WWW.METRO GROUP.DE/ OPEN— MINDED

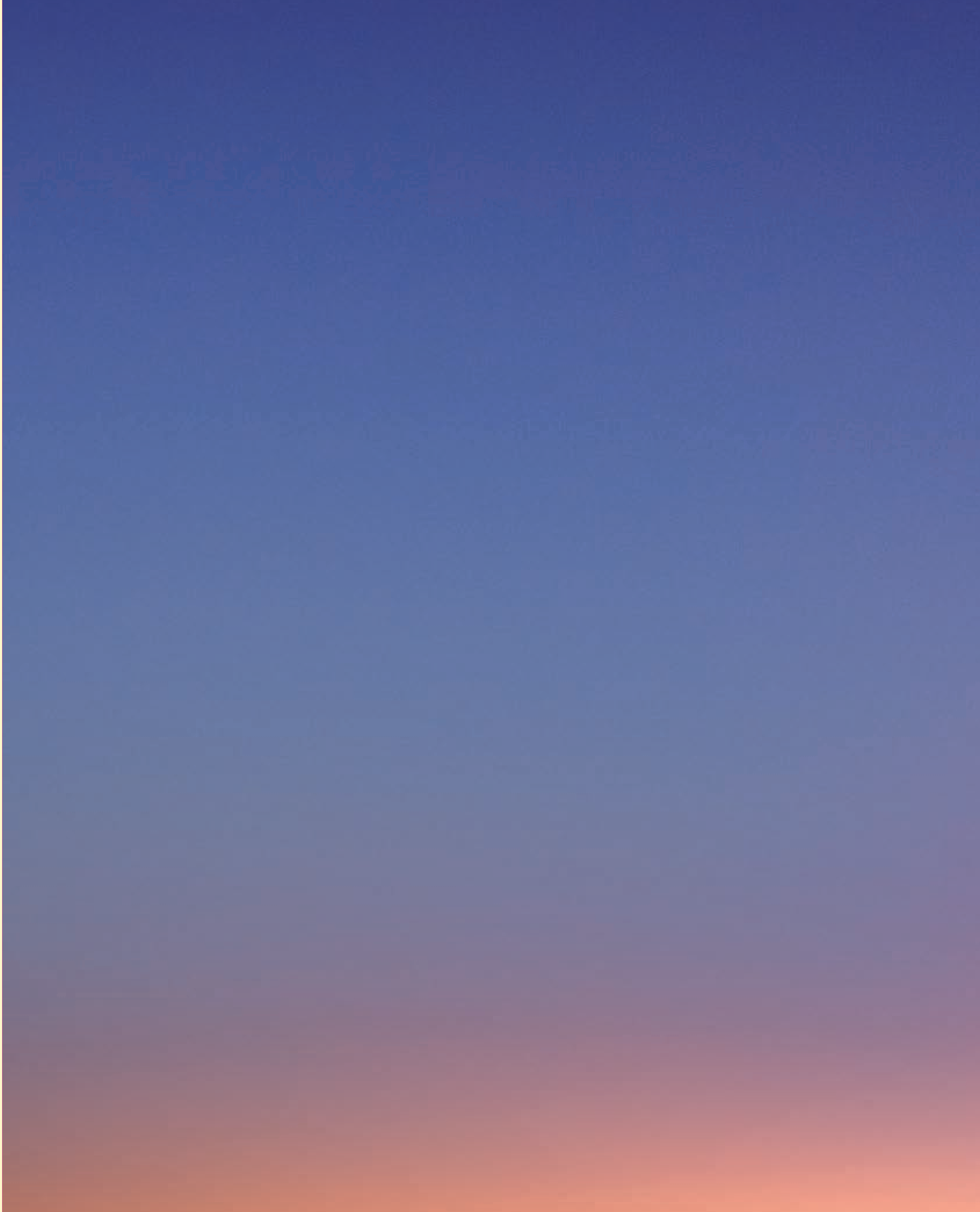
METRO GROUP

METRO GROUP IN FIGURES[1]

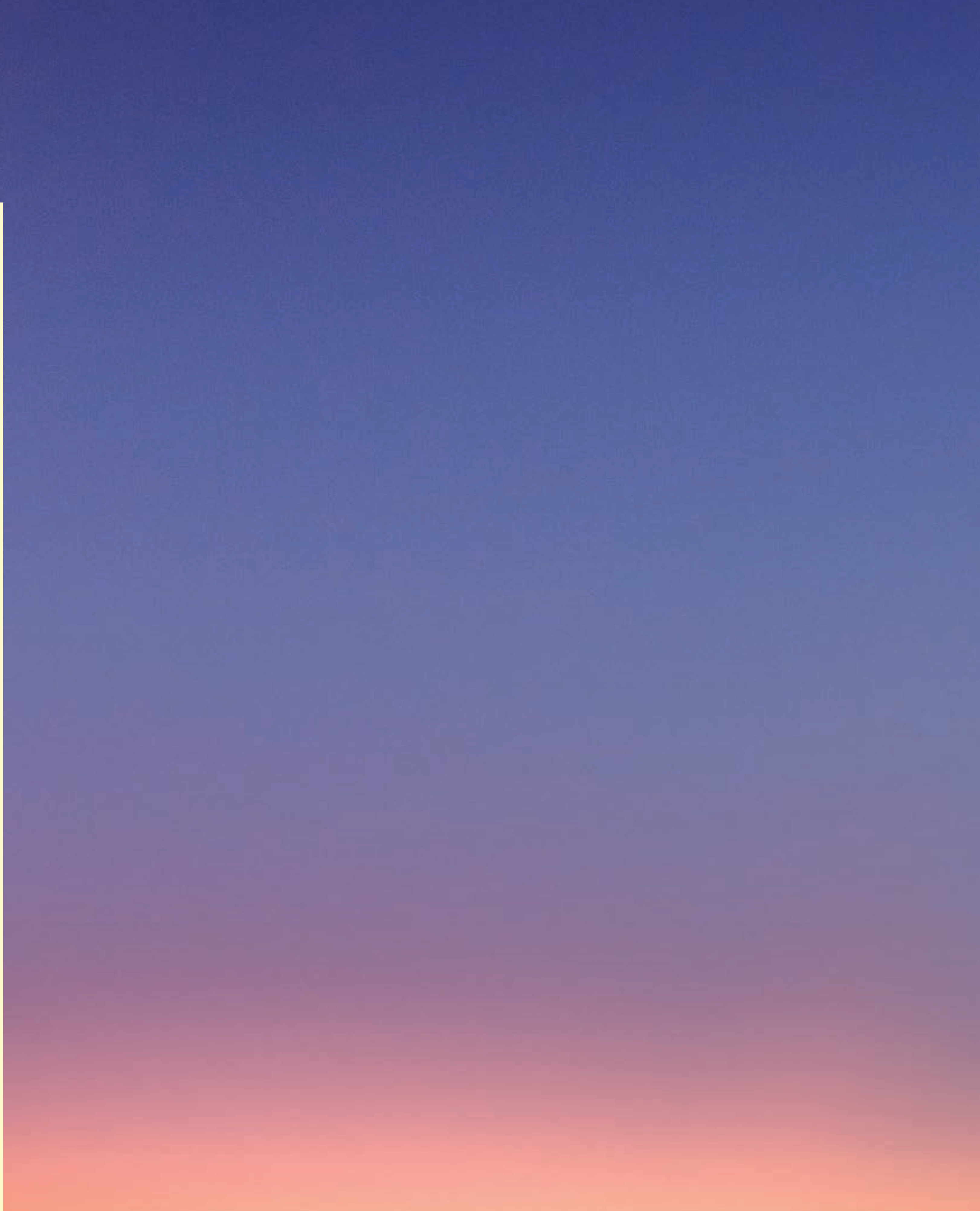
€ million		2012/13[2, 3]	2013/14[4]	2014/15	Change in %
Key financial figures					
Like-for-like sales development	%	−1.3	0.1	**1.5**	–
Sales development adjusted for portfolio and currency effects	%	−1.4	1.3	**2.0**	–
Sales (net)		65,679	59,937	**59,219**	−1.2
thereof METRO Cash & Carry		31,165	30,513	**29,690**	−2.7
thereof Media-Saturn		21,053	20,981	**21,737**	3.6
thereof Real		10,366	8,432	**7,735**	−8.3
thereof Galeria Kaufhof		3,082	0	**0**	–
EBITDA		3,133	2,228	**2,177**	−2.3
EBITDA before special items[5]		3,230	2,509	**2,458**	−2.0
EBIT		1,688	1,077	**711**	−34.0
EBIT before special items[5]		2,000	1,531	**1,511**	−1.3
thereof METRO Cash & Carry[5]		1,379[6]	1,125	**1,050**	−6.6
thereof Media-Saturn[5]		299	335	**442**	32.2
thereof Real[5]		145[6]	81	**88**	8.3
thereof Galeria Kaufhof[5]		229[6]	0	**0**	–
EBT (earnings before taxes)		1,048	536	**259**	−51.7
Earnings before taxes and special items		1,429	1,060	**1,067**	0.7
Profit or loss for the period[7]		58	182	**714**	–
from continuing operations		58	−3	**−221**	–
from discontinued operations		0	185	**935**	–
Profit or loss for the period before special items[5, 7, 8]		481	600	**625**	4.1
Earnings per share (basic = diluted)[7, 8]	€	−0.11	0.39	**2.06**	–
Earnings per share before special items[5, 7, 8]	€	1.47	1.84	**1.91**	4.1
Dividend per ordinary share	€	–	0.90	**1.00[9]**	11.1
Dividend per preference share	€	–	1.13[10]	**1.06[9]**	−6.2
Cash flow from operating activities[7]		2,667	2,008	**1,846**	−8.1
Investments		1,175	1,001	**1,411**	41.0
Equity ratio[7]	%	18.1	17.8[11]	**18.7**	–
Net debt[7]		5,391	4,655	**2,527**	−45.7
Employees (annual average by headcount)		272,867	233,584	**226,895**	−2.9
Locations		2,221	2,063	**2,068**	0.2
Selling space (1,000 m²)		12,773	10,790	**10,563**	−2.1

1 Rounding differences may occur
2 The period 12M 2012/13 consists of the sum of the former quarters Q4 2012, Q1 2013, Q2 2013 and Q3 2013 and was calculated for comparison purposes
3 Unaudited
4 Adjustment of previous year's figures due to discontinued operations (see notes to the consolidated financial statements – notes to the group accounting principles and methods)
5 Special items for 2013/14 and 2014/15 are found on pages 114 and 115
6 Adjustment due to revised presentation in financial year 2013/14
7 Including discontinued operations
8 After non-controlling interests
9 Subject to the resolution of the Annual General Meeting
10 The dividend 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
11 Adjustment of previous year's figures (see notes to the consolidated financial statements – notes to the group accounting principles and methods)

CONTENTS



TO OUR SHAREHOLDERS



LETTER TO THE SHAREHOLDERS

Dear Ladies and Gentlemen,

Financial year 2014/15 was a very important year for METRO GROUP. In an environment that remained challenging in certain countries, we not only continued to move the transformation process forward, but did so at an accelerated pace. Both at METRO Cash & Carry and Media-Saturn, we achieved a positive development in like-for-like sales that is still ongoing and is also reflected in earnings in local currency. At Real, we made important progress in the design of the future concept.

One major event was the sale of Galeria Kaufhof to the Canadian Hudson's Bay Company (HBC). The possibility of a sale had been a repeated topic of discussion in recent years. However, we sought purposefully but without haste for the best solution for everyone involved. We have now found it, and with €2,825 million also achieved an attractive transaction price.

METRO Cash & Carry is not only responsible for giving METRO GROUP its name, it is also our biggest and most international business. During the reporting year, we turned our attention even more strongly to the needs of our professional customers and, among other things, successfully further expanded our delivery service. With the New Operating Model, METRO Cash & Carry is placing the focus in the future on value creation in the national subsidiaries. The aim of the new management model is to foster an entrepreneurial spirit within our organisation by transferring creative freedom and a greater responsibility to the national subsidiaries while providing for an international coordination of measures for specific groups of customers. This is being accompanied by a new and more flexible form of strategic corporate planning. Each country is tasked with producing an individual Value Creation Plan, in which it lays down its strategic and financial planning for the forthcoming three to five years. A team of ten Operating Partners supports the local management in this process.

A further milestone at METRO Cash & Carry was the takeover of the Classic Fine Foods group (CFF), one of the leading Asian companies in the fast-growing wholesale food delivery business. The Classic Fine Foods group, which is headquartered in Singapore, directly supplies businesses operating in the hotel, restaurant and catering (Horeca) sector with food products. The customers include premium hotels and restaurants in major cities of Asia and in the Middle East.

We also succeeded in making important progress in the field of digitalisation. Our goal in this case is to make our customers even more attractive, efficient and successful with new digital solutions. In this way, we aim to further enhance our value and relevance to our customers and continue to strengthen our problem-solving reputation. The investment in Culinary Agents and the launch of the Techstars METRO Accelerator were milestones in the implementation of this strategy.

In operational terms, the success of the new course is now clearly making itself felt: for nine quarters in succession, like-for-like sales of METRO Cash & Carry increased. This shows that we are on the right track. However, we still have big plans

for METRO Cash & Carry, always with the goal in mind of creating value for our customers – independent entrepreneurs – and being the best partner for them.

Media-Saturn has successfully transformed itself from a purely bricks-and-mortar seller of consumer electronics into a successful multichannel retailer, and is on the way to becoming a digital commerce company. With a share of internet-generated sales of more than 8 per cent in financial year 2014/15, we have achieved a new peak and are only a short step away from reaching our first milestone. In the medium term, this share is expected to grow to 20 per cent. Five quarters in a row with rising like-for-like sales demonstrate the success of our multichannel strategy and confirm that we are on the right course. With now more than 1,000 Media Markt and Saturn locations, we are very well placed in the bricks-and-mortar business, and have also responded to trends in traditional retail with new, smaller formats.

We intend to further expand on service at Media-Saturn. To this end, we signed a contract in August 2015 to acquire a majority interest in RTS, a provider of customer and repair services. The company's range of activities includes the planning, installation, inspection, maintenance and repair of a wide variety of electronic products all the way to the configuration of fully networked homes.

Media-Saturn also managed to increase its margin compared to the previous year, thanks in part to a better sales mix and a greater share accounted for by services, but also to continually efficient cost management.

Real operates almost 300 hypermarkets in Germany. We are concentrating on making these more competitive and fit for the future. One key driver are the stores that have been renovated along the lines of the successful Essen store model and now radiate much more modernity as well as a stronger service orientation and product differentiation. All in all, this generates a more emotional and enjoyable shopping experience and therefore also leads to higher customer traffic and better sales growth compared to the other hypermarkets. Consequently, we converted a further 57 Real stores to the successful new concept in financial year 2014/15. We now have 107 of these modern, future-ready stores in operation. Additional store conversions are in planning.

This means that one of the important factors for future growth has been put in place. However, competitive costs are also needed for this. In this regard, we made progress in many areas during the past financial year – for example, in logistics or the settlement of goods, which is now being handled by the Swiss company Markant AG. Our efforts to achieve fair conditions in relation to staff costs left us with no choice but to leave the system of collective industrial pay settlements in June 2015 as we find ourselves faced with considerable cost disadvantages compared to our competitors. We have offered the trade union negotiations on a company pay agreement aimed at securing the future of the jobs and this part of the business.

Galeria Kaufhof is included in this report as a discontinued operation. Therefore, the sale – which was completed at the end of September 2015 – has already been taken into account in the figures contained in this annual report. The profit generated in the year under review, however, is still included in full in the consolidated result.

The decisive factor for us was that we found a buyer in Hudson's Bay Company who was willing to pay a very good price, who presented a clear financing concept and who gave binding commitments to take over the roughly 21,000 employees in Germany and Belgium. The preconditions for the success story of the business to continue are therefore in place. We wish the employees of Galeria Kaufhof all the very best for the future.

Altogether, the consolidation of METRO GROUP made further progress in financial year 2014/15. We have now completely divested ourselves of Real's Eastern European business. We sold the wholesale business in Greece and submitted all the documents for approval of the sale in Vietnam. We expect to see completion of the sale in financial year 2015/16.

We will then have completed all the major measures under our portfolio optimisation programme, though we will still continue to subject our portfolio of stores and countries to constant review. With the acquisitions of CFF and RTS, we have now turned the switch back to growth and are looking out for attractive expansion opportunities.

While the economy in Southern Europe has improved, the situation in Greece, Russia and Ukraine remains tense. The sanctions and exchange rate developments arising from the Russia/Ukraine conflict are also having an impact on our business. However, we took the necessary steps at an early stage to enable us to continue operating successfully even in this difficult environment, and are cautiously optimistic about the future development there.

"I wish to thank our employees worldwide …"_

So how were the figures in financial year 2014/15? Altogether, the development was positive, and we achieved our forecasts for METRO GROUP. Sales amounted to €59.2 billion and therefore fell by 1.2 per cent. Like-for-like sales, however, rose by 1.5 per cent. EBIT before special items amounted to €1,511 million and rose following adjustment for negative currency effects. We succeeded in sharply reducing the net debt from the previous year's closing date by €2.2 billion to €2.5 billion.

The altogether good development at METRO GROUP in financial year 2014/15 was initially also positively reflected in the share price. However, the turbulence on the stock markets – not least as a result of the situation in China and Greece – also left its mark on your company. The price of METRO's ordinary shares closed at the end of September at €24.69, a fall of 5.3 per cent in the course of financial year 2014/15.

On the basis of earnings per share before special items of €1.91, the Management Board and the Supervisory Board are recommending that you, our shareholders, receive a dividend of €1.00 per ordinary share. This recommendation is based on the improved economic situation of METRO GROUP and is in line with our new dividend policy, which calls for a dividend amounting to about 45 to 55 per cent of earnings per share before special items (previously about 40 to 50 per cent). With the proposed payment, the actual payout rate will amount to 52.4 per cent. You will have an opportunity to vote on this at our forthcoming Annual General Meeting in Düsseldorf, to which I hereby most cordially invite you. I hope that as many of you as possible will attend.

So what does the current financial year hold in store? We will once again press ahead on our new course in financial year 2015/16 to also create added value for you, our shareholders. Many projects which have already been partially implemented or for which we have laid the foundations may impact positively on sales and earnings. We still have a great deal of work before us. But it lies in the nature of a retail company to continually adjust to market circumstances and to strive with passion to meet the demands of its customers. Leaving aside the political risks and turbulences, we have – with many new ideas and innovations and with great enthusiasm for our customers – laid the foundations for METRO GROUP to continue on its course of growth. The phase of consolidation is largely completed. Our aim now will be to focus even more strongly on the needs of our customers. To achieve this, we will take advantage of promising acquisition opportunities and expand into new countries. With the Techstars METRO Accelerator in Berlin, we foster and develop new ideas. Through programmes like this, we specifically search for innovations which tie in with our strengths and which we can therefore develop better than others. As a result, we are very well equipped for the future.

What does that mean in concrete terms for financial year 2015/16? As far as like-for-like sales and EBIT before special items adjusted for currency effects are concerned, we expect to see a slight increase in comparison to the previous year. The lower level of net debt also provides us with a solid foundation for future development, giving us more scope for investments which in future years will have a positive impact on sales and earnings.

I wish to thank our employees worldwide who devote their energy and passion every day to serving the needs of our customers. It is ultimately also thanks to them that METRO GROUP has been able to develop so positively. The commitment of our employees, their ideas and their diverse personalities are what give us a crucial advantage in a competitive environment. With this, they make a key contribution to the overall success of METRO GROUP. Together, we can look forward to a successful future.

Finally, I would like to thank you most sincerely for the confidence you place in us.

Best regards,

OLAF KOCH
CHAIRMAN OF THE MANAGEMENT BOARD OF METRO AG

THE MANAGEMENT BOARD

At METRO GROUP, we're always open to inspiration. We're curious about new trends, give creative ideas the decisive spin and put tomorrow's technologies to work today – all in the interest of continually developing our company.

This is also true of the Management Board of METRO AG. At the photo shoot for this year's annual report, the members boldly shifted into the third dimension. With great enthusiasm for the pioneering 3D printing technology, Olaf Koch, Pieter C. Boone, Mark Frese, Pieter Haas and Heiko Hutmacher had themselves cast as three-dimensional models. A scan was first made of each member of the Management Board. From the digital data sets, the 3D printer then produced figures roughly 25 centimetres in height out of hard plastic, layer by layer. The resulting portrait of the Management Board embodies what's important to us: adaptability, an innovative spirit and trust in new technologies.

HEIKO HUTMACHER
CHIEF HUMAN RESOURCES OFFICER

MARK FRESE
CHIEF FINANCIAL OFFICER

OLAF KOCH
CHAIRMAN OF THE MANAGEMENT BOARD

PIETER C. BOONE
MEMBER OF THE MANAGEMENT BOARD

PIETER HAAS
MEMBER OF THE MANAGEMENT BOARD

Perspectives on a financial year_

"We can only achieve true customer focus …

… if we establish great proximity and constantly look for ways to strive for the best solutions. To be able to do this even better, we localised and focused our business even more during the reporting year and considerably expanded our activities in the area of innovation."_

OLAF KOCH
CHAIRMAN OF THE MANAGEMENT BOARD

Olaf Koch

Chairman of the Management Board

Responsibilities: Corporate Communications, Group Strategy, Corporate M&A, Corporate Legal Affairs & Compliance, Corporate Office, Corporate Public Policy, Digital Horeca, Business Innovation/New Ventures, METRO Cash & Carry (until 30 September 2015), 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. In addition, he was CEO of METRO Cash & Carry until 30 September 2015, a position he held jointly with Pieter C. Boone from 1 July 2015. The 45-year-old joined the Management Board of METRO AG as CFO in September 2009. He previously worked for the financial investor Permira. Koch, who holds a degree in business administration, launched his career in 1994 at Daimler-Benz AG. From 2002 to 2007, he was a member of the Executive Board of Mercedes Car Group.

"We at METRO Cash & Carry aim to be …

… a true champion for independent business – that demands feeling and acting like an entrepreneur. Consequently, in financial year 2014/15, we introduced a new operating model to give more empowerment to our national subsidiaries. Value creation is local, and proximity to our customers and business partners is the key. This results in more freedom of discretion, more flexibility and a higher speed of implementation on site."_

PIETER C. BOONE
MEMBER OF THE MANAGEMENT BOARD

Pieter C. Boone

Member of the Management Board

Responsibilities: METRO Cash & Carry (as part of the management succession process, Mr Koch and Mr Boone were jointly responsible for the METRO Cash & Carry Board department from 1 July to 30 September 2015)

Profile: Pieter C. Boone has been a member of the Management Board of METRO AG since 1 July 2015 and is appointed until 30 June 2018. The 48-year-old has been with METRO GROUP since 2011. In March 2012, he was appointed Managing Director of METRO Cash & Carry Russia. He previously held various management positions at the Dutch trading company SHV Holdings in Peru, the Philippines, Malaysia, Thailand and Indonesia.

CORPORATE GOVERNANCE
GOALS AND STRATEGY
COMBINED MANAGEMENT REPORT
CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

"We had set out to further bolster the balance sheet of METRO GROUP and reduce debt.

Once again, we've achieved both of these goals during this financial year. As a result, we had greater leeway for doing business and were able, for instance, to make some attractive acquisitions. What is almost even more important is that we can now once again spend our financial as well as human resources on precisely those activities with which we expect to generate maximum value added."_

MARK FRESE
CHIEF FINANCIAL OFFICER

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 (until 30 September 2015), 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 51-year-old is appointed until 31 December 2017. In addition, he served as CFO of METRO Cash & Carry from April 2012 to July 2015. Frese has worked for METRO GROUP since 1994. After serving in various management positions at former group subsidiary Galeria Kaufhof, he was appointed to the position of Head of Planning & Controlling at METRO AG in 2009. In September 2010, he took over as CFO of METRO Cash & Carry Europe/MENA.

"I measure our progress largely by the fact …

… that we have advanced far along the road towards becoming a digital commerce company. The point is to see the full range of digitalisation instead of just regarding it in the context of a web shop or a mobile shop. What this means is that we use digital technologies in our stores, where we sell more and more digital products and communicate even more strongly with our customers using digital media. Plus, we are specifically looking for new digital business models."_

PIETER HAAS
MEMBER OF THE MANAGEMENT BOARD

"The further development of METRO GROUP ...

... would not be possible without a comprehensive transformation of our corporate culture. From the beginning, there was no doubt that such a process requires the active commitment of executives and employees alike. I'm all the more pleased that we've already advanced considerably along our path and that the cultural change is being carried by the staff. We've become a more open and courageous company. And we're able to respond to changes faster."_

HEIKO HUTMACHER
CHIEF HUMAN RESOURCES OFFICER

Heiko Hutmacher

Chief Human Resources Officer

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

Profile: Heiko Hutmacher has been a member of the Management Board of METRO AG since October 2011 with responsibility for Human Resources. From April 2012 to June 2015, the 58-year-old also oversaw human resources at METRO Cash & Carry. The businessman has more than 30 years of experience in human resources management, including at IBM and Akzo Nobel. Heiko Hutmacher is appointed until 30 September 2017.

Pieter Haas

Member of the Management Board

Responsibilities: Media-Saturn

Profile: Pieter Haas has been a member of the Management Board since 1 April 2013 and is appointed until 31 March 2019. He has been Vice Chairman of the Management Board of Media-Saturn-Holding GmbH since 6 May 2014. 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. 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 52-year-old businessman held leading positions at various companies.

THE YEAR IN REVIEW

Selected events during financial year 2014/15

Q1 2014/15

Real launches new own brand

5/10/2014 – More than 150 articles from the new Sôi own-brand range of cosmetics will be on sale in the future in all hypermarkets. The assortment includes shampoo, face cream, aftershave and shower gel. For more exclusive care products, Real also offers its new line Sôi Suprême.

Deutsche Tafeln: METRO GROUP remains principal sponsor

16/10/2014 – METRO GROUP extends its sponsoring agreement with the German food bank association, Bundesverband der Deutschen Tafeln e. V., until the end of 2017. The company has been supporting the German food bank movement, which helps socially and financially disadvantaged people with food donations, since 2006.

International purchasing partnership agreed upon

23/10/2014 – METRO GROUP and the French retail company Auchan will join forces at a global level in the future in negotiating terms and prices with the most important suppliers of brand products. The international purchasing partnership will also manage the joint worldwide procurement of non-food products sold by both companies as own-brand products. The agreement, which both parties expect will generate further growth and benefits for the customers, will come into force in November 2014.

Sale of the wholesale business in Greece

25/11/2014 – The retail trader Sklavenitis purchases the operating business of MAKRO Cash & Carry in Greece, comprising nine wholesale stores as well as the related property portfolio. The total value of the transaction, to be concluded in January 2015, amounts to €65 million.

Express delivery service expanded

25/11/2014 – Just in time for the Christmas business, Media-Saturn expands its offer for same-day delivery. From this date on, customers in 22 German cities have the possibility to have their online orders delivered the same day. The offer is available in around 80 Media Markt and Saturn stores.

Share in Emmas Enkel

12/12/2014 – New shareholder in Emmas Enkel: METRO GROUP acquires a 15 per cent share in the Düsseldorf-based start-up that combines local supply with online food retail. Emmas Enkel is starting at two locations, in Düsseldorf and Essen.

Permaculture products

15/12/2014 – Real is the first German retail company to offer Spanish avocados grown using permaculture methods. Permaculture is a development in organic farming. It creates cultivation areas without wasting resources or endangering habitats in the process. It also uses no additives, artificial fertilisers or other means of optimising industrial production.

Withdrawal from Denmark

31/12/2014 – As announced, METRO Cash & Carry closes its five wholesale stores in Denmark at the end of 2014 and thus withdraws from the Danish market.

Q2 2014/15

Online shops on Ebay

9/1/2015 – With immediate effect, members of Ebay, the online marketplace, will find a comprehensive range of over 50,000 electronic items in the Ebay web shops of Media Markt and Saturn. Through its cooperation with Ebay, Media-Saturn is tapping into a new sales channel through which millions of potential customers can be reached.

Change on the Supervisory Board I

20/2/2015 – Gwyn Burr joins the Supervisory Board of METRO AG. The former manager at the Sainsbury's supermarket chain takes the place of Baroness Lucy Neville-Rolfe, who moved to the British Department for Business, Innovation and Skills in summer 2014.

Outstanding traceability

25/2/2015 – Since summer 2014, METRO Cash & Carry has offered its commercial customers the possibility to obtain information on the species, origin and catching method of fish and meat products using a smartphone application. The basis is a technology developed by METRO SYSTEMS in cooperation with the standardisation organisation GS1 Germany. The solution has received the Retail Technology Award Europe (reta) from the EHI Retail Institute in recognition of its outstandingly innovative use of information technology in retailing.

50 years of Real

23/3/2015 – The Real sales line is celebrating its 50th anniversary. Following kick-off events in stores and at the headquarters, the hypermarkets are offering their customers discounts and special weeks focused on the topics of freshness, variety and innovation over the course of the whole year.

Q3 2014/15

Contactless payment at Real

13/4/2015 – Together with other retailers and all German mobile service providers, Real launches the NFC City Berlin initiative. The abbreviation stands for near field communication, a technology that enables contactless payment with smartphones. Within the project, Real is equipping the checkouts at its seven Berlin stores with 140 NFC-capable terminals. This means that customers with a correspondingly equipped smartphone can now make contactless payment.

Merchandise settlement

23/4/2015 – The two sales lines METRO Cash & Carry and Real are further expanding their cooperation with MARKANT Handels- und Industriewaren-Vermittlungs AG. In the future, settlement for all merchandise transactions in Germany will be handled by MARKANT.

Kick-off for start-up programme

27/4/2015 – METRO Cash & Carry and the international start-up network Techstars are launching the application phase for the Techstars METRO Accelerator. For their business promotion programme, the two partners are looking for start-ups engaged in the development of digital and technological innovations for the hospitality sector. Experienced mentors are available to assist eleven selected business founders in developing their ideas and making them ready for the market. The three-month programme will begin on 12 October 2015; the start-ups will present their solutions to potential investors at the end of January 2016.

Online job network for hospitality professionals

27/4/2015 – METRO GROUP is participating in Culinary Agents, an American job network that specialises in the placement of qualified personnel in the food service and hotel sectors. Within the scope of its cooperation with METRO Cash & Carry, the company is also offering this service in Italy and France for the first time in 2015.

METRO merges brands

4/5/2015 – METRO Cash & Carry unifies its brand presence. The C+C Schaper brand, which has belonged to the group since 1996, will be subsumed into the METRO GASTRO brand. The new name underlines the focus on customers in the hospitality sector, who will continue to benefit from short journeys, speedy checkout processes and optimal product assortments. The first METRO GASTRO stores will open following extensive renovations in August 2015.

New Operating Model

7/5/2015 – METRO Cash & Carry changes its organisational structure. To foster an entrepreneurial spirit within the organisation, a new management model introduced on 1 July 2015 transfers greater responsibility and creative freedom to the national subsidiaries. At the same time, measures geared towards specific customer groups (for example, for hotels, restaurants and catering businesses) will be cross-nationally coordinated.

Extension of contract on the Management Board

12/5/2015 – Pieter Haas will remain a member of the Management Board of METRO AG for another three years. This has been decided by the Supervisory Board of METRO AG. His new term of office will run from1 April 2016 to 31 March 2019.

Real joins textile alliance

2/6/2015 – Together with other companies and the leading bodies of the retail and textile industries, Real is joining the alliance for sustainable textiles, which was set up by the German government in 2014. The goal of the cooperation partners is to improve the social and environmental standards in the textile production and supply chain.

Sale of Galeria Kaufhof

15/6/2015 – Canada's Hudson's Bay Company (HBC) and METRO GROUP reach an agreement on the sale of Galeria Kaufhof. According to the agreement, HBC will acquire the German and Belgian department store business for a transaction price of €2,825 million, including the assumption of various liabilities. Apart from the sale price and the sound financing arrangements, another crucial factor for the conclusion of the deal was a binding commitment by HBC to take over the roughly 21,000 employees of Galeria Kaufhof. The transaction was completed in September 2015.

Changes to the Management Board

15/6/2015 – Pieter C. Boone is appointed as a new member of the Management Board of METRO AG, effective as of 1 July 2015. His appointment will run until 30 June 2018. At the same time, he is appointed CEO of METRO Cash & Carry. Until the end of the financial year on 30 September 2015, he will share this position with Olaf Koch so as to ensure a smooth transition of duties. Olaf Koch will then once again focus more strongly on his role as Chairman of the Management Board of METRO AG.

Award for animal welfare commitment

16/6/2015 – The British animal welfare organisation Compassion in World Farming recognises Real's commitment with two awards: the sales line is awarded a "Good Rabbit Commendation" for the implementation of a supplementary supplier agreement for rabbit farming. Real is also honoured with a "Good Egg Award", as more than 80 per cent of its own-brand products with relevant egg contents are made using eggs from alternative forms of animal husbandry.

Q4 2014/15

Property transaction completed

22/7/2015 – Carlton Investment, a joint venture enterprise, acquires a 60 per cent share in a property portfolio of METRO PROPERTIES comprising ten Real hypermarkets. METRO GROUP's property subsidiary will retain a share of 40 per cent. The partners plan to successively raise the value of the assets through building alterations and extensions.

Media-Saturn pools digital activities

3/8/2015 – Media-Saturn plans to pool its comprehensive offering of music, films and TV series, e-books, computer games and software under the JUKE brand, which previously only covered the music streaming service launched in 2011. In so doing, the sales line will now offer its customers in Germany a new digital entertainment portal. Customers now have the possibility to take out a streaming subscription for music or buy or rent individual media. JUKE is available on standard terminal devices, such as smartphones using the Android or iOS operating system.

Takeover of Classic Fine Foods group

6/8/2015 – METRO GROUP acquires the Classic Fine Foods group (CFF), headquartered in Singapore. The company supplies premium hotels, restaurants and catering businesses with high-quality foods. Through the purchase, METRO GROUP is strengthening the skills and knowledge of METRO Cash & Carry in the field of direct food delivery. CFF has a presence in a total of 25 predominantly Asian cities in 14 countries. The aim is to expand CFF's delivery business to selected European markets in which METRO Cash & Carry already operates.

Media-Saturn expands service portfolio

14/8/2015 – Media-Saturn acquires a 90 per cent stake in the repair and service provider RTS. The company's range of activities includes the installation, inspection, maintenance and repair of electronic products such as household appliances, smartphones or TV sets. The takeover enables Media-Saturn to increase the range of services it offers the consumers. The closing will take place in October 2015.

Change on the Supervisory Board II

5/9/2015 – Jürgen B. Steinemann is appointed to the Supervisory Board by court order as successor to Dr Wulf H. Bernotat. In the interests of succession planning, Supervisory Board Chairman Franz Markus Haniel has decided that he will step down from his post following the Annual General Meeting in February 2016. Jürgen B. Steinemann will be proposed as his successor.

Strategic partnership with Alibaba

8/9/2015 – From now on, Chinese consumers will be able to buy German brand products and own-brand articles from the sales lines of METRO GROUP online via the Tmall platform. This has been made possible by a strategic cooperation concluded between the retailer and the Alibaba Group, the leading online and mobile commerce enterprise in China. The partners are also collaborating in the field of cross-border logistics in order to ensure an adequate supply of German goods in China.

Industry leader on sustainability indices

16/9/2015 – In 2015, METRO GROUP has once again qualified for a place among the world's leading group of sustainably operating companies and is listed both in the Dow Jones Sustainability World Index (DJSI World) and the Dow Jones Sustainability Europe (DJSI Europe) Index. METRO GROUP is also, for the first time in its history, the best company in the retail sector and was named industry leader in the category Food and Staples Retailing.

METRO GROUP modernises logistics network

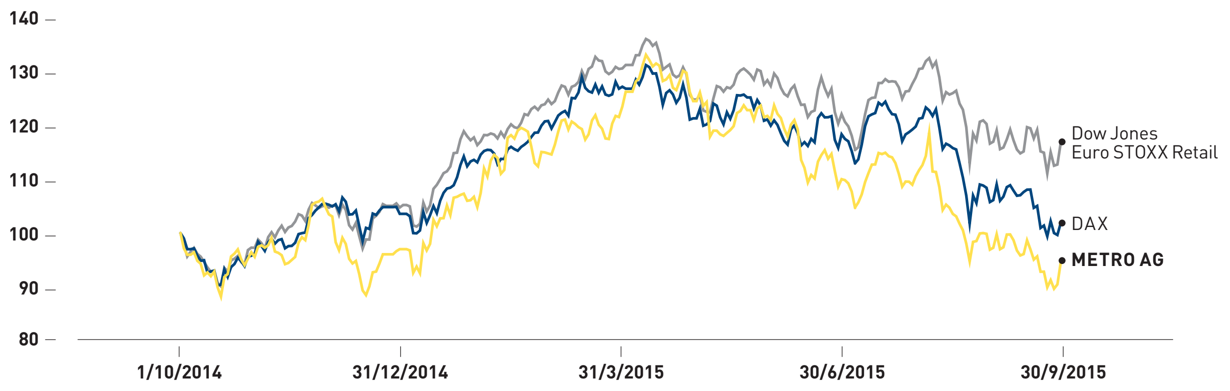
18/9/2015 – The retail group invests a sum in the high double-digit million euro range in a new Germany-wide logistics network. In the future, logistics services will be provided by one expanded as well as three new logistics centres as opposed to the seven locations that have been used until now. The aim is, through greater centralisation of the product flows, to enhance product availability and product quality for the METRO Cash & Carry and Real sales lines and to handle an altogether greater volume. The new sites are scheduled to be integrated into the network by mid-2018.

METRO SHARE

Following a very positive development over the course of the year, the METRO share finally closed financial year 2014/15 with a decline in prices. The price of the ordinary share dropped 5.3 per cent to €24.69, while the Dow Jones Euro STOXX Retail industry index developed very positively with a gain of 16.7 per cent. The positive index development was primarily due to the share price performance of companies with a focus on the non-food business. The German DAX stock market index reached new all-time highs during the reporting year and closed the period with a gain of 2.0 per cent.

At the start of financial year 2014/15, the METRO AG ordinary share initially fell in sync with the DAX and the Dow Jones Euro STOXX Retail industry index. On 16 October 2014, the METRO share fell to its lowest level in financial year 2014/15 at €23.06. Amid a recovery in early November 2014, the METRO share again rose in sync with the indices. The geopolitical situation in Russia and Ukraine in combination with the weakening currencies in these countries weighed heavily on the METRO share at the end of November 2014. From mid-December 2014, positive reports about financial year 2013/14 and the announcement of an attractive dividend caused the share to rally again. Starting in January 2015, the share rose continuously in line with the DAX and the Dow Jones Euro STOXX Retail. Stronger economic momentum in Europe and the European Central Bank's decision to initiate a major quantitative easing programme with €60 billion in monthly bond purchases at the beginning of March 2015 fuelled the positive market sentiment. In addition, many export-oriented European companies have benefited from the strengthening US dollar. In this positive environment, the METRO share reached its high for financial year 2014/15 at €34.56 on 10 April 2015. Over the course of April, the debate about a possible "Grexit" – a potential exit of Greece from the Eurozone – had a largely negative impact on European stock markets. This caused indices and stock prices to decline markedly, with the METRO share unable to decouple from this trend. Global stock markets plummeted on 24 August 2015. This "Black Monday" was triggered by declining growth in China. The subsequent weeks were characterised by very high volatility. In September 2015, an incident at a major German carmaker exerted strong downward pressure on the German stock market, causing the share prices of companies even beyond the immediately affected sectors to decline. As a result, the METRO ordinary share approached its low for the year before recovering and closing financial year 2014/15 at €24.69 following the completion of the sale of Galeria Kaufhof.

Development of the METRO share price (%)



Performance comparison of the METRO ordinary share 2014/15 vs DAX vs Dow Jones Euro STOXX Retail

METRO GROUP	DAX	Dow Jones Euro STOXX Retail
–5.3%	2.0%	16.7%

Source: Bloomberg

METRO shares

			2013/14	2014/15
Closing price	Ordinary shares	€	26.08	**24.69**
	Preference shares	€	20.25	**20.20**
High	Ordinary shares	€	37.28	**34.56**
	Preference shares	€	29.20	**24.44**
Low	Ordinary shares	€	25.00	**23.06**
	Preference shares	€	20.09	**19.31**
Dividend	Ordinary shares	€	0.90	**1.00**[1]
	Preference shares	€	1.13	**1.06**[1]
Dividend yield	Ordinary shares	%	3.5	**4.1**[1]
based on closing price	Preference shares	%	5.6	**5.2**[1]
Market capitalisation (billion)		€	8.5	**8.1**

[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 49.868 per cent of the voting rights as of 30 September 2015. On 31 October 2014, the voting rights pooling agreement between the Haniel and Schmidt-Ruthenbeck shareholder groups was terminated.

According to the information available to METRO AG, and in particular the notifications of voting rights pursuant to the German Securities Trading Act (WpHG), the three major shareholders hold the following shares of voting rights: The Haniel shareholder group is METRO AG's largest shareholder. The Haniel shareholder group informed METRO AG on 12 May 2015 in a notification of voting rights released on 13 May 2015 that its share of voting rights had been reduced to 24.996 per cent from 30.01 per cent. The Schmidt-Ruthenbeck shareholder group is METRO AG's second-largest shareholder, with a share of voting rights of 15.772 per cent. The Beisheim shareholder group is METRO AG's third-largest shareholder, with 9.100 per cent of the voting rights.

In addition, the Haniel shareholder group informed METRO AG that it had issued an exchangeable bond due in May 2020. The bond is linked to about 12 million METRO shares, or about 4 per cent of the company's share capital. If it were fully exercised, Haniel's stake in METRO AG would decline further in the future.

METRO AG's free-float share of 50.132 per cent is divided among a large number of national and international investors. Voting rights notifications from fund management firms and other publicly available data sources indicate that US and British investors account for the largest share of institutional investors, followed by investors from France and Germany. According to a notification of voting rights dated 20 November 2012, the mutual fund company Franklin Mutual Advisers remains METRO AG's largest institutional investor, with a 3.06 per cent share of the 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. In addition, Franklin Mutual Series Funds informed the company in a notification of voting rights released on 16 July 2015 that it held 3.001 per cent of the voting rights. According to the information available to METRO AG, the 3.001 per cent share of voting rights held directly by Franklin Mutual Series Funds is included in the 3.06 per cent share of voting rights which Franklin Mutual Advisers holds indirectly according to its notification of voting rights released on 20 November 2012.

The ten largest institutional investors hold about 43 per cent of the free float. In addition, METRO AG's shareholder base includes an estimated 70,000 private investors.

Market capitalisation and index inclusion

As a result of share price losses, METRO AG's market capitalisation declined, falling from €8.5 billion at the end of September 2014 to €8.1 billion at the end of September 2015. On a typical trading day at the Frankfurt stock exchange, the average volume of METRO shares traded totalled around 1.0 million shares during the reporting year (2013/14: 1.1 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 continue to become more popular. About 7,000 shares of the less liquid preference shares were traded daily (2013/14: 20,000 shares).

Despite a market capitalisation of €8.1 billion, METRO AG is no longer a member of the German stock market index DAX 30. The key reason for this is that Deutsche Börse, in accordance with its own rules and regulations, determines the index-relevant capitalisation solely on the basis of the free float. At the end of September 2015, market capitalisation of METRO AG's free float totalled about €4.1 billion (September 2014: €3.8 billion).

In Deutsche Börse's index ranking, the METRO AG share ranked 43rd in terms of market capitalisation and 32nd in terms of stock market trading volume as of the end of September 2015.

The METRO share is one of the MDAX's largest members in terms of market capitalisation and boasts the second-highest stock market trading volume. METRO AG remains a member of the industry index Dow Jones Euro STOXX Retail.

In September 2014, METRO AG was relisted on the Dow Jones Sustainability World and Dow Jones Sustainability Europe indices after several years of exclusion from these indices. Its membership of both sustainability benchmarks was confirmed in September 2015, with METRO AG improving its sustainability score once again. In 2015, METRO GROUP received the top score in the retail sector category "Food & Staples Retailing" and was named Industry Group Leader. In addition, METRO AG is currently the only German company to have been named Industry Group Leader.

Following METRO AG's inclusion in the FTSE4Good sustainability index in financial year 2013/14, the company's membership of the FTSE4Good Global and the FTSE4Good Europe was confirmed in financial year 2014/15. These two British indices include companies that set themselves apart through good corporate social responsibility and corporate governance practices.

METRO AG's membership in the world's two most important sustainability index families demonstrates that METRO GROUP is on the right track with its sustainable business practices and that the capital markets are recognising its efforts in this area.

Dividend and dividend policy

METRO GROUP aims to pay an attractive dividend and has adjusted its dividend policy to reflect METRO GROUP's improved economic situation. The target range for the payout rate has been lifted to about 45 to 55 per cent of earnings per share before special items from about 40 to 50 per cent.

The Management and Supervisory Boards of METRO AG will therefore propose to the Annual General Meeting of METRO AG on 19 February 2016 a dividend of €1.00 per ordinary share and €1.06 per preference share. The payout totals 52.4 per cent based on earnings per share before special items of €1.91 per ordinary share.

On the basis of the closing prices on 30 September 2015, the dividend yields are as follows: 4.1 per cent for ordinary shares and 5.2 per cent for preference shares.

Analysts' recommendations

METRO GROUP is monitored and evaluated by roughly 35 analysts from respected national and international banks. METRO GROUP regularly reports the respective recommendations and share price targets in the Investor Relations section on its corporate website. As of the close of financial year 2014/15, 46 per cent (30 September 2014: 45 per cent) of analysts recommended the METRO share as a "buy"; 42 per cent (30 September 2014: 49 per cent) rated it a "hold" and 12 per cent (30 September 2014: 6 per cent) a "sell". The median value of share price targets increased, totalling €32.30 at the end of September 2015 compared with €31.00 on 30 September 2014.

Investor Relations

Throughout the financial year, the Investor Relations department provides comprehensive information to all capital market participants. In performing this work, it applies the guidelines of customer-centred capital market support. In particular, this involves:

- Topicality: assurance 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 2014. During the annual business press conference and a conference call for analysts and investors on 16 December 2014, METRO AG presented the annual report covering business developments during financial year 2013/14. 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. The Investor Relations department informs the public about additional relevant developments in the Investor News section.

A capital market event took place in Berlin on 6 May 2015. Presentations and tours of the respective locations of all sales lines provided participants with an opportunity to obtain comprehensive first-hand information from management representatives.

During financial year 2014/15, the Investor Relations department continued its direct dialogue with shareholders, potential investors and analysts through presentations in all key financial markets in Europe and the United States. 10 conferences in New York, London, Munich, Berlin and Paris as well as 16 roadshow days in 7 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 during store visits at the METRO GROUP headquarters in Düsseldorf. Given the growing interest in sustainability issues, METRO GROUP also organised a special event for a group of sustainability-oriented investors at the end of September 2015. METRO GROUP receives frequent requests for discussions with company representatives and visits of company locations, reflecting the high level of interest in the group.

The 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 was comprehensively modernised and updated during financial year 2014/15 and includes, among other things, insights into the company's strategy and business development, new publications as well as an archive of annual reports dating back to the establishment of METRO AG in 1996. In addition, investors can contact the Investor Relations department 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 is available for discussions with investors present at the meeting.

What speaks in favour of the METRO share?

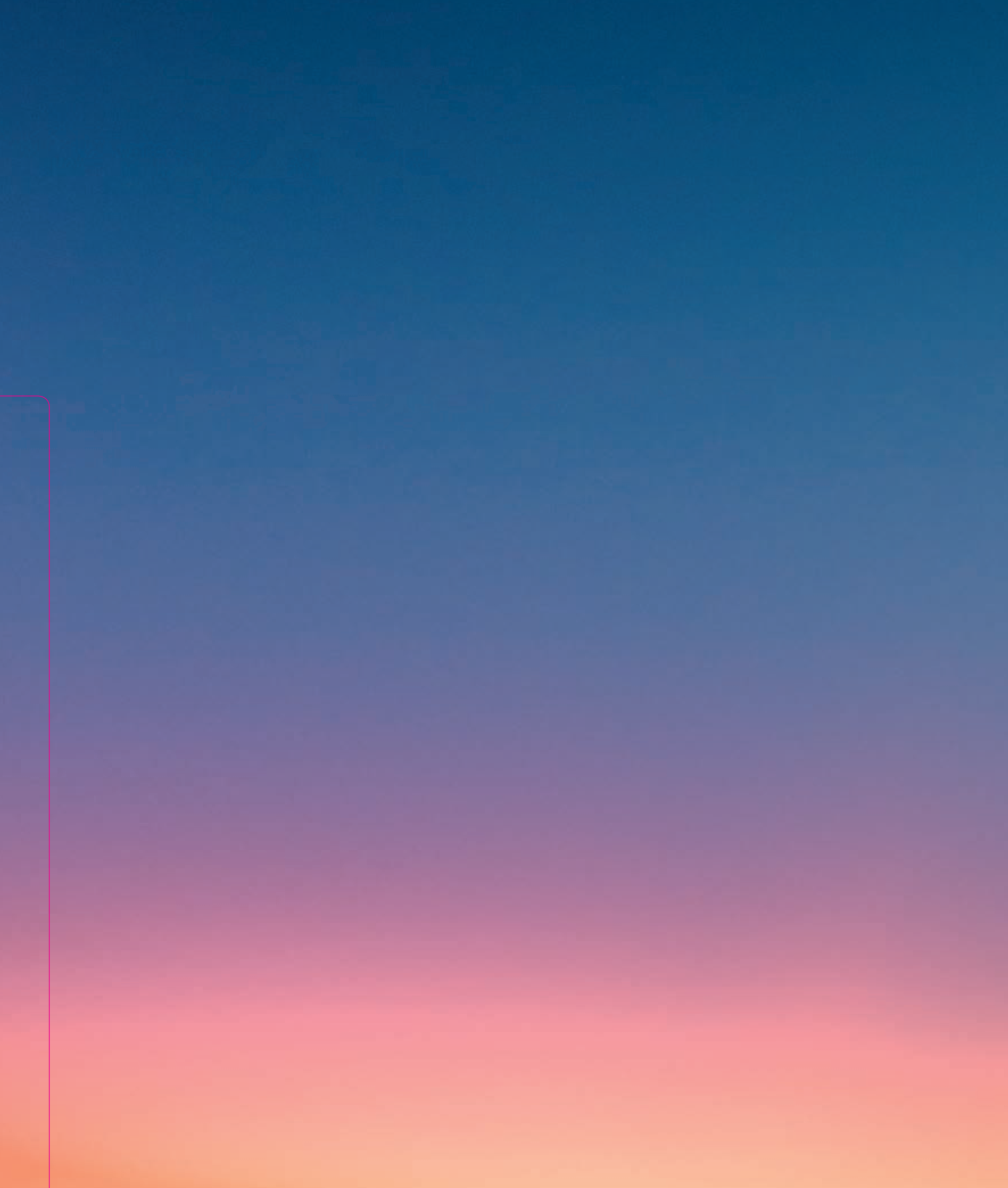
With METRO shares, investors acquire a stake in METRO GROUP, one of the largest and most international retail companies in the world with

- METRO Cash & Carry – a leading international player in self-service wholesale trade,
- Media-Saturn – number one among consumer electronics stores in Europe,
- Real – one of the leading hypermarket companies in Germany,
- a presence in more than 30 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,
- a focus on profitable growth as well as sustainable, systematic value enhancement,
- markedly improved net debt,
- high internal financing capability,
- a return on capital exceeding its sector average and
- an attractive dividend.

Contact Investor Relations

METRO AG
Investor Relations
Metro-Straße 1
40235 Düsseldorf, Germany
Phone: +49 (211) 6886-1051
Fax: +49 (211) 6886-3759
E-mail: investorrelations@metro.de

CORPORATE GOVERNANCE



REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

Düsseldorf,
9 December 2015

METRO GROUP achieved its targets in financial year 2014/15. Like-for-like sales increased by 1.5 per cent compared with the previous year. Despite a persistently challenging geopolitical and economic environment, the group's core business developed more positively again and the group's balance sheet was strengthened further. EBIT before special items, adjusted for currency effects, showed an increase of 4.7 per cent compared with the previous year and thus fully corresponds to communicated expectations. The successful disposal of Galeria Kaufhof provided the group with financial resources for complementary and strengthening acquisitions, as well as for continuing debt reduction. The group significantly expanded its business in the strategic growth areas of online retail and delivery and, in doing so, reinforced its market position and customer relevance in many countries.

The group's achievements are the result of the strategy which the Management Board has consistently implemented and which we – the Supervisory Board of METRO AG – actively support. In particular, we intensively monitored the portfolio changes during the reporting period and approved the Management Board's proposals on this issue.

We would like to express our thanks to the members of the Management Board and to the employees of the group for their entrepreneurial determination and their outstanding commitment. Their can-do spirit is what drives METRO GROUP.

Consultation and supervision of executives

The Supervisory Board continued to carry out the duties set forth by law and by the company's Articles of Association during financial year 2014/15. 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) since no matters requiring clarification arose.

GOALS AND STRATEGY
COMBINED MANAGEMENT REPORT
CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

FRANZ M. HANIEL
Chairman of the Supervisory Board

Profile: Franz M. Haniel was appointed 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 website www.metrogroup.de in the section Company – Supervisory Board.

During financial year 2014/15, the Supervisory Board held eleven meetings, five of which were unscheduled. Three 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 in the event that a member of the Supervisory Board only attended half, or fewer than half, of all Supervisory Board meetings or meetings of the committees of which he is a member in any given financial year. Mr Jürgen B. Steinemann only joined the Supervisory Board of METRO AG in September 2015 by court-approved appointment. For this reason, it was impossible for him to attend more than one meeting as a member of the Supervisory Board during the reporting period. In addition, because the date of one of the meetings was set at short notice, Mr Jürgen Fitschen was only able to attend one of two meetings of the Nomination Committee.

In financial year 2014/15, three members of the Supervisory Board notified the Board about possible or existing conflicts of interest. As an employee of METRO AG, Mr Andreas Herwarth can be indirectly affected by individual remuneration decisions taken by the Supervisory Board which the Management Board implements for its employees. For this reason and to avoid a conflict of interest, Mr Herwarth abstained from casting a vote when the Supervisory Board voted on the one-year performance-based management compensation (hereinafter: short-term incentive) for financial year 2013/14. Messrs Theo de Raad and Peter Küpfer notified the Supervisory Board that they have business relationships with a shareholder of the RTS group of companies which was acquired by METRO GROUP in financial year 2014/15. The acquisition required the approval of the Supervisory Board. Mr de Raad and Mr Küpfer decided not to take part in the Board's discussions about the acquisition.

Furthermore, Mr de Raad abstained from casting a vote when the Supervisory Board voted on the issue; Mr Küpfer did not attend the vote.

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

November 2014 – In the first meeting of financial year 2014/15, we discussed the short-term incentive for financial year 2013/14 and passed resolutions to set the amount. These also included determining the personal performance factors for each member of the Management Board at the discretion of the Supervisory Board. Using the performance factors, the Supervisory Board can reduce or increase the payout amount of the short-term incentive calculated on the basis of financial performance targets for each member of the Management Board individually by up to 30 per cent. Further topics of the Supervisory Board meeting were antitrust law proceedings, the appointment of an independent consultant to examine and further develop the Management Board remuneration system as well as succession planning for the Supervisory Board. In addition, the Supervisory Board received information about the disposal of the METRO Cash & Carry business in Greece, which was planned at that time. It also addressed this transaction in a written procedure as well as in another Board meeting conducted as a telephone conference. The Supervisory Board delegated final decision-making responsibility to the Supervisory Board Presidential Committee.

December 2014 – As usual, our audit meeting held on 10 December 2014 focused on the annual and consolidated financial statements for financial year 2013/14, the combined management reports for METRO AG and for the group for 2013/14, the Management Board's proposal for the appropriation of the balance sheet profit to the Annual General Meeting 2015 as well as the Management Board's report on relations with affiliated companies in 2013/14. 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 change to the system of Management Board remuneration. In this context, a new declaration of compliance also had to be issued with regard to the recommendations of the Government Commission on the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act (AktG). The adjusted remuneration system was presented to the Annual General Meeting in February 2015. The meeting then approved it by an overwhelming majority (99.60 per cent). Other key issues addressed by the Supervisory Board in December 2014 were the report of the Supervisory Board and the corporate governance report for financial year 2013/14, preparations for the Annual General Meeting 2015, recent business developments, the work of the METRO GROUP Sustainability Board and legal issues. We approved a real estate project and received information about political and economic developments in Russia. Subject to the election of the auditors by the Annual General Meeting 2015, 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 2015. 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 2015 and the consolidated management report covering the period from 1 October 2014 to 31 March 2015.

January 2015 – Outside a meeting, the Supervisory Board passed resolutions for the preparation of the election of the Supervisory Board by the Annual General Meeting 2016.

GOALS AND STRATEGY
COMBINED MANAGEMENT REPORT
CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

February 2015 – In a meeting held immediately before the Annual General Meeting on 20 February 2015, the Management Board reported about the latest business developments, the status of an international project as well as the audit carried out on OTC derivative contracts pursuant to § 20 of the German Securities Trading Act (WpHG). As a precaution, the Supervisory Board passed a resolution on the hiring of a law firm, especially in preparation for the eventuality of legal challenges or complaints for nullity against resolutions passed during the Annual General Meeting 2015.

May 2015 – The focal point of an initial meeting in May 2015 comprised discussions about a new management model (New Operating Model) for METRO Cash & Carry which is supposed to foster an entrepreneurial spirit within the company. To this end, the national subsidiaries are granted greater operating responsibility and creative freedom. Under this model, measures geared towards specific customer groups (for example, for the group of hotels, restaurants and catering firms or traders) are cross-nationally coordinated. Personnel issues relating to the Management Board were another focal topic. We approved the reappointment of Mr Pieter Haas and the new appointment of Mr Pieter C. Boone to the Management Board of METRO AG as well as the signing of their employment contracts. In addition, we confirmed the delegation of Mr Haas to the Management Board of Media-Saturn-Holding GmbH and temporarily relieved him of all responsibilities extending beyond Media-Saturn on the Management Board of METRO AG. In view of the extension of the Management Board we also modified the assignment of responsibilities on the Management Board. Additionally, the Management Board reported about the latest business developments, changes in the shareholder structure and current projects at this meeting. In addition, we discussed issues concerning antitrust law.

With the participation of executives from the METRO GROUP sales lines, the Management Board and the Supervisory Board discussed group strategy in a second meeting in May 2015. Specifically, we dealt with the strategic objectives, the current status and the other challenges facing METRO Cash & Carry, Media-Saturn, Real and Galeria Kaufhof. Furthermore, we also addressed macroeconomic conditions, our human resource strategy as well as the implications of our group strategy for budget planning in subsequent financial years. Finally, the Supervisory Board passed the resolution regarding a personnel issue on the Management Board.

June 2015 – During the reporting year, two unscheduled meetings were held in June. In the first meeting, the Management Board gave a detailed report about the increasing likelihood of a disposal of Galeria Kaufhof. We addressed at length the offers that had been tabled but not yet finalised at the time and the possible effects of a disposal. We examined the likelihood that the respective transactions could be completed and discussed the potential buyers' future concepts for the continuation of the department store. Together with the Management Board, we discussed in detail the requirements which METRO AG should stipulate for a sufficiently attractive disposal offer. Subsequently, in a telephone conference in June, we evaluated the extent to which the status of the negotiations had advanced. Finally, the potential buyers' offers were examined in detail with regard to their risks and opportunities, including whether the potential buyers could prove they had definite financing for their offer. As a result, we decided to approve the recommendation of the Management Board to sell Galeria Kaufhof to Hudson's Bay Company. The transaction was in line with METRO AG's strategic and financial priorities and enables METRO GROUP to focus its financial and management resources on its core business operations. The Supervisory Board rated the offer made by Hudson's Bay Company as sufficiently attractive. In addition, the buyer presented a convincing strategy for the continued development of Galeria Kaufhof.

July 2015 – In a telephone conference, we addressed the disposal of METRO Cash & Carry's operations in Vietnam, which had already been approved in 2014, and approved the signing of a contract to accelerate the completion of the transaction. Also in July, we approved the disposal of a real estate portfolio outside a meeting.

August 2015 – Two acquisitions were the focal points of our meeting in August. First, we approved the acquisition of the RTS group of companies, which will enable Media-Saturn to expand its range of services. In addition, we approved the takeover of a leading Asian premium food service distributor (Classic Fine Foods group). This second acquisition strengthens METRO GROUP's wholesale business with specialised competencies and expertise in the strategically important delivery business. Other issues addressed in the Supervisory Board meeting were business developments, the status of current projects as well as information about the company's directors and officers (D&O) liability insurance. The Supervisory Board approved a revised version of the company car guideline it has imposed for members of the Management Board and discussed various corporate governance issues. These included new and impending regulatory requirements with regard to the work of the Supervisory Board, succession planning for the Supervisory Board and the implementation of new recommendations of the German Corporate Governance Code. In this context, a provision in the Management Board's rules of procedure was also amended.

September 2015 – In the last meeting of financial year 2014/15, we approved the budget plan submitted by the Management Board. Other resolutions dealt with success performance targets for the short-term incentives for financial year 2015/16 for members of the Management Board, the implementation of recommendations of the German Corporate Governance Code, the declaration of compliance in accordance with § 161 of the German Stock Corporation Act (AktG) as well as the objectives of the Supervisory Board with regard to appointments to the Management Board in accordance with the new legal regulations regarding the equal participation of women and men in management positions. The shareholders' and employees' representatives respectively agreed on the aim to each separately fulfil the gender quota of 30 per cent for the Supervisory Board of METRO AG, which will be applicable by law starting in 2016. In addition, the Supervisory Board discussed the governance functions within the group (internal control system, risk management system, internal auditing and compliance) in detail. We elected Mr Jürgen Fitschen, member of the Supervisory Board since 2008, as a member of the Presidential Committee and of the Personnel Committee of the Supervisory Board. The Management Board reported about current business developments, the status of the completion of the sale of Galeria Kaufhof as well as the METRO GROUP initiatives in the area of sustainability. Other issues addressed the preparation of the Annual General Meeting 2016. In my function as Chairman of the Supervisory Board, I instigated a discussion, among other things, about the question of whether the Annual General Meeting 2016 should propose an increase in the remuneration 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 Nomination 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 in the section Company – Corporate Governance of the website www.metrogroup.de. 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), Jürgen Fitschen, Xaver Schiller

- **Personnel Committee:**
  Franz M. Haniel (Chairman), Werner Klockhaus (Vice Chairman), Jürgen Fitschen, Xaver Schiller

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

- **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), Dr jur. Hans-Jürgen Schinzler (Chairman), Xaver Schiller

Last updated: 9 December 2015

Accounting and Audit Committee – The Accounting and Audit Committee primarily handles accounting and auditing issues as well as the monitoring of governance functions (internal control system, risk management, internal auditing and compliance). Five meetings were held in financial year 2014/15. The Chairman of the Management Board and the Chief Financial Officer attended all meetings. The Chief Human Resources Officer, 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 2014 and reviewed the annual and consolidated financial statements for financial year 2013/14, the combined management report of METRO AG and the group for 2013/14 as well as the report of the Management Board on relations with affiliated 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 financial year 2013/14 and the Management Board's proposal to the Annual General Meeting 2015 on the appropriation of the balance sheet profit.

Another focal point of the committee work was the selection of the auditor for financial year 2014/15 by the Annual General Meeting and the preparation of the mandate related to the Supervisory Board's implementation of this decision.

The members of the Accounting and Audit Committee discussed the quarterly financial reports and the half-year financial report for financial year 2014/15 prior to their respective release. Other issues addressed by the committee were the audit plans of the selected auditor, governance functions within the group (internal control system, risk management, internal auditing and compliance) and the Management Board's budget plan. On the basis of the budget plan, the Accounting and Audit Committee supported the Personnel Committee of the Supervisory Board in developing a proposal for the stipulation of performance targets based on key indicators for variable Management Board remuneration in 2015/16. In addition, the Accounting and Audit Committee gathered information on developments in international accounting standards, an audit carried out on OTC derivative contracts pursuant to § 20 of the German Securities Trading Act (WpHG) as well as the progress of a sampling audit conducted by the German Financial Reporting Enforcement Panel, which resulted in no errors being determined. Furthermore, the Accounting and Audit Committee addressed how the capital market views METRO AG, group tax planning, the charging of intra-group transactions as well as the distribution of donations, and received reports on key projects and legal issues. Legal topics included, for example, the implementation of the EU audit reform in Germany as well as the management and status of antitrust proceedings within METRO GROUP.

Personnel Committee – The Personnel Committee primarily deals with personnel issues concerning the Management Board. Nine meetings were held in financial year 2014/15. Four of these were unscheduled; three meetings took place together with the Supervisory Board's Presidential Committee. During the reporting period, the Personnel Committee focused intensely on the preparation of proposals for changes to the Management Board remuneration system. The other personnel-related discussions and decisions of the Supervisory Board which the committee prepared included specifically the resolutions regarding the amount of the short-term incentives for financial year 2013/14, taking individual performance into account, the appointment of Messrs Pieter Haas and Pieter C. Boone as members of the Management Board as well as resolutions about their employment contracts. In addition, the committee issued a recommendation for the performance targets for the short-term incentive for financial year 2015/16 and discussed succession planning for the Management and Supervisory Boards as well as the objectives on which this is based in each case. As required, the committee also conducted its regular review of expenditures on the basis of the travel cost guidelines that apply to members of the Management Board and discussed the ancillary activities of the members of the Management Board. The committee formulated guidelines for the approval of ancillary activities outside the private sphere and also approved authorisations in individual cases.

Presidential Committee – The Presidential Committee deals with the monitoring of compliance with legal regulations and the application of the German Corporate Governance Code. In consideration of § 107 Section 3 Sentence 3 of the German Stock Corporation Act (AktG), the Presidential Committee takes decisions about urgent matters and matters submitted to it by the Supervisory Board. The Presidential Committee met three times during financial year 2014/15, each time with the Personnel Committee. One resolution was prepared outside a meeting. Key issues addressed by the Presidential Committee included corporate governance at METRO GROUP, including the corporate governance report for financial year 2013/14, the implementation of the recommendations of the German Corporate Governance Code, the preparation of the latest declaration of compliance in accordance with § 161 of the German Stock Corporation Act (AktG) and the objectives for the composition of the Supervisory Board and the Management Board. Following delegation of final decision-making responsibility by the Supervisory Board, the Presidential Committee approved the disposal of the METRO Cash & Carry business in Greece, including the associated real estate portfolio, outside a meeting.

Nomination Committee – The Nomination Committee is responsible for proposing suitable candidates for the Supervisory Board's election proposals to the Annual General Meeting. Two committee meetings were held in financial year 2014/15. In addition, one resolution was made outside a meeting. With these decisions, the committee prepared the way for the election by the Annual General Meeting 2015 of Ms Gwyn Burr as a member of the Supervisory Board. In addition, the committee recommended the nomination of Ms Karin Brigitte Dohm and Mr Jürgen B. Steinemann to the Supervisory Board for the election of the Supervisory Board by the Annual General Meeting on 19 February 2016. Following the recommendations of the committee and in advance of the respective Annual General Meeting, the Management Board of METRO AG applied for

GOALS AND STRATEGY
COMBINED MANAGEMENT REPORT
CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

the temporary court-approved appointment of Ms Gwyn Burr and Mr Jürgen B. Steinemann as members of 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 during financial year 2014/15.

Corporate governance

The Management Board and the Supervisory Board report on METRO GROUP's corporate governance in the corporate governance report for financial year 2014/15. Together with the statement on corporate management pursuant to § 289 a of the German Commercial Code (HGB), the report is also published in the section Company – Corporate Governance of the website www.metrogroup.de.

During the reporting period, the Management Board and the Supervisory Board of METRO AG issued two declarations of compliance with regard to the recommendations of the Government Commission on the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act (AktG), most recently in September 2015. The declarations were made permanently available to shareholders on the website www.metrogroup.de.

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

The annual financial statements of METRO AG for financial year 2014/15, 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 2014/15 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 2014/15, the combined management report of METRO AG and the group for financial year 2014/15 as well as the Management Board's proposal to the Annual General Meeting 2016 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 9 December 2015. The auditor attended this meeting, reported the key findings of the review 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 on relations with affiliated companies for financial year 2014/15 (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 9 December 2015. 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 7 December 2015. 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 District Court in Düsseldorf, Ms Gwyn Burr replaced Baroness Lucy Neville-Rolfe on the Supervisory Board on 9 December 2014. As requested, her court-approved appointment ended with the conclusion of the Annual General Meeting of METRO AG on 20 February 2015. On the same day, the Annual General Meeting elected Ms Burr to the Supervisory Board as a shareholder representative.

Dr Wulf H. Bernotat resigned from the Supervisory Board as of 4 September 2015. The Supervisory Board thanks him for his commitment over many years. During his time in office, he supported and shaped significant changes at METRO GROUP. He was always a trusted advisor to the Management Board. The Management Board and the Supervisory Board of METRO AG greatly benefited from his outstanding management expertise.

GOALS AND STRATEGY
COMBINED MANAGEMENT REPORT
CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

Upon the order of the District Court in Düsseldorf dated 5 September 2015, he was replaced on the Supervisory Board by Mr Jürgen B. Steinemann. His court-approved appointment will end with the conclusion of the Annual General Meeting of METRO AG on 19 February 2016. The Annual General Meeting will take a decision on Mr Steinemann's continued service on the Supervisory Board of METRO AG.

Following the disposal of Galeria Kaufhof, the appointments of Ms Gabriele Schendel and Mr Uwe Hoepfel as employee representatives on the Supervisory Board ended on 30 September 2015. In coordination with the Group Works Council, the Management Board has requested the court-approved appointment of two successors.

I myself have resigned from the Supervisory Board, effective as of the conclusion of the next Annual General Meeting. The reason for this is the dissolution of the pooling agreement among the shareholder groups Haniel and Schmidt-Ruthenbeck in October 2014 and the reduction of the shareholding of major shareholder Haniel. Under this agreement, both shareholder groups had originally pooled their voting rights. However, they dissolved this agreement again to simplify and decartelise the shareholder structure. Following the reduction in the shareholding and the dissolution of the pooling agreement, I would like to personally broach the possibility that the chairmanship of the Supervisory Board passes into the hands of an independent, external shareholder representative. Mr Jürgen B. Steinemann has been proposed as the new Chairman of the Supervisory Board; his nomination has been endorsed by all members of the Supervisory Board. The election of the new Chairman by the Supervisory Board is set to take place directly after the Annual General Meeting on 19 February 2016.

Düsseldorf, 9 December 2015

The Supervisory Board

F. Haniel

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 corporate bodies' 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 2014/15, 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 2015:

"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 Gazette in its version of 13 May 2013 and 24 June 2014 have been complied with, with one exception during the last twelve months and, in particular, since the issue of the last declaration of compliance in December 2014:

As already reported in the last declaration of compliance on 10 December 2014, the Supervisory Board of METRO AG examined the variable components of the former remuneration system for the Management Board and, as a result, decided on an amendment. This amendment became effective as of the start of financial year 2014/15 (1 October 2014 to 30 September 2015) and the employment contracts of the members of the Management Board of METRO AG have been amended accordingly.

This introduction of a new remuneration system in the course of the financial year caused a deviation from the recommendation in Subsection 4.2.3 Sec. 2 Sentence 8 of the German Corporate Governance Code. This recommendation excludes a subsequent amendment of the performance objectives or the comparison parameters with regard to the variable parts of the remuneration of the Management Board. Due to the conversion of the employment contracts of the members of the Management Board to the new remuneration system decided upon on 10 December 2014, the performance objectives and comparison parameters as defined in the old system were no longer applicable for financial year 2014/15.

The Management Board and Supervisory Board intend to comply with the recommendations of the Government Commission in its version of 5 May 2015 without exception in the 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.

GOALS AND STRATEGY
COMBINED MANAGEMENT REPORT
CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

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 2014/15, 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 2014/15. 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 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 five 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. 56 – 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 annual 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 their 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 financial year 2014/15, no woman was a member of the Management Board of METRO AG.

According to the German law on equal participation of men and women in management positions, the Supervisory Board decided in the calendar year 2015 on targets and deadlines for the increase of the share of women on the Management Board. In accordance with the law, the first deadline may not exceed 30 June 2017. Until this due date, the membership of a woman on the Management Board is probably not possible. Such a short-term change in the status quo is not foreseeable as the appointments and contracts of all current members of the Management Board are valid beyond 30 June 2017 and no extension of the Management Board is planned. In the long term – that is, until 30 June 2022 – the Supervisory Board plans the membership of at least one woman on the Management Board. For the current composition of the Management Board with five people, this equals a rate of 20 per cent. In order to reach this target, the Supervisory Board will focus on the search for qualified female candidates for new appointments in the years ahead.

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 retail 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 target. Employee representatives on the Board contribute experience from each of the group's sales lines in Germany. Several shareholder representatives have national and international retail expertise. Furthermore, several have extensive experience in Eastern Europe and Asia. Two shareholder representatives are former METRO executives who have company-specific expertise.

The representation of women and men on the Supervisory Board of METRO AG follows the regulations of the law on the equal participation of men and women in private sector and public sector management positions that became effective in 2015. The employee and shareholder representatives aim at fulfilling the gender quota of 30 per cent for the Supervisory Board of METRO AG separately, meaning that each side will have three women as members of the Supervisory Board in the future (status December 2015: two women as members each from the employee and shareholder sides).

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 chairperson

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 impartial chairman of the committee is Dr jur. Hans-Jürgen Schinzler.

Potential conflicts of interest on the Supervisory Board / term of office and 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 or 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.

According to the recommendation of the German Corporate Governance Code, the regular limit for the term of office on the Supervisory Board is 16 years. Additionally, the members of the Supervisory Board may, as a rule, not remain in office after the end of the Annual General Meeting following their 75th birthday. The determination of justified exceptions considering the term of office as well as the age restriction is decided by the Supervisory Board in each case at its own discretion.

The Supervisory Board of METRO AG currently also meets the aforementioned targets. No member of the Supervisory Board assumes a function for direct or material competitors. The self-defined rules for the term of office on the Supervisory Board of METRO AG have been complied with in financial year 2014/15 without the detection of any exceptional case. 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 already 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, detect and sanction regulatory infringements within the company. To this end, METRO GROUP regularly identifies behavioural compliance risks, establishes the necessary organisational structures and rigorously monitors and controls these risks through the responsible divisions. In its group-wide systematic reporting, key compliance risks and measures are transparently communicated 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 a systematic exploitation of emerging opportunities. Both the risk and opportunity management system and the compliance management system are continually refined.

Additionally, risks and opportunities are managed through internal control systems (ICS) and internal auditing. As an independent function, the latter provides auditing of key business processes, conducts event-related tests and reviews the compliance and risk management system as well as the internal control systems.

In financial year 2014/15, METRO AG further modified its management systems. In addition, selected units 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 further optimisation 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 – risk and opportunity report – as well as the statement on corporate management pursuant to § 289 a of the German Commercial Code (HGB). The statement 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.

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 written form. 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. Of course, 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 chairperson of the Annual General Meeting, who as a rule is the chairperson 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 an amount of €5,000 by the end of the calendar year.

Notifications of directors' dealings during financial year 2014/15 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 2015.

Audit

Audits 2014/15

On 20 February 2015, the Annual General Meeting of METRO AG elected KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG) to be the auditor for financial year 2014/15. The Supervisory Board's commissioning of the contract to carry out the audit of the financial statements considered the recommendations listed in Subsection 7.2 of the German Corporate Governance Code.

Throughout the audit, which was completed in December 2015, 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. At the same time, 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 financial statements, notes to the financial statements and the management reports. The auditor's impartiality is a key precondition for fulfilling these two functions. METRO AG's Accounting and Audit Committee therefore reviews the impartiality of the auditor at least once a year in its meeting.

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

GOALS AND STRATEGY

GOALS AND STRATEGY

METRO GROUP

METRO GROUP, based in Düsseldorf, is a leading international retail company. Worldwide, more than 220,000 employees dedicate themselves to optimally fulfilling the expectations of our customers. Our operating business focuses on wholesale and retail, including online retail. In these areas, our three 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.

With their products and services, our sales lines serve professional and private customers in 30 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 store-based business with online retail. 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 marketing, delivery, franchising and own brands. In these 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 consumers 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 must 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-focused, 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 value for customers means responding to changing needs 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 new processes or 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 chapter "principles of the group – 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, for the environment and for society."

For more information about sustainability management at METRO GROUP, see the chapter "principles of the group – sustainability management".

METRO Cash & Carry

The goal of METRO Cash & Carry is to become the "champion for independent business". The company wants to become a preferred partner for selected customer groups in the food service, independent retailer and service provider sectors, which results in a significant market share among these customer groups. To achieve this goal, METRO Cash & Carry will have to develop from a transaction-driven supplier primarily focused on product sales into a partner who is systemically important to its customers and thus does not only offer products, but addresses its customers' needs with holistic solutions.

In order to achieve these goals faster, the sales line has identified two central action areas: establishing the New Operating Model and at the same time strictly implementing the strategic repositioning that has already been initiated.

New Operating Model

This explicit focus on customer and market requirements guarantees METRO Cash & Carry's future profitable growth and an increase in company value.

METRO Cash & Carry launched the New Operating Model in financial year 2014/15. In the context of the introduction of the new management model, the individual METRO Cash & Carry countries were divided into the three clusters Horeca (focusing on hotels, restaurants and catering firms), traders (focusing on independent resellers such as kiosk operators, bakers and butchers) and multispecialists (focusing on Horeca, traders and service companies and offices). This categorisation was guided by the strategic focus on customer groups and expected market potential. Together with the responsible member of the Management Board, the management of the METRO Cash & Carry segment is responsible for the three clusters. Three operating partners are mandated with the individual clusters and support the countries with overarching measures geared towards specific customer groups. In line with the New Operating Model, strategy and financial planning (Value Creation Plans) starts with the customer and the various market segments with the objective of identifying and exploiting the additional potential for METRO Cash & Carry in the individual countries. To achieve this objective, the company specifically aims to better understand the requirements of selected key customer groups to support the transformation from a transaction-based partner into a systemically important partner. The new model is based on the approach used by private equity companies and the associated concept of active ownership. It represents a further step towards promoting entrepreneurial spirit within the organisation by transferring not just greater responsibility but also greater creative freedom to the national subsidiaries of METRO Cash & Carry while also providing for the international coordination of measures geared towards specific customer groups. The New Operating Model is scheduled to be fully implemented by October 2016.

Implementing the initiated strategic repositioning

Increase customer value: the explicit focus on the customer with the aim of generating added value, which clearly distinguishes the company from others, is an inherent component of METRO Cash & Carry's mission statement and, through this, is firmly entrenched in its strategy. All measures – including those aimed at the strategic transformation of METRO Cash & Carry – begin from the customer's perspective and are coupled with the question of the extent to which this can increase customer value, both now and in the future.

This perspective is not limited to product transaction. In order to be able to generate unique added value for the customer, the business model and the customers' needs must be understood integrally. Based on this, METRO Cash & Carry will offer solutions that can help to shape customer segments in the future, thereby transforming the customer relationship into a strategic partnership.

Transform and grow

METRO Cash & Carry operates in 26 countries in Europe and Asia. The markets in the various countries are at different stages of maturity. As a result, the focal points for the target customer groups differ significantly in the various countries. Because the countries' stages of development are changing continuously, relevant changes must be anticipated at an early stage and local business models transformed based on the changes in the requirements and customer segments in the respective country. In this process, METRO Cash & Carry also draws on experience from the countries in its current portfolio and in company history.

Growth is a key component of company strategy. The wholesale stores are the most important growth platform. They have already contributed to the growth of METRO Cash & Carry for nine successive quarters with an increase in like-for-like sales. The expansion of the existing business model through the development of the delivery service, predominantly to customers from the food service sector, will remain a crucial growth driver.

Improve and expand

The opening of new wholesale stores, with a focus on Russia, China, India and Turkey, will make a significant contribution to the expansion of METRO Cash & Carry. In addition, the sales line will increasingly grow as a result of company takeovers. The acquisition of the Classic Fine Foods group in financial year 2014/15, a delivery service provider for premium hotels, restaurants and catering firms with a special focus on Asia, is one example of this. In light of changing customer needs and market conditions, METRO Cash & Carry will continue to constantly examine its portfolio to see whether strategic goals with regard to profitable growth, market shares or increased company value can be achieved.

Innovate

Innovation, both in the core business of wholesale and in delivery as well as in the management of target customer groups, is a fundamental part of this strategy. In this way, METRO Cash & Carry supports its customers by developing innovative and digital solutions, for example, for the food service sector, through such initiatives as the Techstars METRO Accelerator programme.

Media-Saturn

Media-Saturn is number one among consumer electronics stores and the associated products and services in Europe, with sustainable and profitable market positions in selected countries. The group of companies regards itself as a partner, daily companion and navigator for consumers in the fascinating but increasingly complex digital world.

Increase customer value

Increasing connectivity has resulted in a radical evolution of customer demands. Only a few years ago, store-based retail still served as the starting and finishing point in the purchasing process. Today, in contrast, the decision-making process can be begun and completed anywhere.

Media-Saturn has responded to this by transforming the basic formats of Media Markt and Saturn into 360-degree retailers focused entirely on the customer. Everything is tailored to the customer's needs: from the supply chain through the design of the stores right up to customer relationship management and downstream services. In this constellation, the store is given a significantly more diverse role than it previously had. It transforms from a shopping location into a digitally networked marketplace, showroom and service centre.

Transform and grow

Online business is the key growth driver for Media-Saturn. This, in turn, is being driven by the dovetailing of online and store-based retail into 360-degree retail.

COMBINED MANAGEMENT REPORT
CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

The amalgamation of pure-play online activities into the Electronics Online Group (EOG) also plays an important role in this development. The EOG has three functions: First, it further develops company shareholdings – apart from Redcoon, the EOG also includes attractive business models to cater to different customer segments and customer expectations. These include, for example, the live shopping platform iBOOD, which was acquired in financial year 2014/15. Second, the EOG also operates as a founder of start-up companies (incubation). Third, as part of the Spacelab accelerator programme, it creates loyalty to Media-Saturn among start-up companies across the entire value chain of consumer electronics retail.

Improve
Better basic infrastructure will be the backbone for future success. Logistics is a case in point. Until now, delivering to the stores was the prime objective of logistics. Today, more than ever, the customer dictates the time and location of the delivery. Any company that can organise customised goods flows will gain a competitive edge in procurement, planning and distribution.

The portfolio of countries and the sales formats offered there are continuously being optimised. The starting point for this process is provided by a group-wide modular system of formats and concepts, which enables formats to be adapted on a decentralised basis to individual local conditions.

Innovate
Because retail has only begun to address the topic of digitalisation, continuous development has become part of the Media-Saturn strategy. This enables the company to recognise and integrate innovations and become an initiator for its market environment, customers and employees. Apart from the activities of the EOG, these innovations also concern the areas of digital innovation as well as product and service innovation.

Digital innovation includes the digitalisation of the business model, particularly in the stores. The group of companies tests new concepts here and introduces them at the international level if they are successful. They start with navigation aids for customers in the store and extend to digital price tags which customers will be able to link to their smartphones in the future to access additional information such as product comparisons or reviews.

Product and service innovation comprises new additional offerings for customers. With the acquisition of the customer and repair service provider RTS, for example, Media-Saturn will be able to offer a significantly larger range of services in the future. Then, the spectrum will encompass the planning, installation, servicing, maintenance and repair of the most diverse products – from domestic appliances through smartphones and televisions right up to entire smart homes. In the future, Media-Saturn aims to offer all these services both in store as well as directly at the customer's home.

Real

Real's objective is to become the number one shop for all potential customers with their diverse needs. In this respect, increasing relevance and appeal among customers is of decisive importance to gain market share in Germany, with the topic of sustainability continuing to play a key role across the company. A simultaneous focus on economic, ecological and social criteria will determine strategic decisions along the entire value chain – from the design of assortments to the profitability of measures and processes.

The next generation of the Real sales concept will build on a foundation of profitable and sustainable growth. To achieve this, it is essential to continue the implementation of the efficiency programme for competitive cost structures. This comprises optimisation measures in supply chain management and in the store portfolio, establishing more efficient procurement partnerships as well as adapting the wage structure to the challenges inherent in retail and competition. In the coming financial years, Real must continue its transformation in tandem with demographic change and digitalisation and integrate future market trends and the successful store concept within the company.

In its continued development, Real focuses on a high level of customer satisfaction and a greater number of customer touchpoints. The customer will be shifted even more distinctly to centre stage in an all-encompassing and comprehensive strategy. The Real sales concept of the future aims to pique customers' interest and inspire them even more. For this reason, a high level of service orientation, convenience and value for the customer are clearly at the forefront of this focus. The aim is to enable Real to stand out within a dense competitive environment with a unique profile in the German food industry. In the process of digitalisation, customers will no longer choose exclusively store-based or purely online offerings in the future. Instead, customers will look for the best possible combination from an omnichannel portfolio.

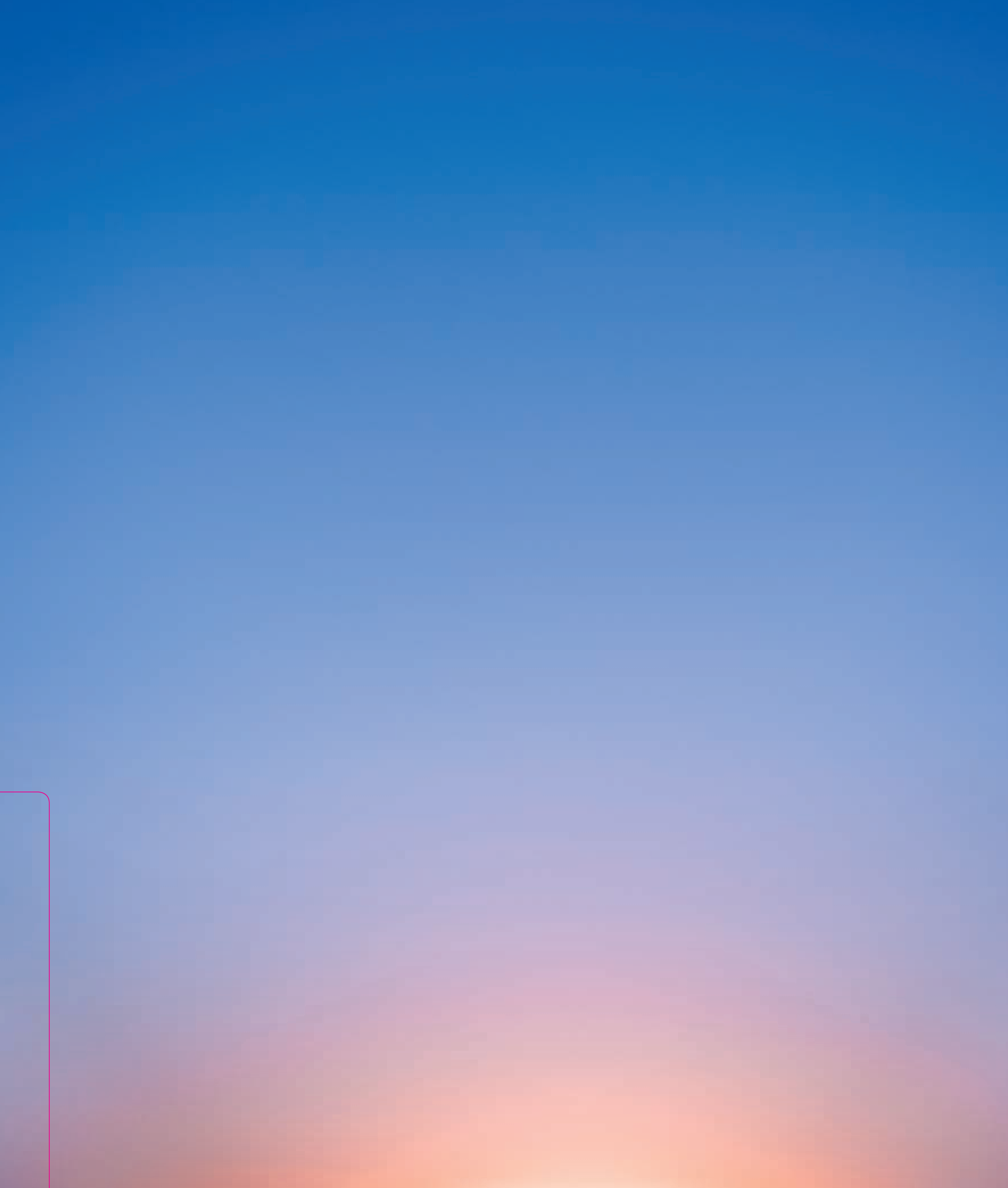
For this reason, the development of the online non-food business is an inherent component of Real's strategy, and the implementation of a functioning and economically viable online distribution concept for food is being pursued.

These strategic objectives will also determine the requirements for future internal corporate processes and the design of the IT landscape both externally and internally. Real must be capable of supporting potential customers from the beginning of their purchase decision process right up to after-sales management. In this context, it is irrelevant which channel they choose. Instead, whether store-based or networked, customers should be offered an all-in-one solution.

In line with changing customer demands and needs, Real intends to implement further modernisation measures based on the successful model of its Essen store over the next few years. This, however, requires competitive cost structures. The increasingly tight-knit networking between online and offline will play a decisive role here. In addition, topics such as ultra-fresh produce, regionality, assortments, service and stock optimisation will be of key importance.

COMBINED MANAGEMENT REPORT
CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

COMBINED MANAGEMENT REPORT



COMBINED MANAGEMENT REPORT

Overview of financial year 2014/15 and outlook

Earnings position

- METRO GROUP's like-for-like sales climbed by 1.5 per cent in financial year 2014/15
- Due to negative currency and portfolio effects, reported sales for financial year 2014/15 decreased by 1.2 per cent to €59.2 billion (in local currency: +0.5 per cent)
- EBIT from continuing operations before special items: €1,511 million (2013/14: €1,531 million)
- Profit or loss for the period before special items: €688 million (2013/14: €673 million)
- Earnings per share before special items improved to €1.91 (2013/14: €1.84)

Financial and asset position

- Net debt declined by €2.2 billion to €2.5 billion (30/9/2014: €4.7 billion)
- Investments totalled €1.4 billion (2013/14: €1.0 billion)
- Cash flow from operating activities reached €1.8 billion (2013/14: €2.0 billion)
- Total assets amounted to €27.7 billion (30/9/2014: €28.2 billion)
- Equity: €5.2 billion (30/9/2014: €5.0 billion); equity ratio: 18.7 per cent (30/9/2014: 17.8 per cent)
- Long-term rating: BBB– (Standard & Poor's)

Outlook of METRO GROUP

The forecast is based on the current group structure and refers to currency-adjusted figures. In addition, it is based on the assumption of a persistently complex geopolitical environment.

Sales
For financial year 2015/16, METRO GROUP expects to see a slight rise in overall sales, despite the continuously challenging economic environment.

In like-for-like sales, METRO GROUP foresees another slight increase that will follow the reporting year's rise of 1.5 per cent. The sales lines METRO Cash & Carry and Media-Saturn in particular are expected to contribute to both total sales and like-for-like sales growth; we expect the Real sales line to improve its performance compared with the past financial year.

Earnings
In financial year 2015/16, earnings development will also be shaped by the persistently challenging economic environment.

Nevertheless, METRO GROUP is confident that it can again achieve an earnings increase as a result of the progress it has made and will continue to make in transforming its business models. Aside from operational improvements, METRO GROUP will again closely focus on efficient structures and strict cost management in this context in financial year 2015/16.

For these reasons, we expect EBIT before special items to rise slightly above the €1,511 million achieved in financial year 2014/15, including income from real estate sales. METRO Cash & Carry and Media-Saturn in particular are expected to contribute to this development, while the development of the Real sales line will depend on the successful implementation of the measures that have been initiated.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

— PRINCIPLES OF THE GROUP

Group business model

METRO GROUP's corporate structure is characterised by a clear division of responsibilities. The group 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.

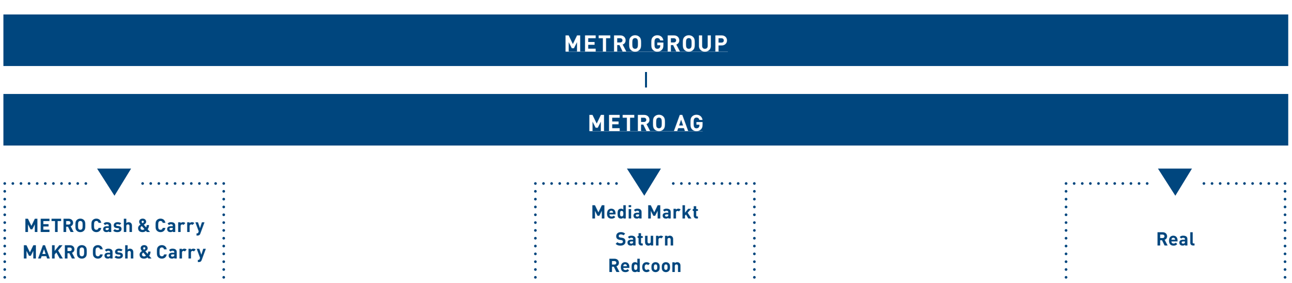
The group's operational business is handled by our three sales lines. In some cases, the sales lines operate in the market with several sales brands or through subsidiaries, depending on the respective strategy, segment and specific competitive environment.

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

Galeria Kaufhof was sold to Hudson's Bay Company (HBC) during financial year 2014/15. The transaction was successfully completed at the end of September 2015. Due to the sale, Galeria Kaufhof is no longer shown as a separate segment, but under discontinued operations.

Service companies support all METRO GROUP sales lines with services in such areas as real estate, logistics, information technology and advertising. 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 26 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 August 2015, METRO GROUP acquired the Classic Fine Foods group (CFF). CFF is active in 25 mostly Asian cities in 14 countries and supplies premium hotels, restaurants and catering firms. At the end of 2014, METRO Cash & Carry closed its stores in Denmark. The wholesale business in Greece was disposed of in January 2015. The sale of the wholesale activities in Vietnam is scheduled to close in financial year 2015/16.

Media-Saturn is Europe's number one consumer electronics retailer. The sales line's success is based on a combination of factors: the strong Media Markt and Saturn brands, a decentralised organisational structure with local managing directors holding minority stakes, and the close dovetailing of all distribution channels and services in a seamless offer for customers. In pure online retail, Media-Saturn has a presence in eight countries through the online retailer Redcoon, a fully owned subsidiary of Media-Saturn, and is represented in Russia through the 003.ru brand. In addition, Media-Saturn acquired a majority stake in live shopping portal iBOOD in April 2015 and a majority stake in repair and services provider RTS in August 2015, thereby expanding its consumer services offering. The closing took place in October 2015.

Real is one of the leading hypermarket operators in Germany, where it is active both in store-based and online retail. 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.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

Store network by countries and segments

	METRO Cash & Carry[1]		Media-Saturn		Real		METRO GROUP		Discontinued operations	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Germany	**107**	**107**	**415**	**417**	**307**	**293**	**829**	**817**	**122**	**118**
Austria	12	**12**	47	**48**			59	**60**		
Belgium	15	**15**	23	**23**			38	**38**	15	**16**
Denmark	5	**0**					5	**0**		
France	93	**93**					93	**93**		
Italy	49	**48**	117	**110**			166	**158**		
Luxembourg			2	**2**			2	**2**		
Netherlands	17	**17**	45	**49**			62	**66**		
Portugal	10	**10**	9	**9**			19	**19**		
Spain	37	**37**	72	**77**			109	**114**		
Sweden			27	**27**			27	**27**		
Switzerland			25	**27**			25	**27**		
Western Europe (excl. Germany)	**238**	**232**	**367**	**372**			**605**	**604**	**15**	**16**
Bulgaria	14	**11**					14	**11**		
Croatia	7	**8**					7	**8**		
Czech Republic	13	**13**					13	**13**		
Greece	9	**0**	10	**10**			19	**10**		
Hungary	13	**13**	21	**21**			34	**34**		
Kazakhstan	8	**7**					8	**7**		
Moldova	3	**3**					3	**3**		
Poland	41	**41**	71	**79**			112	**120**		
Romania	32	**31**			4	**0**[2]	36	**31**		
Russia	73	**84**	63	**67**			136	**151**		
Serbia	10	**10**					10	**10**		
Slovakia	6	**6**					6	**6**		
Turkey	28	**29**	39	**41**			67	**70**		
Ukraine	33	**32**					33	**32**		
Eastern Europe	**290**	**288**	**204**	**218**			**498**	**506**		
China	78	**82**					78	**82**		
India	16	**18**					16	**18**		
Japan	9	**9**					9	**9**		
Pakistan	9	**9**					9	**9**		
Vietnam	19	**19**					19	**19**		
Asia/Africa	**131**	**137**					**131**	**137**		
International	**659**	**657**	**571**	**590**	**4**	**0**	**1,234**	**1,247**	**15**	**16**
METRO GROUP	**766**	**764**	**986**	**1,007**	**311**	**293**	**2,063**	**2,068**[3]	**137**	**134**

[1] The METRO Cash & Carry segment also includes the business of the Classic Fine Foods group in China (including Hong Kong), France, Indonesia, Japan, Korea, Macau, Malaysia, the Philippines, Singapore, Thailand, the United Arab Emirates, the United Kingdom and Vietnam. The locations and countries of the Classic Fine Foods group are not shown in the table as they relate to distribution centres and warehouses whereas this table only covers sales locations.
[2] As of financial year 2014/15, the four stores in Romania are shown in the Others segment
[3] Including four stores in the Others segment

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 line with 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 in local currency. To enhance its assessment 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 the economic report – asset, financial and earnings position – 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 key performance indicators, see the economic report – asset, financial and earnings position – 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 the economic report – asset, financial and earnings position – financial and asset position.

Performance metrics 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 various investments (for example, expansion and online business) with a view to enhancing customer value and METRO GROUP's company value.

Aside from the focus on investment, regular **net working capital** analyses are carried out to ensure 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. 42 – notes to the cash flow statement.

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

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 on these key performance indicators, see the economic report – asset, financial and earnings position – 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 above-mentioned operational key performance indicators.

For further details on these performance metrics, please see the economic report – asset, financial and earnings position – earnings position.

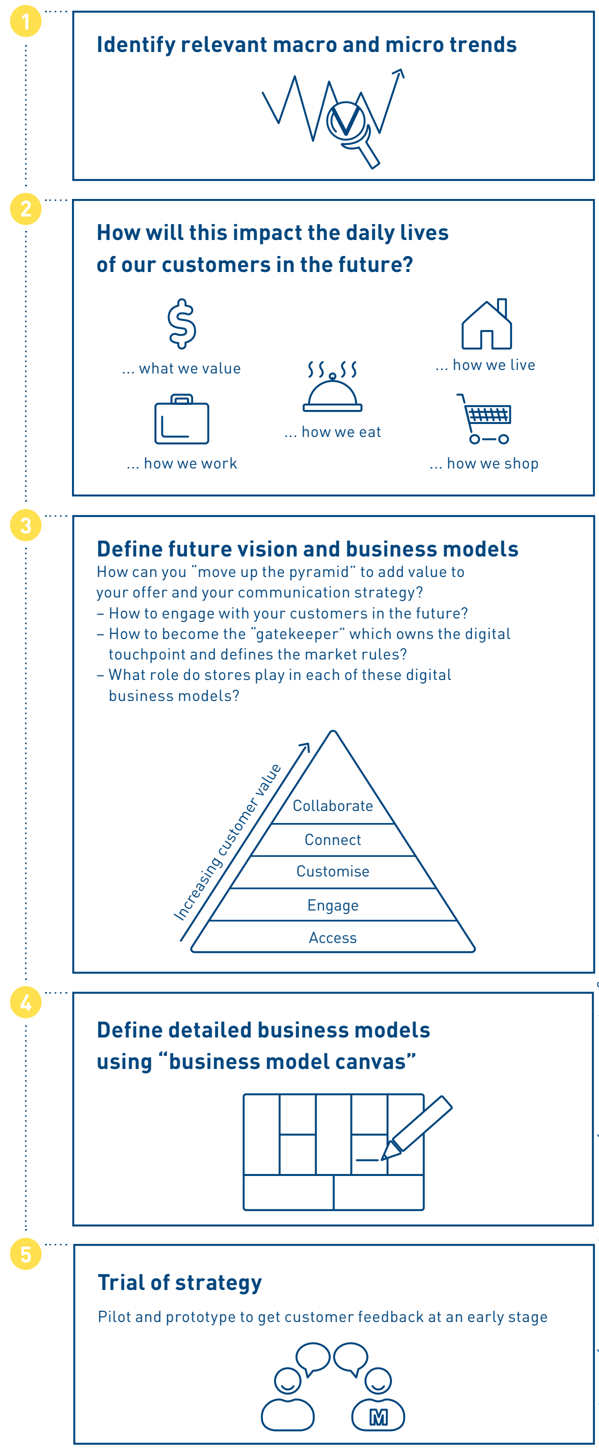
Innovation management

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.

Both our sector and our customers currently find themselves in a profound transformation process which is being driven in particular by megatrends such as digitalisation and social change. These trends have a great impact on the way our customers live, work and consume. Our aim is to support our customers in this change process and become a relevant partner for them. We are thereby faced with the challenge of having to change ourselves, because as retailers, we can no longer be satisfied with simply providing access to products for our customers – regardless of whether online or offline. In order to successfully shape the retail of the future, we have to offer our customers added value and involve them more closely. To achieve this, we need new business models that enable us to generate content and offer it to our customers. To that end, METRO GROUP's Business Innovation organisational unit is working together with the sales lines on a customer-centred process that is designed to optimally support everyone involved and that can be appropriately adjusted with an eye to the customer groups of the various sales lines (see graphic).

In the course of this process, digitalisation, social change, urbanisation and sustainability were identified as the most important trends that will most strongly influence and change people's value systems, lives, work and consumption patterns. On the basis of these analyses, we ask the following questions: How can we involve our customers more closely in future? How can we become the defining player in the retail sector? Which role does store-based retail play in digital business models? At the same time, our aim is to increase the customer benefit as best we can, and thus ensure that price is no longer the only decisive argument. Instead of merely facilitating access to products, we wish to involve customers, further personalise our offers, network with our customers and, in the best case, collaborate with them. Only when the framework conditions and benefits have been decided on will detailed business models be defined and pilot projects implemented. In the process, innovation management concentrates on a number of clearly defined focal topics (see graphic). In the course of financial year 2014/15,

Innovation strategy planning process



Source: David L. Rogers, The network is your customer, Yale University Press, 2010 the new focal area of "Horeca Services" was added to the existing innovation fields. The new field relates to the introduction of digital services and solutions for hotel and restaurant owners as well as catering firms. Of the two million businesses that are active in the hospitality sector in Western Europe alone, 1.4 million are METRO Cash & Carry Horeca customers. However, the digital services market for this group of customers is still unoccupied. At the same time, there are many young entrepreneurs who offer digital solutions but are unable to implement them in their own business models or at a larger scale without support. We see considerable potential in this area and therefore created a new focal area at the end of financial year 2014/15: Digital Horeca. METRO GROUP's goal is to provide Horeca customers with digital tools that enable them to grow more quickly and more easily manage their processes.

METRO GROUP is actively seeking businesses across Europe, the USA, Asia and Africa that fit in with its innovation strategy. When making investments, METRO GROUP's focus is on significantly supporting start-up businesses in achieving growth. In December 2014, we acquired a 15 per cent share in "Emmas Enkel", a company that combines traditional local supply with modern online retail. Since April 2015, METRO GROUP has held an 18.33 per cent share in Culinary Agents, an American online job network that specialises in the placement of qualified personnel in the hospitality sector.

Another aspect of our innovation management is positioning METRO GROUP as an interesting and reliable partner for start-up businesses and making active use of METRO GROUP's strengths for this purpose. Our aim is to foster collaboration with business founders and young entrepreneurs as well as to strengthen and support start-up structures in general. With a view to these objectives, METRO GROUP has provided financial and content-related backing for several events on this topic in the course of 2015. One example of this is a series of events entitled "Innovation in Retail Meetup", through which we have created a platform for exchange between innovative business start-ups in the retail and food service sectors and METRO GROUP and its sales lines. At the gatherings in Düsseldorf, business founders present their ideas and business models and then network with other founders, experts and representatives of METRO GROUP. Here, valuable contacts are established, which have already resulted in start-up businesses having been able to implement pilot projects within the METRO GROUP sales lines. Examples of this are the listing of craft beer of the Berlin-based company BRLO at Emmas Enkel as well as initial test activities with Instagram printing stations and terminals at METRO Cash & Carry. The service offered by Dinnery will be presented at a pop-up store at the Weserpark shopping mall in Bremen from 24 September to 23 December 2015: this start-up supplies gourmet boxes with freshly pre-cooked components that contain all the ingredients customers need to create a menu in high-end professional quality. POSpulse, a start-up that deploys private citizens as scouts for the purpose of analysing retail at the point of sale, was given the opportunity to conduct a pilot project with Media-Saturn. This solution is meanwhile being used as a market research instrument by the sales line.

However, innovation management also has an impact on the process of cultural change within the company. The emphasis in this case is on fostering the understanding that the company must constantly and ever more quickly reinvent itself in order to cope with the digital age. The aim is to remove the fear of change and create an understanding that everyone can and must play a role in shaping change. As a first step towards this, a series of workshops has been created that is designed to familiarise employees with innovative topics in an easily understood way. With the internal social network UNITED, METRO GROUP has also created a new communication and interaction platform in the reporting year that enables employees to network efficiently with one another and work together across national boundaries on the development of ideas. In this way, METRO GROUP also actively supports the change process in its everyday work.

The six areas of innovation at METRO GROUP

1 STORE	2 CHANNEL	3 MARKETING	4 LOGISTICS, SUPPLY CHAIN & DELIVERY	5 NEW PRODUCTS & SERVICES	6 HORECA SERVICES
Offer products via mobile devices that had previously only been available online	Integrate sales channels and continue to develop new channels – e-commerce, mobile commerce, food e-commerce	Individualise and improve effectiveness and efficiency of marketing, customer relationship management and smart data	Deliver the right products at the right time to the right place for the lowest price possible	Introduce and link new products and services	Introduce digital services and solutions for Horeca customers

Working in close collaboration, the sales lines are already testing and successfully implementing numerous innovations in the six fields indicated. Selected examples are outlined below.

METRO Cash & Carry is intensively working on serving customers as an ideal partner in their everyday working lives. One of the goals is to provide Horeca customers with increased support regarding digitalisation processes. To this end, in financial year 2014/15, METRO GROUP entered into a strategic partnership with the online job network Culinary Agents. The American start-up works with a self-developed, dynamic technology that directly connects talents with businesses. The network also offers tools for the selection and management of applicants and communication with them. With its participation in Culinary Agents, METRO Cash & Carry offers its important customer groups of restaurateurs, hoteliers and caterers an added service for their day-to-day business success. Culinary Agents, which already operates in more than 30 cities in the United States, was launched in Europe in October 2015, initially in Italy and France, with other countries scheduled to follow in 2016.

To be able to offer the customers of METRO Cash & Carry new services and technologies in the future, METRO GROUP launched its Techstars METRO Accelerator in the course of financial year 2014/15. This new support and development programme is being undertaken jointly with the American company Techstars, one of the most internationally renowned start-up networks, as well as the digital agency R/GA. Techstars METRO Accelerator is targeted at business founders with innovative technological applications for use in the food service, hospitality and catering sectors. The programme provides for experienced mentors and experts to support selected start-up enterprises in successfully developing their business during a period of three months. During the programme phase, the business founders also work closely with representatives of the METRO Cash & Carry national subsidiaries for an initial pilot project. On so-called Demo Day in January 2016, the teams will present their business concepts to an audience of international investors, leading industry representatives and the general public. The Techstars METRO Accelerator is the first support programme worldwide to focus on technology applications for the hospitality sector.

In order to guarantee the customers a unique shopping and freshness experience, METRO Cash & Carry is also working on a pilot project with the Berlin start-up Infarm. The objective is to introduce "indoor farming" to the METRO Cash & Carry wholesale stores. Infarm specialises in the sustainable cultivation of shoots and sprouts, herbs and even lettuce varieties in enclosed spaces. With the aid of technical installations, the plants are grown directly in store and sold directly to the customers.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

At Media-Saturn, various innovations have proved themselves in the field of goods delivery. Express delivery and delivery at a time of the customer's choice have now become a firm feature among the range of services offered to customers. In order to optimally fulfil their expectations and wishes, Media-Saturn is also working with the Business Innovation unit on new market formats.

Additionally, in autumn 2014, Media-Saturn launched a project with Shopkick, a mobile shopping service provider. With the aid of the Shopkick app, the attention of customers is drawn to products and offers in shops in their vicinity. On entering a shop, the customer is rewarded with "kicks", which can then be exchanged for vouchers through Shopkick. To make this and other services possible, Shopkick uses beacons. These are tiny transmitters that emit signals which can be received by correspondingly configured smartphones. Media-Saturn wanted to try out the new technology and therefore entered into the partnership with Shopkick. Media-Saturn also uses Shopkick to engage in targeted, personalised marketing with the app. As a result, in the period from January to August 2015, more than half a million customers collected "kicks" at a Media Markt or Saturn consumer electronics store. In the process, these customers viewed products over ten million times via the app. The project with Shopkick is initially planned until spring 2016.

With the relaunch of the Real app for iOS and Android operating systems in April 2015, Real has significantly increased the added value for its customers. Since its launch in 2010, more than 870,000 customers have installed the application on an iOS or Android device. In regard to the customised marketing activities which are planned for the future, the Real app has also been more strongly personalised and can now be adjusted by the users according to their individual preferences. After logging in, the customer is already offered customised services and information on the homepage. A new recipe section has also been incorporated into the app. To ease the use of the new technical functions, Wi-Fi is already available to users of the Real app in over 100 Real hypermarkets – free of charge and with no restrictions on access or data volume.

In the context of its 15 per cent stake in Emmas Enkel, METRO GROUP has been testing new multichannel concepts in small-format food retail in Germany. Real is acting as an operating partner, supplying Emmas Enkel with high-quality food products, fresh regional produce, household and drugstore articles as well as own-brand products. Through the city-centre Emmas Enkel stores and the online shop, the sales line is reaching new customer groups, thus creating a new sales channel for itself.

But other new technologies are also being introduced to the stores of our sales line. For example, Real is offering its customers new payment systems. These include self-checkouts and cash registers equipped with wireless near field communication (NFC) transmission technology. With NFC, contactless purchases can be made using compatible cards or mobile phones. In connection with the launch of this technology, Real is participating in the mobile payment initiative NFC City Berlin. The biggest nationwide project of its kind, for which the company GS1 Germany created the platform, started in April 2015 and will run for one year. NFC City Berlin is a cooperation between all German mobile network operators and leading retail and wholesale companies. The aim is to familiarise customers with the possibilities of mobile payment technology and win them over for it.

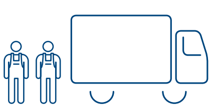
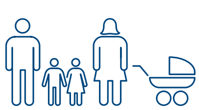
Working in cooperation with Ebay and Paypal, METRO GROUP tested a new omnichannel concept in the course of a three-month, multiple-sales-line project. From October 2014 to January 2015, customers and traders were able to test and experience this form of shopping in the "Inspiration Store". On a sales area of around 200 square metres in the Weserpark shopping mall in Bremen, various technologies from a number of producers and service providers in the field of online and offline shopping were used in new combinations. One focus, among others, was on QR code shopping as well as payment methods such as payment using the Paypal app. The goods could be bought in store and taken home, delivered to the customer's home, or directly ordered online. The goal of the project was to gather experience in the field of omnichannel retail. Altogether, more than 40,000 customers visited the Inspiration Store. They were especially interested in the omnichannel functions such as "ship from store" and payment via smartphone. 10 per cent of sales were made using Paypal.

Following the previous projects with cooperation partners, METRO GROUP has gone one step further and is currently testing the Cross-Border E-Commerce concept. Here, the Business Innovation unit is working closely with METRO Cash & Carry China, with the aim of being able to offer German products on the Asian e-commerce platform Tmall. Tmall is a subsidiary of the Alibaba Group and is China's third-largest e-commerce platform for brands and retailers. Within the scope of this test project, the Real sales line is delivering own-brand products, among other things, to China. The huge market and the strong demand for German products in China offer a major potential that METRO GROUP seeks to use.

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

Sustainability management

METRO GROUP views itself as a member of society that contributes to social value creation. Our company's responsibility to align economic goals with social requirements and the demands of customers, employees, investors and partners extends beyond compliance with legal stipulations. We must respect the limits placed on us by the environment. By taking this approach, we act today for the good of tomorrow. In line with METRO GROUP's sustainability vision "we offer quality of life", our business activities are designed to create added value while reducing negative effects. This makes all aspects of our business sustainable.

We offer quality of life ...		**And become sustainable In all that we do ...**
... for our customers ... 	... by constantly improving our processes and by providing local customers around the world with safe, high-quality products, and with products that are produced, processed and recycled in a socially responsible, environmentally sound and resource-friendly manner. This is how we secure our future.	**... which is why we are working on responsible product and assortment design.**
... for our employees ... 	... by respecting, protecting and helping them to grow professionally at all times, and by building trusting relationships with them. This is how we create an attractive working environment	**... which is why we systematically make sustainability a part of our work.**
... for all who work for us ... 	... through fair and responsible business practices and by providing fair living and working conditions. This is how we demonstrate responsibility in the supply chain.	**... which is why we are committed to promoting humane working conditions.**
... for the environment ... 	... by protecting the environment, conserving natural resources and minimising our effect on the climate. This is how we help to create a sound foundation for retail of tomorrow.	**... which is why we are focused on optimising our processes and utilising resources efficiently.**
... for society ... 	... by working on solutions to global challenges in a relationship of mutual trust with our stakeholders. This is how we contribute to sustainable development.	**... which is why we align our business with the needs of society and contribute to our local communities wherever we operate.**

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 behaviour. The goal of this is that all individuals acknowledge the significance of sustainability with respect to both themselves and their professional environment, and that they conduct themselves accordingly. The issue can be encouraged from the top down, but it must be carried out by everyone.

EMBEDDING SUSTAINABILITY

SUSTAINABILITY STRATEGY

PROCESSES	TRAINING PROGRAMMES	BEHAVIOUR
Integration of sustainability into standard processes	**Integration of sustainability into training sessions and materials on management and employee level**	**Consideration of sustainability at work and in daily life**

RESULT

Norm in daily business and in decision-making processes

SUSTAINABILITY MANAGEMENT

Topic	Goals	Status of goal achievement	Measures	Status of measures
EMBEDDING SUSTAINABILITY WITHIN THE COMPANY	METRO GROUP systematically makes sustainability a component of its business operations.		Integration of sustainability in all (fundamental) business processes by 2016. First step: identification of fundamental processes and their connection to the issue.	
			By 2016, we will sharpen employees' awareness of sustainable behaviour. First step: preparation of an overarching concept designed to carry out a sustainability campaign including a sustainability day.	
			Integration of sustainability into training programmes. By 2016, we will develop training measures in corporate responsibility and offer them to all employees. First step: development of a general training format.	

For annotations to the symbols, see page 74

Our sustainability management
Sustainability management is designed to facilitate the integration of sustainability into our core business operations and to consider the interdependencies 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 the risk and opportunity report.

As a corporate body 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 roundtable 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.

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 ensuring that the objectives are reached. They report their progress to the Sustainability Board through the roundtable.

Our stakeholders evaluate the sustainability measures carried out by METRO GROUP, for example, through ratings. These evaluations provide important motivation to us and serve as a management tool because they demonstrate the progress of and potential to improve our activities.

In financial year 2014/15, METRO GROUP once again qualified for a place among the world's most sustainable retail companies and is listed both in the Dow Jones Sustainability Index World and the Dow Jones Sustainability Index Europe. Moreover, METRO GROUP was named an industry group leader in the category of "Food & Staples Retailing" for the first time in its history. The group's total score increased to 77 from 71 in financial year 2013/14. This represents a significant improvement for METRO GROUP.

Assessment of relevant sustainability indexes and rankings

Index/ranking	Rating/score	Scale	Year
Dow Jones Sustainability Index (DJSI) World/Europe	**77 Industry Group Leader Food & Staples Retailing**	0 to 100	2015
Oekom Corporate Rating	**C+ Prime Status**	D– to A+	2014
CDP Climate Disclosure & Performance Scoring	**99 A– Sector Leader Consumer Staples DACH Region MDAX Index Leader**	0 to 100 / E to A	2015
FTSE4Good Global/Europe Index	**3.8**	0 to 5	2015

SUSTAINABILITY BOARD

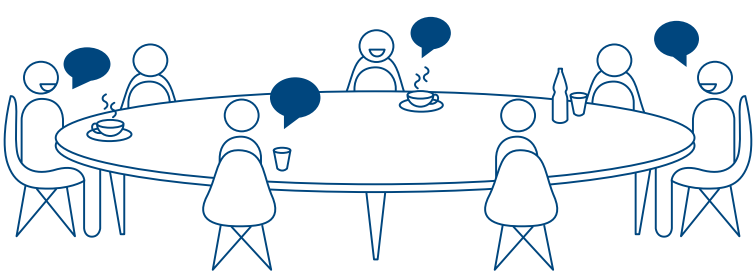
MANAGING DIRECTORS OF THE SALES LINES UNDER THE LEADERSHIP OF THE MEMBER OF THE MANAGEMENT BOARD RESPONSIBLE FOR SUSTAINABILITY, SUSTAINABILITY OFFICERS OF THE SALES LINES AND METRO AG

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.

METRO makro MediaMarkt SATURN redcoon.de real,-

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

Taking action along the value chain

Integration of the concept of sustainability into our sales lines' strategy process has resulted in specific focal areas at the operating level. We accordingly concentrate our sustainability activities on those parts of the value chain and our interaction with society through which our influence on processes relevant to sustainability is the greatest. Here, our actions have an according impact. Our exemplary value chain comprises the following areas:

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

In the following section, we provide an overview of our activities in the individual areas that we initiate to address specific challenges.

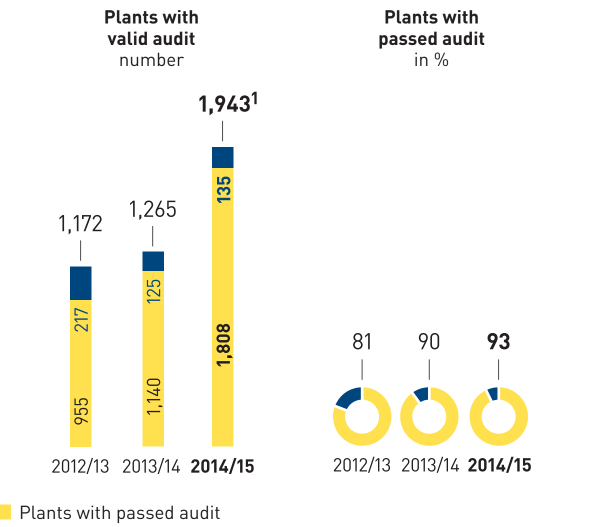
For in-depth information and other key performance indicators relevant to the topic of sustainability, see the website www.metrogroup.de in the section Responsibility.

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 laid down the fundamental requirements for sustainable supply chain and procurement management. At the same time, our purchasing policy forms the framework for various guidelines that address specific issues related to individual product and raw material categories. By developing and implementing such guidelines for sustainable purchasing, we are strengthening our procurement channels and help to improve the sustainability of our products.

To ensure socially acceptable working conditions within our procurement channels, we demand that our suppliers implement social standard systems. Our goal is that all of our producers in defined risk countries based on the assessment of the Business Social Compliance Initiative (BSCI) in which MGB Hong Kong manufactures goods for import as well as our producers that manufacture their own labels or their own imports of clothing, shoes, toys or hardware for METRO GROUP's sales lines undergo audits conducted in accordance with BSCI or equivalent standards. As of 30 September 2015, 1,943 producers have been audited. Of that group, 93 per cent (1,808 producers) passed the audit. Producers who fail to pass the audit have 18 months following the audit date to provide proof of improvement. 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.

Social audits of own imports through MGB Hong Kong and non-food own brands of the METRO GROUP sales lines
as of closing date 30/9



Plants that have passed the audit can demonstrate their successful compliance with the BSCI standard or an equivalent social standard system by presenting a certificate awarded by an independent third party.

[1] Adjustment of previous year's figures for social audits at plants relating to own imports through MGB Hong Kong. In addition, plants in 2014/15 relate to non-food own brands of the METRO GROUP sales lines.

Topic	Goals	Status of goal achievement	Measures	Status of 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 if the final product is produced in a risk country (risk country based on BSCI definition).	

[1] This covers the factories at which the merchandise is manufactured (own non-food brands and own non-food imports), which carry out the final significant and value-creating production step

For annotations to the symbols, see page 74

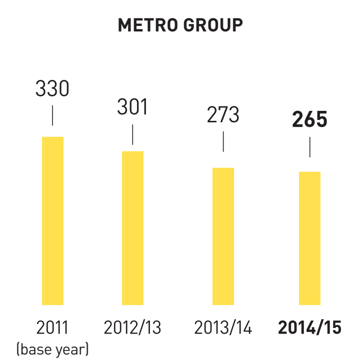
Transport, warehousing and stores

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.

Status of climate protection target

From October 2014 to September 2015, METRO GROUP generated 265 kilograms of CO_2 equivalent per square metre of selling space. This figure is down from 273 kilograms in the previous year's period. We have thus nearly reached the target we set for 2020 of 264 kilograms of CO_2 per square metre. The significant decrease in emission levels compared with 2013/14 is primarily attributable to two factors: first, measures to reduce energy consumption and decrease coolant losses, and second, the general technical and scientific developments that are reflected in the emission factors for calculating CO_2 consumption equivalents. Our greenhouse gas emissions also decreased in absolute terms. Among other things, we achieved this thanks to the sale of Galeria Kaufhof in addition to the measures already mentioned. In the coming years, we intend to continue working to protect the environment and reducing our greenhouse gas emissions even further. With a view to the Paris climate talks, METRO GROUP is defining a new climate protection target and will continue its contribution to curbing climate change after 2020.

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



Topic	Goals	Status of goal achievement	Measures	Status of 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.	

For annotations to the symbols, see page 74

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

Customers

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 social and environmental requirements – 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 by employing innovative technical solutions that can be used to monitor the individual links of the supply chain. Furthermore, we offer our customers greater transparency by using product labels that indicate our compliance with certain quality or sustainability standards. We also label our own brands accordingly. In addition, we provide complementary, specially prepared information in our stores and engage 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 2014/15, METRO Cash & Carry and Real generated sales of nearly €9 million in Germany from fair trade products. That figure includes all articles bearing a Fairtrade or GEPA label. In the same period, our sales lines generated a total of €107 million in Germany-wide sales of products certified in accordance with the EU regulation on organic farming. 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 2014/15, the sustainable fish product range of our sales lines METRO Cash & Carry and Real in Germany comprised 108 MSC-certified own-brand products and 773 brand items. In addition, those two sales lines distributed fish products bearing the ASC label for sustainable aquaculture as well as the "dolphin-safe" label. In total, sales of approximately €90 million were generated from our portfolio of sustainable fish products in Germany. Real increasingly offers its customers products from sustainable forestry. The sales line generated sales of nearly €302 million from regional products in the past financial year. Sales with products bearing either the FSC (Forest Stewardship Council) or the PEFC (Programme for the Endorsement of Forest Certification Schemes) label reached just under €22 million. Media-Saturn generated more than €3 billion from energy-efficient electrical appliances. We continue to work on increasing the share of sustainable products in our total sales and reporting them accordingly. With this in mind, METRO GROUP already adopted principles for sustainable procurement in 2013.

METRO GROUP is taking innovative approaches to traceability: in 2013, we began to work with other retail companies, 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 value chain – all the way to the end consumer.

Topic	Goals	Status of goal achievement	Measures	Status of measures
CONSERVATION OF RESOURCES / SAFEGUARDING OF FOOD SUPPLIES / SUSTAINABLE SOURCING	METRO GROUP initiates and supports the development of an international, cross-industry and product-spanning technical solution for traceability.		Following successful testing and implementation of a traceability solution for fish and meat at METRO Cash & Carry Germany, we started to introduce the solution to other countries at the beginning of 2015. In 2016, additional interested suppliers from selected assortment areas will be included in the project. In addition, METRO Cash & Carry Germany launched a pilot project in the fruit and vegetables category in 2015.	

For annotations to the symbols, see page 74

Topic	Goals	Status of goal achievement	Measures	Status of measures
SUSTAINABLE PROCUREMENT	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 product categories relevant to aspects of sustainability.		METRO Cash & Carry is currently reviewing the impact along the supply chain of its private-label portfolio on society and the environment. The assessment includes the raw materials, product and product group levels and follows the standard international assessment criteria for social and ecological impacts. The objective of the process is to establish basic requirements in financial year 2015/16 and to design supply chain and procurement management to be more sustainable in the relevant categories. Assessing the product portfolio, defining minimum standards and establishing specific key performance indicators (KPIs) will enable METRO Cash & Carry to fulfil the requirements for a more sustainable product range.	

For annotations to the symbols, see page 74

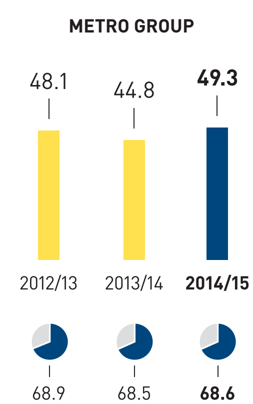
Disposal

As a retail company, METRO GROUP is dependent on the long-term availability of resources. These raw materials are essential because they are required to produce and package the company's products. For that reason, we closely address the source of the raw materials used in our products and packaging. At the end of a product's useful life, we consider whether and how the raw materials used in it can be recycled or disposed of in the most environmentally friendly manner. The first component of this approach is the so-called 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 materials that are no longer needed, we repurpose and continue to use 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. Since products and packaging find themselves in the hands of consumers when they reach the end of their useful lives, we consider it our duty to advise customers about disposal: at selected locations, 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.

Compared with the previous year, the amount of waste generated rose by nearly 5 kilograms per square metre of selling space. One reason for the increase is the growth of the delivery and online businesses at METRO Cash & Carry and Media-Saturn. The applicable key performance indicator rose based on the growth of the above businesses, while selling space either remained the same or even decreased.

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 and the environment as a form of value creation since it plays a role in addressing social challenges. For this reason, 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.

Community investments

€1,000 €	2013/14[1]	2014/15
Donations to charity	2,555	**2,450**
Social investments	1,743	**1,949**
Commercial initiatives	3,227	**3,574**
Total	**7,525**	**7,973**

[1] The allocation to the various categories has been modified

Topic	Goals	Status of goal achievement	Measures	Status of measures
SOCIAL COMMITMENT	METRO GROUP is expanding its projects involving food donations to international food bank initiatives from the current 17 METRO Cash & Carry countries to at least 18 countries.	In progress	METRO Cash & Carry cooperates with food bank initiatives in 17 of the 26 countries in which it is represented. In the remaining countries, extraneous circumstances such as political and tax-related factors make collaboration difficult. At present, METRO Cash & Carry is holding talks with local relief organisations and political legislators for the purpose of enabling co-operation in those countries in which extraneous circumstances hinder collaboration.	Measure ongoing
	METRO GROUP initiated a community involvement project at the start of financial year 2015/16. The group launched the project to offer non-bureaucratic means of help, provide relief in emergency situations and contribute to the integration of refugees. The Management Board of METRO AG has set aside a total of €1 million for this purpose. Group employees may request a one-time sum of €10,000 per employee for projects they are interested in pursuing. This offers motivated employees the opportunity to take action in their immediate environment. We want our employees to become personally involved. Our goal is to have expended the sum of €1 million for refugee assistance projects in Europe by the end of financial year 2015/16. We have thus increased the budget for social investment (corporate citizenship) by €1 million.	In progress	The project is being rolled out and promoted within the group. Online or offline, we want to inspire as many of our employees as possible to become involved.	Measure started
	The METRO GROUP Marathon has been held in Düsseldorf every year since 2005. One of the reasons for sponsoring the marathon is to increase employee retention. This engagement strengthens identification with the company and fosters participants' health. On average, nearly 700 of our staff take part each year. We would like to increase this figure to 800 in 2016.	In progress	Stepping up promotion of the METRO GROUP Marathon through the group's social intranet both within Germany and abroad.	Measure started

Degree of goal achievement

Measure not yet started — Measure started — Measure ongoing — Measure concluded — New goal implemented — In progress — Goal reached — Goal not reached

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 in their everyday work and 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 strive to be the 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. For us, this also includes the initial training of young employees for retail, through which we can recruit employees from our own ranks.

Vocational training at METRO GROUP

	2013/14	2014/15
Number of trainees in Germany	5,629	**5,370**
Number of trainees internationally	7,992	**7,067**
Newly employed trainees in Germany	1,760	**1,829**
Trainee ratio (incl. interns and students) in Germany	7.9%	**7.6%**
Share of examination candidates who have achieved a training qualification	94.8%	**95.8%**
Share of qualified trainees with follow-up contract	59.1%	**63.8%**

We focus on needs-based training with the aim of hiring a large portion of trainees at the end of the programme. Management and the Group Works Council have signed an agreement stating 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 have defined their own specific requirements and possible exceptions.

During the reporting period, the high quality of vocational training in our sales lines was yet again confirmed by an independent authority. For example, in the Trainer of the Year 2015 competition run by the retail and food industry journal Lebensmittel Praxis, both our Real sales line and the METRO Cash & Carry store in Sankt Augustin, Germany, achieved first place in the category Cash & Carry, Hypermarkets. In addition, the Real store in Potsdam was awarded third place in the category Cash & Carry, Hypermarkets. Five former trainees of Media-Saturn were honoured with the Bavarian State Award for outstanding achievements. To reward young employees for top-class achievements, Saturn organised a motivational event in October 2014 for all employees who had completed their vocational training in 2014.

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 example is the Good Deeds Day in June 2015: as part of this project, around 380 trainees in our sales lines and service companies, together with the North Rhine Red Cross Youth, collected donations for the reforestation of mangrove forests in Malaysia. Around 5,000 mangrove trees can be planted with the donations of about €15,000. With this action, the trainees are making an active contribution to climate protection.

In addition to dual vocational training, we offer young people the opportunity to attend a dual course of study with practical modules. In the reporting period 2014/15, 221 students were registered in Germany in nine courses of study.

METRO Potentials

In October 2014, METRO Cash & Carry launched the METRO Potentials programme in all 26 countries in which the sales line does business. The programme targets the best university graduates and young professionals worldwide who have two to three years of work experience. The aim is to build a sufficient pool of future managers and managing directors. 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. The 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. 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 addition, 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 reporting period 2014/15, about 400 young people took a look behind the scenes at the company for an entire day and learned about various training opportunities. In order to recruit young employees, Real focuses on other formats, including traineeship information on own-brand products, contributions on the sales line's Facebook page as well as online banners and testimonials of trainees on online platforms providing career choice support.

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) and e-commerce. In addition, the Media-Saturn Meets Students event series gives students insight into the individual business fields and the opportunity for personal exchange with employees. Two events took place in 2015.

During the reporting period, METRO Cash & Carry reworked its international career page and updated it in line with its employer brand positioning. Furthermore, an international LinkedIn profile was created that provides information about career opportunities as well as about METRO Cash & Carry as an employer. The profile already has more than 50,000 followers.

Likewise, in Germany, METRO Cash & Carry directed its focus in personnel marketing and recruitment onto social networks such as Facebook as well as onto job and career portals such as Xing and Indeed. With enhanced presence in these channels, the sales line can boost its employer brand online and address new talent in a targeted manner.

Employer of choice

Independent rankings confirm METRO GROUP's appeal as an employer both domestically and abroad. The national METRO/MAKRO Cash & Carry subsidiaries Belgium, Spain, France, Italy and Portugal were named Top Employer Europe for the first time in 2015. In addition, MAKRO Cash & Carry Spain was yet again awarded the Great Place to Work seal, with METRO Cash & Carry India achieving second place. According to the Hay Group ranking, METRO Cash & Carry Russia is among the "Best Companies for Leadership".

In 2015, Media-Saturn's Belgian subsidiary achieved tenth place for the first time in the Great Place to Work rankings and is thus the best retail company in Belgium 2015. In addition, Media-Saturn's Ingolstadt location was given the distinction "Fair Company" by the online portal Karriere.de.

Remuneration models and succession planning

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 one-year as well as multi-year variable compensation components whose total amount is essentially tied to our company's business performance. In addition, our one-year variable compensation considers individual achievements, the generation of customer value as well as the implementation of our management principles on the job. Among other things, the multi-year variable compensation incorporates a sustainability component.

Remuneration principles

The remuneration model for the approximately 600 top executives of METRO GROUP worldwide is based on the following four principles:

— Fair and internally consistent compensation
— Performance-based pay
— Market-driven and appropriate salaries
— Encouragement of role model behaviour

METRO GROUP further developed its remuneration system during the reporting period to underscore its sustainability standard. We maintained the fundamental principles for the one-year variable compensation. Based on this existing framework, we stipulated customer satisfaction as a key performance indicator for top executives of METRO Cash & Carry. The following applies to the multi-year variable compensation: this was further developed and subsequently launched in line with the remuneration of the Management Board as part of the sustainable performance plan version 2014 for top executives of the group. In accordance with the Green Car Policy introduced in financial year 2013/14, the CO_2 emissions of the company car fleet were also limited at the international level. Furthermore, there is a possibility that the unused leasing budget for cars can be converted into pension expenses. 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. Furthermore, a specialist career model was introduced for the METRO AG management holding company which is also based on these principles. This model is being adapted at the international level and is already being practised in some of the country organisations. Apart from remuneration, it also contains employee development programmes.

For more information about the remuneration system, see the 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 company in which they work. Moreover, our career planning processes enable us to identify and support suitable candidates for key positions in the company. 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 88.3 per cent.

Individual job performance reviews

Once a year, we conduct an individual job performance review with our 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 personal development. Priorities are defined for this at the beginning of every financial year; these can be re-examined and adjusted if necessary as part of a mid-year performance review. The job performance review is held at the end of each financial year. It focuses on the realisation of priorities and adherence to leadership principles as well as the respective employee's role-specific performance.

In financial year 2014/15, Media-Saturn introduced the new competence model "Passion for the Customer" and successfully established it in all countries in which the sales line operates. The aim of the model is primarily to support the focus on customer centricity and individual performance assessment.

Systematic succession planning

As part of the Leadership Talent Review (LTR) process, succession planning is conducted for our key 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 their respective positions. The process ensures that we identify and support suitable candidates for key positions at an early stage. Working together, employees and their supervisors then create a career development plan and determine targeted measures. As a result, the Leadership Talent Review serves as a long-term development process for candidates for top positions in our company. This process is supported through other methods such as the development centre and 360-degree feedback meetings.

Media-Saturn expanded its annual feedback sessions with executives to include the issue of succession planning. Based on the results of the sessions, employees receive, for example, the opportunity to participate in further training measures as well as in global development programmes.

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 development plan.

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

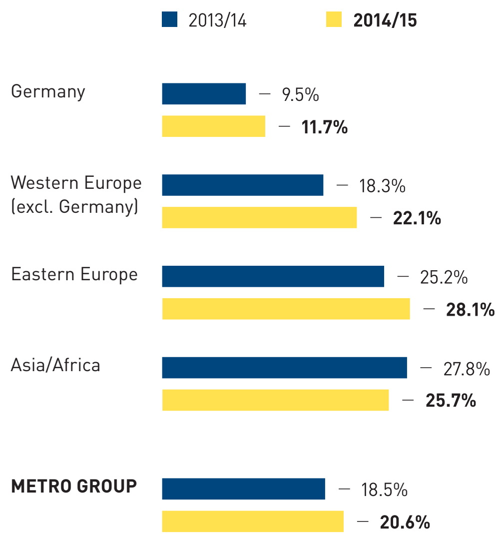
We select the candidates for the Excellence, Impact and Connect programmes for executive development according to the decisions made during the systematic succession planning process. Each of these programmes is designed to address the varying needs of the groups of participants. Some of the facilitators 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, among others, the Business School for the World (INSEAD) in France and Ashridge Business School in England. During the reporting period, about 200 future and current managers took part in these programmes.

Pushing ahead with the group-wide focus on sustainability, METRO GROUP conducted the METRO Sustainable Leadership Programme for young managers for the first time in financial year 2014/15. In the context of this programme, 24 international participants completed a cycle that resulted in the development of sustainable in-house projects.

During the reporting period, the Crossing Borders initiative, which is specifically aimed at young executives, was conducted for the second time. In the process, 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 practice-oriented 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 to 8.9 years (2013/14: 8.7 years). Turnover rates varied widely according to region. The development of the fluctuation rates by region is shown in the graphic for comparison.

METRO GROUP turnover rate
by region



Further training for employees

We are determined to promote lifelong learning among our staff as a way of responding to current and future challenges in retailing.

The House of Learning department provides customised personnel development measures, learning solutions and services for the METRO AG management holding company as well as the METRO Cash & Carry sales line. The focus is on employees and executives in the store operations, sales force, delivery, offer management, marketing and finance departments. The training content targets the implementation of corporate strategy and guiding principles as well as the promotion of personal development and decision-making skills. Thanks to a sophisticated cascading process, all training programmes can be translated, adapted to local circumstances and – in the case of seminars and on-the-job training courses – delivered by internal full-time and part-time trainers.

Training courses at METRO Cash & Carry and METRO AG

	E-learning-module	Seminars and on-the-job training	Total
Number	439,384	24,091	463,475
Participants	401,753	246,929	648,682
Participant hours	518,278	1,728,375	2,246,653
Training costs (€/participant)	4.69	77.43	32.38

At Real, 23,901 participants completed 12,114 participant hours of training through e-learning modules during the reporting period. In addition, a total of 4,182 participants became qualified through seminars and on-the-job training, completing a total of 53,949 participant hours.

In order to evaluate the dovetailing of corporate strategy and personnel development, the House of Learning department commissioned the European Foundation for Management Development (EFMD). Six different criteria were taken into account in the analysis: purpose, positioning, governance model, mandate, design and range of services.

In addition, the EFMD examined the extent to which the House of Learning department is equipped for informal and social learning. It determined that the organisational structure, processes and working methods are excellently designed and thus highly efficient. During the reporting period, the House of Learning already followed the recommendations to use a computer-aided learning management system as well as to initiate informal and social learning arrangements to complement the formal training methods. The department established a learning platform on the social intranet, which all METRO GROUP employees can access. It contains both formal training programmes as well as informal learning sources, among others, in the form of online articles, videos and online courses, which are accessible to a large number of participants. The online courses combine traditional forms of knowledge transfer with forums in which trainers and students can communicate with one another. Furthermore, the department promotes social learning within various moderated groups of experts. In addition, existing programmes are being continuously improved to enhance efficiency and take participants' expectations into consideration to a greater degree.

With the objective of increasing the efficiency of administrative processes in international personnel development, we are gradually introducing the SAP LSO Learning Solution learning management system to the METRO GROUP headquarters in Düsseldorf as well as in the METRO Cash & Carry countries. At the end of the reporting period, the system was already being used in 23 national subsidiaries.

The other sales lines also invest in further training for their employees. In order to meet the challenge of the digital transformation in retail, Media-Saturn initiated the Digital@Campus event during the reporting period: in November 2014, the sales line invited employees at the Ingolstadt headquarters to test the latest digital products and participate in more than 30 lectures about the future of digital retail. Moreover, Media-Saturn launched the Digital Fit seminar series. Every month, topics such as search engine marketing or the "internet of things" are offered to an international group of participants.

As part of its freshness campaign, Real held 22 successful qualification events for executives and employees of its bakery. Topics such as the new snack concept and the quality of baking were at the forefront of the events. In total, around 600 Real employees took part in this qualification measure.

Embedding management principles and change in corporate culture

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 centricity
— 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. With these principles, we are supporting the transformation of the company. The aim is to establish a corporate culture that is characterised by increased diversity, stronger networking, mutual integration and support, cooperation on an equal footing and by the responsibility of the individual.

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

As part of Leadership for Growth workshops conducted by METRO Cash & Carry, around 112,000 participants from 26 countries addressed cultural change at a personal level. All employees in all national subsidiaries have now 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 in turn to create the necessary conditions for cultural change. During the reporting period, 24 national subsidiaries of METRO Cash & Carry started the follow-on workshop Leadership for Growth 2 for managers in administrative positions and stores. The workshop focuses on developing management skills that sustainably improve cross-departmental collaboration. Another national subsidiary plans to begin conducting the workshops before the end of 2015.

Employee engagement

A key instrument to determine the engagement of the workforce and their loyalty to the company is our global employee survey. We conduct it regularly in the countries in which METRO Cash & Carry operates, both at the service companies and at METRO AG. During the reporting period, the survey took place for the eighth time, this time with the motto "Your opinion. Our dialogue." Around 98,500 employees in the company units surveyed participated, corresponding to a rate of 88 per cent. Since the last survey, the level of engagement – which indicates the degree of solidarity, pride in the company, loyalty and motivation – rose by 3 percentage points to 75 per cent. Thus the level is significantly (17 percentage points) higher than Aon Hewitt's Global Retail Benchmark. This positive development can be attributed, on the one hand, to an intensive follow-up process: managers receive detailed insight into the survey results and discuss these together with their teams to develop suitable measures to raise the level of engagement. On the other hand, we established group-wide initiatives that we use to increasingly promote a focus on innovative ideas and encourage the appreciation and recognition of our staff. A comparative study, which was prepared in collaboration with Aon Hewitt, reveals that employee engagement has a positive effect on customer satisfaction and thus for the first time demonstrates the business impact of the level of engagement.

In order to integrate the experiences, the knowledge and the creativity of its employees, Media-Saturn launched the ideas management programme Ideas4Us in July 2014. Since then, more than 400 ideas have been submitted. In August 2015, our sales line set up a new platform on which ideas can be submitted digitally and processes can be controlled more efficiently.

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 such as retail, prevention, safety and health are essential – and we take action accordingly within clear and efficient structures. We have defined a specific organisational structure for occupational health and safety (OHS) for all METRO Cash & Carry countries, to be achieved through such measures as the designation of an OHS officer. METRO AG initiates OHS projects that are of interest across multiple companies and countries. Compiling lists of accident hot spots still remains the focus of attention. The developments of the past years, which are ultimately intended to result in a comprehensive international reporting system, have already led to initial follow-up measures. For example, minimum standards in dealing with forklifts were established at METRO Cash & Carry, a training document developed by MAKRO Cash & Carry Spain was adapted for all METRO Cash & Carry countries and a quiz was introduced for determining individual levels of knowledge on this subject. Defining such standards increases occupational safety for employees, particularly in those countries where the legal requirements are less stringent.

For METRO GROUP companies in Germany, a decline in accidents was recorded during the reporting period compared with the same period of the previous year. The 1,000-person rate was 21.9 for financial year 2014/15 (2013/14: 23.8). This figure denotes the relative accident frequency for every 1,000 full-time employees and corresponds to 1,655 reported accidents (2013/14: 1,792). Assuming a minimum absentee rate of just three days per reportable accident, we have thus reduced the average loss of productivity from about €975,700 to €934,200.

In accordance with our fundamental principle, "As local as possible and as global as necessary", all companies also pursue their own projects in the area of occupational safety and health management: METRO Cash & Carry Germany successfully tested the hazard assessment for psychological stress and strain in several stores using the short psychological stress test procedure (Kurzverfahren Psychische Belastung) developed by the German industrial science association ifaa. The procedure will be used after qualifying local occupational safety specialists in all stores as well as at headquarters. The results will be amalgamated with the support of the occupational health office and used to identify action areas and develop specific solutions. In addition, METRO Cash & Carry Germany and the German Sport University Cologne implemented the "Gestaltung von alter(n)sgerechten Arbeitsplätzen" project (Designing Age-Appropriate Workplaces). The result is a catalogue of recommendations for designing all workplaces, for example, with optimised environmental conditions like noise, lighting, humidity and temperature as well as reduced physical strains.

Another example is the METRO Cash & Carry Russia initiative: the Leadership in Safety training session was implemented there. With the aim of improving the awareness of OHS among its own employees, customers and suppliers, the sales line in Russia launched a communication campaign and also developed a driver safety training programme.

Real and the trade and logistics guild Berufsgenossenschaft Handel und Warenlogistik completed the joint project "Gesunde Arbeit im Handel" (Healthy Work in Retail) in financial year 2014/15. The aim was to define feasible potential solutions for psychological stress in the working world. In the course of calendar year 2015, the measures generated within the project were implemented in the stores. The second focus of occupational safety at Real is the consistent analysis and reduction in the numbers of occupational accidents. As in 2014, the target is to remain 25 per cent below the industry average.

METRO AG as well as some METRO GROUP companies – including METRO Cash & Carry Germany and METRO PROPERTIES – offer employee support programmes. In total, around 3,500 employees in Germany alone have the opportunity to receive psychological counselling. In work-related conflict situations, but also in the event of private troubles, external experts are available who offer support in finding solutions.

Diversity management

During the reporting period, people from 171 countries worked for METRO GROUP.

	2013/14	2014/15
Average age of the workforce (years)	38.1	**38.5**
Recruitment of employees in the 50-plus age group in Germany	544	**678**
Recruitment of employees in the 50-plus age group at international level	973	**996**
Share of employees in the 50-plus age group as a proportion of the total workforce in Germany	32.6%	**33.6%**
Share of employees in the 50-plus age group as a proportion of the total workforce at international level	9.9%	**10.3%**
Employees with recognised severe disability or equivalent persons in Germany	4,723	**4,885**
Employees with recognised severe disability or equivalent persons at international level	n/a	**1,906**

The proportion of employees with a recognised severe disability or equivalent persons in METRO GROUP is above the legal minimum requirement of 5 per cent. Our company also works to support the long-term provision of vocational training positions for people with disabilities: in one reflection of this effort, our sales lines began in 2007 to promote the project "Verzahnte Ausbildung mit Berufsbildungswerken" (Integrated Training with Vocational Education Centres) organised by the German Association of Vocational Education Centres (Bundesarbeitsgemeinschaft der Berufsbildungswerke). This programme makes it possible for young people with disabilities to receive occupational training.

Our Real sales line has also directed its attention to young people who have been unable to find a vocational 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 the company initial qualification programme Einstiegsqualifizierung, EQ. This is a national occupational orientation programme in Germany that is part of the Nationaler Pakt für Ausbildung und Fachkräftenachwuchs (National Pact for Career Training and Skilled Manpower Development). The young people become 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 programme. About 50 per cent began an apprenticeship position after having completed the programme.

During the reporting period, METRO GROUP fleshed out its strategy for promoting inclusion and diversity and implemented initial measures. It launched the programme Inclusion and Diversity with the aim of advancing general cultural change within the company. Workshops and an e-learning module were designed to sensitise employees in all countries and at all hierarchical levels to the issue of inclusion and diversity. Implementation of the programme is currently being initiated at METRO AG as well as at METRO Cash & Carry. In addition, we will amalgamate all diversity initiatives using the guiding theme "inclusion starts with a smile" in the future.

METRO GROUP has been represented on the board of directors of Charta der Vielfalt e. V. (Charter of Diversity) since 2013. To mark the third German Diversity Day (Deutscher Diversity-Tag), we organised a Diversity Week in Düsseldorf in June 2015. Among the features for employees were an information stand as well as daily workshops and events on various dimensions of diversity.

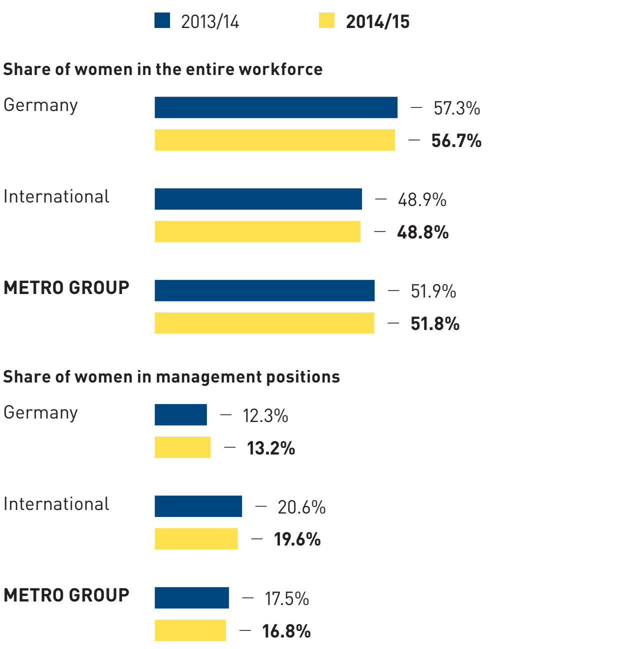
The Women in Trade (WiT) employee network now has about 130 members. The network intends to help to raise the share of women in management positions, to promote internal and external dialogue and to create better working conditions for women in the company. The network has an international orientation.

In addition, the employee network METRO PRIDE was founded during the reporting period for lesbian, gay, bisexual, transsexual and intersexual individuals. The network has set itself the objective of raising awareness of the topic of sexual orientation and identity.

Equal opportunities

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 company-wide. 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.

Share of women METRO GROUP



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

Work-life balance programmes based on phases of life

Our headquarters in Düsseldorf has three day care centres with 242 full-time slots for children from the age of four months. The staff speak German and English to the children.

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, childcare during school holidays as well as nursery slots for children of employees are offered in Ingolstadt. In emergency situations, the services of the non-profit care services association Mobile Familie e. V. can be used for issues surrounding childcare or family member care.

The share of part-time employees at METRO GROUP rose slightly to 26.6 per cent compared with the previous year's period (2013/14: 26.4 per cent). In Germany, 43.7 per cent of our staff worked part-time (2013/14: 43.7 per cent), 16.5 per cent internationally (2013/14: 16.6 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. Specifically, this means:

- 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. During the reporting period, such checks were carried out, for example, in Austria and Poland.

METRO GROUP plays an important role in the annual meeting of the UNI Global METRO Alliance. In October 2014, employee representatives met with management representatives in Istanbul 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.

At the national level, METRO GROUP continued its social dialogue with 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 203,773 (2013/14: 209,398) full-time equivalents. This is a decrease of 2.7 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 132,958 full-time equivalents, 4.0 per cent less than during the same period of the previous year. This decline is primarily due to the sale of Real's Eastern European business and METRO Cash & Carry's withdrawal from Denmark, Greece and Vietnam. In Germany, the number of full-time equivalents fell slightly by 0.2 per cent to 70,815.

Development of employee numbers of METRO GROUP
annual average

Workforce by headcount

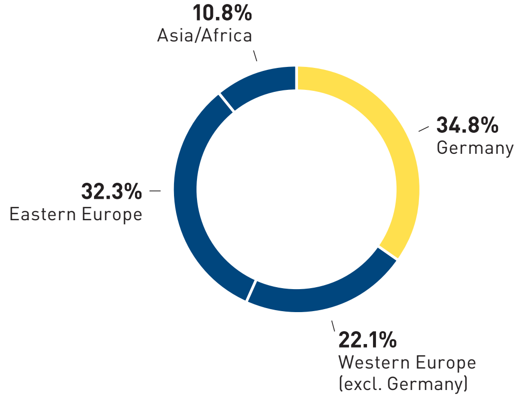
	Germany	International	Total
2013/14	84,451	149,133	233,584
2014/15	**84,398**	**142,497**	**226,895** (–2.9%)

Workforce by full-time equivalents

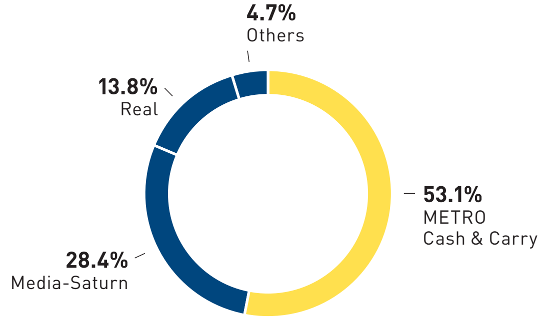
	Germany	International	Total
2013/14	70,918	138,480	209,398
2014/15	**70,815**	**132,958**	**203,773** (–2.7%)

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

Employees by region
full-time equivalents



Employees by segment
full-time equivalents



During the reporting period, our METRO Cash & Carry sales line had an average of 108,234 full-time equivalents. This is a decrease of 2.0 per cent from the same period of the previous year. Media-Saturn employed an average of 57,952 full-time equivalents in the reporting period, an increase of 0.7 per cent over the same period of the previous year. At Real, the number of full-time equivalents fell by 13.2 per cent to 28,069, due, in particular, to the sale of Real's Eastern European business as well as store closures in Germany. The number of full-time equivalents in the Others segment increased by 5.3 per cent to 9,518.

Development of personnel expenses

Our personnel expenses increased by 0.9 per cent to €6.5 billion compared with the same period of the previous year (2013/14: €6.4 billion). Of that amount, €5.3 billion (2013/14: €5.2 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, pension expenses and employee benefits.

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. During the reporting year, 38,160 employees in Germany took advantage of these benefits (2013/14: 38,067 employees). This represents a share of 47.6 per cent (2013/14: 46.4 per cent).

For more information about personnel expenses, see the notes to the consolidated financial statements in no. 17 – personnel expenses.

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		Others		METRO GROUP		Discontinued operations	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Germany	**12,748**	**12,640**	**24,081**	**24,317**	**28,158**	**27,849**	**5,955**	**5,831**	**70,942**	**70,637**	**16,313**	**15,971**
Austria	1,910	**1,920**	2,353	**2,410**					4,263	**4,330**		
Belgium	2,796	**2,581**	1,514	**1,535**					4,309	**4,116**	1,017	**1,025**
Denmark	461	**0**	35	**33**					495	**33**		
France	8,238	**8,229**	12	**0**					8,250	**8,229**		
Italy	3,862	**3,832**	5,823	**5,237**					9,685	**9,069**		
Luxembourg			122	**139**					122	**139**		
Netherlands	2,471	**2,533**	3,421	**3,636**			11	**11**	5,902	**6,180**		
Portugal	1,130	**899**	459	**486**					1,589	**1,385**		
Spain	3,515	**3,396**	4,589	**5,401**					8,104	**8,796**		
Sweden			1,053	**1,014**					1,053	**1,014**		
Switzerland			1,051	**1,103**			82	**77**	1,133	**1,180**		
Western Europe (excl. Germany)	**24,383**	**23,389**	**20,431**	**20,993**			**93**	**88**	**44,906**	**44,470**	**1,017**	**1,025**
Bulgaria	2,261	**2,203**							2,261	**2,203**		
Croatia	1,122	**1,125**							1,122	**1,125**		
Czech Republic	3,281	**3,235**							3,281	**3,235**		
Greece	902	**0**	713	**746**					1,615	**746**		
Hungary	2,586	**2,508**	1,078	**1,167**			6	**6**	3,670	**3,681**		
Kazakhstan	1,007	**881**							1,007	**881**		
Moldova	617	**598**							617	**598**		
Poland	5,883	**5,770**	4,864	**4,986**			507	**293**	11,254	**11,049**		
Romania	4,908	**4,300**			652	**0**	702	**1,451**	6,262	**5,751**		
Russia	17,512	**17,693**	4,283	**3,454**			558	**582**	22,353	**21,730**		
Serbia	1,309	**1,241**							1,309	**1,241**		
Slovakia	1,269	**1,184**							1,269	**1,184**		
Turkey	4,420	**4,398**	2,224	**1,981**			115	**104**	6,759	**6,483**		
Ukraine	4,249	**3,382**					1	**0**	4,250	**3,382**		
Eastern Europe	**51,326**	**48,520**	**13,162**	**12,333**	**652**	**0**	**1,888**	**2,437**	**67,028**	**63,289**		
China[2]	11,910	**11,899**	15	**14**			506	**497**	12,431	**12,410**		
Egypt	54	**0**							54	**0**		
India	3,335	**3,585**					528	**649**	3,863	**4,234**		
Japan	777	**777**							777	**777**		
Pakistan	1,843	**1,703**							1,843	**1,703**		
Vietnam	3,634	**3,304**							3,634	**3,304**		
Asia/Africa	**21,552**	**21,267**	**15**	**14**			**1,034**	**1,146**	**22,601**	**22,427**		
USA[3]	5	**5**							5	**5**		
International	**97,266**	**93,181**	**33,607**	**33,341**	**652**	**0**	**3,015**	**3,670**	**134,540**	**130,192**	**1,017**	**1,025**
METRO GROUP	**110,014**	**105,822**	**57,689**	**57,658**	**28,810**	**27,849**	**8,970**	**9,501**	**205,482**	**200,830**	**17,330**	**16,996**

[1] Rounding differences may occur
[2] All employees of the Classic Fine Foods group are attributed to the Asia/Africa (China) region
[3] US employees are employees of the Boston Trading Office (BTO). The trading office is responsible for seafood procurement.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

Development of employee numbers by country and segment

by headcount as of closing date of 30/9

	METRO Cash & Carry		Media-Saturn		Real		Others		METRO GROUP		Discontinued operations	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Germany	**14,788**	**14,647**	**26,906**	**27,304**	**36,538**	**36,063**	**6,065**	**5,935**	**84,297**	**83,949**	**19,851**	**19,436**
Austria	2,113	**2,116**	2,737	**2,861**					4,850	**4,977**		
Belgium	3,312	**3,026**	1,603	**1,623**					4,915	**4,649**	1,264	**1,292**
Denmark	667	**0**	35	**33**					702	**33**		
France	8,559	**8,539**	12	**0**					8,571	**8,539**		
Italy	4,429	**4,375**	6,499	**5,826**					10,928	**10,201**		
Luxembourg			127	**122**					127	**122**		
Netherlands	4,080	**4,414**	4,513	**4,796**			11	**11**	8,604	**9,221**		
Portugal	1,188	**944**	504	**546**					1,692	**1,490**		
Spain	3,881	**3,744**	5,494	**6,508**					9,375	**10,252**		
Sweden			1,491	**1,511**					1,491	**1,511**		
Switzerland			1,224	**1,295**			87	**82**	1,311	**1,377**		
Western Europe (excl. Germany)	**28,229**	**27,158**	**24,239**	**25,121**			**98**	**93**	**52,566**	**52,372**	**1,264**	**1,292**
Bulgaria	2,268	**2,208**							2,268	**2,208**		
Croatia	1,140	**1,142**							1,140	**1,142**		
Czech Republic	3,440	**3,466**							3,440	**3,466**		
Greece	1,010	**0**	783	**813**					1,793	**813**		
Hungary	2,626	**2,547**	1,096	**1,185**			6	**6**	3,728	**3,738**		
Kazakhstan	1,012	**887**							1,012	**887**		
Moldova	617	**598**							617	**598**		
Poland	6,147	**5,981**	4,915	**5,035**			511	**294**	11,573	**11,310**		
Romania	4,931	**4,349**			655	**0**	703	**1,459**	6,289	**5,808**		
Russia	17,669	**17,800**	4,305	**3,481**			561	**586**	22,535	**21,867**		
Serbia	1,309	**1,241**							1,309	**1,241**		
Slovakia	1,275	**1,188**							1,275	**1,188**		
Turkey	4,565	**4,555**	2,224	**1,982**			115	**104**	6,904	**6,641**		
Ukraine	4,250	**3,426**					1	**0**	4,251	**3,426**		
Eastern Europe	**52,259**	**49,388**	**13,323**	**12,496**	**655**	**0**	**1,897**	**2,449**	**68,134**	**64,333**		
China[1]	11,935	**11,899**	15	**14**			515	**501**	12,465	**12,414**		
Egypt	55	**0**							55	**0**		
India	3,349	**3,598**					529	**650**	3,878	**4,248**		
Japan	1,080	**1,063**							1,080	**1,063**		
Pakistan	1,852	**1,715**							1,852	**1,715**		
Vietnam	3,703	**3,363**							3,703	**3,363**		
Asia/Africa	**21,974**	**21,638**	**15**	**14**			**1,044**	**1,151**	**23,033**	**22,803**		
USA[2]	5	**5**							5	**5**		
International	**102,467**	**98,189**	**37,577**	**37,631**	**655**	**0**	**3,039**	**3,693**	**143,738**	**139,513**	**1,264**	**1,292**
METRO GROUP	**117,255**	**112,836**	**64,483**	**64,935**	**37,193**	**36,063**	**9,104**	**9,628**	**228,035**	**223,462**	**21,115**	**20,728**

[1] All employees of the Classic Fine Foods group are attributed to the Asia/Africa (China) region
[2] US employees are employees of the Boston Trading Office (BTO). The trading office is responsible for seafood procurement.

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.

The 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, 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 is available for additional questions. Provided the Supervisory Board has no objections, it approves the annual financial statements and the combined management report. 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 of the effectiveness of controls and reporting about effectiveness analyses.

— Design of controls: Taking a top-down approach, the company has pointed out 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 that 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 reporting also includes statements about the other four components of the COSO framework: the control environment, risk assessment, information and communication as well as monitoring. The 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.

As of financial year 2014/15, these four phases of the internal control cycle are mapped using RSA Archer GRC software, which is currently being rolled out across all METRO Cash & Carry countries as well as in the service centres in Pune, India, and Szczecin, Poland. Additional sales lines and service companies are scheduled to migrate to the new system in financial year 2015/16.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

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) in the way these are to be applied in the European Union. 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 only relate to particular accounting events. The Corporate Accounting department of METRO AG is responsible for the content of 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). Without exception, all consolidated METRO GROUP companies are linked into this system. 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 overarching group units with the tracking and tracing systems necessary to ensure that risks 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-year 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 statement 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 by 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.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

External audit

The auditor of the consolidated financial statements reviews the IFRS accounting guideline and makes it available to the auditors of the companies included in the consolidated financial statements insofar as these companies are subject to an audit for group purposes. These, in turn, confirm the consistent application of the IFRS accounting guideline by the companies included in the consolidated financial statements.

In addition, the respective auditors review and monitor 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 for compliance with applicable accounting standards as well as with additional rules and regulations. 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.

— ECONOMIC REPORT

Macroeconomic and sector-specific parameters[1]

Global economic developments were mixed over the last year. In the USA, growth developed positively after a disappointing start to the year, and in the countries of Western Europe, the recovery also generally continued. The economies of the Eurozone were supported by low oil prices, the weak euro/US dollar exchange rate and low interest rates. Developments in Eastern Europe, in contrast, remained divided, with generally stable trends in Central European countries on the one hand, and Eastern European countries whose economic developments remained overshadowed by the Russia/Ukraine conflict on the other. Growth weakened in Asia, particularly in China. However, as a whole, the region continued to record the strongest growth rates of all regions in which METRO GROUP is active. Altogether, with a rate of 2.4 per cent, world economic growth in 2015 remained at a similar level to that seen in the previous year (2.4 per cent).

At the same time, many political crises and conflicts intensified during the year, particularly in the Middle East. On the other hand, there was also some slackening of tension through the signing of the atomic treaty with Iran in mid-2015. In Europe, the political agenda was dominated by the Russia/Ukraine conflict and the looming state bankruptcy of Greece. The former led to significant economic problems in Ukraine and continued to negatively impact Russia's already sluggish economic performance. Declining investor confidence and the sanctions imposed by the European Union and the USA, combined with the falling price of oil, resulted in a marked drop in Russian economic output. While the Greek debt crisis was a major topic in the political arena, its economic impact on Western Europe remained altogether small.

In financial year 2014/15, the euro depreciated substantially against the US dollar. One reason for this was the expansionary monetary policy of the European Central Bank with its programme of purchasing government bonds. At the same time, the Asian currencies of relevance for METRO GROUP gained in value against the euro. The Ukrainian hryvnia, the Russian rouble and the Kazakhstani tenge, on the other hand, sharply lost value against the euro due to the weakness of their economies and the continued fall in the price of oil. As a result of the devaluation of the currencies, the consumer prices in these countries rose at double-digit rates. Because of the Russian ban on imports of Western foodstuffs, the rise in food prices even exceeded the average inflation rate. After high rates of price increase in the previous years, Turkey and India saw their inflation fall slightly, thanks above all to the low price of oil. The decreasing energy prices are also the principal reason for the low inflation rates, with sometimes even deflationary tendencies in most other European countries. On average, consumer prices in the euro countries stagnated in 2015. At the same time, food prices only rose at a below-average rate of around 0.5 per cent.

In relation to the regions in which METRO GROUP operates, the economy of Western Europe continued to recover in financial year 2014/15, with growth stronger than in the year before. Compared to other Western European countries, Germany once again recorded an above-average development. Central European countries benefited from the recovery thanks to their economic ties to Western Europe and experienced somewhat stronger growth than in 2014. In contrast, the economic situation in the emerging countries of Eastern Europe – particularly in Russia and Ukraine – was considerably more strained, due in part to political crises. Altogether, therefore, the economic performance of Eastern and Central Europe declined in financial year 2014/15. The emerging countries of Asia once again recorded the highest growth rates; the Chinese economy, however, slowed down. Thanks to the fact that Japan recovered somewhat better from the recession of 2014, growth in Asia in 2015 amounted to around 3.8 per cent in total, a slight increase compared with the previous year.

[1] The numbers indicating the development of gross domestic product in the chapter "macroeconomic and sector-specific parameters" represent the entire years of 2014 and 2015. As such, the figures for 2015 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

	2014[1]	2015[2]
World	2.4	**2.4**
Germany	1.6	**1.6**
Western Europe (excl. Germany)	1.3	**1.5**
Eastern Europe	1.4	**−0.4**
Asia	3.6	**3.8**

Source: Feri
[1] Previous year's figures may deviate from those shown in the Annual Report 2013/14 if the final figures were not yet available at the time of its completion
[2] Forecast

Mixed development in consumer goods retailing

Because of the differences in economic development in the regions in which METRO GROUP operates, the business development was also mixed. In Western Europe, the economic recovery is reflected in rising retail sales – albeit starting from a low level. At just over 1 per cent, growth was altogether only moderate. In Eastern and Central Europe, the retail figures differed. While the Central European countries reported robust growth in excess of 3 per cent, price-adjusted retail sales in Russia and Ukraine fell. Despite a slight slowdown, the emerging countries of Asia once again enjoyed the highest growth rates.

Germany
Compared with other Western European countries, Germany once more developed at an above-average rate. Declining unemployment and growing disposable incomes bolstered private consumption and retail, which thus emerged as the key drivers of economic growth. Overall, non-food retail posted stronger nominal sales growth than food retail. In the non-food sector, apparel retailing was the key exception, as it suffered a decline. At the same time, online retail continued to grow and expanded its market share.

Western Europe
In Western Europe, low oil prices, the low euro/US dollar exchange rate and low interest rates resulting from the European Central Bank's bond purchase programme served as a short-term economic stimulus programme. On the other hand, uncertainties over Greece's possible exit from the Eurozone were a repeated cause of concern for the Eurozone countries. However, with a rate of 1.5 per cent, the Eurozone countries recorded an improvement in growth in financial year 2014/15. Thanks to the economic recovery, unemployment fell slowly but steadily. This also brought about recovery in the retail sector. After three poor years, retail succeeded in growing by more than 1 per cent. At the same time, consumer prices virtually stagnated, resulting in a price-adjusted increase of similar amount.

Altogether, the heterogeneity of the countries was somewhat less pronounced than in the previous years. The development in Spain was particularly pleasing. The country was not only able to record one of the highest GDP growth rates, but also the highest retail growth rate. In Italy, on the other hand, the recovery was below the Western European average.

Eastern Europe
Despite a short-term stabilisation following the second Minsk agreement, economic developments in Eastern Europe were overshadowed by the Russia/Ukraine conflict, which negatively impacted these two countries' economies in particular. In addition, low oil prices weighed on Russia's economy. At the same time, the currency devaluations resulted in markedly higher inflation in both countries compared to the corresponding period of the previous year. As a result of the self-imposed ban on imports, grocery prices in Russia increased by a disproportionate amount. The difficult economic operating conditions also impacted negatively on the retail business. Retail sales continued to rise in nominal terms because of the above-average price increases, but declined sharply in price-adjusted terms. In turn, the Central European economies – Poland, Czech Republic and Slovakia – recorded overall robust economic developments. The retail business also benefited from this, enjoying sound growth at a nominal rate of over 3 per cent. In Turkey, where economic growth stabilised, retail sales achieved nearly double-digit nominal growth, which, after price adjustment, was still equivalent to a very reasonable rate of about 4 per cent. In the Balkan countries, Romania, in particular, enjoyed strong nominal retail growth of more than 5 per cent, while retail sales in Bulgaria, Croatia and Serbia weakened.

Asia/Africa
The emerging economies of Asia once again posted the strongest growth in financial year 2014/15. However, overall growth in China has weakened. India, in turn, experienced positive momentum, posting economic growth rates above 7 per cent. Retail sales in both countries recorded double-digit nominal growth during the reporting period. In India, however, half of

this growth was due to the increase in prices. Supported by expansionary monetary and fiscal policies, Japan's economy is slowly climbing out of recession. While the retail business continued to stagnate in financial year 2014/15, a positive trend could be seen towards the end of the period.

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

	2014[1]	2015[2]
India	7.1	**7.3**
China	7.3	**6.8**
Vietnam	6.0	**5.9**
Pakistan	3.4	**4.1**
Czech Republic	2.0	**4.0**
Luxembourg	5.6	**4.0**
Romania	2.8	**3.6**
Poland	3.3	**3.5**
Spain	1.4	**3.2**
Sweden	2.3	**3.2**
Turkey	2.9	**3.1**
Slovakia	2.4	**2.9**
Hungary	3.6	**2.7**
Bulgaria	1.7	**2.1**
Kazakhstan	4.3	**2.0**
Netherlands	1.0	**2.0**
Serbia	−1.8	**1.7**
Germany	1.6	**1.6**
Portugal	0.9	**1.6**
Belgium	1.1	**1.2**
France	0.2	**1.1**
Croatia	−0.4	**1.1**
Switzerland	1.9	**1.0**
Italy	−0.4	**0.8**
Austria	0.4	**0.7**
Japan	−0.1	**0.6**
Moldova	4.6	**−1.0**
Greece	0.8	**−1.9**
Russia	0.6	**−4.1**
Ukraine	−6.8	**−14.6**

[1] Previous year's figures may deviate from those shown in the Annual Report 2013/14 since the final figures were not yet available at the time of its completion
[2] Forecast

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

In Germany, sales generated by the self-service wholesale trade during financial year 2014/15 remained slightly below the previous year's level. As in the previous year, the cash-and-carry segment lagged overall food retail, which recorded slight sales growth. In 2015, food prices once again rose only slightly. This development was supported by another increase in advertising activities in German food retail and the rising number of brand products at discounters, which also had an impact on the self-service wholesale trade. Consequently, while demand remained largely stable overall in volume terms, there was a lack of positive growth impulses to drive the sector forward. METRO Cash & Carry maintained its market-leading position during the reporting year.

In light of the improving macroeconomic situation in the euro crisis countries in particular, the self-service wholesale trade in Western Europe developed positively for the first time in several years. In financial year 2014/15, the sector recorded slight revenue growth. Sales in Italy, Spain and Portugal matched or slightly exceeded the previous year's level while sales in Belgium and the Netherlands were weaker. Mostly moderate price increases were recorded across Western Europe, preventing any positive inflation-induced sales effects.

In Eastern Europe, the self-service wholesale trade continued its mixed development in financial year 2014/15. The Russia/Ukraine conflict and the Russian import ban on Western food products resulted in above-average food price increases in Russia and Ukraine. In addition, the devaluation of the local currencies fuelled inflationary trends in both countries. Adjusted for price and currency effects, demand fell in both Russia and Ukraine. Meanwhile, deflationary trends continued in the other Eastern European countries. In Romania, this is primarily due to the reduction in value added tax on foods products. Sales in the self-service wholesale trade developed positively in Romania, Poland and Turkey.

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

In regional comparison, Asia once again recorded the strongest sales increase in the self-service wholesale trade in financial year 2014/15. With the opening of new wholesale stores in China and India, METRO Cash & Carry was able to maintain its market share in the region. Both countries also remain the focus of strategic expansion with self-service wholesale stores. Despite an increase in international competition, especially in India, market concentration in Asia remains altogether low. Traditional retailers continue to play an important role as suppliers to the population and continue to offer strong growth potential for the self-service wholesale sector. The hospitality sector in Asia is fast gaining importance across the continent and has been recording strong growth. During the reporting period, METRO Cash & Carry gained access to this segment with the acquisition of the Classic Fine Foods group.

Media-Saturn: sector development in consumer electronics retailing

Even without important seasonal events such as the Olympic Games or the FIFA World Cup, the German consumer electronics stores succeeded in increasing their sales by around 1 per cent, starting from an already high level. The normalisation in the IT business – 2014 had enjoyed a special boom through the exchange of Microsoft operating systems – also had no negative impact on market growth. Falls in the TV and IT portfolios were more than offset by the introduction of the iPhone 6 as well as additional impulses in white goods, kitchen appliances and the beauty and wellness sector. Media-Saturn once again grew faster than the consumer electronics retail sector as a whole, thereby further extending its position as market leader.

In financial year 2014/15, the macroeconomic upturn in the European economy also reached consumer electronics retail in Southern Europe. Consequently, the Iberian countries experienced market growth at an above-average rate, and Italy also once again reported positive growth figures.

Consumer electronics retailing in Eastern Europe showed conflicting trends: Poland and Hungary were once again able to report stable growth in high single-digit figures. While Russia benefited in particular from early year-end buying by the consumers due to the fall in the value of the rouble, growth weakened in the face of the difficult economic conditions in the further course of the year. Media-Saturn was able to at least partially buck this trend, growing significantly more strongly than the consumer electronics retail sector as a whole.

The consumer electronics retail business in Turkey proved extraordinarily robust, achieving growth in clear double figures.

Greece remains a problem case, even though the growth rates – thanks above all to special effects in the second quarter of the financial year in the form of subsidies for the telecommunications and IT market – generated clear market growth.

The other, more strongly saturated markets Belgium, the Netherlands and Austria recorded slight growth rates. Switzerland, on the other hand, had to struggle with the rise in the value of the Swiss franc at the beginning of 2015 and was therefore the only country apart from Luxembourg to report negative development in the consumer electronics retail sector.

The Media-Saturn group of companies continued to strengthen its leading position among consumer electronics stores in Europe during financial year 2014/15 and substantially increased its market share. Building on its strong market position with a market share of 12.6 per cent in financial year 2013/14, Media-Saturn was able to increase its total market share across all countries by 0.7 percentage points to 13.3 per cent.

Real: sector development in the food retail business

Food retail in Germany developed much less strongly in financial year 2014/15 than the non-food sector. Especially in the first half of the reporting period, it achieved only slight nominal growth. The reason for this was the stagnation in prices that occurred for part of the time. In like-for-like terms, however, Real succeeded in growing somewhat more strongly during this period than the market as a whole.

In the second half of financial year 2014/15, the development in the food retail business also remained altogether weak, despite a slight increase in the rate of price rises for food products. At the same time, price competition in the food sector intensified further.

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

Asset, financial and earnings position

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

METRO GROUP continued to face significant challenges in financial year 2014/15 that were largely caused by geopolitical events. Nonetheless, the Management Board can look back at a successful year overall. METRO GROUP successfully continued its transformation and made further progress in its efforts to focus its portfolio. The sale of Galeria Kaufhof on 30 September 2015 was an important milestone that provided the group with liquidity for its continued expansion. In addition, METRO GROUP achieved another substantial debt reduction.

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 once again propose an attractive dividend to our shareholders.

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. METRO AG centrally performs and monitors these activities for the group. 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– and short-term rating of A-3 by Standard & Poor's 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 obtains better terms on financial markets.

Financial scope
In our relationships with banks and other business partners in the financial arena, we consistently maintain our scope of action in order to remain 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 only be concluded after the Management Board of METRO AG has granted the appropriate approval.

Exclusively authorised contractual partners

METRO GROUP only conducts financial transactions 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.

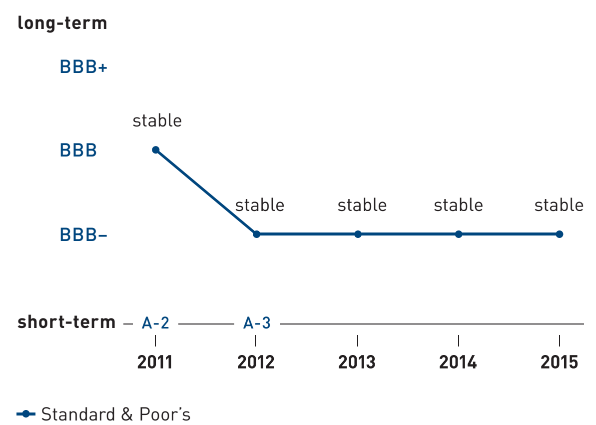
For more information about the risks stemming from financial instruments and hedge accounting, see the notes to the consolidated financial statements in no. 44 – management of financial risks.

Ratings

Ratings evaluate the ability of a company to meet its financial obligations. They communicate the creditworthiness of a company to potential debt capital providers. In addition, ratings facilitate access to international capital markets. METRO AG has commissioned Standard & Poor's – a leading international rating agency – to continuously analyse METRO GROUP's creditworthiness. In February 2015, METRO AG terminated its rating service contract with Moody's Investors Service.

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

Rating development and outlook



The current METRO GROUP rating awarded by Standard & Poor's is as follows:

Category	2015
Long-term	BBB–
Short-term	A-3
Outlook	stable

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

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

Financing measures

The company's medium-term and long-term financing needs are covered by an ongoing capital market issuance programme with a maximum volume of €6 billion. As early as October 2014, METRO GROUP successfully issued a benchmark bond with a volume of €500 million, a seven-year term and a coupon of 1.375 per cent in the euro capital market to partially refinance its €1 billion bond maturing in March 2015 ahead of time. In addition, a €600 million bond with a term of ten years and a coupon of 1.5 per cent was placed in March 2015.

As of 30 September 2015, a total of €3.6 billion had already been 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 €1,107 million. As of 30 September 2015, the used volume totalled about €941 million.

In addition, METRO GROUP used bilateral credit facilities totalling €1,189 million as of 30 September 2015. Existing syndicated credit lines totalling €2,525 million were not utilised.

For more information about financing programmes and credit facilities, see the notes to the consolidated financial statements in no. 37 – financial liabilities.

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

Unutilised credit facilities of METRO GROUP

	30/9/2014			30/9/2015		
		Remaining term			Remaining term	
€ million	Total	up to 1 year	over 1 year	Total	up to 1 year	over 1 year
Bilateral credit facilities	1,430	300	1,130	**1,719**	**962**	**757**
Utilisation	–865	–260	–604	**–1,189**	**–932**	**–257**
Unutilised bilateral credit facilities	565	40	526	**530**	**30**	**500**
Syndicated credit facilities	2,525	0	2,525	**2,525**	**0**	**2,525**
Utilisation	0	0	0	**0**	**0**	**0**
Unutilised syndicated credit facilities	2,525	0	2,525	**2,525**	**0**	**2,525**
Total credit facilities	3,955	300	3,655	**4,244**	**962**	**3,282**
Total utilisation	–865	–260	–604	**–1,189**	**–932**	**–257**
Total undrawn credit facilities	**3,090**	**40**	**3,051**	**3,055**	**30**	**3,025**

Investments/divestments

In financial year 2014/15, METRO GROUP invested €1,411 million and thus €410 million more than in the same period of the previous year. The fact that investments increased in spite of reduced expansion efforts is due in particular to the acquisitions of the Classic Fine Foods group and iBOOD, concept and modernisation measures as well as rental contract extensions. Among other things, 57 hypermarkets were refurbished along the lines of the Essen store model as part of the Big Bang project at Real in order to better cater to customer needs. The reduced expansion activities are reflected in the smaller number of 58 store openings including additions compared with 68 store openings in the previous year's period.

Investments of METRO GROUP

€ million[1]	2013/14[1]	2014/15	Change Absolute	Change %
METRO Cash & Carry	441	**750**	309	69.9
Media-Saturn	244	**256**	12	5.0
Real	172	**241**	68	39.7
Others	144	**165**	21	14.6
METRO GROUP	**1,001**	**1,411**	**410**	**41.0**

[1] Adjustment of previous year's figures due to discontinued operations (see notes to the consolidated financial statements – notes to the group accounting principles and methods)

In financial year 2014/15, **METRO Cash & Carry** invested €750 million and thus €309 million more than in the previous year's period. The key reasons for this substantial increase in investments include the acquisition of the Classic Fine Foods group, concept and modernisation measures as well as sustainability projects. The expansion activities continued to focus on Russia and China where 11 and 6 new METRO Cash & Carry stores, respectively, were added to the existing store network. 2 new stores were opened in India, while 1 new store each was opened in Turkey, Croatia and Serbia. Store closures concerned 3 stores in Bulgaria, 2 in China and 1 each in Italy, Kazakhstan, Romania, Serbia and Ukraine. As announced, the sales line's 5 stores in Denmark were closed and its 9 stores in Greece were sold as planned.

In financial year 2014/15, investments of **Media-Saturn** amounted to €256 million, €12 million more than in the previous year's period. The increase in investments is primarily due to the acquisition of iBOOD. At the same time, the pace of expansion slowed while investments in concept and modernisation measures increased. Media-Saturn continued its selective expansion (including new small formats) in Europe during the reporting period, opening 36 stores (previous year: 50) across the continent. The sales line opened 18 consumer electronics stores in Eastern Europe: 8 in Poland, 7 in Russia and 3 in Turkey. 15 new stores were added in Western Europe (excluding Germany), including 6 in the Netherlands, 5 in Spain, 2 in Switzerland and 1 each in Austria and Belgium. 3 stores were opened in Germany. As part of its portfolio optimisation efforts, Media-Saturn closed 15 stores during the financial year: 7 stores in Italy, 3 in Russia, 2 in the Netherlands and 1 each in Germany, Belgium and Turkey.

Real invested €241 million in financial year 2014/15, €68 million more than in the previous year's period. The increase in investments was essentially due to lease extensions and investments in store modernisations. The investment funds were used to advance the business model through concept changes. Following the successful remodelling of 50 stores along the lines of the Essen store model as part of the Big Bang project in the previous year, Real modernised 57 additional stores across Germany during the reporting period. As planned, Real closed 14 stores in Germany during financial year 2014/15. Following the sale of Real's Eastern European business, the sales line's 4 remaining stores in Romania are now shown in the Others segment.

Investments in the **Others** segment totalled €165 million in financial year 2014/15 (2013/14: €144 million) and related mostly to concept and modernisation measures as well as intangible assets. In addition, investments in real estate were made through the exercise of purchasing rights.

Investment obligations incurred for the acquisition of property, plant and equipment and intangible assets amounted to €157 million.

For more information, see the notes to the consolidated financial statements in no. 20 – other intangible assets and no. 21 – property, plant and equipment.

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

METRO GROUP received cash and cash equivalents in the amount of €2,679 million from divestments (including disposals of subsidiaries and discontinued operations). These essentially stemmed from the sale of the shares in the Galeria Kaufhof group.

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. 42 – 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 during the financial year from operating, investing and financing activities. In addition, it shows the changes in cash and cash equivalents between the beginning and end of the financial year.

Cash inflow from operating activities in financial year 2014/15 amounted to €1,846 million (2013/14: €+2,008 million). Investing activities led to a cash inflow of €785 million (2013/14: €–715 million). Compared with the previous year's period, this represents an increase in cash flow before financing activities of €1,338 million to €2,631 million. Cash outflow from financing activities totalled €597 million (2013/14: €–1,448 million).

For more information, see the cash flow statement in the consolidated financial statements as well as the notes to the consolidated financial statements in no. 42 – notes to the cash flow statement.

Cash flow statement[1]

€ million	2013/14[2]	2014/15
Cash flow from operating activities of continuing operations	1,754	**1,595**
Cash flow from operating activities of discontinued operations	254	**251**
Cash flow from operating activities	**2,008**	**1,846**
Cash flow from investing activities of continuing operations	–593	**–1,187**
Cash flow from investing activities of discontinued operations	–122	**1,972**
Cash flow from investing activities	**–715**	**785**
Cash flow before financing activities of continuing operations	1,161	**408**
Cash flow before financing activities of discontinued operations	132	**2,223**
Cash flow before financing activities	**1,293**	**2,631**
Cash flow from financing activities of continuing operations	–1,352	**–718**
Cash flow from financing activities of discontinued operations	–96	**121**
Cash flow from financing activities	**–1,448**	**–597**
Total cash flows	**–155**	**2,034**
Currency effects on cash and cash equivalents	–1	**–25**
Total change in cash and cash equivalents	**–156**	**2,009**

[1] Abridged version. The complete version is shown in the consolidated financial statements.
[2] Adjustment of previous year due to discontinued activities (see notes to the consolidated financial statements – notes to the group accounting principles and methods)

Capital structure

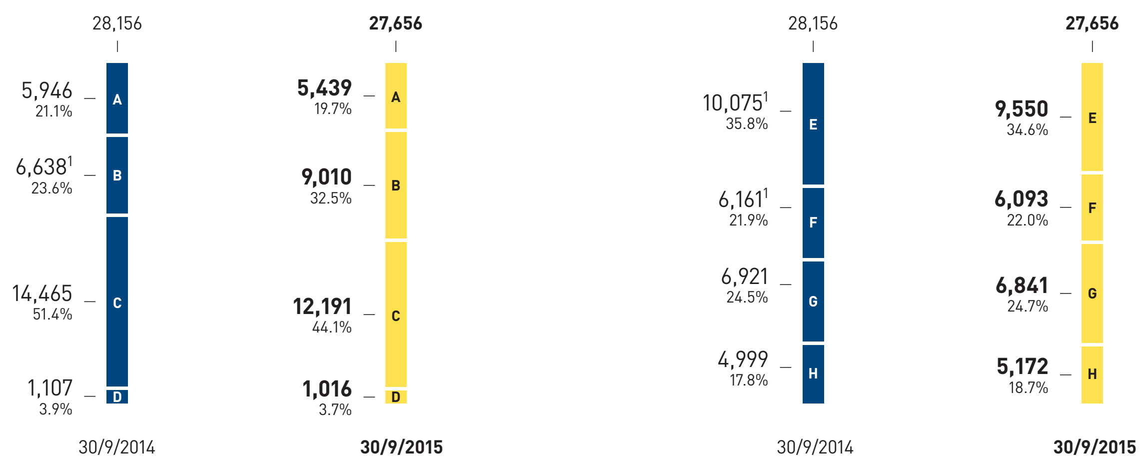
Capital structure of METRO GROUP
€ million

ASSETS

A Inventories (current)
B Other current assets
C Tangible and intangible assets
D Other non-current assets

LIABILITIES

E Trade payables (current)
F Other debt capital (current)
G Debt capital (non-current)
H Equity



[1] Adjustment of previous year's figures (see notes to the consolidated financial statements – notes to the group accounting principles and methods)

As of 30 September 2015, METRO GROUP's balance sheet disclosed €5.2 billion in equity (30/9/2014: €5.0 billion). The increase is primarily due to the change in reserves retained from earnings which increased by €191 million compared with 30 September 2014. The increase in other reserves retained from earnings, which largely stemmed from net profit for the period attributable to shareholders of METRO AG, had a positive impact. In contrast, currency translation differences and dividends paid reduced reserves retained from earnings.

The equity ratio amounts to 18.7 per cent (30/9/2014: 17.8 per cent). The share of reserves retained from earnings in equity totalled 34.7 per cent compared with 32.0 per cent as of 30 September 2014.

€ million	Note no.	30/9/2014	30/9/2015
Equity	32	**4,999**	**5,172**
Share capital		835	**835**
Capital reserve		2,551	**2,551**
Reserves retained from earnings		1,602	**1,793**
Non-controlling interests		11	**–7**

Net debt declined markedly by €2.2 billion. As of 30 September 2015, net debt only amounted to €2.5 billion (30/9/2014: €4.7 billion). This is calculated by netting borrowings, including finance leases of €7.4 billion (30/9/2014: €7.1 billion) with cash and cash equivalents according to the balance sheet of €4.4 billion (30/9/2014: €2.4 billion) and financial investments

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

amounting to €424 million (30/9/2014: €7 million). The increase in cash and cash equivalents was essentially due to the sale of the Galeria Kaufhof group in Germany and Belgium, including the associated real estate assets. The additions to financial investments relate to an investment of €415 million in an exchange-listed, highly liquid money market fund.

€ million	30/9/2014	30/9/2015
Cash and cash equivalents according to the balance sheet	2,406	**4,415**
Short-term financial investments[1]	7	**424**
Borrowings (incl. finance leases)	7,068	**7,366**
Net debt	**4,655**	**2,527**

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

As of 30 September 2015, non-current liabilities amounted to €6.8 billion (30/9/2014: €6.9 billion) and thus did not increase due to opposing effects. These relate to an increase in long-term borrowings by €278 million (30/9/2015: €4.7 billion; 30/9/2014: €4.5 billion) from the issuance of two bonds and were reduced by disposals due to the sale of the Galeria Kaufhof group. An opposing effect was produced by the reduction of provisions for pensions and similar obligations by €414 million to €1.3 billion (30/9/2014: €1.7 billion). This was also primarily due to the sale of the Galeria Kaufhof group.

As of 30 September 2015, METRO GROUP had current liabilities of €15.6 billion (30/9/2014: €16.2 billion). The reduction is essentially due to the decline in trade liabilities by €525 million (30/9/2015: €9.6 billion; 30/9/2014: €10.1 billion). This decline is also primarily due to the sale of the Galeria Kaufhof group as well as currency translation effects in Russia.

Compared with 30 September 2014, the debt ratio declined by 0.9 percentage points to 81.3 per cent. Current liabilities accounted for 69.6 per cent of total debt compared with 70.1 per cent as of 30 September 2014.

For more information about the maturity, currency and interest rate structure of financial liabilities as well as credit facilities, see the notes to the consolidated financial statements in no. 37 – financial liabilities.

€ million	Note no.	30/9/2014	30/9/2015
Non-current liabilities		**6,921**	**6,841**
Provisions for pensions and similar obligations	33	1,684	**1,270**
Other provisions	34	478	**492**
Borrowings	35, 37	4,453	**4,731**
Other financial and non-financial liabilities	35, 38	176	**206**
Deferred tax liabilities	25	130	**142**
Current liabilities		**16,236**	**15,643**
Trade liabilities	35, 36	10,075[1]	**9,550**
Provisions	34	615	**628**
Borrowings	35, 37	2,615	**2,635**
Other financial and non-financial liabilities	35, 38	2,528	**2,488**
Income tax liabilities	35	198	**148**
Liabilities related to assets held for sale[1]	31	205[1]	**194**

[1] Adjustment of previous year's figures (see notes to the consolidated financial statements – notes to the group accounting principles and methods)

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. 45 – contingent liabilities and no. 46 – other financial liabilities.

Asset position

In financial year 2014/15, total assets decreased by €500 million to €27.7 billion (30/9/2014: €28.2 billion).

In financial year 2014/15, non-current assets declined by €2.4 billion to €13.2 billion, primarily due to a reduction in property, plant and equipment of €2 billion to €8.0 billion (30/9/2014: €10.0 billion). This was caused by negative currency effects – particularly in Russia – and the disposal of property, plant and equipment in connection with the sale of the Galeria Kaufhof group. Additional factors included impairment losses on goodwill at Real Germany in the amount of €446 million and the disposal of goodwill of the Galeria Kaufhof group in the amount of €71 million. In contrast, the acquisition of Klassisk Investment Limited including all subsidiaries of the Classic Fine Foods group for €143 million was the key driver behind an increase in goodwill (30/9/2015: €3.3 billion; 30/9/2014:

€3.7 billion). The increase in other intangible assets was primarily due to the acquisition of the Classic Fine Foods group, with the acquired customer base accounting for €62 million and the Classic Fine Foods brand accounting for €48 million. Investments accounted for using the equity method primarily increased by the 40 per cent share of METRO PROPERTIES in the joint venture with Carlton Investment, Berlin, (10 Real hypermarkets) in the amount of €83 million.

€ million	Note no.	30/9/2014	30/9/2015
Non-current assets		**15,572**	**13,207**
Goodwill	19	3,671	**3,301**
Other intangible assets	20	380	**464**
Property, plant and equipment	21	10,025	**7,955**
Investment properties	22	223	**170**
Financial investments	23	71	**117**
Investments accounted for using the equity method	23	95	**184**
Other financial and non-financial assets	24	272	**292**
Deferred tax assets	25	835	**724**

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 €1.8 billion to €14.4 billion. This increase is due largely to the €2.0 billion increase in cash and cash equivalents (30/9/2015: €4.4 billion; 30/9/2014: €2.4 billion) that was primarily due to the sale of the Galeria Kaufhof group. Other financial and non-financial assets also increased by €454 million to €3.4 billion (30/9/2014: €3.0 billion). This was due largely to the recognition of a €415 million investment in an exchange-listed, highly liquid money market fund in the item short-term securities. The decline in inventories is also due to the sale of the Galeria Kaufhof group.

€ million	Note no.	30/9/2014	30/9/2015
Current assets		**12,584**	**14,449**
Inventories	26	5,946	**5,439**
Trade receivables	27	560	**702**
Financial investments		1	**6**
Other financial and non-financial assets	24	2,981[1]	**3,435**
Entitlements to income tax refunds		223	**202**
Cash and cash equivalents	30	2,406	**4,415**
Assets held for sale	31	467[1]	**250**

[1] Adjustment of previous year's figures (see notes to the consolidated financial statements – notes to the group accounting principles and methods)

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

Earnings position

Following the signing of the agreement to sell the Galeria Kaufhof group, this sales line has no longer been reported as a separate segment and as part of the continuing operations of METRO GROUP since the third quarter of 2014/15, but as a discontinued operation. Accordingly, METRO GROUP's financials for financial year 2014/15 have been recalculated to account for the disposal of Galeria Kaufhof and the previous year's figures have been adjusted (with the exception of the balance sheet and the respective notes to the balance sheet).

Overview of group business development

Thanks to the positive development at METRO Cash & Carry and Media-Saturn, METRO GROUP's like-for-like sales grew by 1.5 per cent in financial year 2014/15. Due to negative currency and portfolio effects, reported sales of €59.2 billion were 1.2 per cent lower than in the previous year. However, sales rose by 0.5 per cent in local currency.

EBIT before special items stood at €1,511 million (2013/14: €1,531 million). Adjusted for negative currency effects in the amount of €117 million, EBIT before special items markedly exceeded the previous year's level. At €711 million, reported group EBIT remained below the previous year's level of €1,077 million in financial year 2014/15. This decline was primarily due to non-cash impairment losses on goodwill at Real.

Comparison of forecast with actual business developments

Sales
METRO GROUP had forecast slight currency-adjusted sales growth for financial year 2014/15 and met its target with a 0.5 per cent sales increase in local currency from continuing operations.

METRO GROUP had projected slightly higher like-for-like sales (in local currency) and also met this target with a 1.5 per cent increase in like-for-like sales from continuing operations.

METRO GROUP also met its sales targets under consideration of discontinued operations.

EBIT
METRO GROUP had originally expected EBIT before special items adjusted for currency effects to rise slightly above the €1,727 million achieved in financial year 2013/14, including typical levels of income from real estate sales. Adjusted for negative currency effects of €117 million, METRO GROUP has met its forecast.

With the publication of the quarterly report for 9M/Q3 2014/15 on 6 August 2015, the reference values for 2013/14 for the forecast were adjusted by the earnings share attributable to Galeria Kaufhof, as the segment was sold and therefore had to be shown as a discontinued operation. The original forecast of a slight currency-adjusted increase in EBIT remained intact based on the new reference value of €1,531 million. Adjusted for negative currency effects of €117 million, METRO GROUP exceeded this forecast. Owing to an especially friendly real estate market environment, real estate income was higher than expected. However, the company would also have met its target with a typical level of real estate sales.

Sales lines
Besides METRO Cash & Carry, the sales lines Media-Saturn and Real were also expected to contribute to slight growth of like-for-like sales and EBIT before special items. While METRO Cash & Carry and Media-Saturn clearly met this target with like-for-like sales growth of 0.9 per cent and 3.1 per cent, respectively, Real fell short, with a slight decline in like-for-like sales of 0.8 per cent.

METRO Cash & Carry's EBIT before special items amounted to €1,050 million. In consideration of negative currency effects, the result exceeded the previous year's level as forecast. Media-Saturn also markedly exceeded the previous year's figures with EBIT before special items of €442 million and thus fulfilled the forecast. Real also exceeded the previous year's figures with EBIT before special items of €88 million (2013/14: €81 million). The previous year's figure included negative earnings contributions (€6 million) from Real Eastern Europe.

Sales and earnings development

METRO GROUP's like-for-like sales grew by 1.5 per cent in financial year 2014/15. Sales in local currency rose by 0.5 per cent. Due to negative currency and portfolio effects, however, reported sales of €59.2 billion were 1.2 per cent lower than in the previous year.

In **Germany,** like-for-like sales matched the previous year's level. Sales totalled €22.5 billion, a slight decline of 0.3 per cent compared with the previous year's figure. This was due to lower sales at METRO Cash & Carry and Real. At Real, store closures had a negative impact on reported sales. In contrast, Media-Saturn posted higher sales.

Like-for-like sales in the **international business** increased by 2.4 per cent. International sales rose by 1.0 per cent in local currency. Reported sales declined by 1.7 per cent to €36.7 billion. This decline was primarily due to currency effects as well as store disposals and closures.

International sales accounted for 62.0 per cent of total sales (2013/14: 62.4 per cent).

In **Western Europe (excluding Germany),** like-for-like sales rose by 1.1 per cent. Sales in local currency increased by 0.7 per cent. Reported sales improved by 1.0 per cent to €19.1 billion. This was due largely to positive developments in Italy, Spain and the Netherlands.

Like-for-like sales in **Eastern Europe** rose markedly by 5.3 per cent. Adjusted for currency effects, sales climbed by 1.7 per cent. Business developments in Russia and Hungary especially contributed to this increase. However, due to negative exchange rate developments and active portfolio measures (Real Eastern Europe and METRO Cash & Carry Greece), reported sales declined by 9.7 per cent to €13.3 billion.

While like-for-like sales in the **Asia/Africa** region declined slightly by 0.4 per cent overall, the trend in India was positive. Sales in local currency improved by 0.5 per cent. Due to positive currency trends, reported sales rose by 16.1 per cent to €4.3 billion.

In financial year 2014/15, METRO GROUP's EBIT amounted to €711 million, a decline of €366 million compared with the previous year's level (2013/14: €1,077 million). However, this figure includes special items amounting to €800 million (2013/14: €454 million). These special items can be broken down into impairment losses on goodwill (particularly at Real Germany, with €446 million), restructuring and efficiency improvement measures amounting to €285 million (essentially planned closures) as well as other special items of €66 million. Portfolio changes produced a net positive special item of €23 million.

In addition, gains from the sale of Galeria Kaufhof resulted in a positive special item of €841 million in discontinued operations.

Special items include transactions that do not regularly recur, such as restructurings 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 114 and 115.

In financial year 2014/15, EBIT before special items at METRO GROUP fell from €1,531 million to €1,511 million. However, this figure includes negative currency effects of €117 million, meaning that METRO GROUP recorded higher EBIT before special items in local currency.

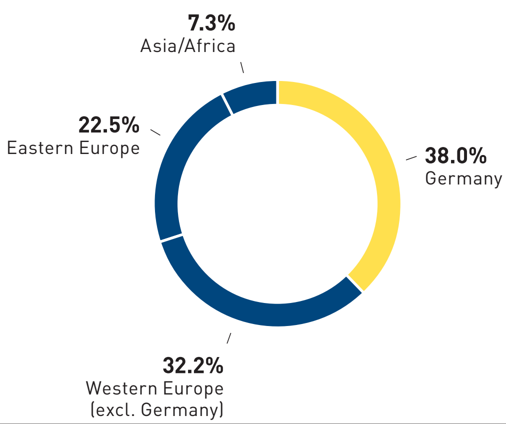
Development of group sales
by sales line and region

			Change in % compared with the previous year's period			
	2013/14[1] € million	2014/15 € million	in €	Currency effects in percentage points	in local currency	like-for-like sales in local currency
METRO Cash & Carry	30,513	**29,690**	−2.7	−2.7	0.0	0.9
Media-Saturn	20,981	**21,737**	3.6	−1.0	4.6	3.1
Real	8,432	**7,735**	−8.3	0.0	−8.3	−0.8
Others	10	**56**	–	–	–	–
METRO GROUP	**59,937**	**59,219**	**−1.2**	**−1.7**	**0.5**	**1.5**
thereof Germany	22,558	**22,490**	−0.3	0.0	−0.3	0.1
thereof international	37,379	**36,728**	−1.7	−2.8	1.0	2.4
Western Europe (excl. Germany)	18,902	**19,090**	1.0	0.3	0.7	1.1
Eastern Europe	14,755	**13,318**	−9.7	−11.4	1.7	5.3
Asia/Africa	3,722	**4,319**	16.1	15.5	0.5	−0.4

[1] Adjustment of previous year's figures due to discontinued operations (see notes to the consolidated financial statements – notes to the group accounting principles and methods)

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

Group sales of METRO GROUP 2014/15
by region



Development of group EBIT and EBIT of the sales lines

€ million	EBIT[1] 2013/14[2]	EBIT[1] 2014/15
METRO Cash & Carry	1,125	**1,050**
Media-Saturn	335	**442**
Real	81	**88**
Others	−10	**−63**
Consolidation	0	**−5**
METRO GROUP	**1,531**	**1,511**

[1] Before special items
[2] Adjustment of previous year's figures due to discontinued operations (see notes to the consolidated financial statements – notes to the group accounting principles and methods)

Sales and earnings development of the sales lines

METRO Cash & Carry

Like-for-like sales at METRO Cash & Carry rose by 0.9 per cent in financial year 2014/15, with positive sales growth in all quarters. The previous year's figure was matched in terms of sales in local currency. Due to exchange rate developments – particularly with respect to the Russian rouble – and portfolio changes, reported sales declined by 2.7 per cent to €29.7 billion.

Sales in the delivery business continued their strong momentum and rose by 11.6 per cent in local currency. Reported sales rose by as much as 13.7 per cent to €3.1 billion (2013/14: €2.8 billion). The share of delivery sales in total sales improved to 10.6 per cent.

Like-for-like sales in **Germany** fell by 1.7 per cent in financial year 2014/15. Reported sales also declined by 1.7 per cent to €4.7 billion. However, the trend improved as the financial year progressed.

In **Western Europe (excluding Germany),** like-for-like sales retreated by 0.7 per cent. Sales declined in Belgium and the Netherlands, but increased in Italy, Portugal and Spain. Sales also fell by 0.7 per cent in local currency. Reported sales retreated by 2.8 per cent to €10.2 billion (2013/14: €10.5 billion). This is partially due to the withdrawal from Denmark at the end of 2014.

Like-for-like sales in **Eastern Europe** increased by 4.5 per cent. In spite of the difficult political situation, like-for-like sales in Russia increased, driven partly by inflation. Like-for-like sales also increased in all other Eastern European countries with the exception of Poland and Romania. Sales rose by 3.5 per cent in local currency. Reported sales fell by 9.1 per cent to €10.4 billion due to very negative currency effects and the sale of the Greek business.

Like-for-like sales in **Asia/Africa** declined slightly by 0.4 per cent, with India and Japan posting higher like-for-like sales. However, sales rose by 0.5 per cent in local currency. Thanks to positive currency effects, reported sales improved by 16.1 per cent to €4.3 billion.

In financial year 2014/15, the **international share of sales** of METRO Cash & Carry fell slightly from 84.2 per cent to 84.0 per cent as a result of currency effects.

EBIT at METRO Cash & Carry totalled €975 million in financial year 2014/15 (2013/14: €904 million). This figure includes special items totalling €75 million (2013/14: €221 million). These particularly related to restructuring and efficiency improvement measures at, among others, METRO Cash & Carry Germany.

EBIT before special items amounted to €1,050 million (2013/14: €1,125 million). This decline was due largely to negative currency effects in Russia. Adjusted for these effects, earnings before special items improved.

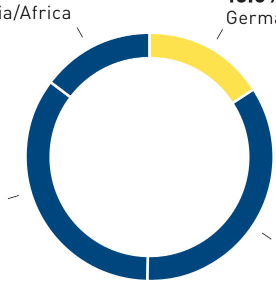
On 30 September 2015, METRO Cash & Carry operated 764 stores in 26 countries. Of these stores, 107 were in Germany, 232 in Western Europe (excluding Germany), 288 in Eastern Europe and 137 in Asia.

Key figures METRO Cash & Carry 2014/15
in year-on-year comparison

	2013/14 € million	2014/15 € 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	30,513	**29,690**	−2.7	−2.7	0.0	0.9
Germany	4,819	**4,739**	−1.7	0.0	−1.7	−1.7
Western Europe (excl. Germany)	10,547	**10,247**	−2.8	0.0	−2.8	−0.7
Eastern Europe	11,431	**10,392**	−9.1	−12.6	3.5	4.5
Asia/Africa	3,716	**4,312**	16.1	15.5	0.5	−0.4
EBIT[1]	1,125	**1,050**	−6.6	–	–	–
EBIT margin (%)[1]	3.7	**3.5**	–	–	–	–
Locations (number)	766	**764**	–	–	–	–
Selling space (1,000 m²)	5,576	**5,468**	–	–	–	–

[1] Before special items

Sales of METRO Cash & Carry 2014/15
by region



Media-Saturn

Like-for-like sales of Media-Saturn grew by 3.1 per cent in financial year 2014/15, with positive sales growth in all quarters. Sales in local currency increased by 4.6 per cent, while reported sales rose by 3.6 per cent to €21.7 billion.

Online retail also continued its strong momentum: internet sales climbed by more than 20 per cent to €1.8 billion. As a result, online sales now account for more than 8 per cent of total sales.

Like-for-like sales in **Germany** increased by 1.6 per cent. Reported sales grew by 2.3 per cent to €10.0 billion. Sales trends during the year were very positive, with the only interruption in summer due to the comparison with the high reference values of the previous year in connection with the 2014 FIFA World Cup.

Customers' very positive response to the continued dovetailing of sales channels was reflected in a pick-up rate of about 40 per cent for goods purchased online. The online product range was expanded once again. At the end of September 2015, it consisted of more than 150,000 items at mediamarkt.de and about 130,000 at saturn.de. As such, the online selection markedly exceeds the product range available in most Media-Saturn stores.

In **Western Europe (excluding Germany),** like-for-like sales rose by 3.4 per cent. Particularly Spain stood out due to double-digit sales growth. However, like-for-like sales also developed very favourably in Sweden, the Netherlands and Austria. In Switzerland, the strong Swiss franc dampened domestic demand. As a result, sales also declined at Media-Saturn. Across Western Europe, sales in local currency improved markedly by 5.1 per cent. Reported sales increased by 5.8 per cent to €8.8 billion. METRO GROUP captured additional market share in nearly all countries.

In **Eastern Europe,** like-for-like sales rose noticeably by 8.4 per cent. Once again, the two countries that stood out with double-digit growth rates were Hungary and Turkey. Measured in local currency, sales rose steeply by 12.3 per cent. Reported sales grew by 1.7 per cent to €2.9 billion. Negative currency effects had a significant negative impact on sales in the region.

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

The **international share of sales** rose from 53.3 per cent to 53.9 per cent in financial year 2014/15.

EBIT at Media-Saturn climbed to €336 million (2013/14: €244 million). This figure includes special items totalling €107 million (2013/14: €91 million). These items involved a large number of restructuring and efficiency improvement measures.

EBIT before special items increased noticeably from €335 million to €442 million. A better sales mix and a higher share of services as well as continually efficient cost management had a positive effect here. Stronger consumption in Russia in anticipation of continued depreciation of the Russian rouble provided for an additional boost in the Christmas quarter.

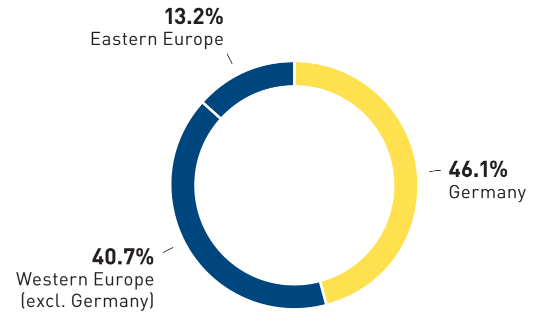
On 30 September 2015, Media-Saturn had 1,007 consumer electronics stores in 15 countries, including 417 in Germany, 372 in Western Europe (excluding Germany) and 218 in Eastern Europe.

Key figures Media-Saturn 2014/15
in year-on-year comparison

			Change in % compared with the previous year's period			
	2013/14 € million	2014/15 € million	in €	Currency effects in percentage points	in local currency	like-for-like sales in local currency
Sales	20,981	**21,737**	3.6	−1.0	4.6	3.1
Germany	9,795	**10,016**	2.3	0.0	2.3	1.6
Western Europe (excl. Germany)	8,356	**8,843**	5.8	0.7	5.1	3.4
Eastern Europe	2,831	**2,878**	1.7	−10.6	12.3	8.4
EBIT[1]	335	**442**	32.2	–	–	–
EBIT margin (%)[1]	1.6	**2.0**	–	–	–	–
Locations (number)	986	**1,007**	–	–	–	–
Selling space (1,000 m²)	3,070	**3,034**	–	–	–	–

[1] Before special items

Sales of Media-Saturn 2014/15
by region



Real

Sales at Real declined by 8.3 per cent to €7.7 billion in financial year 2014/15 as parts of the sold European business had still contributed to sales in financial year 2013/14.

Like-for-like sales of Real in **Germany** fell by 0.8 per cent in financial year 2014/15. Due mostly to store closures, reported sales retreated by 2.6 per cent to €7.7 billion. Sales were particularly dampened by persistently intense competition in food retail. The sales volume and customer traffic were positively impacted by the store modernisation programme based on the successful renovation of the store in Essen, which has now been implemented at 107 sites.

EBIT at Real totalled €−441 million in financial year 2014/15 (2013/14: €19 million). This included special items of €529 million relating in particular to non-cash impairment losses on goodwill and store closures.

EBIT before special items increased from €81 million in the previous year to €88 million. The previous year's figure still included negative earnings contributions from Real Eastern Europe in the amount of €6 million.

In financial year 2014/15, Real's store network in Germany was reduced by 14 to 293 sites.

Key figures Real 2014/15
in year-on-year comparison

	2013/14 € million	2014/15 € 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	8,432	**7,735**	−8.3	0.0	−8.3	−0.8
Germany	7,939	**7,735**	−2.6	0.0	−2.6	−0.8
EBIT[1]	81	**88**	8.3	–	–	–
EBIT margin (%)[1]	1.0	**1.1**	–	–	–	–
Locations (number)	311	**293**	–	–	–	–
Selling space (1,000 m²)	2,145	**2,031**	–	–	–	–

[1] Before special items

Others

The Others segment comprises, among others, METRO AG as the strategic management holding company of METRO GROUP, the procurement organisation in Hong Kong, which also operates on behalf of third parties, logistics services as well as the real estate activities of METRO PROPERTIES, which are not attributed to any sales lines. These include speciality stores, warehouses and head offices.

In financial year 2014/15, sales in the Others segment totalled €56 million (2013/14: €10 million). Among other things, sales include commissions for third-party business through METRO GROUP's procurement organisation in Hong Kong as well as the 4 Real stores in Romania since 1 October 2014.

EBIT totalled €−152 million in financial year 2014/15 (2013/14: €−95 million). Special items amounted to €89 million and relate, in particular, to one-time expenses in connection with the reorganisation of logistics structures in Germany. EBIT before special items amounted to €−63 million (2013/14: €−10 million). This result includes higher real estate gains, particularly from the sale of two centre locations in Eastern Germany. The lower result is particularly due to higher project costs, additional rental expenses and lower rental income.

Discontinued operations

Discontinued operations relate to Galeria Kaufhof and the associated consolidation effects.

Sales of Galeria Kaufhof fell by 2.5 per cent to €3.0 billion in financial year 2014/15. Like-for-like sales retreated by 1.9 per cent. This negative trend was mostly due to the decline in the textile market.

The EBIT of €1,015 million includes gains from the disposal of Galeria Kaufhof in the amount of €841 million and can therefore not be compared with the previous year's figures. As such, EBIT before special items from discontinued operations amounted to €175 million (2013/14: €196 million).

Before this disposal on 30 September 2015, the store network of discontinued activities comprised 134 department stores, including 118 in Germany and 16 in Belgium.

Key figures discontinued operations (Galeria Kaufhof) 2014/15
in year-on-year comparison

	2013/14 € million	2014/15 € 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	3,099	**3,021**	−2.5	0.0	0.0	−1.9
EBIT	196	**1,015**	–	–	–	–
Locations (number)	137	**134**	–	–	–	–
Selling space (1,000 m²)	1,446	**1,418**	–	–	–	–

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

Net financial result and taxes

€ million	2013/14[1]	2014/15
Earnings before interest and taxes EBIT	**1,077**	**711**
Result from associates and joint ventures	9	**2**
Other investment result	78	**0**
Interest income/expenses (interest result)	–386	**–282**
Other financial result	–242	**–172**
Net financial result	**–541**	**–452**
Earnings before taxes EBT	**536**	**259**
Income taxes	–539	**–480**
Profit or loss for the period from continuing operations	**–3**	**–221**
Profit or loss for the period from discontinued operations after taxes	185	**935**
Profit or loss for the period	**182**	**714**

[1] Adjustment of previous year's figures due to discontinued operations (see notes to the consolidated financial statements – notes to the group accounting principles and methods)

Net financial result

The financial result primarily comprises the interest result of €–282 million (2013/14: €–386 million) and the other financial result of €–172 million (2013/14: €–242 million). The interest result improved thanks largely to the lower level of interest rates as well as reduced debt. The change in the other financial result of €70 million was caused primarily by negative currency effects, particularly in Russia and Kazakhstan, and the absence of currency effects in the amount of around €–122 million resulting from the disposal of subsidiaries (Real Poland and Turkey) that were shown in the income statement in the previous year. In the previous year, income of €62 million from the disposal of a 9 per cent stake in Booker Group PLC had impacted the other investment result.

For more information about the financial result, see the notes to the consolidated financial statements in nos. 6 to 9 – result from associates and joint ventures, other investment result, net interest income/interest expenses and other financial result.

Taxes

Reported income tax expenses of €480 million (2013/14: €539 million) are €59 million beneath the previous year's level. This is due to a large number of individual effects at various individual companies as well as exchange rate fluctuations.

€ million	2013/14[1]	2014/15
Actual taxes	489	**444**
thereof Germany	(129)	**(118)**
thereof international	(360)	**(326)**
thereof tax expenses/income of current period	(466)	**(454)**
thereof tax expenses/income of previous periods	(23)	**(–10)**
Deferred taxes	50	**36**
thereof Germany	(62)	**(34)**
thereof international	(–12)	**(2)**
	539	**480**

[1] Adjustment of previous year's figures due to discontinued operations (see notes to the consolidated financial statements – notes to the group accounting principles and methods)

In the reporting period, the group tax rate from continuing operations stood at 185.5 per cent (2013/14: 100.6 per cent). Adjusted for special items, the rate amounted to 48.6 per cent (2013/14: 54.0 per cent). The group tax rate represents the relationship between recognised income tax expenses and earnings before taxes. The large 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 impairment losses on goodwill at Real Germany). Under consideration of discontinued operations, the group tax rate amounts to 42.0 per cent (2013/14: 74.3 per cent). Adjusted for special items, the group tax rate under consideration of discontinued activities amounts to 43.7 per cent (2013/14: 45.4 per cent). This is primarily due to gains from the deconsolidation of the department store business of the Galeria Kaufhof group as well as expenses from impairment losses on goodwill at Real Germany.

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 2014/15 totalled €714 million, an increase of €532 million over the previous year's result (2013/14: €182 million). Profit for the period included special items totalling €–26 million (2013/14: €491 million). As a result, profit for the period adjusted for these special items stood at €688 million (2013/14: €673 million).

Net of non-controlling interests, profit for the period attributable to the shareholders of METRO AG totalled €672 million (2013/14: €127 million). This represents a significant improvement of €545 million.

In financial year 2014/15, METRO GROUP improved its earnings per share to €2.06 (2013/14: €0.39). 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 €672 million was distributed according to this number of shares. There was no dilution from so-called potential shares in financial year 2014/15 or in the previous year.

Earnings per share before special items totalled €1.91 (2013/14: €1.84). This result forms the basis for the dividend recommendation.

				Change	
		2013/14[1]	2014/15	absolute	%
Profit or loss for the period from continuing operations	€ million	–3	**–221**	218	–
Profit or loss for the period from discontinued operations after taxes	€ million	185	**935**	–750	–
Profit or loss for the period	€ million	182	**714**	532	–
Profit or loss for the period attributable to non-controlling interests	€ million	55	**42**	–13	–23.8
from continuing operations	€ million	54	**42**	–12	–23.0
from discontinued operations	€ million	1	**0**	–1	–
Profit or loss for the period attributable to shareholders of METRO AG	€ million	127	**672**	545	–
from continuing operations	€ million	–57	**–263**	–206	–
from discontinued operations	€ million	184	**935**	751	–
Earnings per share (basic = diluted)[2]	€	0.39	**2.06**	1.67	–
from continuing operations	€	–0.18	**–0.80**	–0.62	–
from discontinued operations	€	0.57	**2.86**	2.29	–
Earnings per share before special items[2]	€	1.84	**1.91**	0.07	4.1
from continuing operations	€	1.27	**1.48**	0.21	16.9
from discontinued operations	€	0.57	**0.43**	–0.14	–24.6

[1] Adjustment of previous year's figures due to discontinued operations (see notes to the consolidated financial statements – notes to the group accounting principles and methods)
[2] After non-controlling interests

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

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. In this regard, METRO GROUP focuses on earnings metrics in consideration of capital costs such as EBITaC. 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

As management decisions must also consider tax aspects, the performance metric EVA is used alongside the discounted cash flow method, especially to assess investment projects. In addition, the company uses liquidity-based performance metrics such as the cash recovery period in its investment decisions.

The use of value-based performance metrics generally enables METRO GROUP to focus on the key drivers of the operating business that management can influence: value-creating growth, increases in operational efficiency and the 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 store-based business through targeted new sales channels such as online retail and delivery services as well as accelerating the company's expansion in select countries. In consumer electronics retailing, METRO GROUP also focuses on expansion through special formats tailored to local customer needs. In each case, our customers are at the core of our thinking and acting. 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. It is calculated by multiplying the average capital employed by the weighted average cost of capital (WACC).

The cost of capital 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 2014/15, METRO GROUP's cost of capital before taxes amounted to 8.5 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 payables as well as other operational liabilities and deferred income. We use an average capital employed that is calculated from quarterly financial statements in order to also consider developments in capital employed that occur during the relevant period.

€ million	2013/14[1]	2014/15	Delta
EBIT before special items	1,531	**1,511**	–20
EBIT after periodisation of special items[2]	1,190	**1,125**	–65
Capital employed	11,758	**11,220**	–539
WACC before taxes	8.5%	**8.5%**	
Cost of capital	–1,004	**–958**	46
EBITaC	186	**167**	–19

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

In financial year 2014/15, EBIT from continuing operations after periodisation of special items from previous years (2011/12: €451 million, 2012/13: €297 million, 2013/14: €454 million) and periodised one-time expenses from 2014/15 totalling €343 million amounted to €1,125 million. In the reporting period, this figure was adjusted for special items from the sale of Galeria Kaufhof and impairment losses on goodwill. Given an average capital employed of €11,220 million, the cost of capital amounted to €958 million. Despite the economy's below-average momentum, METRO GROUP successfully deployed its capital in financial year 2014/15 and generated economic value added of €167 million that was dampened by a negative currency effect of €94 million compared with the previous year.

As an additional metric, 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.

As part of its continued focus on value-adding growth, METRO GROUP will use so-called Value Creation Plans as a key tool in the future. These plans provide the management with binding long-term benchmarks regarding strategy, key value drivers and the derived financial targets at the level of individual countries.

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

Special items[1]

Special items
by sales line

€ million	2013/14 as reported[2]	2014/15 as reported	2013/14 special items[2]	2014/15 special items	2013/14 before special items[2]	2014/15 before special items
EBITDA from continuing operations	**2,228**	**2,177**	**282**	**281**	**2,509**	**2,458**
thereof METRO Cash & Carry	1,460	**1,424**	86	**33**	1,546	**1,457**
Media-Saturn	537	**595**	77	**90**	615	**685**
Real	172	**142**	43	**80**	215	**222**
Others	60	**25**	79	**77**	139	**103**
Consolidation	−2	**−10**	−4	**1**	−6	**−9**
EBITDA from discontinued operations	**317**	**1,103**	**0**	**−840**	**317**	**263**
thereof gains from the disposal of Galeria Kaufhof	0	**841**	0	**−841**	0	**0**
EBIT from continuing operations	**1,077**	**711**	**454**	**800**	**1,531**	**1,511**
thereof METRO Cash & Carry	904	**975**	221	**75**	1,125	**1,050**
Media-Saturn	244	**336**	91	**107**	335	**442**
Real	19	**−441**	62	**529**	81	**88**
Others	−95	**−152**	85	**89**	−10	**−63**
Consolidation	4	**−6**	−4	**1**	0	**−5**
EBIT from discontinued operations	**196**	**1,015**	**0**	**−840**	**196**	**175**
thereof gains from the disposal of Galeria Kaufhof	0	**841**	0	**−841**	0	**0**
Net financial result[3]	−541	**−452**	70	**8**	−471	**−444**
EBT[3]	**536**	**259**	**524**	**808**	**1,060**	**1,067**
Income taxes[3]	−539	**−480**	−33	**−38**	−572	**−518**
Profit or loss for the period from continuing operations	**−3**	**−221**	**491**	**770**	**488**	**549**
Profit or loss for the period from discontinued operations after taxes	**185**	**935**	**0**	**−796**	**185**	**139**
Profit or loss for the period	**182**	**714**	**491**	**−26**	**673**	**688**
Profit or loss for the period attributable to non-controlling interests	55	**42**	19	**21**	73	**63**
from continuing operations	54	**42**	19	**21**	72	**63**
from discontinued operations	1	**0**	0	**0**	1	**0**
Profit or loss for the period attributable to shareholders of METRO AG	127	**672**	472	**−47**	600	**625**
from continuing operations	−57	**−263**	472	**749**	416	**486**
from discontinued operations	184	**935**	0	**−796**	184	**139**
Earnings per share in € (basic = diluted)	**0.39**	**2.06**	**1.45**	**−0.15**	**1.84**	**1.91**
from continuing operations	−0.18	**−0.80**	1.45	**2.28**	1.27	**1.48**
from discontinued operations	0.57	**2.86**	0.00	**−2.43**	0.57	**0.43**

[1] Special items include transactions that do not regularly recur, such as restructurings or changes to the group portfolio
[2] Adjustment of previous year's figures due to discontinued operations (see notes to the consolidated financial statements – notes to the group accounting principles and methods)
[3] From continuing operations

Special items
by region

€ million	2013/14 as reported[1]	2014/15 as reported	2013/14 special items[1]	2014/15 special items	2013/14 before special items[1]	2014/15 before special items
EBITDA from continuing operations	**2,228**	**2,177**	**282**	**281**	**2,509**	**2,458**
thereof Germany	679	**491**	145	**204**	824	**695**
Western Europe (excl. Germany)	578	**699**	107	**42**	685	**741**
Eastern Europe	869	**831**	21	**36**	890	**867**
Asia/Africa	105	**163**	7	**–1**	112	**163**
Consolidation	–2	**–7**	0	**0**	–2	**–7**
EBITDA from discontinued operations	**317**	**1,103**	**0**	**–840**	**317**	**263**
thereof gains from the disposal of Galeria Kaufhof	0	**841**	0	**–841**	0	**0**
EBIT from continuing operations	**1,077**	**711**	**454**	**800**	**1,531**	**1,511**
thereof Germany	227	**–424**	155	**664**	381	**240**
Western Europe (excl. Germany)	249	**466**	217	**53**	466	**519**
Eastern Europe	552	**578**	75	**72**	627	**650**
Asia/Africa	52	**98**	7	**11**	59	**110**
Consolidation	–2	**–7**	0	**0**	–2	**–7**
EBIT from discontinued operations	**196**	**1,015**	**0**	**–840**	**196**	**175**
thereof gains from the disposal of Galeria Kaufhof	0	**841**	0	**–841**	0	**0**
Net financial result[2]	–541	**–452**	70	**8**	–471	**–444**
EBT[2]	**536**	**259**	**524**	**808**	**1,060**	**1,067**
Income taxes[2]	–539	**–480**	–33	**–38**	–572	**–518**
Profit or loss for the period from continuing operations	**–3**	**–221**	**491**	**770**	**488**	**549**
Profit or loss for the period from discontinued operations after taxes	**185**	**935**	**0**	**–796**	**185**	**139**
Profit or loss for the period	**182**	**714**	**491**	**–26**	**673**	**688**
Profit or loss for the period attributable to non-controlling interests	55	**42**	19	**21**	73	**63**
from continuing operations	54	**42**	19	**21**	72	**63**
from discontinued operations	1	**0**	0	**0**	1	**0**
Profit or loss for the period attributable to shareholders of METRO AG	127	**672**	472	**–47**	600	**625**
from continuing operations	–57	**–263**	472	**749**	416	**486**
from discontinued operations	184	**935**	0	**–796**	184	**139**
Earnings per share in € (basic = diluted)	**0.39**	**2.06**	**1.45**	**–0.15**	**1.84**	**1.91**
from continuing operations	–0.18	**–0.80**	1.45	**2.28**	1.27	**1.48**
from discontinued operations	0.57	**2.86**	0.00	**–2.43**	0.57	**0.43**

[1] Adjustment of previous year's figures due to discontinued operations (see notes to the consolidated financial statements – notes to the group accounting principles and methods)
[2] From continuing operations

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

— 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 2015) and the preparation of the consolidated financial statements (3 December 2015), the following events of material importance to an assessment of the asset, financial and earnings position of METRO AG and METRO GROUP occurred:

In August 2015, Media-Saturn-Holding GmbH signed an agreement on the purchase of a controlling interest (90 per cent of the shares) in RTS, a provider of customer and repair services. The acquisition was not finalised until 1 October 2015. As a result, the requirements for establishing a parent-subsidiary relationship by acquiring control prior to the closing date were not met. The RTS group will therefore only be included in the scope of consolidated companies in financial year 2015/16. The RTS group generated sales of €136 million last year and employed around 1,200 people.

On 16 November 2015, shareholder Zareba Holdings Limited acquired a non-controlling interest of 15 per cent in METRO Cash & Carry Romania. The purchase price liability resulting from the transaction was already recognised as of 30 September 2015 in connection with accounting for put options, meaning that the ensuing payment will merely serve to reduce the balance sheet.

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 Series and the Economist Intelligence Unit (EIU). The following conclusions reflect a mid-range scenario of expectations.

Economic parameters for 2015/16

Global economic developments were mixed over financial year 2014/15. While the USA and Western and Central Europe recorded robust growth rates, the economic trend was subdued on the whole in the emerging markets of Eastern Europe and Asia. Altogether, global economic growth was of a similar magnitude in 2015 as in the year before (approximately 2.4 per cent).

The global economic trend remains fragile despite the revival seen in more mature markets in particular. The economic situation has taken a turn for the worse in recent months, especially in emerging markets. Many of the commodity-exporting developing countries are suffering from low commodity prices. In combination with the uncertainty regarding the expected interest rate reversal in the USA, this could result in further capital outflows from the emerging markets. At present, the greatest uncertainty concerns economic growth in China in light of the slowdown experienced in financial year 2014/15. China's structural transition towards boosting domestic demand is having a detrimental impact on both industry and foreign trade, and weaker import demand in China is negatively affecting global trade. The consequences for the global economy will depend on the extent to which demand continues to decline. Conditions in Russia also remain difficult as the economy continues to suffer from the low price of oil. However, after the decline recorded in 2014/15, we expect the economic trend in Russia to stabilise in financial year 2015/16.

Western Europe is still in a phase of upswing and recovery. The early indicators remain positive in a range indicating growth. The Eurozone will continue to evidence good growth prospects over the short term, assuming China succeeds in implementing a controlled slowdown of growth without triggering a significant economic downturn. This is primarily due to the sustained low level of energy prices, the weakness of the euro against the US dollar and persistently low interest rates. As a result, leading indicators continue to signal growth. Over the medium term, however, structural weaknesses will limit growth momentum. Moreover, public debt will continue to impact the medium-term growth prospects in Greece and elsewhere.

After two years of low inflation and even deflationary tendencies at times, particularly in Western and Central Europe, we are anticipating a return to slightly rising inflation rates in financial year 2015/16. However, inflation is expected to remain below average. With respect to the price of oil, we are generally expecting to see a gradual rise after the sharp decline registered in 2014/15. The increase will remain moderate, however, as in the case of other commodities. Since global demand is also expected to fall below average, no particular inflationary pressure is expected from that quarter either in the current financial year.

Against this backdrop, we expect growth in financial year 2015/16 to only minimally surpass that of the reporting period. Overall, the global economy has not yet returned to a path of sustainable growth following the financial and sovereign debt crisis. The development of emerging markets is a material factor contributing to short-term uncertainty about the global economy.

Germany

The German economy again recorded above-average performance in the reporting year 2014/15 compared with the other Western European countries. All in all, conditions are good for another year of solid growth. Leading indicators such as the ifo business climate index continue to signal growth. For the economy as a whole, we expect a similar level of growth in 2016 as in 2015 (approximately 1.6 per cent). The continued decline in the unemployment rate is benefitting private consumption and retail sales, which will remain the main economic growth drivers in financial year 2015/16. Germany's retail industry is therefore expected to again outperform the Western European average following nominal growth of approximately 2.5 per cent in financial year 2014/15. Moreover, the current high levels of migration to Germany as a result of the refugee crisis will offer opportunities in addition to the associated logistical challenges, assuming successful integration into the labour market.

Western Europe

Economic conditions in Western Europe generally remain favourable against the backdrop of below-average oil prices, the weak euro against the US dollar and the low interest rate environment. We therefore expect economic growth to continue at a relatively solid level over the short term. For most Western European countries, we anticipate growth similar to that seen in the past financial year (1.5 per cent). Performance between the countries is not forecast to vary as greatly as in recent years. The Spanish economy is projected to continue experiencing above-average growth. In Italy, growth will presumably be below average for another year. Despite good short-term prospects, medium-term growth is likely to be impacted by the sustained high level of sovereign debt and necessary structural reforms.

The situation in the labour markets improved in many countries thanks to better economic performance in financial year 2014/15. Higher employment levels will benefit consumption and retail sales. For financial year 2015/16, we expect growth to slightly exceed the overall solid nominal growth rate of slightly more than 1 per cent registered in 2014/15 compared with the previous years. Here as well, we anticipate that Spain in particular will record above-average growth.

Eastern Europe

The trend in Eastern Europe remains mixed. We continue to project relatively robust performance for the countries of Central Europe, with growth rates of just under 3 per cent, as in the previous financial year. The economic climate will remain difficult, however, in Russia and Ukraine. We nonetheless expect the Russian economy to gradually stabilise in financial year 2015/16 after the sharp decline experienced in 2014/15. In Turkey, growth has slowed in recent quarters. We are forecasting relatively moderate economic growth of less than 3 per cent for financial year 2015/16 against the backdrop of the persistently challenging political and economic conditions.

The mixed trend in Eastern Europe is also reflected in the forecasts for retail. In the Central European countries, we expect retail sales to continue to see robust growth in financial year 2015/16. Retail in Russia and Turkey will also grow on the basis of the continued rise in prices, although price development in Russia in particular is expected to be slower than that of financial year 2014/15. In price-adjusted terms, retail sales in Turkey are expected to remain below 3 per cent, and Russia is forecast to see stagnating growth following the decline in retail sales registered in financial year 2014/15.

For the region as a whole, we are projecting slight growth for the current financial year after the decline in economic output in financial year 2014/15 that was due largely to Russia. In the medium term, we anticipate that economic momentum in Eastern Europe will increase and the continuing high degree of catch-up potential will be fully tapped.

Asia

In spite of China's loss of economic momentum, the emerging markets of Asia remained METRO GROUP's fastest-growing region in financial year 2014/15. We expect this to remain the case in financial year 2015/16. However, uncertainty still prevails regarding the extent of the economic downturn in China. By contrast, the Indian economy is anticipated to outperform many of the other emerging markets with growth of around

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

7 per cent despite the country's existing structural problems. Japan's economy will remain dependent on expansionary monetary and fiscal policies in the near future, which will exacerbate the long-term issues resulting from the country's high level of public debt. For 2015/16, however, we anticipate solid growth in excess of 1 per cent.

With respect to retail sales, we expect China and India to continue to report double-digit growth rates in nominal terms. The price-adjusted growth rate is anticipated to be in the medium single-digit range in India and the high single digits in China. For the saturated Japanese market, we foresee only moderate momentum in retail.

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 self-service wholesale trade can be seen against the backdrop of current macroeconomic parameters. For financial year 2015/16, we continue to expect the economic trend to vary from region to region. The mixed trend is likely to be reflected in the performance of self-service wholesale in the various economic areas in which METRO Cash & Carry operates.

In Germany and the rest of Western Europe, we expect self-service wholesale to show solid performance in light of the continuing or increasingly positive macroeconomic environment. However, growth rates are predicted to be only moderate. No notable growth in demand levels is expected given the high degree of market saturation in the advanced economies of Germany and the other Western European countries. In addition, inflation is anticipated to remain moderate due to persistently low commodities prices and tough competition in food retail. In our view, a shift in demand towards higher-quality products as a result of better economic conditions will positively impact the sales trend. We also expect a positive trend in non-food products for the same reason.

With regard to self-service wholesale in Eastern Europe, we are forecasting a continuation in like-for-like sales growth. Although the regional trend will continue to be influenced by the Russia/Ukraine conflict, we expect the negative economic trend to ease somewhat in Russia in financial year 2015/16. The associated decline in the inflation rate is likely to positively impact demand for food as well as for consumer durables. For Turkey, we expect growth to remain positive. This assumes, however, that the political conflict in Syria will not negatively impact the economic trend in Turkey. For most of the other Eastern European countries, we expect any positive price signals to remain weak. Given the continuing spread of modern retail industry formats in many countries in the region, we assume that the growth of the self-service wholesale sector will lag behind the rates attained by modern, store-based food retailers.

As before, we anticipate the highest growth rates for self-service wholesale in the Asia region in the coming financial year. Despite the slowdown in economic momentum in China, the Chinese economy will continue to experience stronger growth than the countries of Western and Eastern Europe. Macroeconomic conditions in the other Asian countries also offer a good basis for growth in retail sales. Retail sales structures in India, for example, are still not fully developed. Although competition is increasing among retailers employing modern sales formats, it is still the traditional retailers that will provide the most important supply channels for food in the future. Independent retailers will thus remain a key customer group for METRO Cash & Carry in addition to their considerable potential for contributing to the growth of the self-service wholesale sector. For that reason, the focus of market expansion in the cash-and-carry segment within Asia is on India and China in particular. In addition to traditional retail sales, growth levels for out-of-home consumption are high in the Asia region. Along with rising prosperity among the region's population, international tourism is contributing substantially to the growth momentum. With respect to our delivery business specifically tailored to the food service and hotel industries (Classic Fine Foods group), we expect the positive demand trend among hotels, restaurants and catering companies to continue in financial year 2015/16.

Media-Saturn

Thanks to continuously solid economic parameters, the stable development of consumer electronics retail in Europe will continue in financial year 2015/16.

In Germany, we anticipate growth rates of around 1 per cent for financial year 2015/16 in light of the high level reached in the previous reporting period and the current pace of innovation.

Trending product categories such as health, sports & beauty, home comfort, connected home and app-controlled tools, which are still in the beginning stages of their market diffusion, are recording high growth rates in many cases. However, those figures reflect a low initial sales level. They will be able to better contribute to growth in the future. Virtual reality products such as the goggles used to simulate a realistic environment in computer and video games also promise to show rapid growth, even if those products will not directly conquer the mass market.

The saturated Western European electronics markets will also perform well over the next year at a relatively low growth level of around 1 per cent. With regard to the Iberian peninsula, the indicators continue to point towards recovery now that those economies have bottomed out, with anticipated growth rates in the low single digits.

In Eastern Europe, performance is expected to be heterogeneous across the local markets. Poland and Hungary, which are out of the way of the Russia/Ukraine conflict, will continue growing at approximately 3 per cent in the coming year. Russia's electronics market will only stabilise slowly and at a low level against the backdrop of the conflict with Ukraine and the Russian ban on Western imports as well as the current economic difficulties.

The Greek market will register negative growth in the low-to-medium single-digit range as a result of comprehensive reforms and austerity measures. The subsidised acquisitions made in the spring of 2015 in the areas of telecommunications and IT will contribute to the decline in 2016.

Real

The retail situation in Germany will remain positive on the whole. However, food retail will not benefit from this trend as much as other sectors.

In addition, we expect the continuing increase in selling space and the concurrent stagnation in demand levels to result in a further intensification of predatory competition in German food retail. Although migration to Germany will act to support a slight increase in demand, highly competitive prices for fast-moving consumer goods (FMCGs) will limit the price increases that will be achievable in financial year 2015/16, in part due to increasing sales of brand-name products at discounters and the overall decrease in raw material prices.

Real will continue to reinforce its competitive position in the ongoing climate of predatory competition among store-based retailers by implementing innovative store design and assortment concepts, lowering supply chain costs, investing in the branch network and systematically expanding its multi-channel activities.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

Expected earnings position: outlook for METRO GROUP and its segments

The outlook is based on the current group structure and adjusted for currency effects. In addition, it is based on the assumption of a continuously complex geopolitical situation.

Expected sales development at METRO GROUP in 2015/16

For financial year 2015/16, 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 another slight increase that will follow the reporting period's rise of 1.5 per cent. The sales lines METRO Cash & Carry and Media-Saturn in particular are expected to contribute to both overall sales and like-for-like sales growth; we expect the Real sales line to improve its performance compared with financial year 2014/15.

Expected earnings development at METRO GROUP in 2015/16

In financial year 2015/16, earnings development will also be shaped by the persistently challenging economic environment.

Nevertheless, METRO GROUP is confident that it can again achieve an earnings increase as a result of the progress it has made and will continue to make in transforming its business models. Aside from operational improvements, METRO GROUP will again closely focus on efficient structures and strict cost management in this context in 2015/16.

For these reasons, we expect EBIT before special items to rise slightly above the €1,511 million achieved in financial year 2014/15, including income from real estate sales. METRO Cash & Carry and Media-Saturn in particular are expected to contribute to this development, while the development of the Real sales line will depend on the successful implementation of the measures that have been initiated.

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 major 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, we feel that METRO GROUP is well positioned for the future.

— 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 continuously 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 over 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 Chairman of the Management Board and the CFO of METRO AG regularly discusses ways to harmonise and refine the GRC subsystems. The committee also regularly 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 as well as the Group Finance Director. In addition, since April 2015, representatives of Corporate Public Policy and Corporate Responsibility have taken part in the meetings to prepare the semi-annual GRC reports.

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

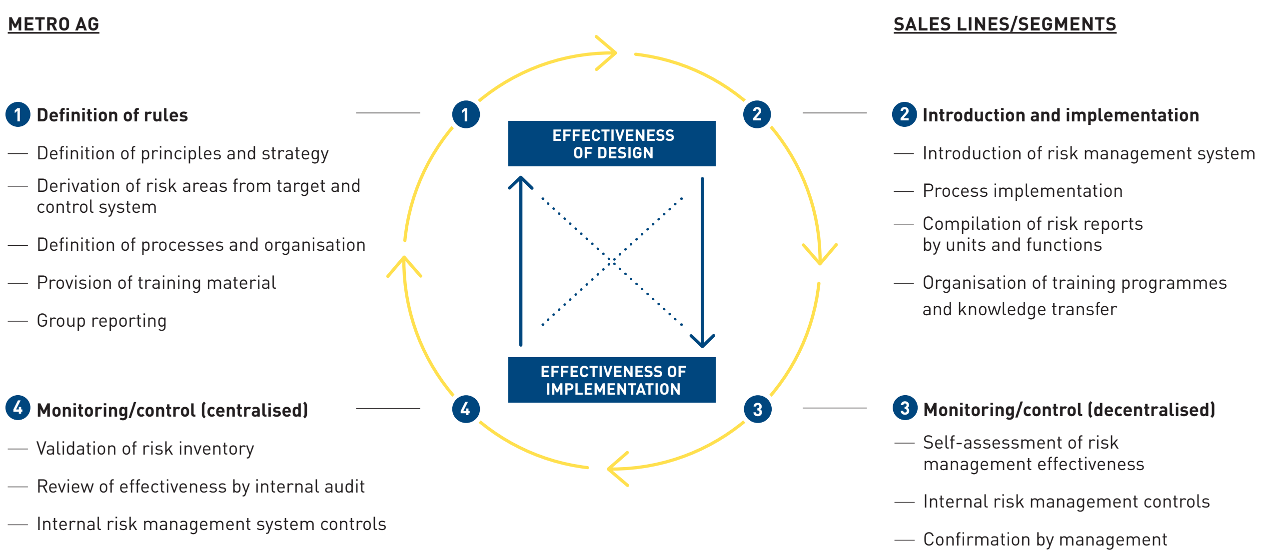
→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

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 2014/15 was being prepared, we reviewed and updated the overarching risk and opportunity portfolio for METRO GROUP that was compiled in the previous year.

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.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

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 performance 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.

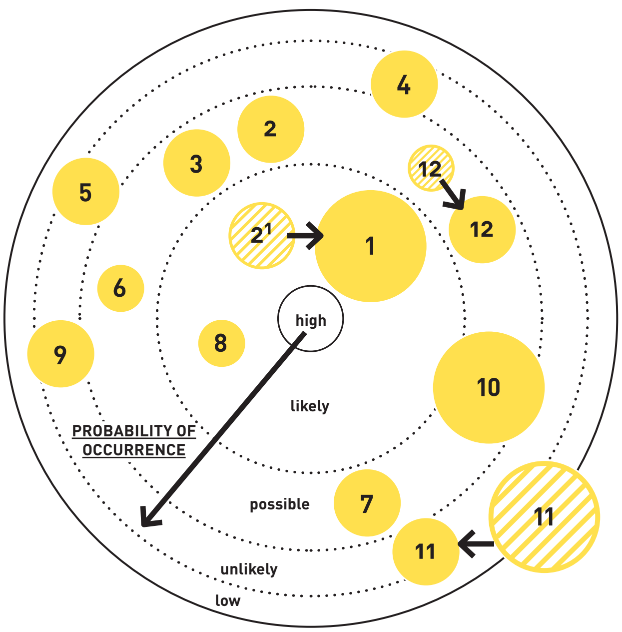
Presentation of the risk situation

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 particularly 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.

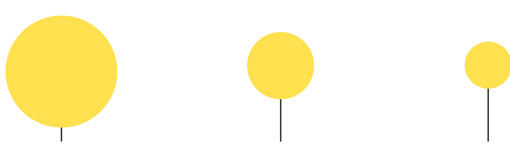
We editorially condensed the particularly relevant risks and revised their titles to improve comprehensibility, consistency and controllability. This results in a new numbering of several risks. In addition, the content of the risks number 1 "challenge of the business model", number 5 "business interruption", number 11 "rating downgrade of METRO AG" and number 12 "geopolitical situation in Russia/Ukraine" has been modified from the previous year (see overview below). For a detailed discussion, see sections below.

No.	(no. in previous year)	Particularly relevant risks 2014/15	Risk group	Loss potential	Probability of occurrence	Change since 2013/14
1	(1, 2)	Challenge of the business model	Risks related to the retail business	≥ €500 million	likely	Risk number 2 from previous year, "loss of customers with relatively low sales volumes (C customers) at METRO Cash & Carry" has been integrated into risk number 1
2	(8)	Inadequate implementation of strategy and strategic projects (METRO Cash & Carry)	Risks related to the retail business	≥ €100 million	possible	
3	(3)	Inadequate customer orientation (METRO Cash & Carry)	Risks related to the retail business	≥ €100 million	possible	
4	(4)	Unprofitable use of selling space	Real estate risks	≥ €100 million	unlikely	
5	(5)	Business interruption	Information technology risks / macroeconomic and political risks	≥ €100 million	unlikely	Extension of the risk to include non-IT topics.
6	(6)	Inadequate development and support of future managers	Human resources risks	≥ €50 million	possible	
7	(7)	Insufficiently reliable budgets and forecasts	Financial risks	≥ €100 million	possible	
8	(9)	Inadequate and/or ineffective internal control systems regarding investments and costs for expansion and construction as well as regarding operating processes)	Compliance risks / risks related to portfolio changes	≥ €50 million	likely	
9	(10)	Corruption, infringements of antitrust or competition law and legislative changes	Legal and tax risks / compliance risks	≥ €100 million	unlikely	
10	(11)	Impairment of goodwill and other assets	Financial risks	≥ €500 million	possible	
11	(12)	Rating downgrade of METRO AG	Financial risks	≥ €100 million	unlikely	Instead of several possible downgrades as in the previous year, we only consider a single downgrade for the reporting period. Therefore, the loss potential has dropped from ≥ €500 million to ≥ €100 million and the probability of occurrence has decreased from low to unlikely.
12	(13)	Geopolitical situation in Russia/Ukraine	Macroeconomic and political risks	≥ €100 million	possible	Loss potential has increased from ≥ €50 million to ≥ €100 million.

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:



Size of circle = potential impact



≥ €500 million ≥ €100 million ≥ €50 million

Financial year 2013/14

Probability of occurrence
Low < 10%
Unlikely ≥ 10–25%
Possible > 25–50%
Likely > 50–90%
High > 90%

The width of the rings visualises the underlying probability of occurrence.

[1] Risk number 2 from previous year, "loss of customers with relatively low sales volumes (C customers) at METRO Cash & Carry" has been integrated into risk number 1.

We only list risks with a low probability of occurrence (< 10 per cent) if the probability of occurrence of a particularly relevant risk from the previous year now falls into this range.

The following sections outline the individual risk groups as well as key management measures and the especially relevant risks shown in the graphic and table. In principle, all group segments are affected. For specific issues, the respective business segments are indicated.

Risks related to the business environment
Macroeconomic and political risks
As an international company, METRO GROUP is dependent on the political and economic situation in the countries in which it operates.

Global economic developments were mixed over financial year 2014/15. While the USA as well as Western and Central Europe recorded robust growth rates, economic developments remained subdued in Eastern European and Asian emerging markets. In Europe, the political agenda was dominated by the conflict in Russia and Ukraine and the potential sovereign default in Greece. The conflict led to significant economic problems in Ukraine. and continued to negatively impact the already sluggish economic performance of Russia as well. In light of these developments and our operational business, we see an unchanged probability of occurrence (possible) for the risk regarding the geopolitical situation in Russia and Ukraine (risk number 12), but have raised the loss potential from ≥ €50 million to ≥ €100 million. For financial year 2015/16 we expect to see slightly stronger global economic growth than in the reporting period.

At the same time, global economic risks have risen as a whole. Specifically, the risk of a sharper-than-expected downturn of the Chinese economy would negatively impact all other regions. 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 remains unchanged. Our international presence provides us with the opportunity to offset economic, legal and political risks as well as fluctuations in demand between individual countries.

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, in particular the Russia-Ukraine conflict (see risk number 12) and the burgeoning conflict in Turkey are important to note for the reporting period. 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 capital 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 handling of crises. We have responded rapidly and effectively to the crisis in Ukraine (risk number 12), implementing our crisis reaction plan for the METRO Cash & Carry stores caught up in 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 thanks to existing insurance policies.

Reactions to possible hazards which might also lead to a business interruption (risk number 5) are regulated in our business continuity management and a crisis management manual. With this manual we essentially aim to ensure continuity of business processes during a crisis, among other objectives. Regarding risk number 5, in addition to factors considered in the previous year, we also monitor non-IT issues such as possible business interruptions due to natural disasters, pandemics or terror attacks. However, the loss potential and the probability of occurrence remain unchanged. For more information, see the section "information technology risks".

For more information about our assessment of the development of the economic environment, see the 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 the chapter "principles of the group – 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 risks, among others, in the face of demographic change, rising competition and increasing digitalisation. 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 (risk number 1 "challenge of the business model"; risk number 2 from previous year, "loss of customers with relatively low sales volumes [C customers] at METRO Cash & Carry" has been integrated into this). 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.

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

In addition, 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, particularly in the sales line METRO Cash & Carry (risk number 2, unchanged from previous year). To limit these risks, we comprehensively monitor project progress in the national subsidiaries and conduct 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.

In principle, METRO Cash & Carry faces the potential risk of inadequate customer orientation (risk number 3, unchanged from previous year). To address this risk and to provide targeted product ranges, we have taken steps to create an improved, customer-oriented assortment design. 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.

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 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 over suitable locations,
— incorrect decisions in the selection of business locations,
— a deterioration in the profitability of a location, for example due to social-demographic changes in the catchment area,
— the structural condition of the property,
— loss of rental income due to insolvency of third-party tenants, and
— natural disasters such as earthquakes, flooding and storms.

We counter these risks through strategic and operational real estate management and far-sighted investment planning. 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. To prevent maintenance and repair backlogs in locations, a far-sighted maintenance plan has been put into place. We counteract this risk by continuously monitoring rent payments and conducting new negotiations at an early stage. In addition, we push ahead the search for new tenants with good credit histories and the development of new usage concepts for our real estate. We seek protection against the potential effects of natural disasters by introducing structural measures and by taking out insurance.

In our real estate operations, we also intend to assume our responsibility for the environment and address possible risks. In this manner, we reduce the ecological footprint of our business locations. Since 2011, we have been continuously lowering our specific greenhouse gas emissions. 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 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 the environment or inhumane working conditions as well as failure to adhere to our compliance standards could cause major damage to the image of METRO GROUP and pose a lasting 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. Without an adequate GFSI certificate, a supplier of own-brand products is subject to a special inspection (Metro Assessment Solution) conducted by an accredited certification body.

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, METRO GROUP approved a group-wide, cross-product purchasing policy for sustainable supply chain and procurement management as early as 2013.

One of our focal points is promoting humane working conditions at our suppliers. We implement numerous measures. 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 all own-brand suppliers of non-food articles who manufacture end products in risk countries as defined by the BSCI. With targeted training programmes, we help suppliers to create fair and humane working conditions. In addition, under the international fire safety agreement for increased building safety in the Bangladesh textile industry (Bangladesh Accord on Fire and Building Safety) we are working to increase safety in the factories of all our suppliers who produce in Bangladesh.

METRO GROUP's decision to join the Roundtable on Sustainable Palm Oil (RSPO) in 2011 is an example of our efforts to minimise our ecological footprint. As part of the membership, we have committed to only using certified sustainable palm oil in our own-brand products beginning in 2020.

Our requirements of 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, 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 products or product groups and to avoid becoming dependent on individual companies, we work with a variety of suppliers. By taking this approach, we ensure that the desired product is generally 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.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

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, for example, through reductions in stocks of certain types of fish. 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.

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.

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.

For more information about our work to create a sustainable supply chain, see the chapter "principles of the group – sustainability management".

Supply chain risks

The task of the supply chain function 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. To the extent permissible by law and where economically feasible we use financial instruments to hedge price risks as far as possible. Risks from translation remain unhedged, since we are pursuing a long-term investment strategy. Credit risks are being monitored through a certified risk monitoring system which allows us to initiate risk-minimising measures at an early stage.

Ensuring METRO GROUP's unlimited access to the capital markets is integral to the management of financial risks. A rating downgrade – referring to a downgrade to "BB" assigned by the rating agency Standard & Poor's – would have a negative impact on our liquidity and group financing (risk number 11). Instead of several possible downgrades as in the previous year, we only consider a single downgrade for the reporting period. As a result, the loss potential has decreased from ≥ €500 million to ≥ €100 million and the probability of occurrence has decreased from low to unlikely. We have further reduced debt and rating-relevant metrics have improved slightly. To counter this risk, our 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.

Another identified risk concerns unexpected deviations from our budget or outlook (risk number 7, unchanged from previous 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 10, unchanged from previous year). For this reason, we attach 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 these risks 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 financial year 2014/15, we further intensified the planning and the related internal coordination process. Closer integration of strategic planning and the budgeting process as well as a stronger involvement of the supervisory bodies in the strategy and budgeting process contributed to this. In addition, the introduction of the New Operating Model at METRO Cash & Carry and the related introduction of the Value Creation Plans for each country have proactively reinforced implementation of METRO GROUP's strategy. The deviation of our financial year from calendar year results in additional early planning security because our very profitable Christmas business takes place at the beginning of the financial year, instead of at the end of it. Finally, the outlook offers 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. 44 – management of financial risks.

Other risks

Risks related to 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 June 2015, an agreement was signed to sell the operating business of Galeria Kaufhof group in Germany and Belgium including related properties to Hudson's Bay Company. The transaction was closed on 30 September 2015, lowering METRO GROUP's net debt and further strengthening our financial position.

As part of the company's focus on the core and growth markets, the wholesale business of MAKRO Cash & Carry in Greece was sold to the local retail company I. & S. Sklavenitis Trade S.A. in financial year 2014/15. Furthermore, the Management Board of METRO AG decided to close down operations of METRO Cash & Carry in Denmark as a result of inadequate market opportunities. The originally planned sale of two of the five stores to a local competitor did not receive approval of the relevant local authorities. Therefore, all five stores were closed at the end of 2014.

In financial year 2013/14, METRO AG announced the disposal of METRO Cash & Carry's business in Vietnam and, to this effect,

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

signed an agreement with the Thai retail group Berli Jucker Public Company Ltd. (BJC). After the general meeting of BJC had rejected the transaction, BJC's majority shareholder TCC Holding Co., Ltd. (TCC) replaced BJC as party to the transaction at unchanged economic conditions, according to agreements from 18 February 2015 and 22 July 2015. The disposal of METRO Cash & Carry's business in Vietnam is expected to be concluded in financial year 2015/16 and is still subject to the usual approvals by the local authorities.

In August 2015, METRO GROUP acquired the Classic Fine Foods group (CFF), Asia's leading provider in the food service distribution market. This move bolsters the sales line METRO Cash & Carry in the strategically important delivery service business and enables entry into the premium food delivery service market in the fast-growing megacities in Asia and the Middle East.

To strengthen Media-Saturn's customer-oriented positioning, the sales line acquired a majority share (90 per cent) in customer and repair service provider RTS in financial year 2014/15. The move significantly expands services in planning, installation, inspection, maintenance and repair of products. This acquisition was closed in October 2015.

Additionally, METRO GROUP has expanded its activities in the start-up sector. In December 2014, it acquired a 15 per cent share in the multichannel start-up Emmas Enkel. In the reporting period, METRO GROUP also entered into a strategic partnership with the US online job network Culinary Agents (share of 18.33 per cent).

These transactions will increase the flexibility of METRO GROUP and facilitate investments in the 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.

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 appropriate. Even though we always 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. Delays in store openings represent another risk, for example due to lengthy authorisation procedures or unclear responsibilities of local authorities in emerging markets. Occurrence of these risks would result in lower-than-forecast sales and earnings.

In financial year 2014/15, 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 8, unchanged from previous year). Committees from the sales lines are involved in the decision-making process regarding the efficient use of investment funds for expansion. The coordination processes are being continuously improved. Furthermore, previously taken investment decisions are carefully monitored.

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. 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 vulnerabilities. We counter the high complexity of modern IT landscapes through clear management regulations.

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 for 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 major business interruptions or limit these 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 "business interruption", unchanged from previous year). For risk number 5, in the reporting period, we additionally consider non-IT topics. For more information, see the section "risks related to the business environment". However, the loss potential and the probability of occurrence remain unchanged. For more information, see the section "risks related to the business environment".

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 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. 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 report centrally 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, and since 2015 also those of Media-Saturn IT Services (MSITS), are reviewed by internal audit and by external inspectors who examine them in accordance with the international standard for audit reports of service organisations ISAE 3402 (International Standard on Assurance Engagements). We address the risk of data and identity theft, particularly for people with access to confidential information, with information campaigns on the secure use of IT in everyday work.

Awareness of the importance of data protection was further raised 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 opportunities. 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 resources 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 7.6 per cent in the reporting period (excluding the discontinued operation Galeria Kaufhof), we are one of Germany's largest providers of occupational training.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

Succession planning at METRO GROUP, in particular for senior management positions, is guaranteed through customised career and development plans. All these measures serve to counter the key risks of insufficient development and promotion of future managers (risk number 6, unchanged from previous 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 conjunction 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 the chapter "principles of the group – 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 proceedings, for example, possible infringements of antitrust or competition law (risk number 9, unchanged from previous 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. Appropriate risk provisions were created for pending antitrust law proceedings where liability is sufficiently substantiated.

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 existing court decisions relating to governance issues, the Management Board feels validated in its opinion that the consolidation of the Media-Saturn-Holding GmbH was correctly 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 2015.

Encouraged by recent court decisions, the Management Board does not expect that future court rulings – as a result of other legal challenges filed by the minority shareholder or by members of the advisory board on behalf of the minority shareholder – will contradict these verdicts in relevant issues regarding the governance of the Media-Saturn group of companies.

If – contrary to the expectations of the Management Board – a court were to reach such a different assessment, the Management Board would review its opinion on the full consolidation of the Media-Saturn group of companies; in that case, a deconsolidation of the Media-Saturn group of companies might become necessary if the sustained power to exercise control cannot still be assumed. 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. 47 – 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 9, unchanged from previous year). In addition, the group-wide compliance management system covers other relevant criminal and regulatory 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 updated continuously and adjusted on the basis of risk. These efforts are complemented by compulsory training courses, systematic and target group-oriented communication measures 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.

The internal control system is one of the key elements of a well-designed corporate governance. By strengthening its internal control system, the company ensures that compliance and governance requirements are being increasingly linked with its operational business and financial processes.

At the end of each financial year, the internal control system is reviewed with regard to appropriateness and effectiveness through self-assessment and reviews by Group Internal Audit.

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 8, unchanged from previous year). For this reason, 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.

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

Presentation of the opportunity situation

METRO GROUP has numerous opportunities to ensure long-term positive business developments. 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 as well as population growth in developing and emerging countries. We analyse the relevant global and national trends and take decisions aimed at systematically exploiting opportunities of the future and creating competitive edges.

Opportunities from the development of business conditions

During financial year 2015/16, we expect to see a slight improvement in business conditions for retail.

Our sales and earnings could profit from the slightly improved business situation. Demand – including over 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, India, Russia and Turkey.

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, negotiations regarding an agreement to simplify trade are also particularly promising. Imports and exports could be streamlined and the costs of cross-border trade 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 in which 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 strengthening the competitive strength of all sales brands while better addressing customers in a more targeted manner. Examples include new and innovative formats, 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 considerable opportunity in the sensible dovetailing of store-based and electronic retailing.

We see further opportunities in the increased cooperation of the individual sales lines, for example in consumer electronics. We are already testing shop-in-shop concepts where Media Markt or Saturn manage the electronic departments of METRO Cash & Carry. The first two pilot stores were opened in Russia in the fourth quarter of the reporting period.

In the cash-and-carry business, we see additional 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 continue to believe that this development will be maintained and project continued competitive momentum both in store-based and in online retail over the medium term. As a result, it is imperative for METRO GROUP to further strengthen its internet sales channel. All our sales lines now have online shops in Germany and in many other countries. During financial year 2014/15, we continuously improved the online shops. One example of this approach is the recently announced strategic cooperation with leading online and mobile commerce company Alibaba Group. METRO GROUP successfully strengthened its online activities in the fast-growing Chinese e-commerce market by launching a flagship store on the Tmall Global platform of Alibaba Group. By doing so, and through various other measures in the reporting period, we made additional strides in the shift from strictly store-based retail to integrated multichannel marketing. Unlike strictly online providers, we create real added value for customers this way.

The dynamic development of information technologies creates tremendous opportunities for us to optimise our own processes and provide our customers new offerings. New 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 significantly improved marketing instruments, more efficient logistics and an opportunity to introduce new customer-oriented products and services. Involving METRO GROUP IT at an early stage in activities to assess and support start-up enterprises or in subsequent acquisition of participating interests enables the solution-oriented and secure interfacing of IT-based services.

We are convinced that innovative ideas relating to digitalisation will shape the future of retail and drive the development of new business models. In our group, we see great potential for those new business models which offer excellent added value to our customers, in line with our strategy and building on existing strengths in our operating processes.

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. In financial year 2014/15, we also started the Techstars METRO Accelerator together with the US company Techstars. The programme aims to support innovative start-up enterprises in the Horeca sector. Techstars METRO Accelerator is the first global programme focusing mainly on technological applications for the food service, hospitality and catering sector.

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 accessible to people with disabilities. In addition, the outlets offer assistance and products designed to meet the needs of customers of 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 the basis 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 systematically continue to pursue. These include the expansion of our delivery activities and increasing 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 establish customer perception that has a positive effect on sales and earnings.

Additional opportunities 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 as well as environmental benefits and improvements.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

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. 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 and impact. The assessment has shown that the overall risks are manageable. The identified individual and cumulative risks do not represent risks 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 developments and the exploitation of numerous opportunities. This assessment is mirrored by the rating of the internationally leading, independent rating agency Standard & Poor's that we have commissioned. METRO GROUP's credit rating of BBB– with a stable outlook is unchanged at investment grade. The Management Board of METRO AG currently does not expect any fundamental change in the risk and opportunities situation.

— REMUNERATION REPORT

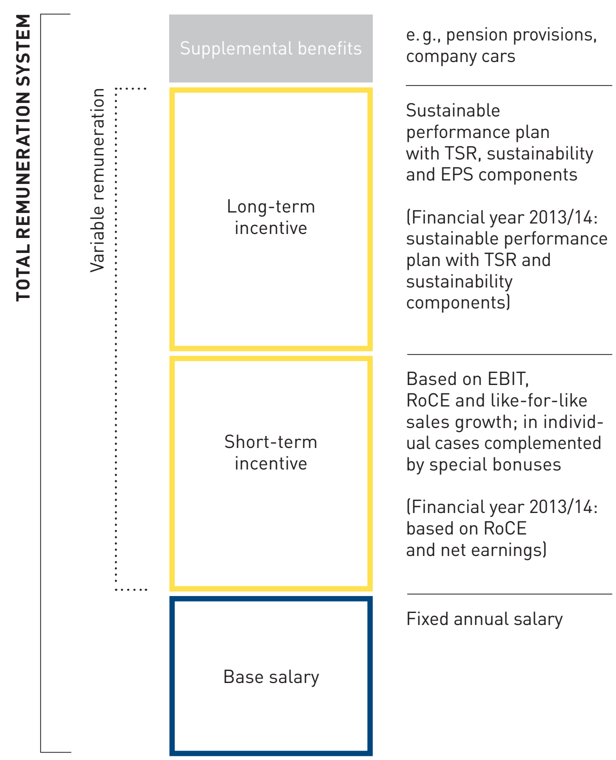
The following report describes the remuneration received by the Management Board and the Supervisory Board of METRO AG for financial year 2014/15 in accordance with standards laid down by the German Commercial Code (HGB) and the German Corporate Governance Code. Remuneration received by the Management Board, in particular, is disclosed on the basis of the model tables recommended in the Code. In addition, this report outlines the remuneration systems and contains information about share-based compensation for executives of METRO GROUP.

The remuneration system for the Management Board is approved by the Supervisory Board of METRO AG and is prepared by its Personnel Committee. It comprises two variable components that were redesigned as of financial year 2014/15. The aim of this change was to align these remuneration components with METRO GROUP's current planning and to focus the performance targets more strongly on the specific characteristics of a retail company. Additionally, this alignment enables the group to better reflect its transformation measures in its remuneration system. Essentially, the performance targets were amended and the maximum payout amounts (payout caps) were reduced. Furthermore, members of the Management Board were offered the option of extending their entitlement to company pension provisions by converting compensation components in the fixed salary as well as in the variable remuneration. The Annual General Meeting on 20 February 2015 approved these changes to the remuneration system with 99.6 per cent of the votes cast. The following is a description of how the system works.

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 geared appropriately to the responsibilities of each individual member of the Board, his or her personal performance and the company's economic situation, and fulfil legal stipulations regarding customary remuneration. 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.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

Fixed salary

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

Short-term incentive / special bonuses

The short-term incentive remunerates the company's operating performance on the basis of three financial performance targets pertaining to that specific financial year, each of which has a weighting of one third.

A target value in euros is set for each member of the Management Board. The payout amount is calculated by multiplying the target value by the factor of overall goal achievement. This, in turn, is calculated by determining the goal achievement factors, each of which is rounded to two decimal points, for each of the three financial performance targets. The arithmetic mean of the factors, also rounded to two decimal points, gives the overall goal achievement factor. The overall goal achievement is limited to a factor of 2.0 (payout cap).

The short-term incentive is based on the following parameters:

- METRO GROUP's earnings before interest and taxes (EBIT),
- METRO GROUP's return on capital employed (RoCE) and
- like-for-like sales growth of METRO GROUP; this term reflects sales growth on a comparable area or with respect to a comparable group of locations in local currency.

In general, performance targets are set by the Supervisory Board for each of the three parameters before the beginning of the financial year. The basis for determining the goals is the budget plan, which requires the approval of the Supervisory Board. To determine whether a goal has been achieved, the Supervisory Board defines a lower threshold (entry barrier) for each performance target and a target value for 100 per cent goal achievement. A factor is allocated to the specific degree of goal achievement for each performance target:

- If the degree of goal achievement is 100 per cent, the factor is 1.0.
- If the degree of goal achievement is lower or equal to the entry barrier, then the factor is 0.0.
- In the case of intermediate values and values over 100 per cent, the factor for goal achievement is calculated using linear interpolation.

To calculate goal achievement, profit or loss adjusted for special items and exchange rate fluctuations is applied respectively. Special items include one-time transactions or a number of one-time transactions of the same type, which make it difficult to gauge a company's operating performance and are reported on the income statement. Generally, before the beginning of the financial year that is to be incentivised, the Supervisory Board defines which transactions will be adjusted as special items when calculating Management Board remuneration. Adjustment for exchange rate fluctuations occurs to the extent that these do not correspond to the assumptions made in the budget.

To ensure the individual performance orientation of Management Board remuneration, the Supervisory Board of METRO AG 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.

The following individual target values and payout caps were determined as the basis for Management Board remuneration in financial year 2014/15:

€ p.a.	Target value for the short-term incentive for financial year 2014/15	Payout cap for financial year 2014/15
Olaf Koch	1,200,000	2,400,000
Pieter C. Boone[1]	180,000	360,000
Mark Frese	900,000	1,800,000
Pieter Haas[2]	810,000	1,620,000
Heiko Hutmacher	900,000	1,800,000

[1] Member of the Management Board since 1 July 2015
[2] Member of the Management Board since 1 April 2013

In addition, the Supervisory Board may grant special bonuses to members of the Management Board for exceptional performance.

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 designed to achieve sustainable growth in the company's value and applies a multi-year assessment basis.

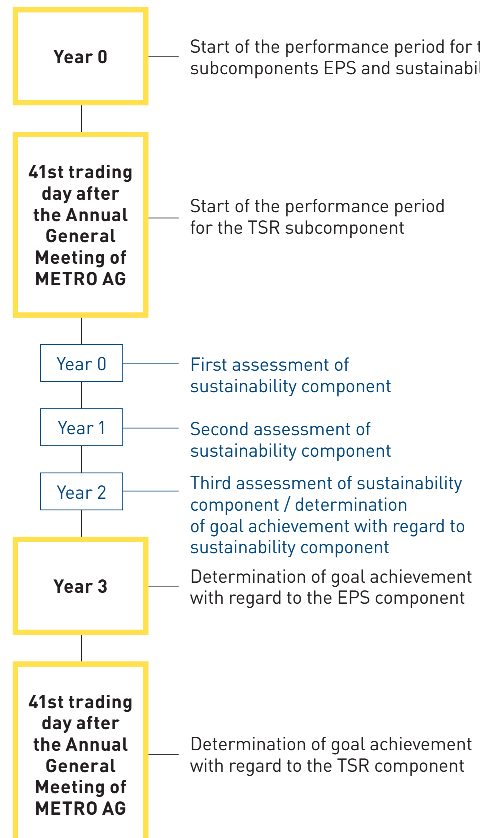
Sustainable performance plan version 2014 (2014/15–2017/18)

After the first tranche of the sustainable performance plan was issued in financial year 2013/14, the Supervisory Board of METRO AG approved the adjustment of the sustainable performance plan from financial year 2014/15 onwards: On 10 December 2014, the Supervisory Board adopted the sustainable performance plan version 2014, with a planned duration of four tranches up to financial year 2017/18. By incorporating an additional performance target, the 2014 version of the sustainable performance plan creates an even greater incentive for the long-term and sustainable 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 and internal growth as well as by qualitative aspects of business, environmental and social corporate management. A three-year performance period applies to the 2014/15 tranche of the sustainable performance plan version 2014; from the 2015/16 tranche onwards, a four-year performance period will apply.

A target value in euros is set for each member of the Management Board. The payout amount is calculated by multiplying the target value by the factor of overall goal achievement. This, in turn, is calculated by determining the goal achievement factors, each of which is rounded to two decimal points, for each of the three performance targets. The arithmetic mean of the factors, also rounded to two decimal points, gives the overall goal achievement factor. The payout amount is limited to a maximum of 250 per cent of the target value (payout cap). In case of employment termination, separate rules for the payout of the tranches have been agreed upon.

The timing of the sustainable performance plan version 2014 is structured as follows:

Timing of the sustainable performance plan version 2014 (three-year performance period)



(Schematic illustration)

The sustainable performance plan version 2014 is based on the following three performance targets:
— total shareholder return (TSR),
— sustainability and
— earnings per share (EPS).

The **TSR component** is measured according to the development of the total shareholder return of the METRO ordinary share in the performance period compared to a defined benchmark index. To calculate the goal achievement factor of the TSR component, the Xetra closing prices of the METRO ordinary share are determined over a period of 40 consecutive trading days immediately following the Annual General Meeting of METRO AG in the grant year. This is used to calculate the arithmetic mean, which is known as the starting share price. The performance period for the respective tranche will begin on the 41st trading day following the Annual General Meeting. Once again, the Xetra closing prices of the METRO ordinary share are determined over a period of 40 consecutive trading days immediately following the Annual General Meeting three years, or, from financial year 2015/16 onwards, four years after calculating the starting share price and issuing the applicable tranche. This is used again to calculate the arithmetic mean, which is known 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 hypothetically 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 for the three-year performance period of the 2014/15 tranche will be determined in this way:

— if METRO's TSR is identical to the index TSR, the factor for the TSR component will be 1.0;
— if METRO's TSR is 30 percentage points or more below the index TSR, the factor for the TSR component will be 0.0;
— if METRO's TSR is 30 percentage points above the index TSR, the factor for the TSR component will be 2.0.
— In the case of goal achievement with intermediate values and more than 30 percentage points, the TSR factor for the sustainable performance plan version 2014 is calculated using linear interpolation to two decimal points.

To determine the goal achievement factor of the **sustainability component,** METRO AG takes part in the Corporate Sustainability Assessment conducted by the external independent agency RobecoSAM AG during each year of the three- or four-year performance period of the sustainable performance plan version 2014. 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, or, from financial year 2015/16 onwards, four rankings per tranche communicated by RobecoSAM AG during the performance period. The factor for the sustainability component of the 2014/15 tranche is determined in the following manner on the basis of the average ranking during the performance period:

Average ranking (rounded)	Sustainability factor Financial year 2014/15 tranche
1	3.00
2	3.00
3	2.50
4	2.00
5	1.50
6	1.25
7	1.00
8	0.67
9	0.33
Below 9	0.00

The goal achievement factor for the **EPS component,** which was introduced for the first time in the sustainable performance plan version 2014, is calculated as follows: Generally, the Supervisory Board approves an EPS target value (before special items) for the third or fourth year of the EPS performance period at the beginning of the financial year, a lower threshold/entry barrier as well as an upper threshold for 200 per cent goal achievement. The EPS that has actually been achieved during the performance period is compared to the approved values and the factor for calculating the EPS component is determined as follows:

— if the EPS target value is achieved, the factor for the EPS component is 1.0;
— if only the lower entry barrier or a value lower than it is achieved, the factor for the EPS component is 0.0;
— in the event of 200 per cent goal achievement, the factor for the EPS component is 2.0.
— In the case of goal achievement with intermediate values and more than 200 per cent, the EPS factor for the sustainable performance plan version 2014 is calculated using linear interpolation to two decimal points.

Sustainable performance plan (2013/14)

After the last tranche of the performance share plan was issued in the short financial year 2013, the Supervisory Board of METRO AG approved the sustainable performance plan on 10 December 2013, whose tranche was paid with a three-year performance period in financial year 2013/14.

A target value in euros was set for each member of the Management Board. This is 75 per cent dependent on the TSR component and 25 per cent on the sustainability component.

The calculation of the **TSR component** follows the method described for the sustainable performance plan version 2014;

however, the factor for the TSR component is a maximum of 3.0 (cap). Furthermore, the following additional condition applies if the TSR factor is positive: 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 initially be paid. 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. 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.

Similarly, the method described for the sustainable performance plan version 2014 also applies to the calculation of the factor for the **sustainability component,** while the factor for the sustainability component, dependent on the average ranking during the performance period, is calculated as follows:

Average ranking (rounded)	Sustainability factor Financial year 2013/14 tranche
1	3.00
2	3.00
3	3.00
4	2.50
5	2.00
6	1.50
7	1.25
8	1.00
9	0.50
Below 9	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 only be made 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 grant, based on the average price of the METRO share during the three months up to the grant date. The key metric in this calculation was the three-month average price of the METRO share before the grant date. A performance share entitles its holder to a cash payment in euros matching the price of the METRO share on the payment date based on the average price of the METRO share during the three months up to the payment date.

Based on the relative performance of the METRO share compared 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 linearly 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 granting 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 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 vesting 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.

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

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 member 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 year. 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 Articles of Association of the HPR with regard to profit participation, 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,
- in the case of invalidity or death insofar as the relevant preconditions for entitlement have been met.

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.

Furthermore, since 2015, members of the Management Board have been offered the option of converting future compensation components in the fixed salary as well as in the variable remuneration into company pension entitlements with Hamburger Pensionsrückdeckungskasse VVaG as part of a tax-privileged compensation conversion scheme.

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). As a sustainability criterion, the company car guideline contains – similar to the company car regulation for METRO GROUP executives – a limit to the CO_2 emissions of company cars as well as a cap on the non-cash benefits associated with 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 2014/15[1]

€1,000	Financial year	Fixed salary	Supplemental benefits	Short-term incentive[2]	Long-term incentive: Value of granted tranche[3]	Long-term incentive: (Payout from tranches granted in the past)	Total[4]	(Effective salary[5])
Olaf Koch	2013/14	1,200	16	1,251	1,098	(0)	3,565	(2,467)
	2014/15	**1,200**	**36**	**3,442**	**2,301**	**(0)**	**6,979**	**(4,678)**
Pieter C. Boone[6]	2013/14	0	0	0	0	(0)	0	(0)
	2014/15	**180**	**33**	**224**	**0**	**(0)**	**437**	**(437)**
Mark Frese	2013/14	855	102	777	823	(0)	2,557	(1,734)
	2014/15	**900**	**47**	**2,620**	**1,726**	**(0)**	**5,293**	**(3,567)**
Pieter Haas[7]	2013/14	720	107	593	659	(0)	2,079	(1,420)
	2014/15	**810**	**61**	**1,951**	**1,726**	**(0)**	**4,548**	**(2,822)**
Heiko Hutmacher	2013/14	900	54	772	823	(0)	2,549	(1,726)
	2014/15	**900**	**63**	**1,732**	**1,726**	**(0)**	**4,421**	**(2,695)**
Total	2013/14	3,675	279	3,393	3,403	(0)	10,750	(7,347)
	2014/15	**3,990**	**240**	**9,969**	**7,479**	**(0)**	**21,678**	**(14,199)**

[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. For financial year 2013/14, the short-term incentive for both the short financial year 2013 and financial year 2013/14 is shown as a total amount. For financial year 2014/15, short-term performance-based remuneration includes the short-term incentive as well as special bonuses. Mr Koch and Mr Frese received a special bonus of €1,500 thousand each and Mr Haas and Mr Hutmacher received a special bonus of €500 thousand each for the sale of Galeria Kaufhof.
[3] Shown here is the fair value at the time of granting the tranche
[4] Total of the columns fixed salary, supplemental benefits, short-term incentive and value of the granted tranche of the long-term incentive
[5] Total of the columns fixed salary, supplemental benefits, 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 July 2015
[7] Member of the Management Board since 1 April 2013

Pursuant to the German Corporate Governance Code, the remuneration received by the Management Board is as follows, according to the tables "benefits granted" and "accruals":

Benefits granted

€1,000	Olaf Koch Chairman of the Management Board since 1/1/2012 Member of the Management Board since 14/9/2009				Pieter C. Boone Member of the Management Board for the METRO Cash & Carry business segment Member of the Management Board since 1/7/2015				Mark Frese Chief Financial Officer Member of the Management Board since 1/1/2012			
	2013/14	2014/15	2014/15 Minimum value	2014/15 Maximum value	2013/14	2014/15	2014/15 Minimum value	2014/15 Maximum value	2013/14	2014/15	2014/15 Minimum value	2014/15 Maximum value
Fixed salary	1,200	1,200	1,200	1,200	0	180	180	180	855	900	900	900
Supplemental benefits	16	36	36	36	0	33	33	33	102	47	47	47
Total	**1,216**	**1,236**	**1,236**	**1,236**	**0**	**213**	**213**	**213**	**957**	**947**	**947**	**947**
One-year variable remuneration[1]	1,200	1,200	0	2,400	0	180	0	360	855	900	0	1,800
Multi-year variable remuneration[2]												
Sustainable performance plan (granted 10/4/2014, end of performance period: 41st trading day following the Annual General Meeting three years after the issuance of the tranche)	1,098	–	–	–	0	–	–	–	823	–	–	–
Sustainable performance plan version 2014 (granted 22/4/2015, end of performance period: 41st trading day following the Annual General Meeting three years after the issuance of the tranche)	–	2,301	0	4,000	–	0	0	0	–	1,726	0	3,000
Total	**3,514**	**4,737**	**1,236**	**7,636**	**0**	**393**	**213**	**573**	**2,635**	**3,573**	**947**	**5,747**
Pension expenditure	169	169	169	169	0	32	32	32	129	128	128	128
Total remuneration	**3,683**	**4,906**	**1,405**	**7,805**	**0**	**425**	**245**	**605**	**2,764**	**3,701**	**1,075**	**5,875**

[1] The figures shown here relate to the short-term incentive excluding any potential additional special bonuses
[2] Shown here is the fair value at the time of granting the tranche

Pieter Haas				Heiko Hutmacher			
Member of the Management Board for the Media-Saturn business segment Member of the Management Board since 1/4/2013				Chief Human Resources Officer Member of the Management Board since 1/10/2011			
2013/14	2014/15	2014/15	2014/15	2013/14	2014/15	2014/15	2014/15
		Minimum value	Maximum value			Minimum value	Maximum value
720	810	810	810	900	900	900	900
107	61	61	61	54	63	63	63
827	**871**	**871**	**871**	**954**	**963**	**963**	**963**
720	810	0	1,620	900	900	0	1,800
659	–	–	–	823	–	–	–
–	1,726	0	3,000	–	1,726	0	3,000
2,206	**3,407**	**871**	**5,491**	**2,677**	**3,589**	**963**	**5,763**
144	137	137	137	131	128	128	128
2,350	**3,544**	**1,008**	**5,628**	**2,808**	**3,717**	**1,091**	**5,891**

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

Accruals

	Olaf Koch		Pieter C. Boone		Mark Frese		Pieter Haas		Heiko Hutmacher	
	Chairman of the Management Board since 1/1/2012 Member of the Management Board since 14/9/2009		Member of the Management Board for the METRO Cash & Carry business segment Member of the Management Board since 1/7/2015		Chief Financial Officer Member of the Management Board since 1/1/2012		Member of the Management Board for the Media-Saturn business segment Member of the Management Board since 1/4/2013		Chief Human Resources Officer Member of the Management Board since 1/10/2011	
€1,000	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**	**2013/14**
Fixed salary	1,200	1,200	180	0	900	855	810	720	900	900
Supplemental benefits	36	16	33	0	47	102	61	107	63	54
Total	**1,236**	**1,216**	**213**	**0**	**947**	**957**	**871**	**827**	**963**	**954**
One-year variable remuneration[1]	3,442	1,251	224	0	2,620	777	1,951	593	1,732	772
Multi-year variable remuneration										
Performance share plan (granted 10/8/2010, end of vesting period 10/8/2013, end of term 10/11/2014)	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	**4,678**	**2,467**	**437**	**0**	**3,567**	**1,734**	**2,822**	**1,420**	**2,695**	**1,726**
Pension expenditure	169	169	32	0	128	129	137	144	128	131
Total remuneration	**4,847**	**2,636**	**469**	**0**	**3,695**	**1,863**	**2,959**	**1,564**	**2,823**	**1,857**

[1] 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. For financial year 2013/14, the short-term incentive for both the short financial year 2013 and financial year 2013/14 is shown as a total amount. For financial year 2014/15, short-term performance-based remuneration includes the short-term incentive as well as special bonuses. Messrs Koch and Frese received a special bonus of €1,500 thousand each for the sale of Galeria Kaufhof, while Messrs Haas and Hutmacher received a special bonus of €500 thousand each.

Long-term incentives in financial year 2014/15

The target value for the 2014/15 tranche is €1.6 million for Mr Koch and €1.2 million each for Messrs Frese, Haas and Hutmacher; in his function of member of the Management Board, Mr Boone was granted no shares from the tranche in financial year 2014/15. The value of the tranche distributed in financial year 2014/15 as part of the sustainable performance plan version 2014 was calculated at the time of granting by external experts using recognised financial-mathematical methods.

Sustainable performance plan /
Sustainable performance plan version 2014

Tranche	End of the performance period	Starting price for the TSR component	Target amount Management Board as of 30/9/2015
2013/14	41st trading day following the Annual General Meeting three years after the issuance of the tranche	€29.73	€4,960,000
2014/15	41st trading day following the Annual General Meeting three years after the issuance of the tranche	€31.69	€5,365,000

In addition to the tranche from the sustainable performance plan version 2014 in financial year 2014/15, the active members of the Management Board in this financial year possess grants from tranches of the long-term incentive that were granted in the past: Mr Koch possesses tranches of the performance share plan for 2011, 2012 and 2013 as well as a 2013/14 tranche of the sustainable performance plan, Mr Frese possesses a 2013/14 tranche of the sustainable performance plan, Mr Haas possesses a 2013 tranche of the performance share plan as well as a 2013/14 tranche of the sustainable performance plan, and Mr Hutmacher possesses a 2013/14 tranche of the sustainable performance plan. Mr Boone possesses tranches of the performance share plan for 2011, 2012 and 2013 as well as a 2013/14 tranche of the sustainable performance plan from the time of his employment at METRO GROUP before he was appointed as a member of the Management Board.

Performance share plan

Tranche	End of vesting period	Three-month average price before grant	Number of Management Board performance shares as of 30/9/2015
2009	August 2012	€36.67	Expired
2010	August 2013	€42.91	Expired
2011	August 2014	€41.73	13,779
2012	April 2015	€29.18	57,402
2013	April 2016	€22.84	116,463

The vesting period for the 2011 and 2012 tranches ended in August 2014 and April 2015, respectively. No payouts from these tranches were made to members of the Management Board in financial year 2014/15.

In financial year 2014/15, value changes resulted from the current tranches of performance-based payment programmes with a long-term incentive effect. The company's expenses amounted to €0.92 million for Mr Koch, €0.02 million for Mr Boone, €0.76 million for Mr Frese, €0.77 million for Mr Haas and €0.02 million for Mr Hutmacher.

Services after the end of employment in financial year 2014/15 (including pension provisions)

In financial year 2014/15, a total of €0.59 million according to International Financial Reporting Standards (IFRS) and €0.62 million according to the German Commercial Code (HGB) was 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 (2013/14: €0.57 million determined according to IFRS and €0.54 million determined according to the German Commercial Code [HGB]). Of this total, according to IFRS, approximately €0.169 million was allotted to Mr Koch for pension provisions, Mr Boone was allotted approximately €0.032 million, Mr Frese was allotted approximately €0.128 million, Mr Haas approximately €0.137 million and Mr Hutmacher approximately €0.128 million.

According to the German Commercial Code (HGB), approximately €0.172 million was allotted to Mr Koch for pension provisions. Mr Boone was allotted approximately €0.032 million, Mr Frese approximately €0.130 million, Mr Haas approximately €0.157 million and Mr Hutmacher approximately €0.125 million.

Provisions according to IFRS and the German Commercial Code (HGB) amounted to approximately €0.012 million for Mr Koch, approximately €0.019 million for Mr Frese, approximately €0.016 million for Mr Hutmacher, approximately €0.056 million according to IFRS and approximately €0.053 million according to HGB for Mr Boone and approximately €0.062 million according to IFRS and approximately €0.059 million according to HGB for Mr Haas.

The cash value of the commitment volume according to IFRS and HGB amounted to approximately €1.9 million for Mr Koch, approximately €1.1 million for Mr Frese, approximately €1.1 million for Mr Hutmacher, approximately €0.1 million for Mr Boone and approximately €0.7 million for Mr Haas. With the exception of the provisions listed in the last paragraph, the cash value of the commitment volume is offset by assets.

Total compensation of former members of the Management Board in financial year 2014/15

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 €3.4 million (2013/14: €3.5 million).

The corresponding cash value of provisions for current pensions and pension entitlements according to IFRS amounts to €49.5 million (30/9/2014: €54.3 million).

The corresponding cash value of provisions for current pensions and pension entitlements according to the German Commercial Code (HGB) amounts to €41.4 million (30/9/2014: €44.0 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 / Sustainable performance plan version 2014

The sustainable performance plan and the sustainable performance plan version 2014 apply 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. Eligible managers are given an individual target amount in accordance with the significance of their responsibilities. The additional rules of this plan correspond to the provisions for the Management Board.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

Sustainable performance plan /
Sustainable performance plan version 2014

Tranche	End of the performance period	Starting price for the TSR component	Target amount executives as of 30/9/2015
2013/14	41st trading day following the Annual General Meeting three years after the issuance of the tranche	€29.73	€3,100,000
2014/15	41st trading day following the Annual General Meeting three years after the issuance of the tranche	€31.69	€23,400,000

The value of the tranches allotted in financial year 2014/15 as part of the sustainable performance plan version 2014 amounted to €33.7 million at the time of granting (previous year sustainable performance plan: €2.3 million) and was calculated by external experts using recognised financial-mathematical methods.

Performance share plan

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 the 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

Tranche	End of vesting period	Three-month average price before grant	Number of performance shares for executives as of 30/9/2015
2009	August 2012	€36.67	Expired
2010	August 2013	€42.91	Expired
2011	August 2014	€41.73	278,696
2012	April 2015	€29.18	421,179
2013	April 2016	€22.84	582,750

The vesting period for the 2011 and 2012 tranches ended in August 2014 and April 2015, respectively. No payouts from these tranches were made in financial year 2014/15.

Remuneration received by members of the Supervisory Board

The members of the Supervisory Board receive a fixed yearly remuneration amount in accordance with § 13 of METRO AG's Articles of Association. In financial year 2014/15, this amounted to €65,000 per ordinary member.

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	
Chairperson of the Supervisory Board	●●●
Vice Chairperson	●●
Committee chairpersons[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 Chairperson of the Supervisory Board is three times higher than that of an ordinary member of the Supervisory Board; that of the Vice Chairperson and the Chairpersons 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 2014/15 are as follows:

Remuneration of members of the Supervisory Board for financial year 2014/15 pursuant to § 13 of the Articles of Association[1]

€	Financial year	Multiplier	Fixed salary
Franz M. Haniel, Chairman	2013/14	●●●	195,000
	2014/15	●●●	**195,000**
Werner Klockhaus, Vice Chairman	2013/14	●●	130,000
	2014/15	●●	**130,000**
Prof. Dr oec. Dr iur. Ann-Kristin Achleitner	2013/14	●	65,000
	2014/15	●	**65,000**
Dr Wulf H. Bernotat (until 4/9/2015)	2013/14	●◖	97,500
	2014/15	●◖	**97,500**
Gwyn Burr (since 9/12/2014)	2013/14		–
	2014/15	●	**54,167**
Ulrich Dalibor	2013/14	●	65,000
	2014/15	●	**65,000**
Jürgen Fitschen	2013/14	●	65,000
	2014/15	●◖	**97,500**
Hubert Frieling	2013/14	●	65,000
	2014/15	●	**65,000**
Dr Florian Funck	2013/14	●/●◖	67,708
	2014/15	●◖	**97,500**
Andreas Herwarth	2013/14	●	65,000
	2014/15	●	**65,000**
Uwe Hoepfel	2013/14	●◖	97,500
	2014/15	●◖	**97,500**
Peter Küpfer	2013/14	●	65,000
	2014/15	●	**65,000**
Rainer Kuschewski	2013/14	●◖	97,500
	2014/15	●◖	**97,500**
Susanne Meister	2013/14	●	65,000
	2014/15	●	**65,000**
Mattheus P. M. (Theo) de Raad	2013/14	●	65,000
	2014/15	●	**65,000**
Dr Fredy Raas	2013/14	●◖	97,500
	2014/15	●◖	**97,500**
Gabriele Schendel	2013/14	●	65,000
	2014/15	●	**65,000**
Xaver Schiller	2013/14	●◖	97,500
	2014/15	●◖	**97,500**
Dr jur. Hans-Jürgen Schinzler	2013/14	●●	130,000
	2014/15	●●	**130,000**
Jürgen Bernard Steinemann (since 5/9/2015)	2013/14		–
	2014/15	●	**5,417**
Angelika Will	2013/14	●	65,000
	2014/15	●	**65,000**
Total[2]	2013/14		1,660,208
	2014/15		**1,782,084**

[1] Plus applicable value added tax in accordance with § 13 Section 5 of the Articles of Association
[2] Reported figures for 2013/14 relate to active members of the Supervisory Board in financial year 2014/15

No remuneration applied to the memberships of the Supervisory Board's Mediation Committee in financial year 2014/15.

In financial year 2014/15, 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 of members of the Supervisory Board for financial year 2014/15[1]

€	Financial year	
Ulrich Dalibor	2013/14	5,250
	2014/15	**–**
Uwe Hoepfel	2013/14	49,800
	2014/15	**49,800**
Werner Klockhaus	2013/14	9,300
	2014/15	**9,300**
Rainer Kuschewski	2013/14	39,400
	2014/15	**39,400**
Susanne Meister	2013/14	2,500
	2014/15	**–**
Mattheus P. M. (Theo) de Raad	2013/14	17,692
	2014/15	**40,000**
Gabriele Schendel	2013/14	49,800
	2014/15	**49,800**
Xaver Schiller	2013/14	9,000
	2014/15	**9,000**
Total	2013/14	182,742
	2014/15	**197,300**

[1] Plus potentially applicable value added tax

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.

Outlook: increase in the remuneration of the Supervisory Board

The Management Board and the Supervisory Board of METRO AG will put forward a proposal to the Annual General Meeting of the company on 19 February 2016 to increase the fixed annual remuneration of the Supervisory Board for an ordinary member from €65,000 to €80,000.

The planned increase reflects the greater demands on the commitment – including in terms of time – of the members of the Supervisory Board.

— 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 2015, 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: €828,572,941, circa 99.18 per cent) as well as 2,677,966 preference bearer shares (proportional value of the share capital: €6,846,111, circa 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 2014/15. 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 Beisheim Capital GmbH (formerly Otto Beisheim Betriebs GmbH) and Beisheim Holding GmbH (formerly Otto Beisheim Holding GmbH), which includes the METRO AG shares held by Beisheim Capital GmbH and Beisheim Holding GmbH.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

Until the end of the day on 31 October 2014, an agreement also existed among BVG Beteiligungs- und Vermögensverwaltungs-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. In addition, until the end of the day on 31 October 2014, an agreement also existed among BVG Beteiligungs- und Vermögensverwaltungs-GmbH, Franz Haniel & Cie. GmbH, Haniel Finance Deutschland GmbH and Haniel Finance B. V. to coordinate the joint exercise of interests from the METRO AG shares economically attributable to the shareholder groups Haniel and Schmidt-Ruthenbeck. Both of these agreements were terminated 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)

The following direct and indirect (pursuant to § 22 of the German Securities Trading Act) capital interests exceed 10 per cent of the voting rights:

Name/company	Direct/indirect stakes exceeding 10 per cent of voting rights
Haniel Finance Deutschland GmbH, Duisburg, Germany	Direct
Franz Haniel & Cie. GmbH, Duisburg, Germany	Indirect
Palatin Verwaltungsgesellschaft mbH, Essen, Germany	Direct
BVG Beteiligungs- und Vermögensverwaltungs-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 above 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 section Investor Relations – 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 share 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 analogous application of §186 Section 3 Sentence 4 of the German Stock Corporation Act 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 analogous application of §186 Section 3 Sentence 4 of the German Stock Corporation Act. 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 20 February 2015 authorised the Management Board to issue, in each case with the consent of the Supervisory Board, warrant or convertible bearer bonds (in aggregate, "bonds") with an aggregate par value of €1,500,000,000 prior to 19 February 2020, on one or several occasions, 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 METRO AG 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 terms of §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 to assume, in each case with the consent of the Supervisory Board, a guarantee for those bonds on behalf of METRO AG and grant their holders warrant or conversion rights to ordinary bearer shares in METRO AG or impose warrant or conversion obligations upon them.

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

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 directly or indirectly holds at least 90 per cent of shares, METRO AG 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 to exclude, in each case with the consent of the Supervisory Board, 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 to entirely exclude, in each case with the consent of the Supervisory Board, 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 at the time the authorisation takes effect or – if this value is lower – at the time the authorisation is exercised. 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 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.

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 to determine, in each case with the consent of the Supervisory Board, 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 in accordance with § 18 of the German Stock Corporation Act.

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 20 February 2015 to authorise the company to acquire shares of the company of any share class on or before 19 February 2020. 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 or – if this value is lower – at the time the authorisation is exercised. The shares transferred based upon this authorisation, together with any own shares acquired for other reasons held by the company or assigned to it in accordance with Sections 71 a ff., shall collectively not exceed a pro rata amount of 10 per cent of the share capital at any time.

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.

The Management Board is authorised to use the shares in the company acquired based on the above authorisation or based on a previously issued authorisation for the following purposes:

— Sale of shares of the company via the stock exchange or by means of an offer to all shareholders;
— 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 for non-cash consideration in connection with corporate mergers or in connection with the acquisition of other companies, divisions of other companies, businesses or interests in other companies or other assets;
— 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 at the time the authorisation takes effect or – if this value is lower – at the time the authorisation is exercised. 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 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, in accordance with § 18 of the German Stock Corporation Act under 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 or in the event of a capital increase with subscription rights may be granted to holders of warrant or convertible bonds of the company or any of its affiliates in accordance with § 18 of the German Stock Corporation Act 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 at the time the authorisation takes effect or – if this value is lower – at the time the authorisation is exercised, insofar as such shares were issued to service warrant or conversion rights or obligations granted or imposed in application of § 186 Section 3 Sentence 4 of the German Stock Corporation Act mutatis mutandis. 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

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

or sold during the effective period of this authorisation by application of § 186 Section 3 Sentence 4 of the German Stock Corporation Act, mutatis mutandis;
— Dividend payment in the form of shares (scrip dividend), whereby company shares are used (also partially and optionally) to service dividend rights of shareholders;
— Redemption of shares of the company, without the need for any further resolution by the Annual General Meeting. Such redemption may also be accomplished without an increase 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.

The above authorisations to acquire and use the company's own shares based on the above or previous authorisations may be exercised in whole or in part, on one or several occasions, individually or collectively by the company or its affiliates in accordance with § 18 of the German Stock Corporation Act or by third parties acting for their account or for the account of the company. The above authorisations may be exercised for ordinary shares as well as preference shares or for ordinary shares or preference shares only.

Using own shares in accordance with above authorisations other than selling acquired company shares on the stock exchange or by offer to all shareholders requires consent of the Supervisory Board.

The subscription rights of shareholders are excluded if company shares are used for any of the purposes authorised above except for the authorisation to sell own shares by offer to all shareholders, authorisation for dividend payments in form of a scrip dividend, and authorisation for the redemption of shares without the need for any further resolution by the Annual General Meeting.

The Management Board is authorised to exclude shareholder subscription rights for residual amounts if company shares are used according to the authorisation to sell own shares by offer to all shareholders in compliance with the principle of equal treatment (Gleichbehandlungsgrundsatz, § 53a AktG). In addition, the Management Board is authorised to exclude shareholder subscription rights if company shares are used for dividend payments in form of a scrip dividend.

On 20 February 2015, the Management Board was also authorised by the Annual General Meeting to acquire shares under this authorisation also by use of put or call options or future contracts (hereinafter: futures) or a combination of these instruments (hereinafter: derivatives). The acquisition of shares using derivatives is limited to shares collectively representing a maximum of 5 per cent of the share capital issued as of the date the Annual General Meeting resolution is passed or – if this value is lower – at the time the authorisation is exercised. The derivative's term of maturity must be chosen such that the acquisition of shares using derivatives does not take place after 19 February 2020. The derivatives contracts must be concluded with one or several credit institution(s) that are independent of METRO AG and/or one or several companies meeting the requirements of § 53 Section 1 Sentence 1 or § 53 b Section 1 Sentence 1 or Section 7 of the German Banking Act (KWG). They must be designed to ensure that the derivatives are serviced only with shares that were purchased in compliance with the equal treatment principle (§ 53 a AktG); this requirement is met by the purchase of shares on a stock exchange.

The option premium received by the company for put options/paid for call options must not fall significantly below the theoretical market value determined using recognised financial mathematical models for the options concerned. The purchase price per company share to be paid when exercising a put or call option or upon due date of the futures may not be more than 10 per cent higher or lower than the average closing price (arithmetic mean) of the company's share of the same class in the Xetra trading system (or a comparable successor system) at the Frankfurt Stock Exchange over the three days of trading before concluding the corresponding derivative transaction (excluding incidental costs but taking the received or paid option premium into consideration).

If the company's own shares are acquired using derivatives in compliance with the above regulations, the rights of shareholders to enter into derivative transactions with the company as well as any pre-emptive tender rights are excluded.

The regulations listed above also cover the use of own shares of the company acquired using derivatives.

To date, the authorisation to buy back the company's own shares, also by using derivatives, 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 change of control insofar as the credit rating of METRO AG drops in a way stipulated in the contract as a result of the change of control. The requirements of a change of control are, first, that the shareholders who controlled METRO AG at the time at which 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 change of control 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 financial year 2014/15, these loan facilities were not drawn.

Compensation agreements in case of a takeover (§ 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.

— SUPPLEMENTARY NOTES FOR METRO AG (PURSUANT TO THE GERMAN COMMERCIAL CODE)

Overview of financial year 2014/15 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.

Earnings position of METRO AG and profit appropriation

Income statement for the financial year from 1 October 2014 to 30 September 2015 in accordance with the German Commercial Code (HGB)

€ million	2013/14	2014/15
Investment result	811	**592**
Net financial result	−95	**−21**
Other operating income	475	**469**
Personnel expenses	−148	**−194**
Depreciation/amortisation/impairment losses on intangible and tangible assets	−15	**−3**
Other operating expenses	−433	**−481**
Result from ordinary operations	**595**	**362**
Income taxes	−7	**0**
Other taxes	−2	**−2**
Net income	**586**	**360**
Profit carried forward from the previous year	0	**24**
Additions to reserves retained from earnings	−267	**0**
Balance sheet profit	**319**	**384**

For financial year 2014/15, METRO AG posted investment income of €592 million, compared with €811 million in the previous year.

Income from investments with profit and loss transfer agreements totalling €301 million (2013/14: €410 million) primarily relates to income of the Media-Saturn sales line (indirectly) and the Galeria Kaufhof group.

Income from investments without profit and loss transfer agreements totalling €611 million (2013/14: €485 million) primarily results from a dividend payout in connection with the sale of the Galeria Kaufhof group.

In financial year 2014/15, losses of €230 million were assumed on the basis of profit and loss transfer agreements (2013/14: €16 million). These losses (indirectly) relate to the sales lines METRO Cash & Carry Germany and Real including impairment losses on the carrying amounts of the investments. This item also includes income of METRO Cash & Carry's foreign subsidiaries that was generated in previous years and collected during the reporting year.

Expenses from the disposal of financial assets were primarily related to the sale of the Galeria Kaufhof group.

The net financial result amounted to €–21 million (2013/14: €–95 million). The improvement is primarily due to the lower interest rate level as well as the reduced debt.

Under the transfer pricing system, METRO AG acts as a franchisor to the sales line METRO Cash & Carry. 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 2014/15, METRO AG billed the national and international operating companies of the sales line METRO Cash & Carry a franchise fee totalling €255 million (2013/14: €289 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.

As of the closing date, other operating income, other operating expenses and depreciation/amortisation/impairment losses on intangible and tangible assets of METRO AG resulted in expenses of €15 million including the transaction costs related to the sale of the Galeria Kaufhof group after income of €27 million in the previous year.

On average during the four quarters of financial year 2014/15, METRO AG employed 1,133 people (2013/14: 1,072). Part-time employees and temporary workers were converted into full-time equivalents. Personnel expenses amounted to €194 million (2013/14: €148 million). The increase in personnel expenses was due to the effects of the increase in the company's headcount, higher performance-based remuneration components and the creation of restructuring provisions.

Net profit amounted to €360 million (2013/14: €586 million) and thus fell short of the forecast for financial year 2014/15 provided at the beginning of the reporting period. This was essentially due to the lower investment result.

Including retained earnings from the previous year, the company's balance sheet profit amounted to €384 million, compared with €319 million in financial year 2013/14.

Regarding the appropriation of the balance sheet profit for 2014/15, the Management Board of METRO AG will propose to the Annual General Meeting to distribute dividends in the amount of €1.00 per ordinary share and €1.06 per preference share from the reported balance sheet profit of €384 million – that is, a total of €327 million – and to carry forward the remaining amount to the new account.

Financial position of METRO AG

Cash flows

During the reporting year, 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 €35 million as of the closing date (30/9/2014: €381 million). The decline in comparison with the previous year primarily results from the disposal of the Galeria Kaufhof group.

Capital structure

Equity and liabilities

€ million	30/9/2014	30/9/2015
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	2,660	**2,660**
Balance sheet profit	319	**384**
	6,372	**6,437**
Provisions	**384**	**393**
Liabilities	**4,352**	**5,328**
Deferred income	**5**	**5**
	11,113	**12,163**

CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

Liabilities consisted of equity of €6,437 million (30/9/2014: €6,372 million) and provisions, liabilities and deferred income of €5,726 million (30/9/2014: €4,741 million). As of the closing date, the equity ratio amounted to 52.9 per cent compared with 57.3 per cent in the previous year. Provisions as of the reporting date totalled €393 million (30/9/2014: €384 million). Liabilities from bonds increased slightly by €105 million to €2,939 million. Liabilities to banks increased to €982 million due to short-term interim financing transactions in connection with the sale of the Galeria Kaufhof group as of the closing date (30/9/2014: €470 million). Liabilities to affiliated companies increased to €1,317 million (30/9/2014: €956 million). This increase was primarily due to increased short-term funds provided by the sales lines as of the closing date. As of the closing date, other liabilities stood at €65 million, which is €16 million below the previous year's level of €81 million.

Asset position of METRO AG

Assets

€ million	30/9/2014	30/9/2015
Non-current assets		
Intangible assets	8	**14**
Tangible assets	2	**2**
Financial assets	7,886	**7,782**
	7,896	**7,798**
Current assets		
Receivables and other assets	2,819	**4,312**
Cash on hand, bank deposits and cheques	381	**35**
	3,200	**4,347**
Prepaid expenses and deferred charges	**17**	**18**
	11,113	**12,163**

As of the closing date, assets totalled €12,163 million and were mostly comprised of financial assets in the amount of €7,798 million, other assets at €2,840 million and receivables from affiliated companies at €1,472 million. Financial assets declined by €105 million compared with the previous year and now account for 64.0 per cent of total assets. This decline was primarily due to a reduction in long-term intra-group loans. At €2,840 million, other assets substantially increased compared with €267 million in the previous year. At €2,353 million, this item includes the purchase price receivable from the sale of the Galeria Kaufhof group and corresponds to 23.4 per cent of total assets as of the closing date. Receivables from affiliated companies declined by €1,080 million compared with the previous year – this item reflects the group companies' short-term financing requirements as of the closing date under consideration of the effects from the sale of the Galeria Kaufhof group and represents 12.1 per cent of total assets.

Cash on hand, bank deposits and cheques fell by €346 million to €35 million compared with the previous year. This decline in comparison with the previous year's closing date of 30 September 2014 primarily results from the disposal of the Galeria Kaufhof group.

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 overall risk situation 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 management holding company essentially depends on the development and dividend distributions of its investments. Assuming a stable cost structure, we expect the modification of the transfer pricing system to result in higher income and expect the net profit to more or less match the level of the past 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)

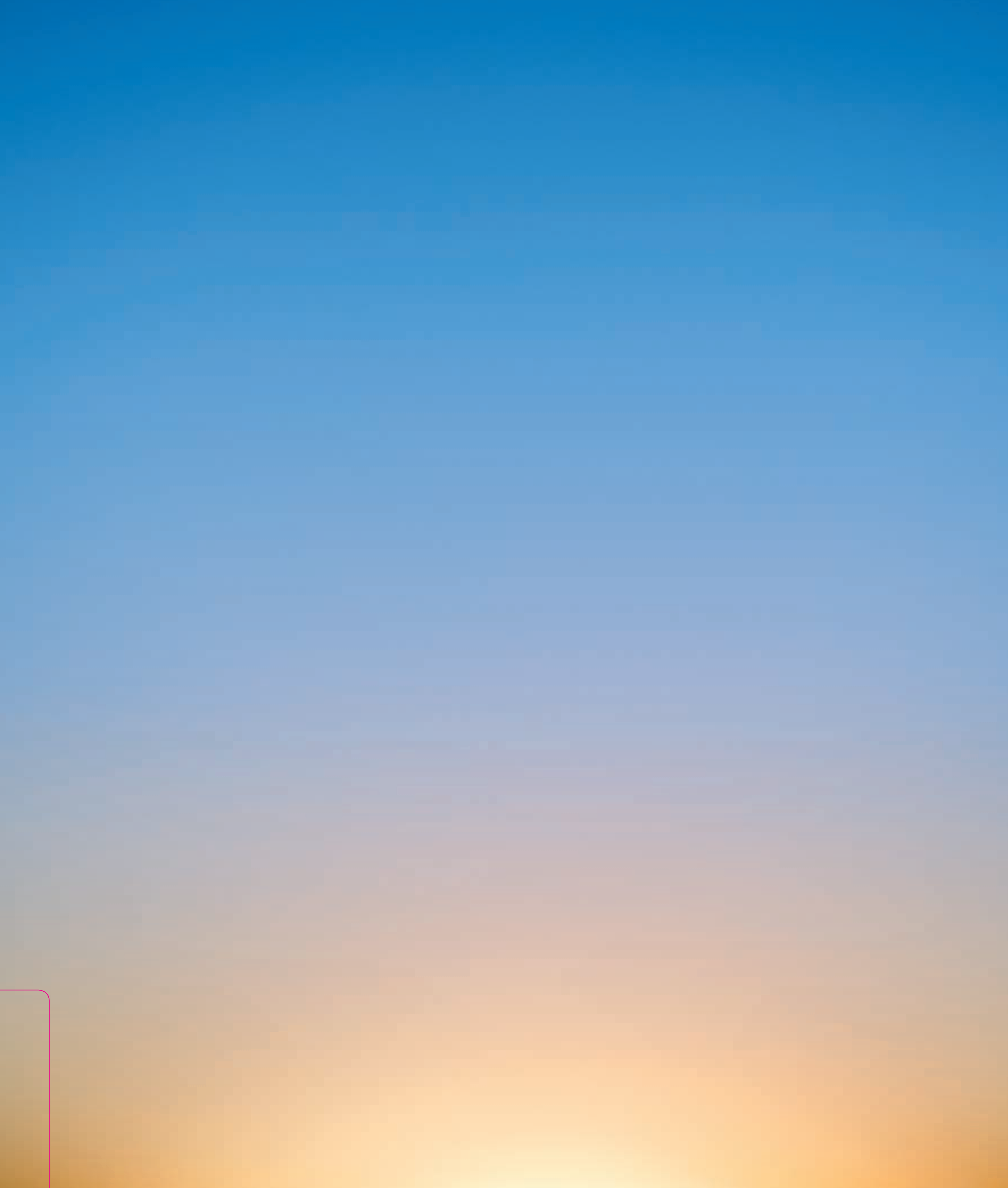
Pursuant to § 312 of the German Stock Corporation Act (AktG), the Management Board of METRO AG prepared a report on relations with affiliated companies for financial year 2014/15. At the end of the report, the Management Board made the following statement:

"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."

→ CONSOLIDATED FINANCIAL STATEMENTS
→ SERVICE

CONSOLIDATED FINANCIAL STATEMENTS

NOTES
175



CONSOLIDATED FINANCIAL STATEMENTS

→ SERVICE

Income statement
for the financial year from 1 October 2014 to 30 September 2015

€ million	Note no.	2013/14[1]	2014/15
Sales	1	**59,937**	**59,219**
Cost of sales		−48,176	**−47,577**
Gross profit on sales		**11,761**	**11,642**
Other operating income	2	1,298	**1,275**
Selling expenses	3	−10,513	**−10,221**
General administrative expenses	4	−1,326	**−1,467**
Other operating expenses	5	−143	**−518**
Earnings before interest and taxes EBIT		**1,077**	**711**
Result from associates and joint ventures	6	9	**2**
Other investment result	7	78	**0**
Interest income	8	48	**62**
Interest expenses	8	−434	**−344**
Other financial result	9	−242	**−172**
Net financial result		**−541**	**−452**
Earnings before taxes EBT		**536**	**259**
Income taxes	11	−539	**−480**
Profit or loss for the period from continuing operations		**−3**	**−221**
Profit or loss for the period from discontinued operations after taxes	12	185	**935**
Profit or loss for the period		**182**	**714**
Profit or loss for the period attributable to non-controlling interests	13	55	**42**
from continuing operations		(54)	**(42)**
from discontinued operations		(1)	**(0)**
Profit or loss for the period attributable to shareholders of METRO AG		127	**672**
from continuing operations		(−57)	**(−263)**
from discontinued operations		(184)	**(935)**
Earnings per share in € (basic = diluted)	14	**0.39**	**2.06**
from continuing operations		(−0.18)	**(−0.80)**
from discontinued operations		(0.57)	**(2.86)**

[1] Adjustment of previous year's figures due to discontinued operations (see notes to the group accounting principles and methods)

Reconciliation from profit or loss for the period to total comprehensive income
for the financial year from 1 October 2014 to 30 September 2015

€ million	2013/14	2014/15
Profit or loss for the period	**182**	**714**
Other comprehensive income		
Items of other comprehensive income that will not be reclassified subsequently to profit or loss	**–215**	**59**
Remeasurement of defined benefit pension plans	–256	**90**
Income tax attributable to items of other comprehensive income that will not be reclassified subsequently to profit or loss	41	**–31**
Items of other comprehensive income that may be reclassified subsequently to profit or loss	**–93**	**–195**
Currency translation differences from translating the financial statements of foreign operations	–30	**–183**
Effective portion of gains/losses from cash flow hedges	21	**–12**
Gains/losses on remeasuring financial instruments in the category "available for sale"	–70	**0**
Income tax attributable to items of other comprehensive income that may be reclassified subsequently to profit or loss	–14	**0**
Other comprehensive income	**–308**	**–136**
Total comprehensive income	**–126**	**578**
Total comprehensive income attributable to non-controlling interests	57	**41**
Total comprehensive income attributable to shareholders of METRO AG	–183	**537**

SERVICE

Balance sheet as of 30 September 2015

Assets

€ million	Note no.	30/9/2014	30/9/2015
Non-current assets		**15,572**	**13,207**
Goodwill	19	3,671	**3,301**
Other intangible assets	20	380	**464**
Property, plant and equipment	21	10,025	**7,955**
Investment properties	22	223	**170**
Financial investments	23	71	**117**
Investments accounted for using the equity method	23	95	**184**
Other financial and non-financial assets	24	272	**292**
Deferred tax assets	25	835	**724**
Current assets		**12,584**	**14,449**
Inventories	26	5,946	**5,439**
Trade receivables	27	560	**702**
Financial assets		1	**6**
Other financial and non-financial assets	24	2,981[1]	**3,435**
Entitlements to income tax refunds		223	**202**
Cash and cash equivalents	30	2,406	**4,415**
Assets held for sale	31	467[1]	**250**
		28,156	**27,656**

[1] Adjustment of previous year's figures (see notes to the group accounting principles and methods)

Equity and liabilities

€ million	Note no.	30/9/2014	30/9/2015
Equity	32	**4,999**	**5,172**
Share capital		835	**835**
Capital reserve		2,551	**2,551**
Reserves retained from earnings		1,602	**1,793**
Non-controlling interests		11	**−7**
Non-current liabilities		**6,921**	**6,841**
Provisions for pensions and similar obligations	33	1,684	**1,270**
Other provisions	34	478	**492**
Borrowings	35, 37	4,453	**4,731**
Other financial and non-financial liabilities	35, 38	176	**206**
Deferred tax liabilities	25	130	**142**
Current liabilities		**16,236**	**15,643**
Trade liabilities	35, 36	10,075[1]	**9,550**
Provisions	34	615	**628**
Borrowings	35, 37	2,615	**2,635**
Other financial and non-financial liabilities	35, 38	2,528	**2,488**
Income tax liabilities	35	198	**148**
Liabilities related to assets held for sale	31	205[1]	**194**
		28,156	**27,656**

[1] Adjustment of previous year's figures (see notes to the group accounting principles and methods)

SERVICE

Statement of changes in equity[1]
for the financial year from 1 October 2014 to 30 September 2015

€ 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 / 1/10/2013	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 / 1/10/2014	835	2,551	82	0	−441
Dividends	0	0	0	0	0
Total comprehensive income	0	0	−12	0	−185
Capital balance from acquisitions of shares	0	0	0	0	0
Other changes	0	0	0	0	0
30/9/2015	**835**	**2,551**	**70**	**0**	**−626**

[1] Changes in equity are explained in the notes to the consolidated financial statements in no. 32 – equity
[2] The reported dividend includes dividends of approximately €–25 million to non-controlling interests whose interests are shown fully as debt capital due to put options
[3] The reported dividend includes dividends of approximately €–7 million to non-controlling interests whose interests are shown fully as debt capital due to put options

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
−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**
0	0	−319[2]	−319	−319		−45[3]		**−364**
93	−31	672	537	537	(−135)	41	(−1)	**578**
0	0	0	0	0		0		**0**
126	−39	−114	−27	−27		−14		**−41**
−646	**131**	**2,864**	**1,793**	**5,179**		**−7**		**5,172**

→ SERVICE

Cash flow statement[1]
for the financial year from 1 October 2014 to 30 September 2015

€ million	2013/14[2]	2014/15
EBIT	1,077	**711**
Depreciation/amortisation/impairment losses/reversal of impairment losses of assets excl. financial investments	1,151	**1,465**
Change in provisions for pensions and other provisions	19	**104**
Change in net working capital	3	**–305**
Income taxes paid	–383	**–547**
Reclassification of gains (–) / losses (+) from the disposal of fixed assets	–101	**–214**
Other	–12	**381**
Cash flow from operating activities of continuing operations	1,754	**1,595**
Cash flow from operating activities of discontinued operations	254	**251**
Cash flow from operating activities	**2,008**	**1,846**
Corporate acquisitions	0	**–251**
Investments in property, plant and equipment (excl. finance leases)	–762	**–986**
Other investments	–365	**–619**
Disposals of subsidiaries	–89	**66**
Disposal of long-term assets	522	**389**
Gains (+) / losses (–) from the disposal of fixed assets	101	**214**
Cash flow from investing activities of continuing operations	–593	**–1,187**
Cash flow from investing activities of discontinued operations	–122	**1,972**
Cash flow from investing activities	**–715**	**785**
Dividends paid		
to METRO AG shareholders	0	**–319**[3]
to other shareholders	–86	**–45**[4]
Redemption of liabilities from put options of non-controlling interests	–1	**0**
Proceeds from long-term borrowings	3,372	**3,537**
Redemption of borrowings	–4,255	**–3,624**
Interest paid	–406	**–334**
Interest received	47	**59**
Profit and loss transfers and other financing activities	–23	**8**
Cash outflow for financing of discontinued operations	0	**0**
Cash flow from financing activities of continuing operations	–1,352	**–718**
Cash flow from financing activities of discontinued operations	–96	**121**
Cash flow from financing activities	**–1,448**	**–597**
Total cash flows	**–155**	**2,034**
Currency effects on cash and cash equivalents	–1	**–25**
Total change in cash and cash equivalents	**–156**	**2,009**
Cash and cash equivalents as of 1 October	2,564	**2,408**
Cash and cash equivalents shown under IFRS 5 assets	0	**2**
Cash and cash equivalents as of 1 October	**2,564**	**2,406**
Total cash and cash equivalents as of 30 September	2,408	**4,417**
Cash and cash equivalents shown under IFRS 5 assets	2	**2**
Cash and cash equivalents as of 30 September	**2,406**	**4,415**

[1] The cash flow statement is explained in the notes to the consolidated financial statements in no. 42 – notes to the cash flow statement
[2] Adjustment of previous year's figures due to discontinued operations (see notes to the consolidated financial statements – notes to the group accounting principles and methods)
[3] The reported dividend includes dividends of approximately €–25 million to non-controlling interests whose interests are shown fully as debt capital due to put options
[4] The reported dividend includes dividends of approximately €–7 million to non-controlling interests whose interests are shown fully as debt capital due to put options

NOTES

Segment reporting[1, 2]

Operating segments

	Continuing operations of the group					
	METRO Cash & Carry		Media-Saturn		Real	
€ million	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
External sales (net)	30,513	**29,690**	20,981	**21,737**	8,432	**7,735**
Internal sales (net)	47	**11**	2	**2**	0	**7**
Sales (net)	30,560	**29,701**	20,983	**21,738**	8,432	**7,743**
EBITDAR	1,654	**1,621**	1,234	**1,261**	404	**327**
EBITDA	1,460	**1,424**	537	**595**	172	**142**
Depreciation/amortisation/impairment losses	557	**462**	295	**267**	153	**583**
Reversals of impairment losses	1	**13**	1	**7**	0	**0**
EBIT	904	**975**	244	**336**	19	**–441**
Investments	441	**750**	244	**256**	172	**241**
Segment assets	11,578[3]	**11,375**	5,124[3]	**5,296**	3,121	**2,760**
thereof non-current	(7,999)	**(7,780)**	(1,542)	**(1,464)**	(2,083)	**(1,736)**
Segment liabilities	5,676[3]	**5,646**	5,597[3]	**5,674**	1,042	**1,484**
Selling space (1,000 m²)	5,576	**5,468**	3,070	**3,034**	2,145	**2,031**
Locations (number)	766	**764**	986	**1,007**	311	**293**

Geographical segments

	Continuing operations of the group					
	Germany		Western Europe (excl. Germany)		Eastern Europe	
€ million	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
External sales (net)	22,558	**22,490**	18,902	**19,090**	14,755	**13,318**
Internal sales (net)	194	**166**	131	**161**	15	**7**
Sales (net)	22,752	**22,656**	19,033	**19,252**	14,770	**13,326**
EBITDAR	1,115	**946**	963	**1,067**	1,048	**966**
EBITDA	679	**491**	578	**699**	869	**831**
Depreciation/amortisation/impairment losses	452	**915**	330	**242**	326	**262**
Reversals of impairment losses	0	**0**	1	**9**	9	**9**
EBIT	227	**–424**	249	**466**	552	**578**
Investments	459	**549**	215	**288**	252	**226**
Segment assets	8,721[3]	**8,463**	5,861[3]	**6,016**	5,800[3]	**4,908**
thereof non-current	(4,783)	**(4,318)**	(3,352)	**(3,363)**	(3,873)	**(3,257)**
Segment liabilities	6,065[3]	**6,302**	4,420[3]	**4,556**	2,851[3]	**2,426**
Selling space (1,000 m²)	4,434	**4,341**	2,721	**2,641**	2,855	**2,771**
Locations (number)	829	**817**	605	**604**	498	**510**

[1] Segment reporting is explained in the notes to the consolidated financial statements in no. 43 – segment reporting
[2] Adjustment of previous year's figures due to discontinued operations (see notes to the group accounting principles and methods)
[3] Adjustment of previous year's figures (see notes to the group accounting principles and methods)

Continuing operations of the group						Discontinued operations of the group	
Others		Consolidation		METRO GROUP			
2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
10	**56**	0	**0**	59,937	**59,219**	3,099	**3,021**
5,808	**676**	−5,857	**−696**	0	**0**	0	**0**
5,818	**732**	−5,857	**−696**	59,937	**59,219**	3,099	**3,021**
−27	**−26**	−3	**−8**	3,262	**3,176**	n/a	**n/a**
60	**25**	−2	**−10**	2,228	**2,177**	317	**1,103**
164	**178**	−6	**−4**	1,162	**1,487**	121	**88**
9	**1**	0	**0**	11	**22**	0	**0**
−95	**−152**	4	**−6**	1,077	**711**	196	**1,015**
144	**165**	0	**0**	1,001	**1,411**	208	**159**
2,329	**2,146**	−429	**−434**	21,723[3]	**21,142**	2,249	**0**
(1,350)	**(1,241)**	(−50)	**(−39)**	(12,923)	**(12,182)**	(1,643)	**(0)**
2,125	**1,685**	−335	**−385**	14,105[3]	**14,103**	885	**0**
0	**29**	0	**0**	10,790	**10,563**	1,446	**1,418**
0	**4**	0	**0**	2,063	**2,068**	137	**134**

Continuing operations of the group								Discontinued operations of the group	
Asia/Africa		International		Consolidation		METRO GROUP			
2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
3,722	**4,319**	37,379	**36,728**	0	**0**	59,937	**59,219**	3,099	**3,021**
34	**35**	179	**204**	−373	**−370**	0	**0**	0	**0**
3,755	**4,355**	37,558	**36,932**	−373	**−370**	59,937	**59,219**	3,099	**3,021**
138	**205**	2,149	**2,237**	−3	**−7**	3,262	**3,176**	n/a	**n/a**
105	**163**	1,551	**1,693**	−2	**−7**	2,228	**2,177**	317	**1,103**
54	**68**	710	**572**	0	**0**	1,162	**1,487**	121	**88**
1	**4**	11	**22**	0	**0**	11	**22**	0	**0**
52	**98**	852	**1,143**	−2	**−7**	1,077	**711**	196	**1,015**
75	**349**	542	**862**	0	**0**	1,001	**1,411**	208	**159**
1,726[3]	**2,145**	13,387[3]	**13,069**	−385	**−390**	21,723[3]	**21,142**	2,249	**0**
(919)	**(1,247)**	(8,144)	**(7,866)**	(−3)	**(−3)**	(12,923)	**(12,182)**	(1,643)	**(0)**
1,054[3]	**1,156**	8,326[3]	**8,139**	−286	**−338**	14,105[3]	**14,103**	885	**0**
780	**809**	6,356	**6,222**	0	**0**	10,790	**10,563**	1,446	**1,418**
131	**137**	1,234	**1,251**	0	**0**	2,063	**2,068**	137	**134**

→ SERVICE

Notes to the group accounting principles and methods

Accounting principles

METRO AG, the parent company of METRO AG (hereinafter referred to as METRO GROUP), has its head office at Metro-Straße 1 in 40235 Düsseldorf, Germany. These consolidated financial statements as of 30 September 2015 were prepared in accordance with the International Financial Reporting Standards (IFRS). 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 GROUP with its four segments METRO Cash & Carry, Media-Saturn, Real and Others.

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 (3 December 2015) 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 as well as discontinued operations 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 and financial liabilities from earn-out agreements (liabilities from contingent consideration in the context of company acquisitions) are recognised at fair value.

The income statement has been prepared using the cost of sales method.

Certain items in the income statement and the balance sheet have been combined to increase transparency and informative value. These items are listed separately and described in detail in the notes.

The consolidated financial statements have been prepared in euros. All amounts are stated in million euros (€ million) unless otherwise indicated. Amounts below €0.5 million are rounded and reported as €0 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 have been 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.

Discontinued operations

Following the signing of the agreement to sell the department store business including the corresponding real estate assets of the Galeria Kaufhof group, this sales line is no longer reported as a separate segment and as part of the continuing operations of METRO GROUP as of the third quarter 2014/15, but as a discontinued operation. Accordingly, METRO GROUP's data for financial year 2014/15 have been recalculated to account for the disposal of Galeria Kaufhof and the previous year's figures have been adjusted (with the exception of the balance sheet and the respective notes to the balance sheet).

Application of new accounting methods

Accounting standards applied for the first time in financial year 2014/15

The following accounting standards and interpretations, revised, amended and newly adopted by the IASB, that were binding for METRO AG in financial year 2014/15 were applied for the first time in these consolidated financial statements unless the company opted for voluntary early adoption:

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, owing to existing rights, the investor has 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 his or her power over the investee.

IFRS 11 (Joint Arrangements) modifies 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 applied 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. Therefore, as a result of the company's change of financial year, METRO AG applied 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 had no material effect on the consolidated financial statements of METRO AG.

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 retrospective application of this specification led to the following changes: as of the end of financial year 2013/14 on the reporting date 30 September 2014, the balance sheet was extended by €152 million, with receivables due from suppliers, assets held for sale, trade liabilities and liabilities related to assets held for sale accounting for €145 million, €7 million, €145 million and €7 million, respectively.

Additional IFRS amendments

Within the scope of the annual improvements to IFRS 2010–2012, slight revisions were made to IFRS 3 (Business Combinations), among others. In IFRS 3, clarification was provided that a con-

SERVICE

tingent 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. As a result, transactions with contingent considerations may now result in individual impacts on earnings for METRO AG.

Accounting standards that were published but not yet applied in financial year 2014/15

A number of other accounting standards and interpretations newly adopted or revised by the IASB were not yet applied by METRO AG in financial year 2014/15 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 (Amendment: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)[5]	Unknown[6]	Unknown[6]	No
IFRS 10	Consolidated Financial Statements (Amendment: Investment Entities: Applying the Consolidation Exception)[5]	1/1/2016	1/10/2016[4]	No
IFRS 11	Joint Arrangements (Amendment: Accounting for Acquisitions of Interests in Joint Operations)[5]	1/1/2016	1/10/2016[4]	No
IFRS 12	Disclosure of Interests in Other Entities (Amendment: Investment Entities: Applying the Consolidation Exception)[5]	1/1/2016	1/10/2016[4]	No
IFRS 14	Regulatory Deferral Accounts[5]	1/1/2016	1/10/2016[4]	No
IFRS 15	Revenue from Contracts with Customers[5]	1/1/2018	1/10/2018[4]	No
IAS 1	Presentation of Financial Statements (Amendment: Disclosure Initiative)[8]	1/1/2016	1/10/2016[4]	No
IAS 16	Property, Plant and Equipment (Amendment: Bearer Plants)[5]	1/1/2016	1/10/2016[4]	No
IAS 16	Property, Plant and Equipment (Amendment: Clarification of Acceptable Methods of Depreciation and Amortisation)[5]	1/1/2016	1/10/2016[4]	No
IAS 19	Employee Benefits (Amendment: Defined Benefit Plans: Employee Contributions)	1/7/2014	1/10/2015[7]	Yes
IAS 27	Separate Financial Statements (Amendment: Equity Method in Separate Financial Statements)[5]	1/1/2016	1/10/2016[4]	No
IAS 28	Investments in Associates and Joint Ventures (Amendment: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)[5]	Unknown[6]	Unknown[6]	No
IAS 28	Investments in Associates and Joint Ventures (Amendment: Investment Entities: Applying the Consolidation Exception)[5]	1/1/2016	1/10/2016[4]	No
IAS 38	Intangible Assets (Clarification of Acceptable Methods of Depreciation and Amortisation)[5]	1/1/2016	1/10/2016[4]	No
IAS 41	Agriculture (Amendment: Bearer Plants)[5]	1/1/2016	1/10/2016[4]	No
Various	Improvements to IFRS (2010–2012)	1/7/2014	1/10/2015[7]	Yes
Various	Improvements to IFRS (2011–2013)	1/7/2014	1/10/2015[8]	Yes
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 2015
[4] Application as of 1 October due to deviation of financial year from calendar year
[5] Official German title not yet known – therefore own translation
[6] Indefinite deferral of effective date by IASB
[7] Applicable for EU companies from 1 February 2015; application at METRO AG from 1 October 2015 due to deviation of financial year from calendar year
[8] Applicable for EU companies from 1 January 2015; application at METRO AG from 1 October 2015 due to deviation of financial year from calendar year

IFRS 9 (Financial Instruments)

The new IFRS 9 (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 the 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 that do not meet 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 (which uses "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) and IAS 28 (Investments in Associates and Joint Ventures)

A conflict exists between the current requirements of IFRS 10 (Consolidated Financial Statements) and IAS 28 (Investments in Associates and Joint Ventures) regarding the sale or contribution of assets between an investor and its associate or joint venture. IAS 28 requires a partial gain or loss recognition, limited to the unrelated investors' interests in the investee, for all transactions between an investor and its associate or joint venture. IFRS 10, in contrast, requires that the gain or loss that arises on the loss of control of a subsidiary is recognised in full.

The amendment clarifies how to account for the gain or loss from transactions with associates or joint ventures, with the partial or full recognition requirement depending on whether or not the assets being sold or contributed are a business as defined in IFRS 3 (Business Combinations). IFRS 3 defines a business as an integrated set of activities that is required to have inputs and processes which together are used to create outputs.

If the sold or contributed asset classifies as a business, the gain or loss from the transaction must be recognised in full. In contrast, a gain or loss from the sale or contribution to an associate or joint venture of assets that do not constitute a business must be recognised only to the extent of unrelated investors' interests in the associate or joint venture.

If a group of assets is to be sold or contributed, the investor must assess whether this group of assets constitutes a single business and should be accounted for as a single transaction.

At the present time, IASB has indefinitely deferred the original effective date of this amendment for financial years starting on or after 1 January 2016. As a result, the date of first-time application of this amendment at METRO AG is unknown. As METRO AG currently follows the rules of IFRS 10, future transactions will be impacted accordingly.

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 if 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 must be 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. Therefore, possible separate performance obligations are identified within a single contract in the second step. 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.

SERVICE

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 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.

IAS 1 (Presentation of Financial Statements)

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

In accordance with the materiality principle, information should not be obscured by aggregating information; materiality considerations apply to all parts of a financial statement, and the materiality principle must be considered even when a standard requires a specific disclosure.

The amendment clarifies that the list of line items to be presented in the financial statements can be disaggregated and aggregated as relevant and include additional guidance on subtotals in these statements. In addition, an entity's share of other comprehensive income of associates or joint ventures accounted for using the equity method should be presented in the group's other comprehensive income based on whether or not it will subsequently be reclassified to profit or loss.

With respect to the notes to the financial statements, the amendment clarifies that understandability and comparability should be considered when determining the order of the notes.

These amendments to IAS 1 apply to financial years beginning on or after 1 January 2016. Subject to the respective EU endorsement, METRO AG will apply these regulations for the first time on 1 October 2016. The impact of these amendments on the disclosures in the consolidated financial statements of METRO AG will be minor.

Additional IFRS amendments

Within the scope of the annual improvements to IFRS 2010–2012, slight revisions were made to IFRS 8 (Operating Segments), among others. Aggregation of several operating segments to a single reportable segment 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. A reconciliation of segment assets to group assets is now necessary only if the segment assets are part of reporting to the responsible corporate body. 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. As these amendments will be applicable for EU companies from 1 February 2015, they will be applicable for METRO AG in financial year 2015/16 beginning on 1 October 2015.

Among other things, the annual improvements 2012–2014 comprise a clarification in IAS 34 (Interim Financial Reporting) regarding the disclosure of information "elsewhere in the interim financial report". Following this change in wording, several disclosures may now be replaced by references to the management report.

This amendment is applicable for reporting periods beginning on or after 1 July 2016. Subject to EU endorsement, METRO AG will apply the amended IAS 34 for the first time on 1 October 2016. The option to incorporate cross references will simplify the preparation of the notes to the financial statements at METRO AG.

At this point, the first-time application of the other standards and interpretations listed in the table as well as of other standards revised as part of the annual improvements is not expected to have a material impact on the group's asset, financial and earnings position.

Consolidation group

Besides METRO AG, the consolidated financial statements include all subsidiaries in which METRO AG has indirect or direct control insofar as these companies individually and as a group are not insignificant for the consolidated financial statements. 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.

METRO GROUP's operational business is handled by the following three sales lines:
— METRO Cash & Carry
— Media-Saturn
— Real

Significant non-controlling interests exist only in the sales line Media-Saturn. For an overview of significant non-controlling interests, see no. 32.

Besides METRO AG, 625 German (30/9/2014: 723) and 633 international (30/9/2014: 613) companies are recognised in the consolidated financial statements.

The group of consolidated companies changed as follows in financial year 2014/15:

As of 1/10/2014	1,337
Changes in financial year 2014/15	
Companies merged with other consolidated subsidiaries	13
Disposal of shares	81
Other disposals	33
Newly founded companies	17
Acquisitions	32
As of 30/9/2015	**1,259**

The deconsolidated companies are treated as group companies until the disposal date.

The disposals of shares primarily relate to companies of the Galeria Kaufhof group (77 companies). Mergers with other group companies mainly comprise 10 companies of the sales line Media-Saturn.

The other disposals comprise:
- liquidations (12 companies)
- accretion (7 companies)
- changes in the method of consolidation (14 companies)

Additions from newly founded companies pertain primarily to the sales line Media-Saturn (9 companies). Acquisitions primarily relate to the acquisition of the Classic Fine Foods group by the sales line METRO Cash & Carry (29 companies).

Effects from changes in the consolidation group that are of special significance are explained separately in the respective items.

Structured entities

Structured entities within METRO GROUP concern leasing companies. The key purpose of the leasing companies is to acquire, lease out and manage assets. As of the closing date, 11 (30/9/2014: 13) structured entities were fully consolidated. METRO GROUP did not have any relationships with unconsolidated structured entities during financial year 2014/15.

Investments accounted for using the equity method

25 associates (30/9/2014: 7) and 4 joint ventures (30/9/2014: 7) are recognised in the consolidated financial statements according to the equity method.

Another 4 companies (30/9/2014: 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.

The figures represent all operating units owned by the respective subsidiary.

Overview of major subsidiaries with non-controlling interests
in € million

30/9/2014

Name	Head office	Non-controlling interests in %	Non-controlling interests As of 30/9/2014	Dividends paid	Financial assets (non-current)	Financial assets (current)	Non-current liabilities	Current liabilities	Sales
METRO Cash & Carry									
METRO Jinjiang Cash & Carry Co., Ltd.	Shanghai, China	10.00	–4	0	190	665	4	797	2,244
METRO CASH & CARRY ROMANIA SRL	Bucharest, Romania	15.00	0	–4	81	310	44	150	909
Media-Saturn									
Media-Saturn-Holding GmbH	Ingolstadt, Germany	21.62	–11	–172	1,404	2,588	70	2,742	9,514
Mediamarket S. p. A. con Socio Unico	Curno, Italy	21.62	–12	–34	124	403	33	460	2,118
MEDIA MARKT SATURN, S.A. UNIPERSONAL	El Prat de Llobregat, Spain	21.62	–21	–48	94	501	5	516	1,554
Media Markt Saturn Holding Nederland B. V.	Rotterdam, Netherlands	21.62	7	–25	103	243	17	353	1,343
Media-Saturn Beteiligungsges.m.b.H.	Vösendorf, Austria	21.62	–32	0	50	382	21	353	1,087
OOO Media-Markt-Saturn	Moscow, Russia	21.62	–8	0	152	267	25	271	930
Media Saturn Holding Polska Sp. z o.o	Warsaw, Poland	21.62	–9	–24	57	215	11	251	902
Other companies									
METRO PROPERTIES GmbH & Co. KG	Düsseldorf, Germany	0.49	0	0.00	196	1,696	18	1,720	0

30/9/2015

Name	Head office	Non-controlling interests in %	Non-controlling interests As of 30/9/2015	Dividends paid	Financial assets (non-current)	Financial assets (current)	Non-current liabilities	Current liabilities	Sales
METRO Cash & Carry									
METRO Jinjiang Cash & Carry Co., Ltd.	Shanghai, China	10.00	–4	0	253	744	3	883	2,632
METRO CASH & CARRY ROMANIA SRL	Bucharest, Romania	15.00	0	0	81	335	44	172	892
Media-Saturn									
Media-Saturn-Holding GmbH	Ingolstadt, Germany	21.62	2	–109	1,313	2,688	110	2,819	9,780
Mediamarket S. p. A. con Socio Unico	Curno, Italy	21.62	–11	0	11	413	29	467	2,168
MEDIA MARKT SATURN, S.A. UNIPERSONAL	El Prat de Llobregat, Spain	21.62	–29	–33	102	602	6	619	1,784
Media Markt Saturn Holding Nederland B. V.	Rotterdam, Netherlands	21.62	3	–13	104	291	17	402	1,485
Media-Saturn Beteiligungsges.m.b.H.	Vösendorf, Austria	21.62	–37	–35	41	373	22	340	1,124
OOO Media-Markt-Saturn	Moscow, Russia	21.62	–1	0	104	186	21	271	761
Media Saturn Holding Polska Sp. z o.o	Warsaw, Poland	21.62	–12	–22	55	227	11	265	977
Other companies									
METRO PROPERTIES GmbH & Co. KG	Düsseldorf, Germany	0.49	0	0	196	1,725	17	1,759	0

A complete list of group companies and associates is shown in no. 55 – overview of the major fully consolidated group companies. In addition, a complete list of all group companies and associates is shown in no. 57 – affiliated companies of the group METRO AG as of 30 September 2015 pursuant to § 313 of the German Commercial Code.

Consolidation principles

The financial statements of German and foreign subsidiaries included in the consolidated accounts are prepared using uniform accounting and valuation methods as required by IFRS 10 (Consolidated 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 principle, subsidiaries are fully consolidated insofar as their consolidation is of material importance to the presentation of a true and fair view of the assets, financial and earnings position.

In accordance with IFRS 3 (Business Combinations), capital consolidation is effected 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.

Purchases of additional shareholdings in companies where a controlling interest has already been acquired are recognised as equity transactions. As a result, the assets and liabilities are not remeasured at fair value, nor are any gains or losses recognised. Any differences between the cost of the additional shareholding and the carrying amount of the net assets on the date of acquisition are directly offset against the capital attributable to the buyer.

Any impairment losses and reversals of impairment losses to shares in consolidated subsidiaries carried in the individual financial statements are reversed.

Investments in associates and joint ventures are accounted for using the equity method and 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 financial statements of companies accounted for under the equity method are retained as long as they do not substantially contradict METRO GROUP's uniform accounting and measurement methods.

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.

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.

In joint arrangements, the individual partners include their respective portion of sales, income and expenses deriving from the joint arrangement in their income statement.

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 control. 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 has lost 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 using 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 closing date exchange rate. 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. As a rule, 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 or at the time the business operations of a foreign subsidiary are discontinued. 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 control, the relevant share of the cumulated currency differences is recognised in the income statement.

In financial year 2014/15, 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:

SERVICE

		Average exchange rate per €		Exchange rate at closing date per €	
		2013/14	2014/15	30/9/2014	30/9/2015
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	8.34171	**7.14511**	7.72620	**7.12060**
Croatian kuna	HRK	7.62536	**7.62450**	7.64250	**7.64450**
Czech koruna	CZK	27.29877	**27.42870**	27.50000	**27.18700**
Danish krone	DKK	7.45919	**7.45411**	7.44310	**7.45980**
Egyptian pound	EGP	9.36833	**8.57877**	8.98510	**8.66620**
Hong Kong dollar	HKD	10.52203	**8.90626**	9.77400	**8.68240**
Hungarian forint	HUF	305.88518	**308.94701**	310.57000	**313.45000**
Indian rupee	INR	82.82878	**72.50054**	77.85640	**73.48050**
Indonesian rupee	IDR	15,853.76000	**14,914.46000**	15,366.97000	**16,347.81000**
Japanese yen	JPY	138.81282	**136.84504**	138.11000	**134.69000**
Kazakhstani tenge	KZT	233.71997	**220.67414**	231.05000	**303.47000**
Moldovan leu	MDL	18.36509	**20.08065**	18.47930	**22.59260**
Moroccan dirham	MAD	11.21069	**10.88235**	11.07545	**10.87815**
Norwegian krone	NOK	8.26985	**8.75905**	8.11900	**9.52450**
Pakistani rupee	PKR	138.88143	**117.20413**	129.39590	**117.25160**
Polish zloty	PLN	4.17814	**4.17060**	4.17760	**4.24480**
Pound sterling	GBP	0.81927	**0.74305**	0.77730	**0.73850**
Romanian leu	RON	4.44849	**4.43956**	4.41020	**4.41760**
Russian rouble	RUB	47.09572	**64.80626**	49.76530	**73.24160**
Serbian dinar	RSD	115.74586	**120.61782**	118.85090	**119.74910**
Singapore dollar	SGD	1.70377	**1.54440**	1.60630	**1.59210**
Swedish krona	SEK	8.99692	**9.34718**	9.14650	**9.40830**
Swiss franc	CHF	1.22078	**1.09807**	1.20630	**1.09150**
Turkish lira	TRY	2.88971	**2.93219**	2.87790	**3.39030**
Ukrainian hryvnia	UAH	13.95118	**22.42906**	16.44676	**23.85750**
US dollar	USD	1.35691	**1.14863**	1.25830	**1.12030**
Vietnamese dong	VND	28,673.35000	**24,661.11000**	27,428.59000	**24,963.36000**

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 are shown for commission transactions, 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 are realised based on the estimated 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 as income 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. Debt capital interests that are directly attributable to the acquisition or production of a so-called qualified asset represent an exception as they must be included in the acquisition or production costs 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 regularly tested for impairment 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. In accordance with IAS 38 (Intangible Assets), **internally generated intangible assets** are capitalised at their production cost. Research costs, in contrast, are not capitalised, but immediately recognised as expenses. The cost of manufacture includes all expenditure 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

SERVICE

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 with a finite useful life is effected based on the cost model. No use is made of the revaluation option. All other intangible assets of METRO GROUP with a finite useful life are 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, while licences are amortised 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.

Other intangible assets with an infinite useful life are not subject to straight-line amortisation, but are subjected to an impairment test at least once a year. Impairment losses and reversals of impairment losses are recognised at cost through profit or loss.

Property, plant and equipment

Property, plant and equipment are recognised at amortised cost pursuant to IAS 16 (Property, Plant and Equipment). The manufacturing cost of internally generated assets includes both direct costs and directly 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 of Government Assistance), **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. **Reinstatement obligations** are included in the cost of purchase or production at the discounted settlement value. Subsequent purchase or production costs of property, plant and equipment are only capitalised if they result in a higher future economic benefit for METRO GROUP.

Property, plant and equipment are solely depreciated linearly 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 reinstatement costs 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 up to the amount of amortised acquisition or production costs 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. Analogous 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. Conversely, they are recognised as receivables by the lessor.

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, while the lessor recognises an asset as well as a receivable.

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 Property), **investment properties** comprise real estate assets that are held to earn rentals and/or for an increase in value. Analogous 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 on the basis of recognised measurement methods, including an assessment and the consideration of project development opportunities.

Financial assets

Financial assets (financial investments) that do not represent **associates** under IAS 28 (Investments in Associates and Joint Ventures) or **joint ventures** under IAS 11 (Construction Contracts) 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 the category "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 cur-

SERVICE

rent 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 include, 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 consequence 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 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 (Borrowing Costs).

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, bank deposits and other short-term liquid financial assets, such as accessible deposits on lawyers' trust accounts or cash in transit, with an original term of up to three months and are valued at their respective nominal values.

Non-current 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 a **non-current 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, the 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 prepayments to the pension provider are accrued as liabilities or receivables. Liabilities with a term of over twelve months are discounted.

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 the closing date as well as expected increases in 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

SERVICE

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 or his or her surviving dependants 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 through 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 vesting period and recognised as personnel expenses through profit or loss. The fair value is remeasured at each closing date during the vesting 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 through profit or loss. 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 only comprise 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, put options given out to interests or earn-out liabilities, which are recognised at fair value under IAS 39.

Prepaid expenses and deferred charges comprise transitory accruals.

Trade liabilities

Trade liabilities are recognised at amortised cost.

SERVICE

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 used for risk reduction. 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; for this, the average rate on the closing date is used. 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 theclosing 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 structured entities (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. 21 – property, plant and equipment)
— Classification of real estate assets as investment properties (no. 22 – investment properties)
— Classification of financial instruments to the category "held to maturity" (no. 41 – 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. 15 – depreciation/amortisation/impairment losses, no. 20 – other intangible assets and no. 21 – property, plant and equipment)
— Impairment testing of assets with a definite useful life if warranted by events (no. 15 – depreciation/amortisation/impairment losses, no. 20 – other intangible assets and no. 21 – property, plant and equipment)
— Annual goodwill impairment tests (no. 19 – goodwill – including sensitivity analyses)
— Recoverability of receivables – particularly receivables due from suppliers (no. 24 – other financial and non-financial assets)
— Recognition of supplier compensation on an accrual basis (no. 24 – other financial and non-financial assets)
— Ability to realise future tax receivables – particularly from tax loss carry-forwards (no. 25 – deferred tax assets/deferred tax liabilities)
— Measurement of inventories (no. 26 – inventories)
— Determination of pension provisions (no. 33 – provisions for pensions and similar obligations)
— Determination of other provisions – for example, for deficient rental cover, restructuring, warranties, taxes and risks emerging from legal proceedings and litigation (no. 34 – 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.

Equity, liabilities and net debt in the consolidated financial statements

Equity amounts to €5,172 million (30/9/2014: €4,999 million), while debt amounts to €22,484 million (30/9/2014: €23,157 million). Net debt amounts to €2,527 million compared with €4,655 million as of 30/9/2014.

SERVICE

€ million	30/9/2014	30/9/2015
Equity	**4,999**	**5,172**
Liabilities[1]	**23,157**	**22,484**
Net debt	**4,655**	**2,527**
Borrowings (incl. finance leases)	7,068	**7,366**
Cash and cash equivalents according to the balance sheet	2,406	**4,415**
Short-term financial investments[2]	7	**424**

[1] Adjustment of previous year's figures (see notes to the group accounting principles and methods)
[2] 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 on business combinations

First-time consolidation of the Classic Fine Foods group

Pursuant to the contract dated 6 August 2015, METRO Cash & Carry International Holding B.V. acquired a 96.52 per cent share in the Classic Fine Foods group from Klassisk Holding Limited, Cayman Islands. The purchase price amounted to €276 million. The Classic Fine Foods group is a leading Asian premium food service provider with operations in Asia and the Middle East. The acquisition of the Classic Fine Foods group will enable METRO GROUP to tap new business areas in the field of food service distribution. The company's first-time consolidation was effected in the fourth quarter of 2014/15. The Classic Fine Foods group is part of the METRO Cash & Carry segment.

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

€ million	
Assets	
Other intangible assets	**110**
Trader's brand	**48**
Customer relationships	**62**
Property, plant and equipment	**4**
Financial investments (non-current)	**1**
Inventories	**22**
Other financial and non-financial assets (current)	**31**
Cash and cash equivalents	**25**
	193
Liabilities	
Other provisions (non-current)	**1**
Deferred tax liabilities	**19**
Trade liabilities	**14**
Other financial and non-financial liabilities and provisions (current)	**26**
	60

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

A put option for the remaining 3.48 per cent share in the company was granted in the purchase contract. This put option was carried as liabilities at its fair value. In addition, the purchase agreement includes contingent considerations in the form of earn-outs. These are tied to the realisation of certain results agreed upon in the purchase contract. The obligations from the put option and the contingent considerations represent an amount in the lower double-digit millions and are recognised under other liabilities of METRO GROUP as of 30 September 2015.

Due to the existing put option, which is accounted for using the anticipated acquisition method, the acquisition is accounted for as if 100 per cent of the shares had been acquired.

The acquisition of the Classic Fine Foods group resulted in goodwill of €143 million.

From the date of first-time consolidation, 1 September 2015, to the closing date of 30 September 2015, the Classic Fine Foods group contributed €18 million to METRO GROUP's sales and €1 million to METRO GROUP's profit for the period. The Classic Fine Foods group has about 800 employees.

If the company had been acquired on 1 October 2014, the Classic Fine Foods group would have contributed €215 million to METRO GROUP's sales and €24 million to METRO GROUP's profit for the period.

First-time consolidation of the iBOOD group

On 16 April 2015, Media-Saturn acquired a majority share in the Dutch live shopping platform iBOOD.com and assumed control of the company. iBOOD (Internet's Best Online Offer Daily) is Europe's largest daily deal platform and was established in 2003. The iBOOD group includes Silver Ocean B.V. (Netherlands) and its subsidiaries iBOOD GmbH (Germany) and iBOOD Sp. z o.o., Poland.

Media-Saturn initially acquired a 50.1 per cent share in the iBOOD group. Put options with successive exercise dates until 2017 were granted for another 34.9 per cent share in the company. As part of first-time consolidation, these put options were accounted for using the anticipated acquisition method and carried as liabilities at their fair value. In addition, the purchase agreement includes a contingent consideration in the form of an earn-out. This contingent consideration is tied to the realisation of certain results agreed in the purchase contract. The obligations from both the put options and the contingent consideration are recognised under other liabilities of METRO GROUP as of 30 September 2015. As METRO Innovations Holding GmbH had already held the remaining 15 per cent share in the iBOOD group since November 2013, this holding was previously recognised under investments. Due to the successive acquisition, this existing share was revalued. The resulting income from the revaluation from €3.1 million to €3.2 million is recognised under investment result in the amount of €0.1 million.

The company's first-time consolidation was effected in the fourth quarter of 2014/15. As a consequence, the iBOOD group is part of the Media-Saturn segment. The acquisition of the iBOOD group resulted in goodwill of €20 million.

With this acquisition, METRO GROUP acquired assets in the amount of €10 million (including €2 million in receivables from associates), which primarily comprise non-current intangible assets, and liabilities in the amount of €9 million (including €2 million in liabilities to associates). Sales of the iBOOD group from 1 May 2015 until the closing date of 30 September 2015 totalled €13 million. Total annual sales for the period from 1 October 2014 to 30 September 2015 amounted to €33 million. The iBOOD group has around 60 employees.

SERVICE

Notes to the income statement

1. Sales

Net sales primarily result from the sale of goods and can be broken down as follows:

€ million	2013/14	2014/15
METRO Cash & Carry	30,513	**29,690**
Media-Saturn	20,981	**21,737**
Real	8,432	**7,735**
Others	10	**56**
	59,937	**59,219**

Sales shown in the Others segment primarily concern the four remaining stores of Real Romania at €49 million (2013/14: €42 million, shown in the Real segment) and commission income of MGB METRO Group Buying HK Ltd. from the third-party business at €7 million (2013/14: €6 million).

Of total sales, €36.7 billion (2013/14: €37.4 billion) are attributable to international group companies.

Sales developments by business and geographical segments are presented in segment reporting.

2. Other operating income

€ million	2013/14	2014/15
Rents incl. reimbursements of subsidiary rental costs	366	**361**
Services/cost refunds	315	**258**
Gains from the disposal of fixed assets and gains from the reversal of impairment losses	150	**240**
Services rendered to suppliers	222	**187**
Income from deconsolidation	44	**11**
Miscellaneous	202	**219**
	1,298	**1,275**

Gains from the disposal of fixed assets and gains from the reversal of impairment losses primarily include income in the amount of €197 million from the disposal of real estate that will be used fully or for the most part by third parties in the future (2013/14: €21). This includes income of €12 million from the sale of real estate assets that METRO GROUP plans to continue to use under tenancy agreements (2013/14: €107 million). In addition, this item primarily includes gains from the reversal of impairment losses in the amount of €22 million (2013/14: €11 million).

Services rendered to suppliers essentially relate to the segments METRO Cash & Carry at €157 million (2013/14: €174 million), Media-Saturn at €20 million (2013/14: €14 million) and Real at €5 million (2013/14: €28 million). The decline is essentially due to the sale of Real's Eastern European business in Poland (€23 million) and the sale of the wholesale business in Greece (€20 million).

Income from deconsolidation includes income from the sale of the Greek wholesale business at €9 million (2013/14: €44 million, essentially from the sale of Real's operations in Poland).

Miscellaneous other operating income particularly includes income from compensation in the amount of €24 million (2013/14: €23 million). Among others, this item also includes income from the derecognition of lapsed liabilities of €9 million (2013/14: €11 million), public-sector subsidies of €9 million (2013/14: €9 million) and income from other commissions of €5 million (2013/14: €4 million).

3. Selling expenses

€ million	2013/14	2014/15
Personnel expenses	5,179	**5,166**
Cost of material	5,334	**5,055**
	10,513	**10,221**

In selling expenses, the previous year's sale of Real's Eastern European business in particular as well as additional store closures resulted in a markedly lower cost of material. Against this background, particularly significant cost reductions were seen in the areas of energy costs, rental expenses and depreciation/amortisation/impairment losses.

In addition, reduced advertising measures, particularly in the Media-Saturn segment, resulted in a lower cost of material.

4. General administrative expenses

€ million	2013/14	2014/15
Personnel expenses	713	**758**
Cost of material	613	**709**
	1,326	**1,467**

In the item general administrative expenses, especially the cost of material increased compared with the previous year. This is largely due to a significant increase in consulting expenditures as well as higher rental expenses and other taxes.

The increase in personnel expenses is primarily due to higher variable remuneration in connection with bonus commitments.

5. Other operating expenses

€ million	2013/14	2014/15
Impairment losses on goodwill	88	**457**
Losses from the disposal of fixed assets	38	**35**
Miscellaneous	16	**25**
	143	**518**

Impairment losses on goodwill relate to Real Germany at €446 million, METRO Cash & Carry Pakistan at €10 million and METRO Cash & Carry Japan at €2 million (2013/14: €88 million at METRO Cash & Carry Netherlands).

For more information about impairment losses on goodwill, see no. 19 – goodwill.

Losses from the disposal of fixed assets essentially include expenses related to the disposal of business and office equipment in the amount of €34 million (2013/14: €35 million).

6. Result from associates and joint ventures

The group's share of income from associates and joint ventures amounts to €2 million (2013/14: €9 million).

7. Other investment result

The other investment result amounted to €0.3 million (2013/14: €78 million). The decline is essentially due to the sale of the 9 per cent share in Booker Group PLC during financial year 2013/14.

8. Net interest income / interest expenses

The interest result can be broken down as follows:

€ million	2013/14	2014/15
Interest income	48	**62**
thereof finance leases	(0)	**(0)**
thereof from company pensions	(7)	**(8)**
thereof from financial instruments of the measurement categories according to IAS 39:		
loans and receivables incl. cash and cash equivalents	(30)	**(39)**
held to maturity	(0)	**(0)**
held for trading incl. derivatives in a hedging relationship according to IAS 39	(5)	**(4)**
available for sale	(0)	**(0)**
Interest expenses	−434	**−344**
thereof finance leases	(−93)	**(−84)**
thereof from company pensions	(−45)	**(−41)**
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	(−9)	**(−6)**
other financial liabilities	(−256)	**(−190)**
	−386	**−282**

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 €130 million (2013/14: €196 million) and for liabilities to banks of €38 million (2013/14: €38 million).

The decline in interest expenses was the result of both more favourable refinancing terms and lower debt.

9. Other 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.

SERVICE

€ million	2013/14	2014/15
Other financial income	161	**271**
thereof currency effects	(91)	**(172)**
thereof hedging transactions	(36)	**(85)**
Other financial expenses	−403	**−442**
thereof currency effects	(−166)	**(−320)**
thereof hedging transactions	(−21)	**(−31)**
Other financial result	**−242**	**−172**
thereof from financial instruments of the measurement categories according to IAS 39:		
loans and receivables incl. cash and cash equivalents	(−32)	**(−41)**
held to maturity	(0)	**(0)**
held for trading	(−22)	**(12)**
available for sale	(0)	**(0)**
other financial liabilities	(−64)	**(−124)**
thereof fair value hedges:		
underlying transactions	(0)	**(0)**
hedging transactions	(0)	**(0)**
thereof cash flow hedges:		
ineffectiveness	(9)	**(−9)**

The overall result from currency effects and measurement results from hedging transactions and hedging relationships totalled €−95 million (2013/14: €−61 million). As in the previous year, this figure largely results from foreign currency financings in Eastern Europe. In addition, the other financial result reflects €−2 million (2013/14: €−122 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. 44 – management of financial risks.

10. Net results according to measurement categories

The key effects of income from financial instruments are as follows:

2013/14 € million	Investments	Interest	Fair value measurements	Currency translation	Disposals	Impairments	Other	Net result
Loans and receivables incl. cash and cash equivalents	0	30	0	−30	−1	−29	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	16	0	0	0	−29	−16
Available for sale	78	0	0	0	0	0	0	78
Other financial liabilities	0	−256	0	−46	11	0	−18	−309
	78	**−230**	**16**	**−76**	**11**	**−29**	**−47**	**−278**

2014/15 € million	Investments	Interest	Fair value measurements	Currency translation	Disposals	Impairments	Other	Net result
Loans and receivables incl. cash and cash equivalents	0	39	0	–41	0	–19	–1	–21
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	–2	53	0	0	0	–51	1
Available for sale	0	0	0	0	0	0	0	0
Other financial liabilities	0	–190	–1	–108	9	0	–16	–305
	0	–152	53	–149	9	–19	–67	–326

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 other financial expenses and currency translation are included in the other 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 financial result to the extent that these do not concern investments. Expenses from impairments are essentially included in earnings before interest and taxes.

For more information about impairments, see no. 28 – impairments of capitalised financial instruments.

Remaining financial income and expenses included in the other 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	2013/14	2014/15
Actual taxes	489	444
thereof Germany	(129)	(118)
thereof international	(360)	(326)
thereof tax expenses/income of current period	(466)	(454)
thereof tax expenses/income of previous periods	(23)	(–10)
Deferred taxes	50	36
thereof Germany	(62)	(34)
thereof international	(–12)	(2)
	539	480

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. These tax rates are also unchanged from the previous year.

Deferred tax liabilities for financial year 2014/15 comprise expenses of €4 million from changes in tax rates (2013/14: income of €2 million).

€ million	2013/14	2014/15
Deferred taxes in the income statement	50	36
thereof from temporary differences	(108)	(–9)
thereof from loss and interest carry-forwards	(–58)	(45)

Income tax expenses of €518 million (2013/14: €527 million), which are shown fully in regular earnings, are €142 million (2013/14: €311 million) higher than expected income tax expenses of €376 million (2013/14: €216 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	2013/14	2014/15
EBT (earnings before taxes)	**709**	**1,232**
from continuing operations	536	**259**
from discontinued operations	173	**973**
Expected income tax expenses (30.53%)	216	**376**
Effects of differing national tax rates	−18	**−46**
Tax expenses and income relating to other periods	23	**−10**
Non-deductible business expenses for tax purposes	105	**99**
Effects of not recognised or impaired deferred taxes	218	**200**
Additions and reductions for local taxes	18	**27**
Tax holidays	−28	**−22**
Other deviations	−7	**−106**
Income tax expenses according to the income statement	**527**	**518**
from continuing operations	539	**480**
from discontinued operations	−12	**38**
Group tax rate	**74.3%**	**42.0%**
from continuing operations	100.6%	**185.5%**
from discontinued operations	−6.8%	**3.8%**

The other deviations in the current year essentially include gains from the sale of the Galeria Kaufhof group (€−243 million) and expenses from impairment losses on goodwill at Real Germany (€136 million).

12. Profit or loss for the period from discontinued operations after taxes

On 15 June 2015, METRO GROUP signed an agreement with Hudson's Bay Company, Toronto, Canada, regarding the sale of its entire department store business. This comprises 102 Galeria Kaufhof stores and 16 Sportarena stores in Germany, 16 department stores of the subsidiary Galeria Inno in Belgium and 59 real estate properties owned or managed by the Galeria Real Estate Group. The Supervisory Board of METRO AG had already approved the agreement before 30 June 2015. Against this background, the assets and liabilities of the Galeria Kaufhof segment as of 30 June 2015 were classified as a discontinued operation in accordance with IFRS 5 and reported in the balance sheet under assets held for sale (€2,291 million) and under liabilities related to assets held for sale (€1,258 million). As a result, the balance of the assets and liabilities held for sale of the discontinued operation Galeria Kaufhof amounted to €1,033 million. As the sale was completed on 30 September 2015, the department store business was deconsolidated as of the same date. The assets disposed of amount to €4,017 million. The balance from this and liabilities of €2,516 million disposed of in the context of deconsolidation totalled €1,501 million. Together with all associated consolidation components in the consolidated income statement, current earnings of the Galeria Kaufhof segment were reclassified to profit or loss for the period from discontinued operations after taxes. The previous year's figures have been restated accordingly. No impairment losses had to be recognised as the fair value less costs to sell of the discontinued operation exceeded the recognised carrying amounts. The deconsolidation result from the divestment process and all expenses that were previously directly related to the disposal of the department store business were also shown under profit or loss for the period from discontinued operations after taxes.

As a result, profit or loss for the period from discontinued operations after taxes comprises the following components:

€ million	2013/14	2014/15
Sales	3,098	**3,021**
Expenses	−2,925	**−2,868**
Current earnings from discontinued operations before taxes	**173**	**153**
Income taxes on current earnings	12	**−15**
Current earnings from discontinued operations after taxes	**185**	**138**
Gains/losses from the remeasurement or disposal of discontinued operations before taxes	0	**797**
Income taxes on gains/losses from remeasurement or disposal	0	**0**
Gains/losses from the remeasurement or disposal of discontinued operations after taxes	**0**	**797**
Profit or loss for the period from discontinued operations after taxes	**185**	**935**

Profit or loss for the period from discontinued operations after taxes is fully attributable to the shareholders of METRO AG.

The reconciliation from profit or loss for the period to other comprehensive income includes €33 million from the valuation of pension plans of Galeria Kaufhof. The related income tax effect amounted to €−9 million.

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

13. 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 €96 million (2013/14: €121 million) and loss shares for €54 million (2013/14: €66 million). This mainly concerns profit/loss shares of non-controlling interests in the Media-Saturn sales line.

14. 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. There was no dilution in the reporting period or the year before from so-called potential shares.

	2013/14	2014/15
Weighted number of no-par-value shares outstanding	326,787,529	**326,787,529**
Profit or loss for the period attributable to shareholders of METRO AG (€ million)	127	**672**
Earnings per share in € (basic = diluted)	**0.39**	**2.06**

Earnings per preference share amounted to €2.12 in the financial year (2013/14: €0.45) and thus exceed earnings per share by the amount of the additional dividend for preference shares of €0.06 (2013/14: €0.06).

15. Depreciation/amortisation/impairment losses

Depreciation/amortisation/impairment losses of €1,489 million (2013/14: €1,162 million) include impairment losses totalling €566 million (2013/14: €203 million). At €457 million, these essentially stem from goodwill impairment losses at Real Germany (€446 million) and the full recognition of goodwill impairment losses of METRO Cash & Carry Pakistan and METRO Cash & Carry Japan in light of negative business developments. The attribution of deprecition/amortisation/impairment losses in the income statement and the affected asset categories is as follows:

€ million	2013/14	2014/15
Cost of sales	17	**19**
thereof depreciation/amortisation	(17)	**(19)**
thereof impairment losses	(0)	**(0)**
Selling expenses	951	**905**
thereof depreciation/amortisation	(838)	**(802)**
thereof impairment losses	(113)	**(102)**
General administrative expenses	105	**107**
thereof depreciation/amortisation	(104)	**(101)**
thereof impairment losses	(2)	**(5)**
Other operating expenses	88	**457**
thereof impairment losses	(88)	**(457)**
Net financial result	0	**1**
thereof impairment losses	(0)	**(1)**
	1,162	**1,489**

€ million	2013/14	2014/15
Goodwill	88	**457**
thereof impairment losses	(88)	**(457)**
Other intangible assets	110	**104**
thereof depreciation/amortisation	(106)	**(102)**
thereof impairment losses	(4)	**(3)**
Property, plant and equipment	948	**888**
thereof depreciation/amortisation	(844)	**(809)**
thereof impairment losses	(105)	**(79)**
Investment properties	16	**38**
thereof depreciation/amortisation	(10)	**(12)**
thereof impairment losses	(6)	**(26)**
Financial assets[1]	0	**1**
thereof impairment losses	(0)	**(1)**
Assets held for sale	0	**0**
thereof impairment losses	(0)	**(0)**
	1,162	**1,489**

[1] Including investments measured at cost and accounted for using the equity method

In accordance with IFRS 5, depreciation/amortisation/impairment losses of the Galeria Kaufhof group are not included in regular earnings from continuing operations. They are therefore not considered in the above tables but are included in the movement schedules on the development of assets until the date of reclassification, 30 June 2015. As a result, the amounts listed there may deviate from the above figures.

SERVICE

Of impairment losses, METRO Cash & Carry accounted for €58 million (2013/14: €139 million), Media-Saturn for €31 million (2013/14: €38 million), Real for €450 million (2013/14: €17 million) and other companies for €28 million (2013/14: €10 million).

16. Cost of materials

The cost of sales includes the following cost of materials:

€ million	2013/14	2014/15
Cost of raw materials, supplies and goods purchased	47,358	**46,668**
Cost of services purchased	36	**40**
	47,394	**46,708**

17. Personnel expenses

Personnel expenses can be broken down as follows:

€ million	2013/14	2014/15
Wages and salaries	5,225	**5,302**
Social security expenses, expenses for post-employment benefits and related employee benefits	1,224	**1,204**
thereof post-employment benefits	(78)	**(71)**
	6,450	**6,505**

Wages and salaries shown in personnel expenses include expenses relating to severance payments of €81 million (2013/14: €93 million). In addition, wages and salaries include restructuring expenses of €82 million (2013/14: €29 million), which also comprise severance components. Variable remuneration, which is partly based on the performance metric EBITaC, increased to €124 million in financial year 2014/15 from €84 million in financial year 2013/14. Wages and salaries also include expenses for share-based payments totalling €7 million (2013/14: €3 million).

Annual average number of group employees:

Number of employees by headcount	2013/14	2014/15
Blue collar/white collar	233,584	**226,895**
Apprentices/trainees	7,992	**7,067**
	241,576	**233,962**

This includes an absolute number of 60,341 (2013/14: 61,700) part-time employees. The percentage of employees working outside of Germany (full-time equivalents) stood at 65.2 per cent (2013/14: 66.1 per cent).

18. Other taxes

Other taxes (for example, tax on land and buildings, motor vehicle tax, excise tax and transaction tax) can be broken down as follows:

€ million	2013/14	2014/15
Other taxes	**127**	**137**
thereof from cost of sales	(−1)	**(2)**
thereof from selling expenses	(103)	**(97)**
thereof from general administrative expenses	(25)	**(37)**

Notes to the balance sheet

19. Goodwill

Goodwill amounts to €3,301 million (30/9/2014: €3,671 million).

The decline is primarily the result of impairment losses of €457 million, with impairment losses on goodwill of Real Germany accounting for €446 million of this total.

Goodwill totalling €71 million of the cash-generating units Galeria Inno Belgium and Galeria Kaufhof department stores Germany was disposed of in the context of the sale of the department store business.

The sale of the wholesale business in Greece resulted in a goodwill disposal of €25 million.

The acquisition of the Classic Fine Foods group by METRO Cash & Carry resulted in goodwill of €143 million.

The acquisition of a majority share in the iBOOD Group resulted in goodwill of €20 million.

In 2009, the non-controlling shareholders of METRO Cash & Carry Romania were granted stock tender rights by METRO GROUP. The subsequent measurement of these put options recognised as financial liabilities resulted in a goodwill increase of €21 million (30/9/2014: decline of €7 million).

At the closing date, the breakdown of goodwill among the major cash-generating units was as shown below:

	30/9/2014		30/9/2015	
		WACC		WACC
	€ million	%	€ million	%
Real Germany	1,083	5.7	**638**	**5.4**
METRO Cash & Carry France	398	5.7	**398**	**5.4**
Media-Saturn Germany / Redcoon group	300	6.7	**300**	**6.3**
METRO Cash & Carry Netherlands	264	5.9	**264**	**5.6**
METRO Cash & Carry Poland	257	6.5	**257**	**6.2**
METRO Cash & Carry Germany	223	5.7	**223**	**5.4**
METRO Cash & Carry Hungary	174	8.0	**174**	**7.5**
METRO Cash & Carry Italy	171	6.6	**171**	**6.4**
METRO Cash & Carry Belgium	145	5.8	**145**	**5.5**
Classic Fine Foods group	0	–	**143**	**–**
METRO Cash & Carry Spain/Portugal	142	6.6	**142**	**6.6**
METRO Cash & Carry Romania	54	7.3	**75**	**6.8**
Media-Saturn Italy	72	7.7	**72**	**7.5**
Galeria Inno Belgium	57	6.2	**0**	**–**
Other companies (each < €50 million or corporate assets)	331		**299**	
	3,671		**3,301**	

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 organisational units METRO Cash & Carry Spain and METRO Cash & Carry Portugal, Media-Saturn Germany and the Redcoon group as well as Media-Saturn Netherlands and the iBOOD Group, which form the groups of cash-generating units METRO Cash & Carry Spain/Portugal, Media-Saturn Germany and the Redcoon group as well as Media-Saturn Netherlands and the iBOOD Group due to their close organisational ties. 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. 41 – 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 case 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, as in the previous year, 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 1.25 per cent (30/9/2014: 2.5 per cent) and a market risk premium of 6.75 per cent (30/9/2014: 6.0 per cent) in Germany as well as a beta factor of 0.94 to 1.09 (30/9/2014: 0.85 to 1.07). 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 5.4 to 7.8 per cent (30/9/2014: 5.7 to 8.9 per cent).

The mandatory annual impairment test as of 30 September 2015 resulted in the following assumptions regarding the development of sales, EBIT and the EBIT margin targeted for valuation purposes during the detailed planning period, with the EBIT margin reflecting the ratio of EBIT to net sales:

	Sales	EBIT	EBIT margin	Detailed planning period (years)
Real Germany	Slight growth	Strong growth	Strong growth	4
METRO Cash & Carry France	Slight growth	Slight growth	Unchanged	3
Media-Saturn Germany / Redcoon group	Solid growth	Solid growth	Unchanged	3
METRO Cash & Carry Netherlands	Slight growth	Strong growth	Strong growth	5
METRO Cash & Carry Poland	Slight growth	Substantial growth	Slight growth	5
METRO Cash & Carry Germany	Slight growth	Strong growth	Strong growth	5
METRO Cash & Carry Hungary	Slight growth	Substantial growth	Slight growth	5
METRO Cash & Carry Italy	Solid growth	Strong growth	Strong growth	3

The mandatory annual impairment test as of 30 September 2015 confirmed the recoverability of all capitalised goodwill with the exception of the goodwill of METRO Cash & Carry Japan, which was fully impaired at €2 million in light of business developments. Due to the respective business developments, a goodwill impairment of €446 million and a full goodwill impairment of €10 million were already effected for Real Germany and METRO Cash & Carry Pakistan, respectively, as of 31 March 2015.

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 Poland, METRO Cash & Carry Germany, METRO Cash & Carry Hungary and METRO Cash & Carry Belgium, 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 for Real Germany, the fair value less costs to sell exceeded the carrying amount by €11 million. The respective excess amount was €8 million at METRO Cash & Carry Netherlands, €17 million at METRO Cash & Carry Poland, €33 million at METRO Cash & Carry Germany, €14 million at METRO Cash & Carry Hungary and €7 million at METRO Cash & Carry Belgium. At Real Germany, a perpetual EBIT of €124 million was assumed.

Assuming a 0.1 percentage point lower growth rate or a capitalisation rate of 5.61 per cent rather than 5.55 per cent or an assumed perpetual EBIT of €41 million rather than €42 million, the fair value less costs to sell of METRO Cash & Carry Netherlands would correspond to the carrying amount. For METRO Cash & Carry Poland, the fair value less costs to sell would correspond to the carrying amount assuming a 0.3 percentage point lower growth rate or a capitalisation rate of 6.3 per cent rather than 6.2 per cent or an assumed perpetual EBIT of €36 million rather than €38 million. Assuming a 0.4 percentage point lower growth rate or a capitalisation rate of 5.5 per cent rather than 5.4 per cent or an assumed perpetual EBIT of €94 million rather than €96 million, the fair value less costs to sell of METRO Cash & Carry Germany would correspond to the carrying amount. For METRO Cash & Carry Hungary, fair value less costs to sell would correspond to the carrying amount assuming a 0.6 percentage point lower growth rate or a capitalisation rate of 7.9 per cent rather than 7.5 per cent or an assumed perpetual EBIT of €22 million rather than €24 million. Assuming a 0.2 percentage point lower growth rate or a capitalisation rate of 5.6 per cent rather than 5.5 per cent or an assumed perpetual EBIT of €23.8 million rather than €24.4 million, the fair value less costs to sell of METRO Cash & Carry Belgium would correspond to the carrying amount.

€ million	Goodwill
Acquisition or production costs	
As of 1/10/2013	3,864
Currency translation	1
Additions to consolidation group	0
Additions	2
Disposals	−7
Reclassifications under IFRS 5	0
Transfers	0
As of 30/9 / 1/10/2014	3,860
Currency translation	0
Additions to consolidation group	0
Additions	184
Disposals	0
Reclassifications under IFRS 5	−116
Transfers	0
As of 30/9/2015	3,928
Depreciation/amortisation/impairment losses	
As of 1/10/2013	101
Currency translation	0
Additions, scheduled	0
Additions, non-scheduled	88
Disposals	0
Reclassifications under IFRS 5	0
Reversals of impairment losses	0
Transfers	0
As of 30/9 / 1/10/2014	189
Currency translation	0
Additions, scheduled	0
Additions, non-scheduled	457
Disposals	0
Reclassifications under IFRS 5	−20
Reversals of impairment losses	0
Transfers	0
As of 30/9/2015	626
Carrying amount at 1/10/2013	3,763
Carrying amount at 30/9/2014	3,671
Carrying amount at 30/9/2015	**3,301**

SERVICE

20. Other intangible assets

€ million	Intangible assets without goodwill	(thereof internally generated intangible assets)
Acquisition or production costs		
As of 1/10/2013	1,796	(1,012)
Currency translation	–5	(–1)
Additions to consolidation group	0	(0)
Additions	130	(75)
Disposals	–70	(–21)
Reclassifications under IFRS 5	–5	(–1)
Transfers	–7	(–6)
As of 30/9 / 1/10/2014	1,840	(1,056)
Currency translation	–9	(–2)
Additions to consolidation group	116	(1)
Additions	133	(71)
Disposals	–14	(–2)
Reclassifications under IFRS 5	–210	(–184)
Transfers	9	(–2)
As of 30/9/2015	1,864	(940)
Depreciation/amortisation/impairment losses		
As of 1/10/2013	1,403	(817)
Currency translation	–4	(–1)
Additions, scheduled	126	(76)
Additions, non-scheduled	4	(1)
Disposals	–66	(–20)
Reclassifications under IFRS 5	–4	(–1)
Reversals of impairment losses	0	(0)
Transfers	0	(–4)
As of 30/9 / 1/10/2014	1,460	(868)
Currency translation	–7	(–1)
Additions, scheduled	116	(73)
Additions, non-scheduled	3	(2)
Disposals	–12	(0)
Reclassifications under IFRS 5	–169	(–149)
Reversals of impairment losses	0	(0)
Transfers	8	(0)
As of 30/9/2015	1,399	(793)
Carrying amount at 1/10/2013	393	(194)
Carrying amount at 30/9/2014	380	(188)
Carrying amount at 30/9/2015	**464**	**(147)**

The other intangible assets have both finite and indefinite useful lives. Intangible assets with a finite useful life are subject to depreciation/amortisation. Intangible assets with an indefinite useful life relate to the Classic Fine Foods brand acquired in the context of the acquisition of the Classic Fine Foods group (€48 million).

The other additions to the consolidation group comprise the customer base also acquired as part of the acquisition of the Classic Fine Foods group, at €62 million. Additions of €6 million were effected in the context of the first-time consolidation of the iBOOD group.

Additions in the amount of €133 million concern internally generated software at €71 million, concessions, rights and licences at €35 million, and purchased software at €27 million.

Reclassifications to assets held for sale concern the divested department store business including the associated real estate assets at €41 million.

The additions to depreciation/amortisation/impairment losses on other intangible assets are shown in the cost of sales at an amount of €3 million (2013/14: €4 million), in selling expenses at €36 million (2013/14: €56 million), in general administrative expenses at €65 million (2013/14: €71 million) and at €15 million in profit or loss for the period from discontinued operations after taxes.

Impairment losses concern internally generated software at €2 million (2013/14: €1 million), lease and usage rights at €0 million (2013/14: €2 million) and acquired concessions, rights and licences at €3 million (2013/14: €1 million).

Research and development expenses recognised in expenses essentially concern internally generated software and amounted to €39 million in the current financial year (2013/14: €39 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 (30/9/2014: €1 million, including €0 million related to discontinued operations) were entered into.

21. Property, plant and equipment

As of 30 September 2015, property, plant and equipment totalling €7,955 million (30/9/2014: €10,025 million) was recorded. The development of property, plant and equipment is shown in the following table.

SERVICE

€ million	Land and buildings	Other plant, business and office equipment	Assets under construction	Total
Acquisition or production costs				
As of 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	−312	−443	−14	−769
Reclassifications under IFRS 5	−165	−112	−5	−282
Transfers	−20	175	−273	−117
As of 30/9 / 1/10/2014	11,714	8,261	258	20,233
Currency translation	−422	−193	−37	−652
Additions to consolidation group	39	3	0	42
Additions	270[1]	442	342	1,054
Disposals	−198	−452	−13	−663
Reclassifications under IFRS 5	−1,950	−593	−7	−2,550
Transfers	175	137	−326	−14
As of 30/9/2015	9,629	7,605	217	17,451
Depreciation/amortisation/impairment losses				
As of 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	−167	−386	−1	−554
Reclassifications under IFRS 5	−46	−64	0	−110
Reversals of impairment losses	−10	−1	0	−11
Transfers	−43	2	0	−41
As of 30/9 / 1/10/2014	4,607	5,595	7	10,208
Currency translation	−92	−113	−1	−206
Additions, scheduled	351	531	0	882
Additions, non-scheduled	39	35	5	79
Disposals	−145	−398	0	−543
Reclassifications under IFRS 5	−487	−405	0	−892
Reversals of impairment losses	−12	−9	0	−22
Transfers	7	−16	−1	−10
As of 30/9/2015	4,267	5,220	9	9,496
Carrying amount at 1/10/2013	7,679	2,810	220	10,709
Carrying amount at 30/9/2014	7,108	2,666	251	10,025
Carrying amount at 30/9/2015	**5,362**	**2,384**	**208**	**7,955**

[1] Including asset transfers from assets held for sale to property, plant and equipment

The decline in property, plant and equipment mainly results from the reclassification of assets to assets held for sale in the amount of €1,658 million (2013/14: €172 million). At €1,535 million, these primarily relate to property, plant and equipment of the divested Galeria Kaufhof group. The latter includes real estate assets, at €1,353 million, other plant, business and office equipment, at €174 million, and assets under construction, at €7 million. In addition, the reclassifications include individual real estate properties in the amount of €62 million and property, plant and equipment of the wholesale business of METRO Cash & Carry Greece in the amount of €56 million.

Negative currency effects of €445 million (2013/14: €268 million) also contributed to the decline. These primarily concern Russia and Ukraine.

Restrictions on titles in the form of liens and encumbrances for property, plant and equipment amounted to €89 million (30/9/2014: €179 million, including €67 million related to discontinued operations).

Contractual commitments for the acquisition of property, plant and equipment in the amount of €156 million (30/9/2014: €128 million, including €28 million related to discontinued operations) were entered into.

Leases

Assets available to METRO GROUP under the terms of finance leases were valued at €845 million (30/9/2014: €879 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 2.09 and 5.22 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 30/9/2014			
Future lease payments due (nominal)	210	645	1,178
Discount	–15	–139	–600
Present value	195	506	578
Operating leases 30/9/2014			
Future lease payments due (nominal)	1,422	4,312	3,632
thereof discontinued operations	149	413	249

€ million	Up to 1 year	1 to 5 years	Over 5 years
Finance leases 30/9/2015			
Future lease paymentsdue (nominal)	178	626	1,077
Discount	–21	–143	–505
Present value	158	483	572
Operating leases 30/9/2015			
Future lease payments due (nominal)	1,279	3,884	3,125

Future payments due on finance leases contain purchase payments amounting to €32 million required for the exercise of more favourable purchase options (30/9/2014: €42 million, including €0 million related to discontinued operations).

The nominal value of future lease payments due to METRO GROUP coming from the subleasing of assets held under finance leases amounts to €264 million (30/9/2014: €199 million, including €5 million related to discontinued operations).

The nominal value of future lease payments due to METRO GROUP coming from the subleasing of assets held under operating leases amounts to €463 million (30/9/2014: €470 million, including €32 million related to discontinued operations).

Profit or loss for the period includes expenses from leases totalling €1,539 million (2013/14: €1,585 million), including €156 million related to discontinued operations (2013/14: €161 million). Profit or loss for the period includes rental income totalling €333 million (2013/14: €341 million), including €48 million related to discontinued operations (2013/14: €47 million).

SERVICE

Contingent lease payments from finance leases recognised as expenses during the period amount to €7 million (2013/14: €10 million), including €0 million related to discontinued operations (2013/14: €1 million). Contingent lease payments from operating leases recognised as expenses during the period amount to €53 million (2013/14: €55 million), including €0 million related to discontinued operations (2013/14: €0 million).

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
Operating leases 30/9/2014			
Future lease payments due (nominal)	84	235	192
from discontinued operations	17	53	33

€ million	Up to 1 year	1 to 5 years	Over 5 years
Operating leases 30/9/2015			
Future lease payments due (nominal)	56	159	121

22. Investment properties

Investment properties are recognised at depreciated cost. As of 30 September 2015, investment properties totalling €170 million (30/9/2014: €223 million) were recognised. The development of property, plant and equipment is shown in the following table.

€ million	Investment properties
Acquisition or production costs	
As of 1/10/2013	407
Currency translation	0
Additions to consolidation group	0
Additions[1]	2
Disposals	−10
Reclassifications under IFRS 5	0
Transfers	125
As of 30/9 / 1/10/2014	523
Currency translation	0
Additions to consolidation group	0
Additions[1]	24
Disposals	−6
Reclassifications under IFRS 5	−61
Transfers	4
As of 30/9/2015	484
Depreciation/amortisation/impairment losses	
As of 1/10/2013	250
Currency translation	0
Additions, scheduled	10
Additions, non-scheduled	6
Disposals	−7
Reclassifications under IFRS 5	0
Reversals of impairment losses	0
Transfers	41
As of 30/9 / 1/10/2014	300
Currency translation	0
Additions, scheduled	12
Additions, non-scheduled	26
Disposals	−5
Reclassifications under IFRS 5	−19
Reversals of impairment losses	0
Transfers	1
As of 30/9/2015	314
Carrying amount at 1/10/2013	156
Carrying amount at 30/9/2014	223
Carrying amount at 30/9/2015	**170**

[1] Including asset transfers from assets held for sale to investment properties

The decline of €53 million was mainly the result of the reclassification of sites owned by METRO PROPERTIES from investment properties to assets held for sale. In addition, an overcompensation of investing activities in financial year 2014/15 by depreciation and impairment losses contributed to this decline. Offsetting effects essentially resulted from the reclassification of a Russian site owned by METRO PROPERTIES from assets held for sale to investment properties.

The fair values of these investment properties total €243 million (30/9/2014: €311 million, including €1 million related to discontinued operations). They cannot 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]), 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 the respective country and location risk as well as the property-specific real estate risk. In addition, project developments are being considered in the context of determining the best possible use.

Rental income from these properties amounts to €34 million, with finance leases accounting for €11 million of this total (2013/14: €40 million, thereof €11 million from finance leases). The related expenses amount to €20 million, with finance leases accounting for €7 million (2013/14: €25 million, thereof €8 million from finance leases). Expenses of €1 million (2013/14: €1 million) resulted from properties without rental income and did not relate to finance leases.

Restrictions on titles in the form of liens and encumbrances amounted to €19 million (30/9/2014: €19 million, including €0 million related to discontinued operations). As in the previous year, no contractual commitments for the acquisition of investment properties were made.

SERVICE

23. Financial investments and investments accounted for using the equity method

€ million	Loans	Investments	Securities	Total
Acquisition or production costs				
As of 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	−19	−269	0	−288
Reclassifications under IFRS 5	0	0	0	0
Transfers	−1	1	0	0
As of 30/9 / 1/10/2014	51	19	2	72
Currency translation	−1	0	0	−1
Additions to consolidation group	0	0	0	0
Additions	4	32	0	37
Disposals	−4	−9	0	−13
Reclassifications under IFRS 5	0	0	0	0
Transfers	−5	42	0	37
As of 30/9/2015	46	84	2	133
Depreciation/amortisation/impairment losses				
As of 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	−13	0	0	−13
Reclassifications under IFRS 5	0	0	0	0
Reversals of impairment losses	0	0	0	0
Transfers	0	0	0	0
As of 30/9 / 1/10/2014	0	1	0	1
Currency translation	0	0	0	0
Additions, scheduled	0	0	0	0
Additions, non-scheduled	0	1	0	1
Disposals	0	0	0	0
Reclassifications under IFRS 5	0	0	0	0
Reversals of impairment losses	0	0	0	0
Transfers	0	14	0	14
As of 30/9/2015	0	16	0	16
Carrying amount at 1/10/2013	52	266	2	319
Carrying amount at 30/9/2014	51	18	2	71
Carrying amount at 30/9/2015	**46**	**69**	**2**	**117**

METRO GROUP sold 60 per cent of the shares in 10 companies of the Mayfair Group as part of a joint venture. The remaining 40 per cent are shown as an addition to investments accounted for using the equity method in the amount of €83 million.

€ million	Investments accounted for using the equity method
Acquisition or production costs	
As of 1/10/2013	132
Currency translation	0
Additions to consolidation group	0
Additions	2
Disposals	–39
Reclassifications under IFRS 5	0
Transfers	0
As of 30/9 / 1/10/2014	95
Currency translation	0
Additions to consolidation group	0
Additions	86
Disposals	0
Reclassifications under IFRS 5	0
Transfers	10
As of 30/9/2015	191
Depreciation/amortisation/impairment losses	
As of 1/10/2013	0
Currency translation	0
Additions, scheduled	0
Additions, non-scheduled	0
Disposals	0
Reclassifications under IFRS 5	0
Reversals of impairment losses	0
Transfers	0
As of 30/9 / 1/10/2014	0
Currency translation	0
Additions, scheduled	0
Additions, non-scheduled	8
Disposals	0
Reclassifications under IFRS 5	0
Reversals of impairment losses	0
Transfers	0
As of 30/9/2015	7
Carrying amount at 1/10/2013	132
Carrying amount at 30/9/2014	95
Carrying amount at 30/9/2015	**184**

Details on major investments accounted for using the equity method are listed in the following table.

With the exception of Habib Metro Pakistan (closing date 30/6), the closing date for all other companies listed here is 31/12.

SERVICE

	Habib Metro Pakistan		OPCI FWP		OPCI FWS		Mayfair group[1]		Others		Total	
€ million	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Size of investment (in %)	40	**40**	4.99	**4.99**	25	**25**	n/a	**40**	–	**–**	–	**–**
Market capitalisation	–	**–**	–	**–**	–	**–**	n/a	**–**	–	**–**	–	**–**
Carrying amount	45	**47**	8	**9**	39	**39**	n/a	**83**	3	**6**	95	**184**
Notes to the income statement												
Sales	10	**12**	23	**23**	22	**22**	n/a	**0**	3	**21**	58	**78**
Earnings after taxes from continuing operations	4	**6**	11	**16**	11	**15**	n/a	**12**	2	**0**	28	**49**
Earnings after taxes from discontinued operations	0	**0**	0	**0**	0	**0**	n/a	**0**	0	**0**	0	**0**
Other comprehensive income	0	**0**	0	**0**	0	**0**	n/a	**0**	0	**0**	0	**0**
Total comprehensive income	4	**6**	11	**16**	11	**15**	n/a	**12**	2	**0**	28	**49**
Dividend payments to the group	1	**1**	3	**0**	3	**4**	n/a	**0**	0	**1**	7	**2**
Notes to the balance sheet												
Non-current assets	58	**61**	261	**261**	251	**251**	n/a	**189**	0	**155**	570	**917**
Current assets	9	**14**	4	**2**	5	**6**	n/a	**4**	4	**34**	22	**60**
Non-current liabilities	2	**3**	108	**102**	105	**101**	n/a	**0**	0	**162**	215	**368**
Current liabilities	1	**1**	0	**1**	0	**1**	n/a	**0**	1	**21**	2	**24**

[1] The Mayfair group comprises ten real estate companies

METRO GROUP's representation on the supervisory board of OPCI FRENCH WHOLESALE PROPERTIES – FWP ensures that significant influence will be maintained and that the holding will be accounted for using the equity method although the share only amounts to 4.99 per cent.

24. Other financial and non-financial assets

	30/9/2014			30/9/2015		
		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	1,668	1,649[1]	19	**1,674**	**1,653**	**22**
Miscellaneous financial assets	669	649	19	**1,280**	**1,230**	**51**
Other financial assets	**2,337**	**2,298**	**39**	**2,954**	**2,882**	**72**
Other tax receivables	464	464	0	**358**	**358**	**0**
Prepaid expenses and deferred charges	376	150	226	**351**	**136**	**216**
Miscellaneous non-financial assets	75	68	7	**63**	**59**	**5**
Other non-financial assets	**915**	**681**	**234**	**773**	**553**	**220**
Other financial and non-financial assets	**3,252**	**2,981**	**272**	**3,727**	**3,435**	**292**

[1] Adjustment of previous year's figures (see notes to the group accounting principles and methods)

Receivables due from suppliers comprise both invoiced and deferred income for subsequent supplier compensation (for example, bonuses and advertising subsidies) and creditors with debit balances.

Miscellaneous non-financial assets primarily include receivables from other financial transactions in the amount of €479 million (30/9/2014: €59 million), receivables from METRO Unterstützungskasse e. V. amounting to €221 million (30/9/2014: €208 million), receivables due from the Galeria Kaufhof group in the amount of €193 million (in particular receivables from profit and loss transfer agreements in financial year 2014/15), receivables from credit card transactions in the amount of €101 million (30/9/2014: €104 million), receivables and other non-financial assets in the real estate area amounting to €43 million (30/9/2014: €52 million), receivables from claims events in the amount of €28 million (30/9/2014: €4 million) and financing provisions amounting to €25 million (30/9/2014: €22 million). The deviation from the previous year relates to receivables from other financial transactions at €415 million and includes the transfer of cash and cash equivalents of MIAG Commanditaire Vennootschap to short-term money market funds.

Other tax receivables include entitlements to sales tax refunds totalling €153 million (30/9/2014: €263 million), not yet clearable input tax in the amount of €190 million (30/9/2014: €187 million) and other entitlements to tax refunds totalling €15 million (30/9/2014: €14 million).

Prepaid expenses and deferred charges include deferred rental, leasing and interest prepayments as well as miscellaneous deferments.

Miscellaneous non-financial assets particularly include interest receivables related to tax receivables and prepayments made on inventories.

25. Deferred tax assets / deferred tax liabilities

Deferred taxes on tax loss carry-forwards and temporary differences amount to €1,466 million before netting (30/9/2014: €1,762 million), a decline of €296 million compared with 30 September 2014. The carrying amounts of deferred tax liabilities declined by €173 million to €884 million compared with the previous year (30/9/2014: €1,057 million).

The decline in deferred tax assets and deferred tax liabilities on tax loss carry-forwards and temporary differences is essentially due to the deconsolidation of the Galeria Kaufhof group.

Deferred taxes relate to the following balance sheet items:

	30/9/2014		30/9/2015	
€ million	**Asset**	**Liability**	**Asset**	**Liability**
Goodwill	152	170	**110**	**161**
Other intangible assets	101	73	**73**	**83**
Property, plant and equipment and investment properties	156	596	**138**	**468**
Financial investments and investments accounted for using the equity method	5	2	**4**	**3**
Inventories	70	18	**62**	**10**
Other financial and non-financial assets	115	60	**57**	**56**
Assets held for sale	0	0	**0**	**2**
Provisions for pensions and similar obligations	368	62	**281**	**53**
Other provisions	96	7	**101**	**11**
Borrowings	369	6	**351**	**1**
Other financial and non-financial liabilities	131	63	**139**	**32**
Liabilities related to assets held for sale	0	0	**0**	**0**
Outside basis differences	0	0	**0**	**4**
Write-downs of temporary differences	–106	0	**–89**	**0**
Loss carry-forwards	304	0	**240**	**0**
Total	1,762	1,057	**1,466**	**884**
Offset	–927	–927	**–742**	**–742**
Carrying amount of deferred taxes	**835**	**130**	**724**	**142**

SERVICE

Of the deferred tax assets shown, €390 million (30/9/2014: €492 million) is attributable to the incorporated companies of METRO AG. Based on business planning, realisation of this tax asset is to be considered sufficiently probable. The implementation of a new transfer price system in the METRO Cash & Carry segment as of 1 October 2015 had a positive effect on the impairment test for deferred taxes as it allowed for the compensation of opposite tax effects in connection with the deconsolidation of the Galeria Kaufhof group in particular.

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 the 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 2015, €4 million (30/9/2014: €0 million) in deferred tax liabilities from outside basis differences were recognised for planned dividend payments. There were no circumstances leading to a corresponding deferral during the previous year. 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	30/9/2014	30/9/2015
Corporate tax losses	7,896	**8,027**
Trade tax losses	7,908	**7,865**
Interest carry-forwards	19	**15**
Temporary differences	415	**364**

The losses primarily concern Germany. They can be carried forward without limitation.

Tax effects on components of other comprehensive income

	2013/14			2014/15		
€ million	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Currency translation differences from translating the financial statements of foreign operations	−30	−7	−37	**−183**	**−3**	**−186**
thereof currency translation differences of net investments in foreign operations	(−68)	(−7)	(−75)	**(−9)**	**(−3)**	**(−12)**
Effective portion of gains/losses from cash flow hedges	21	−3	18	**−12**	**2**	**−10**
Gains/losses on remeasuring financial instruments in the category "available for sale"	−70	0	−70	**0**	**0**	**0**
Deferred taxes on the remeasurement of defined benefit pension plans	−256	41	−215	**90**	**−31**	**59**
Other changes	0	0	0	**0**	**0**	**0**
Remaining income tax on other comprehensive income	0	−4	−4	**0**	**1**	**1**
	−335	**27**	**−308**	**−105**	**−31**	**−136**

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.

26. Inventories

€ million	30/9/2014	30/9/2015
Food merchandise	2,032	**1,922**
Non-food merchandise	3,914	**3,516**
	5,946	**5,439**

Inventories can be broken down by segment as follows:

€ million	30/9/2014	30/9/2015
METRO Cash & Carry	2,319	**2,309**
Media-Saturn	2,182	**2,322**
Real	578	**807**
Galeria Kaufhof	540	**0**
Others	327	**1**
	5,946	**5,439**

Compared with 30 September 2014, inventories fell by €507 million. This decline is essentially due to the sale of the Galeria Kaufhof group in the amount of €540 million and negative currency effects totalling €161 million (primarily at the sales line METRO Cash & Carry). Opposite effects of €140 million and €24 million, respectively, were produced by the demand-driven increase in inventories in the Media-Saturn segment and the acquisition of the Classic Fine Foods group.

The increase in the Real segment is due to the assumption of ownership of inventories of METRO LOGISTICS Germany GmbH. The value of inventories in the Others segment declined accordingly.

Inventories include impairments of €202 million (30/9/2014: €229 million).

27. Trade receivables

Of total trade receivables of €702 million (30/9/2014: €560 million), €16 million (30/9/2014: €17 million) is due in over one year.

The sale of the Galeria Kaufhof group resulted in an increase in trade receivables of €47 million, with the first-time disclosure of former intra-group receivables (€52 million) partially offset by the removal of receivables of the Galeria Kaufhof group (€–5 million). In addition, the acquisition of the Classic Fine Foods group and higher commission receivables led to another increase.

28. Impairments of capitalised financial instruments

Impairments of capitalised financial instruments that are measured at amortised cost are as follows:

€ million	Category "loans and receivables"
As of 1/10/2013	189
Currency translation	–2
Additions	67
Reversal	–36
Utilisation	–52
Transfers	–31
As of 30/9 / 1/10/2014	135
Currency translation	–3
Additions	66
Reversal	–45
Utilisation	–27
Transfers	1
As of 30/9/2015	**126**

In the category "loans and receivables", which particularly includes 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 €19 million (2013/14: €29 million). This also includes earnings from the receipt of cash from receivables of €2 million (2013/14: €2 million) derecognised due to expected irrecoverability. In the current financial year, this item includes reclassifications of impairments of assets to assets held for sale in the amount of €2 million (2013/14: €1 million).

As in the previous year, no earnings effects existed in the category "held to maturity" and from receivables from finance leases (amount according to IAS 17).

SERVICE

In principle, impairment losses on capitalised financial instruments are recognised using an adjustment account. They reduce the carrying amount of financial assets.

29. Maturities and impairments of capitalised financial instruments

Capitalised financial instruments had the following maturities and impairments as of the closing date:

€ million	Total carrying amount 30/9/2014	thereof not past due, not impaired	thereof past due, not impaired: Due within the last 90 days	Due for 91 to 180 days	Due for 181 to 270 days	Due for 271 to 360 days	Due for more than 360 days
Assets							
in the category "loans and receivables"	2,901[1]	2,512[1]	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
	2,947	**2,513**	**87**	**9**	**3**	**0**	**1**

€ million	Total carrying amount 30/9/2015	thereof not past due, not impaired	thereof past due, not impaired: Due within the last 90 days	Due for 91 to 180 days	Due for 181 to 270 days	Due for 271 to 360 days	Due for more than 360 days
Assets							
in the category "loans and receivables"	**3,209**	**2,747**	**129**	**10**	**9**	**1**	**2**
in the category "held to maturity"	**0**	**0**	**0**	**0**	**0**	**0**	**0**
in the category "held for trading"	**30**	**0**	**0**	**0**	**0**	**0**	**0**
in the category "available for sale"	**486**	**1**	**0**	**0**	**0**	**0**	**0**
	3,725	**2,748**	**129**	**10**	**9**	**1**	**2**

[1] Adjustment of previous year's figures (see notes to the group accounting principles and methods)

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.

30. Cash and cash equivalents

€ million	30/9/2014	30/9/2015
Cheques and cash on hand	110	**111**
Bank deposits and other financial assets with short-term liquidity	2,296	**4,304**
	2,406	**4,415**

The strong increase in cash and cash equivalents essentially resulted from the sale of the Galeria Kaufhof group.

For more information, see the cash flow statement and no. 42 – notes to the cash flow statement.

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

Sale of the Galeria Kaufhof group

On 15 June 2015, METRO GROUP signed an agreement with Hudson's Bay Company, Toronto, Canada, regarding the sale of the entire department store business as well as 59 related properties owned and/or managed by the Galeria Real Estate Group. The department store business comprises 102 Galeria Kaufhof stores and 16 Sportarena stores in Germany as well as 16 department stores of the subsidiary Galeria Inno in Belgium. The sale of the department store business was completed as of 30 September 2015. Accordingly, the department store business was deconsolidated as of the same date.

All assets and liabilities affected by the agreement were part of the Galeria Kaufhof segment and were treated as a discontinued operation in accordance with IFRS 5 from 30 June 2015 to the date of deconsolidation. Following consolidation of all intragroup assets and liabilities, they were therefore shown in the items assets held for sale (€2,291 million) or liabilities related to assets held for sale (€1,258 million) in the consolidated balance sheet as of 30 June 2015. The values of assets and liabilities changed until the time of disposal due to regular operations and a preparatory measure in connection with the financing of the purchase price by the buyer that had to be accounted for in the context of the closing on 30 September 2015. The assets and liabilities held for sale of the department store business that were disposed of as part of the consolidation can be broken down as follows:

€ million	
Assets	
Goodwill	**71**
Other intangible assets	**49**
Property, plant and equipment	**1,589**
Financial assets	**1,184**
Other financial and non-financial assets (non-current)	**147**
Inventories	**502**
Other financial and non-financial assets (current)	**94**
Cash and cash equivalents	**381**
	4,017
Liabilities	
Provisions for pensions and similar obligations	**319**
Other provisions	**14**
Borrowings (non-current)	**1,303**
Other financial and non-financial liabilities (non-current)	**130**
Trade liabilities	**313**
Provisions (current)	**39**
Borrowings (current)	**6**
Other financial and non-financial liabilities (current)	**392**
	2,516

No impairment losses were necessary to adjust the recognised carrying amounts to the fair value less costs to sell. The deconsolidation result from the divestment process including all expenses that were previously directly related to the disposal of the department store business amounts to €797 million after taxes and, together with current earnings after taxes of the department store business in the amount of €138 million, was shown in the income statement under profit or loss for the period from discontinued operations.

As part of deconsolidation, cumulative remeasurement effects included in other comprehensive income in connection with the valuation of Galeria Kaufhof pension plans of €–126 million and the related income tax effect of €39 million were reclassified to other reserves retained from earnings.

For more information about this transaction, see the notes to the income statement under profit or loss for the period from discontinued operations after taxes.

SERVICE

Sale of wholesale business in Vietnam

On 18 February 2015, METRO Cash & Carry signed an agreement regarding the sale of all 19 Vietnamese wholesale stores including the associated real estate portfolio to TCC Holding Co., Ltd. (TCC). This contract was modified on 22 July 2015. On 7 August 2014, METRO Cash & Carry had signed an agreement with the Thai retail group Berli Jucker Public Company Ltd. (BJC) regarding the sale of the Vietnamese wholesale business including the associated real estate portfolio. This was rejected by a general meeting of BJC. As a result, BJC's majority shareholder TCC replaced BJC as party to the transaction at unchanged economic conditions. METRO GROUP expects the transaction to be completed in financial year 2015/16. At present, customary authorisations by the local authorities remain outstanding. Until these conditions are fulfilled, the Vietnamese wholesale business will remain part of METRO GROUP and will continue to contribute to group results. Since the annual financial statements for financial year 2013/14, all assets and liabilities affected by the transaction have been treated as a disposal group pursuant to IFRS 5. Following consolidation of all intragroup assets and liabilities, they are therefore shown under assets held for sale or liabilities related to assets held for sale in the consolidated balance sheet as of 30 September 2015. The assets held for sale of €221 million shown in this context in the consolidated financial statements as of 30 September 2014 increased to €233 million in financial year 2014/15 as operations were continued. Correspondingly, liabilities related to assets held for sale increased from €192 million to €194 million during this period. As of 30 September 2015, the breakdown of these assets and liabilities is as follows:

€ million	
Assets	
Property, plant and equipment	125
Other financial and non-financial assets (non-current)	52
Inventories	34
Trade receivables	3
Other financial and non-financial assets (current)	17
Cash and cash equivalents	2
	233
Liabilities	
Provisions for pensions and similar obligations	1
Borrowings (non-current)	58
Trade liabilities	41
Provisions (current)	6
Borrowings (current)	82
Other financial and non-financial liabilities (current)	6
	194

In the METRO Cash & Carry segment, assets and liabilities held for sale that are related to the Vietnamese wholesale business contribute €228 million to segment assets and €52 million to segment liabilities.

Expenses of €8 million in connection with the sale were incurred in financial year 2014/15 and reflected in EBIT. They are reported under general administrative expenses and are essentially attributable to the METRO Cash & Carry segment. In addition, the net financial result includes €3 million in income, with €4 million shown in the other financial result and €–1 million shown in the interest result. No expenses were incurred in connection with the measurement of the disposal group at fair value less costs to sell. The transaction also had no impact on other comprehensive income.

The currency translation differences from the translation of the Vietnamese financial statement data that were recognised in equity outside of profit or loss until divestment amounted to €–6 million.

Sale of cash-and-carry activities in Greece

On 21 November 2014, METRO GROUP concluded an agreement regarding the sale of 100 per cent of the shares in MAKRO Cash & Carry Wholesale S.A., Greece, consisting of nine cash-and-carry stores and the associated real estate portfolio, with INO S.A., a 70 per cent owned subsidiary of

Greek retail group I. & S. Sklavenitis Trade S.A. (Sklavenitis). After the suspensive conditions had been fulfilled, the transaction was completed on 30 January 2015. As a result, the deconsolidation of MAKRO Cash & Carry Wholesale S.A. was implemented in the half-year financial statements as of 31 March 2015. The assets and liabilities disposed of as a result of the deconsolidations can be broken down as follows:

€ million	
Assets	
Goodwill	**25**
Property, plant and equipment	**57**
Inventories	**30**
Other financial and non-financial assets (current)	**16**
Cash and cash equivalents	**18**
	146
Liabilities	
Provisions for pensions and similar obligations	**2**
Trade liabilities	**74**
Provisions (current)	**2**
Other financial and non-financial liabilities (current)	**5**
	83

The EBIT contribution resulting from the sale of MAKRO Cash & Carry Wholesale S.A. amounts to €8 million, with €9 million recognised in other operating income and €1 million recognised in general administrative expenses. In addition, the reversal through profit or loss of currency translation differences that were recognised in equity until the deconsolidation date resulted in expenses of €8 million in the other financial result. The deconsolidation had no impact on other comprehensive income.

Sale of Real's Eastern European business

In the context of the disposal of Real's Eastern European business to Groupe Auchan, which was completed by the end of the second quarter of 2013/14, the group plans to sell the remaining assets to other buyers. After consideration of currency effects of €–1 million, these assets were sold at their carrying amount of €2 million during the third quarter of financial year 2014/15.

Real estate

The value of individual real estate properties held for sale changed from €236 million to €17 million during financial year 2014/15. The decline is primarily the result of the sale of real estate assets in the amount of €295 million. In addition, this item was changed by the reintegration of real estate assets into non-current assets in the amount of €–23 million, currency effects of €–8 million and the reclassification of individual real estate properties from non-current assets to assets held for sale in the amount of €107 million.

METRO GROUP expects to dispose of the real estate assets recognised as assets held for sale within a year following their first-time recognition in this balance sheet item. No impairment losses to a lower fair value less costs to sell became necessary. Within segment reporting, these assets are recognised in segment assets of the Others segment (€17 million).

32. 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 2014 and totals €835,419,052.27. It is divided as follows:

No-par-value bearer shares, accounting par value approximately €2.56		30/9/2014	30/9/2015
Ordinary shares	Shares	324,109,563	**324,109,563**
	€ approximately	828,572,941	**828,572,941**
Preference shares	Shares	2,677,966	**2,677,966**
	€ approximately	6,846,111	**6,846,111**
Total shares	**Shares**	**326,787,529**	**326,787,529**
Total share capital	**€ approximately**	**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 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 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

SERVICE

from the net earnings of future financial years in an order based on age, i.e. in such manner that any older arrears are paid off prior to any more recent ones and that the preference dividends payable from the profit of a financial year are not distributed until all of any accumulated arrears have been paid.

(3) After the preference dividend has been distributed, the holders of ordinary shares will receive a dividend of €0.17 per ordinary share. Thereafter, a non-cumulative extra dividend of €0.06 per share will be paid to the holders of non-voting preference shares. The extra dividend shall amount to 10 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 20 February 2015 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 related to the establishment of an authorisation of 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 19 February 2020, 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 METRO AG representing up to €127,825,000 of the share capital in accordance with the terms of the warrant or convertible bearer bonds, or to foresee the company's right to deliver ordinary shares in the company as full or partial compensation for a cash redemption of the bonds. 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

In line with § 71 Section 1 No. 8 of the German Stock Corporation Act (AktG), the Annual General Meeting of 20 February 2015 authorised the company on or before 19 February 2020 to acquire shares of the company of any share class representing a maximum of 10 per cent of the share capital issued at the time the Annual General Meeting has passed the resolution or – if this value is lower – at the time the authorisation is exercised. 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, about the authorisation to issue warrant and/or convertible bonds as well as about share buybacks, see the chapter "notes pursuant to § 315 Section 4 and § 289 Section 4 of the German Commercial Code and explanatory report of the Management Board" in the combined management report.

Capital reserve

The capital reserve amounts to €2,551 million (30/9/2014: €2,551 million).

Reserves retained from earnings

€ million	30/9/2014	30/9/2015
Effective portion of gains/losses from cash flow hedges	82	**70**
Gains/losses from the revaluation of financial instruments in the category "available for sale"	0	**0**
Currency translation differences from translating the financial statements of foreign operations	–441	**–626**
Remeasurement of defined benefit pension plans	–865	**–646**
Income tax on components of other comprehensive income	201	**131**
Other reserves retained from earnings	2,625	**2,864**
	1,602	**1,793**

Changes in the financial instruments presented above and the corresponding deferred tax effect consist of the following components:

€ million	2013/14	2014/15
Initial or subsequent measurement of derivative financial instruments	24	**–38**
Derecognition of cash flow hedges	–3	**26**
thereof in inventories	(–6)	**(23)**
thereof in net financial result	(3)	**(3)**
Effective portion of gains/losses from cash flow hedges	21	**–12**
Gains/losses from the revaluation of financial instruments in the category "available for sale"	–70	**0**
	–49	**–12**
Net deferred tax effect thereon	–3	**2**
	–52	**–10**

In addition, currency translation differences of €185 million reduced equity (2013/14: €–34 million) and can be broken down as follows.

The translation of the local balance sheets to the group currency resulted in a decline of €257 million in equity with no effect on profit or loss. The recognition in the amount of €72 million from the cumulated currency differences of companies that will be deconsolidated within financial year 2014/15 or discontinue their operations in profit or loss had the opposite effect.

An increase in equity resulted from the effects of the remeasurement of defined benefit pension plans of €93 million before deferred taxes that were recognised outside of profit or loss. Related income taxes amount to €–31 million. The cumulative effects from the remeasurement of defined benefit pension plans of €–126 million and the related income taxes of €39 million attributable to the sold department store business of the Galeria Kaufhof group were reclassified into other reserves retained from earnings.

Other reserves retained from earnings increased by €239 million to €2,864 million from €2,625 million. Profit for the period attributable to the shareholders of METRO AG of €672 million accounts for most of this increase. The opposite effect was produced by dividend payments of €319 million and the above-mentioned reclassification of cumulative effects from the remeasurement of defined benefit pension plans in the amount of €87 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 €–7 million at the end of the financial year (30/9/2014: €11 million). The decline is primarily the result of the dividend distribution of €45 million. The share of total comprehensive income attributable to non-controlling interests had the opposite effect (€41 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 20 February 2015, a dividend of €0.90 per ordinary share and €1.13 per preference share – that is, a total of €295 million – was paid in financial year 2014/15 from the reported balance sheet profit of €319 million for financial year 2013/14. The remaining amount was carried forward to the new account.

Regarding the appropriation of the balance sheet profit for 2014/15, the Management Board of METRO AG will propose to the Annual General Meeting to distribute dividends in the amount of €1.00 per ordinary share and €1.06 per preference share from the reported balance sheet profit of €384 million – that is, a total of €327 million – and to carry forward the remaining amount to the new account.

SERVICE

33. Provisions for pensions and similar obligations

€ million	30/9/2014	30/9/2015
Pension provisions (employer's commitments)	853	**699**
Provisions for indirect commitments	631	**392**
Provisions for voluntary pension benefits	6	**1**
Provisions for company pension plans	116	**111**
Provisions for obligations similar to pensions	77	**66**
	1,684	**1,270**

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 or pension insurance). 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 dependants' benefits. New commitments are granted in the form of "defined benefit" commitments in the meaning of IAS 19 (contribution-oriented commitments pursuant to German company pension law), 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 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.

Netherlands
A defined benefit pension plan exists in the Netherlands and foresees pension payments in addition to invalidity and death benefits. The size 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. A major share of these commitments was fully funded through a buy-in. 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 the 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, groups of employees are granted interim allowances. In principle, benefits are funded through group insurance contracts that are subject to Belgian regulatory law.

Additional retirement plans are shown cumulatively under other countries.

The following table provides an overview of the present value of defined benefit obligations by METRO GROUP countries as well as material obligations:

%	30/9/2014	30/9/2015
Germany	66	**60**
Netherlands	16	**18**
United Kingdom	7	**10**
Belgium	3	**2**
Other countries	8	**10**
	100	**100**

The plan assets of METRO GROUP are distributed proportionally to the following countries:

%	30/9/2014	30/9/2015
Germany	32	**28**
Netherlands	39	**43**
United Kingdom	17	**19**
Belgium	5	**2**
Switzerland	7	**8**
	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.

SERVICE

The following average assumptions regarding the material parameters were used in the actuarial valuation:

%	30/9/2014 Germany	Netherlands	United Kingdom	Belgium	Other countries	30/9/2015 Germany	Netherlands	United Kingdom	Belgium	Other countries
Actuarial interest rate	2.60	2.70	4.20	2.60	2.60	**2.20**	**2.70**	**3.90**	**2.20**	**1.88**
Inflation rate	2.00	2.00	2.50	2.00	1.92	**1.50**	**1.00**	**2.50**	**2.00**	**1.19**

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 contrast, are not part of the sensitivity analysis. The selection of the respective spectrum of possible changes in parameters is based on historical multi-year observations. This almost exclusive reliance on historical data to derive possible future developments represents a methodical constraint.

The following illustrates the impact of an increase/decrease in the actuarial rate of interest by 100 basis points or an increase/decrease in the inflation rate by 25 basis points:

€ million		30/9/2014 Germany	Netherlands	United Kingdom	Belgium	Other countries	30/9/2015 Germany	Netherlands	United Kingdom	Belgium	Other countries
Actuarial interest rate	Increase by 100 basis points	−202.50	−84.80	−32.60	−4.90	−20.20	**−135.30**	**−77.30**	**−36.70**	**−2.20**	**−24.90**
	Decrease by 100 basis points	253.30	116.20	42.90	5.60	24.60	**164.20**	**105.90**	**48.10**	**2.40**	**31.30**
Inflation rate	Increase by 25 basis points	47.40	14.10	5.60	–	–	**31.50**	**12.50**	**6.40**	**–**	**–**
	Decrease by 25 basis points	−45.40	−13.50	−5.10	–	–	**−30.40**	**−12.00**	**−5.70**	**–**	**–**

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:

	30/9/2014 %	€ million	30/9/2015 %	€ million
Fixed-interest securities	37	407	**37**	**406**
Shares, funds	21	231	**19**	**208**
Real estate	16	177	**20**	**213**
Other assets	26	290	**24**	**263**
	100	**1,105**	**100**	**1,090**

Fixed-interest securities, shares and funds are regularly traded in 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 in 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 €76 million in the reporting year (2013/14: €30 million).

For financial year 2015/16, the company expects employer payments to external pension providers totalling approximately €22 million and employee contributions of €13 million in plan assets, with contributions in the Netherlands and Germany accounting for the major share of this total. Expected contributions from payment contribution commitments in Germany are not included in expected payments.

SERVICE

Changes in the present value developed as follows:

€ million	2013/14	2014/15
Present value of defined benefit obligations		
As of the beginning of the period	2,442	**2,708**
Recognised under pension expenses through profit or loss	**116**	**104**
Interest expenses	83	**73**
Current service cost	30	**36**
Past service cost (incl. curtailments and changes)	7	**−3**
Settlement expenses	−4	**−2**
Recognised outside of profit or loss under remeasurement of defined benefit pension plans in other comprehensive income	**249**	**−104**
Actuarial gains/losses from changes in		
demographic assumptions (−/+)	3	**−30**
financial assumptions (−/+)	274	**−54**
Experience-based corrections (−/+)	−28	**−20**
Other effects	**−99**	**−473**
Benefit payments (incl. tax payment)	−126	**−143**
Contributions from plan participants	12	**13**
Change in consolidation group / transfers	0	**−361**
Currency effects	15	**18**
Stand Periodenende	**2,708**	**2,235**

As a result of the sale of the Galeria Kaufhof group, the present value of defined benefit obligations declined by €361 million. Disposals of other companies resulted in an additional decline of €2 million which, however, was offset by the pension obligations added as a result of the acquisition of the Classic Fine Foods group.

In addition, changes in actuarial parameters caused the present value of defined benefit obligations to decline by another €104 million (previous year: increase of €249 million).

The weighted average term of defined benefit commitments for the countries with material pension obligations amounts to:

Years	30/9/2014	30/9/2015
Germany	13	**11**
Netherlands	22	**22**
United Kingdom	19	**19**
Belgium	6	**5**
Other countries	11	**12**

The present value of defined benefit obligations can be broken down as follows based on individual groups of eligible employees:

%	30/9/2014	30/9/2015
Active members	30	**24**
Former claimants	18	**22**
Pensioners	52	**54**

The fair value of plan assets developed as follows:

€ million	2013/14	2014/15
Change in plan assets		
Fair value of plan assets as of beginning of period	1,019	**1,105**
Recognised under pension expenses through profit or loss	**36**	**22**
Interest income	36	**31**
Settlement payments	0	**−9**
Recognised outside of profit or loss under remeasurement of defined benefit pension plans in other comprehensive income		
Gains/losses from plan assets excl. interest income (+/−)	−6	**45**
Other effects	**56**	**−82**
Benefit payments (incl. tax payments)	−77	**−77**
Employer contributions	107	**21**
Contributions from plan participants	12	**13**
Change in consolidation group / transfers	0	**−57**
Currency effects	14	**18**
Fair value of plan assets as of end of period	**1.105**	**1.090**

€ million	30/9/2014	30/9/2015
Financing status		
Present value of defined benefit obligations	2,708	**2,235**
Fair value of plan assets	−1,105	**−1,090**
Asset adjustment (asset ceiling)	2	**59**
Net liability/assets	**1,605**	**1,204**
thereof recognised under provisions	1,607	**1,204**
thereof recognised under net assets	2	**0**

At one Dutch 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 €59 million was recognised in other comprehensive income.

The pension expenses of the direct and indirect commitments from company pension plans can be broken down as follows:

€ million	2013/14	2014/15
Current service cost[1]	30	**36**
Net interest expenses	47	**42**
Past service cost (incl. curtailments and changes)	7	**−3**
Settlements	−4	**−2**
Pension expenses	**80**	**73**

[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 €271 million (2013/14: €278 million) were recorded in the reporting year. These figures also include payments to statutory pension insurance. The previous year's figure was adjusted accordingly.

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 the 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 245,000 employees. Media-Saturn Netherlands currently makes contributions to this plan for 6,480 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 €12,564 and no contributions being paid for salaries above €51,976. In financial year 2015/16, contributions to the Bedrijfspensioenfonds voor de Detailhandel fund are expected to total approximately €7 million. In September 2015, the coverage ratio stood at 103.7 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 €66 million (30/9/2014: €77 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.

34. Other provisions (non-current)/provisions (current)

In the reporting period, other provisions (non-current)/provisions (current) changed as follows:

SERVICE

€ million	Real estate-related obligations	Obligations from trade transactions	Restructuring	Taxes	Miscellaneous	Total
As of 1/10/2014	265	111	118	155	443	1,093
Currency translation	–8	–1	0	0	–3	–12
Addition	193	143	126	43	319	825
Reversal	–48	–4	–10	–22	–75	–160
Utilisation	–78	–131	–75	–70	–223	–577
Change in consolidation group	0	0	0	–3	–1	–4
Interest portion in addition/change in interest rate	6	0	0	0	2	9
Transfer	–31	–21	–16	–1	15	–54
As of 30/9/2015	**298**	**97**	**143**	**103**	**478**	**1,120**
Non-current	165	0	59	61	207	492
Current	133	97	85	42	271	628
As of 30/9/2015	**298**	**97**	**143**	**103**	**478**	**1,120**

Provisions for real estate-related obligations concern store-related risks in the amount of €107 million (30/9/2014: €121 million), deficient rental covers amounting to €92 million (30/9/2014: €63 million), rental commitments amounting to €40 million (30/9/2014: €35 million) and reinstatement obligations amounting to €29 million (30/9/2014: €21 million).

Other real estate obligations in the amount of €31 million (30/9/2014: €25 million) essentially relate to maintenance obligations.

Significant components of the obligations from trade transactions are provisions for rebates from customer loyalty programmes in the amount of €32 million (30/9/2014: €52 million), provisions for rights of return of €22 million (30/9/2014: €25 million) as well as provisions for warranty services in the amount of €19 million (30/9/2014: €20 million).

Restructuring provisions totalling €143 million (30/9/2014: €118 million) essentially relate to METRO Cash & Carry in the amount of €63 million (30/9/2014: €55 million), Real in the amount of €13 million (30/9/2014: €29 million) and other companies in the amount of €58 million (30/9/2014: €8 million).

Other provisions mainly concern provisions for litigation costs/risks in the amount of €132 million (30/9/2014: €144 million) and for severance obligations totalling €57 million (30/9/2014: €53 million). In addition, they comprise provisions for share-based payments amounting to €21 million (30/9/2014: €15 million), surety and guarantee risks of €18 million (30/9/2014: €23 million) and interest for other provisions amounting to €16 million (30/9/2014: €47 million).

For more information about share-based payments, see no. 50 – long-term incentive for executives.

Transfers concern both reclassifications within other reserves as well as reclassifications related to discontinued operations.

Depending on the respective terms and countries, interest rates of non-interest-bearing, non-current provisions range from 0.0 per cent to 15.92 per cent.

35. Liabilities

€ million	30/9/2014 Total	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	30/9/2015 Total	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years
Trade liabilities	**10,075**	**10,075[1]**	**0**	**0**	**9,550**	**9,550**	**0**	**0**
thereof bills of exchange liabilities (non-interest-bearing)	(371)	(371)	(0)	(0)	**(389)**	**(389)**	**(0)**	**(0)**
Bonds	4,463	2,024	2,140	299	**4,550**	**1,311**	**1,970**	**1,268**
Liabilities to banks	865	260	431	174	**1,189**	**932**	**174**	**83**
Promissory note loans	462	209	200	54	**415**	**295**	**66**	**54**
Liabilities from finance leases	1,278	122	356	799	**1,213**	**97**	**351**	**765**
Borrowings	**7,068**	**2,615**	**3,127**	**1,326**	**7,366**	**2,635**	**2,561**	**2,170**
Other tax liabilities	371	371	0	0	**331**	**331**	**0**	**0**
Prepayments received on orders	46	46	0	0	**44**	**44**	**0**	**0**
Payroll liabilities	853	853	0	0	**838**	**838**	**0**	**0**
Liabilities from other financial transactions	12	7	5	0	**25**	**25**	**0**	**0**
Deferred income	575	488	55	32	**587**	**474**	**72**	**41**
Miscellaneous liabilities	847	763	57	27	**868**	**776**	**72**	**20**
Other financial and non-financial liabilities	**2,704**	**2,528**	**117**	**58**	**2,694**	**2,488**	**145**	**61**
Income tax liabilities	**198**	**198**	**0**	**0**	**148**	**148**	**0**	**0**
	20,045	**15,416**	**3,244**	**1,385**	**19,758**	**14,821**	**2,706**	**2,231**

[1] Adjustment of previous year's figures (see notes to the group accounting principles and methods)

36. Trade liabilities

The decline in trade liabilities by €525 million compared with 30 September 2014 is primarily due to the sale of the Galeria Kaufhof group, at €323 million, and the sale of METRO Cash & Carry Greece, at €66 million. In addition, currency effects accounted for a decline in trade liabilities of €249 million and stemmed mostly from the development of the Russian and Ukrainian currencies versus the euro.

37. Financial liabilities

The company's **medium-term and long-term financing needs** are covered by an ongoing capital market issuance programme. In the context of this programme, a benchmark bond with a volume of €500 million, a seven-year term and a coupon of 1.375 per cent was issued in the euro capital market in October 2014. In addition, a €600 million bond with a term of ten years and a coupon of 1.5 per cent was placed in March 2015. The €1 billion bond with a coupon of 7.625 per cent that was due in March 2015 was repaid on time.

Short-term financing requirements are covered through the Euro Commercial Paper Programme and a commercial paper programme geared especially to French investors. Both programmes have a maximum volume of €2 billion each. The average amount utilised from both programmes in financial year 2014/15 was €1,107 million (2013/14: €782 million). As of 30 September 2015, the used volume totalled approximately €941 million (30/9/2014: €938 million).

SERVICE

In addition, METRO GROUP has access to syndicated credit facilities totalling €2,525 million (30/9/2014: €2,525 million) with terms ending between January 2017 and April 2019. If the credit facilities are used, the interest rates range between EURIBOR +50.0 basis points (BP) and EURIBOR +55.0 BP. The average amount drawn on the credit facilities in financial year 2014/15 was €0 million (2013/14: €0 million), the average amount drawn as of the closing date was €0 million (30/9/2014: €0 million).

The contract terms for the syndicated credit facilities 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 2015, METRO GROUP had access to additional bilateral bank credit facilities totalling €1,719 million (30/9/2014: €1,430 million), of which €962 million (30/9/2014: €300 million) have a remaining term of up to one year. As of the closing date, €1,189 million (30/9/2014: €865 million) of the bilateral bank credit facilities had been utilised. Of this amount, €932 million (30/9/2014: €260 million) had a remaining term of up to one year.

Unutilised credit facilities of METRO GROUP

	30/9/2014			30/9/2015		
		Remaining term			Remaining term	
€ million	Total	up to 1 year	over 1 year	Total	up to 1 year	over 1 year
Bilateral credit facilities	1,430	300	1,130	**1,719**	**962**	**757**
Utilisation	–865	–260	–604	**–1,189**	**–932**	**–257**
Unutilised bilateral credit facilities	565	40	526	**530**	**30**	**500**
Syndicated credit facilities	2,525	0	2,525	**2,525**	**0**	**2,525**
Utilisation	0	0	0	**0**	**0**	**0**
Unutilised syndicated credit facilities	2,525	0	2,525	**2,525**	**0**	**2,525**
Total credit facilities	3,955	300	3,655	**4,244**	**962**	**3,282**
Total utilisation	–865	–260	–604	**–1,189**	**–932**	**–257**
Total undrawn credit facilities	**3,090**	**40**	**3,051**	**3,055**	**30**	**3,025**

The defaulting of a lender can be covered at any time by the existing undrawn 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 2015, collateral in the amount of €118 million (30/9/2014: €221 million) was provided for borrowings.

The following tables show the maturity structure of the borrowings. The carrying amounts and fair values indicated include the interest accrued when the maturity is less than one year.

Bonds

		30/9/2014				30/9/2015			
		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	1,926	1,926	2,010	2,042	**1,051**	**1,051**	**1,104**	**1,105**
	1 to 5 years	1,960	1,960	1,954	2,096	**1,975**	**1,975**	**1,970**	**2,093**
	over 5 years	301	301	299	334	**1,276**	**1,276**	**1,268**	**1,235**
CHF	up to 1 year	0	0	1	1	**225**	**206**	**208**	**210**
	1 to 5 years	225	187	186	191	**0**	**0**	**0**	**0**
	over 5 years	0	0	0	0	**0**	**0**	**0**	**0**
USD	up to 1 year	15	12	12	12	**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**

Liabilities to banks
(excl. current account)

		30/9/2014				30/9/2015			
		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	58	58	63	76	**714**	**714**	**718**	**726**
	1 to 5 years	380	380	380	395	**124**	**124**	**124**	**127**
	over 5 years	174	174	174	174	**83**	**83**	**83**	**82**
INR	up to 1 year	1,990	26	26	26	**4,082**	**56**	**56**	**56**
	1 to 5 years	3,580	46	46	47	**761**	**10**	**10**	**11**
	over 5 years	0	0	0	0	**0**	**0**	**0**	**0**
JPY	up to 1 year	8,000	58	58	58	**1,970**	**15**	**15**	**15**
	1 to 5 years	600	4	4	4	**5,335**	**40**	**40**	**43**
	over 5 years	0	0	0	0	**0**	**0**	**0**	**0**
TRY	up to 1 year	15	5	5	5	**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**
Others	up to 1 year	n/a	0	0	0	**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

		30/9/2014				30/9/2015			
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	205	205	209	209	**291**	**291**	**295**	**296**
	1 to 5 years	200	200	200	207	**67**	**67**	**66**	**70**
	over 5 years	54	54	54	61	**54**	**54**	**54**	**62**

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 table depict the interest rate structure of the borrowings:

Bonds

			30/9/2014		30/9/2015	
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	7.63	1,000	**3.05**	**110**
		1 to 5 years	3.41	1,910	**3.47**	**1,925**
		over 5 years	4.02	301	**1.80**	**1,276**
	CHF	up to 1 year	–	0	**1.88**	**206**
		1 to 5 years	1.88	187	**–**	**0**
		over 5 years	–	0	**–**	**0**
Variable interest	EUR	up to 1 year	0.54	926	**0.35**	**941**
		1 to 5 years	1.56	50	**1.30**	**50**
		over 5 years	–	0	**–**	**0**
	USD	up to 1 year	0.62	12	**–**	**0**
		1 to 5 years	–	0	**–**	**0**
		over 5 years	–	0	**–**	**0**

SERVICE

Liabilities to banks
(excl. current account)

Interest terms	Currency	Remaining terms	30/9/2014 Weighted effective interest rate in % when issued	30/9/2014 Nominal value in € million	30/9/2015 Weighted effective interest rate in % when issued	30/9/2015 Nominal value in € million
Fixed interest	EUR	up to 1 year	4.55	58	**1.26**	**714**
		1 to 5 years	3.52	380	**3.37**	**124**
		over 5 years	3.64	174	**3.61**	**83**
	INR	up to 1 year	9.92	26	**9.65**	**56**
		1 to 5 years	10.22	46	**9.78**	**10**
		over 5 years	–	0	**–**	**0**
	TRY	up to 1 year	12.00	5	**–**	**0**
		1 to 5 years	–	0	**–**	**0**
		over 5 years	–	0	**–**	**0**
Variable interest	JPY	up to 1 year	1.78	58	**1.78**	**15**
		1 to 5 years	1.78	4	**1.78**	**40**
		over 5 years	–	0	**–**	**0**

Promissory note loans

Interest terms	Currency	Remaining terms	30/9/2014 Weighted effective interest rate in % when issued	30/9/2014 Nominal value in € million	30/9/2015 Weighted effective interest rate in % when issued	30/9/2015 Nominal value in € million
Fixed interest	EUR	up to 1 year	0.75	205	**1.20**	**222**
		1 to 5 years	3.03	105	**3.44**	**41**
		over 5 years	4.27	54	**4.27**	**54**
Variable interest	EUR	up to 1 year	–	0	**1.44**	**70**
		1 to 5 years	1.67	95	**1.74**	**26**
		over 5 years	–	0	**–**	**0**

The fixed interest rate for short-term and medium-term borrowings and the repricing dates of all fixed-interest borrowings 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. 44 – management of financial risks.

38. Other financial and non-financial liabilities

Key items in miscellaneous financial liabilities concern liabilities from the purchase of other fixed assets of €276 million (30/9/2014: €322 million), liabilities towards customers of €169 million (30/9/2014: €160 million), liabilities from put options of non-controlling shareholders of €156 million (30/9/2014: €72 million) as well as liabilities from real estate totalling €23 million (30/9/2014: €34 million). In addition, miscellaneous 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 miscellaneous non-financial liabilities include prepayments received on orders of €44 million (30/9/2014: €46 million) as well as liabilities from leases (no finance leases) totalling €53 million (30/9/2014: €71 million).

	30/9/2014			30/9/2015		
		Remaining term			Remaining term	
€ million	Total	up to 1 year	over 1 year	Total	up to 1 year	over 1 year
Payroll liabilities	853	853	0	838	838	0
Miscellaneous financial liabilities	768	737	32	821	772	49
Other financial liabilities	**1,621**	**1,589**	**32**	**1,660**	**1,610**	**49**
Other tax liabilities	371	371	0	331	331	0
Deferred income	575	488	87	587	474	113
Miscellaneous non-financial liabilities	136	79	57	115	72	43
Other non-financial liabilities	**1,083**	**939**	**144**	**1,034**	**878**	**157**
Other financial and non-financial liabilities	**2,704**	**2,528**	**176**	**2,694**	**2,488**	**206**

SERVICE

39. 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:

	30/9/2014					
	(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	626[1]	1,668[1]	200[1]	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	**752**	**5,376**	**207**	**0**	**5,169**
Financial liabilities						
Borrowings (excl. finance leases)	5,790	0	5,790	0	0	5,790
Trade liabilities	10,790	716[1]	10,075[1]	200[1]	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	**752**	**18,764**	**207**	**5**	**18,552**

[1] Adjustment of previous year's figures (see notes to the group accounting principles and methods)

€ million	30/9/2015 (a) Gross amounts of recognised financial assets/liabilities	(b) Gross amounts of recognised financial liabilities/assets that are netted in the balance sheet	(c) = (a) – (b) Net amounts of financial assets/liabilities that are shown in the balance sheet	(d) Corresponding amounts that are not netted in the balance sheet: Financial instruments	Collateral received/provided	(e) = (c) – (d) Net amount
Financial assets						
Loans and advance credit granted	55	0	55	0	0	55
Receivables due from suppliers	2,307	633	1,674	154	0	1,520
Trade receivables	709	7	702	1	0	701
Investments	69	0	69	0	0	69
Miscellaneous financial assets	1,196	2	1,194	0	0	1,194
Derivative financial instruments	52	0	52	4	20	29
Cash and cash equivalents	4,415	0	4,415	0	0	4,415
Receivables from finance leases	33	0	33	0	0	33
	8,836	642	8,194	159	20	8,016
Financial liabilities						
Borrowings (excl. finance leases)	6,154	0	6,154	0	0	6,154
Trade liabilities	10,161	611	9,550	136	0	9,414
Miscellaneous financial liabilities	1,667	31	1,637	19	0	1,617
Derivative financial instruments	23	0	23	4	0	19
Liabilities from finance leases	1,213	0	1,213	0	0	1,213
	19,218	642	18,576	159	0	18,418

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. 44 – management of financial risks.

40. Undiscounted cash flows of financial liabilities

The undiscounted cash flows of borrowings, trade liabilities and derivative liabilities are as follows:

€ million	Carrying amount at 30/9/2014	Cash flows up to 1 year		Cash flows of 1 to 5 years		Cash flows over 5 years	
		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[1]	10,075	0	10,075	0	0	0	0
Currency derivatives carried as liabilities	9	0	5	0	5	0	0

[1] Adjustment of previous year's figures (see notes to the group accounting principles and methods)

€ million	Carrying amount 30/9/2015	Cash flows up to 1 year		Cash flows of 1 to 5 years		Cash flows over 5 years	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
Financial liabilities							
Bonds	**4,550**	**45**	**1,257**	**231**	**1,975**	**101**	**1,276**
Liabilities to banks	**1,189**	**15**	**929**	**21**	**174**	**6**	**83**
Promissory note loans	**415**	**7**	**291**	**13**	**67**	**5**	**54**
Finance leases	**1,213**	**81**	**97**	**275**	**351**	**312**	**765**
Trade liabilities	**9,550**	**0**	**9,550**	**0**	**0**	**0**	**0**
Currency derivatives carried as liabilities	**23**	**0**	**23**	**0**	**0**	**0**	**0**

41. Carrying amounts and fair values according to measurement categories

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

	30/9/2014				
		Balance sheet value			
€ million	Carrying amount	(Amortised) cost	Fair value through profit or loss	Fair value outside of profit or loss	Fair value
Assets	**28,156**	**n/a**	**n/a**	**n/a**	**n/a**
Loans and receivables	**2,901**	**2,901**	**0**	**0**	**2,900**
Loans and advance credit granted	56	56	0	0	54
Receivables due from suppliers[1]	1,668	1,668	0	0	1,668
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[1]	**22,780**	**n/a**	**n/a**	**n/a**	**n/a**
Equity and liabilities	**28,156**	**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	**17,477**	**17,405**	**0**	**72**	**17,734**
Borrowings excl. finance leases (incl. hedged items in hedging relationships according to IAS 39)	5,790	5,790	0	0	6,047
Trade receivables[1]	10,075	10,075	0	0	10,075
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[1]	**9,392**	**n/a**	**n/a**	**n/a**	**n/a**

[1] Adjustment of previous year's figures (see notes to the group accounting principles and methods)

→ SERVICE

€ million	30/9/2015 Carrying amount	Balance sheet value (Amortised) cost	Fair value through profit or loss	Fair value outside of profit or loss	Fair value
Assets	27,656	n/a	n/a	n/a	n/a
Loans and receivables	3,209	3,209	0	0	3,207
Loans and advance credit granted	55	55	0	0	54
Receivables due from suppliers	1,674	1,674	0	0	1,674
Trade receivables	702	702	0	0	702
Miscellaneous financial assets	777	777	0	0	777
Held to maturity	0	0	0	0	0
Miscellaneous financial assets	0	0	0	0	0
Held for trading	30	0	30	0	30
Derivative financial instruments not in a hedging relationship according to IAS 39	30	0	30	0	30
Available for sale	486	9	0	477	n/a
Investments	69	9	0	60	n/a
Securities	417	0	0	417	417
Derivative financial instruments in a hedging relationship according to IAS 39	22	0	0	22	22
Cash and cash equivalents	4,415	4,415	0	0	4,415
Receivables from finance leases (amount according to IAS 17)	33	n/a	n/a	n/a	46
Assets not classified according to IFRS 7	19,462	n/a	n/a	n/a	n/a
Equity and liabilities	27,656	n/a	n/a	n/a	n/a
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
Other financial liabilities	17,341	17,164	65	112	17,462
Borrowings excl. finance leases (incl. hedged items in hedging relationships according to IAS 39)	6,154	6,154	0	0	6,275
Trade liabilities	9,550	9,550	0	0	9,550
Miscellaneous financial liabilities	1,637	1,460	65	112	1,637
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)	1,213	n/a	n/a	n/a	1,515
Liabilities not classified according to IFRS 7	9,080	n/a	n/a	n/a	n/a

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 €69 million (30/9/2014: €18 million), €9 million (30/9/2014: €18 million) are recognised at historical cost as 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. Non-listed investments in real estate companies totalling €60 million (30/9/2014: €0 million) are recognised at fair value outside of profit or loss. The addition stems from the sale of the Galeria Kaufhof group.

In addition, securities totalling €417 million (30/9/2014: €1 million) are recognised outside of profit or loss. This primarily concerns highly liquid exchange-listed money market funds.

Miscellaneous financial liabilities include liabilities from put options of non-controlling interests in the amount of €156 million (30/9/2014: €72 million) as well as earn-out liabilities (contingent purchase payments related to corporate acquisitions) totalling €21 million (30/9/2014: €0 million). Of this amount, €112 million (30/9/2014: €72 million) are recognised at fair value outside of profit or loss and €65 million (30/9/2014: €0 million) are recognised at fair value through profit or loss.

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

	30/9/2014				30/9/2015			
€ million	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets	**50**	**1**	**49**	**0**	**529**	**417**	**52**	**60**
Held for trading								
Derivative financial instruments not in a hedging relationship according to IAS 39	26	0	26	0	**30**	**0**	**30**	**0**
Available for sale								
Investments	0	0	0	0	**60**	**0**	**0**	**60**
Securities	1	1	0	0	**417**	**417**	**0**	**0**
Derivative financial instruments in a hedging relationship according to IAS 39	23	0	23	0	**22**	**0**	**22**	**0**
Equity and liabilities	**81**	**0**	**9**	**72**	**200**	**0**	**23**	**177**
Held for trading								
Derivative financial instruments not in a hedging relationship according to IAS 39	5	0	5	0	**18**	**0**	**18**	**0**
Miscellaneous financial liabilities	0	0	0	0	**0**	**0**	**0**	**0**
Other financial liabilities								
Miscellaneous financial liabilities	72	0	0	72	**177**	**0**	**0**	**177**
Derivative financial instruments in a hedging relationship according to IAS 39	5	0	5	0	**5**	**0**	**5**	**0**
	−31	**1**	**40**	**−72**	**329**	**417**	**29**	**−117**

SERVICE

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.

No transfers between levels 1 and 2 were effected during the reporting period.

On the asset side, the level 3 measurements exclusively concern investments in real estate companies whose fair value was derived from third-party real estate valuations using the discounted cash flow method. Among others, these valuations are based on market rent assumptions and assumptions regarding possible vacancy rates. The fair value of these investments was determined after subtraction of liabilities and multiplication with the company's share.

The level 3 measurements on the liabilities side include liabilities from put options of non-controlling interests and earn-out liabilities. The fair value measurement depends on the respective contract details and is carried out in the amount of €47 million (30/9/2014: €72 million) using the discounted cash flow method and in the amount of €130 million (30/9/2014: €0 million) in consideration of contractual value limits or based on current purchase price offers.

The fair values of liabilities from put options and earn-out liabilities, which are determined using the discounted cash flow method, are based on expected future cash flows over a detailed planning period of up to three years (30/9/2014: three years) plus a perpetuity. The assumed growth rate for the perpetuity is 1.0 per cent (30/9/2014: between 2.5 per cent and 8.7 per cent). In principle, the respective weighted average cost of capital (WACC) is used as the discount rate. In the reporting period, the cost of capital ranged from 5.6 per cent to 8.7 per cent (30/9/2014: between 11.6 per cent and 15.2 per cent). If individual interest rates were to increase by 10 per cent, the fair value of these liabilities would decline by €1 million (30/9/2014: €6 million). An interest rate decrease of 10 per cent would increase the fair value of these liabilities by €2 million (30/9/2014: €8 million).

Changes in the value of put options and earn-out liabilities developed as follows between 1 October 2014 and 30 September 2015:

€ million	2013/14	2014/15
As of 1/10	**78**	**72**
Transfer to level 3	0	**0**
Transfer from level 3	0	**0**
Total gains (–) or losses (+) for the period	1	**0**
Profit or loss for the period	0	**0**
Other comprehensive income	1	**0**
Other changes in value outside of profit or loss	–7	**69**
Transaction-related changes	0	**36**
Granting of new rights	0	**36**
Redemption of existing rights	0	**0**
As of 30/9	**72**	**177**

The changes in value of put options of non-controlling interests and earn-out liabilities existing as of 30 September 2015 include €48 million from the recognition of put options in debt by means of a reclassification from equity. In addition, goodwill increased by €57 million.

Changes in the put options recognised as of 30 September 2014 lowered goodwill by €7 million and other comprehensive income by €1 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

42. Notes to the cash flow statement
In accordance with IAS 7 (Statement of Cash Flow), 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 business operations.

Cash flows from discontinued operations relate to the sale of the Galeria Kaufhof group.

During the reporting period, net cash provided by operating activities amounted to €1,595 million (2013/14: €1,754 million). Impairment losses concern property, plant and equipment at €888 million (2013/14: €948 million), goodwill at €457 million (2013/14: €88 million), other intangible assets at €104 million (2013/14: €110 million) and investment properties at €38 million (2013/14: €16 million). On the other hand, reversals of impairment losses amount to €22 million (2013/14: €11 million).

The change in net working capital amounts to €–305 million (2013/14: €3 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 inflow of €381 million (2013/14: cash outflow of €12 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, adjustments of unrealised currency effects and the elimination of deconsolidation results recognised in EBIT.

The change compared with the previous year is essentially due to adjustments of unrealised currency effects in the amount of €170 million and other taxes in the amount of €145 million.

Investing activities led to a cash inflow of €1,187 million (2013/14: cash outflow of €593 million). This includes payments for the acquisition of the Classic Fine Foods group in the amount of €241 million and additional shares in the iBOOD group in the amount of €10 million. Cash inflows from divestments essentially result from the sale of the wholesale business in Greece. In the previous year, cash flow from investing activities included payments related to the sale of Real's Eastern European business of €89 million. Cash inflows of €1,981 million related to the sale of the Galeria Kaufhof group are shown in cash flow from investing activities of discontinued operations and comprise the purchase price of €2,362 million net of cash and cash equivalents disposed of in the amount of €381 million.

Other investments include cash outflows in the amount of €415 million for short-term financial investments > 3 months as well as €82 million for a joint venture with Carlton Investment and for various investments in the amount of €6 million.

The amount of investments in property, plant and equipment shown as cash outflows differs from the inflows shown in the asset statement 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.

During the reporting period, the cash outflow from financing activities totalled €718 million (2013/14: cash outflow of €1,352 million).

As in the previous year, there were no restrictions on titles for cash and cash equivalents.

43. Segment reporting
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.

METRO Cash & Carry
METRO Cash & Carry operates in the cash-and-carry sector in 26 countries in Europe, Asia and Africa through its METRO and MAKRO brands. Its broad product and service range is geared to commercial customers, particularly to hotel and restaurant owners, catering firms, independent retailers as well as service

→ SERVICE

providers and public authorities. In August 2015, METRO GROUP acquired the Classic Fine Foods group, which is active in 25 mostly Asian cities in 14 countries and supplies premium hotels, restaurants and catering firms.

Media-Saturn

Media-Saturn offers a comprehensive assortment of the latest brand-name products in consumer electronics retailing. The sales line is represented in 15 countries with 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 live shopping portal iBOOD.

Real

Real is a hypermarket operator in Germany where it operates both physical stores and an online store. All stores offer a broad food assortment with a large proportion of fresh produce that is complemented by a non-food assortment.

Discontinued operations

Discontinued operations comprise the Galeria Kaufhof group. In the past, Galeria Kaufhof was shown as a separate segment.

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.

The key components of segment reporting are as follows:

— External sales represent sales of the operating segments to third parties outside the group.
— Internal sales represent sales between the group's operating segments.
— Segment 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 section earnings position in the combined management report on pages 114 and 115 includes a presentation of figures before special items for the earnings components EBIT and EBITDA, which are shown in segment reporting, as well as for the net financial result, income taxes, profit or loss for the period (before and after non-controlling interests) and earnings per share, as these figures are used in METRO GROUP's internal management system.

Special items include transactions that do not regularly recur such as restructurings or changes to the group portfolio.

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

€ million	30/9/2014	30/9/2015
Segment assets[1, 2]	**21,723**	**21,142**
Segment assets Galeria Kaufhof	2,249	**0**
Non-current and current financial assets	72	**123**
Investments accounted for using the equity method	95	**184**
Cash and cash equivalents	2,406	**4,415**
Deferred tax assets	835	**724**
Entitlements to income tax refunds	223	**202**
Other entitlements to tax refunds[3]	464	**358**
Assets held for sale	9	**5**
Receivables from other financial transactions[4]	59	**479**
Other	18	**23**
Group assets	**28,156**	**27,656**

[1] Adjustment of previous year's figures (see notes to the group accounting principles and methods)
[2] Adjustment of previous year's figures due to discontinued operations (see notes to the group accounting principles and methods)
[3] Included in the balance sheet item other financial and non-financial assets (current)
[4] 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	30/9/2014	30/9/2015
Segment liabilities[1, 2]	**14,105**	**14,103**
Segment liabilities Galeria Kaufhof	885	**0**
Financial liabilities	7,068	**7,366**
Deferred tax liabilities	130	**142**
Income tax liabilities	198	**148**
Income tax provisions[3]	120	**46**
Other tax liabilities[4]	371	**331**
Liabilities from other financial transactions[4]	12	**25**
Liabilities to non-controlling interests[4]	76	**159**
Liabilities related to assets held for sale	139	**142**
Interest for other provisions[4]	47	**16**
Other	4	**4**
Group liabilities	**23,157**	**22,484**

[1] Adjustment of previous year's figures (see notes to the group accounting principles and methods)
[2] Adjustment of previous year's figures due to discontinued operations (see notes to the group accounting principles and methods)
[3] Included in the balance sheet items other provisions (non-current) and provisions (current)
[4] 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.

44. Management of financial risks

The treasury of METRO AG manages the financial risks of METRO GROUP. These include, in particular:
— price risks,
— liquidity risks,
— creditworthiness risks and
— cash flow risks.

For more information about the risk management system, see the combined management report in the economic report – asset, financial and earnings position – financial and asset position – financial management.

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 derivatives 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 under 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 10 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 the other financial result and, through resulting interest flows, in net interest result.

→ SERVICE

As of the closing date, METRO GROUP's remaining interest rate risk is primarily the result of variable interest rate receivables and liabilities to banks as well as other short-term liquid financial assets (shown under cash and cash equivalents) with an aggregate debit balance after consideration of hedging transactions of €3,019 million (30/9/2014: €1,043 million).

Given this total balance, an interest rate rise of 10 basis points would result in €3 million (2013/14: €1 million) per year reported in the interest result. An interest rate decrease of 10 basis points would have the opposite effect of €–3 million (2013/14: €–1 million).

METRO GROUP faces **currency risks** in its international procurement of merchandise and because of costs and financings that are incurred in a currency other than the relevant local currency or are pegged to the price of another currency. In accordance with the group guideline "Foreign Currency Transactions", resulting foreign currency positions must be hedged. Exceptions from this hedging requirement exist where hedging is not economically reasonable and in the case of legal and regulatory restrictions in the respective countries. Forex futures as well as interest rate swaps and currency swaps are used to limit currency risks.

In the event of an interest rate rise of 10 basis points, the measurement of interest rate swaps with a nominal volume of €206 million (30/9/2014: €187 million), which are part of a cash flow hedge, would result in an increase in equity in the amount of €0 million (2013/14: €0 million). A corresponding drop in interest rates would result in a decrease in equity of €0 million (2013/14: €0 million).

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 receivable in the foreign currency 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. The following table shows the nominal volumes of currency pairs in this category with a plus sign.

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. Correspondingly, the following table shows the nominal volumes of currency pairs in this category with a minus sign.

By contrast, an appreciation of the euro will have the opposite effect for all currency pairs shown above.

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 hedge 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, which is essentially due to an inability to hedge certain currencies for legal reasons or due to insufficient market depth, was as follows:

€ million	Currency pair	Volume	30/9/2014	Volume	30/9/2015
		Impact of devaluation/revaluation of euro by 10%			
Profit or loss for the period			+/–		+/–
	CHF / EUR	+16	2	+27	3
	CNY / EUR	+16	2	+28	3
	CZK / EUR	+128	13	+65	7
	EGP / EUR	+25	2	+30	3
	HUF / EUR	+2	0	–8	–1
	KZT / EUR	+137	14	+138	14
	MDL / EUR	+36	4	+35	4
	PLN / EUR	+13	2	–2	0
	RON / EUR	+46	5	+70	7
	RSD / EUR	+24	2	+30	3
	RUB / EUR	+55	5	+19	2
	SEK / EUR	+3	0	+51	5
	TRY / EUR	+1	0	–6	–1
	UAH / EUR	+8	1	+33	3
	USD / EUR	+12	1	+25	3
	VND / EUR	+2	0	+1	0
			53		55
Equity			+/–		+/–
	CNY / EUR	+55	6	+96	10
	GBP / EUR	+1	0	0	0
	KZT / EUR	+114	11	+137	14
	PLN / EUR	+73	7	+72	7
	UAH / EUR	+242	24	+242	24
	USD / EUR	+262	26	+288	29
			74		84
			127		139

Currency risks existing in addition to these are mainly the result of US dollar foreign currency holdings in various subsidiaries in which the functional currency is not the US dollar or euro. At a nominal US dollar volume of €+140 million (30/9/2014: €+109 million), a devaluation of the US dollar by 10 per cent would result in positive effects of €14 million in profit or loss for the period (2013/14: €11 million). Conversely, a revaluation of the US dollar would have negative effects of €14 million (2013/14: €11 million). At a nominal volume of €+161 million (30/9/2014: €+148 million), the currency pair VND/USD accounts for the largest share of this negative effect.

In the event of a devaluation of the euro by 10 per cent, a CHF/EUR interest rate / currency swap accounted for as a cash flow hedge with a nominal volume of €206 million and the related hedged item would result in an increase in equity of €1 million (2013/14: €0 million). A corresponding revaluation would result in a decline in equity of €1 million (2013/14: €0 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 revaluation of 10 per cent, the valuation of these investments with a carrying amount of €60 million (30/9/2014: €0 million) would result in an increase in equity in the amount of €6 million (2013/14: €0 million). An impairment would result in a decrease in equity of €6 million (2013/14: €0 million).

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 regulation that is applicable throughout the group whereby all hedging operations must adhere to predefined limits and may by no means lead to increased risk exposure. METRO GROUP is aware that this severely limits the opportunities to exploit current or expected interest rate and exchange rate movements to optimise results.

In addition, hedging may be carried out only with standard financial 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:

SERVICE

€ million	30/9/2014			30/9/2015		
		Fair values			Fair values	
	Nominal volume	Financial assets	Financial liabilities	Nominal volume	Financial assets	Financial liabilities
Currency transactions						
Forward currency contracts/options	−280	49	5	**1**	**34**	**23**
thereof within fair value hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof within cash flow hedges	(316)	(23)	(0)	**(384)**	**(4)**	**(5)**
thereof not part of hedges	(−596)	(26)	(4)	**(−383)**	**(30)**	**(18)**
Interest rate / currency swaps	187	0	5	**206**	**18**	**0**
thereof within fair value hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof within cash flow hedges	(187)	(0)	(5)	**(206)**	**(18)**	**(0)**
thereof not part of hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
	−93	**49**	**9**	**207**	**52**	**23**

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.

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.

In order to appropriately show this reconciliation 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 the Chinese renminbi, Japanese yen, Polish złoty, Romanian leu, Russian rouble, Swiss franc, Czech koruna, Hungarian forint and US dollar.

The derivative financial instruments have the following maturities:

€ million	30/9/2014 fair values Maturities up to 1 year	1 to 5 years	over 5 years	30/9/2015 fair values Maturities up to 1 year	1 to 5 years	over 5 years
Currency transactions						
Forward currency contracts/options	44	0	0	**11**	**0**	**0**
thereof within fair value hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof within cash flow hedges	(22)	(0)	(0)	**(−2)**	**(0)**	**(0)**
thereof not part of hedges	(22)	(0)	(0)	**(12)**	**(0)**	**(0)**
Interest rate / currency swaps	0	−5	0	**18**	**0**	**0**
thereof within fair value hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof within cash flow hedges	(0)	(−5)	(0)	**(18)**	**(0)**	**(0)**
thereof not part of hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
	44	**−4**	**0**	**29**	**0**	**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 credit facilities 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 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 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 credit facilities, see the explanatory notes to the respective balance sheet items.

Further details are provided in no. 30 – cash and cash equivalents as well as in no. 37 – 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 the 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, 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 €8,194 million (30/9/2014: €5,376 million).

For more information about the size of the respective carrying amounts, see no. 41 – carrying amounts and fair values according to measurement categories.

Cash on hand considered in cash and cash equivalents totalling €105 million (30/9/2014: €104 million) is not exposed to any default risk.

In the course of the risk management of monetary investments totalling €2,475 million (30/9/2014: €2,205 million) and derivative financial instruments totalling €52 million (30/9/2014: €49 million), minimum creditworthiness requirements and maximum exposure limits have been defined for all business partners of METRO GROUP. Cheques and money in circulation are not considered in the determination of creditworthiness risks. This is based on a system of limits laid down in the treasury guidelines, which are based mainly on the ratings of international rating agencies, 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–	5.8	6.8	0.2	1.3	0.0	
	A1 to A3	A+ to A–	1.0	21.7	1.8	10.3	0.3	
	Baa1 to Baa3	BBB+ to BBB–	8.9	28.1	7.2	1.1	1.4	**95.9**
Non-investment grade	Ba1 to Ba3	BB+ to BB–	0.3	2.0	0.2	0.0	0.0	
	B1 to B3	B+ to B–	0.0	1.2	0.0	0.0	0.0	
	Caa to C	CCC to C	0.0	0.0	0.0	0.0	0.0	**3.7**
No rating			0.0	0.1	0.1	0.2	0.0	**0.4**
			16.0	**59.9**	**9.5**	**12.9**	**1.7**	**100.0**

The table shows that, as of the closing date, about 96 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 4 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 financial liabilities includes €20 million (30/9/2014: receivables of €5 million in the balance sheet item other financial and non-financial assets) 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 creditworthiness risks is thus very low.

Cash flow risks

A future change in interest rates may cause cash flow from variable interest rate asset and liability items to fluctuate. Stress tests are used to determine the potential impact interest rate changes may have on cash flow and how they can be capped through hedging transactions in accordance with the group's internal treasury guidelines.

45. Contingent liabilities

€ million	30/9/2014	30/9/2015
Liabilities from suretyships and guarantees	20	**14**
Liabilities from guarantee and warranty contracts	42	**57**
	62	**71**

The previous year's figures include an amount of €0 million for discontinued operations.

Liabilities from guarantee and warranty contracts are primarily rent guarantees with terms of up to ten years if utilisation is not considered entirely unlikely.

46. Other financial liabilities

As of 30 September 2015, the nominal value of other financial liabilities amounted to €475 million (30/9/2014: €675 million, includeing €153 million related to discontinued operations) 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 notes no. 20 – other intangible assets, no. 21 – property, plant and equipment and no. 22 – investment properties.

47. Remaining legal issues

Legal disputes related to Media-Saturn-Holding GmbH

Through its fully owned subsidiary METRO Kaufhaus und Fachmarkt Holding GmbH (METRO KFH), METRO AG (METRO) indirectly holds 78.38 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, or METRO KFH, has the right to delegate one more member to the advisory board than the remaining minority shareholder 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 KFH, endorsing the effective establishment of an advisory board and determining that an arbitration court was 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. The ruling of the arbitration court was declared enforceable by the Higher Regional Court of Munich on 18 December 2013. On 16 April 2015, the Federal Court of Justice dismissed the appeal filed by the minority shareholder against such ruling, meaning that it now has legal force.

As most recently reported in the consolidated financial statements for financial year 2013/14, members of the advisory board appointed by the minority shareholder had filed several legal actions against MSH and raised questions about decisions taken by the advisory board of MSH. In the meantime, the court has ruled in favour of MSH and METRO and dismissed all of those actions with one exception. In METRO's view, the prospects for success of the remaining action – which is still being heard by the court of first instance and relates to the decisions taken on the budget for 2013/14 – are low. The plaintiff has since declared his complaint settled.

The minority shareholder has also filed additional complaints against MSH.

After MSH and METRO KFH won the first-instance case before the Regional Court of Ingolstadt relating to decisions taken by the shareholders' meeting on individual location changes, which have meanwhile been implemented, the Higher Regional Court of Munich upheld the appeal in part and required METRO KFH to vote on the substance of each measure separately in view of the specific circumstances. In a decision dated 13 October 2015, the Federal Court of Justice meanwhile granted leave to appeal based on an according complaint by MSH and METRO KFH. The case is therefore still pending.

On 21 April 2015, the Regional Court of Ingolstadt dismissed the complaint of the minority shareholder through which the shareholder aims to achieve the dismissal of the managing director of MSH installed by METRO KFH. In that case, the Higher Regional Court of Munich announced in a decision of 7 October 2015 that it intended to dismiss the appeal filed by the minority shareholder given the unilateral view of the senate that the case is without merit. The Regional Court of Ingolstadt and the Higher Regional Court of Munich as the court of appeal had already dismissed, with final effect, 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 additional complaint against MSH with the Regional Court of Ingolstadt relating to resolutions adopted by the shareholders' meeting rejecting amendments to MSH's Articles of Association that had been requested by the minority shareholder. The minority shareholder's intention in filing the complaint was to effect adoption of the modifications to the Articles of Association. Such modifications relate to the areas of responsibility of the shareholders' meeting. In METRO's view, the chances of success of the action are low.

In its ruling from 13 August 2015, the Regional Court of Ingolstadt had already legally dismissed the minority shareholder's request for a temporary injunction against management action until the court had ruled on the substance of the case. METRO KFH has filed a complaint with the Regional Court of Ingolstadt against shareholder resolutions relating, among other things, to the aforementioned management action. Those shareholder resolutions were adopted by the minority shareholder alone in a shareholders' meeting that did not even have a quorum pursuant to the Articles of Association and was moreover, in the view of METRO, not responsible for deciding on the management's action. METRO expects to prevail in the case and for the shareholder resolutions to be deemed ineffective.

For more information, see the risk and opportunity report in the combined management report.

Legal actions filed under stock corporation law

In a decision of 11 September 2015, which has meanwhile become final, the Regional Court of Düsseldorf dismissed the complaint filed by a shareholder of METRO AG against, among other things, the resolution adopted by the Annual General Meeting of 8 May 2013 on the appropriation of the balance sheet profit for financial year 2012 and the appointment of the auditor. The Regional Court of Düsseldorf had previously denied a complaint filed by the same shareholder to declare the adopted annual financial statements of METRO AG as of 31 December 2012 invalid and thus also decided in favour of METRO in that decision of 3 April 2014, which was likewise final. These actions were based in particular on an alleged infringement of the regulations governing the structure of the annual financial statements due to allegedly flawed consolidation of the Media-Saturn group of companies in the consolidated financial statements of METRO AG. In both decisions, the court confirmed all key points of the legal opinion held by METRO AG in full.

The annual financial statements 2012 of METRO AG are therefore deemed to have been prepared pursuant to the accounting regulations of the German Commercial Code and to be legally valid. The same applies to the consolidated financial statements 2012 of METRO AG. 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 exerts irrefutable power over MSH pursuant to § 290 Section 2 No. 1 of the German Commercial Code. As a result, MSH is an affiliated company in the meaning of the commercial law stipulations governing the annual financial statements. The method of consolidation used by the Media-Saturn group of companies in the consolidated financial statements 2012 of METRO AG complies with international accounting standards (the IFRS as adopted by the European Union) and has been implemented accurately.

All of the resolutions of the Annual General Meeting 2013 that had been challenged by way of the complaint – the resolution on the appropriation of profits, the resolution on the appointment of the auditor for the short financial year 2013 and the resolution approving the actions of the Management Board and the Supervisory Board – are likewise free of errors and were adopted with legal effect. The information provided to the plaintiff at the Annual General Meeting 2013 was in proper order and sufficient, thus fulfilling the plaintiff's right to information under stock corporation law.

Investigations by the Federal Cartel Office

As reported in the consolidated annual financial statements for financial year 2013/14, 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 had extended the scope of the investigation to also include METRO AG, METRO Cash & Carry International GmbH and METRO Dienstleistungs-Holding GmbH. This extension resulted from the merger of MGB METRO Group Buying GmbH into METRO Dienstleistungs-Holding GmbH as part of the decentralisation of central procurement in Germany. As reported, 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 authority had already stopped proceedings for a sub-complex without imposition of measures. Two additional sub-complexes were settled out of court and by mutual agreement with the authority through payment of a fine. In the context of another remaining sub-complex, the authority sent METRO AG a hearing notice in February 2015. In this notification, accusations are levelled 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 case against these allegations has been launched and appropriate risk provisions have been formed.

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 retailers 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. This also includes investigations by the EU Commission into the Media-Saturn group of companies and Redcoon GmbH, which were initiated with searches related to suspected anti-competitive agreements with suppliers in 2013 and 2015, respectively. Insofar as the liability has been sufficiently specified, appropriate risk provisions have been formed for these proceedings.

In addition, METRO GROUP is increasingly exposed to regulatory changes related to procurement and changed sales tax regulations in some countries.

48. Events after the closing date

Between the closing date (30 September 2015) and the preparation of the consolidated financial statements (3 December 2015), the following events of material importance to an assessment of the earnings, financial and asset position of METRO AG and METRO GROUP occurred:

In August 2015, Media-Saturn-Holding GmbH signed an agreement on the purchase of a controlling interest (90 per cent of the shares) in RTS, a provider of customer and repair services. The acquisition was not finalised until 1 October 2015. As a result, the requirements for establishing a parent-subsidiary relationship by acquiring control prior to the closing date were not met. The RTS group will therefore only be included in the scope of consolidated companies in financial year 2015/16. The RTS group generated sales of €136 million last year and employed around 1,200 people.

On 16 November 2015, a non-controlling interest of 15 per cent in METRO Cash & Carry Romania was acquired from the minority shareholder Zareba Holdings Limited. The purchase price liability resulting from the transaction was already recognised as of 30 September 2015 in connection with accounting for put options, meaning that the ensuing payment will merely serve to reduce the balance sheet.

49. Notes on related parties

In financial year 2014/15, METRO GROUP maintained the following business relations to related companies:

€ million	2013/14	2014/15
Services provided	1	**0**
thereof to associates	(0)	**(0)**
Services received	16	**15**
thereof from associates	(3)	**(3)**
Receivables from services provided	0	**0**
Liabilities from goods/services received	2	**2**

In financial year 2014/15, METRO GROUP companies provided no services to companies included in the group of related companies.

The services totalling €15 million that METRO GROUP companies received from related companies in financial year 2014/15 consisted of services, at an amount of €9 million, and real estate leases, at an amount of €6 million.

SERVICE

Business relations with related parties are based on contractual agreements providing for arm's length prices. As in financial year 2013/14, METRO GROUP had no business relations with related natural persons in financial year 2014/15.

For more information about the basic principles of the remuneration system and the amount of Management and Supervisory Board compensation, see no. 51 – Management Board and Supervisory Board.

50. 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 version 2014 (2014/15–2017/18)

After the first tranche of the sustainable performance plan was issued in financial year 2013/14, it was decided to adjust the sustainable performance plan from financial year 2014/15 onwards by adopting the so-called sustainable performance plan version 2014, with a planned duration of four tranches up to financial year 2017/18. A three-year performance period applies to the 2014/15 tranche of the sustainable performance plan 2014; from the 2015/16 tranche onwards, a four-year performance period will apply.

A target value in euros is set for the eligible managers. The payout amount is calculated by multiplying the target value by the factor of overall goal achievement. This, in turn, is calculated by determining the goal achievement factors, each of which is rounded to two decimal points, for each of the three performance targets. The arithmetic mean of the factors, also rounded to two decimal points, gives the overall goal achievement factor. The payout amount is limited to a maximum of 250 per cent of the target value (payout cap). In case of employment termination, separate rules for the payout of the tranches have been agreed upon.

The sustainable performance plan version 2014 is based on the following three performance targets:

- total shareholder return (TSR),
- sustainability and
- earnings per share (EPS).

The **TSR component** is measured according to the development of the total shareholder return of the METRO ordinary share in the performance period compared to a defined benchmark index. To calculate the goal achievement factor of the TSR component, the Xetra closing prices of the METRO ordinary share are determined over a period of 40 consecutive trading days immediately following the Annual General Meeting of METRO AG in the grant year. This is used to calculate the arithmetic mean, which is known as the starting share price. The performance period for the respective tranche will begin on the 41st trading day following the Annual General Meeting. Once again, the Xetra closing prices of the METRO ordinary share are determined over a period of 40 consecutive trading days immediately following the Annual General Meeting three years, or, from financial year 2015/16 onwards, four years after calculating the starting share price and issuing the applicable tranche. This is used again to calculate the arithmetic mean, which is known 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 hypothetically 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 for the three-year performance period of the 2014/15 tranche will be determined in this way:

- if METRO's TSR is identical to the index TSR, the factor for the TSR component will be 1.0;
- if METRO's TSR is 30 percentage points or more below the index TSR, the factor for the TSR component will be 0.0;
- if METRO's TSR is 30 percentage points above the index TSR, the factor for the TSR component will be 2.0.
- In the case of goal achievement with intermediate values and more than 30 percentage points, the TSR factor for the sustainable performance plan version 2014 is calculated using linear interpolation to two decimal points.

To determine the goal achievement factor of the **sustainability component,** METRO AG takes part in the Corporate Sustainability Assessment conducted by the external independent agency RobecoSAM AG during each year of the three-year or four-year performance period of the sustainable performance plan version 2014. RobecoSAM AG uses this assessment to determine METRO AG's ranking 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, or, from financial year 2015/16 onwards, four rankings per tranche 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 goal achievement factor for the **EPS component,** which was introduced for the first time in the sustainable performance plan version 2014, is calculated as follows: generally, an EPS target value (before special items) for the third or fourth year of the EPS performance period, a lower threshold/entry barrier as well as an upper threshold for 200 per cent goal achievement are decided at the beginning of the financial year. The EPS that has actually been achieved during the performance period is compared to the approved values and the factor for calculating the EPS component is determined as follows:

- if the EPS target value is achieved, the factor for the EPS component is 1.0,
- if only the lower entry barrier or a value lower than it is achieved, the factor for the EPS component is 0.0;
- in the event of 200 per cent goal achievement, the factor for the EPS component is 2.0.
- In the case of goal achievement with intermediate values and more than 200 per cent, the EPS factor for the sustainable performance plan version 2014 is calculated using linear interpolation to two decimal points.

Sustainable performance plan (2013/14)

After the last tranche of the performance share plan was paid in the short financial year 2013, the first tranche of the sustainable performance plan was issued in financial year 2013/14.

A target value in euros was set for the eligible managers. This is 75 per cent dependent on the TSR component and 25 per cent on the sustainability component.

The calculation of the **TSR component** follows the method described for the sustainable performance plan version 2014; however, the factor for the TSR component is a maximum of 3.0 (cap). Furthermore, the following additional condition applies if the TSR factor is positive: 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 initially be paid. 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. 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.

Similarly, the method described for the sustainable performance plan version 2014 also applies to the calculation of the factor for the **sustainability component,** while the factor for the sustainability component depends on 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 only be made 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 granted in financial year 2014/15 as part of the sustainable performance plan version 2014 amounted to €41 million at the time of the grant (previous year sustainable performance plan: €6 million) and was calculated by external experts using recognised financial-mathematical methods.

Sustainable performance plan / sustainable performance plan version 2014

Tranche	End of the performance period	Starting price for the TSR component	Target amount as of 30/9/2015
2013/14	41st trading day following the Annual General Meeting three years after the issuance of the tranche	€29.73	€8,060,000
2014/15	41st trading day following the Annual General Meeting three years after the issuance of the tranche	€31.69	€28,765,000

SERVICE

Performance share plan (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 grant, based on the average price of the METRO share during the three months up to the grant date. The key metric in this calculation was the three-month average price of the METRO share before the grant date. A performance share entitles its holder to a cash payment in euros matching the price of the METRO share on the payment date based on the average price of the METRO share during the three months up to the payment date.

Based on the relative performance of the METRO share compared 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 linearly 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 granting 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

Tranche	End of vesting period	Three-month average price before grant	Number of performance shares as of 30/9/2015
2009	August 2012	€36.67	Expired
2010	August 2013	€42.91	Expired
2011	August 2014	€41.73	292,475
2012	April 2015	€29.18	478,581
2013	April 2016	€22.84	699,213

The vesting period for the 2011 and 2012 tranches ended in August 2014 and April 2015, respectively. No payouts from these tranches were made in financial year 2014/15.

The current tranches of share-based payment programmes resulted in expenses of €7 million (2013/14: €3 million).

The related provisions as of 30 September 2015 amount to €21 million (30/9/2014: €15 million). The 2010 tranche accounts for €0 million (30/9/2014: €0 million) of this total, the 2011 tranche for €0 million (30/9/2014: €0 million), the 2012 tranche for €0 million (30/9/2014: €3 million), the 2013 tranche for €11 million (30/9/2014: €11 million), the 2014 tranche for €4 million (30/9/2014: €1 million) and the 2015 tranche for €6 million.

51. Management Board and Supervisory Board

Compensation of members of the Management Board in financial year 2014/15
Remuneration of the active members of the Management Board essentially consists of a fixed salary, short-term performance-based remuneration (short-term incentive and special bonuses) as well as the share-based payments (long-term incentive) granted in financial year 2014/15.

The amount of the short-term performance-based compensation for members of the Management Board essentially depends on the development of the key performance metrics EBIT, RoCE and like-for-like sales and also considers the attainment of individually set targets.

Remuneration of the active members of the Management Board in financial year 2014/15 amounted to €21.7 million (2013/14: €10.8 million). This includes €4.0 million (2013/14: €3.7 million) in fixed salaries, €10.0 million (2013/14: €3.4 million) in short-term performance-based remuneration, €7.5 million (2013/14: €3.4 million) in performance-based remuneration with a long-term incentive effect and €0.2 million (2013/14: €0.3 million) in other remuneration.

Performance-based compensation with a long-term incentive effect granted in financial year 2014/15 (sustainable performance plan version 2014) is shown at fair value as of the date granted. In financial year 2014/15, value changes resulted from the current tranches of performance-based payment programmes with a long-term incentive effect. The company's expenses amounted to €0.92 million for Mr Koch, €0.02 million for Mr Boone, €0.76 million for Mr Frese, €0.77 million for Mr Haas and €0.02 million for Mr Hutmacher.

The target amount of the 2014/15 tranche for the members of the Management Board amounts to €5.365 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 €3.4 million (2013/14: €3.5 million). The corresponding cash value of provisions for current pensions and pension entitlements for this group amounts to €49.5 million (30/9/2014: €54.3 million).

The information released pursuant to § 314 Section 1 No. 6 a Sentence 5 to 8 of the German Commercial Code can be found in the chapter "remuneration report" in the combined management report.

Compensation of members of the Supervisory Board

The total remuneration of all members of the Supervisory Board in financial year 2014/15 amounted to €1.8 million (2013/14: €1.7 million).

For more information about the compensation of the members of the Supervisory Board, see the chapter "remuneration report" in the combined management report.

52. Auditor's fees

The following fees related to the services rendered by the auditor KPMG AG Wirtschaftsprüfungsgesellschaft were calculated.

€ million	2013/14	2014/15
Audit	9	**9**
Other assurance and audit-related services	1	**1**
Tax consultation services	0	**1**
Other services	2	**2**
	12	**13**

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

53. Declaration of compliance with the German Corporate Governance Code

In December 2014 and September 2015, the Management Board and the Supervisory Board made declarations of compliance with the recommendations of the Government Commission on the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act (AktG), which can be accessed on the METRO AG website www.metrogroup.de.

54. 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 2015 as well as mostly from preparing their notes and management report (according to the German Commercial Code).

SERVICE

a) Operating companies and service entities	
DAYCONOMY GmbH	Düsseldorf
Fulltrade International GmbH	Düsseldorf
Goldhand Lebensmittel- u. Verbrauchsgüter-Vertriebsgesellschaft mit beschränkter Haftung	Düsseldorf
Johannes Berg GmbH, Weinkellerei	Düsseldorf
Liqueur & Wine Trade GmbH	Düsseldorf
MCC Trading Deutschland GmbH	Düsseldorf
MCC Trading International GmbH	Düsseldorf
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 Dreizehnte Gesellschaft für Vermögensverwaltung mbH	Ingolstadt
METRO Erste Erwerbsgesellschaft mbH	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
Multi-Center Warenvertriebs GmbH	Düsseldorf

N & NF Trading GmbH	Düsseldorf
NordRhein Trading GmbH	Düsseldorf
real,- Digital Fulfillment GmbH	Düsseldorf
real,- Group Holding GmbH	Düsseldorf
real,- Handels GmbH	Düsseldorf
real,- Holding GmbH	Düsseldorf
real,- SB-Warenhaus GmbH	Düsseldorf
Weinkellerei Thomas Rath GmbH	Düsseldorf
Zweite real,- Multi-Markt Verwaltungsgesellschaft mbH	Düsseldorf
Zweite real,- SB-Warenhaus GmbH	Düsseldorf

b) Real estate companies	
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 Immobilienbeteiligungen GmbH	Düsseldorf
ASSET Köln-Kalk GmbH	Düsseldorf
ASSET Zweite Immobilienbeteiligungen GmbH	Düsseldorf
BAUGRU Immobilien-Beteiligungsgesellschaft mit beschränkter Haftung & Co. Grundstücksverwaltung KG	Düsseldorf
Blabert Grundstücksverwaltungsgesellschaft mbH	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
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 Braunschweig Hamburger 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 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 Kassel 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 Pfarrkirchen 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 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 Nürnberg GmbH	Düsseldorf
Immobilien-Vermietungsgesellschaft von Quistorp GmbH & Co. Objekt Altlandsberg KG	Düsseldorf
Kaufhalle GmbH	Düsseldorf
Kaufhalle GmbH & Co. Objekt Lager Apfelstädt KG	Düsseldorf
Kaufhof Warenhaus Neubrandenburg 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 Leasing Objekt Schwerin 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
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
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

55. 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
METRO Cash & Carry			
METRO Großhandelsgesellschaft mbH	Düsseldorf, Germany	100.00	4,742
METRO Cash & Carry France S.A.S.	Nanterre, France	100.00	4,150
METRO Cash & Carry OOO	Moscow, Russia	100.00	3,489
METRO Jinjiang Cash & Carry Co., Ltd.	Shanghai, China	90.00	2,632
METRO Italia Cash and Carry S. p. A.	San Donato Milanese, Italy	100.00	1,744
Makro Cash and Carry Polska S.A.	Warsaw, Poland	100.00	1,561
Makro Autoservicio Mayorista S. A. U.	Madrid, Spain	100.00	1,206
Metro Grosmarket Bakirköy Alisveris Hizmetleri Ticaret Ltd. Sirketi	Istanbul, Turkey	100.00	1,199
MAKRO Cash & Carry CR s.r.o.	Prague, Czech Republic	100.00	1,032
MAKRO Cash & Carry Belgium NV	Wommelgem, Belgium	100.00	998
METRO Distributie Nederland B. V.	Amsterdam, Netherlands	100.00	970
METRO CASH & CARRY ROMANIA SRL	Bucharest, Romania	85.00	892
Real			
real,- SB-Warenhaus GmbH	Düsseldorf, Germany	100.00	7,743
Media-Saturn			
Media-Saturn-Holding GmbH	Ingolstadt, Germany	78.38	9,780
Mediamarket S. p. A. con Socio Unico	Curno, Italy	78.38	2,168
MEDIA MARKT SATURN, S.A. UNIPERSONAL	El Prat de Llobregat, Spain	78.38	1,784
Media Markt Saturn Holding Nederland B. V.	Rotterdam, Netherlands	78.38	1,485
Media-Saturn Beteiligungsges.m.b.H.	Vösendorf, Austria	78.38	1,124
Media Saturn Holding Polska Sp. z o.o.	Warsaw, Poland	78.38	977
OOO Media-Markt-Saturn	Moscow, Russia	78.38	761
Other companies			
METRO LOGISTICS Germany GmbH	Düsseldorf, Germany	100.00	572
MGB METRO Group Buying HK Limited	Hong Kong, China	100.00	43
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

56. 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
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 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) Engie S.A. (formerly GDF SUEZ S.A.), Paris, France – Board of Directors

Dr Wulf H. Bernotat
Until 4 September 2015
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
Vonovia SE (formerly Deutsche Annington Immobilien SE) (Chairman)
Deutsche Telekom AG
b) None

Gwyn Burr
Since 9 December 2014
Member of the Board of Directors of Hammerson plc, London, Great Britain
a) None
b) DFS Furniture Holdings plc, Doncaster, South Yorkshire, Great Britain – Board of Directors, until 11 March 2015
DFS Furniture plc, Doncaster, South Yorkshire, Great Britain – Board of Directors, since 3 February 2015
DFS Investments Ltd., Doncaster, South Yorkshire, Great Britain – Board of Directors, until 11 March 2015
Financial Ombudsman Service Ltd., London, Great Britain – Board of Directors, until 21 July 2015
Hammerson plc, London, Great Britain – Board of Directors
Just Eat plc, London, Great Britain – Board of Directors
Sainsbury's Bank plc, London, Great Britain – Board of Directors
Wembley National Stadium Ltd., London, Great Britain – Board of Directors, until 29 September 2015

[1] Status of the mandates: 3 December 2015 or date of the respective appointment to or 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

Ulrich Dalibor
National Chairman of the Retail Section of the ver.di trade union
a) DOUGLAS HOLDING AG, since 5 November 2015
Maxingvest AG
b) None

Jürgen Fitschen
Co-Chairman of the Board of Management of Deutsche Bank AG
a) None
b) Kühne + Nagel International AG, Schindellegi, Switzerland – Board of Directors

Hubert Frieling
Section Head of Payroll Accounting at real,- SB-Warenhaus GmbH
a) None
b) None

Dr Florian Funck
Member of the Management Board of Franz Haniel & Cie. GmbH
a) TAKKT AG
Vonovia SE (formerly Deutsche Annington Immobilien SE)
b) None

Andreas Herwarth
Chairman of the Works Council of METRO AG
a) None
b) None

Uwe Hoepfel
Until 30 September 2015
Vice Chairman of the Group Works Council of METRO AG, until 30 September 2015
Chairman of the General Works Council of GALERIA Kaufhof GmbH
a) GALERIA Kaufhof GmbH (Vice Chairman)
b) None

Peter Küpfer
Self-employed Business Consultant
a) None
b) AHRB AG, Zurich, Switzerland – Board of Directors, since 12 November 2014
ARH Resort Holding AG, Zurich, Switzerland – Board of Directors
Breda Consulting AG, Zurich, Switzerland – Board of Directors
Cambiata Ltd, Road Town, Tortola, British Virgin Islands – Board of Directors
Gebr. Schmidt GmbH & Co. KG – Advisory Board
Lake Zurich Fund Exempt Company, George Town, Grand Cayman, Cayman Islands – Board of Directors
Supra Holding AG, Baar, Switzerland – Board of Directors
Travel Charme Hotels & Resorts Holding AG, Zurich, Switzerland – Board of Directors

Rainer Kuschewski
Secretary of the National Executive Board of the ver.di trade union
a) GALERIA Kaufhof GmbH
real,- SB-Warenhaus GmbH
b) None

Susanne Meister
Member of the General Works Council of real,- SB-Warenhaus GmbH
a) None
b) None

Mattheus P. M. (Theo) de Raad
Member of the Supervisory Board of HAL Holding N.V.
a) None
b) HAL Holding N.V., Willemstad, Curaçao, Dutch Antilles – Supervisory Board
Vollenhoven Olie Groep B.V., Tilburg, Netherlands – Supervisory Board
METRO Cash & Carry Russia N.V., Amsterdam, Netherlands – Supervisory Board, until 15 September 2015

Dr Fredy Raas
Managing Director of Beisheim Holding GmbH (formerly Otto Beisheim Holding GmbH), Baar, Switzerland, and Beisheim Group GmbH & Co. KG (formerly 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

Gabriele Schendel
Until 30 September 2015
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

Jürgen B. Steinemann
Since 5 September 2015
Member of the Supervisory Board of METRO AG
a) Ewald Dörken AG
b) Barry Callebaut AG, Zurich, Switzerland – Board of Directors (Vice Chairman)
Lonza Group AG, Basel, Switzerland – Board of Directors

Angelika Will
Honorary Judge at the Higher Labour Court of Düsseldorf, Secretary of the Regional Association Board North Rhine-Westphalia of DHV – Die Berufsgewerkschaft e. V. (federal specialist group on trade)
a) None
b) None

Committees of the Supervisory Board and their mandates

Presidential Committee
Franz M. Haniel (Chairman)
Werner Klockhaus (Vice Chairman)
Jürgen Fitschen
TBA

Personnel Committee
Franz M. Haniel (Chairman)
Werner Klockhaus (Vice Chairman)
Jürgen Fitschen
TBA

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
Franz M. Haniel (Chairman)
Werner Klockhaus (Vice Chairman)
Dr jur. Hans-Jürgen Schinzler
TBA

Members of the Management Board[1]

Olaf Koch (Chairman)
Corporate Communications, Group Strategy, Corporate M&A, Corporate Legal Affairs & Compliance, Corporate Office, Corporate Public Policy, Digital Horeca (since 22 September 2015), Business Innovation / New Ventures, METRO Cash & Carry (until 30 September 2015), Real
a) METRO Großhandelsgesellschaft mbH (Chairman), until 14 September 2015
real,- SB-Warenhaus GmbH (Chairman)
b) Media-Saturn-Holding GmbH – Advisory Board (Chairman)
METRO Cash & Carry Russia N.V., Amsterdam, Netherlands – Supervisory Board (Chairman), until 30 June 2015

Pieter C. Boone (Member of the Management Board)
Since 1 July 2015
METRO Cash & Carry (as part of the management succession process, Mr Koch and Mr Boone were jointly responsible for the METRO Cash & Carry Board department from 1 July to 30 September 2015)
a) METRO Großhandelsgesellschaft mbH, since 15 September 2015 (Chairman, since 21 September 2015)
b) METRO Cash & Carry Russia N.V., Amsterdam, Netherlands – Supervisory Board (Chairman), from 1 July 2015 to 15 September 2015

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 (until 30 September 2015), METRO PROPERTIES, MIB METRO GROUP Insurance Broker, METRO LOGISTICS
a) GALERIA Kaufhof GmbH (Chairman), until 1 October 2014
Metro Großhandelsgesellschaft mbH, until 30 June 2015
b) METRO Cash & Carry International Holding GmbH, Vösendorf, Austria – Supervisory Board
METRO Distributie Nederland B.V., Diemen, Netherlands – Supervisory Board, until 1 July 2015
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
a) None
b) Tertia Handelsbeteiligungsgesellschaft mbH, since 4 December 2014

Heiko Hutmacher (Chief Human Resources Officer)
Human Resources (HR Campus, Corporate House of Learning, Corporate Performance & Rewards, Executive Resources, Group Labour Relations & Labour Law, HR Operations, HR Processes, Analytics & Projects, Talent Management, Leadership & Change), Corporate IT Management, Group Internal Audit, Sustainability & Regulatory Affairs, METRO SYSTEMS, MGT METRO GROUP Travel Services
a) Metro Großhandelsgesellschaft mbH
METRO Systems GmbH (Chairman)
real,- SB-Warenhaus GmbH
b) None

[1] Status of the mandates: 3 December 2015 or date of the respective appointment to or 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

SERVICE

57. Affiliated companies of the group METRO AG as of 30 September 2015 pursuant to § 313 of the German Commercial Code

Name	Head office	Country	Share in capital in %
Consolidated subsidiaries			
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 Immobilienbeteiligungen GmbH	Düsseldorf	Germany	100.00
ASSET Köln-Kalk GmbH	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
Beijing Weifa Trading & Commerce Co. Ltd.	Beijing	China	97.14
biwigo GmbH	Munich	Germany	100.00
Blabert Grundstücksverwaltungsgesellschaft mbH	Düsseldorf	Germany	94.00
CJSC METRO Management Ukraine	Kiev	Ukraine	100.00
Classic Alimentos (Macau) Limitada	Macau	China	99.00
Classic Coffee & Beverage Sdn Bhd	Kuala Lumpur	Malaysia	100.00
Classic Fine Foods (Hong Kong) Limited	Hong Kong	China	100.00
Classic Fine Foods (Macau) Ltd.	Macau	China	99.80
Classic Fine Foods (Singapore) Private Limited	Singapore	Singapore	100.00
Classic Fine Foods (Thailand) Company Limited	Bangkok	Thailand	100.00
Classic Fine Foods (Thailand) Holding Company Limited	Bangkok	Thailand	49.00
Classic Fine Foods (Vietnam) Limited	Ho Chi Minh City	Vietnam	100.00
Classic Fine Foods China Holdings Limited	Hong Kong	China	100.00
Classic Fine Foods China Trading Limited	Hong Kong	China	100.00
Classic Fine Foods EM LLC	Abu Dhabi	United Arab Emirates	50.00
Classic Fine Foods Group Limited	London	Great Britain	100.00
Classic Fine Foods Holdings Limited	London	Great Britain	100.00
Classic Fine Foods Japan Holdings	Tokyo	Japan	100.00
Classic Fine Foods Macau Holding Limited	Hong Kong	China	80.00
Classic Fine Foods Netherlands BV	Schiphol	Netherlands	100.00
Classic Fine Foods Philippines Inc.	Makati	Philippines	100.00
Classic Fine Foods Rungis SAS	Rungis	France	100.00

Name	Head office	Country	Share in capital in %
Classic Fine Foods Sdn Bhd	Kuala Lumpur	Malaysia	100.00
Classic Fine Foods UK Limited	London	Great Britain	100.00
Classic Fine Foodstuff Trading LLC	Abu Dhabi	United Arab Emirates	49.00
COM.TVmarkt Verwaltungs-GmbH	Ingolstadt	Germany	100.00
Concarneau Trading Office SAS	Concarneau	France	100.00
Culinary Agents France SAS	Nanterre	France	100.00
Culinary Agents Italia s.r.l.	San Donato Milanese	Italy	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
Dinghao Foods (Shanghai) Co. Ltd.	Shanghai	China	100.00
Doxa Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Mönchengladbach KG	Mainz	Germany	0.00[1]
Electronic Online Services GmbH	Munich	Germany	100.00
Electronics Online Concepts GmbH	Munich	Germany	100.00
Electronics Retail Real Estate Limited Liability Company	Moscow	Russia	100.00
French F&B (Japan) Co., Ltd.	Tokyo	Japan	93.83
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
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 Braunschweig Hamburger Straße KG	Düsseldorf	Germany	94.90

Name	Head office	Country	Share in capital in %
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 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
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 Kassel 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 Pfarrkirchen 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	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Regensburg 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
GrandPari Limited Liability Company	Moscow	Russia	100.00
Hansa Foto-Handelsgesellschaft mit beschränkter Haftung	Cologne	Germany	100.00
Horten Nürnberg GmbH	Düsseldorf	Germany	100.00
iBOOD GmbH	Berlin	Germany	100.00
iBOOD Sp. z o.o.	Poznan	Poland	100.00
ICS METRO Cash & Carry Moldova S.R.L.	Chisinau	Moldova	100.00
Immobilien-Vermietungsgesellschaft von Quistorp GmbH & Co. Objekt Altlandsberg KG	Düsseldorf	Germany	90.24

Name	Head office	Country	Share in capital in %
Imtron Asia Hong Kong Limited	Hong Kong	China	100.00
IMTRON ELECTRONICA ESPAÑA S.L.	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]
Inpakcentrale ICN B.V.	Duiven	Netherlands	100.00
Johannes Berg GmbH, Weinkellerei	Düsseldorf	Germany	100.00
Juke Entertainment GmbH	Ingolstadt	Germany	100.00
Kaufhalle GmbH	Düsseldorf	Germany	100.00
Kaufhalle GmbH & Co. Objekt Lager Apfelstädt KG	Düsseldorf	Germany	100.00
Kaufhof Warenhaus Neubrandenburg GmbH	Düsseldorf	Germany	100.00
Klassisk Group (S) Pte. Ltd.	Singapore	Singapore	100.00
Klassisk Investment Limited	Hong Kong	China	100.00
KUPINA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG	Düsseldorf	Germany	100.00
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	Wommelgem	Belgium	100.00
MAKRO Cash & Carry CR s.r.o.	Prague	Czech Republic	100.00
Makro Cash & Carry Egypt LLC	Cairo	Egypt	100.00
Makro Cash & Carry Portugal S.A.	Lisbon	Portugal	100.00
Makro Cash & Carry UK Holding Limited	Manchester	Great Britain	100.00
Makro Cash and Carry Polska S.A.	Warsaw	Poland	100.00
Makro 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

Name	Head office	Country	Share in capital in %
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 ALCALÁ DE GUADAÍRA 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 ALCORCÓN VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Alcorcón	Spain	99.90
Media Markt Alexandrium B.V.	Rotterdam	Netherlands	95.50
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	95.50
Media Markt Almere B.V.	Almere	Netherlands	100.00
MEDIA MARKT ALMERIA VIDEO-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	95.50
Media Markt Amersfoort B.V.	Amersfoort	Netherlands	95.50
Media Markt Amsterdam Centrum B.V.	Amsterdam	Netherlands	100.00
Media Markt Amsterdam Noord B.V.	Amsterdam	Netherlands	100.00
Media Markt Amsterdam West B.V.	Amsterdam	Netherlands	95.50
Media Markt Amstetten TV-Hifi-Elektro GmbH	Amstetten	Austria	90.00
Media Markt Apeldoorn B.V.	Apeldoorn	Netherlands	95.50
Media Markt Arena B.V.	Amsterdam	Netherlands	96.40
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	95.50
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	94.00
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	100.00
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	97.75

Name	Head office	Country	Share in capital in %
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.	Cartagena	Spain	99.90
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
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

Name	Head office	Country	Share in capital in %
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-HIFI-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	95.50
MEDIA MARKT Debrecen Video-TV-Hifi-Elektro-Photo-Computer-Kereskedelmi Kft.	Debrecen	Hungary	90.00
Media Markt Den Bosch B.V.	Den Bosch	Netherlands	100.00
Media Markt Den Haag B.V.	The Hague	Netherlands	97.30
Media Markt Deventer B.V.	Deventer	Netherlands	95.50
MEDIA MARKT DIAGONAL MAR-BARCELONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Barcelona	Spain	99.90
Media Markt Doetinchem B.V.	Doetinchem	Netherlands	100.00
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 Duiven B.V.	Duiven	Netherlands	95.50
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-Business GmbH	Ingolstadt	Germany	100.00
Media Markt E-Commerce AG	Dietikon	Switzerland	90.00
Media Markt Ede B.V.	Ede	Netherlands	95.50
Media Markt Eindhoven Centrum B.V.	Eindhoven	Netherlands	95.50
Media Markt Eindhoven Ekkersrijt B.V.	Son en Breugel	Netherlands	95.50
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	95.50
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.	Ferrol	Spain	99.90
MEDIA MARKT FINESTRAT S.A.	Finestrat	Spain	99.90
MEDIA MARKT GAIA – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA	Lisbon	Portugal	90.00
MEDIA MARKT GANDIA S.A.	Valencia-Gandia	Spain	99.90
MEDIA MARKT GAVÀ 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

Name	Head office	Country	Share in capital in %
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
Media Markt Granges-Paccot AG	Granges-Paccot	Switzerland	90.00
Media Markt Graz-Liebenau TV-Hifi-Elektro GmbH	Graz	Austria	90.00
Media Markt Groningen Centrum B.V.	Groningen	Netherlands	97.75
Media Markt Groningen Sontplein B.V.	Groningen	Netherlands	95.50
MEDIA MARKT Győr Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Győr	Hungary	100.00
Media Markt Heerhugowaard B.V.	Heerhugowaard	Netherlands	95.50
Media Markt Heerlen B.V.	Heerlen	Netherlands	95.50
Media Markt Helsingborg TV-Hifi-Elektro AB	Stockholm	Sweden	100.00
Media Markt Hengelo B.V.	Hengelo	Netherlands	95.50
MEDIA MARKT Herstal SA	Herstal	Belgium	90.00
Media Markt Hoofddorp B.V.	Hoofddorp	Netherlands	100.00
Media Markt Hoorn B.V.	Hoorn	Netherlands	95.50
MEDIA MARKT HUELVA VIDEO-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.	Madrid	Spain	99.90
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	100.00
Media Markt Kriens AG	Kriens	Switzerland	90.00
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	95.50
MEDIA MARKT LEGANÉS 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

SERVICE

Name	Head office	Country	Share in capital in %
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
MEDIA MARKT LOGROÑO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Logroño	Spain	99.90
MEDIA MARKT LORCA S.A.	Murcia	Spain	99.90
MEDIA MARKT LOS BARRIOS VIDEO-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	95.50
MEDIA MARKT MADRID BENLLIURE S.A.	Madrid	Spain	99.90
MEDIA MARKT MADRID CASTELLANA S.A.	Madrid	Spain	99.90
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 MÁLAGA – PLAZA MAYOR S.A.	El Prat de Llobregat	Spain	99.90
MEDIA MARKT MALAGA-CENTRO VIDEO-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.	València	Spain	99.90
MEDIA MARKT MATARO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Mataro	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	97.75
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	100.00
Media Markt Norrköping TV-Hifi-Elektro AB	Stockholm	Sweden	90.01
Media Markt Nyíregyháza Video TV Hifi Elektro Photo Computer Kereskedelmi Kft.	Nyíregyháza	Hungary	90.00
Media Markt Oberwart TV-Hifi-Elektro GmbH	Oberwart	Austria	90.00
Media Markt Oftringen AG	Oftringen	Switzerland	90.00
MEDIA MARKT Oostakker NV	Oostakker	Belgium	90.00

Name	Head office	Country	Share in capital in %
MEDIA MARKT Oostende NV	Oostende	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
MEDIA MARKT PARETS DEL VALLES S.A.	Parets del Vallès	Spain	99.90
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. 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. Białystok Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Bielsko-Biała Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. 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. Czeladź Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Częstochowa Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Elbląg Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Gdańsk I Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Gdańsk II Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Gdynia I Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Głogów Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Gorzów Wielkopolski Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Jelenia Góra Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Kalisz 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. 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 I Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Kraków II Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Legnica Spółka Komandytowa	Warsaw	Poland	100.00
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. Nowy Sącz 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. Piotrków Trybunalski Spółka Komandytowa	Warsaw	Poland	100.00

SERVICE

Name	Head office	Country	Share in capital in %
Media Markt Polska Sp. z o.o. Płock 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. 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. Rzeszów 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. Szczecin 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. Warszawa 1 Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Warszawa II Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Warszawa III Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Warszawa IV Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Wrocław I Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Wrocław II Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Zabrze Spółka Komandytowa	Warsaw	Poland	90.00
Media Markt Polska Sp. z o.o. Zamość Spółka Komandytowa	Warsaw	Poland	100.00
Media Markt Polska Sp. z o.o. Zielona Góra 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-ELEKTRO-COMPUTER-FOTO, S.A.	Cádiz	Spain	99.90
MEDIA MARKT QUART DE POBLET, S.A.	Quart de Poblet	Spain	99.90
Media Markt Ried TV-Hifi-Elektro GmbH	Ried im Innkreis	Austria	90.00
Media Markt Rijswijk B.V.	Rijswijk (The Hague)	Netherlands	90.10
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-ELEKTRO-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
MEDIA MARKT Schoten NV	Schoten	Belgium	90.00

Name	Head office	Country	Share in capital in %
Media Markt Setúbal – Produtos Informáticos e Electrónicos, Lda.	Lisbon	Portugal	90.00
MEDIA MARKT SEVILLA-SANTA JUSTA VIDEO-TV-HIFIi-ELEKTRO-COMPUTER-FOTO, S.A.	Seville	Spain	99.90
MEDIA MARKT SIERO 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 TERRASSA S.A.	El Prat de Llobregat	Spain	99.90
Media Markt The Corner B.V.	Rotterdam	Netherlands	95.50
Media Markt Tilburg B.V.	Tilburg	Netherlands	95.50
MEDIA MARKT TOLEDO S.A.	Toledo	Spain	99.90
Media Markt Turnhout NV	Turnhout	Belgium	90.00
Media Markt TV-HiFi-Elektro Athens II Commercial Anonymi Eteria	Maroussi	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
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

SERVICE

Name	Head office	Country	Share in capital in %
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	Dornbirn	Austria	90.00
Media Markt TV-HiFi-Elektro GmbH	Krems an der Donau	Austria	90.00
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	90.00
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	90.00
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
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	90.00
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

Name	Head office	Country	Share in capital in %
Media Markt TV-HiFi-Elektro GmbH Bremen	Bremen	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Bremen-Waterfront	Bremen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Bruchsal	Bruchsal	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	100.00
Media Markt TV-HiFi-Elektro GmbH Dorsten	Dorsten	Germany	90.00
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
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 Gifhorn	Gifhorn	Germany	100.00

Name	Head office	Country	Share in capital in %
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	Leuna	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	100.00
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 (Saar)	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Hückelhoven	Hückelhoven	Germany	90.00
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	90.00
Media Markt TV-HiFi-Elektro GmbH Karlsruhe	Karlsruhe	Germany	100.00
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	95.00
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

Name	Head office	Country	Share in capital in %
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	90.00
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	90.00
Media Markt TV-HiFi-Elektro GmbH Leipzig-Paunsdorf	Leipzig	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Lichtenfels	Lichtenfels	Germany	90.00
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	90.00
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
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 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	93.00
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	90.00
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

SERVICE

Name	Head office	Country	Share in capital in %
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 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
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	90.00
Media Markt TV-HiFi-Elektro GmbH Rendsburg	Rendsburg	Germany	90.00
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 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	90.05
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	100.00
Media Markt TV-HiFi-Elektro GmbH Schiffdorf-Spaden	Schiffdorf-Spaden	Germany	90.00
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

Name	Head office	Country	Share in capital in %
Media Markt TV-HiFi-Elektro GmbH Stade	Stade	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Stadthagen	Stadthagen	Germany	90.00
Media Markt TV-HiFi-Elektro GmbH Stralsund	Stralsund	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Straubing	Straubing	Germany	90.05
MEDIA MARKT TV-HiFi-Elektro GmbH Stuhr	Stuhr	Germany	90.05
Media Markt TV-HiFi-Elektro GmbH Stuttgart – Mailänder Platz	Stuttgart	Germany	100.00
Media Markt TV-HiFi-Elektro GmbH Stuttgart-City	Stuttgart	Germany	90.00
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
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 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	95.50
Media Markt Utrecht The Wall B.V.	Utrecht	Netherlands	95.50
MEDIA MARKT VALENCIA COLON S.A.	València	Spain	99.90
MEDIA MARKT VALÈNCIA-CAMPANAR VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	València	Spain	99.90
MEDIA MARKT VALLADOLID VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Valladolid	Spain	99.90

SERVICE

Name	Head office	Country	Share in capital in %
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	95.50
Media Markt Verbund Heilbronn-Franken GmbH	Heilbronn	Germany	94.00
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	90.00
Media Markt Wien XXII TV-Hifi-Elektro GmbH	Vienna	Austria	90.00
Media Markt Wilrijk NV	Wilrijk	Belgium	90.00
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 VIDEO-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	95.50
Media Markt Zürich AG	Zurich	Switzerland	90.00
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	Maroussi	Greece	100.00
Media Saturn Holding Polska Sp. z o.o.	Warsaw	Poland	100.00
Media Saturn Logistyka Spólka z ograniczona odpowiedzialnoscia	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
MEDIA-Markt TV-HiFi-Elektro GmbH Aachen	Aachen	Germany	100.00
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 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

Name	Head office	Country	Share in capital in %
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
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
METRO (Changchun) Property Service Co. Ltd.	Changchun	China	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.	Belgrade	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 Dienstleistungs-Holding GmbH	Düsseldorf	Germany	100.00

SERVICE

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 Dreizehnte Gesellschaft für Vermögensverwaltung mbH	Ingolstadt	Germany	100.00
METRO Erste Erwerbsgesellschaft mbH	Düsseldorf	Germany	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. à r. l.	Nanterre	France	100.00
METRO Fünfzehnte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf	Germany	100.00
Metro Global Business Services Private Limited	Pune	India	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 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 China Holding Limited	Hong Kong	China	100.00
METRO GROUP COMMERCE LIMITED	Hong Kong	China	100.00
METRO GROUP International Retail Holding Limited	Hong Kong	China	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 Leasing Objekt Schwerin GmbH	Düsseldorf	Germany	100.00

Name	Head office	Country	Share in capital in %
METRO LOGISTICS Germany GmbH	Düsseldorf	Germany	100.00
METRO LOGISTICS Services GmbH	Düsseldorf	Germany	100.00
METRO Management EOOD	Sofia	Bulgaria	100.00
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 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	100.00
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 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 (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
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

Name	Head office	Country	Share in capital in %
METRO Property Management (Xi'an) 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 Rus OOO	Moscow	Russia	100.00
MGA METRO Group Advertising Spolka z ogranicona odpowiedzialoscia	Warsaw	Poland	100.00
MGB METRO Group Buying (Shanghai) Co., Ltd.	Shanghai	China	100.00
MGB METRO Group Buying HK Limited	Hong Kong	China	100.00
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 METRO Group Logistics Bulgaria LTD	Sofia	Bulgaria	100.00

Name	Head office	Country	Share in capital in %
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 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 S.L.	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 E-Business Concepts & Service GmbH	Ingolstadt	Germany	100.00
MS E-Commerce GmbH	Wiener Neustadt	Austria	100.00
MS E-Commerce Kereskedelmi Korlátolt Feleősségű Társaság	Budaörs	Hungary	100.00
MS ISTANBUL IC VE DIS TICARET LIMITED SIRKETI	Istanbul	Turkey	100.00
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
Multi-Center Warenvertriebs GmbH	Düsseldorf	Germany	100.00
My Mart (China) Trading Co., Ltd.	Guangzhou	China	100.00
my-xplace GmbH	Göttingen	Germany	76.74
N & NF Trading GmbH	Düsseldorf	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]

Name	Head office	Country	Share in capital in %
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]
PayRed Card Services AG	Dietikon	Switzerland	100.00
PIL Grundstücksverwaltung GmbH	Düsseldorf	Germany	100.00
Power Service GmbH	Cologne	Germany	100.00
PowerService Nederland B.V.	Rotterdam	Netherlands	100.00
Pro. FS GmbH	Düsseldorf	Germany	100.00
PT Classic Fine Foods Indonesia	North Jakarta	Indonesia	100.00
PT Paserda Indonesia	Jakarta	Indonesia	100.00
Qingdao Metro Warehouse Management Co. Ltd.	Qingdao	China	100.00
RaW Real Estate Asia Pte. Ltd.	Singapore	Singapore	100.00
Real Estate Management Misr Limited Liability Company	Cairo	Egypt	100.00
real,- Digital Fulfillment GmbH	Düsseldorf	Germany	100.00
real,- Group Holding GmbH	Düsseldorf	Germany	100.00
real,- Handels GmbH	Düsseldorf	Germany	100.00
real,- Holding GmbH	Düsseldorf	Germany	100.00
real,- SB-Warenhaus GmbH	Düsseldorf	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

Name	Head office	Country	Share in capital in %
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 Property 6 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
SAS REDCOON FRANCE	Villepinte	France	100.00
Saturn Athens III Commercial Anonymi Eteria	Maroussi	Greece	100.00
SATURN E502 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

Name	Head office	Country	Share in capital in %
Saturn Electro-Handelsgesellschaft mbH Bielefeld	Bielefeld	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Bocholt	Bocholt	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	90.00
Saturn Electro-Handelsgesellschaft mbH Chemnitz	Chemnitz	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Chemnitz-Zentrum	Chemnitz	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Darmstadt	Darmstadt	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Delmenhorst	Delmenhorst	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Dessau	Dessau-Roßlau	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Dortmund	Dortmund	Germany	90.00
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	90.00
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	90.00
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	90.01
Saturn Electro-Handelsgesellschaft mbH Hattingen	Hattingen	Germany	90.00
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	90.00

Name	Head office	Country	Share in capital in %
Saturn Electro-Handelsgesellschaft mbH Hildesheim	Hildesheim	Germany	100.00
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	90.00
Saturn Electro-Handelsgesellschaft mbH Kaiserslautern	Kaiserslautern	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Karlsruhe-Durlach	Karlsruhe	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Kassel	Kassel	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Kempten	Kempten (Allgäu)	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Kerpen	Kerpen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Kiel	Kiel	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Kleve	Kleve	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Koblenz	Koblenz	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Krefeld	Krefeld	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Landshut	Landshut	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Leipzig	Leipzig	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Leipzig-Hauptbahnhof	Leipzig	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Leonberg	Leonberg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Lübeck	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	90.00
Saturn Electro-Handelsgesellschaft mbH Nürnberg	Nuremberg	Germany	100.00
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

SERVICE

Name	Head office	Country	Share in capital in %
Saturn Electro-Handelsgesellschaft mbH Potsdam	Potsdam	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Regensburg	Regensburg	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Remscheid	Remscheid	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Reutlingen	Reutlingen	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Rostock	Rostock	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Saarbrücken	Saarbrücken	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Schweinfurt	Schweinfurt	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Senden	Senden	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH Soest	Soest	Germany	100.00
Saturn Electro-Handelsgesellschaft mbH Solingen	Solingen	Germany	90.05
Saturn Electro-Handelsgesellschaft mbH Stuttgart	Stuttgart	Germany	90.00
Saturn Electro-Handelsgesellschaft mbH 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 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 Mega Markt GmbH Wuppertal	Wuppertal	Germany	90.05
Saturn online GmbH	Ingolstadt	Germany	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	90.00
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	90.00
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
Saturn Planet Sp. z o.o. Łódź II Spółka Komandytowa	Warsaw	Poland	90.00

Name	Head office	Country	Share in capital in %
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	90.00
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 SAN JUAN DE AZNALFARACHE ELECTRO, S.A.U.	El Prat de Llobregat	Spain	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	100.00
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	Maroussi	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	90.00
Saturn-Mega Markt GmbH Halle	Halle (Saale)	Germany	90.05
Saturn-Mega Markt GmbH Trier	Trier	Germany	90.05
Schaper Grundbesitz-Verwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
Sentinel GCC Holdings Limited	Tortola	British Virgin Islands	100.00
Sezam XVI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych	Warsaw	Poland	100.00
Shenzhen Hemaijia Trading Co. Ltd.	Shenzhen	China	100.00
SIL Verwaltung GmbH & Co. Objekt Haidach KG	Düsseldorf	Germany	92.00

Name	Head office	Country	Share in capital in %
Silver Ocean B.V.	Amsterdam	Netherlands	65.10
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
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
Tertia Handelsbeteiligungsgesellschaft mbH	Cologne	Germany	60.00
TIMUG GmbH & Co. Objekt Homburg KG	Düsseldorf	Germany	0.00[1]
TIMUG Verwaltung GmbH	Düsseldorf	Germany	100.00
VALENCIA TRADING OFFICE, S.L.	Madrid	Spain	100.00
Weinkellerei Thomas Rath GmbH	Düsseldorf	Germany	100.00
Western United Finance Company Limited	London	Great Britain	100.00
Wholesale Real Estate Belgium N.V.	Wommelgem	Belgium	100.00
Wirichs Immobilien GmbH	Düsseldorf	Germany	100.00
Wirichs Immobilien GmbH & Co. Objekt Herford KG	Düsseldorf	Germany	81.82
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 S.L.	Barcelona	Spain	100.00
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 ITALY S.R.L.	Pianoro	Italy	100.00
XPLACE UK LIMITED	London	Great Britain	100.00
Yugengaisha MIAG Japan	Tokyo	Japan	100.00
ZARUS Verwaltung GmbH & Co. Dritte Vermietungs-oHG	Pullach im Isartal	Germany	100.00
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
Zweite real,- Multi-Markt Verwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
Zweite real,- SB-Warenhaus GmbH	Düsseldorf	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
METSPA d.o.o. za trgovinu	Zagreb	Croatia	50.00

Name	Head office	Country	Share in capital in %
Investments accounted for using the equity method			
European EPC Competence Center GmbH	Cologne	Germany	30.00
EZW Kauf- und Freizeitpark GmbH & Co. Kommanditgesellschaft	Bremen	Germany	49.00
Fachmarktzentrum Essen GmbH & Co. KG	Pullach im Isartal	Germany	94.00
Habib METRO Pakistan (Pvt) Ltd	Karachi	Pakistan	40.00
Iniziative Methab s.r.l.	Bozen	Italy	50.00
Kato S.à r.l.	Luxembourg	Luxembourg	5.10
Mayfair GP S.à r.l.	Luxembourg	Luxembourg	40.00
Mayfair Holding Company S.C.S.	Luxembourg	Luxembourg	39.99
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
MobiLab Solutions GmbH	Cologne	Germany	27.37
Napier S.à r.l.	Luxembourg	Luxembourg	5.10
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
Peter Glinicke Grundstücks-GmbH & Co. KG	Pullach im Isartal	Germany	50.00
Quadrant S.à r.l.	Luxembourg	Luxembourg	5.10
Sabra S.à r.l.	Luxembourg	Luxembourg	5.10
Tatra S.à r.l.	Luxembourg	Luxembourg	5.10
Upton S.à r.l.	Luxembourg	Luxembourg	5.10
Wilcox S.à r.l.	Luxembourg	Luxembourg	5.10
Xiali S.à r.l.	Luxembourg	Luxembourg	5.10
Zagato S.à r.l.	Luxembourg	Luxembourg	5.10
Zender S.à r.l.	Luxembourg	Luxembourg	5.10
Investments not accounted for using the equity method			
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			
Alberto Polo Distribuciones S.A.	Zaragoza	Spain	100.00[3]
ASSET Grundbesitz GmbH	Düsseldorf	Germany	5.10
ASSET Objekt Leipzig GmbH	Düsseldorf	Germany	5.10
Comercial Ulzama S.L.	Abanto	Spain	100.00[3]
Congelados Romero S.A.	Reus	Spain	90.00[3]
Culinary Agents Inc.	Wilmington	USA	18.33
Diehl & Brüser Handelskonzepte GmbH	Düsseldorf	Germany	15.00
Distribución de Alimentación Horeca S.L.	Sant Boi de Llobregat	Spain	80.00[3]

Name	Head office	Country	Share in capital in %
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
Flip4 GmbH	Friedrichsdorf	Germany	16.00
Font Distribucio Horeca S.L.	Tona	Spain	51.00[3]
GSSI Consortium GbR	Düsseldorf	Germany	7.69
Horten GmbH	Düsseldorf	Germany	5.10
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
Verwaltungsgesellschaft Lebensmittelgesellschaft "GLAWA" mbH & Co. KG	Hamburg	Germany	18.75
Zentra-Grundstücksgesellschaft mbH	Düsseldorf	Germany	5.10

[1] Disclosure according to SIC-12
[2] Not accounted for using the equity method due to minor materiality for the asset, financial and earnings position
[3] Not fully consolidated and not accounted for using the equity method due to minor materiality for the asset, financial and earnings position

3 December 2015

The Management Board

OLAF KOCH PIETER C. BOONE 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.

3 December 2015

The Management Board

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

AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by METRO AG, comprising the statement of financial position, the statement of profit or loss, the reconciliation from profit or loss for the period to total comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the consolidated financial statements, together with the combined management report of the company and the group report for the financial year from 1 October 2014 to 30 September 2015. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the EU, and the additional requirements under Section 315 a (1) of the German Commercial Code as well as the supplementary provisions of the articles of incorporation are the responsibility of the company's management board. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 of the German Commercial Code and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW]. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the management board, as well as evaluating the overall presentation of the consolidated financial statements and the 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 our audit findings, the consolidated financial statements comply with IFRS as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315 a (1) HGB and the supplementary provisions of the articles of incorporation, and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Cologne, 3 December 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

LURWEG
Auditor

MÜNSTERMANN
Auditor

SERVICE

GLOSSARY

A

Accelerator
Initiative that supports start-ups, for example with coaching, thus accelerating the development and implementation of their business ideas. METRO GROUP has launched the Techstars METRO Accelerator to support start-ups with innovative technologies for use in the food service, hospitality and catering sectors.

Active ownership
The concept of active ownership is derived from the private equity sphere and describes how stakeholders identify with a company by assuming greater personal responsibility.

After-sales management
After-sales management refers to all activities of a company that take place after the actual sale of a product or service. This includes, for example, maintenance and repair services, training as well as marketing campaigns to strengthen customer loyalty and increase sales.

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 as well as 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 Dutch Sustainable Trade Initiative (IDH).

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.

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.

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 necessary conditions for ensuring 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

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.

E

Earn-out
Contingent consideration paid in the context of a corporate acquisition.

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 the international comparison of companies.

EBITaC (Earnings Before Interest and Taxes after Cost of Capital)
This performance indicator shows whether a company is successfully deploying its business assets and generating economic value added exceeding its cost of capital.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)
Earnings before the 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 that use 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

Fair value
The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 of European retail companies.

Governance
Principles governing the management and supervision of the different players who have an influence on a company.

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 apply HACCP. Within the European Union, it is illegal to import and trade products that do not meet the requirements of the HACCP system.

Horeca
Short for hotel, restaurant and catering businesses. The Horeca segment is an important customer group for the METRO Cash & Carry sales line.

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 Financial Reporting Standards Foundation (IFRSF) 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.

Indoor farming
Cultivation of fruit, vegetables or herbs in enclosed spaces.

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
Reflects sales growth on a comparable area or with respect to a comparable group of locations in local currency. This 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 valuation
Calculation of the fair value of financial instruments based on market prices at a particular point in time.

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.

New Operating Model
New organisational and management model at METRO Cash & Carry to foster an entrepreneurial spirit within the organisation by transferring greater responsibility and freedom of creativity to the national subsidiaries. At the same time, measures geared towards specific customer groups (e.g. for hotels, restaurants and catering firms) are cross-nationally coordinated.

No-line commerce
Term for a development in omnichannel marketing in which all sales channels – online and offline – are connected and integrated to the maximum degree. The customer does not perceive any difference between the individual sales channels.

O

Omnichannel retail, omnichannel distribution
A development in multichannel marketing. Combination of traditional store-based retail with e-commerce, social media and applications for smartphones and tablets. Integrating all channels offers consumers a flexible and seamless shopping experience as the channels are holistically linked in all purchasing phases.

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.

Pop-up store
Store opening up at a location overnight and only for a limited period of several days, weeks or months.

Previous year
A time period of twelve months which is generally used as a reference point for statements in an 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

Rating
In the financial sector, ratings represent the systematic, qualitative assessment of issuers' 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

Share unit
Unit for performance shares.

Social compliance
The adherence to laws, guidelines, standards, codes and/or social conventions by which an organisation ensures socially responsible operations within its value and supply chains. The aim is to protect the safety, health and basic rights of employees in their own company as well as among its suppliers.

Start-up company
Newly founded company characterised by an outstanding business idea and a high degree of innovation.

Supply chain
Various processes that contribute to a company's value creation. At METRO GROUP, this includes logistics, marketing and sales, among other things.

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.

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.

INDEX

G

I

L

M

N

O

P

Q

R

S

T

W

MULTI-YEAR OVERVIEW[1]

		2009[2]	2010	2011	2012	2012/13[3]	2013/14	2014/15
Key financial figures								
Sales (net)	€ million	65,529	67,258	65,926[4]	66,739	65,679	59,937	**59,219**
EBITDA	€ million	3,319[5,6]	3,726[5]	3,651[5]	3,296[5,7]	3,230[5]	2,509[5]	**2,458[5]**
EBIT	€ million	2,024[5]	2,415[5]	2,372[5]	1,979[5,7]	2,000[5]	1,531[5]	**1,511[5]**
EBIT margin	%	3.1[5]	3.6[5]	3.6[5]	3.0[5]	3.0[5]	2.6[5]	**2.6[5]**
EBT (earnings before taxes)	€ million	1,393[5]	1,834[5]	1,732[5]	1,436[5,7]	1,429[5]	1,060[5]	**1,067[5]**
Profit or loss for the period[8]	€ million	824[5]	1,139[5]	979[5]	730[5,7]	580[5]	673[5]	**688[5]**
thereof from continuing operations	€ million	824[5]	1,139[5]	979[5]	730[5,7]	580[5]	488[5]	**549[5]**
thereof profit or loss for the period attributable to shareholders of METRO AG[8]	€ million	383	850	631	17	−35	127	**672**
Investments	€ million	1,517	1,683	2,095	1,437	1,175	1,001	**1,411**
Total assets[8]	€ million	33,282	35,067	33,987	34,802[7]	28,811	28,156	**27,656**
Equity[8]	€ million	5,992	6,460	6,437	5,666[7]	5,206	4,999	**5,172**
Equity ratio[8]	%	18.0	18.4	18.9	16.3[7]	18.1	17.8[9]	**18.7**
Return on equity after taxes[8]	%	13.8[5]	17.6[5]	15.2[5]	12.9[5,7]	11.1[5]	13.5[5]	**13.3[5]**
Earnings per share (basic = diluted)[8,10]	€	1.17	2.60	1.93	0.05[7]	−0.11	0.39	**2.06**
thereof from continuing operations	€	1.17	2.60	1.93	0.05[7]	−0.11	−0.18	**−0.80**
thereof from discontinued operations	€	0.00	0.00	0.00	0.00	0.00	0.57	**2.86**
Dividend								
Dividend per ordinary share	€	1.18	1.35	1.35	1.00	–	0.90	**1.00[11]**
Dividend per preference share	€	1.298	1.485	1.485	1.06	–	1.13[12]	**1.06[11]**
Operating data								
Employees (annual average by headcount)		286,329	283,280	280,856	278,811	272,867	233,584	**226,895**
Locations		2,127	2,131	2,187[13]	2,243	2,221	2,063	**2,068**
Selling space (1,000 m²)		12,629	12,771	12,954	13,003	12,773	10,790	**10,563**

[1] Only continuing operations (discontinued operations in 2009 Adler, in 2013/14 and 2014/15 Galeria Kaufhof group)
[2] Adjustment due to revised disclosure in financial year 2010
[3] Unaudited
[4] Adjustment due to revised disclosure in financial year 2012
[5] Before special items; special items for 2013/14 and 2014/15 are displayed on pages 114 and 115
[6] 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
[7] Adjustment due to a revised IFRS in the short financial year 2013
[8] Including discontinued operations
[9] Adjustment of previous year's figures (see notes to the consolidated financial statements – notes to the group accounting principles and methods)
[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] Including first-time inclusion of METRO Cash & Carry satellite stores opened in 2009 and 2010 (total of 14)

INFORMATION

Publisher
METRO AG
Metro-Straße 1
40235 Düsseldorf, Germany
PO Box 23 03 61
40089 Düsseldorf, Germany

METRO GROUP on the internet
www.metrogroup.de

Investor Relations
Phone: +49 (211) 6886-1051
Fax: +49 (211) 6886-3759
investorrelations@metro.de

Corporate Communications
Peter Wübben
Phone: +49 (211) 6886-4252
Fax: +49 (211) 6886-2001
presse@metro.de

Project lead, concept and editorial
Katharina Meisel

Project management
Malte Hendriksen
Inga Reske
Viktoria Wedel
Kenneth Gildner

Graphic design
Strichpunkt GmbH,
Stuttgart/Berlin, Germany

Editorial support and realisation
Ketchum Pleon GmbH,
Düsseldorf, Germany

Printing
Elanders Germany GmbH,
Waiblingen, Germany

Photography
Urban Zintel: cover
Boris Zorn: pp. 8, 10–15 (3D models DOOB Düsseldorf)
Andreas Pohlmann: p. 30

Photo credits
METRO AG

Certifications

This annual report is printed on FSC-certified paper. By purchasing FSC products, we foster responsible forest management that is monitored according to strict social, ecological and economic criteria.

MIX
Paper from responsible sources
FSC® C002353

Published on 15 December 2015

FINANCIAL CALENDAR 2015/16

12 January 2016
TRADING STATEMENT CHRISTMAS QUARTER 2015

11 February 2016
QUARTERLY FINANCIAL REPORT Q1 2015/16

19 February 2016
ANNUAL GENERAL MEETING 2016

11 May 2016
HALF-YEAR FINANCIAL REPORT H1/Q2 2015/16

2 August 2016
QUARTERLY REPORT 9M/Q3 2015/16

19 October 2016
TRADING STATEMENT FINANCIAL YEAR 2015/16

You can also find the Annual Report 2014/15
as well as the Condensed Report 2014/15 online:
WWW.METROGROUP.DE/OPEN-MINDED/DOWNLOADS-EN