currency translation	–4	(–1)
Additions, scheduled	126	(76)
Additions, non–scheduled	4	(1)
Disposals[1]	–66	(–20)
Reclassifications under IFRS 5[1]	–4	(–1)
Reversals of impairment losses	0	(0)
Transfers	0	(–4)
As of 30/9/2014	1,460	(868)
Carrying amount at 1/10/2012	418	(213)
Carrying amount at 31/12/2012	407	(206)
Carrying amount at 30/9/2013	393	(194)
Carrying amount at 30/9/2014	**380**	**(188)**

[1] Disposals and transfers to IFRS 5 were shown as disposals in the previous year

The other intangible assets have a finite useful life and are therefore subject to depreciation/amortisation. Impairment losses concern internally generated software at €1 million (12M 2012/13: €11 million; 9M 2013: €3 million) lease and usage rights at €2 million (12M 2012/13: €3 million; 9M 2013: €2 million) as well as acquired concessions, rights and licenses at €1 million (12M 2012/13: €4 million; 9M 2013: €0 million).

The additions to depreciation/amortisation on other intangible assets are shown in the cost of sales at an amount of €4 million (12M 2012/13: €4 million; 9M 2013: €3 million), in selling expenses at €56 million (12M 2012/13: €52 million; 9M 2013: €38 million), in general administrative expenses at €71 million (12M 2012/13: €111 million; 9M 2013: €72 million).

Research and development expenses recognised in expenses essentially concern internally generated software and amounted to €39 million in the current financial year (12M 2012/13: €46 million; 9M 2013: €32 million).

As in the previous year, there are no material limits to the title or right to dispose of intangible assets. Purchasing obligations amounting to €1 million (30/9/2013: €3 million) were recorded.

20. Property, plant and equipment

As of 30 September 2014, property, plant and equipment totalling €10,025 million (30/9/2013: €10,709 million) were recognised. The decline in property, plant and equipment is due to negative currency effects in the amount of €268 million (12M 2012/13: €288 million; 9M 2013: €235 million). In the current financial year, these apply mainly to Russia and Ukraine.

Disposals of property, plant and equipment totalling €215 million (12M 2012/13: €165 million; 9M 2013: €62 million) also contributed to this decline. Included in this amount are disposals of properties totalling €145 million (12M 2012/13: €96 million; 9M 2013: €9 million). They result primarily in €113 million from the sale of individual office properties at METRO GROUP's headquarters in Düsseldorf as well as in €19 million from the sale of the Brandenburg property.

In addition, this item includes reclassifications of assets to "assets held for sale", reducing property, plant and equipment in the amount of €172 million (12M 2012/13: €918 million; 9M 2013: €100 million). Of these, €113 million relates to the wholesale business in Vietnam held for sale and €26 million to portions of the Turkish location in Merter owned by METRO PROPERTIES.

€ million	Land and buildings	Other plant, business and office equipment	Assets under construction	Total
Acquisition or production costs				
As of 1/10/2012	13,112	8,710	359	22,182
Currency translation	–42	–28	–2	–72
Additions to consolidation group	43	0	0	44
Additions	72[1]	207	132	411
Disposals[2]	–216	–184	–6	–406
Reclassifications under IFRS 5[2]	–817	–488	–30	–1,335
Transfers	113	120	–234	–1
As of 31/12/2012 / 1/1/2013	12,266	8,337	218	20,822
Currency translation	–204	–128	–9	–341
Additions to consolidation group	3	0	0	3
Additions[1]	128	286	221	635
Disposals[2]	–26	–277	–20	–323
Reclassifications under IFRS 5[2]	–133	0	0	–133
Transfers	124	85	–184	24
As of 30/9 / 1/10/2013	12,157	8,304	226	20,687
Currency translation	–260	–104	–6	–369
Additions to consolidation group	184	0	0	184
Additions	130[1]	441	330[1]	901
Disposals[2]	–312	–443	–14	–769
Reclassifications under IFRS 5[2]	–165	–112	–5	–282
Transfers	–20	175	–273	–117
As of 30/9/2014	11,714	8,261	258	20,233
Depreciation/impairment losses				
As of 1/10/2012	4,364	5,606	9	9,979
Currency translation	–4	–15	0	–19
Additions, scheduled	86	157	0	243
Additions, non–scheduled	30	86	9	126
Disposals[2]	–128	–172	–1	–302
Reclassifications under IFRS 5[2]	–187	–323	–8	–517
Reversals of impairment losses	–2	–4	0	–6
Transfers	–14	7	0	–6
As of 31/12/2012 / 1/1/2013	4,147	5,342	9	9,498
Currency translation	–41	–64	–1	–106
Additions, scheduled	310[1]	432[1]	0	742
Additions, non-scheduled	84[1]	32[1]	1	117
Disposals[2]	–17	–239	–4	–261
Reclassifications under IFRS 5[2]	–33	–1	0	–33
Reversals of impairment losses	0	–6	0	–6
Transfers	28	–2	1	27
As of 30/9 / 1/10/2013	4,478	5,493	6	9,978
Currency translation	–45	–56	0	–101
Additions, scheduled	385	557	0	943
Additions, non-scheduled	54	49	2	105
Disposals[2]	–167	–386	–1	–554
Reclassifications under IFRS 5[2]	–46	–64	0	–110
Reversals of impairment losses	–10	–1	0	–11
Transfers	–43	2	0	–41
As of 30/9/2014	4,607	5,595	7	10,208
Carrying amount at 1/10/2012	8,748	3,105	350	12,202
Carrying amount at 31/12/2012	8,119	2,995	210	11,324
Carrying amount at 30/9/2013	7,679	2,810	220	10,709
Carrying amount at 30/9/2014	**7,108**	**2,666**	**251**	**10,025**

[1] Including asset transfers from "assets held for sale" to "property, plant and equipment"
[2] Disposals and transfers to IFRS 5 were shown as disposals in the previous year

Restrictions on titles in the form of liens and encumbrances for property, plant and equipment amounted to €179 million (30/9/2013: €272 million).

Contractual commitments for the acquisition of property, plant and equipment in the amount of €128 million (30/9/2013: €125 million) were recorded.

Assets used by METRO GROUP under the terms of finance lease agreements were valued at €879 million (30/9/2013: €976 million). The assets involved are mainly leased buildings.

Finance leases generally have terms of 15 to 25 years with options under expiration to extend them at least once for five years. The interest rates in the leases vary by market and date of signing between 4.4 and 6.7 per cent.

In addition to finance leases, METRO GROUP also signed other types of leases classified as operating leases based on their economic value. Operating leases generally have an initial term of up to 15 years. The interest rates in the leases are based partly on variable and partly on fixed rents.

Payments due under finance and operating leases in subsequent periods are shown as follows:

€ million	Up to 1 year	1 to 5 years	Over 5 years
Finance leases 30/9/2013			
Future lease payments due (nominal)	232	737	1,449
Discount	–17	–164	–771
Net present value	215	573	678
Operating leases 30/9/2013			
Future lease payments due (nominal)	1,536	4,789	4,047
Finance leases 30/9/2014			
Future lease payments due (nominal)	210	645	1,178
Discount	–15	–139	–600
Net present value	195	506	578
Operating leases 30/9/2014			
Future lease payments due (nominal)	1,422	4,312	3,632

Future payments due on finance leases contain payments amounting to €42 million (30/9/2013: €42 million).

The nominal value of future lease payments due to METRO GROUP coming from the subleasing of assets held under finance leases amounts to €199 million (30/9/2013: €212 million, adjustment of previous year's figures – see chapter Notes to the group accounting principles and methods).

The nominal value of future lease payments due to METRO GROUP coming from the subleasing of assets held under operating leases amounts to €470 million (30/9/2013: €538 million, adjustment of previous year's figures – see chapter Notes to the group accounting principles and methods).

Profit or loss for the period includes payments made under leasing agreements amounting to €1,585 million (12M 2012/13: €1,627 million; 9M 2013: €1,231 million) and payments received under leasing agreements in the amount of €341 million (12M 2012/13: €381 million; 9M 2013: €279 million).

Contingent lease payments from finance and operating leases recognised as expenses during the period amount to €10 million (12M 2012/13: €12 million; 9M 2013: €10 million) and €55 million (12M 2012/13: €55 million; 9M 2013: €46 million), respectively.

Lease payments due in subsequent periods from entities outside METRO GROUP for the rental of properties that are legally owned by METRO GROUP (METRO GROUP as lessor) are shown below:

€ million	Up to 1 year	1 to 5 years	Over 5 years
Finance leases 30/9/2013			
Future lease payments due (nominal)	1	3	7
Discount	0	–1	–4
Net present value	1	2	2
Operating leases 30/9/2013			
Future lease payments due (nominal)[1]	75	204	184

[1] Adjustment of previous year's figures
(see chapter Notes to the group accounting principles and methods)

€ million	Up to 1 year	1 to 5 years	Over 5 years
Finance leases 30/9/2014			
Future lease payments due (nominal)	0	0	0
Discount	0	0	0
Net present value	0	0	0
Operating leases 30/9/2014			
Future lease payments due (nominal)	84	235	192

Due to the termination of finance leases from the perspective of the lessor, there are no nominal minimum lease payments in the current reporting period (30/9/2013: €11 million). There is no unguaranteed residual value in the reporting period (30/9/2013: €2 million). Thus, the resulting gross investment value also amounts to €0 (30/9/2013: €13 million). As a result, unrealised financial income is also €0 (12M 2012/13: €6 million; 9M 2013: €5 million).

21. Investment properties

Investment properties are recognised at depreciated cost. As of 30 September 2014, investment properties totalling €223 million (30/9/2013: €156 million) were recognised. The increase of €67 million was mainly the result of the reclassification of the Turkish sites owned by METRO PROPERTIES from property, plant and equipment to "investment properties". The overcompensation of investing activities in the current financial year by depreciation and impairment losses constituted offsetting effects.

The fair values of these real estate properties total €311 million (30/9/2013: €236 million). They can be determined on the basis of observable market prices. As a result, the fair values are determined on the basis of internationally recognised measurement methods, particularly the comparative value procedure and the discounted cash flow method (level 3 of the three-level valuation hierarchy of IFRS 13 [Fair Value Measurement]). This measurement is based on a detailed planning period of ten years. Aside from headline rents, market-based discount rates were used as key valuation parameters. The discount rates are determined on the basis of analyses of relevant real estate markets as well as evaluations of comparable transactions and market publications issued by international consulting firms. The resulting discount rates reflect both the respective country and location risk as well as the property-specific real estate risk.

Rental income from these properties amounts to €40 million (12M 2012/13: €33 million; 9M 2013: €24 million). The related expenses amount to €25 million (12M 2012/13: €18 million; 9M 2013: €14 million). Expenses of €1 million (12M 2012/13: €1 million; 9M 2013: €0 million) resulted from properties without rental income.

Restrictions on titles in the form of liens and encumbrances amounted to €19 million (30/9/2013: €25 million). As in the previous year, no contractual commitments for the acquisition of investment properties were made.

€ million	Investment properties
Acquisition or production costs	
As of 1/10/2012	505
Currency translation	0
Additions to consolidation group	0
Additions	3
Disposals[1]	–4
Reclassifications under IFRS 5[1]	–4
Transfers	0
As of 31/12/2012 / 1/1/2013	500
Currency translation	0
Additions to consolidation group	0
Additions	5
Disposals[1]	–64
Reclassifications under IFRS 5[1]	–3
Transfers	–32
As of 30/9/2013 / 1/10/2013	407
Currency translation	0
Additions to consolidation group	0
Additions[2]	2
Disposals[1]	–10
Reclassifications under IFRS 5[1]	0
Transfers	125
As of 30/9/2014	523
Depreciation	
As of 1/10/2012	299
Currency translation	0
Additions, scheduled	3
Additions, non-scheduled	0
Disposals[1]	–4
Reclassifications under IFRS 5[1]	–3
Reversals of impairment losses	0
Transfers	6
As of 31/12/2012 / 1/1/2013	301
Currency translation	0
Additions, scheduled	8
Additions, non-scheduled	8
Disposals[1]	–34
Reclassifications under IFRS 5[1]	0
Reversals of impairment losses	0
Transfers	–32
As of 30/9/2013 / 1/10/2013	250
Currency translation	0
Additions, scheduled	10
Additions, non-scheduled	6
Disposals[1]	–7
Reclassifications under IFRS 5[1]	0
Reversals of impairment losses	0
Transfers	41
As of 30/9/2014	300
Carrying amount at 1/10/2012	207
Carrying amount at 31/12/2012	199
Carrying amount at 30/9/2013	156
Carrying amount at 30/9/2014	**223**

[1] Disposals and transfers to IFRS 5 were shown as disposals in the previous year
[2] Including asset transfers from "assets held for sale" to "investment properties"

22. Financial investments and investments accounted for using the equity method

€ million	Loans	Investments	Securities	Total
Acquisition or production costs				
As of 1/10/2012	71	194	1	266
Currency translation	0	–4	0	–4
Additions to consolidation group	0	0	0	0
Additions	8	9	0	17
Disposals[1]	–1	0	0	–1
Reclassifications under IFRS 5[1]	0	0	0	0
Transfers	–18	1	1	–16
As of 31/12/2012 / 1/1/2013	60	200	2	261
Currency translation	–1	–4	0	–5
Additions to consolidation group	0	0	0	0
Additions	13	71	0	84
Disposals[1]	–6	0	0	–7
Reclassifications under IFRS 5[1]	0	0	0	0
Transfers	0	0	0	0
As of 30/9 / 1/10/2013	65	267	2	333
Currency translation	0	15	0	16
Additions to consolidation group	0	0	0	0
Additions	6	5	0	11
Disposals[1]	–19	–269	0	–288
Reclassifications under IFRS 5[1]	0	0	0	0
Transfers	–1	1	0	0
As of 30/9/2014	51	19	2	72
Impairment losses				
As of 1/10/2012	13	1	0	14
Currency translation	0	0	0	0
Additions, scheduled	0	0	0	0
Additions, non-scheduled	0	0	0	0
Disposals[1]	0	0	0	0
Reclassifications under IFRS 5[1]	0	0	0	0
Reversals of impairment losses	0	0	0	0
Transfers	0	0	0	0
As of 31/12/2012 / 1/1/2013	13	1	0	14
Currency translation	0	0	0	0
Additions, scheduled	0	0	0	0
Additions, non-scheduled	0	0	0	0
Disposals[1]	0	0	0	0
Reclassifications under IFRS 5[1]	0	0	0	0
Reversals of impairment losses	0	0	0	0
Transfers	–1	0	0	–1
As of 30/9 / 1/10/2013	13	1	0	14
Currency translation	0	0	0	0
Additions, scheduled	0	0	0	0
Additions, non-scheduled	0	0	0	0
Disposals[1]	–13	0	0	–13
Reclassifications under IFRS 5[1]	0	0	0	0
Reversals of impairment losses	0	0	0	0
Transfers	0	0	0	0
As of 30/9/2014	0	1	0	1
Carrying amount at 1/10/2012	58	193	1	252
Carrying amount at 31/12/2012	47	199	2	247
Carrying amount at 30/9/2013	52	266	2	319
Carrying amount at 30/9/2014	**51**	**18**	**2**	**71**

[1] Disposals and transfers to IFRS 5 were shown as disposals in the previous year

Of the disposals of investments amounting to €269 million, €246 million concern the sale of a 9 per cent stake in Booker Group PLC. These shares were gained as part of the agreement regarding the sale of METRO GROUP's wholesale business in the United Kingdom.

€ million	Investments accounted for using the equity method
Acquisition or production costs	
As of 1/10/2012	57
Currency translation	0
Additions to consolidation group	0
Additions	35
Disposals[1]	0
Reclassifications under IFRS 5[1]	0
Transfers	0
As of 31/12/2012 / 1/1/2013	92
Currency translation	0
Additions to consolidation group	0
Additions	44
Disposals[1]	–4
Reclassifications under IFRS 5[1]	0
Transfers	0
As of 30/9 / 1/10/2013	132
Currency translation	0
Additions to consolidation group	0
Additions	2
Disposals[1]	–39
Reclassifications under IFRS 5[1]	0
Transfers	0
As of 30/9/2014	95
Impairment losses	
As of 1/10/2012	0
Currency translation	0
Additions, scheduled	0
Additions, non-scheduled	1
Disposals[1]	0
Reclassifications under IFRS 5[1]	0
Reversals of impairment losses	–1
Transfers	0
As of 31/12/2012 / 1/1/2013	0
Currency translation	0
Additions, scheduled	0
Additions, non-scheduled	0
Disposals[1]	0
Reclassifications under IFRS 5[1]	0
Reversals of impairment losses	0
Transfers	0
As of 30/9 / 1/10/2013	0
Currency translation	0
Additions, scheduled	0
Additions, non-scheduled	0
Disposals[1]	0
Reclassifications under IFRS 5[1]	0
Reversals of impairment losses	0
Transfers	0
As of 30/9/2014	0
Carrying amount at 1/10/2012	57
Carrying amount at 31/12/2012	92
Carrying amount at 30/9/2013	132
Carrying amount at 30/9/2014	**95**

[1] Disposals and transfers to IFRS 5 were shown as disposals in the previous year

The following table gives a summary of the financial information related to the main investments accounted for using the equity method:

	Closing date	Share in %	Total assets € million	Total liabilities € million	Net assets € million	Profit or loss € million	Group's share of net assets € million	Carrying amounts € million	Group's share of profit € million
Habib METRO Pakistan (Pvt) Ltd (associated company)	30/6/2014	40.00	67	3	64	4	26	45	2
OPCI FRENCH WHOLESALE PROPERTIES – FWP (associated company)	30/9/2014	4.99	265	107	158	11	8	8	2
OPCI FRENCH WHOLESALE STORES – FWS (associated company)	30/9/2014	25.00	256	105	151	11	38	39	3

The share of the company OPCI FRENCH WHOLESALE PROPERTIES – FWP was reduced by 25.74 per cent to 4.99 per cent in financial year 2013/14. METRO GROUP's representation on the supervisory board of OPCI FRENCH WHOLESALE PROPERTIES – FWP ensures that significant influence will be maintained and accounted for according to the equity method.

23. Other financial and non-financial assets

	30/9/2013			30/9/2014		
		Remaining term			Remaining term	
€ million	Total	up to 1 year	over 1 year	Total	up to 1 year	over 1 year
Receivables due from suppliers	1,389	1,360	29	**1,524**	**1,505**	**19**
Miscellaneous financial assets	672	652	21	**669**	**649**	**19**
Other financial assets	**2,062**	**2,012**	**50**	**2,193**	**2,154**	**39**
Other tax receivables	368	368	0	**464**	**464**	**0**
Prepaid expenses and deferred charges	430	154	276	**376**	**150**	**226**
Miscellaneous non-financial assets	78	66	12	**75**	**68**	**7**
Other non-financial assets	**876**	**589**	**288**	**915**	**681**	**234**
Other financial and non-financial assets	**2,938**	**2,601**	**337**	**3,108**	**2,836**	**272**

Receivables due from suppliers comprise both invoiced and deferred income for subsequent supplier compensation (for example, bonuses, advertising subsidies) and creditors with debit balances. The deviation from the previous year primarily stems from the improvement of agreed terms and conditions of subsequent supplier compensation.

Miscellaneous financial assets essentially comprise receivables from METRO Unterstützungskasse e. V. in the amount of €208 million (30/9/2013: €168 million), receivables from credit card transactions in the amount of €104 million (30/9/2013: €116 million), receivables from other financial transactions in the amount of €59 million (30/9/2013: €30 million), receivables and other assets in the real estate area amounting to €52 million (30/9/2013: €77 million) and financing provisions amounting to €22 million (30/9/2013: €19 million), receivables from the disposal of Real's Eastern European business amounting to €15 million (30/9/2013: €48 million).

Other tax receivables include entitlements to sales tax refunds totalling €263 million (30/9/2013: €147 million), not yet clearable input tax in the amount of €187 million (30/9/2013: €206 million) and other entitlements to tax refunds totalling €14 million (30/9/2013: €16 million).

The item of prepaid expenses and deferred charges includes deferred rental, leasing and interest prepayments as well as miscellaneous deferments.

Miscellaneous non-financial assets primarily include raw materials, supplies and goods purchased in the amount of €28 million (30/9/2013: €25 million).

24. Deferred tax assets / deferred tax liabilities

Deferred taxes on tax loss carry-forwards and temporary differences amount to €835 million, a decline of €2 million compared with 30 September 2013. The carrying amounts of deferred tax liabilities increased by €3 million to €130 million compared with the previous year.

Deferred taxes recognised concern the following balance sheet items:

	30/9/2013		30/9/2014	
€ million	**Asset**	**Liability**	**Asset**	**Liability**
Goodwill	177	176	**152**	**170**
Other intangible assets	97	68	**101**	**73**
Property, plant and equipment and investment properties	152	616	**156**	**596**
Financial investments and investments accounted for using the equity method	5	2	**5**	**2**
Inventories	94	13	**70**	**18**
Other financial and non-financial assets	120	46	**115**	**60**
Assets held for sale	0	0	**0**	**0**
Provisions for pensions and similar obligations	319	62	**368**	**62**
Other provisions	94	5	**96**	**7**
Borrowings	404	5	**369**	**6**
Other financial and non-financial liabilities	136	57	**131**	**63**
Liabilities related to assets held for sale	0	0	**0**	**0**
Outside basis differences	0	0	**0**	**0**
Write-downs of temporary differences	–84	0	**–106**	**0**
Loss carry-forwards	246	0	**304**	**0**
Total	1,760	1,050	**1,762**	**1,057**
Offset	–923	–923	**–927**	**–927**
Carrying amount of deferred taxes	**837**	**127**	**835**	**130**

Of the deferred tax assets shown, €492 million are attributable to the incorporated companies of METRO AG. Based on business planning, realisation of this tax asset is to be considered sufficiently probable.

In accordance with IAS 12 (Income Taxes), deferred tax liabilities relating to differences between the carrying amount of a subsidiary's pro rata assets and liabilities in the balance sheet and the carrying amounts of the investments for this subsidiary in the parent company's tax statement must be capitalised (so-called outside basis differences) if the tax benefit is likely to be realised in future. The differences can primarily be attributed to retained earnings of subsidiaries in Germany and abroad. No deferred taxes were recognised for these retained earnings as they will be reinvested over an indefinite period of time or are not subject to relevant taxation. Any dividends paid by subsidiaries would be subject to a dividend tax of 5 per cent. In addition, foreign dividends may trigger a withholding tax. As of 30 September 2014, €0 million in deferred tax liabilities from outside basis differences were recognised for planned dividend payments. At the time of this report being prepared, the approved dividend payments were fully recognised. For this reason, no deferred tax liabilities were recognised in this context. Due to the hierarchical structure of METRO GROUP, the determination of the taxable temporary differences would require undue efforts.

No deferred tax assets were capitalised for the following tax loss carry-forwards and interest carry-forwards or temporary differences because realisation of the assets in the short-to-medium term is not expected:

€ million	30/9/2013	30/9/2014
Corporate tax losses	7,666	**7,896**
Trade tax losses	7,844	**7,908**
Interest carry-forwards	132	**19**
Temporary differences	324	**415**

The losses primarily concern Germany. They can be carried forward without limitation.

Tax effects on components of other comprehensive income

	9M 2013			12M 2012/13			12M 2013/14		
€ million	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Currency translation differences from translating the financial statements of foreign operations	–99	0	–99	–135	0	–135	**–30**	**–7**	**–37**
thereof currency translation differences of net investments in foreign operations	(5)	(0)	(5)	(4)	(0)	(4)	**(–68)**	**(–7)**	**(–75)**
Effective portion of gains/losses from cash flow hedges	6	–1	5	5	0	5	**21**	**–3**	**18**
Gains/losses on remeasuring financial instruments in the category "available for sale"	65	0	65	68	0	68	**–70**	**0**	**–70**
Deferred taxes from the revaluation of defined benefit pension plans	10	–3	7	–34	6	–28	**–256**	**41**	**–215**
Other changes	0	0	0	0	0	0	**0**	**0**	**0**
Remaining income tax on other comprehensive income	0	–9	–9	0	2	2	**0**	**–4**	**–4**
	–18	**–13**	**–31**	**–96**	**8**	**–88**	**–335**	**27**	**–308**

As a result of non-taxable events as well as the non-recognition and impairment of deferred taxes, the recognised tax does not correspond to the estimated tax for each item.

25. Inventories

€ million	30/9/2013	30/9/2014
Food merchandise	1,953	**2,032**
Non-food merchandise	3,903	**3,914**
	5,856	**5,946**

Inventories can be broken down by sales line as follows:

€ million	30/9/2013	30/9/2014
METRO Cash & Carry	2,254	**2,319**
Media-Saturn	2,148	**2,182**
Real	622	**578**
Galeria Kaufhof	515	**540**
Others	316	**327**
	5,856	**5,946**

Compared with 30 September 2013, inventories increased by €90 million. The increase is primarily due to various new store openings as well as higher product purchasing as a result of, among other things, METRO Cash & Carry's 50th anniversary. The opposite effect was produced by the reclassification of inventories from METRO Cash & Carry Vietnam as "assets held for sale" and from the disposal of Real's business in Turkey.

Inventories include impairments of €229 million (30/9/2013: €267 million).

26. Trade receivables

Of total trade receivables of €560 million (30/9/2013: €547 million), €17 million (30/9/2013: €15 million) is due in over one year.

27. Impairments of capitalised financial instruments

Impairments of capitalised financial instruments that are measured at amortised cost are as follows:

€ million	Category "loans and receivables"	Category "held to maturity"
As of 1/10/2012	162	0
Currency translation	0	0
Additions	29	0
Reversal	–11	0
Utilisation	–13	0
Transfers	–5	0
As of 31/12/2012 / 1/1/2013	161	0
Currency translation	–3	0
Additions	87	0
Reversal	–31	0
Utilisation	–27	0
Transfers	0	0
As of 30/9 / 1/10/2013	189	0
Currency translation	–2	0
Additions	67	0
Reversal	–36	0
Utilisation	–52	0
Transfers	–31	0
As of 30/9/2014	**135**	**0**

In the category "loans and receivables", which includes, in particular, loans, trade receivables, receivables from suppliers as well as receivables and other assets in the real estate area, negative earnings effects from impairments amount to €30 million (12M 2012/13: €73 million; 9M 2013: €55 million). This also includes earnings from the receipt of cash from receivables of €2 million (12M 2012/13: €2 million; 9M 2013: €1 million) derecognised due to expected irrecoverability. In the current financial year, this item includes reclassifications of assets to "assets held for sale" in the amount of €1 million (12M 2013: €5 million; 9M 2013: €0 million).

As in the previous year, no earnings effects existed in the category "held to maturity".

In the current financial year, there are no negative earnings effects from impairments of receivables from finance leases (amount according to IAS 17) (12M 2012/13: €4 million; 9M 2013: €4 million).

In principle, impairment losses on capitalised financial instruments are recognised using an adjustment account. They reduce the carrying amount of financial assets.

28. Maturities and impairments of capitalised financial instruments

Capitalised financial instruments had the following maturities and impairments as of the closing date:

			thereof past due, not impaired				
€ million	Total carrying amount 30/9/2013	thereof not past due, not impaired	within the last 90 days	for 91 to 180 days	for 181 to 270 days	for 271 to 360 days	for more than 360 days
Assets							
in the category "loans and receivables"	2,647	2,241	101	5	1	0	1
in the category "held to maturity"	0	0	0	0	0	0	0
in the category "held for trading"	18	0	0	0	0	0	0
in the category "available for sale"	267	1	0	0	0	0	0
	2,932	**2,243**	**101**	**5**	**1**	**0**	**1**

			thereof past due, not impaired				
€ million	Total carrying amount 30/9/2014	thereof not past due, not impaired	within the last 90 days	for 91 to 180 days	for 181 to 270 days	for 271 to 360 days	for more than 360 days
Assets							
in the category "loans and receivables"	**2,757**	**2,368**	**87**	**9**	**3**	**0**	**1**
in the category "held to maturity"	**0**	**0**	**0**	**0**	**0**	**0**	**0**
in the category "held for trading"	**26**	**0**	**0**	**0**	**0**	**0**	**0**
in the category "available for sale"	**19**	**1**	**0**	**0**	**0**	**0**	**0**
	2,803	**2,369**	**87**	**9**	**3**	**0**	**1**

Loans and receivables due within the last 90 days largely result from standard business payment transactions with immediate or short-term payment targets. For unimpaired loans and receivables more than 90 days past due, there is no indication as of the closing date that debtors will not fulfil their payment obligations. For capitalised financial instruments which are not past due and which are not impaired, there is no indication based on the debtor's creditworthiness that would require an impairment.

29. Cash and cash equivalents

€ million	30/9/2013	30/9/2014
Cheques and cash on hand	109	**110**
Bank deposits and money in transit	2,455	**2,296**
	2,564	**2,406**

For more information, see the cash flow statement and no. 41 Notes to the cash flow statement.

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

Divestment of Real's Eastern European business

By contractual agreement dated 30 November 2012, METRO GROUP and the French retailing company Groupe Auchan agreed on the sale of Real's business in Poland, Russia, Romania and Ukraine to Groupe Auchan. The agreement relating to Real in Russia, Romania and Ukraine was implemented during the short financial year 2013. As the last of the remaining conditions precedent were met in January 2014, the Polish Real business could be deconsolidated in the second quarter of 2013/14.

Continued operating activities have led to an increase in the "assets held for sale" of the Real business in Poland from €174 million to €247 million since the beginning of financial year 2013/14. Correspondingly, "liabilities related to assets held for sale" have increased from €264 million to €320 million. The assets and liabilities disposed of as a result of the deconsolidations can be broken down as follows:

€ million	30/9/2014
Assets	
Property, plant and equipment	32
Inventories	146
Trade receivables	5
Other financial and non-financial assets (current)	23
Cash and cash equivalents	41
	247
Liabilities	
Borrowings (non-current)	69
Other financial and non-financial liabilities (non-current)	16
Trade liabilities	191
Provisions (current)	14
Borrowings (current)	1
Other financial and non-financial liabilities (current)	29
	320

Earnings affecting EBIT from the divestment of Real's business in Eastern Europe amounted to €37 million. These are primarily shown with €43 million as other operating income and €6 million as selling expenses. In segment terms, they impact the Real segment in the full amount. The currency translation differences recognised outside of profit or loss in equity until the date of deconsolidation result in expenses of €28 million that impact the other net financial result on the occasion of their reversal.

Additional assets are scheduled to be sold to Groupe Auchan as well as other buyers in the context of the divestment of Real's Eastern European business. After the full reintegration of a Russian store amounting to €10 million into the METRO Cash & Carry segment, outstanding assets of €3 million will be accounted to "assets held for sale" and contribute in the same level in the Others segment to segment assets. They do not contribute to the segment assets in the Real segment. "Liabilities related to assets held for sale" do not exist for these additional assets.

Disposal of Real's Turkish business

In light of the renewed focus on Real's business in Germany, Real's business in Turkey was sold following the successful sale of Real's business in Eastern Europe. The contract to this effect with the buyer, Mr Hacı Duran Beğendik, was signed on 27 June 2014. After the final conditions for execution had been met in July 2014, the Turkish Real business was deconsolidated in the annual financial statements as of 30 September 2014. In light of this, assets of €73 million were recognised as "assets held for sale" and €80 million as "liabilities related to assets held for sale" as of 30 June 2014. Disposals from these items took place during the deconsolidation on 30 September 2014. Before the reclassification to "assets held for sale" and "liabilities related to assets held for sale", a write-down of the assets and liabilities to fair value less costs to sell was performed. This resulted in expenses affecting EBIT of €14 million that fully impacted the segment earnings of the Real sales line. In addition, there were no further earnings impacting EBIT during the deconsolidation. The reversal of currency translation differences recognised directly in equity until the date of deconsolidation results in an expense of €109 million, which is shown in other net financial result.

Sale of wholesale business in Vietnam

On 7 August 2014, METRO Cash & Carry reached an agreement with the Thai retail group Berli Jucker Public Company Limited (BJC) for the sale of all 19 Vietnamese wholesale stores including the associated real estate portfolio. The agreement is still subject to fulfilment of the usual conditions of execution and approvals by the responsible authorities. Until this time, the Vietnamese wholesale business will remain part of METRO GROUP and will continue to contribute to group results. Upon the agreement's effective date, all assets and liabilities affected by the agreement are treated as a disposal group pursuant to IFRS 5. Following consolidation of all intra-group assets and liabilities, they are therefore shown in the item "assets held for sale" (€221 million) or "liabilities related

to assets held for sale" (€192 million) in the consolidated balance sheet as of 30 September 2014. The assets and liabilities can be broken down as follows:

€ million	30/9/2014
Assets	
Property, plant and equipment	113
Other financial and non-financial assets (non-current)	48
Inventories	32
Trade receivables	3
Other financial and non-financial assets (current)	22
Cash and cash equivalents	3
	221
Liabilities	
Provisions for pensions and similar obligations	1
Borrowings (non-current)	97
Trade liabilities	45
Provisions (current)	6
Borrowings (current)	36
Other financial and non-financial liabilities (current)	7
	192

In the METRO Cash & Carry segment, assets and liabilities held for sale that are related to the Vietnamese wholesale business contribute €212 million to segment assets and €59 million to segment liabilities.

Expenses of €1 million in connection with the sale to BJC were incurred in financial year 2013/14. They are reported under general administrative expenses and are attributable to the METRO Cash & Carry segment. No expenses were incurred in connection with the measurement of the disposal group at fair value less costs to sell.

METRO GROUP assumes that the outstanding conditions for the accounting treatment of the disposal of the Vietnamese wholesale business will be fulfilled within a period of twelve months.

Real estate

By contractual agreement of 23 April 2014, METRO GROUP purchased ten properties used by the Real sales line from the Delek Group, Netanya, Israel, with the aim of reselling these within a short period of time. The transaction was made through the direct purchase of shares in ten property companies as well as the purchase of loan receivables from the property companies. As a result of this transaction, the value of assets held for sale increased by €172 million. The transaction had no impact on earnings. For purposes of the cash flow statement, the transaction is shown as other investments under the cash flow from investing activities.

In addition, the value of individual properties available for sale has declined over the course of financial year 2013/14 by €75 million as a result of the sale of real estate assets and by €3 million as a result of currency effects. The reintegration of a real estate asset into non-current assets also resulted in a reduction of €1 million. Plans to dispose of additional real estate assets over the course of one year added €36 million. In addition, increased renovation-related additional capitalisations of real estate assets already recognised under "assets held for sale" added €3 million to this balance sheet item.

METRO GROUP expects to dispose of the real estate assets recognised as "assets held for sale" during the course of financial year 2014/15. 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 (€7 million), Real (€172 million) and Others (€57 million) segments.

31. Equity

In terms of amount and composition – that is, the ratio of ordinary to preference shares – subscribed capital has not changed compared with 30 September 2013 and totals €835,419,052.27. It is divided as follows:

No-par-value bearer shares, accounting par value approximately €2.56		30/9/2013	30/9/2014
Ordinary shares	Shares	324,109,563	**324,109,563**
	€ approx.	828,572,941	**828,572,941**
Preference shares	Shares	2,677,966	**2,677,966**
	€ approx.	6,846,111	**6,846,111**
Total shares	**Shares**	**326,787,529**	**326,787,529**
Total share capital	**€ approx.**	**835,419,052**	**835,419,052**

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

"(1) Holders of non-voting preference shares will receive from the annual net earnings a preference dividend of €0.17 per preference share.

(2) Should the net earnings available for distribution not suffice in any one financial year to pay the preference dividend, the arrears (excluding any interest) shall be paid from the net earnings of future financial years in an order based on age; that is, in such manner that any older arrears are paid off prior to any more recent ones and that the preference dividends payable from the profit of a financial year are not distributed until all of any accumulated arrears have been paid.

(3) After the preference dividend has been distributed, the holders of ordinary shares will receive a dividend of €0.17 per ordinary share. Thereafter, a non-cumulative extra dividend of €0.06 per share will be paid to the holders of non-voting preference shares. The extra dividend shall amount to 10 per cent of such dividend as, in accordance with Section 4 herein below, will be paid to the holders of ordinary shares insofar as such dividend equals or exceeds €1.02 per ordinary share.

(4) The holders of non-voting preference shares and of ordinary shares will equally share in any additional profit distribution in the proportion of their shares in the share capital."

Authorised capital

The Annual General Meeting on 23 May 2012 authorised the Management Board to increase the share capital, with the consent of the Supervisory Board, by issuing new ordinary bearer shares in exchange for cash or non-cash contributions in one or several tranches for a total maximum of €325,000,000 by 22 May 2017 (authorised capital I). The Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights in certain cases. To date, the authorised capital I has not been utilised.

Contingent capital

The Annual General Meeting on 5 May 2010 resolved a contingent increase in the share capital by up to €127,825,000, divided into up to 50,000,000 ordinary bearer shares (contingent capital I). This contingent capital increase is connected to the creation of a new authorisation for the Management Board to issue warrant or convertible bearer bonds ("bonds"), with the consent of the Supervisory Board, with a nominal value of up to €1,500,000,000 in one or several tranches by 4 May 2015 and to grant the bond holders warrant or conversion rights for up to 50,000,000 new ordinary shares in the company based on the conditions of the bonds, to provide for the respective warrant or conversion obligations or to provide for the company's right to redeem the bonds by providing ordinary shares in METRO AG, in whole or in part, in lieu of cash payment. The Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights in certain cases. To date, no warrant and/or convertible bonds have been issued based on said authorisation.

Share buyback

On the basis of § 71 Section 1 No. 8 of the German Stock Corporation Act, the Annual General Meeting on 5 May 2010 authorised the company on or before 4 May 2015 to acquire shares of the company of any share class representing a maximum of 10 per cent of the share capital issued as of the date the Annual General Meeting resolution date passed. To date, neither the

company nor any company controlled or majority-owned by the company or any other company acting on behalf of the company or of any company controlled or majority-owned by the company has exercised this authorisation.

For more information about authorised capital, contingent capital, on the authorisation to issue warrant and/or convertible bonds as well as on share buybacks, see the combined management report in chapter 10 Notes pursuant to § 315 Section 4 and § 289 Section 4 of the German Commercial Code and explanatory report of the Management Board.

Capital reserve

The capital reserve amounts to €2,551 million (30/9/2013: €2,551 million).

Reserves retained from earnings

€ million	30/9/2013	30/9/2014
Effective portion of gains/ losses from cash flow hedges	61	**82**
Gains/losses from the revaluation of financial instruments in the category "available for sale"	70	**0**
Currency translation differences from translating the financial statements of foreign operations	–407	**–441**
Remeasurement of defined benefit pension plans	–611	**–865**
Income tax on components of " other comprehensive income"	174	**201**
Other reserves retained from earnings	2,506	**2,625**
	1,793	**1,602**

Changes in the financial instruments presented above and the corresponding deferred tax effect consist of the following components:

€ million	9M 2013	12M 2012/13	12M 2013/14
Initial or subsequent measurement of derivative financial instruments	14	2	**24**
Derecognition of cash flow hedges	–8	3	**–3**
thereof in inventories	(–11)	(–3)	**(–6)**
thereof in financial result	(3)	(6)	**(3)**
Effective portion of gains/losses from cash flow hedges	6	5	**21**
Gains/losses from the revaluation of financial instruments in the category "available for sale"	65	68	**–70**
	71	**73**	**–49**
Net deferred tax effect thereon[1]	–1	0	**–3**
	70	**73**	**–52**

[1] Adjustment of previous year's figures for the sole presentation of the tax effect of the recognised components shown above

In addition, currency translation differences of €34 million reduced equity (12M 2012/13: €–129 million; 9M 2013: €–91 million).

The translation of the local balance sheets to the group currency resulted in a decline of €156 million in equity with no effect on profit or loss. The recognition in the amount of €122 million from the cumulated currency differences of companies that will be deconsolidated within this financial year or discontinue their operations in profit or loss had the opposite effect.

Other reserves retained from earnings increased by €119 million from €2,506 million to €2,625 million. This increase was primarily influenced by the profit for the period attributable to the shareholders of METRO AG of €127 million.

Non-controlling interests

Non-controlling interests comprise the shares held by third parties in the share capital of the consolidated subsidiaries. They amounted to €11 million at the end of the financial year (30/9/2013: €27 million). The decline is primarily the result of the dividend distribution of €86 million. The amount of total comprehensive income attributable to non-controlling interests had the opposite effect (€57 million). Significant non-controlling interests exist only at Media-Saturn-Holding GmbH.

Appropriation of the balance sheet profit, dividends

Dividend distribution of METRO AG is based on METRO AG's annual financial statements prepared under German commercial law.

As resolved by the Annual General Meeting on 12 February 2014, total reported net retained profit of €137 million for the short financial year 2013 was added to other reserves retained from earnings in financial year 2013/14.

Regarding the appropriation of the balance sheet profit for 2013/14, the Management Board of METRO AG will propose to the Annual General Meeting to distribute from the reported balance sheet profit of €319 million a dividend in the amount of €0.90 per ordinary share and €1.13 per preference share – that is, a total of €295 million – and to carry forward the remaining amount to the new account. The dividend proposal contains a preference dividend of €0.17 per preference share to cover the dividend that was not paid in the short financial year 2013 and that must be subsequently paid in accordance with § 140 Section 2 of the German Stock Corporation Act and § 21 Section 2 of the Articles of Association of METRO AG.

32. Provisions for pensions and similar obligations

€ million	30/9/2013	30/9/2014
Pension provisions (employer's commitments)	769	**853**
Provisions for indirect commitments	547	**631**
Provisions for voluntary pension benefits	6	**6**
Provisions for company pension plans	112	**116**
Provisions for obligations similar to pensions	76	**77**
	1,508	**1,684**

Pension provisions are recognised in accordance with IAS 19 (Employee Benefits).

Pension provisions consist of commitments primarily related to benefits defined by the provisions of company pension plans. These take the form of defined benefit plans directly from the employer (employer's commitments) and defined benefit plans from external providers (benevolent funds in Germany and international pension funds). The external providers' assets serve exclusively to finance the pension entitlements and qualify as plan assets. The benefits under the different plans are based on performance and length of service. The length-of-service benefits are provided on the basis of fixed amounts.

The most important performance-based pension plans are described in the following.

Germany

METRO GROUP grants many employees in Germany retirement, disability and surviving dependant's benefits. New commitments are granted in the form of "defined benefit" commitments in the meaning of IAS 19 (Employee Benefits), which comprise a payment contribution component and an employer-matching component. Contributions are paid to a pension reinsurance from which contributions are paid out when the insured event occurs. A provision is recognised for entitlements not covered by reinsurance.

In addition, various pension funds exist that are closed for new contributions. In general, these provide for lifelong pensions starting with the statutory retirement age or recognised invalidity. Benefits are largely defined as fixed payments or on the basis of set annual increases. In special cases, benefits are calculated in consideration of accrued statutory pension entitlements. These commitments provide for a widow's or widower's pension of varying size depending on the benefits the former employee received or would have received in case of invalidity. Legacy commitments are partially covered by assets held in benevolent funds. Provisions are recognised for those commitments not covered. The benevolent funds' decision-making bodies (management board and general assembly of members) comprise both employer and employee representatives. The management board decides on the deployment of funds and financial investments. It may commission third parties to manage fund assets. No statutory minimum endowment obligations exist. Insofar as pledged benefits cannot be paid out of the benevolent fund assets, the employer is obliged to directly assume these payments (subsidiary liability).

Netherlands

A defined benefit pension plan exists in the Netherlands and foresees pension payments in addition to invalidity and death benefits. The amount of the benefits depends on the pensionable salary per year of service. Benefits are funded through a pension fund whose decision-making bodies (management board, as well as administration, finance and investment committee) include employer and employee representatives. The fund's executive committee has responsibility for asset management. The pension fund's investment committee exists for this purpose. In line with statutory minimum funding requirements, the pension fund's executive committee must ensure that commitments are covered by assets at all times. In case of underfunding, the pension fund's executive committee may take different measures to compensate for this. These measures include the requirement for additional contributions by the employer and cutbacks in employee benefits.

In addition, another defined benefit plan exists in the Netherlands that is recognised as a defined contribution plan (multi-employer plan).

United Kingdom

In July 2012, METRO GROUP sold its cash-and-carry business in the United Kingdom to Booker Group PLC. Pension commitments were not part of the sale. Since the date of the sale, only vested benefits and current pensions from service years at METRO GROUP exist. In accordance with legal stipulations, the vested interests must be adjusted for inflation effects. The commitments are covered by assets which are managed and invested by a corporate trustee. The executive committee of this corporate trustee consists of employer and employee representatives. In any case, the trustee must ensure that benefits can be paid at all times in future. This is regulated on the basis of statutory minimum financing requirements. In case

of underfunding, the trustee may require additional employer contributions to close the funding gap.

Belgium

There are both retirement pensions as well as capital commitments whose size depends on the pensionable length of service and pensionable income. In addition, benefits are paid to employees aged 58 and older who become unemployed. In principle, benefits are funded through group insurance contracts that are subject to Belgian regulatory law.

Considered individually, other retirement plans are immaterial and are shown cumulatively under "rest of the world".

The following table provides an overview of the present value of defined benefit obligations by METRO GROUP countries as well as material obligations:

%	30/9/2013	30/9/2014
Germany	67	**66**
Netherlands	15	**16**
United Kingdom	7	**7**
Belgium	3	**3**
Rest of the world	8	**8**
	100	**100**

The plan assets of METRO GROUP are distributed proportionally to the following countries:

%	30/9/2013	30/9/2014
Germany	36	**32**
Netherlands	36	**39**
United Kingdom	15	**17**
Belgium	5	**5**
Switzerland	8	**7**
	100	**100**

The above pension commitments are valued on the basis of actuarial calculations in accordance with IAS 19. The basis for the valuation are the legal, economic and tax circumstances prevailing in each country.

The following material parameters are used in the actuarial valuation:

	30/9/2013					30/9/2014				
%	Germany	Netherlands	United Kingdom	Belgium	Rest of the world	Germany	Nether-lands	United Kingdom	Belgium	Rest of the world
Actuarial interest rate	3.35	3.75	4.50	3.35	3.27	**2.60**	**2.70**	**4.20**	**2.60**	**2.60**
Inflation rate	2.00	2.00	2.60	2.00	2.03	**2.00**	**2.00**	**2.50**	**2.00**	**1.92**

As in previous years, METRO GROUP used generally recognised methods to determine the actuarial rate of interest. With these, the respective actuarial rate of interest based on the yield of investment grade corporate bonds is determined as of the closing date in consideration of the currency and maturity of the underlying obligations. The actuarial rate of interest for the eurozone and the UK is based on the results of a method applied in a uniform manner across the group. The interest rate for this is set on the basis of the returns of high-quality corporate bonds and the duration of commitments. In countries without a liquid market of suitable corporate bonds, the actuarial interest rate was determined on the basis of government bond yields.

Aside from the actuarial interest rate, the inflation rate represents another key actuarial parameter. In the process, the nominal rate of wage and salary increases was determined on the basis of expected inflation and a real rate of increase. In Germany, the rate of pension increases is derived directly from the inflation rate insofar as pension adjustments can be determined on the basis of the increase in the cost of living. In international companies, pension adjustments are also generally determined on the basis of the inflation rate.

The extent of other, non-essential parameters used to determine pension commitments corresponds to the long-term expectations of METRO GROUP. The impact of changes in fluctuation and mortality assumptions was analysed for major plans. Calculations of the mortality rate for the German group companies are based on the 2005 G tables from Prof. Dr Klaus Heubeck. The actuarial valuations outside of Germany are based on country-specific mortality tables. The resulting effects of fluctuation and mortality assumptions have been deemed immaterial and are not listed as a separate component.

The following is a sensitivity analysis for the key valuation parameters with respect to the present value of pension entitlements. The actuarial rate of interest and the inflation rate were identified as key parameters with an impact on the present value of pension entitlements. In the context of the sensitivity analysis, the same methods were applied as in the previous year. The analysis considered changes in parameters that are appropriately considered possible. Stress tests or worst-case scenarios, in turn, are not part of the sensitivity analysis. The selection of the respective spectrum of possible changes in parameters is based on historic multi-year observations. This almost exclusive reliance on historic data to derive possible future developments represents a methodical constraint.

The following illustrates the impact of an increase/decline in the actuarial rate of interest by 100 basis points or an increase/decrease in the inflation rate by 25 basis points:

		30/9/2013					30/9/2014				
€ million		**Germany**	**Nether-lands**	**United Kingdom**	**Belgium**	**Rest of the world**	**Germany**	**Nether-lands**	**United Kingdom**	**Belgium**	**Rest of the world**
Actuarial interest rate	Increase by 100 basis points	–178.30	–64.80	–27.30	–4.00	–17.90	**–202.50**	**–84.80**	**–32.60**	**–4.90**	**–20.20**
	Decrease by 100 basis points	221.00	87.50	35.90	4.40	20.70	**253.30**	**116.20**	**42.90**	**5.60**	**24.60**
Inflation rate	Increase by 25 basis points	41.90	14.60	4.40	–	–	**47.40**	**14.10**	**5.60**	**–**	**–**
	Decrease by 25 basis points	–40.30	–13.70	–4.90	–	–	**–45.40**	**–13.50**	**–5.10**	**–**	**–**

The granting of defined benefit pension entitlements exposes METRO GROUP to various risks. These include general actuarial risks resulting from the valuation of pension commitments (for example, interest rate risks) as well as capital and investment risks related to plan assets.

With a view to the funding of future pension payments from indirect commitments and a stable actuarial reserve, METRO GROUP primarily invests plan assets in low-risk investments. The funding of direct pension commitments is secured through operating cash flow at METRO GROUP.

The fair value of plan assets by asset category can be broken down as follows:

	30/9/2013		30/9/2014	
	%	**€ million**	**%**	**€ million**
Fixed-interest securities	47	481	**37**	**407**
Shares, funds	27	264	**21**	**231**
Real estate	13	137	**16**	**177**
Other assets	13	137	**26**	**290**
	100	**1,019**	**100**	**1,105**

Fixed-interest securities, shares and funds are regularly traded on active markets. As a result, the relevant market prices are available. The asset category "fixed-interest securities" only includes investments in investment grade corporate bonds, government bonds and mortgage-backed bonds (Pfandbriefe). Risk within the category "shares, funds" is minimised through geographic diversification.

Real estate assets are not traded on an active market. These are primarily used by METRO GROUP itself.

Other assets essentially comprise receivables from insurance companies in Germany, Switzerland and Belgium. All of these are first-rate insurance companies.

The actual gain from plan assets amounted to €30 million in the reporting period (12M 2012/13: €48 million; 9M 2013: €32 million).

In financial year 2013/14, pension reinsurance polices were taken out in the United Kingdom to largely cover the risks arising from pension obligations. For these pension reinsurance policies, plan assets in the form of shares and fixed-interest securities with a present value of €147 million were exchanged. In addition, a cash payment of €85 million was made. The transaction resulted in valuation effects totalling €75 million, which were recognised in other comprehensive income. As of the closing date, €40 million in pension obligations not covered by pension reinsurance were recognised for the United Kingdom and are backed by plan assets in the form of fixed-interest securities totalling €31 million.

For the financial year 2014/15, the company expects employer payments to external pension providers totalling approx. €21 million and employee contributions of €12 million in plan assets, with contributions in the Netherlands accounting for the major share of this total. Expected contributions from payment contribution commitments in Germany are not included in expected payments.

Changes in the present value developed as follows:

€ million	9M 2013	12M 2012/13	12M 2013/14
Present value of defined benefit obligations			
As of the beginning of the period	2,467	2,427	**2,442**
Interest expenses	62	87	**83**
Service cost (incl. employee contributions)	33	43	**42**
Past service cost (incl. curtailments and changes)	–1	–13	**7**
Benefit payments (incl. tax payment)	–96	–128	**–126**
Settlement payments	–7	–7	**–4**
Actuarial gains/losses from demographic assumptions (–/+)	0	3	**3**
Actuarial gains/losses from financial assumptions (–/+)	7	55	**274**
Actuarial gains/losses from experience–based adjustments (–/+)	–16	–14	**–28**
Change in consolidation group	0	0	**0**
Currency effects	–7	–11	**15**
As of end of the period	**2,442**	**2,442**	**2,708**

The weighted average term of defined benefit commitments for the countries with material pension obligations amounts to:

Years	30/9/2013	30/9/2014
Germany	13	**13**
Netherlands	21	**22**
United Kingdom	19	**19**
Belgium	6	**6**
Rest of the world	11	**11**

The present value of defined benefit obligations can be broken down as follows based on individual groups of eligible employees:

%	30/9/2013	30/9/2014
Active member	30	**30**
Former claimants	15	**18**
Pensioners	55	**52**

The fair value of plan assets developed as follows:

€ million	9M 2013	12M 2012/13	12M 2013/14
Change in plan assets			
Fair value of plan assets as of beginning of period	1029	1,024	**1,019**
Return on plan assets	26	38	**36**
Return/loss on plan assets, excluding the amount included in interest income (+/–)	6	10	**–6**
Settlement payments	–7	–7	**0**
Benefit payments (incl. tax payment)	–58	–77	**–77**
Employer contributions	19	25	**107**
Contributions from plan participants	8	11	**12**
Change in consolidation group	0	0	**0**
Currency effects	–4	–5	**14**
Fair value of plan assets as of end of period	**1,019**	**1,019**	**1,105**

€ million	30/9/2013	30/9/2014
Financing status		
Present value of defined benefit obligations	2,442	**2,708**
Fair value of plan assets	–1,019	**–1,105**
Commitments measured based on local criteria	1	**0**
Asset adjustment (asset ceiling)	4	**2**
Net liability/assets	**1,428**	**1,605**
Recognised assets pursuant to IAS 19.64	4	**2**
Provisions for retirement benefits as of end of period	**1,432**	**1,607**

At one Swiss company, plan assets exceeded the value of commitments as of the closing date. Since the company cannot draw any economic benefits from this overfunding, the balance sheet amount was reduced to €0 in line with IAS 19.64 (b). The change in the effect of the asset ceiling of approximately €2 million was recognised as expenses in other comprehensive income. In addition, a surplus exists in a defined benefit plan in Belgium. An asset adjustment is not necessary here.

The pension expenses of the direct and indirect company pension plans can be broken down as follows:

€ million	9M 2013	12M 2012/13	12M 2013/14
Current service cost[1]	25	32	**30**
Net interest expenses	36	49	**47**
Past service cost (incl. curtailments and changes)	–1	–13	**9**
Settlements	0	0	**–2**
Pension expenses	**60**	**68**	**84**

[1] Netted against employees' contributions

In addition to expenses from defined benefit commitments, expenses for payments to external pension providers relating to defined contribution pension commitments of €49 million (12M 2012/13: €54 million; 9M 2013: €40 million) were recorded.

Media-Saturn in the Netherlands participates in a multi-employer plan classified as a defined benefit plan. However, it is administered by a fund that is not able to provide sufficient information to allow it to be accounted for as a defined benefit plan. Therefore, it is treated as a defined contribution plan in accordance with IAS 19.34 and IAS 19.148. This is a typical, strictly regulated Dutch pension plan. In case of deficient coverage, Media-Saturn Netherlands would be obliged to compensate this deficient coverage by making higher contributions to this fund in future. These higher contributions would then apply to all participating companies. Media-Saturn cannot be held liable for these commitments by other companies. Approximately 28,000 companies in the retail industry participate in this plan and make contributions for a total of more than 238,000 employees. Media-Saturn Netherlands currently makes contributions to this plan for 5,703 employees. Contributions are calculated for five years (currently from 2012 to 2016). These correspond to a set percentage of an employee's salary (currently 19.4 per cent), with employees assuming part of the contributions for salaries above €12,561 and no contributions being paid for salaries above €51,414. In financial year 2014/15, contributions to the "Bedrijfspensioenfonds voor de Detailhandel" fund are expected to total approximately €7 million. In September 2014, the coverage ratio stood at 114 per cent.

The **provisions for obligations similar to pensions** essentially comprise commitments from employment anniversary allowances, death benefits and pre-retirement part-time plans. Provisions amounting to €77 million (30/9/2013: €76 million) were formed for these commitments. The commitments are valued on the basis of actuarial expert opinions. In principle, the parameters used are identical to those employed in the company pension plan.

33. Other provisions (non-current)/provisions (current)

In the reporting period, other provisions (non-current)/provisions (current) changed as follows:

€ million	Real estate-related obligations	Obligations from trade transactions	Restructuring	Taxes	Miscellaneous	Total
As of 1/10/2013	239	149	141	144	377	1,050
Currency translation	–2	0	–1	1	2	0
Addition	142	158	62	49	309	721
Disposal	–42	–4	–11	–12	–92	–161
Utilisation	–73	–194	–80	–27	–141	–515
Change in consolidation group	0	0	0	1	0	1
Interest portion in addition/ change in interest rate	4	2	1	0	1	8
Transfer	–4	–0	6	–1	–13	–11
As of 30/9/2014	**265**	**111**	**118**	**155**	**443**	**1,093**
Non-current	153	0	18	125	182	478
Current	112	111	100	30	262	615
As of 30/9/2014	**265**	**111**	**118**	**155**	**443**	**1,093**

Provisions for real estate-related obligations concern store-related risks in the amount of €121 million (30/9/2013: €123 million), deficient rental cover amounting to €63 million (30/9/2013: €49 million), rental commitments amounting to €35 million (30/9/2013: €37 million) and dismantling and removing obligations amounting to €21 million (30/9/2013: €21 million).

Other real estate obligations in the amount of €25 million (30/9/2013: €10 million) stem essentially from maintenance obligations.

Significant components of the obligations from trade transactions are provisions for rebates from customer loyalty programmes in the amount of €52 million (30/9/2013: €72 million), provisions for warranty services in the amount of €20 million (30/9/2013: €42 million) as well as provisions for rights of return of €25 million (30/9/2013: €24 million).

Restructuring provisions totalling €118 million (30/9/2013: €141 million) essentially concern METRO Cash & Carry in the amount of €55 million (30/9/2013: €32 million) and Real in the amount of €29 million (30/9/2013: €48 million).

Other provisions mainly concern provisions for litigation costs/risks in the amount of €144 million (30/9/2013: €52 million) and for severance obligations totalling €53 million (30/9/2013: €48 million). In addition, other provisions include interest for other provisions in the amount of €47 million (30/9/2013: €47 million) as well as surety and guarantee risks of €23 million (30/9/2013: €19 million), risk provisions for portfolio measures amounting to €22 million (30/9/2013: €71 million) and provisions for share-based payments amounting to €15 million (30/9/2013: €12 million).

For more information about share-based payments, see no. 49 Long-term incentive for executives.

Transfers concern both reclassifications within other reserves as well as reclassifications carried out in connection with the planned disposal of the wholesale business in Vietnam to "liabilities related to assets held for sale".

Depending on the respective terms and countries, interest rates of non-interest-bearing, non-current provisions range from 0.9 per cent to 8.0 per cent.

34. Liabilities

		Remaining term				Remaining term		
€ million	30/9/2013 Total	up to 1 year	1 to 5 years	over 5 years	30/9/2014 Total	up to 1 year	1 to 5 years	over 5 years
Trade liabilities	**9,805**	**9,805**	**0**	**0**	**9,930**	**9,930**	**0**	**0**
thereof bills of exchange liabilities (non-interest-bearing)	(320)	(320)	(0)	(0)	**(371)**	**(371)**	**(0)**	**(0)**
Bonds	5,050	1,616	2,637	797	**4,463**	**2,024**	**2,140**	**299**
Liabilities to banks	1,096	310	445	342	**865**	**260**	**431**	**174**
Promissory note loans	414	161	199	54	**462**	**209**	**200**	**54**
Liabilities from finance leases	1,403	113	415	875	**1,278**	**122**	**356**	**799**
Borrowings	**7,963**	**2,200**	**3,696**	**2,067**	**7,068**	**2,615**	**3,127**	**1,326**
Other tax liabilities	338	338	0	0	**371**	**371**	**0**	**0**
Prepayments received on orders	47	47	0	0	**46**	**46**	**0**	**0**
Payroll liabilities	824	824	1	0	**853**	**853**	**0**	**0**
Liabilities from other financial transactions	31	23	8	0	**12**	**7**	**5**	**0**
Deferred income	573	467	67	39	**575**	**488**	**55**	**32**
Miscellaneous liabilities	895	833	42	20	**847**	**763**	**57**	**27**
Other financial and non-financial liabilities	**2,707**	**2,531**	**117**	**59**	**2,704**	**2,528**	**117**	**58**
Income tax liabilities	**181**	**181**	**0**	**0**	**198**	**198**	**0**	**0**
	20,656	**14,717**	**3,813**	**2,126**	**19,900**	**15,271**	**3,244**	**1,385**

35. Trade liabilities

The increase in trade liabilities by €125 million compared with 30 September 2013 (revised presentation – see chapter Notes to the group accounting principles and methods) is mainly attributable to the sales lines Media-Saturn (€206 million) and METRO Cash & Carry (€82 million). This is primarily due to new store openings and higher product purchasing for both sales lines. The opposite effect was produced by the reclassification of €45 million from the disposal of METRO Cash & Carry Vietnam to liabilities related to "assets held for sale".

In addition, trade liabilities at Real declined by €147 million due to increased regulations, greater offsetting and the disposal of Real's business in Turkey.

36. Financial liabilities

An ongoing capital market programme serves as a source of **medium-term and long-term financing.** In financial year 2013/14, no new transactions were conducted in the context of this programme. The €500 million bond that matured in November 2013 and the €600 million bond that matured in July 2014 were repaid according to schedule.

Short-term financing requirements are covered through the Euro Commercial Paper Programme and a commercial paper programme geared especially to French investors. Both programmes have a maximum volume of €2 billion each. The average amount utilised from both programmes in financial year 2013/14 was €782 million (2012/13: €1,143 million). As of 30 September 2014, the used volume totalled approximately €938 million (30/9/2013: €383 million).

In addition, METRO GROUP has access to syndicated lines of credit totalling €2,525 million (30/9/2013: €2,500 million) with terms ending between January 2017 and April 2019. If the lines of credit are used, the interest rates range between EURIBOR +50.0 basis points (BP) and EURIBOR +55.0 BP. The average amount drawn on the lines of credit in financial year 2013/14 was €0 million (2012/13: €0 million), the average amount drawn as of the closing date was €0 million (30/9/2013: €0 million).

The contract terms for the syndicated lines of credit provide for an increase of 5 to 10 BP in the spread if METRO GROUP's credit rating is lowered by one step. In the event of a downgrade in METRO GROUP's rating, the margins increase by 20 to 25 BP.

As of 30 September 2014, METRO GROUP had access to additional bilateral bank lines of credit totalling €1,430 million (30/9/2013: €1,826 million), of which €300 million (30/9/2013: €405 million) is due in up to one year. On the closing date, €865 million (30/9/2013: €1,096 million) of the bilateral lines of credit had been utilised. Of this amount, €260 million (30/9/2013: €310 million) had a remaining term of up to one year.

Unutilised lines of credit of METRO GROUP

	30/9/2013			30/9/2014		
		Remaining term			Remaining term	
€ million	**Total**	**up to 1 year**	**over 1 year**	**Total**	**up to 1 year**	**over 1 year**
Bilateral lines of credit	1,826	405	1,421	**1,430**	**300**	**1,130**
Utilisation	–1,096	–310	–787	**–865**	**–260**	**–604**
Unutilised bilateral lines of credit	730	95	634	**565**	**40**	**526**
Syndicated lines of credit	2,500	0	2,500	**2,525**	**0**	**2,525**
Utilisation	0	0	0	**0**	**0**	**0**
Unutilised syndicated lines of credit	2,500	0	2,500	**2,525**	**0**	**2,525**
Total lines of credit	4,326	405	3,921	**3,955**	**300**	**3,655**
Total utilisation	–1,096	–310	–787	**–865**	**–260**	**–604**
Total unutilised lines of credit	**3,230**	**95**	**3,134**	**3,090**	**40**	**3,051**

The defaulting of a lender can be covered at any time by the existing unutilised credit facilities or the available money and capital market programmes. METRO GROUP therefore does not bear any credit default risk.

METRO GROUP principally does not provide collateral for borrowings. One exception concerns the first-time consolidation of METRO PROPERTIES GmbH & Co. KG as well as its subsidiaries in 2003. As of 30 September 2014, collateral in the amount of €221 million (30/9/2013: €328 million) was provided for financial liabilities.

The following tables show the maturity structure of the financial liabilities. The carrying amounts and fair values indicated include the interest accrued when the maturity is less than one year.

Bonds

		30/9/2013				30/9/2014			
		Nominal Values	Nominal values	Carrying amounts	Fair values	Nominal Values	Nominal values	Carrying amounts	Fair values
Currency	Remaining term	in million currency	€ million	€ million	€ million	in million currency	€ million	€ million	€ million
EUR	up to 1 year	1,483	1,483	1,615	1,647	**1,926**	**1,926**	**2,010**	**2,042**
	1 to 5 years	2,460	2,460	2,453	2,618	**1,960**	**1,960**	**1,954**	**2,096**
	over 5 years	801	801	797	812	**301**	**301**	**299**	**334**
CHF	up to 1 year	0	0	1	1	**0**	**0**	**1**	**1**
	1 to 5 years	225	184	184	189	**225**	**187**	**186**	**191**
	over 5 years	0	0	0	0	**0**	**0**	**0**	**0**
USD	up to 1 year	0	0	0	0	**15**	**12**	**12**	**12**
	1 to 5 years	0	0	0	0	**0**	**0**	**0**	**0**
	over 5 years	0	0	0	0	**0**	**0**	**0**	**0**

Liabilities to banks
(excl. current account)

		30/9/2013				30/9/2014			
		Nominal Values	Nominal values	Carrying amounts	Fair values	Nominal Values	Nominal values	Carrying amounts	Fair values
Currency	Remaining term	in million currency	€ million	€ million	€ million	in million currency	€ million	€ million	€ million
EUR	up to 1 year	105	105	116	124	**58**	**58**	**63**	**76**
	1 to 5 years	252	252	252	257	**380**	**380**	**380**	**395**
	over 5 years	322	322	322	327	**174**	**174**	**174**	**174**
INR	up to 1 year	1,114	13	14	14	**1,990**	**26**	**26**	**26**
	1 to 5 years	3,339	39	39	39	**3,580**	**46**	**46**	**47**
	over 5 years	0	0	0	0	**0**	**0**	**0**	**0**
JPY	up to 1 year	1,770	13	13	13	**8,000**	**58**	**58**	**58**
	1 to 5 years	8,575	65	65	66	**600**	**4**	**4**	**4**
	over 5 years	0	0	0	0	**0**	**0**	**0**	**0**
TRY	up to 1 year	0	0	0	0	**15**	**5**	**5**	**5**
	1 to 5 years	0	0	0	0	**0**	**0**	**0**	**0**
	over 5 years	0	0	0	0	**0**	**0**	**0**	**0**
UAH	up to 1 year	209	19	19	19	**0**	**0**	**0**	**0**
	1 to 5 years	0	0	0	0	**0**	**0**	**0**	**0**
	over 5 years	0	0	0	0	**0**	**0**	**0**	**0**
USD	up to 1 year	17	13	13	16	**0**	**0**	**0**	**0**
	1 to 5 years	119	88	88	88	**0**	**0**	**0**	**0**
	over 5 years	26	20	20	20	**0**	**0**	**0**	**0**
Others	up to 1 year	n/a	1	1	1	**n/a**	**0**	**0**	**0**
	1 to 5 years	n/a	0	0	0	**n/a**	**0**	**0**	**0**
	over 5 years	n/a	0	0	0	**n/a**	**0**	**0**	**0**

Promissory note loans

		30/9/2013				30/9/2014			
Currency	Remaining term	Nominal Values in million currency	Nominal values € million	Carrying amounts € million	Fair values € million	Nominal Values in million currency	Nominal values € million	Carrying amounts € million	Fair values € million
EUR	up to 1 year	157	157	161	163	**205**	**205**	**209**	**209**
	1 to 5 years	200	200	199	206	**200**	**200**	**200**	**207**
	over 5 years	54	54	54	56	**54**	**54**	**54**	**61**

Redeemable loans that are shown under liabilities to banks are listed with the remaining terms corresponding to their redemption date. For remaining terms of over one year, the indicated fair value of these loans generally includes the carrying amount. The difference between the carrying amount and the fair value of the entire loan is shown in maturities up to one year.

The following tables depict the interest rate structure of the financial liabilities:

Bonds

			30/9/2013		30/9/2014	
Interest terms	Currency	Remaining terms	Weighted effective interest rate in % when issued	Nominal value in € million	Weighted effective interest rate in % when issued	Nominal value in € million
Fixed interest	EUR	up to 1 year	5.67	1,483	**7.63**	**1,000**
		1 to 5 years	5.17	2,410	**3.41**	**1,910**
		over 5 years	3.62	801	**4.02**	**301**
	CHF	up to 1 year	–	0	**–**	**0**
		1 to 5 years	1.88	184	**1.88**	**187**
		over 5 years	–	0	**–**	**0**
Variable interest	EUR	up to 1 year	–	0	**0.54**	**926**
		1 to 5 years	1.59	50	**1.56**	**50**
		over 5 years	–	0	**–**	**0**
	USD	up to 1 year	–	0	**0.62**	**12**
		1 to 5 years	–	0	**–**	**0**
		over 5 years	–	0	**–**	**0**

Liabilities to banks
(excl. current account)

			30/9/2013		30/9/2014	
Interest terms	**Currency**	**Remaining terms**	**Weighted effective interest rate in % when issued**	**Nominal value in € million**	**Weighted effective interest rate in % when issued**	**Nominal value in € million**
Fixed interest	EUR	up to 1 year	3.20	105	**4.55**	**58**
		1 to 5 years	4.56	252	**3.52**	**380**
		over 5 years	4.14	322	**3.64**	**174**
	INR	up to 1 year	11.40	13	**9.92**	**26**
		1 to 5 years	10.49	39	**10.22**	**46**
		over 5 years	–	0	**–**	**0**
	TRY	up to 1 year	–	0	**12.00**	**5**
		1 to 5 years	–	0	**–**	**0**
		over 5 years	–	0	**–**	**0**
	UAH	up to 1 year	8.78	19	**–**	**0**
		1 to 5 years	–	0	**–**	**0**
		over 5 years	–	0	**–**	**0**
	USD	up to 1 year	3.83	10	**–**	**0**
		1 to 5 years	3.22	80	**–**	**0**
		over 5 years	3.74	20	**–**	**0**
	Others	up to 1 year	n/a	1	**n/a**	**0**
		1 to 5 years	–	0	**–**	**0**
		over 5 years	–	0	**–**	**0**
Variable interest	JPY	up to 1 year	1.78	13	**1.78**	**58**
		1 to 5 years	1.78	65	**1.78**	**4**
		over 5 years	–	0	**–**	**0**
	USD	up to 1 year	0.83	3	**–**	**0**
		1 to 5 years	0.83	8	**–**	**0**
		over 5 years	–	0	**–**	**0**

Promissory note loans

			30/9/2013		30/9/2014	
Interest terms	**Currency**	**Remaining terms**	**Weighted effective interest rate in % when issued**	**Nominal value in € million**	**Weighted effective interest rate in % when issued**	**Nominal value in € million**
Fixed interest	EUR	up to 1 year	5.74	31	**0.75**	**205**
		1 to 5 years	3.03	105	**3.03**	**105**
		over 5 years	4.27	54	**4.27**	**54**
Variable interest	EUR	up to 1 year	3.29	126	**–**	**0**
		1 to 5 years	1.82	95	**1.67**	**95**
		over 5 years	–	0	**–**	**0**

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

The effects that changes in interest rates concerning the variable portion of borrowings have on the profit or loss for the period and equity of METRO GROUP are described in detail in no. 43 Management of financial risks.

37. Other financial and non-financial liabilities

Key items in remaining other financial liabilities concern liabilities from the purchase of other fixed assets of €322 million (30/9/2013: €299 million), liabilities towards customers of €160 million (30/9/2013: €155 million), liabilities from put options of non-controlling interests of €72 million (30/9/2013: €78 million) as well as liabilities from real estate totalling €34 million (30/9/2013: €31 million). In addition, the remaining other liabilities also include numerous other individual items.

Other tax liabilities include sales tax, land tax, wage and church tax as well as other taxes.

Deferred income includes accrued rental, leasing and interest income as well as accrued sales from customer loyalty programmes, the sale of vouchers and guarantee contracts and other accruals.

Material items in remaining other liabilities include prepayments received on orders of €46 million (30/9/2013: €47 million) as well as liabilities from leases (no finance leases) totalling €71 million (30/9/2013: €47 million).

	30/9/2013			30/9/2014		
		Remaining term			Remaining term	
€ million	Total	up to 1 year	over 1 year	Total	up to 1 year	over 1 year
Payroll liabilities	824	824	1	**853**	**853**	**0**
Miscellaneous financial liabilities	851	821	30	**768**	**737**	**32**
Other financial liabilities	**1,675**	**1,645**	**30**	**1,621**	**1,589**	**32**
Other tax liabilities	338	338	0	**371**	**371**	**0**
Deferred income	573	467	106	**575**	**488**	**87**
Miscellaneous non-financial liabilities	121	82	39	**136**	**79**	**57**
Other non-financial liabilities	**1,032**	**887**	**146**	**1,083**	**939**	**144**
Other financial and non-financial liabilities	**2,707**	**2,531**	**176**	**2,704**	**2,528**	**176**

38. Offsetting financial assets and financial liabilities

The following financial assets and financial liabilities that are subject to offsetting agreements, enforceable master netting arrangements and similar agreements existed:

	30/9/2013					
	(a)	(b)	(c) = (a) – (b)	(d)		(e) = (c) – (d)
	Gross amounts of recognised financial assets/ liabilities	Gross amounts of recognised financial liabilities/ assets that are netted in the balance sheet	Net amounts of financial assets/ liabilities that are shown in the balance sheet	Corresponding amounts that are not netted in the balance sheet		
€ million				Financial instruments	Collateral received/ provided	Net amount
Financial assets						
Loans and advance credit granted	64	0	64	0	0	64
Receivables due from suppliers	2,028	638	1,389	62	0	1,327
Trade receivables	630	83	547	2	0	545
Investments	266	0	266	0	0	266
Miscellaneous financial assets	662	14	648	1	2	645
Derivative financial instruments	36	18	18	3	0	15
Cash and cash equivalents	2,564	0	2,564	0	0	2,564
Receivables from finance leases	4	0	4	0	0	4
	6,253	**753**	**5,500**	**68**	**2**	**5,430**
Financial liabilities						
Borrowings excl. finance leases	6,560	0	6,560	0	0	6,560
Trade liabilities	10,523	718	9,805	63	0	9,742
Miscellaneous financial liabilities	1,665	17	1,648	3	0	1,645
Derivative financial instruments	45	18	27	3	10	14
Liabilities from finance leases	1,403	0	1,403	0	0	1,403
	20,196	**753**	**19,443**	**68**	**10**	**19,365**

	30/9/2014					
	(a)	(b)	(c) = (a) – (b)	(d)		(e) = (c) – (d)
	Gross amounts of recognised financial assets/ liabilities	Gross amounts of recognised financial liabilities/ assets that are netted in the balance sheet	Net amounts of financial assets/ liabilities that are shown in the balance sheet	Corresponding amounts that are not netted in the balance sheet		
€ million				Financial instruments	Collateral received/ provided	Net amount
Financial assets						
Loans and advance credit granted	56	0	56	0	0	56
Receivables due from suppliers	2,295	771	1,524	56	0	1,468
Trade receivables	661	101	560	3	0	557
Investments	18	0	18	0	0	18
Miscellaneous financial assets	628	10	618	2	0	617
Derivative financial instruments	64	15	49	2	0	47
Cash and cash equivalents	2,406	0	2,406	0	0	2,406
Receivables from finance leases	0	0	0	0	0	0
	6,128	897	5,232	63	0	5,169
Financial liabilities						
Borrowings excl. finance leases	5,790	0	5,790	0	0	5,790
Trade liabilities	10,790	860	9,930	56	0	9,874
Miscellaneous financial liabilities	1,633	21	1,612	4	0	1,608
Derivative financial instruments	24	15	9	2	5	2
Liabilities from finance leases	1,278	0	1,278	0	0	1,278
	19,516	897	18,619	63	5	18,552

The corresponding amounts that are not netted in the balance sheet include both financial instruments and collateral. The financial instruments that have not been netted could be netted based on the underlying framework agreements, but do not fulfil the netting criteria of IAS 32 (Financial Instruments: Presentation). Collateral may include both financial assets provided as collateral for liabilities to third parties and financial liabilities which METRO GROUP has received from a third party as collateral for assets.

For more information about collateral, see no. 43 Management of financial risks.

39. Undiscounted cash flows of financial liabilities

The undiscounted cash flows of borrowings, trade liabilities and derivative liabilities are as follows:

		Cash flows up to 1 year		Cash flows of 1 to 5 years		Cash flows over 5 years	
€ million	Carrying amount 30/9/2013	Interest	Redemption	Interest	Redemption	Interest	Redemption
Financial liabilities							
Bonds	5,050	239	1,483	355	2,644	69	801
Liabilities to banks	1,096	73	165	172	445	11	342
Promissory note loans	414	11	157	21	200	9	54
Finance leases	1,403	119	113	322	415	574	875
Trade liabilities	9,805	0	9,805	0	0	0	0
Interest-based derivatives carried as liabilities	5	5	0	0	0	0	0
Currency derivatives carried as liabilities	21	0	13	0	8	0	0
Commodity derivatives carried as liabilities	1	0	1	0	0	0	0

		Cash flows up to 1 year		Cash flows of 1 to 5 years		Cash flows over 5 years	
€ million	Carrying amount 30/9/2014	Interest	Redemption	Interest	Redemption	Interest	Redemption
Financial liabilities							
Bonds	**4,463**	**104**	**1,938**	**216**	**2,147**	**75**	**301**
Liabilities to banks	**865**	**28**	**147**	**52**	**431**	**19**	**174**
Promissory note loans	**462**	**8**	**205**	**17**	**200**	**7**	**54**
Finance leases	**1,278**	**88**	**122**	**289**	**356**	**378**	**799**
Trade liabilities	**9,930**	**0**	**9,930**	**0**	**0**	**0**	**0**
Interest-based derivatives carried as liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Currency derivatives carried as liabilities	**9**	**0**	**5**	**0**	**5**	**0**	**0**
Commodity derivatives carried as liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**

40. Carrying amounts and fair values according to measurement categories

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

	30/9/2013				
		Balance sheet value			
€ million	Carrying amount	(Amortised) cost	Fair value through profit or loss	Fair value recognised in equity	Fair value
Assets	**28,811**	**n/a**	**n/a**	**n/a**	**n/a**
Loans and receivables	**2,647**	**2,647**	**0**	**0**	**2,648**
Loans and advance credit granted	64	64	0	0	64
Receivables due from suppliers	1,389	1,389	0	0	1,389
Trade receivables	547	547	0	0	547
Miscellaneous financial assets	646	646	0	0	648
Held to maturity	**0**	**0**	**0**	**0**	**0**
Miscellaneous financial assets	0	0	0	0	0
Held for trading	**18**	**0**	**18**	**0**	**18**
Derivative financial instruments not in a hedging relationship according to IAS 39	18	0	18	0	18
Available for sale	**267**	**13**	**0**	**254**	**n/a**
Investments	266	13	0	253	n/a
Securities	1	0	0	1	1
Derivative financial instruments in a hedging relationship according to IAS 39	**0**	**0**	**0**	**0**	**0**
Cash and cash equivalents	**2,564**	**2,564**	**0**	**0**	**2,564**
Receivables from finance leases (amount according to IAS 17)	**4**	**n/a**	**n/a**	**n/a**	**9**
Assets not classified according to IFRS 7	**23,311**	**n/a**	**n/a**	**n/a**	**n/a**
Equity and liabilities	**28,811**	**n/a**	**n/a**	**n/a**	**n/a**
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
Other financial liabilities	**18,013**	**17,935**	**0**	**78**	**18,260**
Borrowings excl. finance leases (incl. hedged items in hedging relationships according to IAS 39)	6,560	6,560	0	0	6,807
Trade liabilities	9,805	9,805	0	0	9,805
Miscellaneous financial liabilities	1,648	1,570	0	78	1,648
Derivative financial instruments in a hedging relationship according to IAS 39	**20**	**0**	**0**	**20**	**20**
Liabilities from finance leases (amount according to IAS 17)	**1,403**	**n/a**	**n/a**	**n/a**	**1,641**
Liabilities not classified according to IFRS 7	**9,368**	**n/a**	**n/a**	**n/a**	**n/a**
Unrealised gain (+) / loss (–) from total difference between fair value and carrying amount					**–479**

	30/9/2014				
		Balance sheet value			
€ million	Carrying amount	(Amortised) cost	Fair value through profit or loss	Fair value recognised in equity	Fair value
Assets	**28,004**	**n/a**	**n/a**	**n/a**	**n/a**
Loans and receivables	**2,757**	**2,757**	**0**	**0**	**2,756**
Loans and advance credit granted	**56**	**56**	**0**	**0**	**54**
Receivables due from suppliers	**1,524**	**1,524**	**0**	**0**	**1,524**
Trade receivables	**560**	**560**	**0**	**0**	**560**
Miscellaneous financial assets	**617**	**617**	**0**	**0**	**618**
Held to maturity	**0**	**0**	**0**	**0**	**0**
Miscellaneous financial assets	**0**	**0**	**0**	**0**	**0**
Held for trading	**26**	**0**	**26**	**0**	**26**
Derivative financial instruments not in a hedging relationship according to IAS 39	**26**	**0**	**26**	**0**	**26**
Available for sale	**19**	**18**	**0**	**1**	**n/a**
Investments	**18**	**18**	**0**	**0**	**n/a**
Securities	**1**	**0**	**0**	**1**	**1**
Derivative financial instruments in a hedging relationship according to IAS 39	**23**	**0**	**0**	**23**	**23**
Cash and cash equivalents	**2,406**	**2,406**	**0**	**0**	**2,406**
Receivables from finance leases (amount according to IAS 17)	**0**	**n/a**	**n/a**	**n/a**	**0**
Assets not classified according to IFRS 7	**22,772**	**n/a**	**n/a**	**n/a**	**n/a**
Equity and liabilities	**28,004**	**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**
Other financial liabilities	**17,332**	**17,260**	**0**	**72**	**17,589**
Borrowings excl. finance leases (incl. hedged items in hedging relationships according to IAS 39)	**5,790**	**5,790**	**0**	**0**	**6,047**
Trade liabilities	**9,930**	**9,930**	**0**	**0**	**9,930**
Miscellaneous financial liabilities	**1,612**	**1,540**	**0**	**72**	**1,612**
Derivative financial instruments in a hedging relationship according to IAS 39	**5**	**0**	**0**	**5**	**5**
Liabilities from finance leases (amount according to IAS 17)	**1,278**	**n/a**	**n/a**	**n/a**	**1,497**
Liabilities not classified according to IFRS 7	**9,385**	**n/a**	**n/a**	**n/a**	**n/a**
Unrealised gain (+) / loss (–) from total difference between fair value and carrying amount					**–478**

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 (30/9/2013: €266 million), €18 million (30/9/2013: €13 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. Exchange-listed investments totalling €0 million (30/9/2013: €253 million) are recognised at fair value in equity.

Miscellaneous financial liabilities include liabilities from put options of non-controlling interests in the amount of €72 million (30/9/2013: €78 million). They are recognised at fair value in equity.

The following table depicts the financial instruments that are recognised at fair value in the balance sheet. These are classified into a three-level fair value hierarchy whose levels reflect the degree of closeness to the market of the data used in the determination of the fair values:

	30/9/2013				30/9/2014			
€ million	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets	**272**	**254**	**18**	**0**	**50**	**1**	**49**	**0**
Held for trading								
Derivative financial instruments not in a hedging relationship according to IAS 39	18	0	18	0	**26**	**0**	**26**	**0**
Available for sale								
Investments	253	253	0	0	**0**	**0**	**0**	**0**
Securities	1	1	0	0	**1**	**1**	**0**	**0**
Derivative financial instruments in a hedging relationship according to IAS 39	0	0	0	0	**23**	**0**	**23**	**0**
Equity and liabilities	**105**	**0**	**27**	**78**	**81**	**0**	**9**	**72**
Held for trading								
Derivative financial instruments not in a hedging relationship according to IAS 39	7	0	7	0	**5**	**0**	**5**	**0**
Miscellaneous financial liabilities	0	0	0	0	**0**	**0**	**0**	**0**
Other financial liabilities								
Miscellaneous financial liabilities	78	0	0	78	**72**	**0**	**0**	**72**
Derivative financial instruments in a hedging relationship according to IAS 39	20	0	20	0	**5**	**0**	**5**	**0**
	167	**254**	**–9**	**–78**	**–31**	**1**	**40**	**–72**

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 effected during the reporting period.

Level 3 includes the fair values of liabilities from put options of non-controlling interests. The fair value measurement is based on the respective contract design.

Fair values of liabilities from put options, which are determined using the discounted cash flow method, are based on expected future cash flows over a detailed planning period of three years (as on 30/9/2013) plus a perpetuity. The assumed growth rate for the perpetuity is 2.5 to 8.7 per cent (30/9/2013: between 4.1 and 7.7 per cent). The respective local WACC is used as the discount rate. In the reporting period, discount rates ranged from 11.6 to 15.2 per cent (30/9/2013: between 11.1 and 15.8 per cent). If individual interest rates were to increase by 10 per cent, the fair value of these liabilities would decline by €6 million (30/9/2013: €9 million). An interest rate decrease of 10 per cent would increase the fair value of these liabilities by €8 million (30/9/2013: €13 million).

Changes in the value of put options developed as follows between 1 October 2013 and 30 September 2014:

€ million	2012/13	2013/14
As of 1/10	**388**	**78**
Transfer to level 3	0	**0**
Transfer from level 3	0	**0**
Total gains (-) or losses (+) for the period	–42	**1**
Profit or loss for the period	–37	**0**
Other comprehensive income	–6	**1**
Other changes in value outside of profit or loss	3	**–7**
Transaction–related changes	–270	**0**
Granting of new rights	0	**0**
Redemption of existing rights	–270	**0**
As of 30/9	**78**	**72**

Changes in the value of put options recognised as of 30 September 2014 lowered goodwill by €7 million and other comprehensive income by €1 million.

In the previous year, changes in the value of put options existing as of 30 September 2013 led to an increase in goodwill by €13 million and an increase in other comprehensive income by €2 million.

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 (level 2) as of the closing date.

Other notes

41. Notes to the cash flow statement

In accordance with IAS 7 (Cash Flow Statement), the consolidated cash flow statement describes changes in the group's cash and cash equivalents through cash inflows and outflows during the reporting period.

The item cash and cash equivalents includes cheques and cash on hand as well as cash in transit and bank deposits with a remaining term of up to three months.

The cash flow statement distinguishes between changes in cash levels from operating, investing and financing activities. Cash flows from discontinued operations are shown separately where they concern discontinued operations.

During the reporting period, net cash provided by operating activities amounted to €2,008 million (12M 2012/13: €2,667 million; 9M 2013: €–1,768 million). Impairment losses concern property, plant and equipment at €1,048 million (12M 2012/13: €1,171 million; 9M 2013: €802 million), goodwill at €88 million (12M 2012/13: €101 million; 9M 2013: €31 million), other intangible assets at €130 million (12M 2012/13: €168 million; 9M 2013: €113 million) and "investment properties" at €16 million (12M 2012/13: €20 million; 9M 2013: €16 million). On the other hand, reversals of impairment losses amount to €11 million (12M 2012/13: €15 million; 9M 2013: €7 million).

The change in net working capital amounts to €–28 million (12M 2012/13: €468 million; 9M 2013: €–2,395 million) and includes changes in inventories, trade receivables and receivables due from suppliers included in the item "other financial and non-financial assets", credit card receivables and prepayments made on inventories. In addition, the item includes changes in trade liabilities and liabilities to customers, deferred sales related to vouchers, customer loyalty programmes, provisions for customer loyalty programmes and rights of return as well as prepayments made on orders.

Other operating activities resulted in a total cash outflow of €–38 million (12M 2012/13: €–320 million; 9M 2013: €–459 million). This item includes changes in other assets and liabilities as well as deferred income and prepaid expenses. In addition, it includes changes in the assets and liabilities held for sale, unrealised currency effects and elimination of EBIT by deconsolidation results. The change compared with the previous year primarily stemmed from revised deconsolidation gains from the previous year (12M 2012/13: €–188 million; 9M 2013: €–162 million).

In the reporting period, investing activities led to cash outflow of €715 million (12M 2012/13: cash inflow of €721 million; 9M 2013: cash inflow of €747 million). This includes payments from the disposal of Real's Eastern European business in the amount of €89 million. In the previous year (12M 2012/13), cash flow from investing activities included cash inflows of €953 million from the disposal of Real's Eastern European business as well as €341 million from the sale of the OPCI real estate properties in France.

The amount of investments in property, plant and equipment shown as cash outflow differs from the inflows shown in the asset reconciliation in the amount of non-cash transactions. These essentially concern additions from finance leases, currency effects and changes in liabilities from the acquisition of miscellaneous other assets.

Other investments include payments of €169 million for the acquisition of ten single property companies for resale. In addition, a payment of €85 million was made to a British pension fund to take out a reinsurance policy. Investments in intangible assets amounted to €131 million (12M 2012/13: €165 million; 9M 2013: €123 million); investments in financial assets amounted to €2 million (12M 2012/13: €58 million; 9M 2013: €56 million).

Alongside disposals of subsidiaries, divestments comprise incoming payments related to the sale of 9 per cent of shares in Booker PLC totalling €244 million as well as cash inflow related to the divestment of individual office properties of METRO GROUP's headquarters in Düsseldorf totalling €187 million. In addition, 25.75 per cent of the shares in OPCI FRENCH WHOLESALE PROPERTIES – FWP were divested for €40 million.

During the reporting period, the cash outflow from financing activities totalled €1,448 million (12M 2012/13: €–2,814 million; 9M 2013: €–1,690 million).

42. Segment reporting

Segment reporting has been carried out in accordance with IFRS 8 (Operating Segments). The segmentation corresponds to the group's internal controlling and reporting structures and is generally based on the division of the business into individual sectors.

As of the beginning of financial year 2013/14, the Real Estate segment is no longer shown separately. Since then, segment-relevant information has been shown in the sales lines' segments or in the Others segment. This change has no effect on data shown for the geographical segments.

METRO Cash & Carry

METRO Cash & Carry operates in the cash-and-carry sector in 28 countries in Europe, Asia and Africa through its METRO and MAKRO brands. In Germany, the portfolio is complemented by the C+C Schaper brand. Its broad product and service range is geared to commercial customers, in particular: hotel and restaurant owners, catering firms, independent retailers as well as service providers and public authorities.

Media-Saturn

Media-Saturn offers a comprehensive assortment of the latest brand products in consumer electronics retailing. The sales line is represented in 15 countries by its two strong sales brands Media-Markt and Saturn. In addition, Media-Saturn comprises the online retailer Redcoon, the Russian online shop 003.ru as well as the company 24–7 Entertainment.

Real

Real is a hypermarket operator in Germany where it operates both stationary stores and an online store. All stores offer a broad food assortment with a large proportion of fresh produce complemented by a non-food assortment.

Galeria Kaufhof

Galeria Kaufhof operates department stores in Germany and Belgium. In Belgium, the sales line operates under the Galeria Inno name. The Galeria department stores offer international assortments and high-quality own brands with a focus on clothing. The stationary business is closely dovetailed with the online store.

For more information about the segments, see the combined management report.

Aside from the information on the operating segments listed above, 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/Africa.

- External sales represent sales of the operating segments to third parties outside the group.
- Internal sales represent sales between the group's operating segments.
- Segment EBITDAR represents EBITDA before rental expenses less rental income.
- Segment EBITDA comprises EBIT before depreciation and reversals of impairment losses of property, plant and equipment, intangible assets and investment properties.
- EBIT is the key ratio for segment reporting and describes operating earnings 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 impairment 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.
- Segment investments include additions to non-current intangible assets and property, plant and equipment (including additions to the consolidation groups) 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	30/9/2013	30/9/2014
Segment assets	**24,223**	**23,821**
Non-current and current financial assets	327	**72**
Investments accounted for using the equity method	132	**95**
Cash and cash equivalents	2,564	**2,406**
Deferred tax assets	837	**835**
Entitlements to income tax refunds	297	**223**
Other entitlements to tax refunds[1]	368	**464**
Assets held for sale	12	**9**
Receivables from other financial transactions[2]	30	**59**
Other	20	**18**
Group assets	**28,811**	**28,004**

[1] Included in the balance sheet item "other financial and non-financial assets" (current)
[2] Included in the balance sheet items "other financial and non-financial assets" (non-current and current)

— Segment liabilities include non-current and current liabilities. They do not include, in particular, borrowings, tax items and liabilities allocable to discontinued operations.

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

€ million	30/9/2013	30/9/2014
Segment liabilities	**14,645**	**14,839**
Financial liabilities	7,963	**7,068**
Deferred tax liabilities	127	**130**
Income tax liabilities	181	**198**
Income tax provisions[1]	107	**120**
Other tax liabilities[2]	338	**371**
Liabilities from other financial transactions[2]	31	**12**
Liabilities to non-controlling interests[2]	82	**76**
Liabilities related to assets held for sale	77	**139**
Interest for other provisions[1]	47	**47**
Other	9	**4**
Group liabilities	**23,605**	**23,005**

[1] Included in the balance sheet items "other provisions" (non-current) and "provisions" (current)
[2] Included in the balance sheet items "other financial and non-financial liabilities" (non-current and current)

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

43. Management of financial risks

The treasury of METRO AG manages the financial risks of METRO GROUP. These include, in particular,

— price risks,
— liquidity risks,
— credit risks and
— cash flow risks.

For more information about the risk management system, see the combined management report in chapter 5 Financial and asset position.

Price risks

For METRO GROUP, price risks result from the impact of changes in market interest rates, foreign currency exchange rates, share price fluctuations or changes in commodity prices on the value of financial instruments.

Interest rate risks are caused by changes in interest rate levels. Interest rate swaps are used to cap these risks.

METRO GROUP's remaining interest rate risk is assessed in accordance with IFRS 7 using a sensitivity analysis. In the process, the following assumptions are applied in the consideration of changes in interest rates:

— The total impact determined by the sensitivity analysis relates to the actual balance as of the closing date and reflects the impact for one year.
— Primary floating-rate financial instruments whose interest payments are not designated as the underlying transaction in a cash flow hedge against changes in interest rates are recognised in net interest result in the sensitivity analysis. The sensitivity for a change of ten basis points is determined due to the currently low level of interest rates.
— Primary fixed-interest financial instruments are generally not recognised in net interest result. They are only recognised in other financial result if they are designated as the underlying transaction within a fair value hedge and measured at fair value. In this case, however, the interest-related change in the value of the underlying transaction is offset by the change in the value of the hedging transaction upon full effectiveness of the hedging transaction. The variable interest flows within the group that result from a fair value hedge are recognised in net interest result.
— Financial instruments designated as the hedging transaction within a cash flow hedge to hedge against variable interest flows will only be recognised in net interest result

when the payment flows have actually been initiated. However, the measurement of the hedging transaction at fair value is recognised in reserves retained from earnings outside of profit or loss.
— Interest rate derivatives that are not part of a qualified hedging transaction under IAS 39 are recognised at fair value in other financial result and, through resulting interest flows, in net interest result.

As of the closing date, METRO GROUP's remaining interest rate risk is primarily the result of variable interest rate receivables and liabilities with banks with an aggregate debit balance after consideration of hedging transactions of €1,043 million (30/9/2013: €2,089 million).

For this total balance, an interest rate increase of ten basis points would result in a higher return of €1 million per year reported in the interest result (12M 2012/13: €2 million). An interest rate decrease of ten basis points would have the opposite effect of €–1 million (12M 2012/13: €–2 million).

In the event of an interest rate rise of 10 basis points, the measurement of interest rate swaps and interest rate/currency swaps with a nominal volume of €187 million (30/9/2013: €310 million), which are part of a cash flow hedge, would result in an increase in equity in the amount of €0 million (12M 2012/13: €0 million). A drop in interest rates would result in a decrease in equity of €0 million (12M 2012/13: €0 million). Unlike in the previous year's annual report, the sensitivity variables for cash flow hedges are specified at 10 BP (previous year's annual report: 100 BP). The presentation was changed for the purpose of harmonising the sensitivity variable for the interest result and in light of the low level of interest rates. Due to the changed methodology, the previous year's figures were adjusted.

METRO GROUP faces **currency risks** in its international procurement of merchandise and because of costs and financings that are incurred in a currency other than the relevant local currency or are pegged to the price of another currency. In accordance with the group guideline "Foreign Currency Transactions", resulting foreign currency positions must be hedged. Exceptions from this hedging requirement exist where hedging is not economically reasonable and in the case of legal and regulatory restrictions in the respective countries. Forex futures as well as interest rate swaps and currency swaps are used to limit currency risks.

In line with IFRS 7, the presentation of the currency risk resulting from the exceptions is also based on a sensitivity analysis. In the process, the following assumptions are made in the consideration of a devaluation or revaluation of the euro vis-à-vis other currencies:

In terms of its amount and result characteristic, the total effect presented by the sensitivity analysis relates to the amounts of foreign currency held within the consolidated subsidiaries of METRO GROUP and states the effect of a devaluation or revaluation of the euro.

A devaluation of the euro will result in a positive effect if a foreign currency receivable exists at a subsidiary which uses the euro as its functional currency and if a liability in euros exists at a subsidiary which does not use the euro as its functional currency. A devaluation of the euro will result in a negative effect if a receivable in euros exists at a subsidiary which does not use the euro as its functional currency and if a liability in the foreign currency exists at a subsidiary which uses the euro as its functional currency. Conversely, any appreciation of the euro will have the opposite effect.

In the sensitivity analysis, the effects of the measurement of non-equity foreign currency positions that are calculated based on the closing date price in line with IAS 21 are recognised in the income statement. In the case of net investments in a foreign operation, the effects of the closing date measurement are recognised in equity (other comprehensive income) outside of profit or loss.

Foreign currency futures/options and interest rate and currency swaps that are not part of a qualified hedging relationship under IAS 39 are recognised through the fair value measurement in the income statement. In fully effective hedging transactions, this effect is offset by the effect from the measurement of the underlying foreign currency transaction.

Foreign currency futures/options and interest rate and currency swaps that are designated as the hedging transaction within a cash flow hedge to hedge against payment flows in foreign currency will only be recognised in the income statement when the payment flows are actually initiated. The measurement of the hedging transaction at its fair value, however, is recognised in reserves retained from earnings outside of profit or loss.

Effects from the currency translation of financial statements whose functional currency is not the reporting currency of METRO GROUP do not affect cash flows in local currency and are therefore not part of the sensitivity analysis.

As of the closing date, the remaining currency risk of METRO GROUP was as follows:

		Impact of devaluation/appreciation of euro by 10%			
€ million	**Currency pair**	**Volume**	**30/9/2013**	**Volume**	**30/9/2014**
Profit or loss for the period					
	CHF / EUR	0	+/–0	**16**	**+/–2**
	CNY / EUR	–1	+/–0	**16**	**+/–2**
	CZK / EUR	–131	+/–13	**–128**	**+/–13**
	EGP / EUR	–52	+/–5	**–25**	**+/–2**
	HUF / EUR	2	–/+0	**2**	**+/–0**
	JPY / EUR	60	+/–6	**0**	**+/–0**
	KZT / EUR	–228	+/–23	**–137**	**+/–14**
	MDL / EUR	–38	+/–4	**–36**	**+/–4**
	PLN / EUR	–100	+/–10	**–13**	**+/–2**
	RON / EUR	–86	+/–9	**–46**	**+/–5**
	RSD / EUR	–27	+/–3	**–24**	**+/–2**
	RUB / EUR	–121	+/–12	**–55**	**+/–5**
	SEK / EUR	–2	+/–0	**–3**	**+/–0**
	TRY / EUR	–46	+/–5	**–1**	**+/–0**
	UAH / EUR	–10	+/–1	**–8**	**+/–1**
	USD / EUR	18	+/–2	**12**	**+/–1**
	VND / EUR	–4	+/–0	**–2**	**+/–0**
			+/–93		**+/–53**
Equity					
	CNY / EUR	54	+/–5	**55**	**+/–6**
	GBP / EUR	253	+/–25	**–1**	**+/–0**
	KZT / EUR	0	+/–0	**–114**	**+/–11**
	PLN / EUR	72	+/–7	**73**	**+/–7**
	RUB / EUR	–120	+/–12	**0**	**+/–0**
	UAH / EUR	–242	+/–24	**–242**	**+/–24**
	USD / EUR	242	+/–24	**262**	**+/–26**
			+/–97		**+/–74**
			+/–190		**+/–127**

Currency risks existing in addition to these are mainly the result of USD currency holdings in various subsidiaries in which the functional currency is not the US dollar. At a nominal US dollar volume of €–109 million, a devaluation of the US dollar would result in favourable effects of €11 million in the profit or loss for the period (12M 2012/13: €18 million). Conversely, an appreciation of the US dollar will have negative effects of €11 million (12M 2012/13: €18 million).

Share price risks result from share-based payment to METRO GROUP executives. The remuneration (monetary bonus) is essentially based on the price development of the METRO ordinary share as well as the ordinary share's relative performance in relation to defined indices.

To date, the share price risk from the performance share plan has not been limited.

Price risks related to equity instruments result from holdings in other companies. In the event of a value gain of 10 per cent, the measurement of these holdings with a carrying amount of €0 million (30/9/2013: €253 million) would result in an increase in equity in the amount of €0 million (12M 2012/13: €25 million). An impairment would result in a decrease in equity of €0 million (12M 2012/13: €25 million).

The portfolio of **electricity derivatives** expired on 31 December 2013. Due to the marginal value of the portfolio as of 30 September 2013, the company already elected not to apply value-at-risk valuation in the last annual report.

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

In addition, hedging may be carried out only with standard financial derivative instruments whose correct actuarial and accounting mapping and valuation in the treasury system are guaranteed.

As of the closing date, the following derivative financial instruments were being used for risk reduction:

	30/9/2013			30/9/2014		
		Fair values			Fair values	
€ million	Nominal volume	Financial assets	Financial liabilities	Nominal volume	Financial assets	Financial liabilities
Interest rate transactions						
Interest rate swaps	126	0	5	**0**	**0**	**0**
thereof within fair value hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof within cash flow hedges	(126)	(0)	(5)	**(0)**	**(0)**	**(0)**
thereof not part of hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
Currency transactions						
Forward currency contracts/options	–76	17	13	**–280**	**49**	**5**
thereof within fair value hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof within cash flow hedges	(295)	(0)	(7)	**(316)**	**(23)**	**(0)**
thereof not part of hedges	(–371)	(17)	(6)	**(–596)**	**(26)**	**(4)**
Interest rate/currency swaps	184	0	8	**187**	**0**	**5**
thereof within fair value hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof within cash flow hedges	(184)	(0)	(8)	**(187)**	**(0)**	**(5)**
thereof not part of hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
	108	17	21	**–93**	**49**	**9**
Commodity transactions						
Forex futures	3,000 t 114 GWh	2	1	**0**	**0**	**0**
thereof within fair value hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof within cash flow hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof not part of hedges	3,000 t 114 GWh	(2)	(1)	**(0)**	**(0)**	**(0)**
	n/a	**18**	**27**	**n/a**	**49**	**9**

The nominal volume of forex futures/options and interest limitation agreements results from the net position of the buying and selling values in foreign currency underlying the individual transactions translated at the relevant exchange rate on the closing date. The nominal volume of interest rate swaps or interest rate/currency swaps and interest rate hedging agreements is shown. The nominal volume of commodity futures refers to diesel derivatives in metric tons (t), which corresponds to about 1,183 litres, and to electricity derivatives in gigawatt hours (GWh).

All fair values represent the theoretical value of these instruments upon dissolution of the transaction at the end of the period. Under the premise that instruments are held until the end of their term, these are unrealised gains and losses that, by the end of the term, will be fully set off by gains and losses from the underlying transactions in the case of fully effective hedging transactions.

For the purpose of showing this reconciliation appropriately for the period, relationships are created between hedging transactions and underlying transactions and recognised as follows:

— Within a fair value hedge, both the hedging transaction and the hedged risk of the underlying transaction are recognised at their fair value. The value fluctuations of both trades are shown in the income statement, where they will be fully set off against each other in the case of full effectiveness.
— Within a cash flow hedge, the hedging transactions are also principally recognised at their fair value. In the case of full effectiveness of the hedging transaction, the value changes will be recognised in equity until the hedged payment flows or expected transactions impact the result. Only then will they be recognised in the income statement.
— Hedging transactions that, according to IAS 39, are not part of a hedge are recognised at their fair value. Value changes are recognised directly in the income statement. Even if no formal hedging relationship was created, these are hedging transactions that are closely connected to the underlying business and whose impact on earnings will be netted by the underlying transaction (natural hedge).

The currency derivatives are used primarily for Chinese renminbi, Japanese yen, Polish złoty, Romanian leu, Russian rouble, Swiss franc, Czech koruna, Turkish lira, Hungarian forint as well as US dollar.

The derivative financial instruments have the following maturities:

	30/9/2013 fair values			30/9/2014 fair values		
	Maturities			Maturities		
€ million	up to 1 year	1 to 5 years	over 5 years	up to 1 year	1 to 5 years	over 5 years
Interest rate transactions						
Interest rate swaps	–5	0	0	**0**	**0**	**0**
thereof within fair value hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof within cash flow hedges	(–5)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof not part of hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
Currency transactions						
Forward currency contracts/options	4	0	0	**44**	**0**	**0**
thereof within fair value hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof within cash flow hedges	(–7)	(0)	(0)	**(22)**	**(0)**	**(0)**
thereof not part of hedges	(11)	(0)	(0)	**(22)**	**(0)**	**(0)**
Interest rate/currency swaps	0	–8	0	**0**	**–5**	**0**
thereof within fair value hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof within cash flow hedges	(0)	(–8)	(0)	**(0)**	**(–5)**	**(0)**
thereof not part of hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
	4	**–8**	**0**	**44**	**–4**	**0**
Commodity transactions						
Forex futures	0	0	0	**0**	**0**	**0**
thereof within fair value hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof within cash flow hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof not part of hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
	–1	**–8**	**0**	**44**	**–4**	**0**

Listed below the maturities are the fair values of the financial assets and liabilities that fall due during these periods.

The repricing dates for variable interest rates are less than one year.

Liquidity risks

Liquidity risk describes the risk of being unable to procure or provide funding or being able to only procure or provide funding at a higher cost. Liquidity risks may arise, for example, as a result of temporary capital market disruptions, creditor defaults, insufficient lines of credit or the absence of budgeted payment flows. METRO AG acts as financial coordinator for METRO GROUP companies to ensure that they are provided with the necessary financing to fund their operating and investing activities at all times and in the most cost-efficient manner possible. The necessary information is provided by means of a group financial plan, which is updated monthly and checked monthly for deviations. This financial plan is complemented by a weekly rolling 14-day liquidity plan.

Instruments used for financing purposes include money and capital market products (time deposits, call money, promissory note loans, commercial papers and listed bonds sold as part of ongoing capital market programme programmes) as well as bilateral and syndicated loans. METRO GROUP has a sufficient liquidity reserve so that there is no danger of liquidity risks even if an unexpected event has a negative financial impact on the company's liquidity situation. For more information about the instruments used for financing purposes and lines of credit, see the explanatory notes to the respective balance sheet items.

For more information, see no. 29 Cash and cash equivalents as well as no. 36 Financial liabilities.

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

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

Credit risks

Credit risks arise from the total or partial loss of a counterparty, for example, through bankruptcy or in connection with monetary investments and derivative financial instruments with positive market values. METRO GROUP's maximum default exposure as of the closing date is reflected by the carrying amount of financial assets totalling €5,232 million (30/9/2013: €5,500 million).

For more information about the size of the respective carrying amounts, see no. 40 Carrying amounts and fair values according to measurement categories.

Cash on hand considered in cash and cash equivalents totalling €104 million (30/9/2013: €105 million) is not exposed to any default risk.

In the course of the risk management of financial investments totalling €2,205 million (30/9/2013: €2,308 million) and derivative financial instruments totalling €49 million (30/9/2013: €18 million), minimum creditworthiness requirements and maximum exposure limits have been defined for all business partners of METRO GROUP. Cheques and money in circulation are not considered in the determination of credit risks. This is based on a system of limits laid down in the treasury guidelines, which are based mainly on the ratings of international rating agencies, developments of credit default swaps or internal credit assessments. An individual limit is allocated to every counterparty of METRO GROUP; compliance is constantly monitored by the treasury systems.

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

Rating classes			Volume in %					
			Financial investments					
Grade	Moody's	Standard & Poor's	Germany	Western Europe excl. Germany	Eastern Europe	Asia and others	Derivatives with positive market values	Total
Investment grade	Aaa	AAA	0.0	0.0	0.0	0.0	0.0	
	Aa1 to Aa3	AA+ to AA–	0.3	1.1	0.1	1.3	0.3	
	A1 to A3	A+ to A–	20.5	29.2	4.5	10.7	0.9	
	Baa1 to Baa3	BBB+ to BBB–	9.1	7.7	5.5	0.5	0.0	**91.7**
Non-investment grade	Ba1 to Ba3	BB+ to BB–	0.3	4.2	0.1	0.0	0.0	
	B1 to B3	B+ to B–	0.0	2.0	0.0	0.0	0.0	
	Caa to C	CCC to C	0.0	0.0	0.1	0.0	0.0	**6.7**
No rating			0.0	1.6	0.0	0.0	0.0	**1.6**
			30.2	**45.8**	**10.3**	**12.5**	**1.2**	**100.0**

The table shows that, as of the closing date, about 92 per cent of the capital investment volume, including the positive market value of derivatives, had been placed with investment-grade counterparties, in other words, those with good or very good credit ratings. Most of the counterparties that do not yet have an internationally accepted rating are respected financial institutions whose creditworthiness can be considered flawless based on analyses. METRO GROUP also operates in countries where local financial institutions do not have investment-grade ratings due to the rating of their country. For country-specific reasons as well as cost and efficiency considerations, cooperation with these institutions is unavoidable. These institutions account for about 8 per cent of the total volume.

To manage creditworthiness risks related to long-term derivatives, METRO AG concludes Credit Support Annexes (CSA) with banks. The balance sheet item "other financial and non-financial assets" includes €5 million (30/9/2013: €10 million) in receivables from these contracts. The amount of the coverage payment depends on the market values and covers the payment obligations of these interest rate/currency swaps.

METRO GROUP's level of exposure to credit risks is thus very low.

Cash flow risks

A future change in interest rates may cause cash flow from variable interest rate asset and liability items to fluctuate. Part of the variable interest rate debt has been hedged with derivative financial instruments. Stress tests are used to determine the potential impact interest rate changes may have on cash flow.

44. Contingent liabilities

€ million	30/9/2013	30/9/2014
Liabilities from suretyships and guarantees	16	**20**
Liabilities from guarantee and warranty contracts	52	**42**
	68	**62**

Liabilities from guarantee and warranty contracts are primarily rent guarantees with terms of up to ten years if utilisation is not considered entirely unlikely.

45. Other financial liabilities

As of 30 September 2014, the nominal value of other financial liabilities amounted to €675 million (30/9/2013: €664 million) and primarily concerned purchasing commitments from service agreements.

For more information about contractual commitments for the acquisition of other intangible assets and property, plant and equipment, obligations from finance and operating leases as well as investment properties, see no. 19 Other intangible assets, no. 20 Property, plant and equipment and no. 21 Investment properties.

46. Other legal issues

Legal disputes in relation to Media-Saturn-Holding GmbH

For more information about specific legal disputes involving Media-Saturn-Holding GmbH, see the combined management report in chapter 12 Risk and opportunities report.

Legal actions filed under stock corporation law

Furthermore, a METRO AG shareholder filed a complaint for nullity regarding the approved annual financial statements of METRO AG as of 31 December 2012, citing an alleged infringement of the regulations governing the structure of the annual financial statements due to the allegedly flawed consolidation of the Media-Saturn group of companies in the consolidated financial statements of METRO AG. On 3 April 2014, the Düsseldorf District Court ruled in METRO's favour in a legally binding decision. The same shareholder also challenged the resolution of the Annual General Meeting of 8 May 2013 regarding the appropriation of the balance sheet profit for the financial year 2012 as well as the election of the auditor. This legal action is also based essentially on the alleged nullity of the annual financial statements of METRO AG and the alleged erroneous consolidation of the Media-Saturn group of companies in the consolidated financial statements of METRO AG. METRO AG sees no reason to doubt the validity of the annual financial statements, the resolution of the Annual General Meeting regarding the appropriation of the balance sheet profit for the financial year 2012 that was based on these financial statements or the other resolutions of the Annual General Meeting. In METRO AG's opinion, the plaintiff's arguments are invalid. The annual financial statements of METRO AG have been prepared on the basis of the accounting regulations of the German Commercial Code. METRO AG indirectly holds a majority of the voting rights of the shareholders of Media-Saturn-Holding GmbH (MSH) through its subsidiary METRO Kaufhaus und Fachmarkt Holding GmbH. As such, it irrefutably exerts power control over MSH pursuant to § 290 Section 2 No. 1 of the German Commercial Code. As a result, there can be no doubt that MSH is an affiliated company in the meaning of the commercial law stipulations governing the annual financial statements. Furthermore, METRO AG continues to believe in the appropriateness of the consolidation of the Media-Saturn group of companies in the past and in the consolidated financial statements as of 31 December 2012 and thereafter, which were prepared in accordance with international financial reporting standards (IFRS as they are to be applied within the EU). However, even if the consolidation of the Media-Saturn group of companies in the consolidated financial statements of METRO AG had been erroneous, this would have no impact on the validity of the annual financial statements of METRO AG as only the commercial law stipulations and not the international accounting standards apply to these annual financial statements.

Investigations by the Federal Cartel Office

On 14 January 2010, the Federal Cartel Office searched former business premises of MGB METRO Group Buying GmbH. On 19 December 2011, the Federal Cartel Office extended the scope of the investigation to also include METRO AG, METRO Cash & Carry International GmbH and METRO Dienstleistungs-Holding GmbH. This extension results from the merger of MGB METRO Group Buying GmbH into METRO Dienstleistungs-Holding GmbH as part of the decentralisation of central procurement in Germany. The Federal Cartel Office used this as a reason to extend the investigation to the parent or group holding company in view of the risk that the legal opponent may cease to exist due to a corporate restructuring with a change of legal form. The Federal Cartel Offices investigation is ongoing; the authority sent a comprehensive hearing notification concerning one part of the proceedings to METRO AG and METRO Dienstleistungs-Holding GmbH in mid-October. In this notification, accusations are levelled against these companies concerning practices engaged in by the former MGB METRO Group Buying GmbH in the form of vertical price fixing agreements with a supplier. A comprehensive defence against these allegations is under way.

Antitrust law proceedings in Ukraine

The Ukrainian antitrust authority is currently conducting an antitrust proceeding against METRO Cash & Carry Ukraine and a large portion of the modern retail industry in Ukraine. In the relevant complaints, METRO Cash & Carry Ukraine has been accused of forming a procurement and selling price cartel by coordinating its actions with a large number of retailers and cooperating with a market research firm. With regard to possible sanctions, the complaints refer to the – internationally customary – legal fine of up to ten per cent of annual sales.

METRO AG and its legal advisers believe that these allegations are untenable both in legal terms and in terms of competition economics. A comprehensive defence against these allegations is under way.

International tax audit

In 2011, income tax arrears in the double-digit millions were incurred at an international group company in connection with a tax audit dating back to 2006. The case is currently pending. An assertion for possible claims for recourse is currently being made.

Claims for damages due to interbank fees in violation of antitrust law

METRO GROUP companies have filed suit in a London court against companies of the MasterCard group. The legal challenge asserts claims for damages based on a decision of the EU Commission which found that the cross-border interbank fees imposed by MasterCard in the period 1992 to 2007 as part of its credit card system, which also impacted national interbank fees, violated European antitrust law. Traditionally, retailers' banks charge interbank fees to the retailer as part of retail fees.

Further remaining legal issues

In addition, companies of METRO GROUP are parties to other judicial or arbitral and antitrust law proceedings in various European countries. At the present time, however, METRO GROUP does not expect the legal issues that are not detailed separately in this section to have a material effect on its asset, financial and earnings position.

In addition, METRO GROUP is increasingly exposed to regulatory changes related to procurement and changed sales tax regulations in some countries.

47. Events after the closing date

Between the closing date (30 September 2014) and the preparation of the consolidated financial statements (24 November 2014), the following events of material importance to an assessment of the earnings, financial and asset position of METRO AG and METRO GROUP occurred:

As part of its decision in the reporting period to withdraw from the wholesale business in Denmark, METRO GROUP signed an agreement in October on the partial sale of METRO Cash & Carry Denmark to Euro Cater, a leading grocery wholesaler in Denmark and Sweden. Subject to approval by Danish antitrust authorities, Euro Cater will take over the wholesale stores in Glostrup and Aarhus. In addition, METRO GROUP will close the remaining three wholesale stores in Denmark on 31 December 2014 and thus withdraw from the Danish market. The anticipated financial effects of the disposal and closure were recognised in the annual financial statements for 2013/14 by means of asset impairments and the creation of provisions for expected closure costs. For this reason, these events should have only a minimal impact on the financial result in coming financial years.

On 21 October 2014, METRO GROUP successfully issued a benchmark bond in the corporate Eurobond market, thus optimising its financing maturity profile. The seven-year bond has a volume of €500 million and a coupon of 1.375 per cent. The issue was priced at 75 basis points above the seven-year swap rate.

In November 2014, 100 per cent of shares in MAKRO Cash & Carry Wholesale S.A., Greece, were sold to INO S.A., a company 70 per cent owned by the Greek retail company I. & S. Sklavenitis Trade S.A. The sale comprises all assets and liabilities from the operating business and real estate. MAKRO Cash & Carry Greece generated sales of €289 million in financial year 2013/14. The sale was concluded at a company value of €65 million and will likely result in revenue of a similar amount. The transaction is still subject to the approval of the Supervisory Board of METRO AG as well as the responsible antitrust authorities. It will likely be concluded in the first half of the 2015 calendar year.

48. Notes on related parties

In financial year 2013/14, METRO GROUP maintained the following business relations to related companies:

€ million	9M 2013	12M 2012/13	12M 2013/14
Services provided	1	2	**1**
thereof to associates	(0)	(0)	**(0)**
Services received	13	17	**16**
thereof from associates	(2)	(3)	**(3)**
Receivables from services provided	0	0	**0**
Liabilities from services received	2	2	**2**

In financial year 2013/14, METRO GROUP companies provided services totalling €1 million to companies included in the group of related companies. This concerns primarily the granting of energy and lease rights.

The services totalling €16 million that METRO GROUP companies received from related companies in financial year 2013/14 consisted of services, at an amount of €10 million, and real estate leases, at an amount of €6 million.

Business relations with related parties are based on contractual agreements providing for arm's length prices. As in the short financial year 2013, METRO GROUP had no business relations with related natural persons in financial year 2013/14.

For more information about the basic principles of the remuneration system and the amount of Management and Supervisory Board compensation, see no. 50 Management Board and Supervisory Board.

49. Long-term incentive for executives

METRO AG has been implementing long-term incentive programmes since 1999 to enable senior executives to participate in the company's value development and reward their contribution to the sustained success of METRO GROUP compared with its competitors. The members of the Management Board and senior executives of METRO AG as well as managing directors and senior executives of the other operating METRO GROUP companies are eligible.

Sustainable performance plan 2013/14–2015/16

After the last tranche of the performance share plan was paid in the short financial year 2013, the first tranche of a long-term performance-based remuneration scheme initially limited to three tranches was issued for financial year 2013/14.

A target value in euros is set for the eligible managers. 75 per cent of this amount will be based on the so-called TSR component (total shareholder return), a metric that will be determined on the basis of the METRO ordinary share's performance relative to a defined reference index during a performance period. The remaining 25 per cent will be based on a so-called sustainability component that considers the ranking that METRO AG achieves during the performance period as part of the Corporate Sustainability Assessment conducted by the independent agency RobecoSAM AG. In case of employment termination, separate rules for the payout of the tranches have been agreed upon.

To calculate the **TSR component,** the Xetra closing prices of the METRO ordinary share will be recorded over a period of 40 trading days that directly follow the Annual General Meeting of METRO AG. The arithmetic mean calculated from these prices will then be used as the starting share price. The performance period for the respective tranche will begin on the 41st trading day following the Annual General Meeting. In the next step, that will also cover a period of 40 trading days directly following the Annual General Meeting held three years after the determination of the starting share price and the issuance of the respective tranche, the Xetra closing prices of METRO's ordinary share will be recorded. The arithmetic mean calculated from these prices will then be used as the final share price. The TSR percentage value will be determined on the basis of the change in the METRO share price and the total amount of reinvested dividends throughout the performance period in relation to the starting and ending share prices.

The METRO TSR calculated in this manner will be compared with the TSR of the Dow Jones STOXX Europe 600 Retail Index (index TSR) during the performance period, and the factor for computing the TSR component will be determined in this way:

- If METRO's TSR is identical to the index TSR, the factor for the TSR component will be one.
- If METRO's TSR is 30 percentage points or more below the index TSR, the factor for the TSR component will be zero.

— If METRO's TSR is 30 percentage points above the index TSR, the factor for the TSR component will be two.
— If METRO's TSR is 60 percentage points or more above the index TSR, the factor for the TSR component will be a maximum of three (cap).
— Outside these values, the TSR factor for the sustainable performance plan will be determined using the linear interpolation method and calculated to the hundredth place value.

If the TSR factor is zero, no payment will be made and the TSR component will be closed. If the TSR factor is positive, the following additional condition will apply: a payment of 75 per cent of the target amount multiplied by the TSR factor will be made only if the calculated final price of the METRO share does not fall below the starting share price. Should this condition not be met, the calculated amount will not be paid initially. In this case, an entitlement to payment will exist only if the Xetra closing price of the METRO ordinary share is higher than or equivalent to the starting share price for 40 consecutive trading days within a three-year period after the completion of the performance period, or oxer period. Should this condition not be met within the three years after the performance period ends, no payment of the TSR component of the tranche will be made.

To determine the factor of the **sustainability component,** METRO AG takes part in the Corporate Sustainability Assessment conducted by the independent agency RobecoSAM AG during each year of the three-year performance period of the sustainable performance plan. RobecoSAM AG uses this assessment to determine the ranking of METRO AG within the industry group "Food and Staples Retailing" that is defined in accordance with the Global Industry Classification Standard (GICS). S&P Dow Jones Indices uses this ranking as the basis for decisions regarding a company's inclusion in the Dow Jones Sustainability Indices (DJSI). METRO AG is informed each year by RobecoSAM AG about its new ranking. The company's average ranking – rounded to whole numbers – is determined on the basis of the three rankings communicated by RobecoSAM AG during the performance period. The factor for the sustainability component is determined on the basis of the average ranking during the performance period. The following additional condition will also apply: a payment of 25 per cent of the target amount multiplied by the sustainability factor will be made only if the ranking of METRO AG does not fall by more than two places below the last announced ranking before the issuance of the tranche in any year of the performance period. Otherwise, the factor for the sustainability component will be zero. The payment cap for the sustainability component amounts to three times the target amount.

The value of the tranches allotted in financial year 2013/14 as part of the sustainable performance plan amounted to €6 million at the time of allotment (previous year performance share plan 9M 2013: €23 million) and was calculated by external experts using recognised financial-mathematical methods.

Sustainable performance plan (tranches 2013/14–2015/16)

Tranche	End of the performance period	Starting price for the TSR component	Target amount as of 30/9/2014
2013/14	41st trading day following the Annual General Meeting three years after the issuance of the tranche	€29.73	€8,315,000

Performance share plan and share ownership guidelines (2009–2013)

In 2009, METRO AG introduced a performance share plan for a period of five years for which the last tranche was issued in the short financial year 2013.

Under this scheme, eligible managers were given an individual target amount for the performance share plan (target value) in accordance with the significance of their responsibilities. The target number of performance shares was calculated by dividing this target value by the share price upon allotment, based on the average price of the METRO share during the three months up to the allotment date. The key metric in this calculation was the three-month average price of the METRO share before allotment. A performance share entitles its holder to a cash payment in euros matching the price of the METRO share on the payment date. The key metric in this calculation was also the three-month average price of the METRO share before the payment date.

Based on the relative performance of the METRO share compared to the mean of the DAX 30 and Dow Jones Euro STOXX Retail indices – total return – the final number of payable performance shares is determined after the end of a performance period of at least three and at most 4.25 years. It corresponds to the target number of shares when an equal performance with said stock indices is achieved. Up to an outperformance of 60 per cent, the number increases on a straight-line basis to a maximum of 200 per cent of the target amount. Up to an underperformance

of 30 per cent, the number is accordingly reduced to a minimum of 50 per cent. In the case of an underperformance of more than 30 per cent, the number is reduced to zero.

Payment can be made at six possible times that are set in advance. The earliest payment date is three years after allotment of the performance shares. From this time, payment can be made every three months. The eligible managers can choose the date upon which they want to exercise performance shares. A distribution over several payment dates is not permitted. The payment cap amounts to five times the target value.

METRO GROUP introduced so-called share ownership guidelines along with its performance share plan: as a precondition for payments of performance shares, eligible executives are obliged to undertake a continuous self-financed investment in METRO shares up to the end of the three-year vesting period. This ensures that, as shareholders, they will directly participate in share price gains as well as potential losses of the METRO share. The required investment volume generally amounts to approximately 50 per cent of the individual target value.

Performance share plan (tranches 2009–2013)

Tranche	End of the blocking period	Three-month average price before allotment	Number of performance shares as of 30/9/2014
2009	August 2012	€36.67	Expired
2010	August 2013	€42.91	263,777
2011	August 2014	€41.73	301,975
2012	April 2015	€29.18	553,165
2013	April 2016	€22.84	801,652

The blocking period for the 2010 and 2011 tranches ended in August 2013 and August 2014, respectively. No payouts from these tranches were made to members of the Management Board in financial year 2013/14.

The current tranches of share-based payment programmes resulted in expenses of €3 million (12M 2012/13: €6 million; 9M 2013: €7 million).

The related provisions as of 30 September 2014 amount to €15 million (30/9/2013: €12 million). Of this total, the 2010 tranche accounts for €0 million (30/9/2013: €0 million), the 2011 tranche for €0 million (30/9/2013: €2 million), the 2012 tranche for €3 million (30/9/2013: €5 million), the 2013 tranche for €11 million (30/9/2013: €5 million) and the 2014 tranche for €1 million.

50. Management Board and Supervisory Board

Compensation of members of the Management Board in financial year 2013/14

Remuneration of the active members of the Management Board essentially consists of a fixed salary, the short-term performance-based compensation (short-term incentive) as well as the performance-based compensation with a long-term incentive effect (long-term incentive) granted in financial year 2013/14.

The amount of the short-term performance-based compensation for members of the Management Board essentially depends on the development of net earnings (NE) and the return on capital employed (RoCE) and also considers the attainment of individually set targets. The use of the metric NE combined with RoCE rewards profitable growth of METRO GROUP.

Remuneration of the active members of the Management Board in financial year 2013/14 amounted to €10.8 million (9M 2013: €8.6 million). This includes €3.7 million (9M 2013: €2.6 million) in fixed salaries, €3.4 million (9M 2013: €0.2 million in short-term performance-based remuneration, €3.4 million (9M 2013: €5.6 million) in performance-based remuneration with a long-term incentive effect and €0.3 million (9M 2013: €0.2 million) in other remuneration.

Performance-based compensation with a long-term incentive effect granted in financial year 2013/14 (sustainable performance plan) is shown at fair value as of the date granted. In financial year 2013/14, value changes resulted from the current tranches of performance-based payment programmes with a long-term incentive effect. The company's expenses amounted to €0.54 million for Mr Koch, €0.4 million for Mr Haas and €0.36 million for Mr Hutmacher. The total for Mr Frese was €0.4 million.

The target amount of the tranche 2013/14 for the members of the Management Board amounts to €4.96 million.

Other remuneration consists of non-cash benefits.

Total compensation of former members of the Management Board

Former members of the Management Boards of METRO AG and the companies that were merged into METRO AG as well as their surviving dependants received €3.5 million (9M 2013: €7.0 million). The present value of provisions for current pen-

sions and pension entitlements made for this group amounts to €54.3 million (30/9/2013: €54.1 million).

The information released pursuant to § 314 Section 1 No. 6 a Sentence 5 to 9 of the German Commercial Code can be found in the combined management report in chapter 9 Remuneration report.

Compensation of members of the Supervisory Board

The total remuneration of all members of the Supervisory Board in financial year 2013/14 amounted to €1.7 million (9M 2013: €1.4 million).

For more information about the compensation of the members of the Supervisory Board, see the combined management report in chapter 9 Remuneration report.

51. Auditor's fees

The following fees related to the services rendered by the auditor KPMG AG Wirtschaftsprüfungsgesellschaft were calculated.

€ million	9M 2013	12M 2012/13	12M 2013/14
Audit	7	12	**7**
Other assurance and audit-related services	2	3	**2**
Tax consultation services	1	1	**0**
Other services	2	2	**2**
	12	**18**	**12**

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

52. Declaration of compliance with the German Corporate Governance Code

In September 2014, the Management Board and the Supervisory Board made a declaration of compliance with the recommendations of the Government Commission on the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act (AktG), which can be accessed on the METRO AG website (www.metrogroup.de).

53. Election to be exempt from §§ 264 Section 3 and 264 b of the German Commercial Code

The following domestic subsidiaries in the legal form of stock corporations or partnerships will make use of the exemption requirements according to § 264 Section 3 and § 264 b of the German Commercial Code, and thus elect not to publish their annual financial statements for 2014 nor, for the most part, to prepare their notes and management report (according to the German Commercial Code).

a) Operating companies and service entities	
"Buch und Zeit" Verlagsgesellschaft mit beschränkter Haftung	Cologne
CH-Vermögensverwaltung GmbH	Düsseldorf
DAYCONOMY GmbH	Düsseldorf
Dinea Gastronomie GmbH	Cologne
emotions GmbH	Cologne
Fulltrade International GmbH	Düsseldorf
GALERIA Holding GmbH	Cologne
GALERIA Kaufhof GmbH	Cologne
GALERIA Logistik GmbH	Cologne
GALERIA Personalservice GmbH	Cologne
Goldhand Lebensmittel- u. Verbrauchsgüter-Vertriebsgesellschaft mit beschränkter Haftung	Düsseldorf
Johannes Berg GmbH, Weinkellerei	Düsseldorf
Kaufhof Trading GmbH	Cologne
Liqueur & Wine Trade GmbH	Düsseldorf
MCC Trading Deutschland GmbH	Düsseldorf
MCC Trading International GmbH	Düsseldorf
Media-Saturn China-Holding GmbH	Ingolstadt
Meister feines Fleisch – feine Wurst GmbH	Gäufelden
METRO Achtzehnte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf
METRO Beteiligungsmanagement Düsseldorf GmbH & Co. KG	Düsseldorf
Metro Cash & Carry Brunnthal GmbH & Co. KG	Brunnthal
METRO Cash & Carry Deutschland GmbH	Düsseldorf
METRO Cash & Carry International GmbH	Düsseldorf
METRO Cash & Carry International Management GmbH	Düsseldorf
METRO Dienstleistungs-Holding GmbH	Düsseldorf
METRO Finanzdienstleistungs Pensionen GmbH	Düsseldorf
METRO Fünfzehnte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf
METRO Groß- und Lebensmitteleinzelhandel Holding GmbH	Düsseldorf
METRO Großhandelsgesellschaft mbH	Düsseldorf
METRO Group Accounting Center GmbH	Alzey
METRO Innovations Holding GmbH	Düsseldorf
METRO INTERNATIONAL SUPPLY GmbH	Düsseldorf
METRO Kaufhaus und Fachmarkt Holding GmbH	Düsseldorf
METRO LOGISTICS Germany GmbH	Düsseldorf
METRO LOGISTICS Services GmbH	Düsseldorf
Metro SB-Großmärkte GmbH & Co. Kommanditgesellschaft	Linden
Metro SB-Großmärkte GmbH & Co. Kommanditgesellschaft	Esslingen am Neckar
METRO Siebte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf
METRO Siebzehnte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf
METRO SYSTEMS GmbH	Düsseldorf
METRO Vierzehnte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf
MGA METRO Group Advertising GmbH	Düsseldorf
MGC METRO Group Clearing GmbH	Düsseldorf
MGE Warenhandelsgesellschaft mbH	Düsseldorf

MGL METRO Group Logistics GmbH	Düsseldorf
MGL METRO Group Logistics Warehousing Beteiligungs GmbH	Düsseldorf
MGP METRO Group Account Processing GmbH	Kehl
MGT METRO Group Travel Services GmbH	Düsseldorf
MIB METRO Group Insurance Broker GmbH	Düsseldorf
MIP METRO Group Intellectual Property GmbH & Co. KG	Düsseldorf
MIP METRO Group Intellectual Property Management GmbH	Düsseldorf
MTT METRO Group Textiles Transport GmbH	Düsseldorf
Multi-Center Warenvertriebs GmbH	Düsseldorf
N & NF Trading GmbH	Düsseldorf
Nedema GmbH	Cologne
NordRhein Trading GmbH	Düsseldorf
real,- Group Holding GmbH	Düsseldorf
real,- Handels GmbH	Düsseldorf
real,- Holding GmbH	Alzey
real,- SB-Warenhaus GmbH	Alzey
SPORTARENA GmbH	Cologne
Weinkellerei Thomas Rath GmbH	Düsseldorf
Zweite real,- Multi-Markt Verwaltungsgesellschaft mbH	Alzey
Zweite real,- SB-Warenhaus GmbH	Alzey

b) Real estate companies	
1. Schaper Objekt GmbH & Co. Wächtersbach KG	Düsseldorf
2. Schaper Objekt GmbH & Co. Kiel KG	Düsseldorf
ADAGIO 2. Grundstücksverwaltungsgesellschaft mbH	Düsseldorf
ADAGIO 3. Grundstücksverwaltungsgesellschaft mbH	Düsseldorf
ADAGIO Grundstücksverwaltungsgesellschaft mbH	Düsseldorf
Adolf Schaper GmbH & Co. Grundbesitz-KG	Düsseldorf
AIB Verwaltungs GmbH	Düsseldorf
ARKON Grundbesitzverwaltung GmbH	Düsseldorf
ASH Grundstücksverwaltung XXX GmbH	Düsseldorf
ASSET City Finanzierungs GmbH	Düsseldorf
ASSET Grundbesitz GmbH	Düsseldorf
ASSET Immobilienbeteiligungen GmbH	Düsseldorf
ASSET Köln-Kalk GmbH	Düsseldorf
ASSET Objekt Leipzig GmbH	Düsseldorf
ASSET Objekt Mainz-Schusterstraße GmbH	Düsseldorf
ASSET Objekte Vermögensverwaltungsgesellschaft mbH	Düsseldorf
ASSET Verwaltung-GmbH & Co. Objekt Leipzig II KG	Düsseldorf
ASSET Verwaltungs-GmbH	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Aachen II KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Aachen, Adalbertstraße 20–30 KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Aschaffenburg KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Bonn Münsterplatz KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Bonn, Acherstraße KG	Düsseldorf

ASSET Verwaltungs-GmbH & Co. Objekt Darmstadt KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Dortmund KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Düsseldorf, Königsallee 1 KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Frankfurt Hauptwache KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Freiburg im Breisgau KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Gelsenkirchen KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Hanau KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Hannover KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Kassel KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Kassel, Obere Königstraße KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Krefeld II KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Leipzig KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Mainz KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Mönchengladbach KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt München Rotkreuzplatz KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Nürnberg, Königstraße 42–52 KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Offenbach KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Saarbrücken, Bahnhofstraße 82–92, 98–100 KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Siegburg KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Stuttgart Königstraße 6 KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Stuttgart-Bad Cannstatt Badstraße, Marktstraße 3 KG	Düsseldorf
ASSET Verwaltungs-GmbH & Co. Objekt Würzburg KG	Düsseldorf
ASSET Zweite Immobilienbeteiligungen GmbH	Düsseldorf
BAUGRU Immobilien-Beteiligungsgesellschaft mit beschränkter Haftung & Co. Grundstücksverwaltung KG	Düsseldorf
Blabert Grundstücksverwaltungsgesellschaft mbH	Düsseldorf
BLK Grundstücksverwaltung GmbH	Düsseldorf
Deutsche SB-Kauf GmbH & Co. KG	Düsseldorf
DFI Verwaltungs GmbH	Düsseldorf
FZB Fachmarktzentrum Bous Verwaltungsgesellschaft mbH & Co. KG	Düsseldorf
FZG Fachmarktzentrum Guben Verwaltungsgesellschaft mbH	Düsseldorf
FZG Fachmarktzentrum Guben Verwaltungsgesellschaft mbH & Co. Vermietungs-Kommanditgesellschaft	Düsseldorf
GALERIA Immobilienservice GmbH	Cologne
GALERIA Real Estate GmbH & Co. KG	Düsseldorf
GALERIA Real Estate Holding GmbH	Düsseldorf
GBS Gesellschaft für Unternehmensbeteiligungen mbH	Düsseldorf
GKF 6. Objekt Vermögensverwaltungsgesellschaft mbH	Düsseldorf
GKF Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Donaueschingen KG	Düsseldorf
GKF Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Köln-Porz KG	Düsseldorf
GKF Grundstücksverwaltung GmbH & Co. Objekt Bremen-Vahr KG	Düsseldorf
GKF Grundstücksverwaltung GmbH & Co. Objekt Emden KG	Düsseldorf
GKF Grundstücksverwaltung GmbH & Co. Objekt Groß-Zimmern KG	Düsseldorf
GKF Grundstücksverwaltung GmbH & Co. Objekt Norden KG	Düsseldorf
GKF Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Schaper Bremen-Habenhausen KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. 10. Objekt-KG	Düsseldorf

GKF Vermögensverwaltungsgesellschaft mbH & Co. 25. Objekt-KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. 8. Objekt-KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Arrondierungsgrundstücke KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Entwicklungsgrundstücke KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Gewerbegrundstücke KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Bochum Otto Straße KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Brühl KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Duisburg KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Edingen-Neckarhausen KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Emden KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Espelkamp KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Finowfurt KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Frankenthal KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Frankenthal-Studernheim KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Gäufelden KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Gelsenkirchen KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Göttingen KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hamburg-Neuwiedenthal KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover / Davenstedter Straße KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover Fössestraße KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover-Linden KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Heinsberg KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Herten KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hildesheim-Senking KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hörselgau KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Kulmbach KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Mönchengladbach ZV II KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Mönchengladbach-Rheydt KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Münster-Kinderhaus KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Oldenburg KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Paderborn "Südring Center" KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rastatt KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Ratingen KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Regensburg KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rinteln KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rüsselsheim KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Saar-Grund KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Wiesbaden-Nordenstadt KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Wülfrath KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekte Amberg und Landshut KG	Düsseldorf
Horten GmbH	Düsseldorf
Horten Nürnberg GmbH	Düsseldorf
Horten Verwaltungs GmbH	Düsseldorf
Horten Verwaltungs-GmbH & Co. Objekt Duisburg KG	Düsseldorf
Horten Verwaltungs-GmbH & Co. Objekt Düsseldorf Carschhaus KG	Düsseldorf

Horten Verwaltungs GmbH & Co. Objekt Erlangen KG	Düsseldorf
Horten Verwaltungs-GmbH & Co. Objekt Hannover KG	Düsseldorf
Horten Verwaltungs-GmbH & Co. Objekt Heidelberg KG	Düsseldorf
Horten Verwaltungs GmbH & Co. Objekt Heilbronn KG	Düsseldorf
Horten Verwaltungs-GmbH & Co. Objekt Hildesheim KG	Düsseldorf
Horten Verwaltungs GmbH & Co. Objekt Ingolstadt KG	Düsseldorf
Horten Verwaltungs GmbH & Co. Objekt Kempten KG	Düsseldorf
Horten Verwaltungs-GmbH & Co. Objekt Münster KG	Düsseldorf
Horten Verwaltungs GmbH & Co. Objekt Oldenburg KG	Düsseldorf
Horten Verwaltungs GmbH & Co. Objekt Pforzheim KG	Düsseldorf
Horten Verwaltungs GmbH & Co. Objekt Regensburg KG	Düsseldorf
Horten Verwaltungs GmbH & Co. Objekt Reutlingen KG	Düsseldorf
Horten Verwaltungs GmbH & Co. Objekt Schweinfurt KG	Düsseldorf
Horten Verwaltungs-GmbH & Co. Objekt Stuttgart KG	Düsseldorf
Horten Verwaltungs-GmbH & Co. Objekt Trier KG	Düsseldorf
Horten Verwaltungs-GmbH & Co. Objekt Ulm KG	Düsseldorf
Horten Verwaltungs-GmbH & Co. Objekt Wiesbaden KG	Düsseldorf
Immobilien-Vermietungsgesellschaft von Quistorp GmbH & Co. Objekt Altlandsberg KG	Düsseldorf
Kaufhalle GmbH	Düsseldorf
Kaufhalle GmbH & Co. Objekt Lager Apfelstädt KG	Düsseldorf
Kaufhof plus Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin Prerower Platz KG	Düsseldorf
Kaufhof plus Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Halle KG	Düsseldorf
Kaufhof plus Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Krefeld KG	Düsseldorf
Kaufhof plus Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Mannheim KG	Düsseldorf
Kaufhof plus Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Wuppertal-Elberfeld KG	Düsseldorf
Kaufhof Warenhaus am Alex GmbH	Düsseldorf
Kaufhof Warenhaus Neubrandenburg GmbH	Düsseldorf
Kaufhof Warenhaus Rostock GmbH	Düsseldorf
KUPINA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG	Düsseldorf
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Berlin-Friedrichshain KG	Düsseldorf
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Hamburg-Altona KG	Düsseldorf
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt München-Pasing KG	Düsseldorf
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Porta-Westfalica KG	Düsseldorf
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Schwelm KG	Düsseldorf
MDH Secundus GmbH & Co. KG	Düsseldorf
Metro Cash & Carry Grundstücksverwaltungsgesellschaft mbH	Düsseldorf
METRO Group Asset Management Services GmbH	Düsseldorf
METRO Group Retail Real Estate GmbH	Düsseldorf
METRO Group Wholesale Real Estate GmbH	Düsseldorf
Metro International Beteiligungs GmbH	Düsseldorf
METRO Leasing GmbH	Düsseldorf
METRO PROPERTIES Energy Management GmbH	Düsseldorf
METRO PROPERTIES GmbH & Co. KG	Düsseldorf
METRO PROPERTIES Holding GmbH	Düsseldorf
MFM METRO Group Facility Management GmbH	Düsseldorf

MTE Grundstücksverwaltung GmbH & Co. Objekt Duisburg oHG	Pullach im Isartal
NIGRA Verwaltung GmbH & Co. Objekt Detmold KG	Pullach im Isartal
NIGRA Verwaltung GmbH & Co. Objekt Eschweiler KG	Pullach im Isartal
NIGRA Verwaltung GmbH & Co. Objekt Germersheim KG	Pullach im Isartal
NIGRA Verwaltung GmbH & Co. Objekt Langendreer KG	Pullach im Isartal
NIGRA Verwaltung GmbH & Co. Objekt Moers KG	Pullach im Isartal
NIGRA Verwaltung GmbH & Co. Objekt Neunkirchen KG	Pullach im Isartal
NIGRA Verwaltung GmbH & Co. Objekt Oberhausen oHG	Pullach im Isartal
NIGRA Verwaltung GmbH & Co. Objekt Rendsburg KG	Pullach im Isartal
NIGRA Verwaltung GmbH & Co. Objekt Salzgitter KG	Pullach im Isartal
PIL Grundstücksverwaltung GmbH	Düsseldorf
Pro. FS GmbH	Düsseldorf
Renate Grundstücksverwaltungsgesellschaft mbH	Düsseldorf
RUDU Verwaltungsgesellschaft mbH	Düsseldorf
RUTIL Verwaltung GmbH & Co. SB-Warenhaus Bielefeld KG	Pullach im Isartal
Schaper Grundbesitz-Verwaltungsgesellschaft mbH	Düsseldorf
Secundus Grundstücksverwertungs-GmbH & Co. Objekt Stuttgart-Königstraße KG	Düsseldorf
SIL Verwaltung GmbH & Co. Objekt Haidach KG	Düsseldorf
STW Grundstücksverwaltung GmbH	Düsseldorf
TIMUG Verwaltung GmbH	Düsseldorf
Wirichs Immobilien GmbH	Düsseldorf
Wirichs Immobilien GmbH & Co. Objekt Herford KG	Düsseldorf
Wirichs Verwaltungsgesellschaft mbH & Co. Objekt Voerde und Kamen KG	Düsseldorf
Wolfgang Wirichs GmbH	Düsseldorf
ZARUS Verwaltung GmbH & Co. Dritte Vermietungs-oHG	Pullach im Isartal
ZARUS Verwaltung GmbH & Co. Objekt Braunschweig Berliner Straße KG	Pullach im Isartal
ZARUS Verwaltung GmbH & Co. Objekt Mutterstadt KG	Pullach im Isartal
ZARUS Verwaltung GmbH & Co. Objekt Osnabrück KG	Pullach im Isartal
ZARUS Verwaltung GmbH & Co. Objekte Niedersachsen KG	Pullach im Isartal
Zentra-Grundstücksgesellschaft mbH	Düsseldorf

54. Overview of the major fully consolidated group companies

Name	Head office	Stake in %	Sales[1] in € million
Holding companies			
METRO AG	Düsseldorf, Germany		0
METRO Kaufhaus und Fachmarkt Holding GmbH	Düsseldorf, Germany	100.00	0
METRO Groß- und Lebensmitteleinzelhandel Holding GmbH	Düsseldorf, Germany	100.00	0
Cash & Carry			
METRO Großhandelsgesellschaft mbH	Düsseldorf, Germany	100.00	4,821
METRO Cash & Carry OOO	Moscow, Russia	100.00	4,273
METRO Cash & Carry France S.A.S.	Nanterre, France	100.00	4,147
METRO Jinjiang Cash & Carry Co., Ltd.	Shanghai, China	90.00	2,244
METRO Italia Cash and Carry S. p. A.	San Donato Milanese,Italy	100.00	1,718
Makro Cash and Carry Polska S.A.	Warsaw, Poland	100.00	1,583
Makro Autoservicio Mayorista S. A. U.	Madrid, Spain	100.00	1,234
Metro Grosmarket Bakirköy Alisveris Hizmetleri Ticaret Ltd. Sirketi	Istanbul, Turkey	100.00	1,123
MAKRO Cash & Carry Belgium NV	Antwerp, Belgium	100.00	1,093
MAKRO Cash & Carry CR s.r.o.	Prague, Czech Republic	100.00	1,019
METRO Distributie Nederland B. V.	Amsterdam, Netherlands	100.00	1,004
METRO CASH & CARRY ROMANIA SRL	Bucharest, Romania	85.00	909
Hypermarkets			
real,- SB-Warenhaus GmbH	Alzey, Germany	100.00	7,939
Consumer electronics stores			
Media-Saturn-Holding GmbH	Ingolstadt, Germany	78.38	9,514
Mediamarket S. p. A. con Socio Unico	Curno, Italy	78.38	2,118
MEDIA MARKT SATURN, S.A. UNIPERSONAL	El Prat de Llobregat,Spain	78.38	1,554
Media Markt Saturn Holding Nederland B.V.	Rotterdam, Netherlands	78.38	1,343
Media-Saturn Beteiligungsges.m.b.H.	Vösendorf, Austria	78.38	1,087
OOO Media-Markt-Saturn	Moscow, Russia	78.38	930
Media Saturn Holding Polska Sp.z o.o.	Warsaw, Poland	78.38	902
Hypermarkets			
Galeria Kaufhof GmbH	Cologne, Germany	100.00	2,768
INNO SA/NV	Brussels, Belgium	100.00	178
Other companies			
METRO LOGISTICS Germany GmbH	Düsseldorf, Germany	100.00	5,729
MGB METRO Group Buying HK Limited	Hong Kong, China	100.00	40
METRO PROPERTIES GmbH & Co. KG	Düsseldorf, Germany	99.51	0
METRO SYSTEMS GmbH	Düsseldorf, Germany	100.00	0
MIAG Commanditaire Vennootschap	Amsterdam, Netherlands	100.00	0

[1] Including consolidated national subsidiaries

55. Corporate Boards of METRO AG and their mandates

Members of the Supervisory Board[1]

Franz M. Haniel (Chairman)
Chairman of the Supervisory Board of Franz Haniel & Cie. GmbH
a) BMW AG
Delton AG (Vice Chairman)
Franz Haniel & Cie. GmbH (Chairman)
Heraeus Holding GmbH
secunet Security Networks AG, until 14 May 2014
b) TBG Limited, St. Julian's, Malta – Board of Directors

Werner Klockhaus (Vice Chairman)
Chairman of the Group Works Council of METRO AG
Chairman of the General Works Council of real,-
SB-Warenhaus GmbH
a) real,- SB-Warenhaus GmbH (Vice Chairman)
b) None

Prof Dr oec. Dr iur. Ann-Kristin Achleitner
Holder of the Professorship for Entrepreneurial Finance (supported by the KfW Group) and Scientific Co-Director of the Center for Entrepreneurial and Financial Studies (CEFS) at the Technical University of Munich
a) Linde Aktiengesellschaft
Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft
b) GDF SUEZ S.A., Paris, France – Board of Directors

Dr Wulf H. Bernotat
Former Chairman of the Management Board of E.ON AG
Managing Director of Bernotat & Cie. GmbH
a) Allianz SE (Vice Chairman)
Bertelsmann SE & Co. KGaA
Bertelsmann Management SE
Deutsche Annington Immobilien SE (Chairman)
Deutsche Telekom AG
b) None

Ulrich Dalibor
National Chairman of the Retail Section of the ver.di trade union
a) Zweite real,- SB-Warenhaus GmbH (Vice Chairman), until 25 April 2014
Maxingvest AG, from 14 May 2014
b) None

Jürgen Fitschen
Co-Chairman of the Board of Management of Deutsche Bank AG
a) None
b) Deutsche Bank S.p.A., Milan, Italy – Supervisory Board (Chairman)
Deutsche Securities Saudi Arabia LLC, Riad, Kingdom of Saudi Arabia – Board of Directors (Chairman), until 25 June 2014
Kühne + Nagel International AG, Schindellegi, Switzerland – Board of Directors

[1] Status of the mandates: 24 November 2014 or date of the respective departure from the Board of METRO AG
a) Member of other statutory supervisory boards in accordance with § 125 Section 1 Sentence 5, 1st Alt. of the German Stock Corporation Act
b) Member of comparable German and international supervisory boards of business enterprises in accordance with § 125 Section 1 Sentence 5, 2nd Alt. of the German Stock Corporation Act

Hubert Frieling
Section Head of Payroll Accounting at real,-
SB-Warenhaus GmbH
a) None
b) None

Dr Florian Funck
Member of the Management Board of Franz Haniel & Cie. GmbH
a) Celesio AG, until 13 March 2014
TAKKT AG
Deutsche Annington Immobilien SE, since 21 August 2014
b) None

Andreas Herwarth
Chairman of the Works Council of METRO AG
a) None
b) Grundstücksgesellschaft der Stadt Willich mbH – Supervisory Board (Chairman), until 18 June 2014

Uwe Hoepfel
Vice Chairman of the Group Works Council of METRO AG
Chairman of the General Works Council of
GALERIA Kaufhof GmbH
a) GALERIA Kaufhof GmbH (Vice Chairman)
b) None

Peter Küpfer
Business Consultant
a) None
b) Gebr. Schmidt GmbH & Co. KG – Advisory Board
ARH Resort Holding AG, Zurich, Switzerland – Board of Directors
bmpi AG, Zurich, Switzerland – Board of Directors, until 7 August 2014
Breda Consulting AG, Zurich, Switzerland – Board of Directors
Peter Steiner Holding AG, Zurich, Switzerland – Board of Directors, until 30 April 2014
Supra Holding AG, Baar, Switzerland – Board of Directors
Travel Charme Hotels & Resorts Holding AG, Zurich, Switzerland – Board of Directors

Rainer Kuschewski
Secretary of the National Executive Board
of the ver.di trade union
a) GALERIA Kaufhof GmbH
real,- SB-Warenhaus GmbH
b) None

Susanne Meister
Member of the General Works Council of
real,- SB-Warenhaus GmbH
a) Zweite real,- SB-Warenhaus GmbH, until 28 February 2014
b) None

Baroness Lucy Neville-Rolfe DBE CMG
Until 18 August 2014
Parliamentary Under-Secretary of State for Intellectual Property at the British Department for Business, Innovation and Skills
a) None
b) ITV plc, London, England – Board of Directors, until 18 July 2014
Boparan Holdings Limited, Wakefield, England – Board of Directors, until 18 July 2014
Hermes Equity Ownership Services Limited, London, England – Board of Directors, until 18 July 2014

Mattheus P. M. (Theo) de Raad
Member of the Supervisory Board of HAL Holding N.V.
a) None
b) Corbion N.V. (formerly CSM N.V.), Diemen, Netherlands – Supervisory Board, until 12 May 2014
HAL Holding N.V., Willemstad, Curaçao, Dutch Antilles – Supervisory Board
Vion N.V., Eindhoven, Netherlands – Supervisory Board, until 24 April 2014
Vollenhoven Olie Groep B.V., Tilburg, Netherlands – Supervisory Board
METRO Cash & Carry Russia N.V., Amsterdam, Netherlands – Supervisory Board, since 22 April 2014

Dr Fredy Raas
Managing Director of Otto Beisheim Holding GmbH, Baar, Switzerland, and Otto Beisheim Group GmbH & Co. KG
a) None
b) ARISCO Holding AG, Baar, Switzerland – Board of Directors
Montana Capital Partners AG, Baar, Switzerland – Board of Directors
SSZ Equipment AG, Zug, Switzerland – Board of Directors, until 3 July 2014

Gabriele Schendel
Vice Chairwoman of the General Works Council of GALERIA Kaufhof GmbH
a) GALERIA Kaufhof GmbH
b) None

Xaver Schiller
Chairman of the General Works Council of METRO Cash & Carry Deutschland GmbH
Chairman of the Works Council of the METRO Cash & Carry store Munich-Brunnthal
a) Metro Großhandelsgesellschaft mbH (Vice Chairman)
b) None

Dr jur. Hans-Jürgen Schinzler
Honorary Chairman of the Supervisory Board of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft
a) None
b) None

Angelika Will
Chairwoman of the Works Council of the METRO Cash & Carry wholesale store Düsseldorf
a) None
b) None

Committees of the Supervisory Board and their mandates

Presidential Committee
Franz M. Haniel (Chairman)
Werner Klockhaus (Vice Chairman)
Dr Wulf H. Bernotat
Uwe Hoepfel

Personnel Committee
Franz M. Haniel (Chairman)
Werner Klockhaus (Vice Chairman)
Dr Wulf H. Bernotat
Uwe Hoepfel

Accounting and Audit Committee
Dr jur. Hans-Jürgen Schinzler (Chairman)
Werner Klockhaus (Vice Chairman)
Dr Florian Funck
Rainer Kuschewski
Dr Fredy Raas
Xaver Schiller

Nominations Committee
Franz M. Haniel (Chairman)
Jürgen Fitschen
Dr jur. Hans-Jürgen Schinzler

Mediation Committee pursuant to § 27 Section 3 of the German Co-determination Act
Franz M. Haniel (Chairman)
Werner Klockhaus (Vice Chairman)
Uwe Hoepfel
Dr jur. Hans-Jürgen Schinzler

Members of the Management Board[1]

Olaf Koch (Chairman)
Corporate Communications, Corporate Group Strategy/M&A, Corporate Legal Affairs & Compliance, Corporate Office, Corporate Public Policy, Business Innovation/New Ventures, METRO Cash & Carry, Real

a) Metro Großhandelsgesellschaft mbH (Chairman)
real,- SB-Warenhaus GmbH (Chairman)

b) Media-Saturn-Holding GmbH – Advisory Board (Chairman)
MediaMarkt (China) International Retail Holding Limited, Hong Kong, China – Board of Directors (Chairman), until 15 October 2013
METRO Cash & Carry Russia N.V., Amsterdam, Netherlands – Supervisory Board (Chairman), since 22 April 2014

Mark Frese (Chief Financial Officer)
Group Finance (Corporate Planning & Controlling, Corporate Treasury, Corporate Group Financial Services), Corporate Accounting, Global Business Services, Corporate Group Tax, Corporate Investor Relations, Corporate Risk Management & Internal Control Finance, Galeria Kaufhof, METRO PROPERTIES, MIB METRO GROUP Insurance Broker, METRO LOGISTICS

a) GALERIA Kaufhof GmbH (Chairman), until 1 October 2014
METRO Großhandelsgesellschaft mbH

b) METRO Cash & Carry International Holding GmbH, Vösendorf, Austria – Supervisory Board
METRO Distributie Nederland B.V., Diemen, Netherlands – Supervisory Board
METRO Finance B.V., Venlo, Netherlands – Supervisory Board
METRO Reinsurance N.V., Amsterdam, Netherlands – Supervisory Board

Pieter Haas (Member of the Management Board)
Media Markt and Saturn
Vice Chairman of the Management Board of Media-Saturn-Holding GmbH, since 6 May 2014

a) METRO SYSTEMS GmbH (Chairman), until 30 April 2014

b) None

Heiko Hutmacher (Chief Human Resources Officer)
Human Resources (Corporate House of Learning, Corporate Performance & Rewards, Executive Resources, Group Labour Relations & Labour Law, HR Operations, HR Processes, Analytics & Projects, Corporate Talent Management, Leadership & Change), Corporate IT Management, Group Internal Audit, Sustainability & Regulatory Affairs, METRO SYSTEMS, MGT METRO GROUP Travel Services

a) Metro Großhandelsgesellschaft mbH
real,- SB-Warenhaus GmbH
METRO Systems GmbH, since 12 May 2014 (Chairman, since 10 June 2014)

b) None

[1] Status of the mandates: 24 November 2014
a) Member of other statutory supervisory boards in accordance with § 125 Section 1 Sentence 5, 1st Alt. of the German Stock Corporation Act
b) Member of comparable German and international supervisory boards of business enterprises in accordance with § 125 Section 1 Sentence 5, 2nd Alt. of the German Stock Corporation Act

56. Affiliated companies of the group METRO AG as of 30 September 2014 pursuant to § 313 of the German Commercial Code

Name	Head office	Country	Share in capital in %
Consolidated subsidiaries			
"Buch und Zeit" Verlagsgesellschaft mit beschränkter Haftung	Cologne	Germany	100.00
2. Schaper Objekt GmbH & Co. Kiel KG	Düsseldorf	Germany	100.00
24-7 ENTERTAINMENT ApS	Copenhagen	Denmark	100.00
24-7 Entertainment GmbH	Berlin	Germany	100.00
ADAGIO 2. Grundstücksverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
ADAGIO 3. Grundstücksverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
ADAGIO Grundstücksverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
Adolf Schaper GmbH & Co. Grundbesitz-KG	Düsseldorf	Germany	100.00
AIB Verwaltungs GmbH	Düsseldorf	Germany	100.00
ARKON Grundbesitzverwaltung GmbH	Düsseldorf	Germany	100.00
ASH Grundstücksverwaltung XXX GmbH	Düsseldorf	Germany	100.00
ASSET City Finanzierungs GmbH	Düsseldorf	Germany	100.00
ASSET Grundbesitz GmbH	Düsseldorf	Germany	100.00
ASSET Immobilienbeteiligungen GmbH	Düsseldorf	Germany	100.00
ASSET Köln-Kalk GmbH	Düsseldorf	Germany	100.00
ASSET Objekt Leipzig GmbH	Düsseldorf	Germany	100.00
ASSET Objekt Mainz-Schusterstraße GmbH	Düsseldorf	Germany	100.00
ASSET Objekte Vermögensverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
ASSET Verwaltung-GmbH & Co. Objekt Leipzig II KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Aachen II KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Aachen, Adalbertstraße 20–30 KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Aschaffenburg KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Bonn Münsterplatz KG	Düsseldorf	Germany	94.90
ASSET Verwaltungs-GmbH & Co. Objekt Bonn, Acherstraße KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Darmstadt KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Dortmund KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Düsseldorf, Königsallee 1 KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Frankfurt Hauptwache KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Freiburg im Breisgau KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Gelsenkirchen KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Hanau KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Hannover KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Kassel KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Kassel, Obere Königstraße KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Krefeld II KG	Düsseldorf	Germany	94.00

Name	Head office	Country	Share in capital in %
ASSET Verwaltungs-GmbH & Co. Objekt Leipzig KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Mainz KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Mönchengladbach KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt München Rotkreuzplatz KG	Düsseldorf	Germany	94.90
ASSET Verwaltungs-GmbH & Co. Objekt Nürnberg, Königstraße 42–52 KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Offenbach KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Saarbrücken, Bahnhofstraße 82–92, 98–100 KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Siegburg KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Stuttgart Königstraße 6 KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Stuttgart-Bad Cannstatt Badstraße, Marktstraße 3 KG	Düsseldorf	Germany	100.00
ASSET Verwaltungs-GmbH & Co. Objekt Würzburg KG	Düsseldorf	Germany	100.00
ASSET Zweite Immobilienbeteiligungen GmbH	Düsseldorf	Germany	100.00
Assevermag AG	Baar	Switzerland	79.20
Avilo Marketing Gesellschaft m. b. H.	Vösendorf	Austria	100.00
BAUGRU Immobilien-Beteiligungsgesellschaft mit beschränkter Haftung & Co. Grundstücksverwaltung KG	Düsseldorf	Germany	100.00
Blabert Grundstücksverwaltungsgesellschaft mbH	Düsseldorf	Germany	94.00
BLK Grundstücksverwaltung GmbH	Düsseldorf	Germany	100.00
CH-Vermögensverwaltung GmbH	Düsseldorf	Germany	100.00
CJSC METRO Management Ukraine	Kiev	Ukraine	100.00
COM.TVmarkt Verwaltungs-GmbH	Ingolstadt	Germany	100.00
Concarneau Trading Office SAS	Concarneau	France	100.00
Dalian Metro Warehouse Management Co., Ltd.	Dalian	China	100.00
DAYCONOMY GmbH	Düsseldorf	Germany	100.00
Deelnemingsmaatschappij Arodema B.V.	Amsterdam	Netherlands	100.00
Deutsche SB-Kauf GmbH & Co. KG	Düsseldorf	Germany	100.00
DFI Verwaltungs GmbH	Düsseldorf	Germany	100.00
DINEA Gastronomie GmbH	Cologne	Germany	100.00
Doxa Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Mönchengladbach KG	Mainz	Germany	0.00[1]
Elbrus Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Frankfurt-Zeil KG	Mainz	Germany	94.00[1]
Electronics Retail Real Estate Limited Liability Company	Moscow	Russia	100.00
emotions GmbH	Cologne	Germany	100.00
Fulltrade International GmbH	Düsseldorf	Germany	100.00
FZB Fachmarktzentrum Bous Verwaltungsgesellschaft mbH & Co. KG	Düsseldorf	Germany	100.00
FZG Fachmarktzentrum Guben Verwaltungsgesellschaft mbH	Düsseldorf	Germany	50.00
FZG Fachmarktzentrum Guben Verwaltungsgesellschaft mbH & Co. Vermietungs-Kommanditgesellschaft	Düsseldorf	Germany	50.00
GALERIA Holding GmbH	Cologne	Germany	100.00
GALERIA Immobilienservice GmbH	Cologne	Germany	100.00
GALERIA Kaufhof GmbH	Cologne	Germany	100.00

Name	Head office	Country	Share in capital in %
GALERIA Logistik GmbH	Cologne	Germany	100.00
GALERIA Personalservice GmbH	Cologne	Germany	100.00
GALERIA Real Estate GmbH & Co. KG	Düsseldorf	Germany	100.00
GALERIA Real Estate Holding GmbH	Düsseldorf	Germany	100.00
GALERIA Real Estate Management GmbH	Düsseldorf	Germany	100.00
GBS Gesellschaft für Unternehmensbeteiligungen mbH	Düsseldorf	Germany	100.00
GKF 6. Objekt Vermögensverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
GKF Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Donaueschingen KG	Düsseldorf	Germany	100.00
GKF Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Köln-Porz KG	Düsseldorf	Germany	100.00
GKF Grundstücksverwaltung GmbH & Co. Objekt Bremen-Vahr KG	Düsseldorf	Germany	94.90[1]
GKF Grundstücksverwaltung GmbH & Co. Objekt Emden KG	Düsseldorf	Germany	94.90[1]
GKF Grundstücksverwaltung GmbH & Co. Objekt Groß-Zimmern KG	Düsseldorf	Germany	94.90[1]
GKF Grundstücksverwaltung GmbH & Co. Objekt Norden KG	Düsseldorf	Germany	94.90[1]
GKF Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Schaper Bremen-Habenhausen KG	Düsseldorf	Germany	94.00
GKF Vermögensverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. 10. Objekt-KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. 25. Objekt-KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. 8. Objekt-KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Arrondierungsgrundstücke KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Entwicklungsgrundstücke KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Gewerbegrundstücke KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Bochum Otto Straße KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Brühl KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Duisburg KG	Düsseldorf	Germany	94.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Edingen-Neckarhausen KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Emden KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Espelkamp KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Finowfurt KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Frankenthal KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Frankenthal-Studernheim KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Gäufelden KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Gelsenkirchen KG	Düsseldorf	Germany	99.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Göttingen KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hamburg-Neuwiedenthal KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover / Davenstedter Straße KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover Fössestraße KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover-Linden KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Heinsberg KG	Düsseldorf	Germany	94.00

Name	Head office	Country	Share in capital in %
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Herten KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hildesheim-Senking KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hörselgau KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Kulmbach KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Mönchengladbach ZV II KG	Düsseldorf	Germany	94.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Mönchengladbach-Rheydt KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Münster-Kinderhaus KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Oldenburg KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Paderborn "Südring Center" KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rastatt KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Ratingen KG	Düsseldorf	Germany	94.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Regensburg KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rinteln KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rüsselsheim KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Saar-Grund KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Wiesbaden-Nordenstadt KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Wülfrath KG	Düsseldorf	Germany	94.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekte Amberg und Landshut KG	Düsseldorf	Germany	94.90
Goldhand Lebensmittel- u. Verbrauchsgüter-Vertriebsgesellschaft mit beschränkter Haftung	Düsseldorf	Germany	100.00
Gourmedis (China) Trading Co., Ltd.	Guangzhou	China	100.00
GrandPari Limited Liability Company	Moscow	Russia	100.00
Hansa Foto-Handelsgesellschaft mit beschränkter Haftung	Cologne	Germany	100.00
Horten GmbH	Düsseldorf	Germany	100.00
Horten Nürnberg GmbH	Düsseldorf	Germany	100.00
Horten Verwaltungs GmbH	Düsseldorf	Germany	100.00
Horten Verwaltungs-GmbH & Co. Objekt Duisburg KG	Düsseldorf	Germany	100.00
Horten Verwaltungs-GmbH & Co. Objekt Düsseldorf Carschhaus KG	Düsseldorf	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Erlangen KG	Düsseldorf	Germany	100.00
Horten Verwaltungs-GmbH & Co. Objekt Hannover KG	Düsseldorf	Germany	100.00
Horten Verwaltungs-GmbH & Co. Objekt Heidelberg KG	Düsseldorf	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Heilbronn KG	Düsseldorf	Germany	100.00
Horten Verwaltungs-GmbH & Co. Objekt Hildesheim KG	Düsseldorf	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Ingolstadt KG	Düsseldorf	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Kempten KG	Düsseldorf	Germany	100.00
Horten Verwaltungs-GmbH & Co. Objekt Münster KG	Düsseldorf	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Oldenburg KG	Düsseldorf	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Pforzheim KG	Düsseldorf	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Regensburg KG	Düsseldorf	Germany	100.00

Name	Head office	Country	Share in capital in %
Horten Verwaltungs GmbH & Co. Objekt Reutlingen KG	Düsseldorf	Germany	100.00
Horten Verwaltungs GmbH & Co. Objekt Schweinfurt KG	Düsseldorf	Germany	100.00
Horten Verwaltungs-GmbH & Co. Objekt Stuttgart KG	Düsseldorf	Germany	100.00
Horten Verwaltungs-GmbH & Co. Objekt Trier KG	Düsseldorf	Germany	100.00
Horten Verwaltungs-GmbH & Co. Objekt Ulm KG	Düsseldorf	Germany	100.00
Horten Verwaltungs-GmbH & Co. Objekt Wiesbaden KG	Düsseldorf	Germany	100.00
ICS METRO Cash & Carry Moldova S.R.L.	Chișinău	Moldova	100.00
Immobilien-Vermietungsgesellschaft von Quistorp GmbH & Co. Objekt Altlandsberg KG	Düsseldorf	Germany	90.24
Imtron Asia Hong Kong Limited	Hong Kong	China	100.00
IMTRON ELECTRONICA ESPAÑA	El Prat de Llobregat	Spain	100.00
Imtron GmbH	Ingolstadt	Germany	100.00
Imtron Helvetia AG	Dietikon	Switzerland	100.00
Imtron Österreich GmbH	Vösendorf	Austria	100.00
Imtron Sweden AB	Stockholm	Sweden	100.00
INKOS Verwaltung GmbH & Co. Vermietungs-KG	Pullach im Isartal	Germany	6.00[1]
INNO SA/NV	Brussels	Belgium	100.00
Innolux S.A.	Luxembourg	Luxembourg	100.00
Inpakcentrale ICN B.V.	Duiven	Netherlands	100.00
Johannes Berg GmbH, Weinkellerei	Düsseldorf	Germany	100.00
Juke Entertainment GmbH	Ingolstadt	Germany	100.00
Kato S.à.r.l.	Luxembourg	Luxembourg	94.90
Kaufhalle GmbH	Düsseldorf	Germany	100.00
Kaufhalle GmbH & Co. Objekt Lager Apfelstädt KG	Düsseldorf	Germany	100.00
Kaufhof plus Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin Prerower Platz KG	Düsseldorf	Germany	94.00
Kaufhof plus Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Halle KG	Düsseldorf	Germany	94.00
Kaufhof plus Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Krefeld KG	Düsseldorf	Germany	94.00
Kaufhof plus Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Mannheim KG	Düsseldorf	Germany	94.00
Kaufhof plus Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Wuppertal-Elberfeld KG	Düsseldorf	Germany	90.00
Kaufhof Trading GmbH	Cologne	Germany	100.00
Kaufhof Warenhaus am Alex GmbH	Düsseldorf	Germany	100.00
Kaufhof Warenhaus Neubrandenburg GmbH	Düsseldorf	Germany	100.00
Kaufhof Warenhaus Rostock GmbH	Düsseldorf	Germany	100.00
KUPINA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG	Düsseldorf	Germany	94.00
Liqueur & Wine Trade GmbH	Düsseldorf	Germany	100.00
LLC Ukrainian Wholesale Trade Company	Kiev	Ukraine	100.00
Makro Autoservicio Mayorista S. A. U.	Madrid	Spain	100.00
MAKRO Cash & Carry Belgium NV	Antwerp	Belgium	100.00
MAKRO Cash & Carry CR s.r.o.	Prague	Czech Republic	100.00

Name	Head office	Country	Share in capital in %
Makro Cash & Carry Egypt LLC	Cairo	Egypt	100.00
Makro Cash & Carry Portugal S.A.	Lisbon	Portugal	100.00
Makro Cash & Carry UK Holding Limited	Manchester	Great Britain	100.00
Makro Cash and Carry Polska S.A.	Warsaw	Poland	100.00
Makro Cash and Carry Wholesale S. A.	Athens	Greece	100.00
Makro Ltd.	Manchester	Great Britain	100.00
Makro Pension Trustees Ltd.	Manchester	Great Britain	100.00
MCC Boston Trading Office Inc.	Boston	USA	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Berlin-Friedrichshain KG	Düsseldorf	Germany	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Hamburg-Altona KG	Düsseldorf	Germany	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt München-Pasing KG	Düsseldorf	Germany	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Porta-Westfalica KG	Düsseldorf	Germany	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Schwelm KG	Düsseldorf	Germany	100.00
MCC Trading Deutschland GmbH	Düsseldorf	Germany	100.00
MCC Trading International GmbH	Düsseldorf	Germany	100.00
MCCI Asia Pte. Ltd.	Singapore	Singapore	100.00
MDH Secundus GmbH & Co. KG	Düsseldorf	Germany	100.00
Media – Saturn Beteiligungsges.m.b.H.	Vösendorf	Austria	100.00
MEDIA MARKT – BUDAÖRS Video TV Hifi Elektro Fotó Computer Kereskedelmi Kft.	Budaörs	Hungary	90.00
MEDIA MARKT 3 DE MAYO SANTA CRUZ DE TENERIFE S.A.	Santa Cruz de Tenerife	Spain	99.90
MEDIA MARKT A CORUÑA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	A Coruña	Spain	99.90
Media Markt Aigle SA	Aigle	Switzerland	90.00
MEDIA MARKT ALACANT VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Alicante	Spain	99.90
MEDIA MARKT ALBACETE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Albacete	Spain	99.90
MEDIA MARKT ALCALA DE GUADAIRA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Alcalá de Guadaíra	Spain	99.90
MEDIA MARKT ALCALÁ DE HENARES VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Alcalá de Henares	Spain	99.90
MEDIA MARKT ALCORCON VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Alcorcón	Spain	99.90
Media Markt Alexandrium B.V.	Rotterdam	Netherlands	90.10
MEDIA MARKT ALFAFAR VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Alfafar	Spain	99.90
MEDIA MARKT ALFRAGIDE – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	100.00
Media Markt Alkmaar B.V.	Alkmaar	Netherlands	100.00
Media Markt Almere B.V.	Almere	Netherlands	100.00
MEDIA MARKT ALMERIA VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.U.	El Prat de Llobregat	Spain	100.00
Media Markt Alphen aan den Rijn B.V.	Alphen aan den Rijn	Netherlands	90.10
Media Markt Amersfoort B.V.	Amersfoort	Netherlands	90.10
Media Markt Amsterdam Centrum B.V.	Amsterdam	Netherlands	90.10
Media Markt Amsterdam Noord B.V.	Amsterdam	Netherlands	100.00
Media Markt Amsterdam West B.V.	Amsterdam	Netherlands	90.10

Name	Head office	Country	Share in capital in %
Media Markt Amstetten TV-Hifi-Elektro GmbH	Amstetten	Austria	90.00
Media Markt Apeldoorn B.V.	Apeldoorn	Netherlands	90.10
Media Markt Arena B.V.	Amsterdam	Netherlands	97.00
MEDIA MARKT ARENA Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Budapest	Hungary	100.00
MEDIA MARKT Árkád Video TV Hifi Elektro Foto Computer Kereskedelmi Kft.	Budapest	Hungary	100.00
Media Markt Arnhem B.V.	Arnhem	Netherlands	90.10
Media Markt Assen B.V.	Assen	Netherlands	100.00
MEDIA MARKT AVEIRO – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	90.00
MEDIA MARKT BADAJOZ S.A.	Badajoz	Spain	99.90
MEDIA MARKT BARAKALDO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Barakaldo	Spain	99.90
MEDIA MARKT BARCELONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Barcelona	Spain	99.90
Media Markt Basel AG	Basel	Switzerland	97.00
MEDIA MARKT Basilix NV	Sint-Agatha-Berchem	Belgium	90.00
Media Markt Békéscsaba Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Békéscsaba	Hungary	90.00
MEDIA MARKT BENFICA – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	100.00
Media Markt Bergen op Zoom B.V.	Bergen op Zoom	Netherlands	90.10
Media Markt Bern AG	Bern	Switzerland	90.00
Media Markt Biel-Brügg AG	Brügg bei Biel	Switzerland	90.00
MEDIA MARKT Bilbondo Video-TV-Hifi-Elektro-Computer-Foto, S.A.	Bilbao	Spain	99.90
Media Markt Borås TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Borlänge TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
MEDIA MARKT BRAGA – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	100.00
MEDIA MARKT Braine-l'Alleud SA	Braine-l'Alleud	Belgium	90.00
Media Markt Breda B.V.	Breda	Netherlands	97.00
Media Markt Brugge NV	Bruges	Belgium	90.00
Media Markt Brussel Docks NV	Brussels	Belgium	100.00
Media Markt Bruxelles Rue Neuve Media Markt Brussel Nieuwstraat SA	Brussels	Belgium	90.00
Media Markt Bürs TV-Hifi-Elektro GmbH	Bürs	Austria	90.00
MEDIA MARKT CARTAGENA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.U	Cartagena	Spain	100.00
MEDIA MARKT CASTELLÒ DE LA Plana VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Castellón de la Plana	Spain	99.90
Media Markt CCCI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCVI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCVIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCXI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCXII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCXIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00

Name	Head office	Country	Share in capital in %
Media Markt CCCXIX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCXV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCXVI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCXVII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCXVIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCXX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCXXI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCXXII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCXXIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCCXXIV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCIV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCLIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCLXIV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXVIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXXI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXXV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXXXIX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXXXV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCLXXXVII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCXCII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCXCIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCXCIX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCXCV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCXCVI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCXLIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCXLIV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt CCXLIX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT CCXXII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT Century Center NV	Antwerp	Belgium	90.00
Media Markt Chur AG	Chur	Switzerland	90.00
Media Markt CLXXIX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT COLLADO VILLALBA, S.A.	Collado Villalba	Spain	99.90
Media Markt Conthey SA	Conthey	Switzerland	90.00
MEDIA MARKT CORDOBA VIDEO-TV-ELEKTRO-COMPUTER-FOTO, S.A.	Cordoba	Spain	99.90
MEDIA MARKT CORDOVILLA-PAMPLONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Pamplona	Spain	99.90
Media Markt Crissier SA	Crissier	Switzerland	90.00
Media Markt Cruquius B.V.	Cruquius	Netherlands	90.10

Name	Head office	Country	Share in capital in %
MEDIA MARKT Debrecen Video-TV-Hifi-Elektro-Photo-Computer-Kereskedelmi Kft.	Debrecen	Hungary	90.00
Media Markt Den Haag B.V.	The Hague	Netherlands	90.10
Media Markt Deventer B.V.	Deventer	Netherlands	90.10
MEDIA MARKT DIAGONAL MAR-BARCELONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Barcelona	Spain	99.90
MEDIA MARKT DONOSTI VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Donostia	Spain	99.90
Media Markt Dordrecht B.V.	Dordrecht	Netherlands	100.00
Media Markt Drachten B.V.	Drachten	Netherlands	100.00
MEDIA MARKT DUNA Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Budapest	Hungary	90.00
MEDIA MARKT E-289 S.A.U.	El Prat de Llobregat	Spain	100.00
MEDIA MARKT E-290 S.A.U.	El Prat de Llobregat	Spain	100.00
MEDIA MARKT E-293 S.A.U.	El Prat de Llobregat	Spain	100.00
Media Markt E-Business GmbH	Ingolstadt	Germany	100.00
Media Markt E-Commerce AG	Dietikon	Switzerland	90.00
Media Markt Ede B.V.	Ede	Netherlands	90.10
Media Markt Eindhoven B.V.	Eindhoven	Netherlands	90.10
Media Markt Eindhoven Ekkersrijt B.V.	Son en Breugel	Netherlands	100.00
MEDIA MARKT EL PRAT VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	El Prat de Llobregat	Spain	99.90
MEDIA MARKT ELCHE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Elche	Spain	99.90
Media Markt Emmen B.V.	Emmen	Netherlands	90.10
Media Markt Enschede B.V.	Enschede	Netherlands	100.00
Media Markt Eskilstuna TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Feldkirch TV-Hifi-Elektro GmbH	Feldkirch	Austria	90.00
MEDIA MARKT FERROL, S.A.U.	El Prat de Llobregat	Spain	100.00
MEDIA MARKT FINESTRAT S.A.U.	El Prat de Llobregat	Spain	100.00
MEDIA MARKT GAIA – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	90.00
MEDIA MARKT GANDIA S.A.	Valencia-Gandia	Spain	99.90
MEDIA MARKT GAVÁ VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Gavà	Spain	99.90
Media Markt Gävle TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Genève SA	Geneva	Switzerland	90.00
MEDIA MARKT GETAFE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Getafe	Spain	99.90
MEDIA MARKT GIRONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Girona	Spain	99.90
Media Markt GmbH TV-HiFi-Elektro	Munich	Germany	90.00
MEDIA MARKT Gosselies/Charleroi SA	Charleroi	Belgium	90.00
Media Markt Göteborg-Bäckebol TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Göteborg-Högsbo TV-HiFi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Göteborg-Torpavallen TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
MEDIA MARKT GRANADA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Pulianas-Granada	Spain	99.90
Media Markt Grancia SA	Grancia	Switzerland	90.00

Name	Head office	Country	Share in capital in %
Media Markt Granges-Paccot AG	Granges-Paccot	Switzerland	100.00
Media Markt Graz-Liebenau TV-Hifi-Elektro GmbH	Graz	Austria	90.00
Media Markt Groningen B.V.	Groningen	Netherlands	90.10
Media Markt Groningen Sontplein B.V.	Groningen	Netherlands	90.10
MEDIA MARKT Győr Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Győr	Hungary	100.00
Media Markt Heerhugowaard B.V.	Heerhugowaard	Netherlands	90.10
Media Markt Heerlen B.V.	Heerlen	Netherlands	90.10
Media Markt Helsingborg TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Hengelo B.V.	Hengelo	Netherlands	90.10
MEDIA MARKT Herstal SA	Herstal	Belgium	90.00
Media Markt Hoofddorp B.V.	Hoofddorp	Netherlands	90.10
Media Markt Hoorn B.V.	Hoorn	Netherlands	90.10
MEDIA MARKT HUELVA VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Huelva	Spain	99.90
Media Markt Imst TV-Hifi-Elektro GmbH	Imst	Austria	90.00
Media Markt IP Holding Hong Kong Limited	Hong Kong	China	100.00
MEDIA MARKT ISLAZUL MADRID S.A.U.	Madrid	Spain	100.00
MEDIA MARKT Jemappes/Mons SA	Mons	Belgium	90.00
MEDIA MARKT JEREZ DE LA FRONTERA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Jerez de la Frontera	Spain	99.90
Media Markt Jönköping TV-Hifi- Elektro AB	Stockholm	Sweden	100.00
Media Markt Kalmar TV-Hifi-Elektro AB	Kalmar	Sweden	90.01
Media Markt Kecskemét Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Kecskemét	Hungary	100.00
MEDIA MARKT KISPEST Video TV HiFi Elektro Photo Computer Kereskedelmi Kft.	Budapest	Hungary	100.00
Media Markt Kortrijk NV	Kortrijk	Belgium	90.00
Media Markt Kriens AG	Kriens	Switzerland	100.00
Media Markt Kristianstad TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
MEDIA MARKT L'HOSPITALET VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	L'Hospitalet de Llobregat	Spain	99.90
MEDIA MARKT LAS ARENAS S.A.	Las Palmas de Gran Canaria	Spain	99.90
MEDIA MARKT LAS PALMAS DE GRAN CANARIA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Las Palmas de Gran Canaria	Spain	99.90
Media Markt Leeuwarden B.V.	Leeuwarden	Netherlands	90.10
MEDIA MARKT LEGANES VIDEO-TV- HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Leganés	Spain	99.90
MEDIA MARKT LEIRIA – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	100.00
Media Markt Leoben TV-Hifi-Elektro GmbH	Leoben	Austria	90.00
MEDIA MARKT LEÓN VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	León	Spain	99.90
Media Markt Liège Médiacité SA	Liège	Belgium	100.00
MEDIA MARKT Liège Place Saint-Lambert SA	Liège	Belgium	100.00
Media Markt Linköping TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Linz TV-Hifi-Elektro GmbH	Linz	Austria	90.00
MEDIA MARKT LLEIDA, S.A.	Lleida	Spain	99.90

Name	Head office	Country	Share in capital in %
MEDIA MARKT LOGRONO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Logrono	Spain	99.90
MEDIA MARKT LORCA S.A.	Murcia	Spain	99.90
MEDIA MARKT LOS BARRIOS VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Los Barrios	Spain	99.90
MEDIA MARKT LUGO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Lugo	Spain	99.90
Media Markt Luleå TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Lund TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Maastricht B.V.	Maastricht	Netherlands	90.10
MEDIA MARKT MADRID CASTELLANA S.A.U.	Madrid	Spain	100.00
MEDIA MARKT MADRID PLENILUNIO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Madrid	Spain	99.90
MEDIA MARKT MADRID-VILLAVERDE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Madrid	Spain	99.90
MEDIA MARKT Majadahonda Video-TV-HiFi-Elektro-Computer-Foto, S.A.	Majadahonda	Spain	99.90
MEDIA MARKT MALAGA-CENTRO VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Malaga	Spain	99.90
Media Markt Malmö-Bernstorp TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Malmö-Svågertorp TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
MEDIA MARKT MAMMUT Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Budapest	Hungary	90.00
Media Markt Management AG	Dietikon	Switzerland	100.00
Media Markt Marin SA	La Tène	Switzerland	90.00
MEDIA MARKT MASSALFASSAR S.A.	Valencia	Spain	99.90
MEDIA MARKT MATARO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Mataró	Spain	99.90
MEDIA MARKT Mechelen NV	Mechelen	Belgium	100.00
MEDIA MARKT Megapark Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Budapest	Hungary	90.00
Media Markt Meyrin SA	Meyrin	Switzerland	90.00
Media Markt Middelburg B.V.	Middelburg	Netherlands	100.00
MEDIA MARKT Miskolc Video TV Hifi Elektro Photo Computer Kereskedelmit Kft	Miskolc	Hungary	90.00
MEDIA MARKT Mons SA	Mons	Belgium	100.00
MEDIA MARKT MURCIA NUEVA CONDOMINA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Murcia	Spain	99.90
MEDIA MARKT MURCIA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Murcia	Spain	99.90
MEDIA MARKT NASCENTE – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	90.00
Media Markt Nieuwegein B.V.	Nieuwegein	Netherlands	90.10
Media Markt Norrköping TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Nyíregyháza Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Nyíregyháza	Hungary	90.00
Media Markt Oberwart TV-Hifi-Elektro GmbH	Oberwart	Austria	90.00
Media Markt Oftringen AG	Oftringen	Switzerland	90.00
MEDIA MARKT Oostakker NV	Oostakker	Belgium	90.00
MEDIA MARKT Oostende NV	Ostende	Belgium	90.00
Media Markt Örebro TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
MEDIA MARKT ORIHUELA S.A.	Orihuela	Spain	99.90
MEDIA MARKT PALMA DE MALLORCA S.A.	Palma de Mallorca	Spain	99.90

Name	Head office	Country	Share in capital in %
MEDIA MARKT PARETS DEL VALLES S.A.U.	Parets del Vallès	Spain	100.00
MEDIA MARKT Pécs Video TV Hifi Elektro Photo Computer Kereskedelmit Kft.	Pécs	Hungary	90.00
MEDIA MARKT PLAZA – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	100.00
Media Markt Polska Sp. z o.o.	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 19 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 21 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 22 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 25 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 26 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 27 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. 9 Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Białystok Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Bydgoszcz Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Chorzów Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Gdańsk II Spolka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Gdynia I Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Głogów Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Gorzów Wielkopolski Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Kalisz Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Konin Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Koszalin Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Kraków II Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Legnica Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Nowy Sącz Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Piotrków Trybunalski Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Płock Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Poznań II Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Przemyśl Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Radom Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Rybnik Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Słupsk Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Tarnów Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Toruń Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Wałbrzych Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Zamość Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Zielona Góra Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Bielsko-Biała Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Czeladź Spółka Komandytowa	Warsaw	Poland	90.00

Name	Head office	Country	Share in capital in %
Media Markt Polska Sp. z o.o. Częstochowa Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Gdańsk I Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Katowice I Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Kielce Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Kraków I Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Łódź I Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Łódź II Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Lublin Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Olsztyn Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Opole Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Poznań I Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Rzeszów Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Szczecin Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Warszawa 1 Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Warszawa II Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Warszawa III Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Warszawa IV Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Wrocław I Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Wrocław II Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Zabrze Spółka Komandytowa	Warsaw	Poland	90.00
MEDIA MARKT Pólus Center Video TV Hifi Photo Computer Kereskedelmi Kft.	Budapest	Hungary	90.00
Media Markt Power Service AG	Dietikon	Switzerland	100.00
MEDIA MARKT PUERTO REAL VIDEO-TV-HIFI-ELECTRO-COMPUTER-FOTO, S.A.	Cádiz	Spain	99.90
MEDIA MARKT QUART DE POBLET, S.A.	Quart de Poblet	Spain	99.90
Media Markt Rijswijk B.V.	Rijswijk (The Hague)	Netherlands	100.00
MEDIA MARKT RIVAS-VACIAMADRID VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Madrid	Spain	99.90
Media Markt Roermond B.V.	Roermond	Netherlands	100.00
MEDIA MARKT Roeselare NV	Roeselare	Belgium	90.00
Media Markt Rotterdam Beijerlandselaan B.V.	Rotterdam	Netherlands	100.00
MEDIA MARKT SALAMANCA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Santa Marta de Tormes	Spain	99.90
MEDIA MARKT San Juan de Aznalfarache VIDEO-TV-HIFI-ELECTRO-COMPUTER-FOTO, S.A.	Seville	Spain	99.90
MEDIA MARKT SAN SEBASTIAN DE LOS REYES VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	San Sebastian de los Reyes	Spain	99.99
MEDIA MARKT SANT CUGAT DEL VALLÈS VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Sant Cugat del Vallès	Spain	99.90
MEDIA MARKT Santander Video-TV-Hifi-Elektro-Computer-Foto, S.A.	Santander	Spain	99.90
MEDIA MARKT SATURN ADMINISTRACION ESPAÑA, S.A.U.	El Prat de Llobregat	Spain	100.00
Media Markt Saturn Holding Magyarország Kft.	Budaörs	Hungary	100.00
Media Markt Saturn Holding Nederland B.V.	Rotterdam	Netherlands	100.00
MEDIA MARKT SATURN, S.A. UNIPERSONAL	El Prat de Llobregat	Spain	100.00

Name	Head office	Country	Share in capital in %
MEDIA MARKT Schoten NV	Schoten	Belgium	90.00
Media Markt Setúbal – Produtos Informáticos e Electrónicos, LDA.	Lisbon	Portugal	90.00
MEDIA MARKT SEVILLA-SANTA JUSTA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Seville	Spain	99.90
MEDIA MARKT MADRID-VILLAVERDE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Lugones-Siero	Spain	99.90
MEDIA MARKT Sint-Lambrechts-Woluwe NV	Sint-Lambrechts-Woluwe	Belgium	90.00
MEDIA MARKT Sint-Pieters-Leeuw NV	Sint-Pieters-Leeuw	Belgium	90.00
MEDIA MARKT SINTRA – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	90.00
Media Markt Skövde TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Södertälje TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Spittal TV-Hifi-Elektro GmbH	Spittal an der Drau	Austria	90.00
Media Markt St. Gallen AG	St. Gallen	Switzerland	90.00
Media Markt St. Lorenzen TV-Hifi-Elektro GmbH	St. Lorenzen im Mürztal	Austria	90.00
Media Markt Steyr TV-Hifi-Elektro GmbH	Steyr	Austria	90.00
Media Markt Stockholm-Barkarby TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Stockholm-Gallerian TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Stockholm-Heron City TV-HiFi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Stockholm-Länna TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Stockholm-Nacka TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
MEDIA MARKT Stop Shop Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Budapest	Hungary	90.00
Media Markt Sundsvall TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
MEDIA MARKT Szeged Video-TV-Hifi-Elektro-Photo-Computer-Kereskedelmi Kft.	Szeged	Hungary	90.00
MEDIA MARKT Székesfehérvár Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Székesfehérvár	Hungary	90.00
Media Markt Szolnok Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Szolnok	Hungary	90.00
MEDIA MARKT Szombathely Video-TV-Hifi-Elektro-Photo-Computer-Kereskedelmi Kft.	Szombathely	Hungary	90.00
MEDIA MARKT TARRAGONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Tarragona	Spain	99.90
MEDIA MARKT TELDE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Telde	Spain	99.90
MEDIA MARKT TENERIFE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-COMPUTER, S.A.	Santa Cruz de Tenerife	Spain	99.90
Media Markt The Corner B.V.	Rotterdam	Netherlands	90.10
Media Markt Tilburg B.V.	Tilburg	Netherlands	90.10
MEDIA MARKT TOLEDO S.A.	Toledo	Spain	99.90
Media Markt Turnhout NV	Turnhout	Belgium	100.00
Media Markt TV-HiFi-Elektro Athens II Commercial Anonymi Eteria	Athens	Greece	100.00
MEDIA MARKT TV-HiFi-Elektro Gesellschaft m.b.H.	Seiersberg	Austria	90.00
MEDIA MARKT TV-HiFi-Elektro Gesellschaft m.b.H.	Innsbruck	Austria	90.00
MEDIA MARKT TV-Hifi-Elektro Gesellschaft m.b.H.	Klagenfurt	Austria	90.00
MEDIA MARKT TV-Hifi-Elektro Gesellschaft m.b.H.	Pasching	Austria	90.00
MEDIA Markt TV-Hifi-Elektro Gesellschaft m.b.H.	Salzburg	Austria	90.00
MEDIA MARKT TV-Hifi-Elektro Gesellschaft m.b.H.	Villach	Austria	90.00

Name	Head office	Country	Share in capital in %
MEDIA MARKT TV-Hifi-Elektro Gesellschaft m.b.H.	Vösendorf	Austria	90.00
MEDIA MARKT TV-Hifi-Elektro GmbH	Wiener Neustadt	Austria	90.00
MEDIA MARKT TV-Hifi-Elektro GmbH	St. Pölten	Austria	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH	Bad Dürrheim	Germany	90.00
MEDIA Markt TV-HiFi-Elektro GmbH	Hallstadt	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH	Herzogenrath	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH	Schwentinental	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH	Lüneburg	Germany	90.00
MEDIA Markt TV-HiFi-Elektro GmbH	Belm	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH	Peißen	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH	Porta Westfalica	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH	Schiffdorf-Spaden	Germany	90.05
MEDIA MARKT TV-Hifi-Elektro GmbH	Dornbirn	Austria	90.00
Media Markt TV-HiFi-Elektro GmbH	Krems an der Donau	Austria	90.00
Media Markt TV-HiFi-Elektro GmbH & Co. KG Bruchsal	Bruchsal	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Albstadt	Albstadt	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Alzey	Alzey	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Amberg	Amberg	Germany	100.00
MEDIA MARKT TV-HiFi-Elektro GmbH Ansbach	Ansbach	Germany	90.05
MEDIA Markt TV-HiFi-Elektro GmbH Aschaffenburg	Aschaffenburg	Germany	90.05
MEDIA Markt TV-HiFi-Elektro GmbH Augsburg	Augsburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Augsburg-Göggingen	Augsburg	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Bad Kreuznach	Bad Kreuznach	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Bad Neustadt an der Saale	Bad Neustadt an der Saale	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Baden-Baden	Baden-Baden	Germany	90.00
MEDIA Markt TV-HiFi-Elektro GmbH Bayreuth	Bayreuth	Germany	90.05
MEDIA Markt TV-HiFi-Elektro GmbH Berlin-Biesdorf	Berlin	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Berlin-Charlottenburg	Berlin	Germany	90.00
MEDIA Markt TV-HiFi-Elektro GmbH Berlin-Gropiusstadt	Berlin	Germany	90.05
MEDIA MARKT TV-HiFi-Elektro GmbH Berlin-Hohenschönhausen	Berlin	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Berlin-Mitte	Berlin	Germany	90.00
MEDIA Markt TV-HiFi-Elektro GmbH Berlin-Neukölln	Berlin	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Berlin-Prenzlauer Berg	Berlin	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Berlin-Schöneweide	Berlin	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Berlin-Spandau	Berlin	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Berlin-Steglitz	Berlin	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Berlin-Tegel	Berlin	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Berlin-Tempelhof	Berlin	Germany	90.00

Name	Head office	Country	Share in capital in %
MEDIA MARKT TV-HiFi-Elektro GmbH Berlin-Wedding	Berlin	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Bielefeld	Bielefeld	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Bischofsheim	Bischofsheim	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Bochum	Bochum	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Bochum-Ruhrpark	Bochum	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Bonn	Bonn	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Brandenburg an der Havel	Brandenburg an der Havel	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Braunschweig	Braunschweig	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Bremen	Bremen	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Bremen-Waterfront	Bremen	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Buchholz in der Nordheide	Buchholz in der Nordheide	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Buxtehude	Buxtehude	Germany	100.00
MEDIA MARKT TV-HiFi-Elektro GmbH Castrop-Rauxel	Castrop-Rauxel	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Chemnitz	Chemnitz	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Chemnitz-Röhrsdorf	Chemnitz	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Cottbus/Groß Gaglow	Cottbus	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Deggendorf	Deggendorf	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Dessau	Dessau-Roßlau	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Dietzenbach	Dietzenbach	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Donauwörth	Donauwörth	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Dorsten	Dorsten	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Dortmund-Oespel	Dortmund	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Dresden Centrum	Dresden	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Dresden-Mickten	Dresden	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Duisburg	Duisburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Duisburg-Großenbaum	Duisburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Düsseldorf	Düsseldorf	Germany	90.00
Media Markt TV-HIFi-Elektro GmbH Düsseldorf-Bilk	Düsseldorf	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Egelsbach	Egelsbach	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Eiche	Ahrensfelde-Eiche	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Eisenach	Eisenach	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Elmshorn	Elmshorn	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Emden	Emden	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Erding	Erding	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Erfurt Thüringen-Park	Erfurt	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Erfurt-Daberstedt	Erfurt	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Erlangen	Erlangen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Eschweiler	Eschweiler	Germany	90.00

Name	Head office	Country	Share in capital in %
Media Markt TV-HiFi-Elektro GmbH Essen	Essen	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Esslingen	Esslingen am Neckar	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Fellbach	Fellbach	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Flensburg	Flensburg	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Frankfurt	Frankfurt am Main	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Frankfurt-Borsigallee	Frankfurt am Main	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Freiburg	Freiburg im Breisgau	Germany	90.05
MEDIA MARKT TV-HiFi-Elektro GmbH Friedrichshafen	Friedrichshafen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Fulda	Fulda	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Gießen	Gießen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Gifhorn	Gifhorn	Germany	100.00
Media Markt TV-Hifi-Elektro GmbH Goslar	Goslar	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Göttingen	Göttingen	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Greifswald	Greifswald	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Gründau-Lieblos	Gründau-Lieblos	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Günthersdorf	Günthersdorf	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Gütersloh	Gütersloh	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Halberstadt	Halberstadt	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Halstenbek	Halstenbek	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Hamburg- Wandsbek	Hamburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Hamburg-Altona	Hamburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Hamburg-Billstedt	Hamburg	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Hamburg-Harburg	Hamburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Hamburg-Hummelsbüttel	Hamburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Hamburg-Nedderfeld	Hamburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Hameln	Hameln	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Hannover-Vahrenheide	Hannover	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Hannover-Wülfel	Hannover	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Heide	Heide	Germany	90.00
MEDIA Markt TV-HiFi-Elektro GmbH Heidelberg	Heidelberg	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Heidelberg-Rohrbach	Heidelberg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Henstedt-Ulzburg	Henstedt-Ulzburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Heppenheim	Heppenheim (Bergstraße)	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Hildesheim	Hildesheim	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Hof	Hof	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Holzminden	Holzminden	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Homburg/Saar	Homburg	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Hückelhoven	Hückelhoven	Germany	90.00

Name	Head office	Country	Share in capital in %
Media Markt TV-HiFi-Elektro GmbH Idar-Oberstein	Idar-Oberstein	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Itzehoe	Itzehoe	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Jena	Jena	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Kaiserslautern	Kaiserslautern	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Karlsfeld	Karlsfeld	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Karlsruhe	Karlsruhe	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Karlsruhe-Ettlinger Tor	Karlsruhe	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Kassel	Kassel	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Kempten	Kempten (Allgäu)	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Kiel	Kiel	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Koblenz	Koblenz	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Köln Hohe Straße	Cologne	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Köln-Chorweiler	Cologne	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Köln-Kalk	Cologne	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Köln-Marsdorf	Cologne	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Konstanz	Konstanz	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Krefeld	Krefeld	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Kulmbach	Kulmbach	Germany	100.00
MEDIA MARKT TV-HiFi-Elektro GmbH Lahr	Lahr	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Landau/Pfalz	Landau in der Pfalz	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Landsberg/Lech	Landsberg am Lech	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Landshut	Landshut	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Leipzig Höfe am Brühl	Leipzig	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Leipzig-Paunsdorf	Leipzig	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Lichtenfels	Lichtenfels	Germany	100.00
MEDIA MARKT TV-HiFi-Elektro GmbH Limburg	Limburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Lingen	Lingen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Lippstadt	Lippstadt	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Lübeck	Lübeck	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Ludwigsburg	Ludwigsburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Ludwigshafen	Ludwigshafen	Germany	95.00
MEDIA MARKT TV-HiFi-Elektro GmbH Magdeburg	Magdeburg	Germany	90.05
MEDIA MARKT TV-HiFi-Elektro GmbH Magdeburg-Bördepark	Magdeburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Main-Taunus-Zentrum	Sulzbach	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Mainz	Mainz	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Mannheim	Mannheim	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Mannheim-Sandhofen	Mannheim	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Marburg	Marburg	Germany	90.00

Name	Head office	Country	Share in capital in %
MEDIA MARKT TV-HiFi-Elektro GmbH Marktredwitz	Marktredwitz	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Meerane	Meerane	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Memmingen	Memmingen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Meppen	Meppen	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Mönchengladbach	Mönchengladbach	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Mühldorf/Inn	Mühldorf am Inn	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Mülheim	Mülheim an der Ruhr	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH München-Haidhausen	Munich	Germany	95.00
Media Markt TV-HiFi-Elektro GmbH München-Pasing	Munich	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH München-Solln	Munich	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Münster	Münster	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Nagold	Nagold	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Neubrandenburg	Neubrandenburg	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Neuburg an der Donau	Neuburg an der Donau	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Neumünster	Neumünster	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Neunkirchen	Neunkirchen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Neuss	Neuss	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Neustadt an der Weinstraße	Neustadt an der Weinstraße	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Neutraubling	Neutraubling	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Neu-Ulm	Neu-Ulm	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Neuwied	Neuwied	Germany	90.05
MEDIA MARKT TV-HiFi-Elektro GmbH Nienburg	Nienburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Nordhausen	Nordhausen	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Nordhorn	Nordhorn	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Nördlingen	Nördlingen	Germany	100.00
MEDIA Markt TV-HiFi-Elektro GmbH Nürnberg-Kleinreuth	Nuremberg	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Nürnberg-Langwasser	Nuremberg	Germany	90.00
Media Markt TV-Hifi-Elektro GmbH Nürnberg-Schoppershof	Nuremberg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Offenburg	Offenburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Oldenburg	Oldenburg	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Oststeinbek	Oststeinbek	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Paderborn	Paderborn	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Papenburg	Papenburg	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Passau	Passau	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Peine	Peine	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Pforzheim	Pforzheim	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Pirmasens	Pirmasens	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Plauen	Plauen	Germany	90.00

Name	Head office	Country	Share in capital in %
Media Markt TV-HiFi-Elektro GmbH Potsdam	Potsdam	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Ravensburg	Ravensburg	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Recklinghausen	Recklinghausen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Regensburg	Regensburg	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Rendsburg	Rendsburg	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Reutlingen	Reutlingen	Germany	90.05
MEDIA MARKT TV-HiFi-Elektro GmbH Rheine	Rheine	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Riesa	Riesa	Germany	100.00
MEDIA MARKT TV-HiFi-Elektro GmbH Rödental	Rödental	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Rosenheim	Rosenheim	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Rostock	Sievershagen	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Rostock-Brinckmansdorf	Rostock	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Saarbrücken	Saarbrücken	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Saarbrücken-Saarterrassen	Saarbrücken	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Saarlouis	Saarlouis	Germany	90.00
Media Markt TV-Hifi-Elektro GmbH Schleswig	Schleswig	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Schwabach	Schwabach	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Schwedt	Schwedt/Oder	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Schweinfurt	Schweinfurt	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Schwerin	Schwerin	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Siegen	Siegen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Sindelfingen	Sindelfingen	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Singen	Singen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Speyer	Speyer	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Stade	Stade	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Stadthagen	Stadthagen	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Stralsund	Stralsund	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Straubing	Straubing	Germany	90.05
MEDIA MARKT TV-HiFi-Elektro GmbH Stuhr	Stuhr	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Stuttgart-Feuerbach	Stuttgart	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Stuttgart-Vaihingen	Stuttgart	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Traunreut	Traunreut	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Traunstein	Traunstein	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Trier	Trier	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Ulm	Ulm	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Velbert	Velbert	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Viernheim	Viernheim	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Waltersdorf bei Berlin	Schönefeld	Germany	90.05

Name	Head office	Country	Share in capital in %
Media Markt TV-HiFi-Elektro GmbH Weiden	Weiden in der Oberpfalz	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Weilheim	Weilheim	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Weiterstadt	Weiterstadt	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Wetzlar	Wetzlar	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Wiesbaden	Wiesbaden	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Wiesbaden-Äppelallee	Wiesbaden	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Wilhelmshaven	Wilhelmshaven	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Wolfsburg	Wolfsburg	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Worms	Worms	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Wuppertal	Wuppertal	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Würzburg	Würzburg	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Würzburg – Alfred-Nobel-Straße	Würzburg	Germany	90.00
MEDIA MARKT TV-HiFi-Elektro GmbH Zella-Mehlis	Zella-Mehlis	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Zwickau	Zwickau	Germany	90.05
MEDIA Markt TV-HiFi-Elektro Licht GmbH Ingolstadt	Ingolstadt	Germany	100.00
MEDIA MARKT TV-Hifi-Elektro Wien XI Gesellschaft m.b.H.	Vienna	Austria	90.00
MEDIA MARKT TV-Hifi-Elektro Wien XIII GmbH	Vienna	Austria	90.00
MEDIA MARKT TV-Hifi-Elektro Wien XXI Gesellschaft m.b.H.	Vienna	Austria	90.00
MEDIA MARKT Twee Torens Hasselt NV	Hasselt	Belgium	99.65
Media Markt Umeå TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Uppsala TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Utrecht Hoog Catharijne B.V.	Utrecht	Netherlands	90.10
Media Markt Utrecht The Wall B.V.	Utrecht	Netherlands	90.10
MEDIA MARKT VALÈNCIA-CAMPANAR VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Valencia	Spain	99.90
MEDIA MARKT VALLADOLID VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Valladolid	Spain	99.90
Media Markt Västerås TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Växjö TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Venlo B.V.	Venlo	Netherlands	90.10
Media Markt Verbund Heilbronn-Franken GmbH	Heilbronn	Germany	92.00
MEDIA MARKT VIGO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Vigo	Spain	99.90
MEDIA MARKT VITORIA-GASTEIZ VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Vitoria	Spain	99.90
Media Markt Vöcklabruck TV-Hifi-Elektro GmbH	Vöcklabruck	Austria	90.00
Media Markt Wels TV-Hifi-Elektro GmbH	Wels	Austria	90.00
MEDIA MARKT- West End Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Budapest	Hungary	90.00
Media Markt Wien III TV-Hifi-Elektro GmbH	Vienna	Austria	90.00
Media Markt Wien XV TV-Hifi-Elektro GmbH	Vienna	Austria	100.00
Media Markt Wien XXII TV-Hifi-Elektro GmbH	Vienna	Austria	90.00
Media Markt Wilrijk NV	Wilrijk	Belgium	90.00

Name	Head office	Country	Share in capital in %
MEDIA MARKT Wörgl TV-Hifi-Elektro GmbH	Wörgl	Austria	90.00
MEDIA MARKT XCV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	100.00
Media Markt Zaandam B.V.	Zaandam	Netherlands	100.00
MEDIA MARKT ZARAGOZA PUERTO VENECIA VÍDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Zaragoza	Spain	99.90
MEDIA MARKT ZARAGOZA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Zaragoza	Spain	99.90
Media Markt Zell am See TV-Hifi-Elektro GmbH	Zell am See	Austria	90.00
Media Markt Zoetermeer B.V.	Zoetermeer	Netherlands	90.10
Media Markt Zürich AG	Zurich	Switzerland	92.00
Media Markt zwei TV-HiFi-Elektro GmbH Dresden-Prohlis	Dresden	Germany	90.00
MEDIA MARKT Zwijnaarde NV	Zwijnaarde	Belgium	90.00
Media Markt Zwolle B.V.	Zwolle	Netherlands	90.10
MEDIA MARKT-SATURN BELGIUM NV	Asse-Zellik	Belgium	100.00
Media Saturn – Servicos de Apoio Adminstrativo, Lda.	Lisbon	Portugal	100.00
Media Saturn Electronics Hellas Commercial and Holding Anonymi Eteria	Athens	Greece	100.00
Media Saturn Holding Polska Sp.z o.o.	Warsaw	Poland	100.00
MEDIA SATURN MULTICHANNEL S.A.U.	El Prat de Llobregat	Spain	100.00
Media Saturn Online Spółka z ograniczoną odpowiedzialnością	Warsaw	Poland	100.00
Mediamarket S.p.A. con Socio Unico	Curno	Italy	100.00
MediaMarkt (China) International Retail Holding Limited	Hong Kong	China	100.00
MediaMarkt (Shanghai) Commercial & Trading Company Limited	Shanghai	China	100.00
MediaMarkt (Shanghai) Consulting Service Company Limited	Shanghai	China	100.00
MEDIA-Markt TV-HiFi-Elektro GmbH Aachen	Aachen	Germany	90.00
MediaOnline GmbH	Ingolstadt	Germany	100.00
MEDIA-SATURN (PORTUGAL), SGPS, UNIPESSOAL LDA	Lisbon	Portugal	100.00
Media-Saturn Beteiligungen Polska GmbH	Ingolstadt	Germany	100.00
Media-Saturn China-Holding GmbH	Ingolstadt	Germany	100.00
Media-Saturn China-Holding Limited	Hong Kong	China	100.00
Media-Saturn Deutschland Beteiligungsgesellschaft mbH	Ingolstadt	Germany	100.00
Media-Saturn Deutschland GmbH	Ingolstadt	Germany	100.00
Media-Saturn e-handel Norge AS	Oslo	Norway	100.00
Media-Saturn e-handel Sverige AB	Stockholm	Sweden	100.00
Media-Saturn Helvetia Holding GmbH	Ingolstadt	Germany	100.00
Media-Saturn Holding Norway AS	Oslo	Norway	100.00
Media-Saturn Holding Sweden AB	Stockholm	Sweden	100.00
Media-Saturn Internationale Beteiligungen GmbH	Munich	Germany	100.00
Media-Saturn IT Services GmbH	Ingolstadt	Germany	100.00
Media-Saturn Marketing GmbH	Munich	Germany	100.00
Media-Saturn Nordic Shared Services AB	Stockholm	Sweden	100.00

Name	Head office	Country	Share in capital in %
media-saturn-e-business GmbH	Ingolstadt	Germany	100.00
Media-Saturn-Holding GmbH	Ingolstadt	Germany	78.38
Meister feines Fleisch – feine Wurst GmbH	Gäufelden	Germany	100.00
MEM METRO Group Energy Production & Management Sp. z o.o.	Warsaw	Poland	100.00
METRO (Changchun) Property Service Co. Ltd.	Changchun	China	100.00
Metro Accounting Center of Excellence Private Limited	Pune	India	100.00
METRO Achtzehnte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf	Germany	100.00
METRO Beteiligungsmanagement Düsseldorf GmbH & Co. KG	Düsseldorf	Germany	100.00
METRO Cash & Carry Asia Pacific Holding GmbH	Vienna	Austria	100.00
Metro Cash & Carry Brunnthal GmbH & Co. KG	Brunnthal	Germany	100.00
METRO Cash & Carry Bulgaria EOOD	Sofia	Bulgaria	100.00
METRO Cash & Carry Central Asia Holding GmbH	Vienna	Austria	100.00
METRO Cash & Carry d.o.o.	Zagreb	Croatia	100.00
METRO Cash & Carry d.o.o.	Belgrad	Serbia	100.00
Metro Cash & Carry Danmark ApS	Glostrup	Denmark	100.00
METRO Cash & Carry Deutschland GmbH	Düsseldorf	Germany	100.00
METRO Cash & Carry France S.A.S.	Nanterre	France	100.00
Metro Cash & Carry Grundstücksverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
METRO Cash & Carry Import Limited Liability Company	Noginsk	Russia	100.00
METRO Cash & Carry India Private Limited	Bangalore	India	100.00
METRO Cash & Carry International GmbH	Düsseldorf	Germany	100.00
METRO Cash & Carry International Holding B. V.	Amsterdam	Netherlands	100.00
METRO Cash & Carry International Holding GmbH	Vienna	Austria	100.00
METRO Cash & Carry International Management GmbH	Düsseldorf	Germany	100.00
METRO Cash & Carry Japan KK	Tokyo	Japan	100.00
Metro Cash & Carry Nederland B.V.	Amsterdam	Netherlands	100.00
METRO Cash & Carry OOO	Moscow	Russia	100.00
METRO Cash & Carry Österreich GmbH	Vösendorf	Austria	73.00
METRO CASH & CARRY ROMANIA SRL	Bucharest	Romania	85.00
METRO Cash & Carry Russia N.V.	Amsterdam	Netherlands	100.00
METRO Cash & Carry SR s.r.o.	Ivanka pri Dunaji	Slovakia	100.00
METRO Cash & Carry TOO	Almaty	Kazakhstan	100.00
METRO Cash & Carry Ukraine Ltd.	Kiev	Ukraine	100.00
METRO Cash & Carry Vietnam Ltd.	Ho Chi Minh City	Vietnam	100.00
Metro Cash & Carry Wines	Hyderabad	India	99.99
METRO Central East Europe GmbH	Vienna	Austria	100.00
METRO Danmark Holding ApS	Glostrup	Denmark	100.00
METRO Dienstleistungs-Holding GmbH	Düsseldorf	Germany	100.00

Name	Head office	Country	Share in capital in %
METRO Distributie Nederland B. V.	Amsterdam	Netherlands	100.00
METRO DOLOMITI SpA	San Donato Milanese	Italy	100.00
METRO FIM S.p.A.	Cinisello Balsamo	Italy	100.00
METRO Finance B. V.	Venlo	Netherlands	100.00
Metro Finanzdienstleistungs Pensionen GmbH	Düsseldorf	Germany	100.00
Metro France Immobiliere S. a. r. l.	Nanterre	France	100.00
METRO Fünfzehnte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf	Germany	100.00
Metro Grosmarket Bakirköy Alisveris Hizmetleri Ticaret Ltd. Sirketi	Istanbul	Turkey	100.00
METRO Groß- und Lebensmitteleinzelhandel Holding GmbH	Düsseldorf	Germany	100.00
METRO Großhandelsgesellschaft mbH	Düsseldorf	Germany	100.00
METRO Group Accounting Center GmbH	Alzey	Germany	100.00
METRO Group Asset Management B.V.	Amsterdam	Netherlands	100.00
METRO Group Asset Management Ingatlan Kft.	Budaörs	Hungary	100.00
METRO Group Asset Management Property Ukraine Limited Liability Company	Kiev	Ukraine	100.00
METRO Group Asset Management Services GmbH	Düsseldorf	Germany	100.00
METRO Group Asset Management Ukraine, Limited Liability Company	Kiev	Ukraine	100.00
METRO Group Buying Ukraine Ltd.	Kiev	Ukraine	100.00
METRO Group Properties SR s.r.o.	Ivanka pri Dunaji	Slovakia	100.00
METRO GROUP REAL ESTATE ESPANA S.L.	Madrid	Spain	100.00
Metro Group Real Estate Private Limited Company	Karachi	Pakistan	99.75
METRO Group Retail Real Estate GmbH	Düsseldorf	Germany	100.00
METRO Group Retail Real Estate Romania S.R.L.	Voluntari	Romania	100.00
METRO Group Wholesale Real Estate Bulgaria EOOD	Sofia	Bulgaria	100.00
METRO Group Wholesale Real Estate GmbH	Düsseldorf	Germany	100.00
METRO Habib Cash & Carry Pakistan (Private) Limited	Lahore	Pakistan	75.00
Metro Holding France S. A.	Vitry-sur-Seine	France	100.00
METRO Innovations Holding GmbH	Düsseldorf	Germany	100.00
METRO International AG	Chur	Switzerland	100.00
Metro International Beteiligungs GmbH	Düsseldorf	Germany	100.00
METRO INTERNATIONAL SUPPLY GmbH	Düsseldorf	Germany	100.00
METRO Italia Cash and Carry S. p. A.	San Donato Milanese	Italy	100.00
METRO Jinjiang Cash & Carry Co., Ltd.	Shanghai	China	90.00
METRO Kaufhaus und Fachmarkt Holding GmbH	Düsseldorf	Germany	100.00
METRO Kereskedelmi Kft.	Budaörs	Hungary	100.00
METRO Leasing GmbH	Düsseldorf	Germany	100.00
METRO LOGISTICS Germany GmbH	Düsseldorf	Germany	100.00
METRO LOGISTICS Services GmbH	Düsseldorf	Germany	100.00
METRO Management EOOD	Sofia	Bulgaria	100.00

Name	Head office	Country	Share in capital in %
METRO North Warehouse Management (Chongqing) Co. Ltd.	Chongqing	China	100.00
Metro Properties B.V.	Amsterdam	Netherlands	100.00
METRO Properties CR s.r.o.	Prague	Czech Republic	100.00
Metro Properties Danmark ApS	Glostrup	Denmark	100.00
METRO PROPERTIES Energy Management GmbH	Düsseldorf	Germany	100.00
METRO Properties Enterprise Management Consulting (Shanghai) Co., Ltd.	Shanghai	China	100.00
METRO PROPERTIES France SAS	Nanterre	France	100.00
Metro Properties Gayrimenkul Yatirim A.Ş.	Istanbul	Turkey	99.93
METRO PROPERTIES GmbH & Co. KG	Düsseldorf	Germany	99.51
METRO PROPERTIES Holding GmbH	Düsseldorf	Germany	100.00
METRO PROPERTIES Limited Liability Company	Moscow	Russia	100.00
METRO PROPERTIES Management GmbH	Düsseldorf	Germany	66.67
METRO Properties Real Estate Management Spółka z ograniczoną odpowiedzialnością	Warsaw	Poland	100.00
METRO PROPERTIES Services Sp. z o. o.	Warsaw	Poland	100.00
METRO PROPERTIES Sp. z o.o.	Warsaw	Poland	100.00
METRO Property Management (Beijing) Co. Ltd.	Beijing	China	100.00
Metro Property Management (Changsha) Co., Ltd.	Changsha	China	100.00
METRO Property Management (Changshu) Co. Ltd.	Changshu	China	100.00
Metro Property Management (Changzhou) Co. Ltd.	Changzhou	China	100.00
Metro Property Management (Chengdu Qingyang) Co., Ltd.	Chengdu	China	100.00
METRO Property Management (Chongqing) Co. Ltd.	Chongqing	China	100.00
Metro Property Management (Cixi) Co., Limited	Cixi	China	100.00
Metro Property Management (Dongguan) Co. Ltd.	Dongguan	China	100.00
Metro Property Management (Hangzhou) Company Limited	Hangzhou	China	100.00
METRO Property Management (Harbin) Co. Ltd.	Harbin	China	100.00
Metro Property Management (Hefei) Co. Ltd.	Hefei	China	100.00
METRO Property Management (Huai'an) Co., Ltd.	Huai'an	China	100.00
Metro Property Management (Jiangyin) Company Limited	Jiangyin	China	100.00
Metro Property Management (Jiaxing) Co. Ltd.	Jiaxing	China	100.00
Metro Property Management (Kunshan) Co. Ltd.	Suzhou	China	100.00
METRO Property Management (Nanchang Qingshanhu) Co. Ltd.	Nanchang	China	100.00
Metro Property Management (Nantong) Co. Ltd.	Nantong	China	100.00
Metro Property Management (Qingdao) Company Limited	Qingdao	China	100.00
METRO Property Management (Shenyang) Co. Ltd.	Shenyang	China	100.00
METRO Property Management (Shenzhen) Co. Ltd.	Shenzhen	China	100.00
Metro Property Management (Suzhou) Co., Ltd.	Suzhou	China	100.00
METRO Property Management (Tianjin Hongqiao) Co., Ltd.	Tianjin	China	100.00
METRO Property Management (Weifang) Co. Ltd.	Weifang	China	100.00

Name	Head office	Country	Share in capital in %
Metro Property Management (Wuhan) Co., Ltd.	Wuhan	China	100.00
METRO Property Management (Wuhu) Co. Ltd.	Wuhu	China	100.00
METRO Property Management (Xiamen) Co., Ltd.	Xiamen	China	100.00
METRO Property Management (Xian) Co., Ltd.	Xi'an	China	100.00
METRO Property Management (Xiangyang) Co. Ltd.	Xiangyang	China	100.00
METRO Property Management (Zhangjiagang) Co. Ltd.	Zhangjiagang	China	100.00
Metro Property Management (Zhengzhou) Co., Ltd.	Zhengzhou	China	100.00
METRO Property Management (Zhongshan) Co. Limited	Zhongshan	China	100.00
METRO Property Management Wuxi Co. Ltd.	Wuxi	China	100.00
METRO Real Estate Ltd.	Zagreb	Croatia	100.00
Metro Reinsurance N.V.	Amsterdam	Netherlands	100.00
Metro SB-Großmärkte GmbH & Co. Kommanditgesellschaft	Esslingen am Neckar	Germany	100.00
Metro SB-Großmärkte GmbH & Co. Kommanditgesellschaft	Linden	Germany	100.00
METRO Service GmbH	Vösendorf	Austria	100.00
METRO Services PL spółka z ograniczoną odpowiedzialnością	Szczecin	Poland	100.00
METRO Siebte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf	Germany	100.00
METRO Siebzehnte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf	Germany	100.00
METRO South East Asia Holding GmbH	Vienna	Austria	100.00
METRO SYSTEMS GmbH	Düsseldorf	Germany	100.00
Metro Systems Romania S.R.L.	Bucharest	Romania	100.00
METRO SYSTEMS RU Limited Liability Company	Moscow	Russia	100.00
METRO Systems Ukraine LLC	Kiev	Ukraine	100.00
METRO Vierzehnte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf	Germany	100.00
METRO Warehouse Management (Chongqing) Co. Ltd.	Chongqing	China	100.00
Metro Warehouse Management (Hangzhou) Co. Ltd.	Hangzhou	China	100.00
METRO Warehouse Management (Suzhou) Co. Ltd.	Suzhou	China	100.00
Metro Warehouse Management (Taizhou) Co. Ltd	Taizhou	China	100.00
Metro Warehouse Management (Wuhan) Co. Ltd.	Wuhan	China	100.00
Metro Warehouse Management (Yantai) Co., Limited	Yantai	China	100.00
METRO Warehouse Management (Zibo) Co., Ltd.	Zibo	China	100.00
Metro Warehouse Noginsk Limited Liability Company	Noginsk	Russia	100.00
MFM METRO Group Facility Management GmbH	Düsseldorf	Germany	100.00
MGA METRO Group Advertising GmbH	Düsseldorf	Germany	100.00
MGA METRO Group Advertising Polska Sp. z o.o. i Spółka Sp.k.	Warsaw	Poland	100.00
MGA METRO Group Advertising Polska Spolka z ogranicona odpowiedzialoscia	Warsaw	Poland	100.00
MGA METRO Group Advertising Rus OOO	Moscow	Russia	100.00
MGB METRO Group Buying (Shanghai) Co., Ltd.	Shanghai	China	100.00
MGB Metro Group Buying HK Limited	Hong Kong	China	100.00

Name	Head office	Country	Share in capital in %
MGB Metro Group Buying Romania SRL	Bucharest	Romania	100.00
MGB METRO Group Buying RUS OOO	Moscow	Russia	100.00
MGB METRO Group Buying TR Satinalma Ticaret Limited Sirketi	Istanbul	Turkey	100.00
MGC METRO Group Clearing GmbH	Düsseldorf	Germany	100.00
MGE Warenhandelsgesellschaft mbH	Düsseldorf	Germany	100.00
MGI Metro Group Iletisim ve Enformasyon Ticaret Limited Sirketi	Istanbul	Turkey	100.00
MGL LOGISTICS SERVICES GREECE Eteria Periorismenis Efthinis	Agios Ioannis Rentis	Greece	100.00
MGL METRO Group Logistics Bulgaria LTD	Sofia	Bulgaria	100.00
MGL METRO Group Logistics GmbH	Düsseldorf	Germany	100.00
MGL METRO Group Logistics Limited Liability Company	Noginsk	Russia	100.00
MGL METRO Group Logistics Polska Sp. z o.o.	Warsaw	Poland	100.00
MGL METRO Group Logistics Polska Sp. z o.o. i Spólka Sp.k.	Warsaw	Poland	100.00
MGL METRO GROUP LOGISTICS UKRAINE LLC	Kiev	Ukraine	100.00
MGL METRO Group Logistics Warehousing Beteiligungs GmbH	Düsseldorf	Germany	100.00
MGP METRO Group Account Processing GmbH	Kehl	Germany	100.00
MGP METRO Group Account Processing International AG	Baar	Switzerland	100.00
MGT METRO Group Travel Services GmbH	Düsseldorf	Germany	100.00
MIAG Asia Co. Ltd.	Hong Kong	China	100.00
MIAG B.V.	Venlo	Netherlands	100.00
MIAG Commanditaire Vennootschap	Amsterdam	Netherlands	100.00
MIAG RUS Limited Liability Company	Kotelniki	Russia	100.00
MIB METRO Group Insurance Broker GmbH	Düsseldorf	Germany	100.00
MIDBAN ESOLUTIONS SL	Barcelona	Spain	75.00
MIP METRO Group Intellectual Property GmbH & Co. KG	Düsseldorf	Germany	100.00
MIP METRO Group Intellectual Property Management GmbH	Düsseldorf	Germany	100.00
MMS Connect B.V.	Rotterdam	Netherlands	100.00
MMS Coolsingel B.V.	Rotterdam	Netherlands	100.00
MMS ONLINE BELGIË	Zellik	Belgium	100.00
MMS Online Nederland B.V.	Rotterdam	Netherlands	100.00
Morocco Fish Trading Company SARL AU	Casablanca	Morocco	100.00
MP Gayrimenkul Yönetim Hizmetleri Anonim Şirketi	Istanbul	Turkey	100.00
MRE Sp. z o.o. Wholesale Real Estate Poland S.K.A.	Warsaw	Poland	100.00
MRE Spółka z ograniczoną odpowiedzialnością	Warsaw	Poland	100.00
MS Digital Download S.a.r.l.	Esch-sur-Alzette	Luxembourg	100.00
MS E-Business Concepts & Service GmbH	Ingolstadt	Germany	100.00
MS E-Commerce GmbH	Wiener Neustadt	Austria	100.00
MS E-Commerce Kereskedelmi Korlátolt Felelősségű Társaság	Budaörs	Hungary	100.00
MS ISTANBUL IC VE DIS TICARET LIMITED SIRKETI	Istanbul	Turkey	100.00

Name	Head office	Country	Share in capital in %
MS Multichannel Retailing Ges.m.b.H.	Vösendorf	Austria	100.00
MS New CO Spółka z ograniczoną odpowiedzialnością	Warsaw	Poland	100.00
MS Powerservice GmbH	Vösendorf	Austria	100.00
MTE Grundstücksverwaltung GmbH & Co. Objekt Duisburg oHG	Pullach im Isartal	Germany	100.00
MTT METRO Group Textiles Transport GmbH	Düsseldorf	Germany	100.00
multi media Kommunikationstechnik Zwei GmbH	Heilbronn	Germany	100.00
multi media Service GmbH	Heilbronn	Germany	90.00
Multi-Center Warenvertriebs GmbH	Düsseldorf	Germany	100.00
my-xplace GmbH	Göttingen	Germany	76.74
N & NF Trading GmbH	Düsseldorf	Germany	100.00
Napier S.à.r.l.	Luxembourg	Luxembourg	94.90
Nedema GmbH	Cologne	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Detmold KG	Pullach im Isartal	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Eschweiler KG	Pullach im Isartal	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Germersheim KG	Pullach im Isartal	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Langendreer KG	Pullach im Isartal	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Ludwigshafen KG	Pullach im Isartal	Germany	49.00[1]
NIGRA Verwaltung GmbH & Co. Objekt Moers KG	Pullach im Isartal	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Neunkirchen KG	Pullach im Isartal	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Oberhausen oHG	Pullach im Isartal	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Rendsburg KG	Pullach im Isartal	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Salzgitter KG	Pullach im Isartal	Germany	100.00
NordRhein Trading GmbH	Düsseldorf	Germany	100.00
OOO "CE trading solutions"	Moscow	Russia	100.00
OOO Media-Markt-Saturn	Moscow	Russia	100.00
OOO Media-Saturn-Russland	Moscow	Russia	100.00
OOO Saturn	Moscow	Russia	100.00
OOO xplace	Moscow	Russia	100.00
OSKUS Verwaltung GmbH & Co. Objekt Aachen SB-Warenhaus KG	Pullach im Isartal	Germany	0.00[1]
OSKUS Verwaltung GmbH & Co. Objekt Krefeld KG	Pullach im Isartal	Germany	0.00[1]
OSKUS Verwaltung GmbH & Co. Objekt Nettetal KG	Pullach im Isartal	Germany	0.00[1]
PAROS Verwaltung GmbH & Co. Objekt Bitterfeld KG	Pullach im Isartal	Germany	10.00[1]
PAROS Verwaltung GmbH & Co. Objekt Hürth KG	Pullach im Isartal	Germany	0.00[1]
PAROS Verwaltung GmbH & Co. Objekt Stralsund KG	Pullach im Isartal	Germany	10.00[1]
PAROS Verwaltung GmbH & Co. Vermietungs-KG	Pullach im Isartal	Germany	1.00[1]
PayRed Card Services AG	Dietikon	Switzerland	100.00
PIL Grundstücksverwaltung GmbH	Düsseldorf	Germany	100.00
Power Service GmbH	Cologne	Germany	100.00

Name	Head office	Country	Share in capital in %
PowerService Nederland B.V.	Rotterdam	Netherlands	100.00
Pro. FS GmbH	Düsseldorf	Germany	100.00
PT Paserda Indonesia	Jakarta	Indonesia	100.00
Qingdao Metro Warehouse Management Co. Ltd.	Qingdao	China	100.00
Quadrant S.à.r.l.	Luxembourg	Luxembourg	94.90
RaW Real Estate Asia Pte.Ltd.	Singapore	Singapore	100.00
Real Estate Management Misr Limited Liability Company	Cairo	Egypt	100.00
real,- Group Holding GmbH	Düsseldorf	Germany	100.00
real,- Handels GmbH	Düsseldorf	Germany	100.00
real,- Holding GmbH	Alzey	Germany	100.00
real,- SB-Warenhaus GmbH	Alzey	Germany	100.00
red blue Marketing GmbH	Munich	Germany	100.00
Redcoon Benelux B. V.	Tilburg	Netherlands	100.00
REDCOON DANMARK ApS	Copenhagen	Denmark	100.00
REDCOON ELECTRONIC TRADE, S.L.	El Prat de Llobregat	Spain	100.00
Redcoon GmbH	Aschaffenburg	Germany	100.00
redcoon GmbH	Vienna	Austria	100.00
REDCOON ITALIA S.R.L.	Turin	Italy	100.00
redcoon Logistics GmbH	Erfurt	Germany	100.00
REDCOON POLSKA Sp. z o.o.	Bydgoszcz	Poland	100.00
Remo Zaandam B.V.	Zaandam	Netherlands	100.00
Renate Grundstücksverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
Retail Property 1 Limited Liability Company	Moscow	Russia	100.00
Retail Property 2 Limited Liability Company	Moscow	Russia	100.00
Retail Property 3 Limited Liability Company	Moscow	Russia	100.00
Retail Property 4 Limited Liability Company	Moscow	Russia	100.00
Retail Property 5 Limited Liability Company	Moscow	Russia	100.00
Retail Real Estate Limited Liability Company	Moscow	Russia	100.00
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gerlingen KG	Düsseldorf	Germany	94.00[1]
Rotterdam Trading Office B.V.	Amsterdam	Netherlands	100.00
RUDU Verwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
RUTIL Verwaltung GmbH & Co. SB-Warenhaus Bielefeld KG	Pullach im Isartal	Germany	100.00
S.C. real Hyper Magazine s.r.l.	Bucharest	Romania	100.00
Sabra S.à.r.l.	Luxembourg	Luxembourg	94.90
SAS REDCOON FRANCE	Villepinte	France	100.00
Saturn Athens III Commercial Anonymi Eteria	Athens	Greece	100.00
SATURN E502 ELECTRO, S.A.U.	El Prat de Llobregat	Spain	100.00
SATURN E-515 Electro, S.A.U.	El Prat de Llobregat	Spain	100.00

Name	Head office	Country	Share in capital in %
SATURN E-516 ELECTRO S.A.U.	El Prat de Llobregat	Spain	100.00
SATURN E-517 ELECTRO S.A.U.	El Prat de Llobregat	Spain	100.00
Saturn Electro-Handelsges.m.b.H.	Salzburg	Austria	90.00
Saturn Electro-Handelsges.m.b.H.	Vienna	Austria	90.00
Saturn Electro-Handelsges.m.b.H.	Graz	Austria	90.00
Saturn Electro-Handelsgesellschaft m.b.H.	Vösendorf	Austria	90.00
Saturn Electro-Handelsgesellschaft m.b.H.	Linz	Austria	90.00
Saturn Electro-Handelsgesellschaft mbH	Karlsruhe	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Ansbach	Ansbach	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Augsburg	Augsburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Bad Homburg	Bad Homburg v. d. Höhe	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Bad Oeynhausen	Bad Oeynhausen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbh Baunatal	Baunatal	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin I	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Charlottenburg	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Gesundbrunnen	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Köpenick	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Leipziger Platz	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Märkische Zeile	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Marzahn	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Reinickendorf	Berlin	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Schloßstraße	Berlin	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Berlin-Spandau	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Treptow	Berlin	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Berlin-Zehlendorf	Berlin	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Bielefeld	Bielefeld	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Bocholt	Bocholt	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Bochum	Bochum	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Braunschweig	Braunschweig	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Bremen	Bremen	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Bremen-Habenhausen	Bremen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Bremerhaven	Bremerhaven	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Celle	Celle	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Chemnitz	Chemnitz	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Chemnitz-Zentrum	Chemnitz	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Darmstadt	Darmstadt	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Delmenhorst	Delmenhorst	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Dessau	Dessau-Roßlau	Germany	90.00

Name	Head office	Country	Share in capital in %
Saturn Electro-Handelsgesellschaft mbH Dortmund	Dortmund	Germany	90.01
Saturn Electro-Handelsgesellschaft mbH Dortmund-Eving	Dortmund	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Dresden	Dresden	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Duisburg	Duisburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Erfurt	Erfurt	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Erlangen	Erlangen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Essen City	Essen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Essen-Steele	Essen	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Esslingen	Esslingen am Neckar	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Euskirchen	Euskirchen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Flensburg	Flensburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Frankfurt/Main	Frankfurt am Main	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Freiburg	Freiburg im Breisgau	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Freising	Freising	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Fürth	Fürth	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Gelsenkirchen	Gelsenkirchen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Gelsenkirchen-Buer	Gelsenkirchen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Gießen	Gießen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Göttingen	Göttingen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Gummersbach	Gummersbach	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Hagen	Hagen	Germany	95.00
Saturn Electro-Handelsgesellschaft mbH Hamburg-Altstadt	Hamburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Hamm	Hamm	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Hanau	Hanau	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Hannover	Hannover	Germany	95.00
Saturn Electro-Handelsgesellschaft mbH Hattingen	Hattingen	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Heidelberg	Heidelberg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Herford	Herford	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Hilden	Hilden	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Hildesheim	Hildesheim	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Ingolstadt	Ingolstadt	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Isernhagen	Isernhagen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Jena	Jena	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Kaiserslautern	Kaiserslautern	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Karlsruhe-Durlach	Karlsruhe	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Kassel	Kassel	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Kempten	Kempten (Allgäu)	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Kerpen	Kerpen	Germany	90.00

Name	Head office	Country	Share in capital in %
Saturn Electro-Handelsgesellschaft mbH Kiel	Kiel	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Kleve	Kleve	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Koblenz	Koblenz	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Krefeld	Krefeld	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Landshut	Landshut	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Leipzig	Leipzig	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Leipzig-Hauptbahnhof	Leipzig	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Leonberg	Leonberg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Lübeck	Lübeck	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Lüdenscheid	Lüdenscheid	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Ludwigsburg	Ludwigsburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Ludwigshafen	Ludwigshafen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Lünen	Lünen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Magdeburg	Magdeburg	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Mainz	Mainz	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Mannheim	Mannheim	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Marl	Marl	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Moers	Moers	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Mülheim	Mülheim an der Ruhr	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH München	Munich	Germany	92.06
Saturn Electro-Handelsgesellschaft mbH München-Riem	Munich	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Münster	Münster	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Neckarsulm	Neckarsulm	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Neu-Isenburg	Neu-Isenburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Norderstedt	Norderstedt	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Nürnberg	Nuremberg	Germany	90.01
Saturn Electro-Handelsgesellschaft mbH Oberhausen	Oberhausen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Oldenburg	Oldenburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Osnabrück	Osnabrück	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Paderborn	Paderborn	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Passau	Passau	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Pforzheim	Pforzheim	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Potsdam	Potsdam	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Regensburg	Regensburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Remscheid	Remscheid	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Reutlingen	Reutlingen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Rostock	Rostock	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Saarbrücken	Saarbrücken	Germany	90.00

Name	Head office	Country	Share in capital in %
Saturn Electro-Handelsgesellschaft mbH Schweinfurt	Schweinfurt	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Senden	Senden	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Soest	Soest	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Solingen	Solingen	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Stuttgart	Stuttgart	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Troisdorf	Troisdorf	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Tübingen	Tübingen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Weimar	Weimar	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Weiterstadt	Weiterstadt	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Wesel	Wesel	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Wiesbaden	Wiesbaden	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Witten	Witten	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Wolfsburg	Wolfsburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Zwickau	Zwickau	Germany	90.00
Saturn Electro-Handelsgesellschaft mit beschränkter Haftung	Cologne	Germany	100.00
Saturn Gerasdorf Electro-Handelsges.m.b.H.	Gerasdorf bei Wien	Austria	90.00
Saturn Graz V VertriebsgmbH	Graz	Austria	90.00
Saturn Haid Electro-Handelsges.m.b.H.	Haid	Austria	90.00
Saturn Innsbruck Electro-Handeslges.m.b.H.	Innsbruck	Austria	90.00
Saturn Klagenfurt Electro-Handelsges.m.b.H.	Klagenfurt	Austria	90.00
Saturn Luxembourg S.A.	Luxembourg	Luxembourg	100.00
SATURN MADRID-PLENILUNIO ELEKTRO, S.A.U.	Madrid	Spain	100.00
Saturn Mega Markt GmbH Wuppertal	Wuppertal	Germany	90.05
SATURN MURCIA THADER ELECTRO, S.A.	Murcia	Spain	99.90
Saturn online GmbH	Ingolstadt	Germany	100.00
SATURN OVIEDO ELECTRO, S.A.U.	Oviedo	Spain	100.00
SATURN PLANET Sp. z o.o.	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. 11 Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. 16 Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. 19 Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. Bydgoszcz Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Gdańsk I Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Gdynia I Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. Gliwice Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Katowice I Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Kraków I Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. Kraków II Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Łódź I Spółka Komandytowa	Warsaw	Poland	90.00

Name	Head office	Country	Share in capital in %
Saturn Planet Sp. z o.o. Łódź II Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Lubin Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Lublin I Spółka Komandytowa	Warsaw	Poland	100.00
Saturn Planet Sp. z o.o. Poznań I Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Poznań II Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Szczecin I Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Tychy Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Warszawa I Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Warszawa II Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Warszawa III Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Warszawa IV Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Warszawa V Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Wrocław I Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Planet Sp. z o.o. Wrocław II Spółka Komandytowa	Warsaw	Poland	90.00
Saturn Rotterdam Zuidplein BV	Rotterdam	Netherlands	100.00
SATURN SAN JUAN DE AZNALFARACHE ELECTRO, S.A.U.	El Prat de Llobregat	Spain	100.00
SATURN SAN SEBASTIAN DE LOS REYES ELECTRO, S.A.	Madrid	Spain	99.90
Saturn Spijkenisse B.V.	Spijkenisse	Netherlands	100.00
Saturn Techno-Electro-Handelsgesellschaft mbH	Cologne	Germany	100.00
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Hürth	Germany	90.00
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Neuss	Germany	90.09
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Leverkusen	Germany	90.09
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Aachen	Germany	90.00
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Mönchengladbach	Germany	90.00
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Siegen	Germany	90.01
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Sankt Augustin	Germany	95.14
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Düren	Germany	90.00
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Bergisch Gladbach	Germany	90.20
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Cologne	Germany	100.00
Saturn Techno-Markt Electro-Handelsgesellschaft mbH Düsseldorf-Flingern	Düsseldorf	Germany	90.00
Saturn Techno-Markt Electro-Handelsgesellschaft mbH Düsseldorf – Königsallee	Düsseldorf	Germany	90.00
Saturn Thessaloniki II Comercial Anonymi Eteria	Athens	Greece	100.00
Saturn Wien X VertriebsgmbH	Vienna	Austria	90.00
Saturn Wien XIV Electro-Handelsges.m.b.H.	Vienna	Austria	90.00
Saturn Wien XX VertriebsgmbH	Vienna	Austria	90.00
Saturn Wien XXII Electro-Handelsges.m.b.H.	Vienna	Austria	90.00
Saturn Wien XXIII Electro-Handelsges.m.b.H.	Vienna	Austria	100.00
Saturn-Mega Markt GmbH Halle	Halle (Saale)	Germany	90.05

Name	Head office	Country	Share in capital in %
Saturn-Mega Markt GmbH Trier	Trier	Germany	90.05
Schaper Grundbesitz-Verwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
Secundus Grundstücksverwertungs-GmbH & Co. Objekt Stuttgart-Königstraße KG	Düsseldorf	Germany	100.00
Sezam XVI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych	Warsaw	Poland	100.00
SIL Verwaltung GmbH & Co. Objekt Haidach KG	Düsseldorf	Germany	92.00
Sinco Großhandelsgesellschaft m. b. H.	Vösendorf	Austria	73.00
Singapore Trading Office (MAG) Pte. Ltd.	Singapore	Singapore	100.00
Sociedad Ibérica Restaurantes de Tecnología Avanzada S. A. U.	Madrid	Spain	100.00
SPORTARENA GmbH	Cologne	Germany	100.00
Star Farm (Shanghai) Agriculture Information Consulting Company Limited	Shanghai	China	100.00
Star Farm Pakistan Pvt. Ltd.	Lahore	Pakistan	100.00
STW Grundstücksverwaltung GmbH	Düsseldorf	Germany	100.00
Tatra S.à.r.l.	Luxembourg	Luxembourg	94.90
Tertia Handelsbeteiligungsgesellschaft mbH	Cologne	Germany	60.00
TIMUG GmbH & Co. Objekt Homburg KG	Pullach im Isartal	Germany	0.00[1]
TIMUG Verwaltung GmbH	Düsseldorf	Germany	100.00
Trading Office Gida Ticaret Ltd. Şti	Antalya	Turkey	100.00
Upton S.à.r.l.	Luxembourg	Luxembourg	94.90
VALENCIA TRADING OFFICE, S.L.	Madrid	Spain	100.00
VR-LEASING METRO GmbH & Co. Objekte Rhein-Neckar KG	Eschborn	Germany	0.00[1]
Weinkellerei Thomas Rath GmbH	Düsseldorf	Germany	100.00
Wholesale Real Estate Belgium N.V.	Wommelgem	Belgium	100.00
Wilcox S.à.r.l.	Luxembourg	Luxembourg	94.90
Wirichs Immobilien GmbH	Düsseldorf	Germany	100.00
Wirichs Immobilien GmbH & Co. Objekt Herford KG	Düsseldorf	Germany	81.82
Wirichs Verwaltungsgesellschaft mbH & Co. Objekt Voerde und Kamen KG	Düsseldorf	Germany	100.00
Wolfgang Wirichs GmbH	Düsseldorf	Germany	100.00
World Import N. V.	Puurs	Belgium	100.00
WRE Real Estate Limited Liability Partnership	Almaty	Kazakhstan	100.00
X Place Spain SL	Barcelona	Spain	100.00
Xiali S.à.r.l.	Luxembourg	Luxembourg	94.90
Xi'an METRO Commercial and Trading Company Limited	Xi'an	China	100.00
XPLACE DIJITAL COZÜM TICARET LIMITED SIRKETI	Istanbul	Turkey	100.00
xplace GmbH	Göttingen	Germany	50.01
XPLACE UK LIMITED	London	Great Britain	100.00
Yugengaisha MIAG Japan	Tokyo	Japan	100.00
Zagato S.à.r.l.	Luxembourg	Luxembourg	94.90
ZARUS Verwaltung GmbH & Co. Dritte Vermietungs-oHG	Pullach im Isartal	Germany	100.00

Name	Head office	Country	Share in capital in %
ZARUS Verwaltung GmbH & Co. Objekt Braunschweig Berliner Straße KG	Pullach im Isartal	Germany	100.00
ZARUS Verwaltung GmbH & Co. Objekt Mutterstadt KG	Pullach im Isartal	Germany	100.00
ZARUS Verwaltung GmbH & Co. Objekt Osnabrück KG	Pullach im Isartal	Germany	100.00
ZARUS Verwaltung GmbH & Co. Objekte Niedersachsen KG	Pullach im Isartal	Germany	100.00
Zender S.à.r.l.	Luxembourg	Luxembourg	94.90
Zentra-Grundstücksgesellschaft mbH	Düsseldorf	Germany	100.00
Zweite real,- Multi-Markt Verwaltungsgesellschaft mbH	Alzey	Germany	100.00
Zweite real,- SB-Warenhaus GmbH	Alzey	Germany	100.00
Joint ventures			
Intercompra LDA	Lisbon	Portugal	50.00
MAXXAM B.V.	Ede	Netherlands	16.67
MAXXAM C.V.	Ede	Netherlands	16.67
MEC METRO-ECE Centermanagement GmbH & Co. KG	Düsseldorf	Germany	50.00
MEC METRO-ECE Centermanagement Verwaltungs GmbH	Düsseldorf	Germany	50.00
METSPA Beszerzési és Kereskedelmi Kft.	Budaörs	Hungary	33.33
METSPA d.o.o. za trgovinu	Zagreb	Croatia	50.00
Investments accounted for using the equity method			
Bahçelievler Gayrimenkul Geliştirme Anonim Şirketi	Istanbul	Turkey	6.25
European EPC Competence Center GmbH	Cologne	Germany	30.00
Habib METRO Pakistan (Pvt) Ltd	Karachi	Pakistan	40.00
Iniziative Methab s.r.l.	Bozen	Italy	50.00
OPCI FRENCH WHOLESALE PROPERTIES – FWP	Paris	France	5.00
OPCI FRENCH WHOLESALE STORES – FWS	Paris	France	25.00
Peoplefone Polska Spółka Akcyjna	Warsaw	Poland	49.00
Investments not accounted for using the equity method			
EZW Kauf- und Freizeitpark GmbH & Co. Kommanditgesellschaft	Bremen	Germany	49.00[2]
EZW Kauf- und Freizeitpark Verwaltungs-GmbH	Bremen	Germany	49.04[2]
IFH Institut für Handelsforschung GmbH	Cologne	Germany	16.67[2]
Metro plus Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	Germany	20.00[2]
Investments			
EKS Handelsgesellschaft mbH	Salzburg	Austria	25.00
EKS Handelsgesellschaft mbH & Co. KG	Salzburg	Austria	25.00
Erschließungsgesellschaft Schwerin-Krebsförden mbH & Co. Kommanditgesellschaft	Lüneburg	Germany	18.18
eVentures Growth, L.P.	Wilmington	USA	5.00

Name	Head office	Country	Share in capital in %
Fachmarktzentrum Essen GmbH & Co. KG	Pullach im Isartal	Germany	94.00
Fiege Mega Center Erfurt GmbH & Co. KG	Nesse-Apfelstädt	Germany	49.00
Fiege Mega Center Erfurt Verwaltungs GmbH	Nesse-Apfelstädt	Germany	49.00
Flip4 GmbH	Friedrichsdorf	Germany	16.00
GSSI Consortium GbR	Düsseldorf	Germany	7.69
MobiLab Solutions GmbH	Cologne	Germany	13.68
QUANTIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Darmstadt KG	Schönefeld	Germany	6.00
QUANTIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Junior Augsburg KG	Schönefeld	Germany	6.00
Silver Ocean B.V.	Amsterdam	Netherlands	15.00
Stadtmarketinggesellschaft Hamm mbH	Hamm	Germany	6.25
Verwaltungsgesellschaft Lebensmittelgesellschaft "GLAWA" mbH & Co. KG	Hamburg	Germany	18.75
VR-LEASING MUSCARI GmbH & Co. Immobilien KG	Eschborn	Germany	94.00

[1] Disclosure according to SIC-12
Not accounted for using the equity method due to minor materiality for the true and fair value of the asset, financial and earnings position

24 November 2014

The Management Board

OLAF KOCH **MARK FRESE** **PIETER HAAS** **HEIKO HUTMACHER**

Responsibility statement of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the asset, financial and earnings position of the group, and the combined management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

24 November 2014

The Management Board

OLAF KOCH **MARK FRESE** **PIETER HAAS** **HEIKO HUTMACHER**

AUDIT CERTIFICATE

We have audited the consolidated financial statements prepared by METRO AG, Düsseldorf, comprising the balance sheet, the income statement, the reconciliation from profit or loss for the period to total comprehensive income, the statement of changes in equity and the notes to the financial statements, together with the combined management report of the company and group for the financial year from 1 October 2013 to 30 September 2014. The company's Management Board is responsible for the preparation of the consolidated financial statements and group management report in accordance with IFRS as applied in the EU, as well as pursuant to § 315 a Section 1 of the German Commercial Code and the supplementary provisions of the Articles of Association. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 of the German Commercial Code and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the asset, financial and earnings position in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in the consolidated financial statements, the definition the consolidation group, the application of accounting and consolidation principles and significant estimates made by the Management Board, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS as applied in the EU as well as with § 315 a Section 1 of the German Commercial Code and the supplementary provisions of the Articles of Association and give under consideration of these provisions a true and fair view of the asset, financial and earnings position of the group. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunity and risks of future development.

Cologne, 24 November 2014

KPMG AG
Wirtschaftsprüfungsgesellschaft

LURWEG
Auditor

MÜNSTERMANN
Auditor

SERVICE

4

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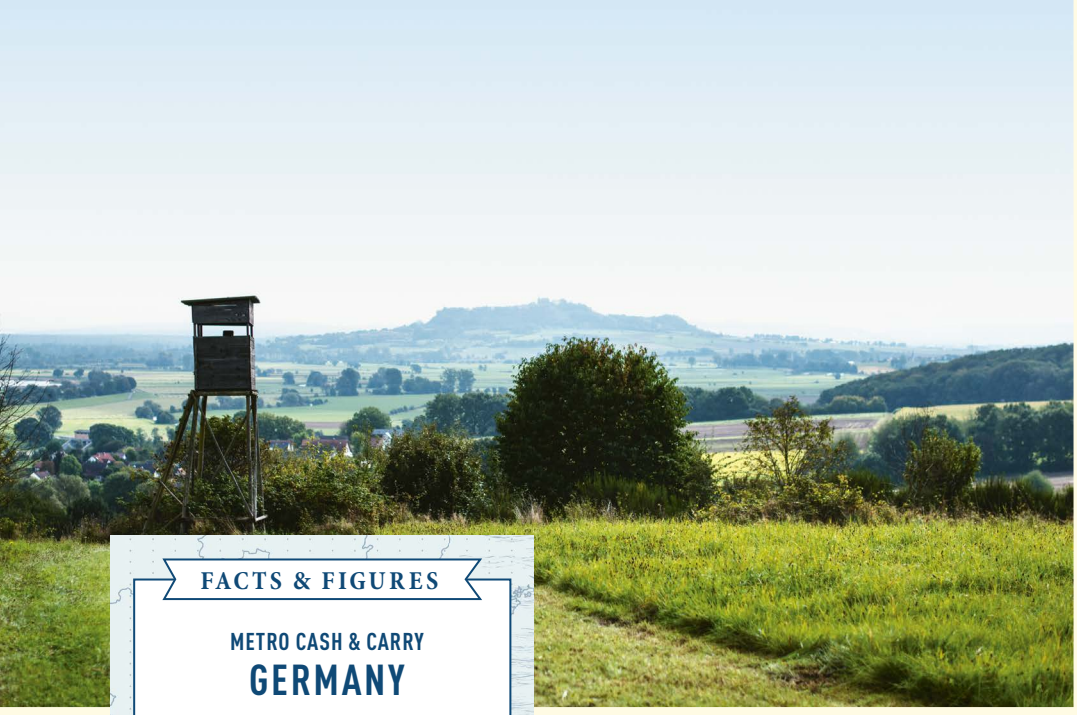

FOCUS MARKET

GERMANY

LAND AREA
357,050 km²

POPULATION
81.0 million

CURRENCY
euro [EUR]

FACTS & FIGURES

METRO CASH & CARRY
GERMANY

Market entry
1964

Head office
Düsseldorf

Number of wholesale stores
107

Number of employees
14,788

DE

Kirchhain, Germany

Martin Treibert on the field with his honeybees

GUTEN TAG!

[ˌgutn̩ ˈtaːk]

HELLO!

Germany is one of the most densely populated countries in the European Union with 226 people per square kilometre. Around 81 million people live within an area of 357,050 square kilometres. With a gross domestic product of €2.8 billion in 2013, the German national economy ranks fourth in the world in this regard. Germany is also the world's second-largest export nation next to China. The country's major industries include the automotive, machinery and chemical sectors, and its biggest trading partners include France, the USA and the UK.

AUF WIEDERSEHEN!

[aʊ̯f ˈviːdɐˌzeːən]

GOODBYE!

For MARTIN TREIBERT, nothing is sweeter than honeybees. He also shares his love of nature and his passion for the great outdoors with his customers – as an expert for seasonal goods at the METRO Cash & Carry store in Linden.

Learn more about Martin Treibert and his hobby starting on page 18 of the publication **"The World of METRO Cash & Carry"** or at **reports.metrogroup.de/2013-14/metro-world**

GLOSSARY

A

Anti-fraud management
All measures undertaken to prevent, identify and react to criminal business actions.

Aquaculture Stewardship Council (ASC)
The ASC is an international, non-profit organisation that promotes responsible aquaculture around the world. In these efforts, it cooperates with aquaculture and processing operations, retail and food companies, and scientists. The ASC label recognises products that come from sustainable aquaculture operations. The ASC was founded in 2010 by the World Wide Fund For Nature (WWF) and the Sustainable Trade Initiative (IDH, Utrecht, Netherlands).

Asset management
Acquisition, development, management and sale of real estate assets. At METRO GROUP, this is the responsibility of METRO PROPERTIES.

Audit
A procedure that assesses an organisation's processes and structures according to previously formulated standards and guidelines. Audits shed light on the effectiveness of process optimisation measures. If an audit is conducted by an external auditor, the certificate issued after the review can be used as evidence of adherence to standards.

B

Business Social Compliance Initiative (BSCI)
Founded in 2003, this alliance of European retailers works to ensure that production in all supplier countries complies with minimum social standards. The initiative aligns its standards with the UN's Universal Declaration of Human Rights and the conventions of the International Labour Organization (ILO). METRO GROUP is a founding member of the BSCI.

C

Carbon Disclosure Project (CDP)
The unaffiliated organisation was founded in London in 2000 by companies. It aims to disclose companies' CO_2 emissions as well as their climate and reduction risks, thereby contributing to the transparency of their corporate financial reporting on climate-relevant data. Each year, the CDP conducts standardised company surveys on a voluntary basis.

Commercial paper programme
Ongoing capital market programme typical of money markets that covers short-term financing needs. It facilitates the issuance of commercial papers (CP) as discounted, unsecured bearer bonds without standardised terms of maturity.

Commission business
A retail business that an entrepreneur operates under his or her own name but on another's behalf. In an "official" commission business, the manufacturer supplies the retailer with products and the respective selling rights to them without receiving any compensation. The agreed-upon price will be paid to the manufacturer only if the products are sold to customers. This means the manufacturer assumes all risk.

Commissioning
Packing of a defined number of goods and preparation for delivery.

Committee of Sponsoring Organizations of the Treadway Commission (COSO)
US-based private-sector organisation that developed and published a standard for internal controls in 1992 that is recognised by the US Securities and Exchange Commission. In 2004, this standard was updated and the COSO ERM (Enterprise Risk Management – Integrated Framework), also known as COSO II, was published.

Compliance
All measures specifying a company's and its employees' behaviour in accordance with legislation, established social guidelines and values.

Consumer electronics store
Large retail store specialising in consumer electronics, household goods, new media, telecommunications, computer and photo assortments. Media Markt and Saturn are the consumer electronics stores of METRO GROUP.

Core real estate asset
High-quality rented real estate property in an attractive location.

Corporate Sector Supervision and Transparency Act (KonTraG)
The Corporate Sector Supervision and Transparency Act entered into force in May 1998. Its aim is to create organisational structures in companies that allow for sufficient controls and transparency. At the same time, it intends to create the conditions necessary to ensure that developments which might pose a threat to the company's continued existence can be identified at an early stage. The Management Board is required by KonTraG to implement adequate risk management and an internal audit function that is appropriate for the company's size and organisational structure.

Cost of capital
See weighted average cost of capital (WACC)

D

Debt issuance programme (DIP)
A standard ongoing capital market programme to cover medium-term and long-term financing needs. It facilitates the emission of bonds in various currencies as well as with various volumes and terms.

Department store
Large retail store that is generally located in the city centre and offers all types of goods, including textiles, household goods and food. Galeria Kaufhof is METRO GROUP's department store operator.

Discounter
A retail format characterised by a limited product assortment and an aggressive low-price policy.

Distance retail
The purchase and sale of merchandise over a certain distance. Customers do not view the merchandise in person, but order products from a catalogue, in an online shop, by telephone or on the basis of a sample.

Diversity management
Key element of human resources policy that leverages the diversity of the workforce with respect to gender, age, ethnic origin, faith, sexual identity or disabilities for a company's business success.

Due diligence
A detailed investigation of a company conducted by a potential buyer. A due diligence audit reviews a company's economic, tax and financial situation in particular. Its purpose is to ensure that the requirements associated with the offer to buy the company are met. In addition, it aims to identify all relevant risks.

E

Earnings per share (basic = diluted)
Earnings per share (diluted) represent the metric that places the profit or loss for the period attributable to the shareholders of METRO AG in relation to the average number of ordinary shares. For earnings per share (diluted), the additional effect of so-called potential ordinary shares (for example, issued stock options) is taken into account.

EBIT (Earnings Before Interest and Taxes)
Serves as the basis for international comparisons of companies.

EBITaC (Earnings Before Interest and Taxes after Cost of Capital)
This performance indicator shows whether a company successfully deploys its business assets and generates economic value added exceeding its cost of capital.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)
Earnings before deduction of interest, taxes, depreciation/amortisation/impairment losses/reversals of impairment losses on property, plant and equipment, intangible assets and investment properties. This performance indicator serves as the basis for comparisons between companies using different accounting standards.

EBITDAR (Earnings Before Interest, Taxes, Depreciation, Amortisation and Rent)
EBITDAR represents EBITDA before rental expenses less rental income.

EBT (Earnings Before Taxes)
This performance indicator serves as the basis for comparisons between companies even when different tax systems apply.

E-commerce
Short for electronic commerce, which is the electronic marketing and retail of merchandise and services online.

F

Facility management
Management and operation of buildings and plants as well as building services with the aim of reducing costs, ensuring technical functionality and maintaining the long-term value of a building.

Fair value
The price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Flagship store
Flagship stores are prestigious locations that convey a retailer's brand image in a particularly strong manner. They distinguish themselves from a company's other stores through their size, location, layout and workforce. Flagship stores also provide a venue for testing new technologies and concepts.

Franchising
Also known as licensing or franchising system. A contractually regulated organisational form: the franchisor grants an independent franchisee the right to offer certain products or services bearing the name or trademark of the franchisor.

G

German Accounting Law Modernisation Act (BilMoG)
The German Accounting Law Modernisation Act was approved in May 2009. Its implementation spurred the most comprehensive accounting law reform since 1985. The act aims to bring German accounting law closer to standard international accounting methods and at the same time ensure greater transparency and lower costs at companies.

Global Food Safety Initiative (GFSI)
METRO GROUP teamed up with other retail companies to found the initiative in 2000. It is the world's largest organisation for the improvement of food safety. The initiative promotes the establishment of international audits that reduce food-related risks and evaluate food suppliers within that context.

GLOBALGAP
A private sector organisation that certifies agricultural and aquacultural products. The standard for good agricultural practice (GAP) resulted from an initiative by European trade and retail companies.

Governance
Principles governing the management and supervision of the different players that influence a company's direction.

H

HACCP (Hazard Analysis and Critical Control Points)
A consumer protection system for verifying food safety. It provides a way for companies to monitor critical points and hazards in their production processes. All companies in Germany that manufacture food products are required to use HACCP. Within the European Union, it is illegal to import and trade products that do not meet the requirements of the HACCP system.

Hypermarket
Large retail store with various items mainly offered in a self-service arrangement. Aside from food products, the assortment also includes consumer durables and non-durables. Real is the hypermarket operator within METRO GROUP.

I

IASB (International Accounting Standards Board)
An independent international body that developed the International Financial Reporting Standards (IFRS) and continues to revise them.

IFRIC (International Financial Reporting Interpretations Committee)
This group is part of the International Accounting Standards Committee Foundation (IASCF) and resolves controversial accounting issues.

IFRS (International Financial Reporting Standards)
International rules governing accounting principles. In contrast to the financial statements according to the German Commercial Code, the focus of IFRS is on investor-oriented information.

ISAE 3402 (International Standard on Assurance Engagements)
International auditing standard applying to audit reports from service companies that reduces the amount of effort needed to conduct the audit and assists the customers' audit department.

L

Like-for-like growth
Sales growth adjusted for selling space, reflecting sales growth on a comparable area or with respect to a comparable group of locations in local currency. It only includes the sales volumes of locations that were neither newly opened during the reporting year or the preceding year nor closed during the reporting year, and whose area did not substantially change as a result of restructuring work.

M

Marine Stewardship Council (MSC)
The MSC was founded in 1997 by the World Wide Fund For Nature (WWF) and the consumer goods company Unilever. The non-profit, independent organisation promotes sustainable fishing around the world and awards its environmental seal to fisheries with sustainable fishing practices. These are determined on the basis of special certification programmes.

Mark-to-market evaluation
Calculation of the fair value of financial instruments based on market prices at a particular point in time.

METRO GROUP Future Store Initiative
A group of companies from the trade and retrail, consumer goods, information technology and services sectors as well as from research and academia. The partners jointly promote the modernisation process in the trade and retail industry.

Mobile commerce
A specific type of e-commerce. In this case, the electronic marketing and retail of merchandise and services are conducted on a mobile device such as a smartphone.

Multichannel marketing
Retail strategy to reach customers via several parallel, interlinked marketing approaches, for example via outlets and online shops.

N

Net earnings
Net profit of a company. The Annual General Meeting decides on the appropriation of net earnings.

No-line commerce
Term for the development step in multichannel marketing at which all sales channels – online and offline – have been connected and integrated to the maximum degree.

Non-food items
A term that describes essential household items in retail assortments.

O

Own brands
Also known as private labels. Branded articles that have been created and trademarked by a retail company and that offer attractive value for money.

P

Performance share
Performance-based investment. A performance share entitles its owner to a cash payment matching the share price.

Previous year
Time period of twelve months, which is generally used as a reference point for statements in the annual report.

Q

QR code
A two-dimensional square code consisting of black and white pixels and containing data. QR codes can be read by smartphones, tablet PCs or laptops outfitted with a camera and the appropriate software. When read by these devices, the codes lead users to supplementary information. The abbreviation QR stands for "quick response".

R

Radio Frequency Identification (RFID)
Technology for contactless data transmission and automatic identification of goods movements.

Rating
In the financial sector, ratings represent the systematic, qualitative assessment of creditworthiness. Ratings are expressed in various grades of creditworthiness. Well-known agencies that issue ratings are Standard & Poor's, Moody's and Fitch.

Return on Capital Employed (RoCE)
This metric indicates whether a company makes profitable use of its available capital, less liquid funds and short-term debt capital.

Roundtable on Sustainable Palm Oil (RSPO)
The Switzerland-based RSPO was founded in 2004 by an initiative of the Word Wide Fund For Nature (WWF). It counts among its members non-governmental organisations as well as companies and institutions within the palm oil value chain, including plantation owners, retailers and industrial palm oil buyers as well as investors and bankers. The partners aim to promote the production and use of sustainable palm oil.

S

Sales brand
A company with a consistent and independent market presence. Within a single sales line, it is possible to position two sales brands with identical merchandising concepts. This is the case with Media Markt and Saturn.

Sales line
Subsidiary of a retail group that operates outlets or stores under a certain sales concept.

Share unit
Unit for performance shares.

Short financial year
A company's financial year that comprises fewer than twelve months due, for instance, to a change in the closing date for the annual financial statements.

Social compliance
The adherence to laws, guidelines, standards, codes and/or social conventions by which an organisation ensures socially responsible operations within its value added and supply chains. The aim is to protect the safety, health and basic rights of employees in one's own company as well as among its suppliers.

Supply chain
Various processes that contribute to a company's value creation. At METRO GROUP, this includes logistics, marketing and sales, among other things.

T

Trading-up strategy
Quality improvement of a retail group's offering, for example through larger product assortments, a higher level of quality, more comprehensive services and a more sophisticated store design.

W

Weighted Average Cost of Capital (WACC)
This metric describes the average weighted cost that a company must pay for capital. It is composed of average debt capital costs and average equity capital costs. The WACC facilitates the measurement of a company's value.

Wholesale
A trade format through which merchandise is sold to commercial resellers, processors or commercial users. METRO Cash & Carry is the wholesale division of METRO GROUP.

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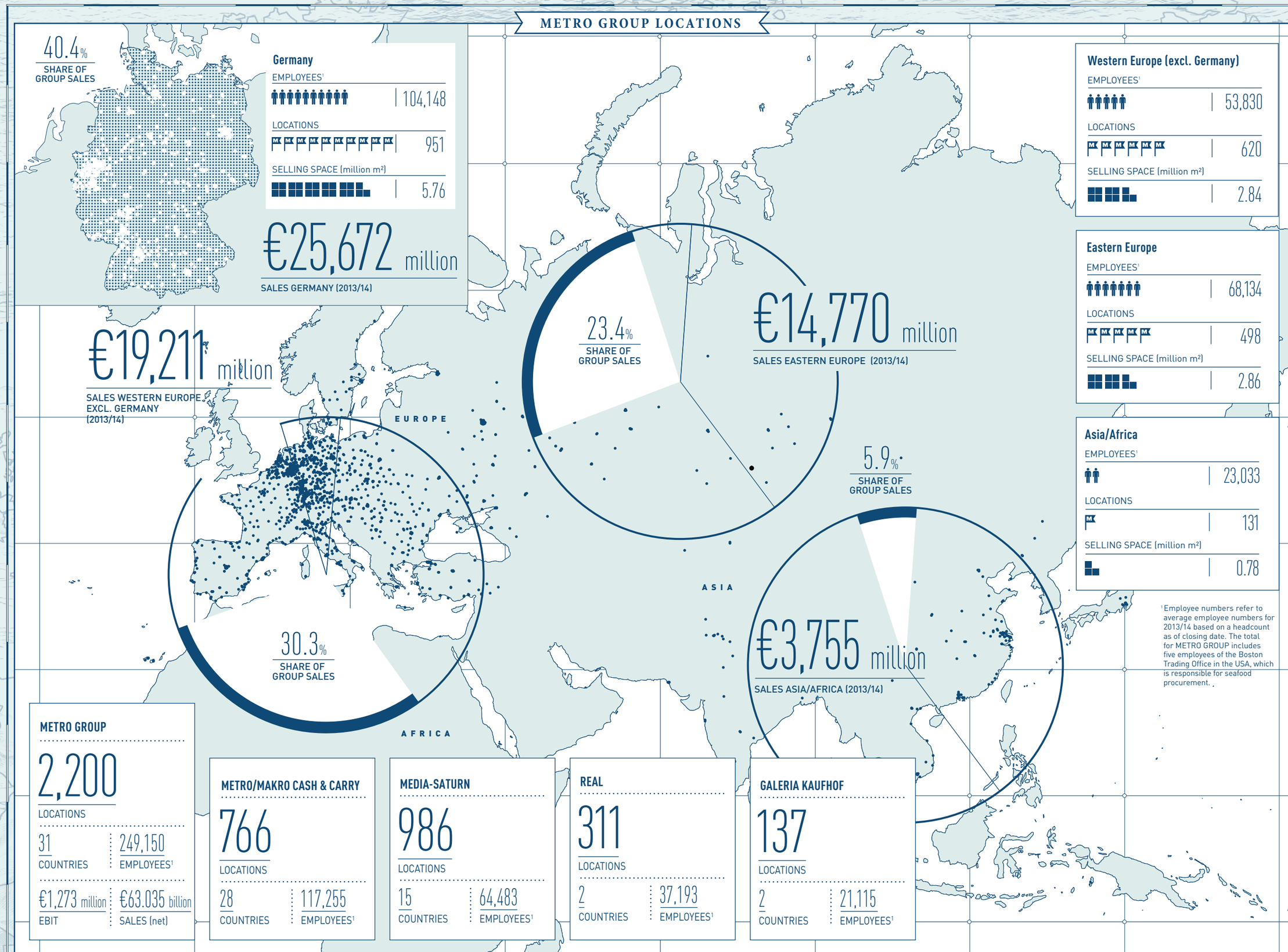
MULTI-YEAR OVERVIEW[1]

		2008[2]	2009[3]	2010	2011	2012	2012/13[4]	2013/14
Key financial figures								
Sales (net)	€ million	67,955	65,529	67,258	65,926[5]	66,739	65,679	**63,035**
EBITDA	€ million	3,540[6]	3,319[6, 7]	3,726[6]	3,651[6]	3,296[6, 8]	3,230[6]	**2,836[6]**
EBIT	€ million	2,222[6]	2,024[6]	2,415[6]	2,372[6]	1,979[6, 8]	2,000[6]	**1,727[6]**
EBIT margin	%	3.3[6]	3.1[6]	3.6[6]	3.6[6]	3.0[6]	3.0[6]	**2.7[6]**
EBT (earnings before taxes)	€ million	1,648[6]	1,393[6]	1,834[6]	1,732[6]	1,436[6, 8]	1,429[6]	**1,233[6]**
Profit or loss for the period[9]	€ million	722[6]	824[6]	1,139[6]	979[6]	730[6, 8]	580[6]	**673[6]**
thereof from continuing operations	€ million	1,151[6]	824[6]	1,139[6]	979[6]	730[6, 8]	580[6]	**673[6]**
thereof profit or loss for the period attributable to shareholders of METRO AG[9]	€ million	401	383	850	631	17	–35	**127**
Investments	€ million	2,423	1,517	1,683	2,095	1,437	1,175	**1,209**
Total assets[9]	€ million	33,516	33,282	35,067	33,987	34,802[8]	28,811	**28,004**
Equity	€ million	6,061	5,992	6,460	6,437	5,666[8]	5,206	**4,999**
Equity ratio	%	18.1	18.0	18.4	18.9	16.3[8]	18.1	**17.9**
Return on equity after taxes	%	11.9[6]	13.8[6]	17.6[6]	15.2[6]	12.9[6, 8]	11.1[6]	**13.5[6]**
Earnings per share (basic = diluted)[9, 10]	€	1.23	1.17	2.60	1.93	0.05[8]	–0.11	**0.39**
thereof from continuing operations	€	2.54	1.17	2.60	1.93	0.05[8]	–0.11	**0.39**
thereof from discontinued operations	€	–1.31	0.00	0.00	0.00	0.00	0.00	**0.00**
Dividend								
Dividend per ordinary share	€	1.18	1.18	1.35	1.35	1.00	–	**0.90[11]**
Dividend per preference share	€	1.298	1.298	1.485	1.485	1.06	–	**1.13[11, 12]**
Operating data								
Employees (annual average by headcount)		290,940	286,329	283,280	280,856	278,811	272,867	**255,033**
Locations		2,111[13]	2,127	2,131	2,187[14]	2,243	2,221	**2,200**
Selling space (1,000 m²)		12,302[13]	12,629	12,771	12,954	13,003	12,773	**12,236**

[1] Only continuing operations (discontinued operations in 2008: Extra and Adler, in 2009: Adler)
[2] Adjustment due to first-time adoption of new and revised IFRSs in financial year 2009
[3] Adjustment due to revised disclosure in financial year 2010
[4] Unaudited
[5] Adjustment due to revised disclosure in financial year 2012
[6] Before special items; special items for 2012/13 and 2013/14 are displayed on pages 92 and 93
[7] Adjustment due to netting of recognition and reversal of impairment loss in EBITDA totalling €9 million (Real), €6 million (Real Estate) and €–6 million (Consolidation) in financial year 2010
[8] Adjustment due to a revised IFRS in the short financial year 2013
[9] Including discontinued operations
[10] After non-controlling interests
[11] Subject to the resolution of the Annual General Meeting
[12] The dividend proposal contains a preference dividend of €0.17 per preference share to cover the dividend that was not paid in the short financial year 2013 and that must be subsequently paid in accordance with the Articles of Association of METRO AG
[13] The 84 Dinea locations were reclassified from the Others segment to the Galeria Kaufhof segment. They are no longer classified as independent locations in the Galeria Kaufhof segment, but assigned to the respective Galeria Kaufhof location. As a result, the locations and their selling space are no longer disclosed separately.
[14] Including first-time inclusion of METRO Cash & Carry satellite stores opened in 2009/2010 (total of 14)

METRO GROUP LOCATIONS



2013 / 2014

· METRO GROUP LOCATIONS ·

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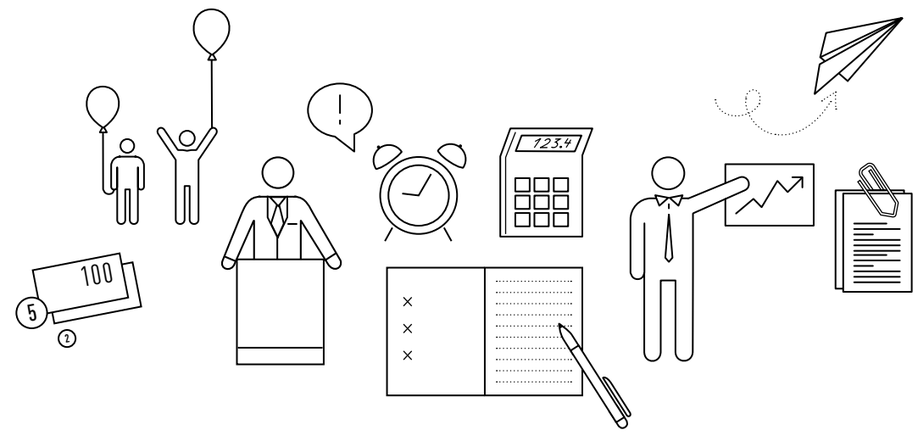
– FINANCIAL – CALENDAR

2014/15



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“

IN THE

GOODS RECEIVING DEPARTMENT,

EVERYTHING MOVES IN

PERFECT

» TIME. «

BUT WHEN I MAKE

MUSIC

I'M FREE TO GO WITH

THE FLOW.

”

ONE OF US

LING JIAXING

Manager in the goods receiving department,
METRO Cash & Carry China