METRO GROUP 2012

INVESTMENT

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WE'RE CREATING CUSTOMER VALUE

TARGETED AND TAILORED: SHOPPER INSIGHTS

The retail business is all about putting together a range of products and services that meet customers' needs. To do so, retailers need a precise understanding of their customers. Working with the manufacturers of consumer goods, our Real sales line uses Shopper Insights for this very purpose: detailed analysis of actual shopping behaviour. In 2009, Real identified 10 core target groups in its effort to understand its customers. These groups include "conservative & demanding", "budget" and "traditional hoarders". Real pools these qualitative findings with anonymous quantitative data from the Payback loyalty programme and from shopping receipts. The result is a precise picture of which customer groups prefer which products, how loyal they are to these products and how many customers buy specific items. Real then uses the information to hone its concepts, assortments, advertising and prices on the market level. In the process, it sharpens its focus on the customer. Armed with these findings, our sales line optimised the category "wash, polish and clean". The result: sales in this product group jumped by 5 percent within 3 months.

METRO SHARES

In the financial year 2012, the price of the METRO share turned downward in a generally positive capital market environment. One cause of this decline was ongoing concern about the potential impact that the European sovereign debt crisis would have on the sales and earnings of METRO GROUP. Furthermore, the difficult business conditions faced by non-food retailing, particularly consumer electronics, hurt the share's performance more than they did other areas of the retailing industry.

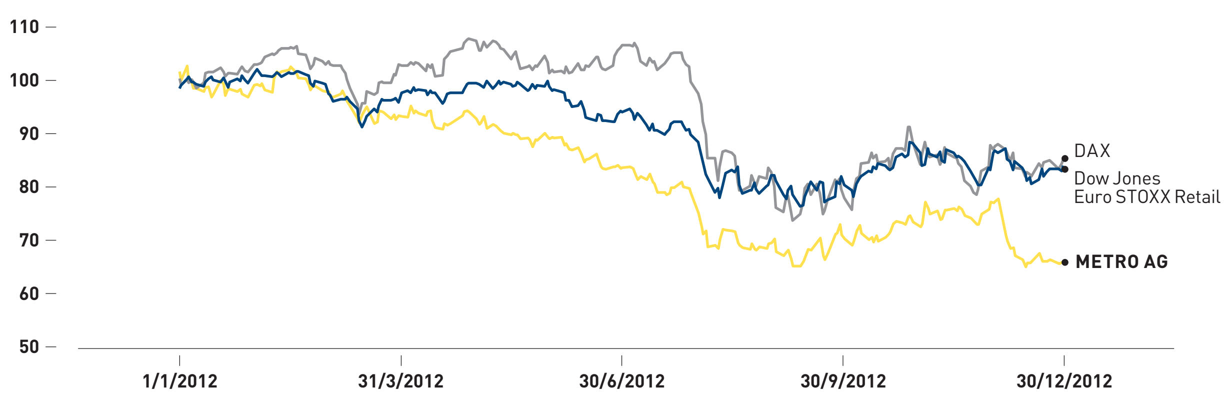
In January and February 2012, the price of the METRO share rose slightly, hitting its yearly high of €31.18 in March 2012. The announcement in March of the Company's outlook for the entire year and the release in May of results for the 1st quarter of 2012 acted as a drag on the share's price. In July 2012, the price of the METRO share fell to its low for the year, €20.05. But the level of €20 proved to be a strong floor for the share. The price did fall below this level for short periods during intraday trading, but not in terms of daily closing prices. Until early autumn, the METRO share followed the slight upward trend in the market.

On 5 September 2012, Deutsche Börse announced that METRO AG would be dropped from the DAX blue-chip index effective 24 September and would be added to the MDAX. In terms of the market capitalisation of the Company's free float, METRO AG lost its position among the 35 biggest listed companies in Germany – a key criterion for inclusion in the DAX. The change prompted investors to rearrange their portfolios, particularly those involving index funds. This also had a negative impact on the share's performance.

At the beginning of October, METRO GROUP lowered its expectations for the financial year 2012 and announced that it could no longer maintain its outlook. The reasons for this decision included rising unemployment in Europe, which set a new record, and the intensifying austerity efforts being undertaken by members of the eurozone to rein in the sovereign debt crisis. As a result, consumer confidence in Europe became even more pessimistic than the Company had initially expected. The modification of the Company's outlook created a further headwind for the METRO share. Lacking any positive momentum, the share price moved sideways for the rest of the year. The share gained only a brief lift from the November announcement of the divestment of the international business of the sales line Real to the French retailer Groupe Auchan.

The METRO share closed the year at €21.00, 25.5 percent lower than a year earlier.

Development of the METRO share price (%)



Performance comparison of METRO ordinary share in 2012 vs Dow Jones Euro STOXX Retail vs DAX vs MDAX

METRO GROUP	Dow Jones Euro STOXX Retail	DAX	MDAX
–25.5%	29.1%	33.9%	19.1%

Source: Bloomberg

METRO shares 2010–2012

			2010	2011	2012
Annual closing price	Ordinary share	€	53.88	28.20	**21.00**
	Preference share	€	36.09	24.16	**23.05**
Annual high	Ordinary share	€	58.53	55.91	**31.18**
	Preference share	€	40.89	39.24	**27.50**
Annual low	Ordinary share	€	37.28	27.39	**20.05**
	Preference share	€	32.00	22.43	**20.80**
Cash dividend	Ordinary share	€	1.35	1.35	**1.00**[1]
	Preference share	€	1.485	1.485	**1.06**[1]
Dividend yield	Ordinary share	%	2.5	4.8	**4.8**[1]
based on the closing price for the year	Preference share	%	4.1	6.1	**4.6**[1]
Market capitalisation (billion)		€	17.6	9.2	**6.9**

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

Information about the METRO shares

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

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 59.98 percent of the voting rights at the end of 2012. The shareholder groups Haniel and Schmidt-Ruthenbeck are the Group's major shareholders. According to notifications of voting rights pursuant to the German Securities Trading Act (WpHG), they held 50.01 percent of the voting rights as of the closing date. The Beisheim shareholder group holds 9.97 percent of the voting rights, according to voting rights notifications. According to notifications of voting rights received by METRO AG, the Haniel shareholder group reduced its METRO stake by 4.23 percent to 30.01 percent on 5 February 2013, that is, after the balance sheet date. This stake totals 13.7 million METRO shares. According to notifications of voting rights pursuant to the German Securities Trading Act, the Haniel and Schmidt-Ruthenbeck shareholder groups therefore hold 45.78 percent of the voting rights.

As of the closing date, the free-float share of 40.02 percent is divided among a large number of national and international investors. Notifications from fund management firms and other publicly available data sources indicate that US and German investors now account for the largest share of institutional investors, followed by investors from France and Great Britain. The 20 largest institutional investors hold nearly 36 percent of the free float. In addition, METRO AG's shareholder base includes an estimated 65,000 private investors. As a result, the number of private investors has risen by about 5,000 compared with the previous year.

Market capitalisation and index inclusion

As a result of the share price losses, METRO AG's market capitalisation fell to €6.9 billion at the end of December 2012 compared with €9.2 billion in December 2011. The trading volume of the METRO share exceeded the previous year's level in 2012. On an average trading day, 1.6 million ordinary shares of METRO AG were traded, compared with 1.3 million in 2011. Just under 3,000 shares of the less liquid preference shares were traded on average in daily trading. The total was 6,500 in the previous year.

As Germany's largest listed retail and wholesale group, METRO AG was a member of the German share index DAX 30 from the time of its establishment in 1996 until 24 September 2012. During a regularly scheduled review of the index on 5 September 2012, Deutsche Börse, in accordance with its own rules and regulations, only applied the free float in terms of the index-relevant market capitalisation. At year's end, the Company's market capitalisation totalled €6.9 billion, of which €2.8 billion was attributed to the free float. In accordance with the rules and regulations of Deutsche Börse, METRO AG had to be removed from the DAX as a result and is now listed in the MDAX, where the METRO share is one of the biggest members. METRO AG remains a member of the industry index Dow Jones Euro STOXX Retail.

Dividends

Dividend yield 2006–2012

2006	2007	2008	2009	2010	2011	2012
2.3%	2.1%	4.1%	2.8%	2.5%	4.8%	**4.8%**[1]

Payout ratio 2006–2012

2006	2007	2008	2009	2010	2011	2012
42.4%	45.2%	38.7%	56.2%	43.3%	51.3%	**52.9%**[1]

[1] Subject to the resolution of the Annual General Meeting

Analysts' recommendations

METRO GROUP is covered by roughly 40 analysts from respected national and international banks. METRO GROUP regularly reports the respective recommendations and share price targets on its investor relations pages on the Internet. As of the end of 2012, 21 percent (previous year: 31 percent) of analysts recommended the METRO share as a buy; 55 percent (previous year: 56 percent) reduced it to "hold" and 24 percent (previous year: 13 percent) rated the share a "sell". The median value of share price targets was €22.10 at year's end compared with €35.00 at the end of 2011.

Investor relations

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

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

The fixed dates for regular reporting form the framework for capital market communications. These communications efforts began the year with the announcement of sales results for 2011 in mid-January 2012. On 20 March 2012, the annual report covering business developments in 2011 was presented during a conference call. A month after the end of each quarter, METRO AG held a conference call to inform capital market participants about the previous period. The conference calls can be watched live online and are available in the Investor Relations section of METRO GROUP's website along with a presentation. The associated reports are also available there.

In 2012, we continued our direct dialogue with shareholders, potential investors and analysts through presentations in key financial markets in Europe and the US. 5 conferences in Paris, Frankfurt and New York as well as 24 road show days in 11 countries supported the Group's capital market communications. In addition, analysts and investors have an opportunity to learn about the Company's high-performance capabilities by visiting the headquarters of METRO AG in Düsseldorf. The focus of these visits includes store tours that serve as a chance to demonstrate the conceptual strength of the sales lines of METRO GROUP.

Private investors 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 the METRO GROUP's website. This section underwent a revision at the end of 2012. The aim was to make it easier to find relevant information. The online section includes insights into the Company's strategy and business development, new publications as well as an archive of annual reports stretching back to the establishment of METRO AG. In addition, investors can contact the Investor Relations team directly. The number of queries climbed once again in 2012, rising above the level reached in 2011. During the Annual General Meeting, the department's employees stand ready to talk with investors.

In 2012, METRO GROUP once again received several awards for its investor relations work. METRO AG again ranked first in the trade sector in Thomson Reuters' European Extel survey – both in the individual and in the team assessment. For the ninth consecutive time, the international business magazine "Institutional Investor" presented METRO GROUP with the award for the best investor relations work in the European trade industry. In a competition called "Best Investor Relations Germany", the magazine "Börse Online" ranked METRO AG fourth among MDAX companies.

This and other awards demonstrate to us that comprehensive, transparent information about the capital market is essential even amid difficult market conditions and is recognised by the market.

What speaks in favour of the METRO share?

By purchasing METRO shares, investors gain a stake in METRO GROUP, the world's fourth-largest retail company, with

— METRO Cash & Carry – the international leader in cash & carry,
— Real hypermarkets – one of the leading hypermarket companies in Germany,
— Media-Saturn – No. 1 in consumer electronics retailing,
— Galeria Kaufhof – leader in the department store segment in Germany and Belgium,
— a unique portfolio of commercial real estate properties,
— a presence in more than 30 countries with an exceptional market position in both growth countries and mature markets around the world,
— focus on profitable growth as well as sustainable, systematic value enhancement,
— high self-financing power and an above-average return on capital employed in an industry comparison,
— attractive, continuous dividends.

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