Annual Report 2013

We're getting down to business

METRO GROUP
MADE TO TRADE.

Annual Report 2013

Consolidated financial statements

of METRO AG

METRO GROUP in figures[1]

€ million		31/12/2011[2]	31/12/2012	30/9/2012[3]	30/9/2013	Change in %
Key financial figures						
Sales (net)		65,926	66,739	47,380	**46,321**	−2.2
METRO Cash & Carry		31,121	31,636	23,029	**22,559**	−2.0
Media-Saturn		20,604	20,970	14,322	**14,405**	0.6
Real		11,032	11,017	7,912	**7,261**	−8.2
Galeria Kaufhof		3,119	3,092	2,096	**2,086**	−0.5
Others		50	24	21	**10**	-50.3
EBITDA		3,429	3,017[4]	1,542[4]	**1,657**	7.5
EBITDA before special items[5]		3,651	3,296[4]	1,669[4]	**1,603**	−3.9
EBIT		2,113	1,395[4]	409[4]	**703**	71.6
EBIT before special items[5]		2,372	1,979[4]	706[4]	**728**	3.0
METRO Cash & Carry[5]		1,148	951[4]	459[4]	**442**	−3.7
Media-Saturn[5]		542	326	−6	**−33**	–
Real[5]		134	102	−4	**−1**	87.6
Galeria Kaufhof[5]		121	136	−24	**−16**	34.1
Real Estate[5]		643	652	411	**455**	10.8
Others[5]		−197	−168	−124	**−105**	15.4
Consolidation[5]		−19	−20	−5	**−15**	–
Net financial result		−640	−566[4]	−439[4]	**−514**	−17.0
Financial result before special items[5]		−640	−543[4]	−417[4]	**−446**	−6.6
Earnings before taxes		1,473	829[4]	-30[4]	**189**	–
Earnings before taxes and special items[5]		1,732	1,436[4]	289[4]	**282**	−2.3
Profit or loss for the period		741	115[4]	−14[4]	**−71**	–
Profit or loss for the period before special items[5]		979	730[4]	165[4]	**16**	−90.6
Earnings per share (basic = diluted)	€	1.93	0.05[4]	−0.06[4]	**−0.22**	–
Earnings per share before special items[5, 6]	€	2.63	1.93[4]	0.49[4]	**0.03**	−94.3
Dividend per ordinary share	€	1.35	1.00	–	**0.00[7]**	–
Dividend per preference share	€	1.485	1.06	–	**0.00[7]**	–
Cash flow from operating activities		2,092	2,340	−2,095	**−1,768**	15.6
Investments		2,095	1,437	954	**691**	−27.5
Depreciation/amortisation/impairment losses		1,350	1,635	1,138	**962**	−15.4
Equity		6,437	5,666[4]	5,649[4]	**5,206**	−7.8
Equity ratio	%	18.9	16.3[4]	17.9[4]	**18.1**	–
Net debt		4,075	3,245	7,734	**5,391**	−30.3
Employees (annual average by headcount)		280,856	278,811	277,418	**269,493**	−2.9
Locations		2,187[8]	2,243	2,187	**2,221**	1.6
Selling space (1,000 m²)		12,954	13,003	12,784	**12,773**	−0.1

[1] Including possible rounding differences
[2] Adjustment due to revised disclosure in the financial year 2012
[3] Unaudited
[4] Adjustment of previous year (see chapter "Notes to the group accounting principles and methods")
[5] Special items for 2012 and 2013 are displayed on pages 106 and 107
[6] After non-controlling interests
[7] Subject to the resolution of the Annual General Meeting
[8] Including first-time inclusion of METRO Cash & Carry satellite stores opened in 2009/2010 (total of 14)

METRO GROUP
MADE TO TRADE.

Dear readers,

METRO GROUP's Annual Report for 2013 is unique: we report on the short financial year from 1 January 2013 to 30 September 2013. This can be attributed to a change in our financial year, which in future will begin on 1 October and end on 30 September of the following year.

In the period under review, we focused first and foremost on creating added value for our customers. As part of this work, we did not only intensify current measures, but also develop and implement new ideas and concepts. The title of our annual report "We're getting down to business" pays homage to this strategy.

The Management Board of METRO AG

You can also find the METRO GROUP Annual Report online: http://reports.metrogroup.de

METRO GROUP

METRO GROUP ANNUAL REPORT 2013
"WE'RE GETTING DOWN TO BUSINESS"

CONTENTS

Olaf Koch
Chairman of the Management Board

METRO GROUP

Düsseldorf, 12 December 2013

Letter to the shareholders

Dear Ladies and Gentlemen,

The financial year 2013 that we are examining in this annual report was a special one for your company in two ways: First, it included only the months of January to September and represented a so-called short financial year as a result. Second, it was a year in which METRO GROUP and its sales lines continued their successful transformation. This process created a wide range of challenges for our company. I am very proud to say that our workforce energetically took on these challenges and overcame them magnificently. On behalf of the company's entire Management Board, I would like to express my sincere thanks to our approximately 270,000 employees for their hard work.

During the financial year 2013, we made further progress in our efforts to reshape METRO GROUP. In one reflection of this, all of our sales lines increased their appeal to customers – by taking such steps as focused product ranges as well as by expanding and deepening their sales channels and formats. This work was characterised in particular by a significant expansion of our multichannel activities, that is, the customer-focused linking of stationary and online retailing. Each sales line further refined its strategy and systematically carried it out. Our overarching goal served as a compass for this work: creating added value for our customers. We are directing all of our activities to reaching this goal. And this strategy is paying off: we have further expanded our market share in many countries.

At the same time, we have realised that we must revitalise our culture. The focus of this work is being directed at our own philosophy of leadership. The reason for this focus is obvious: I believe that METRO GROUP will be able to unleash its total business performance power only if we can strengthen trust in the individual and encourage employees to establish even closer relationships with our customers. This is a process that cannot be completed overnight – but we are rapidly moving in the right direction. About 26,000 employees have already attended our "Leadership for Growth" workshops that are designed to introduce our new management culture: authentic, transparent and dialogue-focused.

Roughly nine months ago, I wrote in my last letter to the shareholders that the short financial year 2013 – even without the strong sales and earnings results of the Christmas quarter – would be an important one for us: a year in which our measures would take hold and produce results, even though we expected to face persistently challenging business conditions. And this is just what occurred.

Olaf Koch
Chairman of the Management Board

METRO GROUP

Although the economies of many countries continued to weaken as many governments pressed forward with their budget-cutting efforts, we delivered on the guidance we announced at the beginning of the short financial year: we boosted sales (adjusted for portfolio changes and currency effects) by 0.9 per cent to €45.0 billion and increased EBIT before special items by 3.0 per cent to €728 million. In terms of both sales and earnings, we are seeing continuous trend improvements that affirm our strategic direction. Furthermore, we made tremendous strides in cash flow, improving it to €–1,768 billion. Focused investments contributed to this improvement. During the past short financial year, we focused in particular on the use of our investment funds and were able to significantly increase capital efficiency as a result. In addition to targeted investments in expansion countries, we used our funds exclusively to create customer value and to carry out necessary maintenance work. We also improved our net working capital. This gives us additional freedom to finance the repositioning of our business models. As announced, we have also concentrated on creating more efficient structures and stricter cost controls. For this reason, we have markedly lowered our net debt by €2.3 billion compared with 30 September 2012.

In general, we can say that we made very good progress during the nine-month reporting period. METRO GROUP and its sales lines have redefined themselves. In the process, the company has become more attractive to customers and added business performance strength. As a result, we are leaving the short financial year 2013 with renewed vigour – and with more power than we had just nine months ago.

The capital market has welcomed these gains. This view is reflected in our share's pleasing performance: during the financial year 2013, the price of the METRO share jumped by more than 39.5 per cent to €29.30, outperforming the relevant benchmark indices and the shares of many competitors in the process. There is one primary reason why investors are rewarding our strategy: the focused, customer-oriented approach being applied by our sales lines. The following examples illustrate my point:

Our **METRO Cash & Carry** sales line has significantly increased its relevance among professional customers. It achieved these improvements by developing a systematic form of target group management and taking new approaches to reaching its customers. METRO Cash & Carry also streamlined its assortment and repositioned it – by adding products that better meet the needs of professional customers. In light of the difficulties encountered in the non-food area during the financial year 2013, METRO Cash & Carry also substantially reduced its inventories as a way of creating room for more attractive non-food products. By contrast, demand for delivery, own-brand and franchise solutions rose sharply. Furthermore, the sales line intensely worked to refine its range of products and services. Altogether, these steps enabled METRO Cash & Carry to gain new customers and strengthen its relationship with existing customers. This progress also resulted from the more

intensive management we are now employing. Management and employees are taking a more diligent approach to ensuring that problems are really being addressed. An example: to increase the product range's appeal to German customers, we asked a highly respected chef to visit METRO stores in Spain, Italy and France and to search for specialities we could use in the German market. He drew up a list of products that the German stores lacked. Since then, several hundred of these products have been added to the stores.

At **Media-Saturn**, we carried out the most extensive transformation process at METRO GROUP during the financial year 2013. Rapid growth was generated both in multichannel retailing and online sales. The sales line markedly expanded its product range: it now boasts an online presence in more countries than ever before and offers a significantly higher number of products online. At the same time, it has continued to sharpen its price profile. Thanks to the multichannel approach, an idea that links stationary and online retailing, Media-Saturn captured tremendous market share – even though the market posed challenges created by money-conscious, crisis-plagued consumers and a reduced number of innovative new products. As we announced in December 2012, we ended Media Markt's business activities in China following a two-year test phase and closed its stores there during the first quarter of 2013.

At **Real**, we have largely completed the divestment of our Eastern European business. Real Romania, Real Russia and Real Ukraine were sold to the French retailing company Groupe Auchan. We expect the transfer of the business in Poland to take effect at the end of the year – following approval by antitrust authorities. At Real, we are now focusing on Germany. With a regional management structure, the sales line has become much more customer focused and streamlined in its home market. The key aspect of this change is the new decentralised store management philosophy. This gives local store managers increased authority to design assortments as they see fit. During the financial year 2013, we remodelled and upgraded more stores than ever before. In addition, Real continued to expand its range of own-brand products. The sales line also refined its innovative drive-in concept with local pick-up stores and completely redesigned its website.

Galeria Kaufhof assumed market leadership in Germany during the financial year 2013. In the process, it demonstrated that the systematic implementation of a focused strategy was the correct approach to take. The sales line added new brands to its assortments and reworked its range of own-brand products. This effort resulted in increased attractiveness and customer relevance. Through more efficient selling space usage and strict cost management, Galeria Kaufhof also continued to improve its profitability.

Overall, our sales lines are becoming more customer focused and are gaining market shares in the process. To be able to rapidly and efficiently carry out important programmes, we need a high level of individual responsibility in particular. At the beginning of the financial year 2013/14, we are putting all real estate properties that can be clearly assigned into the hands of the sales lines. In future, we will no longer report the Real Estate segment separately. Instead, it will be included in the other segments.

I would like to express my sincere gratitude to you, our shareholders, for the confidence you have put in us. I thank you very much for this. After the price of the company's share fell for two consecutive years, you saw the price climb steeply during the financial year 2013. Due to the absence of the important Christmas business during the short financial year, earnings per share before special items amounted to only €0.03. To strengthen the company's equity base, the Management Board of METRO AG will propose to the Annual General Meeting on 12 February 2014 that the complete balance sheet profit from the financial year be added to other reserves retained from earnings.

What are my expectations for the financial year 2013/14? We will forge ahead with the transformation of METRO GROUP and focus on making continued improvements to our cost structures. Both aspects are vital elements of our effort to generate profitable growth. The financial year 2013/14 will also mark a major event: on 27 October 2014, we will celebrate the 50th anniversary of METRO Cash & Carry – our largest sales line and the nucleus of METRO GROUP. We will use the anniversary as an occasion to launch the celebration at the beginning of the year and to tell our professional customers even more clearly about the benefits of the business model of METRO Cash & Carry.

At the end of this letter, I would like to take a look ahead: For the financial year 2013/14, we expect that sales will remain at the previous year's level and that we will generate EBIT before special items that markedly surpasses the previous year's level of €1.7 billion in spite of the difficult business conditions we continue to face in many of our countries. We also intend to further reduce our net debt as a way of strengthening our balance sheet over the long term and bolstering METRO GROUP's future.

Best regards,

Olaf Koch
Chairman of the Management Board of METRO AG

Management Board

METRO GROUP

THANK YOU!

Over the past months, we have all worked hard to bring our strategy to life and create added value for our customers. For the daily work of our 269,493 employees, this means listening very closely to their business partners, questioning the status quo and having the courage to take new approaches – to find not just any solution, but the best solution. For our customers and for our company.

We are well aware of how challenging and demanding this work can be day in and day out. But we also know that every member of our company – independent of position and function – can drive change and inspire others. To reinforce this attitude among our employees, we introduced the transformation of our company culture alongside our new strategic focus.

We have successfully completed the initial phase – our new strategy has come to life. This can already be seen in a number of areas. We would like to thank everyone – especially our employees – who put their trust in us and dedicated themselves to the further development of our company and common culture. We are confident this work will take METRO GROUP to the next level and new heights of success.

The Management Board of METRO AG

Olaf Koch **Mark Frese** **Pieter Haas** **Heiko Hutmacher**


Photo shoot cancelled!
We're busy visiting our customers.
The Management Board

THE MANAGEMENT BOARD

Olaf Koch
Chairman of the Management Board

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

Profile: Olaf Koch took over as Chairman of the Management Board of METRO AG on 1 January 2012 and is appointed until 13 September 2015. He also serves as CEO of METRO Cash & Carry. The 43-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. Between 2002 and 2007, he was a member of the board of management of Mercedes Car Group.

Pieter Haas
Member of the Management Board

Responsibilities: Business Innovation/New Ventures, IT Management/METRO SYSTEMS, Media-Saturn

Profile: Pieter Haas has been a member of the Management Board since 1 April 2013 and is appointed until 31 March 2016. He previously worked for the sales line Media-Saturn. 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 50-year-old economist held leadership roles at various companies.

Mark Frese
Chief Financial Officer

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

Profile: Mark Frese was named Chief Financial Officer of METRO AG on 1 January 2012. The 49-year-old is appointed until 31 December 2014. He has also served as CFO of METRO Cash & Carry since April 2012. Frese has worked for METRO GROUP since 1994. Following managerial positions at group subsidiary Galeria Kaufhof, he became the divisional head of Planning & Controlling at METRO AG in 2009. In September 2010, he took over as CFO of METRO Cash & Carry Europe/MENA.

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

Responsibilities: Human Resources (Corporate House of Learning, Corporate Performance & Rewards including International Payroll & HR Financials, Group Labour Relations & Labour Law, HR Operations including HR Reporting, HR Organisation Development, Processes & IT, Talent Management, Leadership & Change), Group Internal Audit, MGT METRO GROUP Travel Services

Profile: Heiko Hutmacher joined the Management Board of METRO AG in October 2011 taking charge of human resources. In April 2012, the 56-year-old also assumed responsibility for human resources at METRO Cash & Carry. Hutmacher holds a degree in business management and has more than 30 years of experience in human resources management at such companies as IBM and Akzo Nobel. Heiko Hutmacher is appointed until 30 September 2017.


Olaf Koch


Mark Frese


Pieter Haas


Heiko Hutmacher

THE YEAR IN REVIEW

SELECTED EVENTS DURING THE SHORT FINANCIAL YEAR 2013

Q1/2013

MEDIA-SATURN DISCONTINUES BUSINESS IN CHINA

↓

16/01/2013 —— METRO GROUP announces that the sales line Media-Saturn will discontinue business operations in China. This decision is based on the experiences and forecasts of the two-year test phase that ended in 2012.

REAL SUPPORTS RESPONSIBLE LIVESTOCK FARMING

↓

18/01/2013 —— The hypermarket adds products bearing the new label "Für mehr Tierschutz" ("For more animal protection") to its assortment. The seal of the German animal welfare association designates sausage and meat from animals raised in conditions better than those required by law. Products with this label are available in nearly 200 Real hypermarkets.

PROF. OTTO BEISHEIM PASSES AWAY

↓

18/02/2013 —— Prof. Otto Beisheim, the founder of METRO Cash & Carry, dies at the age of 89. With his concept of self-service wholesale, Beisheim revolutionised an entire industry in the mid-1960s and laid the foundation for METRO GROUP today.

CHANGE ON THE MANAGEMENT BOARD I

↓

18/03/2013 —— Chairman of the Management Board Olaf Koch assumes operational responsibility for the sales line METRO Cash & Carry, underscoring the priority METRO GROUP places on the wholesale business. The CEO of METRO Cash & Carry up to this point, Frans W. H. Muller, resigns from the company effective 31 March 2013. The resignation was issued under mutual agreement.

Q2/2013

CHANGE ON THE MANAGEMENT BOARD II

↓

01/04/2013 —— Pieter Haas, previously a member of the management board and COO of Media-Saturn-Holding GmbH, assumes his new position as a member of the Management Board of METRO AG. In this role, he oversees Business Innovation/New Ventures, IT Management/METRO SYSTEMS and Media-Saturn.

INITIATIVE FOR SUSTAINABLE FISH PURCHASING

↓

11/04/2013 —— METRO GROUP forms a strategic alliance with 16 international companies and organisations to promote the comparability of fish certifications and awards worldwide. The aim is to create a harmonised assessment scale for sustainable fish purchasing within the next three years.

METRO GROUP MARATHON UNTIL 2016

↓

22/04/2013 —— METRO GROUP will remain the title sponsor of the Düsseldorf marathon until 2016. The retail and wholesale company's sponsorship of this major sports event once again underscores its commitment to its hometown of Düsseldorf where its headquarters is located. In the reporting year, METRO GROUP assumes the role of title sponsor for the ninth consecutive time.

CHANGE ON THE SUPERVISORY BOARD I

↓

08/05/2013 —— The Annual General Meeting of METRO AG elects Baroness (at that time: Dame) Lucy Neville-Rolfe DBE CMG as a member of the Supervisory Board. As a result, the share of female members in the retail and wholesale company's highest governing body climbs to 25 per cent as the employee representatives increased the share of females and appointed three female members on 8 May 2013. The group has exceeded its planned objective: following the Supervisory Board election in 2013, at least 20 per cent of the Board's seats are to be held by women. For 2018, the aim is to raise the share of female members to at least 30 per cent.

FIRE PROTECTION INITIATIVE FOR BANGLADESH

↓

23/05/2013 —— Together with other companies and organisations, METRO GROUP supports a joint agreement to improve fire protection and building safety in Bangladesh's textile industry. The retail and wholesale company intends to provide expertise and financial support. The reason for the initiative was the collapse of a factory in Bangladesh that killed more than 1,100 people.

MEDIA-SATURN TAKES COMPLETE CONTROL OF REDCOON

↓

07/06/2013 —— On 7 June 2013 Media-Saturn increases its stake in the online retailer Redcoon to 100 per cent. During the takeover of the company in 2011, the sales line secured the option of purchasing the remaining 10 per cent stake at a later date.

Q3/2013

PROF. DR DR H. C. MULT. ERICH GREIPL PASSES AWAY

↓

02/07/2013 —— Prof. Erich Greipl, a long-time member of the Supervisory Board of METRO AG, passes away at 72. The respected retail expert and managing director of Otto Beisheim Group GmbH & Co. KG was a part of METRO GROUP for more than 25 years and played a key role in shaping the company with his expertise.

COMBINED HEAT AND POWER UNITS FOR METRO CASH & CARRY

↓

05/07/2013 —— METRO PROPERTIES puts two combined heat and power units into operation at METRO Cash & Carry stores in Düsseldorf and Berlin-Marienfelde. From now on, the two stores can produce electricity and heat from natural gas and significantly reduce their costs in the process. The combined heat and power units were set up as a pilot project in cooperation with the energy company Eon. It is planned to expand the initiative to other stores.

SUPPORT FOR FOOD BANKS IN 21 COUNTRIES

↓

24/07/2013 —— METRO GROUP concludes a three-year sponsorship agreement with the European Federation of Food Banks (FEBA). The Paris-based association represents more than 20 national and local food banks in 21 European countries. METRO GROUP will provide financial support from 2013 to 2015.

CHANGE ON THE SUPERVISORY BOARD II

↓

24/07/2013 —— In consultation with the Supervisory Board's nomination committee, the Management Board of METRO AG files an application for the court appointment of Dr Fredy Raas to the Supervisory Board. Following the court's approval of the application, he assumed the seat of the deceased member of the Supervisory Board Prof. Erich Greipl. Dr Raas is a member of the management boards of Otto Beisheim Group's two asset management companies in Baar, Switzerland and in Düsseldorf, Germany. He is also president of the board of the Prof. Otto Beisheim foundation in Munich, Germany, as well as vice president of the board of the Prof. Otto Beisheim foundation in Baar, Switzerland.

REAL AND GALERIA KAUFHOF RAISE WAGES

↓

31/07/2013 —— The two sales lines grant employees in all collective bargaining regions a monthly 2.5 per cent rise in their monthly salaries governed by the collective bargaining agreement. The rise is applied under the condition that it be included in later collective bargaining agreements. Depending on the collective bargaining region, the rise takes effect on 1 August, 1 September, 1 October or retroactively on 1 July.

COMPLETE TRACEABILITY OF SALMON

↓

01/08/2013 —— METRO Cash & Carry China offers fully-traceable fresh salmon for the first time. The fish from selected salmon farms bear labels with bar codes. Customers can scan these bar codes using scanners at wholesale stores or a mobile app to track the salmon and view its complete transport chain.

REAL ESTATE FUND SUCCESSFULLY PLACED

↓

29/08/2013 —— METRO PROPERTIES places 43 French stores of the sales line METRO Cash & Carry on the market in the form of a closed-end real estate fund. METRO PROPERTIES concluded two similar transactions in 2011 and 2012.

METRO CASH & CARRY

SEPTEMBER 2013

SUPPORT FOR ENTREPRENEURS

METRO

SUCCESSFUL CONCEPT —— One network, thousands of successful traders and many satisfied customers: this sums up METRO Cash & Carry's Trader Franchise Programme in a nutshell. The concept behind the programme designed specifically for the Eastern European market is simple: METRO Cash & Carry acts as a kind of franchiser with an individual advertising campaign geared specifically towards independent traders. They receive, among other things, professional support in upgrading stores, advice on designing assortments and marketing assistance. The concept is well received by the store owners, and the network is growing quickly. METRO Cash & Carry now offers the Trader Franchise Programme, which was launched in Poland in 2011, in Bulgaria, Romania, Russia, Serbia, the Czech Republic and Ukraine. More than 6,000 store owners – and counting – are part of this network.

MEDIA MARKT

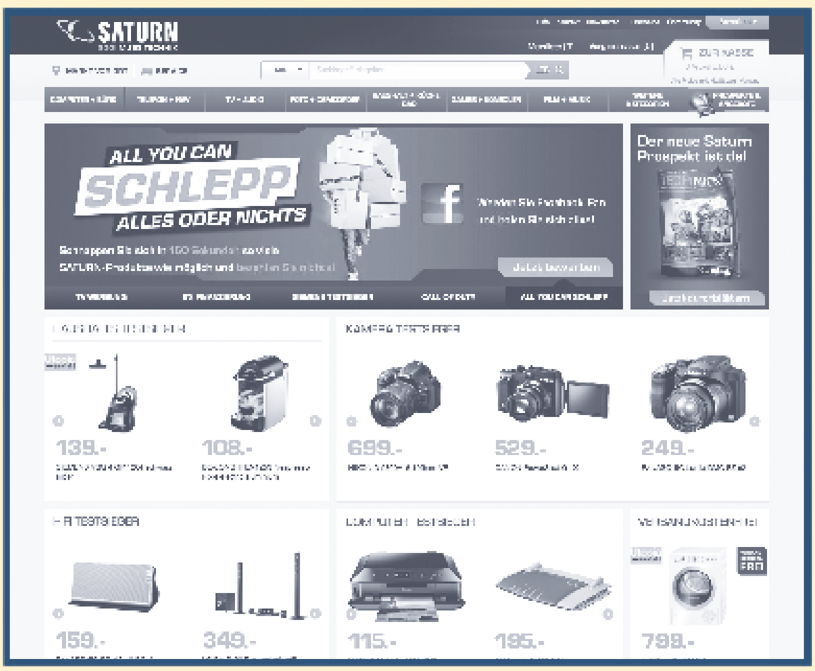
JUNE 2013

SCORE AND SAVE

CRAZY GOAL WALL SHOOTING — With a spectacular marketing campaign, Media Markt fuelled a different type of football fever this year. For eleven days, a small leather ball received all the attention in the consumer electronics stores in Germany: 255 Media Markt stores invited customers to try their luck at goal wall shooting. The rules: After purchasing their goods, each customer could take aim at the goal wall. Those who managed to kick the ball through the hole received their money back. With a little luck and some hardy nerves, amateur ball wizards had the chance to take home a new television or other high-end devices for free. It all goes to show that perfect aim isn't just for the professionals of the football pitch. It pays off for the number one among European consumer electronics stores as well!

SATURN

MAY 2013



TESTED
AND
CERTIFIED

SHOP ON THE GO – SECURELY ——— In addition to shopping in stationary stores and online, Saturn customers have been able to make purchases via their smartphones since the middle of 2013. As a result, they have access to the consumer electronics retailer's comprehensive range of technology anywhere and anytime. In May 2013, Saturn had the level of security offered by its mobile shopping experience certified by TÜV Süd. The version of the online shop that has been optimised for smartphones, m.saturn.de, is the first mobile site to receive the TÜV Süd "s@fer-shopping" certification mark. The corresponding Saturn app also passed the test with flying colours. As part of the comprehensive certification process, the quality, security and transparency provided by the mobile offerings were meticulously examined. TÜV Süd's verdict: Saturn's mobile shop is extremely trustworthy.

REDCOON

MARCH 2013

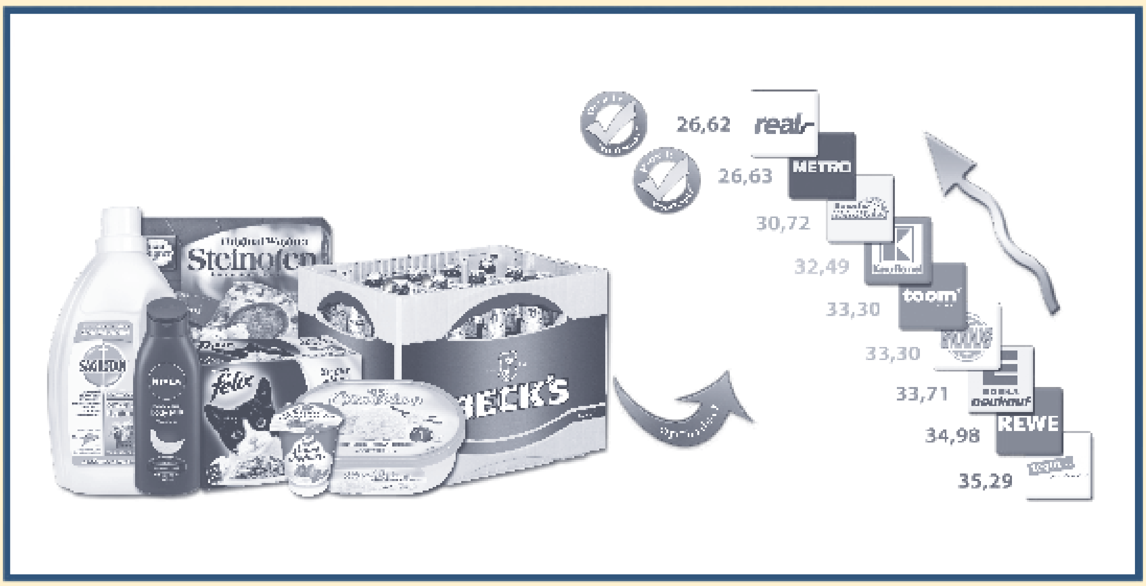
GOOD AND CHEAP

A CELEBRATION WITH ANNIVERSARY DEALS — “We’re celebrating 10 years of cheap!”: with this announcement, the online shop Redcoon kicked off the “cheapest anniversary sale of all times” at the end of March in celebration of its tenth birthday. In line with its pricing philosophy, the online retailer offered customers attractive anniversary sales and weekly “hot deals” throughout the year. It also conducted promotional campaigns and sweepstakes on its Facebook page. The marketing campaign included two television commercials. Redcoon launched its online shops in Germany, Austria and Spain in 2003. Since then, Redcoon has opened additional shops and now does business in ten European countries. In the coming year, Redcoon will expand its range of entertainment and consumer electronics as well as its service offerings. With full speed into the next decade!

REAL

SEPTEMBER 2013

WINNER IN PRICE COMPARISONS

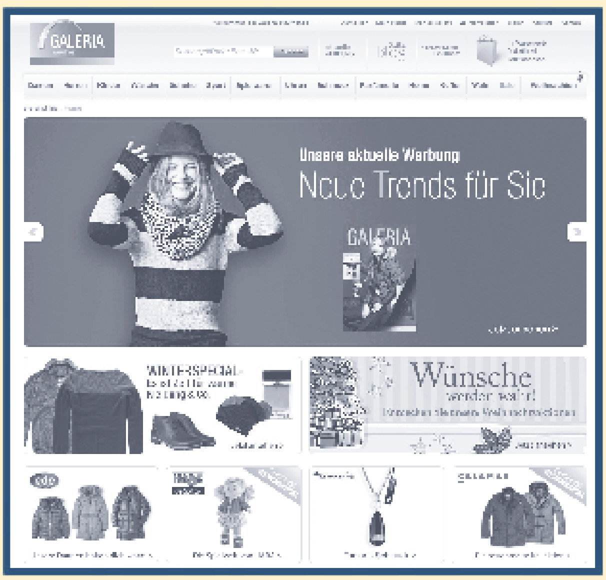


Data take local discount/average prices into account (store: Giesen, date: 17/7/2013). Source: Drotax YouPickIt Group

REDUCING THE PRICES OF MORE THAN 2,000 ITEMS IS PAYING OFF. ——— Which retailer carries products that meet consumers' daily needs at the best price? Not just shoppers are interested in the answer to this question. The weekly news magazine Focus asked this same question and compared the prices of products at various grocery stores. The result: the bill for a shopping basket filled with selected brand products, from a crate of Beck's Pils and Wagner's stone-baked frozen pizza to Nivea body lotion, was lowest at Real. The test uncovered surprisingly large differences in prices between stores. Depending on the product, the difference totalled up to €1.70. Real repeatedly scored above average in direct comparisons of brand products: what's more, the hypermarket was the cheapest or second-cheapest retailer in a number of other shopping basket comparisons.

GALERIA KAUFHOF

SEPTEMBER 2013



SHOPPING EXPERIENCE ANY TIME, ANY PLACE

IN STORES, AT HOME AND ON THE GO — Easy to use, quick to load and perfectly networked: these are the features of Galeria Kaufhof's mobile shop that are attracting customers. In September, the leading German department store operator launched a version of its online shop galeria.de that has been optimised for smartphones – and makes shopping even more convenient for customers: thanks to intuitive and condensed navigation, only a few clicks are needed to select and order goods. A store finder and trip planner connect users with the department stores. Additional services include the Payback Lounge, an option for ordering gift cards and a mobile version of the career site in the form of a job board. The dovetailing of the online offering with stationary stores allows customers to experience the brand Galeria Kaufhof on all channels: for a shopping experience in stores, at home and on the go.

METRO PROPERTIES

FEBRUARY 2013

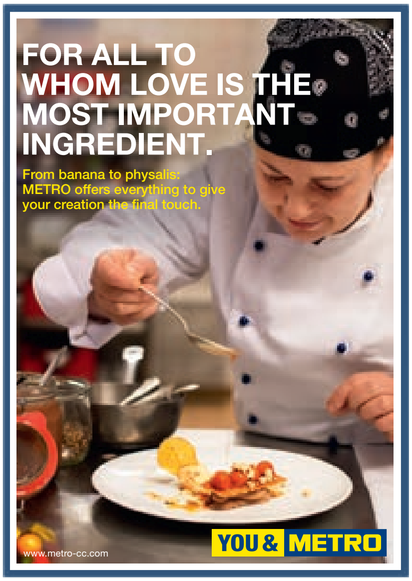
METRO PROPERTIES

CERTIFIED MANAGEMENT

CERTIFIED QUALITY —— METRO PROPERTIES reached an important milestone in its quality and environmental management as well as in the areas of human resources and procurement in early 2013: the real estate company's Polish national subsidiary successfully achieved ISO 9001 and 14001 certification. The two international industry standards stipulate binding requirements for corporate quality and environmental management systems. The auditors primarily reviewed the processes and organisation of technical structures and services in the areas of facility management, waste management and environmental protection. Employees at the METRO PROPERTIES head office in Warsaw and the technical experts of various Polish locations were involved in the six-day certification process.

METRO CASH & CARRY

OUTLOOK FOR THE FINANCIAL YEAR 2013/14



YOU & METRO ——— 2014 will be a significant year for METRO Cash & Carry and METRO GROUP: our sales line will be celebrating 50 years of existence. The anniversary is cause for celebration and a reason to look confidently into the future. At the core of this occasion lies one question: what defines METRO Cash & Carry? The stories and the growth of our sales line are tightly intertwined with the stories of its customers. They all revolve around the entrepreneurial spirit that makes these customers strong and motivates METRO Cash & Carry to deliver the very best.

Consistently making independent entrepreneurs more successful – this is what drives our sales line. The foundation of this concept is built upon trusting relationships with customers, employees and suppliers. METRO Cash & Carry is bringing this mission to life with the new brand campaign YOU & METRO. The campaign celebrates the entrepreneurial spirit of our customers and exemplifies the professionalism and passion that are necessary to turn ideas into a successful business.