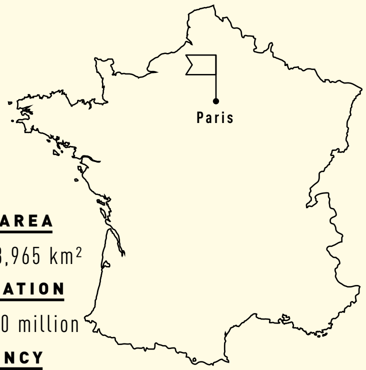
INVESTMENT

2

FOCUS MARKET

FRANCE



LAND AREA

543,965 km²

POPULATION

64.0 million

CURRENCY

euro [EUR]

FR

Dinan, France

Alain Colas at the medieval market: Fête des Remparts

BONJOUR!

[bɔ̃.ʒuʁ]

..................................> **HELLO!** <

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

AU REVOIR!

[o.ʁə.vwaʁ]

..................................> **GOODBYE!** <

FACTS & FIGURES

METRO CASH & CARRY

FRANCE

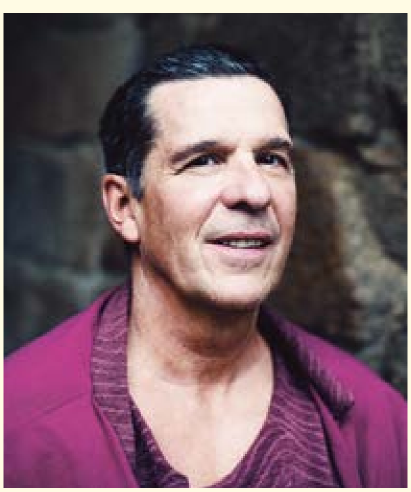
Market entry

1971

Head office

Nanterre

Number of wholesale stores	Number of employees
93	8,559



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

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

METRO SHARE

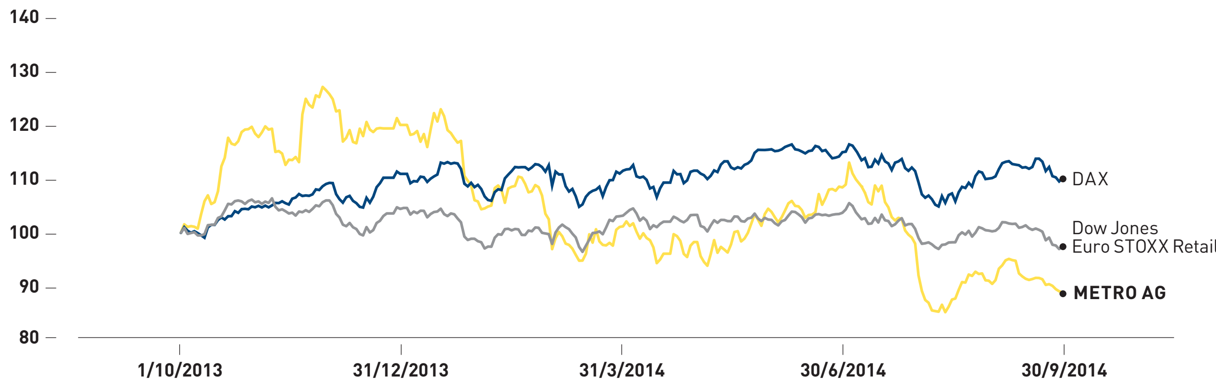
In financial year 2013/14, the METRO share could not repeat the very positive performance it exhibited during the previous year: the price of the ordinary share decreased by 11.0 per cent. During the same period, the Dow Jones Euro STOXX Retail index also declined, falling 2.7 per cent. By contrast,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

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

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

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

Development of the METRO share price (%)



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

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

Source: Bloomberg

METRO shares 2012–2013/14

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

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

Information about the METRO shares

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

Shareholder structure of METRO AG

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

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

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

Market capitalisation and index inclusion

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

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

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

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

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

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

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

Dividend and dividend policy

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

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

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

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

Analysts' recommendations

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

Investor Relations

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

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

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

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

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

What speaks in favour of the METRO share?

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

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

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