METRO GROUP 2012

SERVICE

4

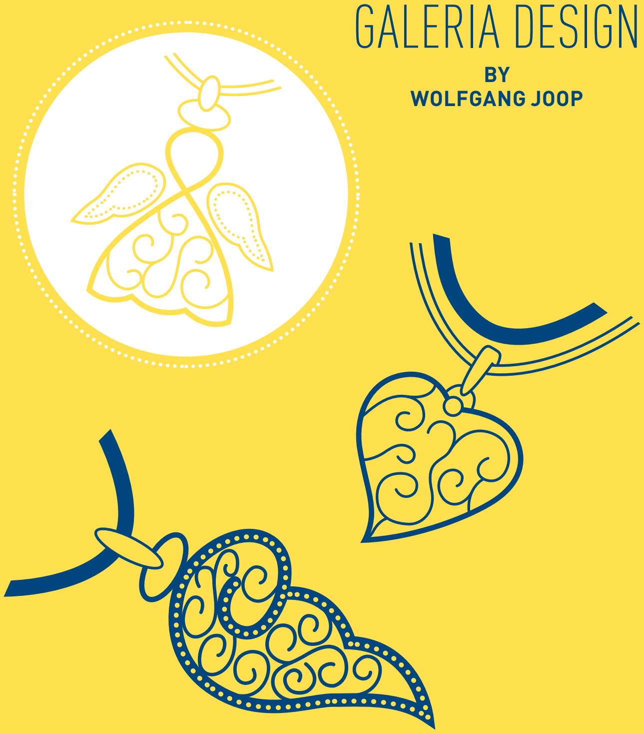
WE'RE CREATING CUSTOMER VALUE

STYLISH AND CREATIVE: PARTNERSHIP WITH WOLFGANG JOOP

A department store should always be a mirror of the times: it brings together the latest fashions, accessories and cosmetics as well as decorations and interior fitting items. In assembling its contemporary range of products, Galeria Kaufhof draws on trend analyses, market research findings and data from customer loyalty programmes. Our sales line also generates its own ideas through a creative partnership it started in 2010 with the internationally respected fashion designer and artist Wolfgang Joop. He advises Galeria Kaufhof about seasonal trends, advertising campaigns and product ranges. Working together, the partners create a world of experiences that is designed to inspire customers to develop their own individual styles. On behalf of Galeria Kaufhof, Wolfgang Joop also develops products, particularly for the department store's own-brand ranges. In 2012, he designed fashionable jewellery under the name of "Galeria Design by Wolfgang Joop".

GALERIA DESIGN

BY
WOLFGANG JOOP



GLOSSARY

A

Anti-fraud measures
Prevention and identification of as well as response to fraudulent in-house activities.

Asset management
Acquisition, development, management and sale of real estate assets. At METRO GROUP, this is the responsibility of METRO PROPERTIES.

Audit
A procedure that assesses an organisation's processes and structures according to previously formulated standards and guidelines. Audits shed light on the effectiveness of process optimisation measures. If an audit is conducted by an external auditor, the certification 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

Commissioning
Packing of a defined number of goods and preparation for delivery.

Commission business
A retail business that an entrepreneur operates under his or her own name but on another's behalf. In an "official" commission business, the manufacturer supplies the retailer with products and the respective selling rights to them without receiving any compensation. The agreed-upon price will be paid to the manufacturer only if the products are sold to customers. This means the manufacturer assumes all risk.

Compliance
All measures specifying a company's and its employees' behaviour in accordance with legislation, established social guidelines and values.

Consumer electronics store
Large retail store specialised in consumer electronics, household goods, new media, telecommunications, computer and photo assortments. Media Markt and Saturn are the consumer electronics stores of METRO GROUP.

Core real estate asset
High-quality rented real estate property in an attractive location.

D

Department store
Large retail store that is generally located in the city centre and offers all types of goods, including textiles, household goods and food. Galeria Kaufhof is METRO GROUP's department store operator.

Discounter
A retail format characterised by a limited product assortment and an aggressive low-price policy.

Distance retail
The purchase and sale of merchandise over a certain distance. Customers do not view the merchandise in person, but order products from a catalogue, in an online shop, by telephone or on the basis of a sample.

Diversity management
Key element of human resources policy that leverages the diversity of the workforce with respect to gender, age, ethnic origin, faith, sexual identity or disabilities for a company's business success.

E

EBIT (Earnings Before Interest and Taxes)
Serves as the basis for international comparisons of companies.

EBITaC (Earnings Before Interest and Taxes after Cost of Capital)
This metric shows whether a company successfully deploys its business assets and generates economic value added exceeding its cost of capital.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)
This metric serves as the basis for comparisons between companies using different accounting standards.

EBT (Earnings Before Taxes)
This metric serves as the basis for comparisons between companies even when different tax systems apply.

E-commerce
Short for electronic commerce, which is the electronic marketing and retail of merchandise and services online.

F

Facility management
Management and operation of buildings, plants and building services with the aim of reducing costs, ensuring the technical functionality and maintaining the long-term value of a building.

Fair value
The amount at which an asset could be bought or sold, or a liability incurred or settled, in a current transaction between willing parties on the basis of market prices.

Flagship store
Flagship stores are prestigious locations that convey a retailer's brand image in a particularly strong manner. They distinguish themselves from a company's other stores through their size, location, layout and workforce. Flagship stores also provide a venue for testing new technologies and concepts.

Franchising
Also known as licensing or franchising system. A contractually regulated organisational form: the franchisor grants an independent franchisee the right to offer certain products or services bearing the name or the trademark of the franchisor.

G

GLOBALGAP
A private sector organisation that certifies agricultural and aquacultural products. The standard for "good agricultural practice" (GAP) resulted from an initiative of European trade and retail companies.

Governance
Principles governing the management and supervision of the different players that influence a company's direction.

H

HACCP (Hazard Analysis and Critical Control Points)
A consumer-protection system for checking food safety. It provides a way for companies to monitor critical points and hazards in their production processes. All companies in Germany that manufacture food products are required to use HACCP. Within the European Union, it is illegal to import and trade products that do not meet the requirements of the HACCP system.

Hypermarket
Large retail store with different articles offered mainly in a self-service arrangement. Aside from food products, the assortment also includes consumer durables and non-durables. Real is the hypermarket operator within METRO GROUP.

I

IASB (International Accounting Standards Board)
An independent international body that developed the International Financial Reporting Standards (IFRS) and continues to modify them.

IFRIC (International Financial Reporting Interpretations Committee)
This group is part of the International Accounting Standards Committee Foundation (IASCF) and resolves controversial accounting issues.

IFRS (International Financial Reporting Standards)
International rules governing the accounting policies, in contrast to the financial statements according to the German Commercial Code, the focus of IFRS is on investor-orientated information.

L

Like-for-like growth
Sales growth adjusted for selling space reflects sales growth on a comparable area or with respect to a comparable group of locations in local currency. It includes only 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 change substantially as a result of restructuring work.

M

Mark-to-market evaluation
Calculation of the fair value of financial instruments based on market prices at a particular point in time.

METRO GROUP Future Store Initiative
A group of companies from the retail and trade, consumer goods, information technology and services sectors as well as from research and academia. The partners jointly promote the modernisation process in the trade and retail industry.

Mobile commerce
A specific type of e-commerce. In this case, the electronic marketing and retail of merchandise and services are conducted on a mobile device, such as a smartphone.

Multichannel marketing
Retail strategy to reach customers via several parallel, interlinked marketing approaches, for example via outlets and online shops.

N

Net earnings
Net profit of a company. The Annual General Meeting decides on the appropriation of net earnings.

Nonfood items
A term that describes essential household items in retail assortments.

O

Own brands
Also known as private labels. Branded articles that have been created and trademarked by a retail and wholesale company and that offer attractive value for money.

P

Performance share
Performance-based participation. A performance share entitles its owner to a cash payment matching the share price.

Q

QR code
A 2-dimensional square code consisting of black and white pixels that contains 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 direct users to supplementary information. The abbreviation QR stands for "quick response".

R

Radio Frequency Identification (RFID)
Technology for contactless data transmission and automatic identification of goods movements.

RoCE (Return on Capital Employed)
This metric indicates whether a company makes profitable use of its available capital, less liquid funds and short-term debt capital.

S

Sales brand
A company with a consistent and independent market presence. 2 sales brands with an identical sales concept can be positioned within 1 sales line, as in the case of Media Markt and Saturn.

Sales line
Subsidiary of a retail and wholesale group that operates outlets or stores under a certain sales concept.

Share unit
Unit for performance shares.

Solar-powered air-conditioning
Air-conditioning technology using solar power that can cool and heat stores or other buildings with the help of solar collectors and an absorption refrigeration system.

Supply chain
Various processes that contribute to a company's value creation. At METRO GROUP, this includes logistics, marketing and sales, among other things.

T

Trading-up strategy
Quality improvement of a retail group's offering, for example through larger product assortments, a higher level of quality, more comprehensive services and a more sophisticated store design.

W

Wholesale
A trade format where merchandise is sold to commercial resellers, processors or commercial users. METRO Cash & Carry is the wholesale division of METRO GROUP.

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

MULTI-YEAR OVERVIEW[1]

		2006	2007	2008[2]	2009[3]	2010	2011	2012
Key financial figures								
Sales (net)	€ million	58,279	64,210	67,955	65,529	67,258	65,926[4]	**66,739**
EBITDA	€ million	3,162	3,343	3,540[5]	3,319[5, 6]	3,726[5]	3,651[5]	**3,292[5]**
EBIT	€ million	1,928	2,078	2,222[5]	2,024[5]	2,415[5]	2,372[5]	**1,976[5]**
EBIT margin	%	3.3	3.2	3.3[5]	3.1[5]	3.6[5]	3.6[5]	**3.0[5]**
Earnings before taxes	€ million	1,564	1,561	1,648[5]	1,393[5]	1,834[5]	1,732[5]	**1,417[5]**
Net profit or loss of the period[7]	€ million	1,196	1,051	722[5]	824[5]	1,139[5]	979[5]	**717[5]**
thereof from continuing operations	€ million	1,079	1,065	1,151[5]	824[5]	1,139[5]	979[5]	**717[5]**
thereof profit or loss for the period attributable to shareholders of METRO AG[7]	€ million	1,059	825	401	383	850	631	**3**
Investments	€ million	3,011	2,154	2,423	1,517	1,683	2,095	**1,437**
Total assets[7]	€ million	32,190	33,862	33,516	33,282	35,067	33,987	**34,766**
Equity	€ million	6,050	6,498	6,061	5,992	6,460	6,437	**6,101**
Equity ratio	%	18.8	19.2	18.1	18.0	18.4	18.9	**17.5**
Return on equity after taxes	%	19.8	16.2	11.9[5]	13.8[5]	17.6[5]	15.2[5]	**11.7[5]**
Earnings per share (basic = diluted)[7, 8]	€	3.24	2.52	1.23	1.17	2.60	1.93	**0.01**
thereof from continuing operations	€	2.88	2.58	2.54	1.17	2.60	1.93	**0.01**
thereof from discontinued operations	€	0.36	-0.06	-1.31	0.00	0.00	0.00	**0.00**
Distribution								
Dividend per ordinary share	€	1.12	1.18	1.18	1.18	1.35	1.35	**1.00[9]**
Dividend per preference share	€	1.232	1.298	1.298	1.298	1.485	1.485	**1.06[9]**
Operating data								
Employees (annual average by headcount)		253,117	275,520	290,940	286,329	283,280	280,856	**278,811**
Locations		2,119	2,097	2,111[10]	2,127	2,131	2,187[11]	**2,243**
Selling space (1,000 m²)		11,481	11,779	12,302[10]	12,629	12,771	12,954	**13,003**

[1] Only continuing operations (discontinued operations: 2006 Praktiker and Extra, 2007 and 2008 Extra and Adler, 2009 Adler)
[2] Adjustment due to first-time adoption of new and revised IFRSs in the financial year 2009
[3] Adjustment due to revised disclosure in the financial year 2010
[4] Adjustment of previous year (see chapter "Notes to the Group accounting principles and methods")
[5] Before special items; special items for 2011 and 2012 are displayed on pages 102 and 103
[6] Adjustment due to netting of non-scheduled write-downs and write-backs in EBITDA totalling €9 million (Real), €6 million (Real Estate) and €–6 million (Consolidation) in the financial year 2010
[7] Including discontinued operations
[8] After non-controlling interests
[9] Subject to the resolution of the Annual General Meeting
[10] The 84 Dinea locations were reclassified from the „Others" segment to the Galeria Kaufhof segment. They are no longer counted as independent locations in the Galeria Kaufhof segment, but attributed to the respective Galeria Kaufhof location. As a result, the locations and their selling space are no longer diclosed separately.
[11] Including first-time inclusion of METRO Cash & Carry satellte stores (total of 14)

METRO GROUP LOCATIONS

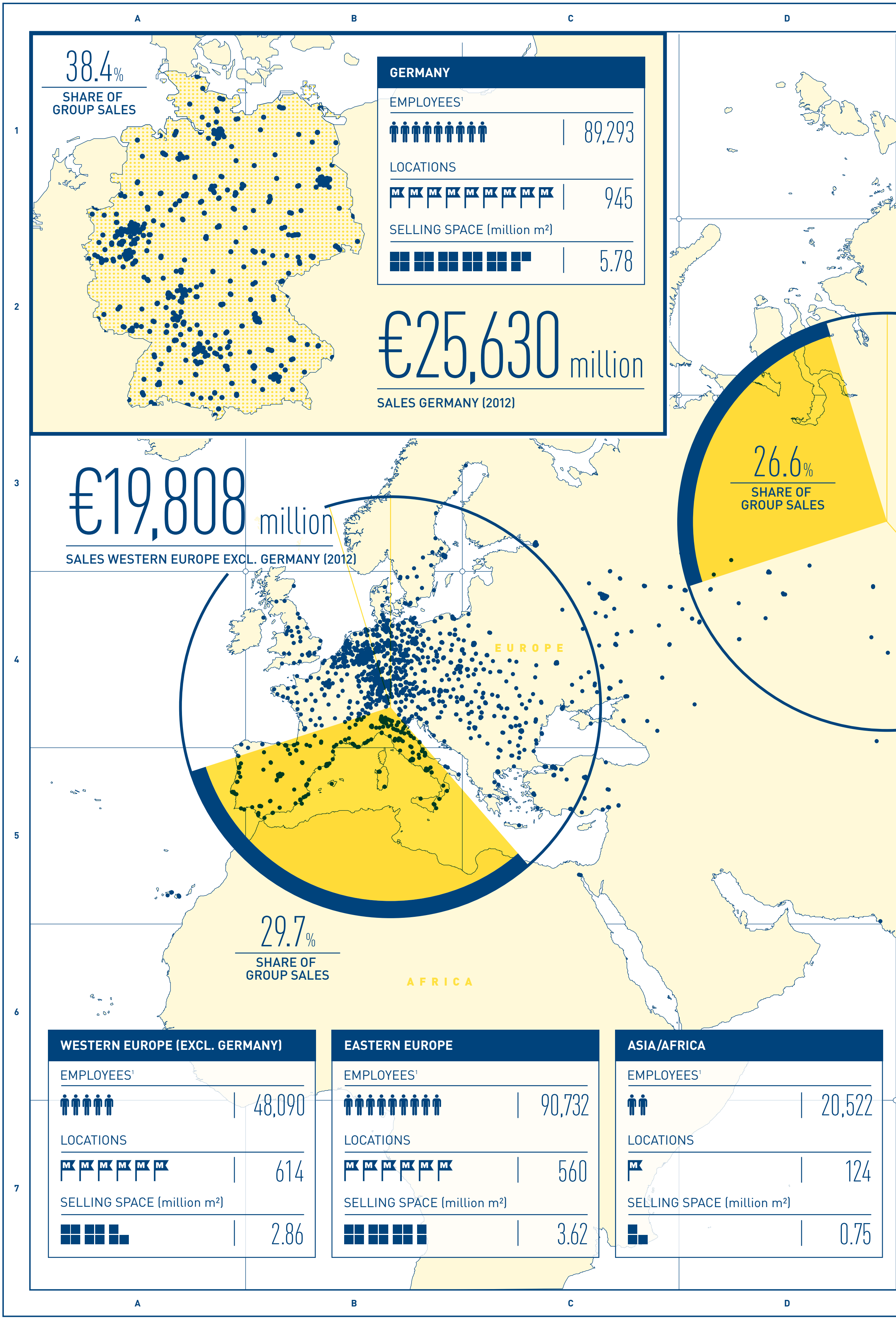
DECEMBER 2012

WE

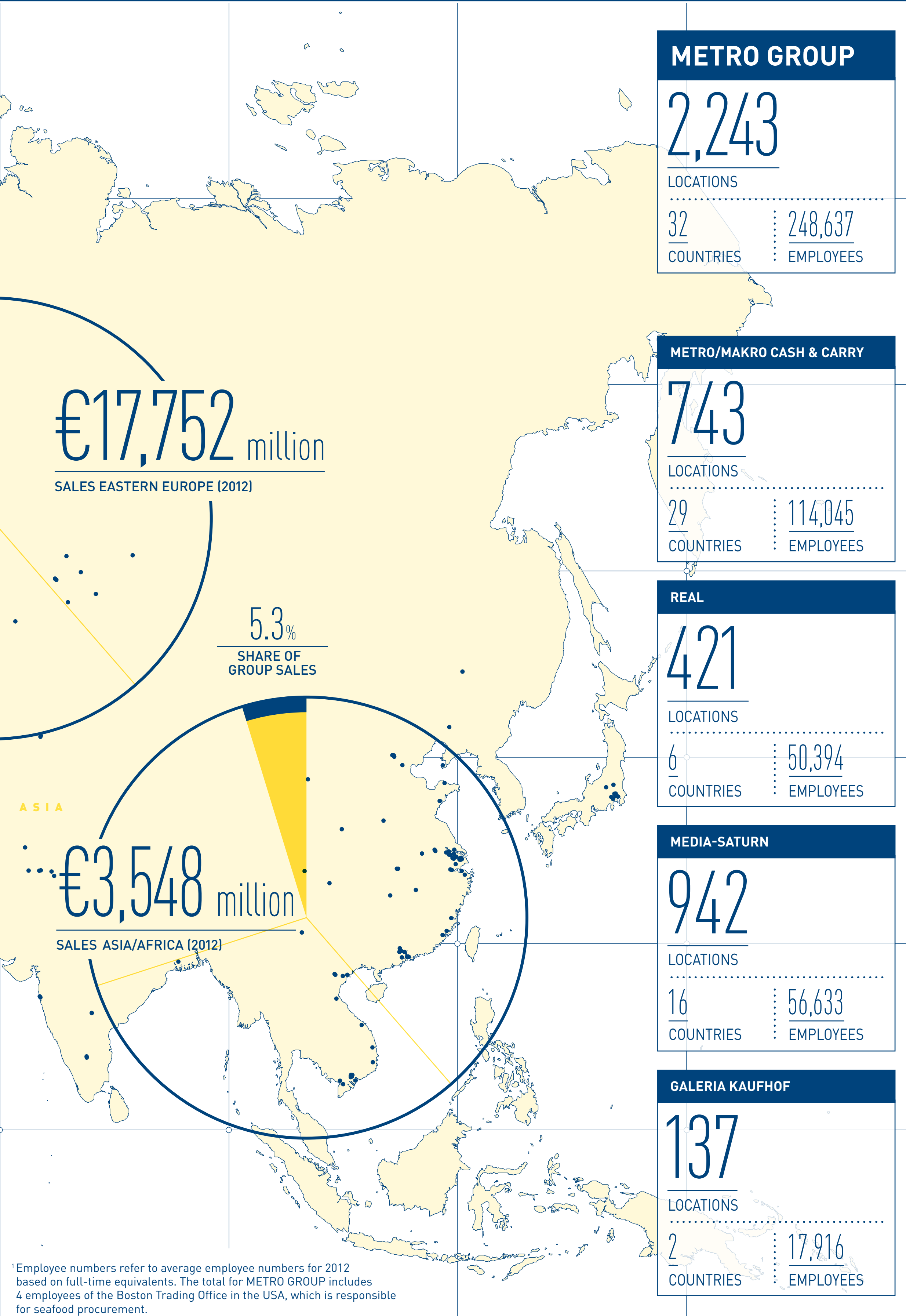
OPERATE GLOBALLY

←

Map:
Please open



38.4%
SHARE OF GROUP SALES
GERMANY
EMPLOYEES[1] 89,293
LOCATIONS 945
SELLING SPACE (million m²) 5.78
€25,630 million
SALES GERMANY (2012)
€19,808 million
SALES WESTERN EUROPE EXCL. GERMANY (2012)
26.6%
SHARE OF GROUP SALES
EUROPE
29.7%
SHARE OF GROUP SALES
AFRICA
WESTERN EUROPE (EXCL. GERMANY)
EMPLOYEES[1] 48,090
LOCATIONS 614
SELLING SPACE (million m²) 2.86
EASTERN EUROPE
EMPLOYEES[1] 90,732
LOCATIONS 560
SELLING SPACE (million m²) 3.62
ASIA/AFRICA
EMPLOYEES[1] 20,522
LOCATIONS 124
SELLING SPACE (million m²) 0.75



METRO GROUP

2,243
LOCATIONS

32
COUNTRIES

248,637
EMPLOYEES

METRO/MAKRO CASH & CARRY

743
LOCATIONS

29
COUNTRIES

114,045
EMPLOYEES

REAL

421
LOCATIONS

6
COUNTRIES

50,394
EMPLOYEES

MEDIA-SATURN

942
LOCATIONS

16
COUNTRIES

56,633
EMPLOYEES

GALERIA KAUFHOF

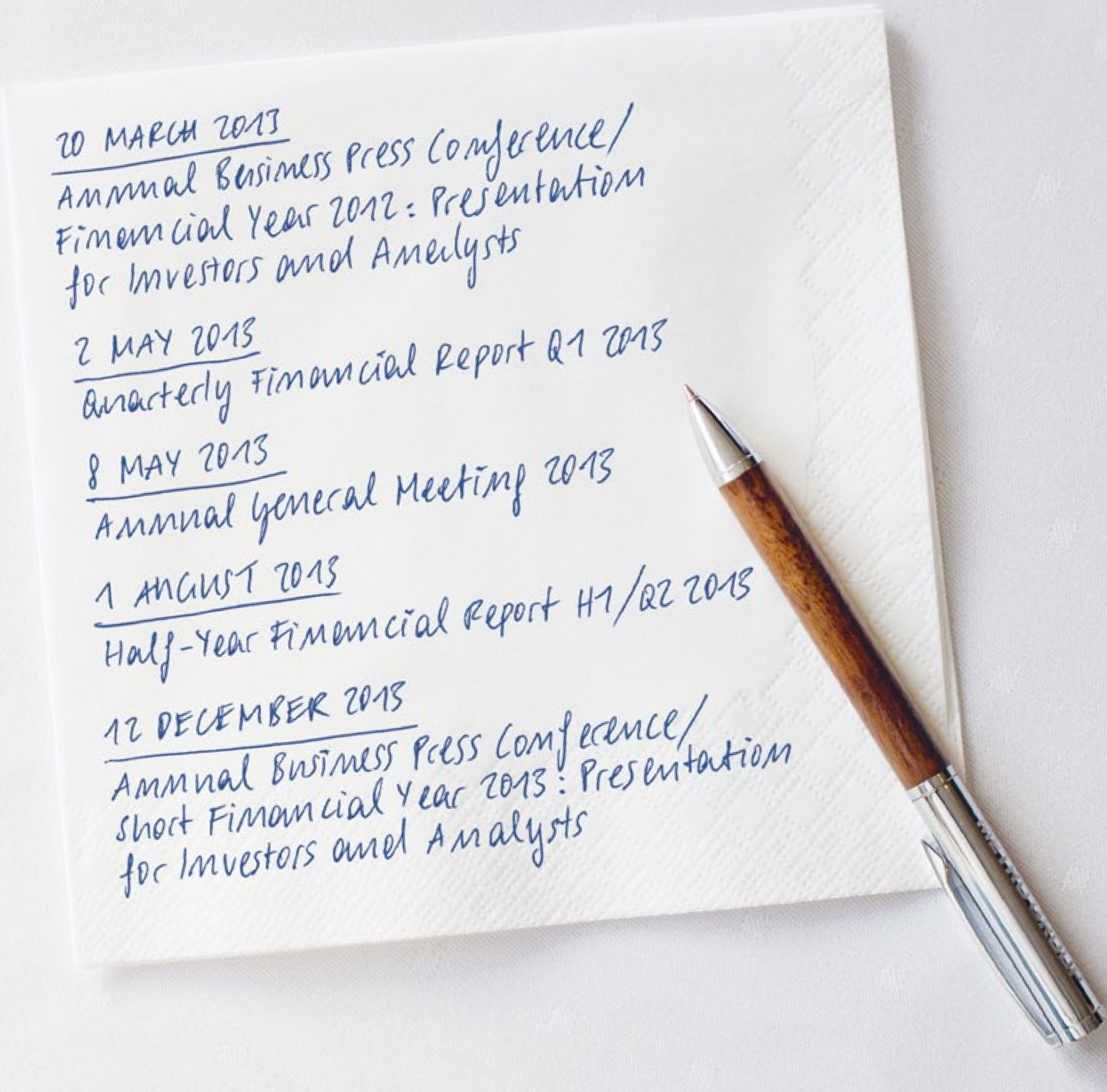
137
LOCATIONS

2
COUNTRIES

17,916
EMPLOYEES

[1] Employee numbers refer to average employee numbers for 2012 based on full-time equivalents. The total for METRO GROUP includes 4 employees of the Boston Trading Office in the USA, which is responsible for seafood procurement.

FINANCIAL CALENDAR 2013



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20 March 2013

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Since 2011, METRO GROUP has subscribed to the principles of the UN Global Compact, a United Nations-led global initiative that aims to encourage businesses to adopt universal social and environmental principles. By subscribing to the UN Global Compact, we have committed ourselves to continuous improvements in the areas of human rights, labour norms, environmental protection and anti-corruption measures.

THE GLOBAL COMPACT
WE SUPPORT

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