SERVICE

4

FOCUS MARKET

GERMANY

LAND AREA
357,050 km²

POPULATION
81.0 million

CURRENCY
euro [EUR]

FACTS & FIGURES

METRO CASH & CARRY
GERMANY

Market entry
1964

Head office
Düsseldorf

Number of wholesale stores	Number of employees
107	14,788

DE

Kirchhain, Germany

Martin Treibert on the field with his honeybees

For MARTIN TREIBERT, nothing is sweeter than honeybees. He also shares his love of nature and his passion for the great outdoors with his customers – as an expert for seasonal goods at the METRO Cash & Carry store in Linden.

GUTEN TAG!

[ˌɡutn̩ ˈtaːk]

HELLO!

Germany is one of the most densely populated countries in the European Union with 226 people per square kilometre. Around 81 million people live within an area of 357,050 square kilometres. With a gross domestic product of €2.8 billion in 2013, the German national economy ranks fourth in the world in this regard. Germany is also the world's second-largest export nation next to China. The country's major industries include the automotive, machinery and chemical sectors, and its biggest trading partners include France, the USA and the UK.

AUF WIEDERSEHEN!

[aʊ̯f ˈviːdɐˌzeːən]

GOODBYE!

Learn more about Martin Treibert and his hobby starting on page 18 of the publication "The World of METRO Cash & Carry" or at reports.metrogroup.de/2013-14/metro-world

GLOSSARY

A

Anti-fraud management
All measures undertaken to prevent, identify and react to criminal business actions.

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, and 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 Sustainable Trade Initiative (IDH, Utrecht, Netherlands).

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 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.

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.

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

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.

Consumer electronics store
Large retail store specialising 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.

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 conditions necessary to ensure 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

Debt issuance programme (DIP)
A standard ongoing capital market programme to cover medium-term and long-term financing needs. It facilitates the emission of bonds in various currencies as well as with various volumes and terms.

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.

Due diligence
A detailed investigation of a company conducted by a potential buyer. A due diligence audit reviews a company's economic, tax and financial situation in particular. Its purpose is to ensure that the requirements associated with the offer to buy the company are met. In addition, it aims to identify all relevant risks.

E

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 international comparisons of companies.

EBITaC (Earnings Before Interest and Taxes after Cost of Capital)
This performance indicator 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)
Earnings before 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 using 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

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

Fair value
The price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 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 by 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 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 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 various items mainly offered 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 revise 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 accounting principles. In contrast to the financial statements according to the German Commercial Code, the focus of IFRS is on investor-oriented information.

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
Sales growth adjusted for selling space, reflecting sales growth on a comparable area or with respect to a comparable group of locations in local currency. It 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 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 trade and retrail, 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.

No-line commerce
Term for the development step in multichannel marketing at which all sales channels – online and offline – have been connected and integrated to the maximum degree.

Non-food 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 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.

Previous year
Time period of twelve months, which is generally used as a reference point for statements in the 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

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

Rating
In the financial sector, ratings represent the systematic, qualitative assessment of 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

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.

Share unit
Unit for performance shares.

Short financial year
A company's financial year that comprises fewer than twelve months due, for instance, to a change in the closing date for the annual financial statements.

Social compliance
The adherence to laws, guidelines, standards, codes and/or social conventions by which an organisation ensures socially responsible operations within its value added and supply chains. The aim is to protect the safety, health and basic rights of employees in one's own company as well as among its suppliers.

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

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.

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

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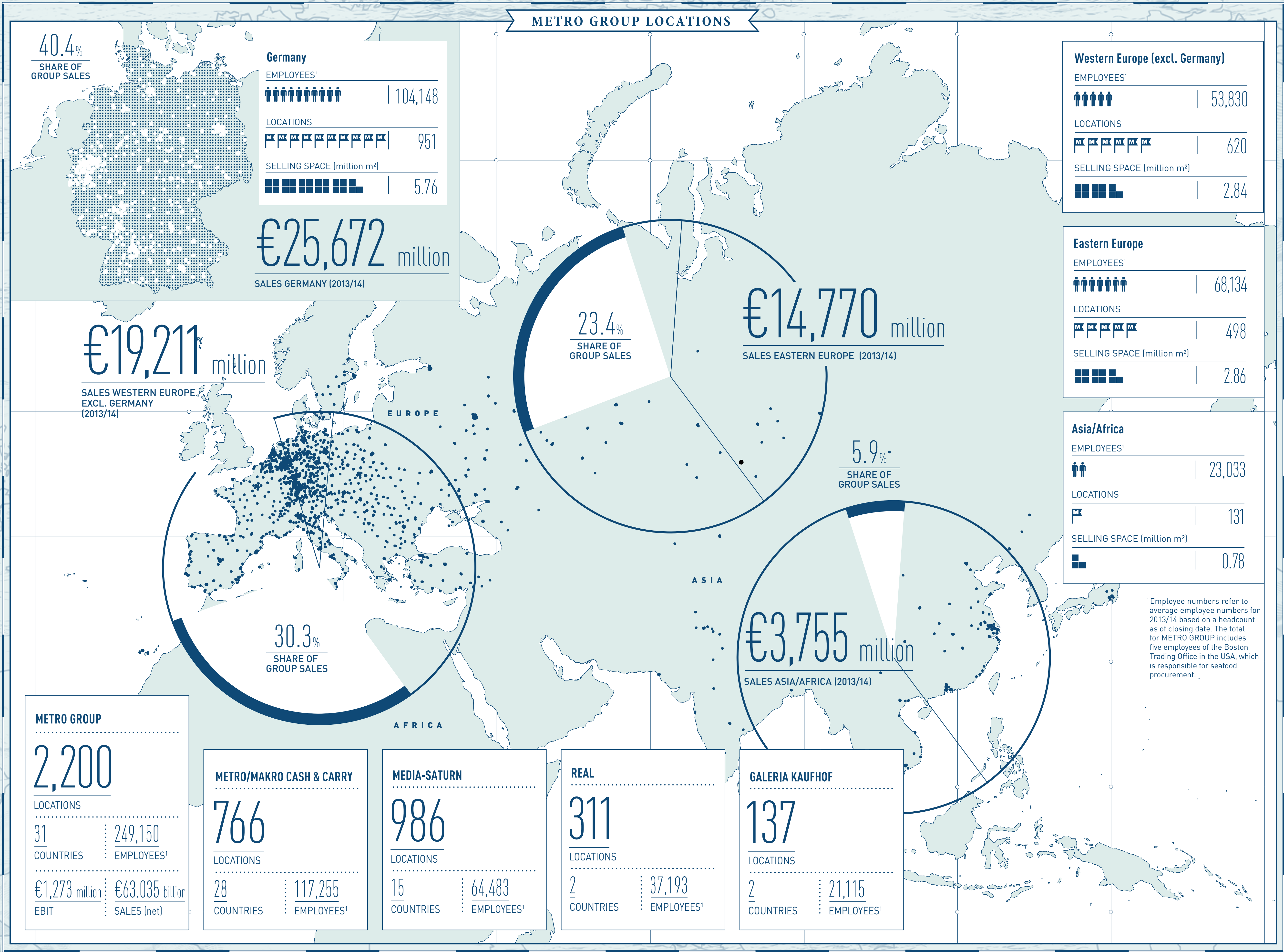
MULTI-YEAR OVERVIEW[1]

		2008[2]	2009[3]	2010	2011	2012	2012/13[4]	2013/14
Key financial figures								
Sales (net)	€ million	67,955	65,529	67,258	65,926[5]	66,739	65,679	**63,035**
EBITDA	€ million	3,540[6]	3,319[6, 7]	3,726[6]	3,651[6]	3,296[6, 8]	3,230[6]	**2,836[6]**
EBIT	€ million	2,222[6]	2,024[6]	2,415[6]	2,372[6]	1,979[6, 8]	2,000[6]	**1,727[6]**
EBIT margin	%	3.3[6]	3.1[6]	3.6[6]	3.6[6]	3.0[6]	3.0[6]	**2.7[6]**
EBT (earnings before taxes)	€ million	1,648[6]	1,393[6]	1,834[6]	1,732[6]	1,436[6, 8]	1,429[6]	**1,233[6]**
Profit or loss for the period[9]	€ million	722[6]	824[6]	1,139[6]	979[6]	730[6, 8]	580[6]	**673[6]**
thereof from continuing operations	€ million	1,151[6]	824[6]	1,139[6]	979[6]	730[6, 8]	580[6]	**673[6]**
thereof profit or loss for the period attributable to shareholders of METRO AG[9]	€ million	401	383	850	631	17	–35	**127**
Investments	€ million	2,423	1,517	1,683	2,095	1,437	1,175	**1,209**
Total assets[9]	€ million	33,516	33,282	35,067	33,987	34,802[8]	28,811	**28,004**
Equity	€ million	6,061	5,992	6,460	6,437	5,666[8]	5,206	**4,999**
Equity ratio	%	18.1	18.0	18.4	18.9	16.3[8]	18.1	**17.9**
Return on equity after taxes	%	11.9[6]	13.8[6]	17.6[6]	15.2[6]	12.9[6, 8]	11.1[6]	**13.5[6]**
Earnings per share (basic = diluted)[9, 10]	€	1.23	1.17	2.60	1.93	0.05[8]	–0.11	**0.39**
thereof from continuing operations	€	2.54	1.17	2.60	1.93	0.05[8]	–0.11	**0.39**
thereof from discontinued operations	€	–1.31	0.00	0.00	0.00	0.00	0.00	**0.00**
Dividend								
Dividend per ordinary share	€	1.18	1.18	1.35	1.35	1.00	–	**0.90[11]**
Dividend per preference share	€	1.298	1.298	1.485	1.485	1.06	–	**1.13[11, 12]**
Operating data								
Employees (annual average by headcount)		290,940	286,329	283,280	280,856	278,811	272,867	**255,033**
Locations		2,111[13]	2,127	2,131	2,187[14]	2,243	2,221	**2,200**
Selling space (1,000 m^2)		12,302[13]	12,629	12,771	12,954	13,003	12,773	**12,236**

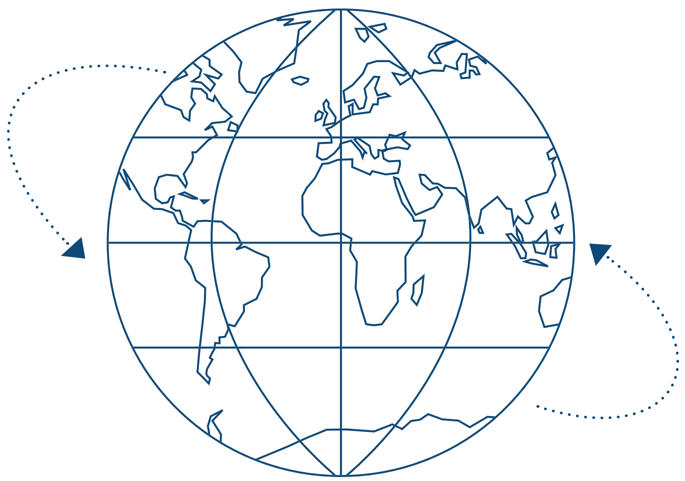
[1] Only continuing operations (discontinued operations in 2008: Extra and Adler, in 2009: Adler)
[2] Adjustment due to first-time adoption of new and revised IFRSs in financial year 2009
[3] Adjustment due to revised disclosure in financial year 2010
[4] Unaudited
[5] Adjustment due to revised disclosure in financial year 2012
[6] Before special items; special items for 2012/13 and 2013/14 are displayed on pages 92 and 93
[7] 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
[8] Adjustment due to a revised IFRS in the short financial year 2013
[9] Including discontinued operations
[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] The 84 Dinea locations were reclassified from the Others segment to the Galeria Kaufhof segment. They are no longer classified as independent locations in the Galeria Kaufhof segment, but assigned to the respective Galeria Kaufhof location. As a result, the locations and their selling space are no longer disclosed separately.
[14] Including first-time inclusion of METRO Cash & Carry satellite stores opened in 2009/2010 (total of 14)



METRO GROUP LOCATIONS
40.4%
SHARE OF GROUP SALES
Germany
EMPLOYEES[1]
104,148
LOCATIONS
951
SELLING SPACE (million m²)
5.76
€25,672 million
SALES GERMANY (2013/14)
€19,211 million
SALES WESTERN EUROPE EXCL. GERMANY (2013/14)
30.3%
SHARE OF GROUP SALES
23.4%
SHARE OF GROUP SALES
€14,770 million
SALES EASTERN EUROPE (2013/14)
5.9%
SHARE OF GROUP SALES
€3,755 million
SALES ASIA/AFRICA (2013/14)
EUROPE
ASIA
AFRICA
Western Europe (excl. Germany)
EMPLOYEES[1]
53,830
LOCATIONS
620
SELLING SPACE (million m²)
2.84
Eastern Europe
EMPLOYEES[1]
68,134
LOCATIONS
498
SELLING SPACE (million m²)
2.86
Asia/Africa
EMPLOYEES[1]
23,033
LOCATIONS
131
SELLING SPACE (million m²)
0.78
[1] Employee numbers refer to average employee numbers for 2013/14 based on a headcount as of closing date. The total for METRO GROUP includes five employees of the Boston Trading Office in the USA, which is responsible for seafood procurement.
METRO GROUP
2,200
LOCATIONS
31
COUNTRIES
249,150
EMPLOYEES[1]
€1,273 million
EBIT
€63.035 billion
SALES (net)
METRO/MAKRO CASH & CARRY
766
LOCATIONS
28
COUNTRIES
117,255
EMPLOYEES[1]
MEDIA-SATURN
986
LOCATIONS
15
COUNTRIES
64,483
EMPLOYEES[1]
REAL
311
LOCATIONS
2
COUNTRIES
37,193
EMPLOYEES[1]
GALERIA KAUFHOF
137
LOCATIONS
2
COUNTRIES
21,115
EMPLOYEES[1]

2013/2014

METRO GROUP LOCATIONS



WORLDWIDE

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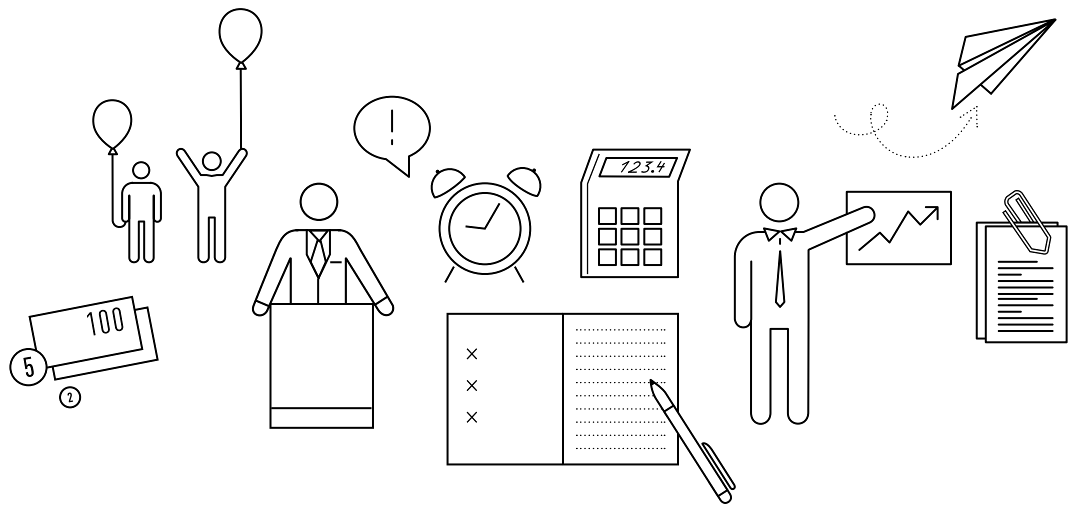
– FINANCIAL – CALENDAR

2014/15



13 JANUARY 2015
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CHRISTMAS QUARTER 2014

10 FEBRUARY 2015
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20 FEBRUARY 2015
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6 AUGUST 2015
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19 OCTOBER 2015
TRADING STATEMENT
FINANCIAL YEAR 2014/15

METROGROUP.DE/FINANCIALCALENDAR

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Combined management report, consolidated financial statements and notes produced inhouse with FIRE.sys

Publication date: 16 December 2014

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Graphic design
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Editorial support and realisation
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Printing
Druckstudio GmbH, Düsseldorf, Germany

Photo credits
METRO AG

Photography
Urban Zintel, Berlin, Germany: cover, pp. 2, 24, 46, 54, 320
Boris Zorn, Düsseldorf, Germany: members of the Management Board
Andreas Pohlmann, Munich, Germany: portrait of Franz M. Haniel

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