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TO OUR SHARE-HOLDERS

LETTER TO THE SHAREHOLDERS

Dear Ladies and Gentlemen,

Both operationally and strategically, financial year 2015/16 was a significant year for METRO GROUP. Our core businesses continued their positive trend and we further strengthened our balance sheet thanks to our consistent drive to create value for our customers and our efforts to sharpen the focus of our business activities. We have been doing this since we launched METRO GROUP's repositioning in 2012 and we are making increasing headway in this respect. Our achievements to date motivate and inspire us to continue on this course. We can do this with confidence based on what we have already achieved and in the knowledge that we can implement even more improvements in the future.

Another thing we have learned over the past few years is that our customers' needs and requirements are changing ever faster and that the speed of innovation is increasing. In an environment of dynamic change, our markets are faced with ever new challenges. For us, this means that our future success depends even more on our ability to continue to sharpen our focus. We will achieve the desired results only if we tackle the opportunities and challenges with drive and focus. For this reason, we explored the option of creating two high-performing, focused retail companies from a diversified group over the past financial year.

On 30 March 2016, we informed you of our plans to split METRO GROUP into a wholesale and food retail specialist and a consumer electronics group. After the successful completion of the analytical and preparatory phase, the implementation is now pending. The demerger of METRO GROUP into two independent, high-performing and exchange-listed retail companies is the final logical step in the transformation of our group and is set to be concluded by mid-2017. Both companies are to be established as separate joint-stock corporations with their own public listings, company profiles as well as management and supervisory boards. The goal is to give each of the two companies and their respective management full control over their own strategies to further sharpen customer focus, accelerate growth and increase the speed of implementation and therefore ultimately improve the operational performance strength in general. Both companies will also make independent decisions relating to acquisition and cooperation opportunities and will therefore be in a better position to systematically implement their strategies.

We have created the preconditions for the successful demerger of METRO GROUP through our customer-centric value creation strategy and the continual transformation process. In financial year 2015/16, we achieved our sales and earnings targets in a market environment that was challenging. Both our METRO Cash & Carry and our Media-Saturn sales lines registered an increase in like-for-like sales, which was also reflected in earnings. At Real, we continued to make significant progress in strengthening our competitiveness and shaping the future business concept.

METRO Cash & Carry, which gave METRO GROUP its name, is also our biggest and most international business. As part of its explicit focus on customer and market requirements, METRO Cash & Carry introduced the New Operating Model in financial year 2014/15 and implemented it in 2015/16. Even after a short time, it was evident that this organisational model strengthens customer orientation and the entrepreneurial spirit in our sales line. The foreign subsidiaries now have more creative freedom in their operations and more responsibility. Nonetheless, our sales line can continue to coordinate value-adding measures across its international markets – but now under local responsibility. In addition, there is a new and more flexible form of strategic corporate planning: each country has produced an individual Value Creation Plan, in which it lays down its strategic and financial planning for the forthcoming three to five years – with the aim of realising additional value potential.

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By the end of October, all foreign subsidiaries had prepared their Value Creation Plans, and some of them are already in the implementation phase. The activities and measures in this regard are manifold and geared specifically to customer preferences in the respective country. The objective is to provide customers with attractive solutions and thus to expand customer relations into trusted and sustainable partnerships.

After the August 2015 purchase of the Classic Fine Foods group – one of Asia's leading providers in the fast-growing food service business, particularly for premium hotels and restaurants in Asian megacities – we took over Rungis Express in the last financial year. Rungis Express is one of the leading providers in the food service distribution (FSD) business in Germany, focusing on direct delivery of premium foods to customers in the hotel, restaurant and catering (Horeca) sectors. The acquisition complements METRO Cash & Carry Germany's previous delivery business by adding special competencies, particularly in the area of fresh and ultra-fresh food as well as the related logistics. In July 2016, we also announced the purchase of Pro à Pro, the French food supplier for commercial customers. Pro à Pro is one of France's most important FSD providers, supplying about 42,000 customers and focusing on large customers in the corporate catering business, canteens in the public and private sectors, system catering and independent food service businesses. With this acquisition, METRO Cash & Carry is strengthening its French wholesale business in the FSD growth segment and creating an additional offering for METRO Cash & Carry customers in France. The transaction has yet to be closed.

METRO Cash & Carry is continuing to promote the area of digitisation. For a second time, we launched the METRO Accelerator initiative in Berlin together with Techstars. Through this programme, we support young businesses that create and implement solutions for customers in the food service and hospitality industries. The goal is to develop sustainably successful business models from innovative ideas within a period of three months.

METRO Cash & Carry is also on the right track in operational terms, like-for-like sales have risen for 13 consecutive quarters, but we are still not where we want to be. The implementation of our Value Creation Plans offers immense additional potential and therefore requires full management attention.

Media-Saturn has established itself as a multichannel provider. This is confirmed by the strong growth in online-generated revenue at Media Markt and Saturn. Overall, our sales line was able to boost the internet share of total sales to almost 9 per cent in financial year 2015/16. We see particular opportunities in the dovetailing of online and store-based retailing. Furthermore, we expanded Media-Saturn's business model specifically by adding service options. Not least due to the takeover of the customer care and repair service provider RTS, our sales line can now offer a range of services that includes the design, installation, inspection, maintenance and repair of the most diverse electronic products through to the establishment of fully networked households – a range that is unique in this form in Europe.

In addition, METRO GROUP has acquired a stake in the start-up company Deutsche Technikberatung, a participant in Media-Saturn's first Spacelab accelerator programme. Deutsche Technikberatung provides technical assistance for the home and offers quick help on technical issues through a professional network of advisers. Selected and specially trained technical advisers assist private customers and small businesses in all questions relating to the purchase, installation, networking and troubleshooting of modern technology.

We have had great success with the Media Markt Club, through which the sales brand offers its customers wide-ranging benefits, offers and sales promotions. Among other things, all purchases are registered online. As a result, customers no longer have to search for receipts when they wish to return merchandise or make a warranty claim. By 30 September 2016, 2.1 million customers in four countries were members of the Media Markt Club. The company is using this strong community to get even closer to the customer and to continue to deepen its customer relationships.

Media-Saturn's operational business developed positively, with sales and earnings rising compared with the previous year. Media-Saturn also managed to further increase its operating margin compared to the previous year, not just through an improved revenue mix and a higher proportion of services, but also through continuously efficient cost management.

Real has pushed ahead with its transformation over the past few years. With the pilot of its new hybrid store concept, the sales line has reached an important milestone in its strategic repositioning. The aim of the hybrid store concept is to further accentuate Real's product expertise in the fresh and ultra-fresh food area while continuing to offer price-conscious bulk shoppers an attractive product range. To achieve this, Real is focusing on new offerings that consider both emotional and rational customer wishes, offering a product range that is optimally aligned to this goal, a wider range of service and consultation options as well as food service offerings. At the end of November 2016, we opened the first renovated store in Krefeld. We are therefore setting new standards for the German food retail sector. A prerequisite for further investment in this concept in the coming years is an agreement on competitive long-term collective bargaining conditions. In June 2016, we agreed on the key parameters for a future package with the responsible trade union. Based on this foundation, we can improve Real's competitiveness and make comprehensive investments in the modernisation and repositioning of our operations.

Due to the closure of unprofitable stores, sales at Real declined. Aside from improved purchasing terms and greater cost discipline, these measures have helped Real to improve its earnings. Another major step towards more efficiency is the reorganisation and restructuring of the company's administration. As a result of numerous corporate acquisitions in the past, the administrative units of Real are spread across several locations all over Germany. In the foreseeable future, all central functions are to be consolidated at the sales line's Düsseldorf location.

Financial year 2015/16 was generally successful for **METRO GROUP** and we met our forecasts. METRO GROUP increased its like-for-like sales by 0.2 per cent in financial year 2015/16. At €58.4 billion, reported sales were 1.4 per cent lower than a year earlier due to negative currency and portfolio effects. However, METRO GROUP's sales in local currency rose 0.4 per cent. EBIT before special items amounted to €1,560 million. We were once again confronted with negative exchange rate effects. Adjusted for these effects, we recorded a pleasing improvement here as well. Net debt was reduced yet again and now stands at €2.3 billion compared with €2.5 billion at the previous year's closing date.

METRO's ordinary shares also turned in a positive performance in financial year 2015/16. The share price rose by 7.3 per cent to €26.49. In addition, we paid a dividend of €1.00 per ordinary share in February 2016.

On the basis of earnings per share before special items of €1.96 (2014/15: €1.91), the Management Board and Supervisory Board will propose a dividend of €1.00 per ordinary share for you, our company's shareholders, to consider at the next Annual General Meeting. Please take into account that we have achieved the very good earnings per share before special items even though the income contribution of Galeria Kaufhof was fully incorporated in the previous year's figures. The dividend proposal is made on the basis of our dividend policy to distribute about 45 per cent to 55 per cent of earnings per share before special items. This corresponds to a distribution rate of 51 per cent.

In financial year 2016/17, our focus is still on generating sustainable growth and increasing like-for-like sales as well as earnings. The implementation of the Value Creation Plans at METRO Cash & Carry, which has now started, will lead to special items for the last time while also generating initial positive earnings contributions. Media-Saturn, as market leader in Europe, will continue to expand its online business, so we anticipate a good business development overall. With the opening of the pilot store in Krefeld, Real has created a unique concept in German food retail sector and achieved a key milestone in its strategic repositioning.

At this point, I would like to express my warmest thanks to our approximately 220,000 employees for their can-do attitude, their commitment and the role they play in realising our goal of continuously creating value for our customers. The overall success of METRO GROUP is owed to our staff, who work enthusiastically to offer our customers an inspiring shopping experience. Thanks to their energy and passion, we can look to the future with confidence, and only together can we master our future challenges.

One important event that I would like to cordially invite you to is our Annual General Meeting, which will take place on 6 February 2017 in Düsseldorf. I am hoping for your attendance in large numbers or at least your instructions so that your voting rights can be represented. There, you will be able to vote on the demerger of METRO GROUP into a wholesale and food retail specialist and a consumer electronics group, as well as the usual agenda points. Even after the demerger of the company, you will remain shareholders to the full extent since you will receive additional shares in the new company without the need for any additional payment. We expect the public listing to be implemented by mid-2017. In the process, two independent, exchange-listed market leaders would be formed in their respective segments and we would write a completely new chapter in METRO AG's company history.

I sincerely thank you for your loyalty and for the trust you have placed in us.

Best regards,

OLAF KOCH

Chairman of the Management Board
of METRO AG

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THE MANAGEMENT BOARD

OLAF KOCH
Chairman of the Management Board

Responsibilities

Corporate Communications, Group Strategy, Corporate M&A, Corporate Legal Affairs & Compliance, Corporate Office, Corporate Public Policy, Horeca Digital and Business Innovation, 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 2018. In addition, he was CEO of METRO Cash & Carry until 30 September 2015, a position he held jointly with Pieter C. Boone from 1 July 2015. The 46-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. From 2002 to 2007, he was a member of the Executive Board of Mercedes Car Group.

PIETER C. BOONE
Member of the Management Board

Responsibilities

METRO Cash & Carry

Profile

Pieter C. Boone has been a member of the Management Board of METRO AG since 1 July 2015 and is appointed until 30 June 2018. The 49-year-old has been with METRO GROUP since 2011. In March 2012, he was appointed Managing Director of METRO Cash & Carry Russia. He previously held various management positions at the Dutch trading company SHV Holdings in Peru, the Philippines, Malaysia, Thailand and Indonesia.

MARK FRESE
Chief Financial Officer

Responsibilities

Group Finance (Corporate Planning & Controlling, Corporate Treasury, Corporate Group Financial Services, Financial Asset & Pension Management), Corporate Accounting, Global Business Services, Corporate Group Tax, Corporate Investor Relations, Corporate Risk Management & Internal Control Finance, METRO PROPERTIES, MIB METRO GROUP Insurance Broker, METRO LOGISTICS

Profile

Mark Frese was named Chief Financial Officer of METRO AG on 1 January 2012. The 52-year-old is appointed until 31 December 2017. In addition, he served as CFO of METRO Cash & Carry from April 2012 to July 2015. Frese has worked for METRO GROUP since 1994. After serving in various management positions at former group subsidiary Galeria Kaufhof, he was appointed to the position of Head of Planning & Controlling at METRO AG in 2009. In September 2010, he took over as CFO of METRO Cash & Carry Europe/MENA.

PIETER HAAS
Member of the Management Board

Responsibilities

Media-Saturn

Profile

Pieter Haas has been a member of the Management Board since 1 April 2013 and is appointed until 31 March 2019. Following his appointment as Vice Chairman of the Management Board of Media-Saturn-Holding GmbH in May 2014, Pieter Haas was named Chairman of the Management Board on 1 January 2016. He had already worked for the sales line. 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 53-year-old businessman held leadership roles at various companies.

HEIKO HUTMACHER
Chief Human Resources Officer

Responsibilities

Human Resources (HR Campus, Corporate House of Learning, Corporate Performance & Rewards, Executive Resources, Group Labour Relations & Labour Law, HR Operations, HR Processes, Analytics & Projects, Talent Management, Leadership & Change), Corporate IT Management, Group Internal Audit, Sustainability & Regulatory Affairs, METRO SYSTEMS, MGT METRO GROUP Travel Services

Profile

Heiko Hutmacher has been a member of the Management Board of METRO AG since October 2011 with responsibility for Human Resources. From April 2012 to June 2015, the 59-year-old also over-saw human resources at METRO Cash & Carry. The businessman has more than 30 years of experience in human resources management, including at IBM and Akzo Nobel. Heiko Hutmacher is appointed until 30 September 2017.

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THE YEAR IN REVIEW

Selected events during financial year 2015/16

Q1 2015/16

Purchasing cooperation strengthens Real's competitiveness

5/10/2015 – Real and Privates Handelshaus Deutschland GmbH (PHD), Germany's leading private buying alliance, launch a purchasing cooperation accounting for about 7 per cent of Germany's total FMCG (fast-moving consumer goods) trade volume. By pooling their procurement volumes, both partners will improve their purchasing terms and strengthen their competitive position in the market.

Supporting local refugee aid

26/10/2015 – METRO GROUP sets up a €1 million fund for refugee aid. Group employees may request a one-time sum of €10,000 per employee for projects they are interested in pursuing. The company aims to offer non-bureaucratic help, alleviate acute needs and contribute to the integration of refugees.

Saturn opens "Saturn Connect" store in Cologne

29/10/2015 – As part of its ongoing efforts to advance its multichannel strategy, Saturn launches a new concept for digital lifestyle products and services called "Saturn Connect": in a highly frequented high-street location in Cologne, the new store presents products from four theme worlds including smartphones, wearables and virtual reality glasses. A special focus is on comprehensive advice and services such as smartphone repairs and data transfers. Starting in 2017, the new concept will be introduced at other highly frequented locations in Germany.

Top scores in CDP climate ranking

4/11/2015 – METRO GROUP ranks among the companies with the best climate reporting in the German-speaking world. The international non-profit organisation Carbon Disclosure Project (CDP) names METRO GROUP "Sector Leader Consumer Staples" and "Index Leader MDAX" in its climate ranking. CDP evaluates whether companies are effectively addressing the opportunities and risks arising from climate change and whether they provide transparent information on these efforts.

Same-day delivery available across Germany

19/11/2015 – Media Markt and Saturn are forging ahead with the expansion of their express delivery service launched in 2014 and now offer same-day delivery from nearly all locations across Germany. Customers can have their online or in-store purchases delivered to their home within three hours. The service is offered in collaboration with tiramizoo, a Munich-based provider specialising in same-day delivery.

Q2 2015/16

Sale of METRO Cash & Carry Vietnam completed with the receipt of the purchase price

7/1/2016 – Thai TCC Land International Pte. Ltd. acquires METRO GROUP's wholesale business in Vietnam including all 19 wholesale stores and the associated real estate portfolio. The total transaction value is €655 million; it was already recognised in the first quarter.

Demo Day of METRO Accelerator powered by Techstars

28/1/2016 – The eleven finalists of the first METRO Accelerator powered by Techstars present their digital business ideas to about 400 investors and experts in Berlin. The start-up programme launched by METRO GROUP and US company Techstars as well as R/GA aims to support the digital transformation of the hotel, restaurant and catering sectors with innovative solutions.

Founding of "METRO Chair of Innovation"

9/2/2016 – METRO GROUP and the Ecole hôtelière de Lausanne (EHL) establish a joint chair for digital innovation in the hotel, restaurant and catering sectors. The aim of the "METRO Chair of Innovation" is to research the digitisation in the Horeca sector in key markets like France, Italy, Spain, Germany and Japan as well as strengthen academic teaching in this area.

METRO GROUP acquires Rungis Express

12/2/2016 – METRO GROUP further strengthens the delivery business of its wholesale segment METRO Cash & Carry in Germany with the acquisition of premium food supplier Rungis Express. The retail company acquires the German and international business of Rungis Express, which will continue to operate as an independent company, as well as the associated logistics and service activities.

Change on the Supervisory Board

19/2/2016 – Jürgen B. Steinemann is elected as Chairman of the Supervisory Board of METRO AG. Karin Dohm is elected as a new member of the Supervisory Board. She succeeds Franz Markus Haniel who gave up his membership at the end of the Annual General Meeting 2016.

Participation in integration initiative "Wir zusammen" ("We together")

1/3/2016 – METRO GROUP joins with more than 40 other companies in the "Wir zusammen" ("We together") initiative. The German business initiative supports the integration of refugees by pooling existing partner projects on the website www.wir-zusammen.de.

METRO GROUP announces plans for a demerger of the group

30/3/2016 – METRO GROUP prepares the demerger of the group and the creation of two independent companies focused on their respective market segments. The aim is to create a wholesale and food specialist as well as a company focused on consumer electronics products and services. Both companies will be separate, exchange-listed corporations with own management and supervisory boards. The demerger is scheduled to be implemented by mid-2017.

METRO GROUP acquires shopping portal Hitmeister

31/3/2016 – Real signs the purchase contract to acquire Cologne shopping portal Hitmeister, strengthening its capabilities in online non-food retail and fuelling the growth of its online business.

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Q3 2015/16

Second round of METRO Accelerator powered by Techstars

12/4/2016 – METRO Cash & Carry and the international start-up network Techstars launch the application phase for the second METRO Accelerator powered by Techstars. The ten selected international start-ups are offered €120,000 in investment capital as well as access to expert networks to advance the digitisation of the hotel, restaurant and catering business.

Spacelab kicks off second round of tech accelerator

4/5/2016 – As part of the tech accelerator Spacelab, founded in 2015, Media-Saturn also invests in start-ups along the entire value chain in 2016. The sales line particularly focuses on entrepreneurs in the areas of fintech, internet of things, connected home, adtech and mobile commerce.

METRO GROUP invests in digital POS system Orderbird

11/5/2016 – METRO GROUP acquires stake in start-up Orderbird, the leading iPad-based point-of-sale (POS) system for restaurants in the German-speaking region. With this investment, METRO GROUP underscores its commitment to creating value for food service and hospitality customers with digital solutions.

Q4 2015/16

METRO GROUP plans retail logistics park

5/7/2016 – METRO GROUP plans to build Germany's largest retail logistics park for the German METRO Cash & Carry and Real stores in Marl – on an area of more than 220,000 square metres, with about 1,000 employees. Together with the centre in Kirchheim an der Weinstraße and the warehouse in Hamm, the new location will form the basis for METRO GROUP's new logistics network in Germany.

Minority holding in start-up Deutsche Technikberatung

7/7/2016 – METRO GROUP acquires a stake in Cologne start-up Deutsche Technikberatung. Drawing on a network of consultants, the participant of Media-Saturn's first Spacelab accelerator programme offers private customers and small businesses quick answers to technical questions.

METRO GROUP acquires food service distribution (FSD) provider Pro à Pro

8/7/2016 – METRO GROUP signs an agreement to acquire food supplier Pro à Pro, one of France's major food service distribution (FSD) providers. FSD comprises direct delivery to various customer groups including the Horeca sector. The transaction has yet to be closed.

Cooperation with UN World Food Programme

11/7/2016 – METRO Cash & Carry and the UN World Food Programme (WFP) join forces to fight global hunger. Through its global partnership with the United Nations organisation, the wholesaler will contribute to ending hunger, achieving food security and improved nutrition, and promoting sustainable agriculture.

METRO GROUP invests in web service provider Shore

1/8/2016 – As part of its ongoing efforts to advance digital business models, METRO GROUP acquires a stake in Munich-based start-up Shore, a leading European provider of web-based business solutions for local service providers. Shore supports small and medium-sized businesses with a cloud-based software that allows them to digitally manage their business processes.

METRO AG Supervisory Board approves demerger

5/9/2016 – Following a successful analysis of corporate and tax law requirements, the Supervisory Board of METRO AG approves the plans for the demerger of the group. In organisational terms, METRO GROUP's separation into two independent entities will become effective on 30 September 2016.

Top ranking in sustainability indices

8/9/2016 – METRO GROUP is Industry Group Leader 2016 in the highly regarded Dow Jones Sustainability World and Europe indices. Following its top ranking in the Food & Staples Retailing category in 2015, the group thus reconfirms its positioning among the world's most sustainable retail companies.

Early extension of partnership with Tafel food bank organisation

22/9/2016 – METRO GROUP announces the early extension of its cooperation with the German Federation of the Tafel food banks until 2020. For the past ten years, the retail group has been supporting the initiative as a financial sponsor and with food donations. The collaboration with the local Tafel food banks has been operating for more than two decades.

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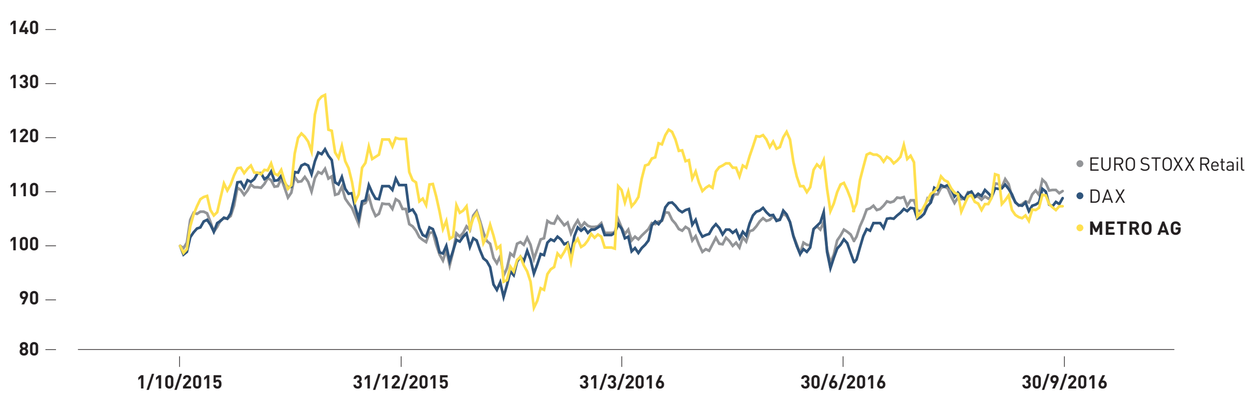
METRO SHARE

After a volatile performance over the year, the METRO share ended financial year 2015/16 with a gain of 7.3 per cent. The closing price of the METRO ordinary share on 30 September 2016 was €26.49 compared with €24.69 a year earlier. The EURO STOXX Retail sector index registered a gain of 10.1 per cent in financial year 2015/16. The German DAX index closely followed this performance with an increase of 8.8 per cent over the year.

The METRO ordinary share had a good start to financial year 2015/16, outperforming the DAX and EURO STOXX Retail, supported by the announcement of sales results for the past financial year on 19 October 2015. In this positive environment, the METRO share reached its high for financial year 2015/16 at €31.56 on 30 November 2015. Subsequently, geopolitical events such as the Russia/Ukraine conflict and the situation in the Middle East dominated global stock market sentiment. Key factors weighing on stock markets included the economic weakness in Asia and the resulting crisis in international commodity markets, led by low oil prices, which fell to a six-year low in January 2016. The terror attacks in Paris, Brussels and Istanbul also weighed on stock market sentiment. Like the DAX and EURO STOXX Retail indices, the METRO share declined, reaching its low for financial year 2015/16 at €21.87 on 24 February 2016. Along with the relevant benchmark indices, the METRO share subsequently recovered again.

On 30 March 2016, METRO GROUP informed capital markets about its preparations for the demerger of the group into two independent, exchange-listed companies focused on their respective market segments. This caused the METRO ordinary share to increase markedly by nearly 12 per cent, temporarily leaving the rest of the stock market behind it. However, following the UK vote to leave the European Union ("Brexit"), stock prices declined on 24 June 2016. The METRO share initially recovered as METRO GROUP is not directly affected by a possible withdrawal of the United Kingdom from the EU. The signing of the contracts to acquire Pro à Pro, the French food supplier for commercial customers, also had a positive effect. Following the disclosure of results for the third quarter of 2015/16, the METRO share price fell before following the sideways movement of the DAX and EURO STOXX Retail indices until the end of the financial year.

Development of the METRO share price (%)



Performance comparison of the METRO ordinary share 2015/16 vs DAX vs EURO STOXX Retail

METRO GROUP	DAX	EURO STOXX Retail
7.3%	8.8%	10.1%

Source: Bloomberg

METRO shares

			2013/14	2014/15	2015/16
Closing price	Ordinary shares	€	26.08	24.69	**26.49**
	Preference shares	€	20.25	20.20	**25.10**
High	Ordinary shares	€	37.28	34.56	**31.56**
	Preference shares	€	29.20	24.44	**26.25**
Low	Ordinary shares	€	25.00	23.06	**21.87**
	Preference shares	€	20.09	19.31	**19.84**
Profit distribution	Ordinary shares	€	0.90	1.00	**1.00**[1]
	Preference shares	€	1.13	1.06	**1.06**[1]
Dividend yield	Ordinary shares	%	3.5	4.1	**3.8**[1]
based on closing price	Preference shares	%	5.6	5.2	**4.2**[1]
Market capitalisation (billion)		€	8.5	8.1	**8.7**

[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 based on the notifications of voting rights according to the German Securities Trading Act (WpHG), they held 49.868 per cent of the voting rights as of 30 September 2016. As a result the three major shareholders hold the following shares of voting rights: The Haniel shareholder group is METRO AG's largest shareholder with a voting share of 24.996 per cent. The Schmidt-Ruthenbeck shareholder group is METRO AG's second-largest shareholder, with a share of voting rights of 15.772 per cent. The Beisheim shareholder group is METRO AG's third-largest shareholder, with 9.100 per cent of the voting rights.

In addition, the Haniel shareholder group informed METRO AG that it had issued an exchangeable bond due in May 2020. The bond is linked to about 12 million METRO shares, or about 4 per cent of the company's share capital. If it were fully exercised, Haniel's interest in METRO AG would decline accordingly in the future.

METRO AG's free-float share of 50.132 per cent is divided among a large number of national and international investors. Voting right notifications from fund management firms and other publicly available data sources indicate that US and British investors account for the largest share of institutional investors, followed by investors from France, the Bahamas and Germany. According to a notification of voting rights dated 20 November 2012, the mutual fund company Franklin Mutual Advisers remains METRO AG's largest institutional investor, with a 3.06 per cent share of the 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. In addition, Franklin Mutual Series Funds notified the company on 16 July 2015 that it held 3.001 per cent of the voting rights. According to the information available to METRO AG, the share of voting rights of 3.001 per cent that is directly held by Franklin Mutual Series Funds is included in the share of voting rights of 3.06 per cent indirectly held by Franklin Mutual Advisers that was disclosed in the voting rights notification released on 20 November 2012.

The ten largest institutional investors hold about 37 per cent of the free float. In addition, METRO AG's shareholder base includes an estimated 70,000 retail investors.

Market capitalisation and index inclusion

As a result of the positive share price development, METRO AG's market capitalisation increased markedly, rising from €8.1 billion at the end of September 2015 to €8.7 billion at the end of September 2016. On a typical trading day at the Frankfurt stock exchange, the average volume of METRO ordinary shares traded totalled around 1.1 million shares during the reporting year and thus increased compared with the previous year (2014/15: 1.0 million). About 7,500 shares of the less liquid preference shares were traded daily (2014/15: 7,000 shares).

In accordance with Deutsche Börse's rules and regulations, index composition depends on free-float market capitalisation. At the end of September 2016, market capitalisation of METRO AG's free float totalled about €4.3 billion (September 2015: €4.1 billion). As such, METRO GROUP is one of the largest members of the MDAX stock market index in terms of market capitalisation and boasts the second-highest stock market trading volume. The METRO share remains a member of the EURO STOXX Retail.

In Deutsche Börse's index ranking, the METRO AG share ranked 46th in terms of market capitalisation at the end of

September 2016 (September 2015: 43) and 31st in terms of stock market trading volume (September 2015: 32).

As in September 2015, METRO GROUP was recognised as the most sustainable retail company in the Food and Staples Retailing category in the Dow Jones Sustainability Index in September 2016 and was named Industry Group Leader. The group once again improved its overall score. At present, German companies are ranked first in just two sectors. In addition, the METRO share is listed in the Dow Jones Sustainability World and Europe indices.

Following METRO GROUP's inclusion in the FTSE4Good sustainability index in financial year 2013/14, the company's membership of the FTSE4Good Global and the FTSE4Good Europe was confirmed again in financial year 2015/16. These two British indices include companies that set themselves apart through good corporate social responsibility and corporate governance practices.

METRO AG's membership in the world's two most important sustainability index families demonstrates that METRO GROUP is on the right track with its sustainable business practices and that the capital markets are recognising its efforts in this area.

Dividend and dividend policy

METRO GROUP aims to pay an attractive dividend. Given METRO GROUP's improved fundamental economic situation, the group had changed its dividend policy in the previous year by increasing the distribution range from 40 to 50 per cent to about 45 to 55 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 6 February 2017 a dividend of €1.00 per ordinary share and €1.06 per preference share. The payout ratio totals 51.0 per cent based on earnings per share before special items of €1.96 per ordinary share.

On the basis of the closing prices on 30 September 2016, the dividend yields are as follows: 3.8 per cent for ordinary shares and 4.2 per cent for preference shares.

Analysts' recommendations

METRO GROUP is monitored and evaluated by roughly 35 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 corporate website. As of the close of financial year 2015/16, 55 per cent (30 September 2015: 46 per cent) of analysts recommended the METRO share as a "buy"; 30 per cent (30 September 2015: 42 per cent) rated it a "hold" and 15 per cent (30 September 2015: 12 per cent) a "sell". The median value of share price targets was €31.00 at the end of September 2016 compared with €32.30 on 30 September 2015.

Investor Relations

Throughout the financial year, the Investor Relations department provides comprehensive information to all capital market participants. In performing this work, it applies the guidelines of customer-centred capital market support. In particular, this involves:

— Topicality: assurance 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 2015. During the annual business press conference and a conference call for analysts and investors on 15 December 2015, METRO AG thoroughly presented the annual report covering business developments during financial year 2014/15. The sales report for the Christmas quarter was released on 10 January 2016. 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 freely available there. The Investor Relations department informs the public about additional relevant developments in the Investor News section.

CORPORATE GOVERNANCE
GOALS AND STRATEGY
COMBINED MANAGEMENT REPORT
CONSOLIDATED FINANCIAL STATEMENTS
SERVICE

During financial year 2015/16, the Investor Relations department continued its direct dialogue with shareholders, potential investors and analysts through presentations in all key financial markets in Europe and the United States. In addition, analysts and investors had the opportunity to assure themselves about METRO GROUP's high-performance capabilities during store visits at the METRO GROUP headquarters in Düsseldorf. METRO GROUP receives frequent requests for discussions with company representatives and visits of company locations, reflecting the high level of interest in the group.

The retail 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, which is available in German and English. 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 department 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 is available for discussions with investors present at the meeting.

Through its membership in the German Equity Institute (Deutsches Aktieninstitut e. V., DAI) in Frankfurt, METRO AG actively supports efforts to foster an equity investment culture in Germany. In addition, METRO GROUP is committed to the principles of open and continuous communication through its membership in the German Investor Relations Association (Deutscher Investor Relations Verband e. V., DIRK).

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METRO GROUP IN FIGURES[1]

€ million		2013/14[2]	2014/15	2015/16	Change in %
Key financial figures					
Like-for-like sales development	%	−0.1	1.5	**0.2**	–
Sales (net)		59,937	59,219	**58,417**	−1.4
thereof METRO Cash & Carry		30,513	29,690	**28,999**	−2.3
thereof Media-Saturn		20,981	21,737	**21,869**	0.6
thereof Real		8,432	7,735	**7,478**	−3.3
EBITDA		2,228	2,177	**2,530**	16.2
EBITDA before special items[3]		2,509	2,458	**2,509**	2.1
EBIT		1,077	711	**1,513**	–
EBIT before special items[3]		1,531	1,511	**1,560**	3.2
thereof METRO Cash & Carry[3]		1,125	1,050	**1,043**	−0.7
thereof Media-Saturn[3]		335	442	**454**	2.7
thereof Real[3]		81	88	**100**	13.9
EBT (earnings before taxes)		536	259	**1,167**	–
Earnings before taxes and special items		1,060	1,067	**1,242**	16.3
Profit or loss for the period[4]		182	714	**657**	−8.0
from continuing operations		−3	−221	**608**	–
from discontinued operations		185	935	**49**	–
Profit or loss for the period before special items[3, 4, 5]		600	625	**639**	2.4
Earnings per share (basic = diluted)[4, 5]	€	0.39	2.06	**1.83**	−11.0
Earnings per share before special items[3, 4, 5]	€	1.84	1.91	**1.96**	2.4
Dividend per ordinary share	€	0.90	1.00	**1.00**[6]	–
Dividend per preference share		1.13[7]	1.06	**1.06**[6]	–
Cash flow from operating activities[4]		2,008	1,846	**1,552**	−15.9
Investments		1,001	1,411	**1,413**	0.1
Equity ratio[4]	%	17.8[8]	18.7	**21.4**	–
Net debt[4]		4,655	2,527	**2,301**	−9.0
Employees (annual average by headcount)		233,584	226,895	**219,678**	−3.2
Locations		2,063	2,068	**2,064**	−0.2
Selling space (1,000 m²)		10,790	10,563	**10,352**	−2.0

[1] Rounding differences may occur
[2] Adjustment due to discontinued operations (Galeria Kaufhof) in financial year 2014/15
[3] Special items for 2014/15 and 2015/16 are found on pages 110 and 111
[4] Including discontinued operations
[5] After non-controlling interests
[6] Subject to the resolution of the Annual General Meeting
[7] The dividend 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
[8] Adjustment due to revised disclosure in financial year 2014/15

MULTI-YEAR OVERVIEW[1]

		2010	2011	2012	2012/13[2]	2013/14	2014/15	2015/16
Key financial figures								
Sales (net)	€ million	67,258	65,926[3]	66,739	65,679	59,937	59,219	**58,417**
EBITDA	€ million	3,726[4]	3,651[4]	3,296[4, 5]	3,230[4]	2,509[4]	2,458[4]	**2,509[4]**
EBIT	€ million	2,415[4]	2,372[4]	1,979[4, 5]	2,000[4]	1,531[4]	1,511[4]	**1,560[4]**
EBIT margin	%	3.6[4]	3.6[4]	3.0[4]	3.0[4]	2.6[4]	2.6[4]	**2.7[4]**
EBT (earnings before taxes)	€ million	1,834[4]	1,732[4]	1,436[4, 5]	1,429[4]	1,060[4]	1,067[4]	**1,242[4]**
Profit or loss for the period[6]	€ million	1,139[4]	979[4]	730[4, 5]	580[4]	673[4]	688[4]	**727[4]**
from continuing operations	€ million	1,139[4]	979[4]	730[4, 5]	580[4]	488[4]	549[4]	**727[4]**
thereof profit or loss for the period attributable to the shareholders of METRO AG[6]	€ million	850	631	17	−35	127	672	**599**
Investments	€ million	1,683	2,095	1,437	1,175	1,001	1,411	**1,413**
Total assets[6]	€ million	35,067	33,987	34,802[5]	28,811	28,156	27,656	**24,952**
Equity[6]	€ million	6,460	6,437	5,666[5]	5,206	4,999	5,172	**5,332**
Equity ratio[6]	%	18.4	18.9	16.3[5]	18.1	17.8[7]	18.7	**21.4**
Return on equity after taxes[6]	%	17.6[4]	15.2[4]	12.9[4, 5]	11.1[4]	13.5[4]	13.3[4]	**13.6[4]**
Earnings per share (basic = diluted)[6, 8]	€	2.60	1.93	0.05[5]	−0.11	0.39	2.06	**1.83**
from continuing operations	€	2.60	1.93	0.05[5]	−0.11	−0.18	−0.80	**1.68**
from discontinued operations	€	0.00	0.00	0.00	0.00	0.57	2.86	**0.15**
Dividend								
Dividend per ordinary share	€	1.35	1.35	1.00	–	0.90	1.00	**1,00[9]**
Dividend per preference share	€	1.485	1.485	1.06	–	1.13[10]	1.06	**1,06[9]**
Operating data								
Employees (annual average by headcount)		283,280	280,856	278,811	272,867	233,584	226,895	**219,678**
Locations		2,131	2,187[11]	2,243	2,221	2,063	2,068	**2,064**
Selling space (1,000 m^2)		12,771	12,954	13,003	12,773	10,790	10,563	**10,352**

[1] Only continuing operations (discontinued operations: 2013/14 and 2014/15 Galeria Kaufhof group)
[2] Unaudited
[3] Adjustment due to revised disclosure in financial year 2012
[4] Before special items; special items for 2014/15 and 2015/16 are displayed on pages 110 and 111
[5] Adjustment due to a revised IFRS in the short financial year 2013
[6] Including discontinued operations
[7] Adjustment due to revised disclosure in financial year 2014/15
[8] After non-controlling interests
[9] Subject to the resolution of the Annual General Meeting
[10] 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.
[11] Including first-time inclusion of METRO Cash & Carry satellite stores opened in 2009 and 2010 (total of 14)