METRO Group
The Spirit of Commerce

Half-Year Financial Report H1 2007

METRO Group with double-digit sales growth

- **Group sales grow by 10.9% to €30.3 billion**
- **Sales in Germany increase by 7.6% (organic growth: +0.3%)**
- **International sales continue to grow very dynamically by 13.5% to €17.2 billion: Western Europe: +6.1%; Eastern Europe: +23.5%**
- **EBIT affected as expected by integrations at Real (€419 million after €459 million last year) – in Q2 primarily by conversions to Real**
- **Outlook 2007 confirmed:**

  - Sales growth of 8 - 9%
  - EBIT increase of 6 - 8%

Sales at Metro Cash & Carry grow by 5.2% despite high prior year level

Conversion of Wal-Mart Germany and Géant in Poland to Real completed according to plan

Media Markt and Saturn increases sales stronger than in prior year by 14.3%

Galeria Kaufhof with further earnings improvement

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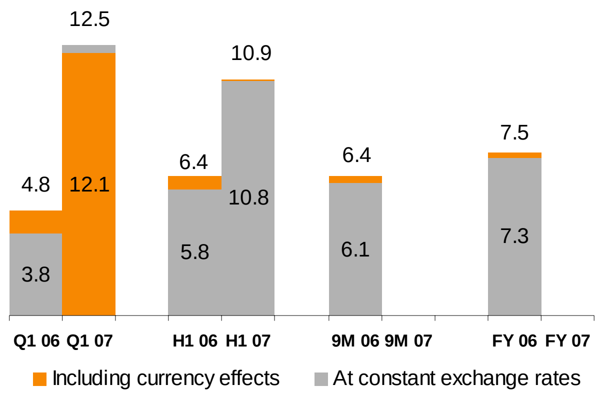
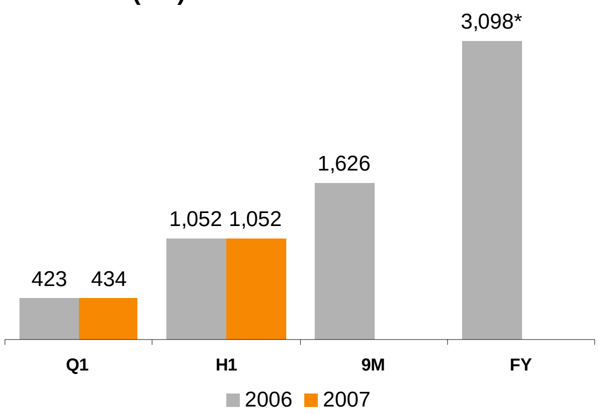
Overview

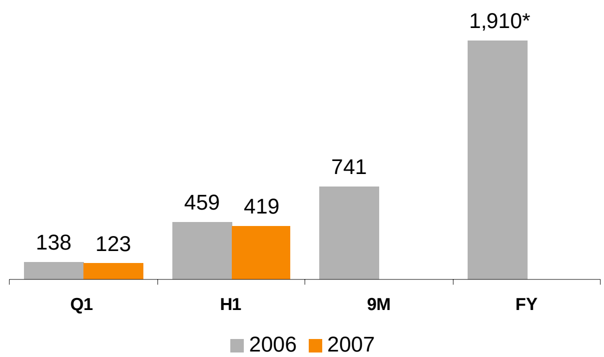
Sales growth (in %)



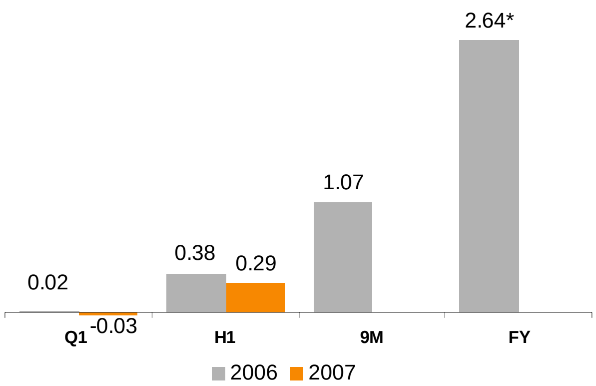
EBITDA (€m)



EBIT (€m)



EPS from continuing operations (€)



* before special items

€ million	H1 2007	H1 2006	Change in %	Q2 2007	Q2 2006	Change in %
Sales	30,312	27,341	10.9%	15,393	14,033	9.7%
Germany	13,081	12,158	7.6%	6,481	6,140	5.6%
International	17,232	15,184	13.5%	8,912	7,894	12.9%
International share of sales	56.8%	55.5%	-	57.9%	56.2%	-
EBITDA	1,052	1,052	0.0%	618	629	-1.8%
EBIT	419	459	-8.8%	296	321	-7.9%
EBT	202	235	-14.2%	184	201	-8.6%
EPS (€)	0.29	0.82	-64.5%	0.32	0.80	-60.0%
from continuing operations	**0.29**	**0.38**	**-24.1%**	**0.32**	**0.36**	**-12.0%**
from discontinued operations	-	0.44	-	-	0.44	-
Capex	711	681	4.3%	423	346	22.2%
Stores	2,390	2,203	8.5%	2,390	2,203	8.5%
Selling space (1,000 sqm)	11,990	10,687	12.2%	11,990	10,687	12.2%

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Interim Group Management Report

Financial Position and Financial Performance

In the **first half of 2007** (1 January - 30 June 2007) METRO Group generated **sales** of €30.3 billion (H1 2006: €27.3 billion). This corresponds to an increase of 10.9%. Excluding the acquisitions of Wal-Mart Germany and Géant in Poland sales grew by 6.7%. Currency effects amounted to 0.1 percentage points. The international share of sales increased from 55.5% in H1 2006 to 56.8%.

Sales in **Germany** rose year-on-year by 7.6% to €13.1 billion. The development of the individual quarters was characterised by the earlier Easter business. Although sales in the first half of the year were dampened as expected by the VAT increase, adjusted for the acquisition of Wal-Mart Germany they grew by 0.3%.

The positive development of our **international business** continued. Sales grew by 13.5% to €17.2 billion. Without the acquisition of Géant in Poland, international sales increased by 11.8%. Currency effects in Q1 2007 reduced sales in Euro; in Q2 these effects reversed. All in all, a positive effect to the amount of 0.1 percentage points resulted in H1 2007.

Sales in **Western Europe (excluding Germany)** grew significantly by 6.1% to €9.4 billion, especially due to the continuous positive business development of Media Markt and Saturn.

The business in **Eastern Europe** showed further above-average growth rates with sales growth increasing by 23.5% to €6.9 billion (adjusted for currency effects: +22.5%). Without the acquisition of Géant in Poland sales growth was 19.0%. The sales development at Metro Cash & Carry in Russia and Romania as well as Media Markt in Poland and Russia was particularly good.

Also in **Asia/Africa** sales increased significantly by 26.5% to €0.9 billion. Excluding currency effects, sales growth was even higher at 32.6%. All countries in Asia contributed to this good business performance with double-digit sales growth rates.

In H1 2007 **EBITDA** of €1,052 million reached prior year's level. METRO Group's **EBIT** in the same period was €419 million (H1 2006: €459 million) and included expenses resulting from the integration of Real's acquisitions executed in 2006. The segment Other includes earnings to the amount of €11 million (H1 2006: €29 million) resulting from active real estate portfolio management. Adjusted for integration expenses at Real as well as for the change in earnings resulting from the active real estate portfolio management, EBIT was above prior year's level.

EBT amounted to €202 million after €235 million in H1 2006. **EPS** from continuing operations was €0.29 after €0.38 in H1 2006.

METRO Group's **capex** in H1 2007 amounted to €711 million after €681 million in H1 2006.

The store network was further extended by 31 new store openings, thereof 16 in Q2 2007. However, 20 **stores** were disposed of respectively closed, thereof 16 at Real in Germany, three at Media Markt and Saturn in France and one at Galeria Kaufhof. Metro Cash & Carry opened two new stores in H1 2007. Real opened four hypermarkets and one Extra supermarket. The store network of Media Markt and Saturn expanded by 23 new store openings – including the second largest Saturn in Europe with around 10,000 sqm sales area in Berlin. One Galeria Kaufhof was opened and another was closed. At the end of H1 2007 the METRO Group operated 2,390 stores.

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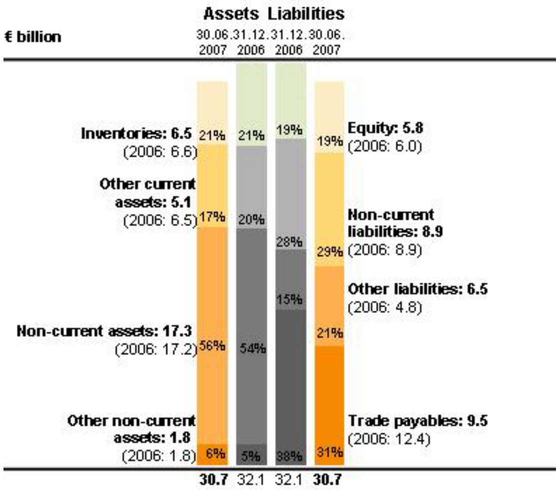
A detailed view on the business development of the individual sales divisions is shown on pages 7 to 10.

METRO Group's short- and medium-term **funding** comprises typical capital markets' issuance programmes. Among these are the "Euro Commercial Paper Programme" started in 1999, and the "Commercial Paper Programme" specifically geared to French investors. The drawdown on both programmes in H1 2007 amounted on average to €1,549 million. Furthermore, as per half-year-end closing, €2,362 million bilateral bank credit facilities were drawn down.

On 15 May 2007, METRO Group issued a benchmark Eurobond within its “Debt Issuance Programme”. The five year bond has a volume of €500 million. The proceeds from the issue were used to refinance existing debt and did not increase net debt.

Balance Sheet



Total assets decreased by €1.4 billion to €30.7 billion compared to year-end closing 2006. The €1.5 billion change in current assets is largely attributed to the decrease in cash and cash equivalents compared to year-end closing 2006.

At the end of Q2 2007, METRO Group’s balance sheet reported equity of €5.8 billion, which was below the year-end 2006 amount due to the dividend payment in Q2. The equity ratio increased slightly to 19.0%.

After netting cash and cash equivalents with financial debts, including finance leases, net debt totalled €8.6 billion compared with €5.3 billion as at 31 December 2006. This increase in net debt is characteristic for the first half year and resulted mainly from the reduction in trade payables of €2.9 billion. The reason behind this reduction lies in the high share Q4 sales contribute to the full year, which consistently corresponds to high trade payables. Net debt rose by €0.4 billion year-on-year.

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Cashflow

Cash outflow of €2.4 billion (H1 2006: €1.9 billion) resulted from current operating activities in H1 2007.

Investing activities led to cash outflows of €0.4 billion. Last year, the divestment of Praktiker resulted in a cash inflow of €0.1 billion. Cash flow from financing activities showed inflows of €1.7 billion (H1 2006: €0.9 billion).

Opportunities and Risks

In H1 2007 no significant change arose from the reported opportunities and risks concerning the ongoing development of the METRO Group as described in detail in the Annual Report 2006 (p.63-66). There are no potentially ruinous risks for the company and presently no risks can be identified that could endanger the company's existence in the future.

Subsequent Events and Outlook

Events after the quarter-end closing

The resolved reduction of the income tax rates, as part of the German corporate tax reform, necessitates a revaluation of the deferred tax assets and liabilities. Presumably this will lead to an extraordinary, additional, non-cash effective tax expense in the range of approx. €160 - 180 million for METRO Group in Q3 2007.

Outlook

We shall consequently continue our profitable growth path. On the basis of economic forecasts, the sector's business situation and developments in the sales divisions, we expect a positive business development in 2007 for the METRO Group.

Over the medium-term we expect the METRO's profitable growth strategy to lead to sales growth of around 6% and an even higher increase in EBIT growth before special items. For fiscal year 2007 we project sales growth of 8% to 9% including the acquisitions of the Wal-Mart Germany group and the Géant business in Poland. We expect an EBIT increase of 6% to 8% based on EBIT of €1,910 million. The basis is the EBIT adjusted for effects resulting from the repositioning of Real including the acquisitions of Wal-Mart Germany and Géant in Poland.

In 2007 our investments in the current store network, including the conversion of the Wal-Mart stores to the Real brand, and in our organic expansion are expected to total about €2.5 billion.

We are working to further extend our position as a leading international retailer also in the future. Thereby, we will continue to assume our social responsibility.

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Metro Cash & Carry

	H1 2007 € million	H1 2006 € million	Change (in %) total	Change (in %) lfl		H1 2007	H1 2006	Change (in %)
Sales	**14,757**	14,034	5.2	1.7	EBITDA (€ million)	**585**	536	9.1
					EBIT (€ million)	**383**	340	12.8
Germany	**2,710**	2,740	-1.1	-2.7	Capex (€ million)	**256**	256	-0.3
Western Europe	**5,982**	5,958	0.4	0.0	Stores (number)	**586**	554	5.8
Eastern Europe	**5,247**	4,633	13.2	6.2	Selling space (1,000 sqm)	**4,534**	4,289	5.7
Asia/Africa	**818**	702	16.5	4.0	Employees at closing date (full-time basis)	**101,721**	96,027	5.9

Sales of Metro Cash & Carry grew by 5.2% to €14.8 billion compared to the high prior year level in H1 2006. Adjusted for currency effects, sales increased by 5.0%. Thereby, the good development in the first quarter continued in Q2 2007.

In Germany sales amounted to €2.7 billion and were slightly below prior year's level, especially with regard to the difficult environment for restaurant owners in the wake of the VAT increase. Furthermore, business in Q2 was particularly affected by the shift of the Easter business.

Sales in Western Europe increased by 0.4% to €6.0 billion (excluding currency effects: +0.2%). Like-for-like sales reached prior year's H1 level. While sales in United Kingdom declined, business in France and Spain continued to develop very well.

In Eastern Europe, sales rose significantly by 13.2% to €5.2 billion (excluding currency effects: +12.3%). Like-for-like sales increased by 6.2%. Especially the high-revenue countries, Russia, Romania and Ukraine, continued to show above-average growth rates.

Sales in Asia/Africa increased significantly by 16.5% to €0.8 billion (excluding currency effects: +22.2%). All Asian countries showed double-digit growth rates.

The international share of sales increased from 80.5% to 81.6%.

Earnings in Q2 2007 also followed the good development seen already in Q1 2007. In H1 2007 **EBITDA** amounted to €585 million after €536 million in H1 2006. On the back of a good like-for-like sales development, **EBIT** improved from €340 million to €383 million; growing ahead of sales.

In H1 2007 **capex** for international expansion as well as for the modernisation of the store network amounted to €256 million as in prior year. The store network was enlarged in H1 2007 by two **stores**: one opened in China and the other in Russia. Metro Cash & Carry is the most international sales division of METRO Group with a presence in 28 countries and operates a total of 586 stores, thereof 120 in Germany, 251 in Western Europe, 162 in Eastern Europe and 53 in Asia/Africa.

	Q2 2007 € million	Q2 2006 € million	Change (in %) total	Change (in %) lfl		Q2 2007	Q2 2006	Change (in %)
Sales	**7,778**	7,396	5.2	1.8	EBITDA (€ million)	**383**	348	10.1
					EBIT (€ million)	**281**	250	12.7
Germany	**1,416**	1,441	-1.8	-3.4	Capex (€ million)	**166**	128	29.6
Western Europe	**3,191**	3,184	0.2	-0.1	Stores (number)	**586**	554	5.8
Eastern Europe	**2,814**	2,466	14.1	6.9	Selling space (1,000 sqm)	**4,534**	4,289	5.7
Asia/Africa	**357**	304	17.6	4.9	Employees at closing date (full-time basis)	**101,721**	96,027	5.9

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Real

	H1 2007 € million	H1 2006 € million	Change (in %) total	Change (in %) lfl		H1 2007	H1 2006	Change (in %)
Sales	**6,009**	4,737	26.9	-0.6	EBITDA (€ million)	**-20**	33	-
					EBIT (€ million)	**-108**	-34	-
Germany	**5,010**	4,195	19.4	-0.9	Capex (€ million)	**167**	64	-
					Stores (number)	**690**	591	16.8
Eastern Europe	**999**	542	84.4	1.6	Selling space (1,000 sqm)	**3,569**	2,693	32.5
					Employees at closing date (full-time basis)	**60,549**	43,501	39.2

In H1 2007 **sales** at Real increased by 26.9% to €6.0 billion (excluding currency effects: +26.9%). The acquisitions of Wal-Mart Germany and Géant in Poland, which took place in 2006, contributed significantly with €1.1 billion to this development. Adjusted for these acquisitions sales growth amounted to 2.8%. Like-for-like sales in H1 decreased slightly by 0.6% year-on-year.

In Q2 2007 like-for-like sales in Germany at Real declined compared to a good prior year basis. Numerous store conversions lead to temporary closures and operational disruptions. The comprehensive conversion programme of the acquired Wal-Mart hypermarkets was successfully completed within the set time frame. All in all, 69 former Wal-Mart stores continue to operate. In addition, the conversion of the heritage store network to the concept format progressed further. As of 30 June 2007 25 concept stores were converted.

Business in Eastern Europe continued successfully in H1 2007. All Géant stores were converted to Real by the end of March. Total sales grew by 84.4% to €1.0 billion. Excluding Géant in Poland sales increased by 37.8%. The currency effect amounted to -0.5 percentage points.

The international share of sales grew from 11.4% to 16.6%.

In H1 2007 **EBITDA** amounted to €-20 million after €33 million in H1 2006. **EBIT** was €-108 million (H1 2006: €-34 million) and included burdens, which will discontinue in future. These expenses entail running costs for the headquarters and logistics structures to be closed, as well as the negative contributions to operating income from 16 Wal-Mart hypermarkets to be disposed of. Moreover, earnings included expenses for the (in Q2 completed) conversion of the former Wal-Mart hypermarkets to the Real concept. All in all, expenses of around €30 million resulted in Q2 2007. In addition, start-up losses for the accelerated international expansion in Eastern Europe increased.

In H1 2007 **capex** amounted to €167 million (H1 2006: €64 million). In Germany nine Wal-Mart stores and seven Extra supermarkets were closed. Three stores were opened in Russia, one hypermarket in Romania and one Extra supermarket in Germany. At the end of H1 2007 the **store** network comprised 690 stores, thereof 615 in Germany (363 hypermarkets) and 75 in Eastern Europe.

	Q2 2007 € million	Q2 2006 € million	Change (in %) total	Change (in %) lfl		Q2 2007	Q2 2006	Change (in %)
Sales	**3,016**	2,419	24.7	-2.2	EBITDA (€ million)	**-7**	39	-
					EBIT (€ million)	**-52**	5	-
Germany	**2,492**	2,138	16.6	-2.9	Capex (€ million)	**82**	35	-
					Stores (number)	**690**	591	16.8
Eastern Europe	**524**	281	86.7	2.4	Selling space (1,000 sqm)	**3,569**	2,693	32.5
					Employees at closing date (full-time basis)	**60,549**	43,501	39.2

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Media Markt and Saturn

	H1 2007 € million	H1 2006 € million	Change (in %) total	lfl		H1 2007	H1 2006	Change (in %)
Sales	**7,489**	6,554	14.3	4.4	EBITDA (€ million)	**226**	207	9.0
					EBIT (€ million)	**123**	115	6.5
Germany	**3,569**	3,398	5.1	1.3	Capex (€ million)	**132**	133	-0.7
Western Europe	**3,242**	2,724	19.0	6.2	Stores (number)	**641**	583	9.9
Eastern Europe	**677**	432	56.8	18.6	Selling space (1,000 sqm)	**1,986**	1,784	11.3
					Employees at closing date (full-time basis)	**46,956**	40,638	15.5

In H1 2007 **sales** at Media Markt and Saturn increased by 14.3% to €7.5 billion (excluding currency effects: +14.3%). Like-for-like sales also grew significantly by 4.4%. Last year's tough comparative Q2 (also due to the World Cup) was even surpassed by an increase of 11.3%.

In Germany, the market position was further improved. Regardless of the VAT increase at the beginning of 2007, sales growth reached 5.1% (like-for-like: +1.3%).

Sales in Western Europe grew significantly by 19.0% to €3.2 billion (excluding currency effects: +19.5%). Besides France, all countries generated like-for-like sales growth. Especially Spain, Belgium and the Netherlands continued their dynamic business development.

In Eastern Europe sales increased by 56.8% to €0.7 billion (excluding currency effects: +54.1%). Especially in Poland, the country with the highest revenue, sales grew, also on a like-for-like basis, significantly. The business of Media Markt in Russia continued its satisfactory development.

In H1 2007 the new countries Russia and Sweden already generated total sales of around €110 million.

The international share of sales increased significantly from 48.2% to 52.3%.

In H1 2007 **EBITDA** improved from €207 million to €226 million. **EBIT** grew from €115 million to €123 million despite significantly higher start-up losses in the new countries, Russia and Sweden.

In H1 2007 **capex** in the store network amounted to €132 million after €133 million in H1 2006. The store network was enlarged by 23 **stores**. In the course of network optimising, three stores in France were disposed of. In Germany and Poland five stores were opened respectively. Spain and Italy each opened three stores. The store network in the Netherlands, Russia and Hungary each was extended by two new stores and Switzerland by one store. In the "Europacenter" in Berlin, the new Saturn flagship store opened with around 10,000 sqm sales area on six floors. At the end of H1 2007 the store network of Media Markt and Saturn comprised 641 stores in 14 countries, thereof 345 in Germany, 230 in Western Europe and 66 in Eastern Europe.

	Q2 2007 € million	Q2 2006 € million	Change (in %) total	lfl		Q2 2007	Q2 2006	Change (in %)
Sales	**3,565**	3,202	11.3	2.3	EBITDA (€ million)	**108**	98	9.8
					EBIT (€ million)	**54**	51	5.4
Germany	**1,672**	1,640	2.0	-1.0	Capex (€ million)	**79**	75	5.5
Western Europe	**1,549**	1,347	15.0	3.4	Stores (number)	**641**	583	9.9
Eastern Europe	**344**	216	59.8	19.9	Selling space (1,000 sqm)	**1,986**	1,784	11.3
					Employees at closing date (full-time basis)	**46,956**	40,638	15.5

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Galeria Kaufhof

	H1 2007 € million	H1 2006 € million	Change (in %) total	Change (in %) lfl		H1 2007	H1 2006	Change (in %)
Sales	**1,596**	1,616	-1.2	-2.4	EBITDA (€ million)	**1**	-10	-
					EBIT (€ million)	**-52**	-65	20.3
Germany	**1,447**	1,478	-2.1	-3.5	Capex (€ million)	**31**	84	-63.1
Western Europe	**149**	138	8.3	8.5	Stores (number)	**142**	142	-
					Selling space (1,000 sqm)	**1,484**	1,485	-0.1
					Employees at closing date (full-time basis)	**18,419**	18,957	-2.8

Despite the burden of the VAT increase, **sales** at Galeria Kaufhof in H1 2007 broadly maintained prior year's level of €1.6 billion. Compared to a very good Q2 2006, Q2 2007 showed a declining sales development.

In Germany, sales in the low-margin hardline assortment declined. However, apparel sales improved. In H1 2007, gross sales in total were on prior year's level.

In Belgium, the very good development continued and sales increased by 8.3% to €149 million.

The international share of sales grew from 8.5% in H1 2006 to 9.3%.

In H1 2007 **EBITDA** of Galeria Kaufhof amounted to €1 million after €-10 million in H1 2006. With a higher gross margin and continued high cost orientation, **EBIT** improved from €-65 million to €-52 million. Thereby, Q2 2007 again showed a significant earnings improvement from €-39 million to €-29 million.

In H1 2007 **capex** in the store network was €31 million (H1 2006: €84 million). By the end of the first quarter the department store network was extended by one store in Berlin and one small-sized store was closed. Therewith, the store network comprised 142 **stores**, thereof 127 in Germany and 15 in Belgium.

	Q2 2007 € million	Q2 2006 € million	Change (in %) total	Change (in %) lfl		Q2 2007	Q2 2006	Change (in %)
Sales	**786**	802	-1.9	-2.0	EBITDA (€ million)	**-3**	-11	77.5
					EBIT (€ million)	**-29**	-39	25.3
Germany	**713**	735	-3.0	-3.2	Capex (€ million)	**19**	33	-43.3
Western Europe	**74**	67	10.7	10.8	Stores (number)	**142**	142	-
					Selling space (1,000 sqm)	**1,484**	1,485	-0.1
					Employees at closing date (full-time basis)	**18,419**	18,957	-2.8

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Interim Consolidated Financial Statements

Income Statement

€ million	H1 2007	H1 2006	Q2 2007	Q2 2006
Net sales	**30,312**	**27,341**	**15,393**	**14,033**
Cost of sales	-24,116	-21,838	-12,164	-11,175
Gross profit on sales	**6,196**	**5,503**	**3,229**	**2,858**
Other operating income	745	742	390	419
Selling expenses	-5,819	-5,186	-2,959	-2,645
General administrative expenses	-659	-565	-340	-293
Other operating expenses	-44	-35	-24	-18
EBIT	**419**	**459**	**296**	**321**
Result from associated companies	0	0	0	0
Other investment result	0	1	0	1
Interest income	85	70	40	35
Interest expenses	-315	-293	-162	-150
Other financial result	13	-2	10	-6
Net financial income	**-217**	**-224**	**-112**	**-120**
EBT	**202**	**235**	**184**	**201**
Income taxes	-67	-77	-61	-66
Income from continuing operations	**135**	**158**	**123**	**135**
Income from discontinued operations after taxes	-	143	-	143
Net profit for the period	**135**	**301**	**123**	**278**
allocable to minorities	40	32	19	16
from continuing operations	40	32	19	16
from discontinued operations	-	-	-	-
allocable to stockholders of METRO AG	95	269	104	262
from continuing operations	95	126	104	119
from discontinued operations	-	143	-	143
Earnings per share (€)	**0.29**	**0.82**	**0.32**	**0.80**
from continuing operations	0.29	0.38	0.32	0.36
from discontinued operations	-	0.44	-	0.44

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Balance Sheet

Assets	30.06.2007	30.06.2006	31.12.2006
€ million			
Non-current assets	**19,067**	**17,338**	**18,978**
Goodwill	4,382	4,159	4,379
Other intangible assets	476	432	478
Tangible assets	12,151	10,793	12,087
Investment properties	133	211	136
Financial assets	121	131	139
Other receivables and assets	558	486	535
Deferred tax assets	1,246	1,126	1,224
Current assets	**11,671**	**9,779**	**13,170**
Inventories	6,540	6,089	6,640
Trade receivables	462	405	481
Financial assets	8	5	21
Other receivables and assets	2,723	2,091	2,852
Entitlements to income tax refunds	268	264	279
Cash & cash equivalents	1,670	916	2,732
Non-current assets held for sale	-	9	165
	30,738	**27,117**	**32,148**

Equity and Liabilities	30.06.2007	30.06.2006	31.12.2006
€ million			
Equity	**5,839**	**5,168**	**6,047**
Capital Stock	835	835	835
Additonal paid-in capital	2,544	2,551	2,544
Reserves retained from earnings	2,243	1,594	2,451
Minority interests	217	188	217
Non-current liabilities	**8,930**	**8,435**	**8,869**
Provisions for pensions and similar commitments	988	991	1,023
Other provisions	537	436	506
Financial liabilities	6,335	6,105	6,279
Other liabilities	598	421	599
Deferred tax liabilities	472	482	462
Current liabilities	**15,969**	**13,514**	**17,232**
Trade payables	9,483	8,263	12,416
Provisions	695	277	719
Financial liabilities	3,889	3,008	1,740
Other liabilities	1,776	1,807	2,029
Income tax liabilities	126	159	304
Liabilities related to non-current assets held for sale	-	-	24
	30,738	**27,117**	**32,148**

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Cash Flow Statement

€ million	H1 2007	H1 2006
EBIT	419	459
Depreciation and amortisation on tangible and intangible assets	633	592
Change in provisions for pensions and other provisions	-41	-8
Change in net working capital	-2,833	-2,517
Income taxes paid	-254	-220
Other	-283	-177
Cash flow from operating activities of continuing operations	**-2,359**	**-1,871**
Cash flow from operating activities of discontinued operations	0	0
Total cash flow from operating activities	**-2,359**	**-1,871**
Investments in tangible assets (excl. finance leases)	-615	-548
Other investments	-51	-74
Divestment of Praktiker	0	484
Disposals of fixed assets	274	280
Cash flow from investing activities of continuing operations	**-392**	**142**
Cash flow from investing activities of discontinued operations	0	0
Total cash flow from investing activities	**-392**	**142**
Profit distribution		
METRO AG stockholders	-366	-334
other stockholders	-41	-50
Change of financial debts	2,195	1,407
Interest paid	-311	-286
Interest received	112	101
Profit and loss transfers and other financing activities	97	49
Cash flow from financing activities of continuing operations	**1,686**	**887**
Cash flow from financing activities of discontinued operations	0	0
Total cash flow from financing activities	**1,686**	**887**
Total cash flows	**-1,065**	**-842**
Exchange rate effects on cash and cash equivalents	3	-9
Overall change in cash and cash equivalents	**-1,062**	**-851**
Cash and cash equivalents on January 1	2,732	1,767
Cash and cash equivalents on June 30	1,670	916
less cash and cash equivalents from discontinued operations as per June 30	0	0
Cash and cash equivalents from continuing operations as per June 30	**1,670**	**916**

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Statement of Changes in Equity

€ million	Capital Stock	Capital reserve	Reserves retained from earnings	Total	Minorities	Total equity
01.01.2006	**835**	**2,551**	**1,721**	**5,107**	**206**	**5,313**
Net profit for the period	-	-	269	269	32	301
Profit distribution	-	-	-334	-334	-50	-384
Remeasurement IAS 39	-	-	-9	-9	-	-9
Currency translation	-	-	-53	-53	0	-53
Other	-	-	-	-	0	0
30.06.2006	**835**	**2,551**	**1,594**	**4,980**	**188**	**5,168**
01.01.2007	**835**	**2,544**	**2,451**	**5,830**	**217**	**6,047**
Net profit for the period	-	-	95	95	40	135
Profit distribution	-	-	-366	-366	-41	-407
Remeasurement IAS 39	-	-	44	44	-	44
Currency translation	-	-	19	19	3	22
Other	-	-	0	0	-2	-2
30.06.2007	**835**	**2,544**	**2,243**	**5,622**	**217**	**5,839**

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Notes

Segment Reporting H1 2007

Sales divisions

€ million	Metro Cash & Carry H1 2007	Metro Cash & Carry H1 2006	Real H1 2007	Real H1 2006	Media Markt and Saturn H1 2007	Media Markt and Saturn H1 2006	Galeria Kaufhof H1 2007	Galeria Kaufhof H1 2006	Other/ Consolidation H1 2007	Other/ Consolidation H1 2006	METRO Group H1 2007	METRO Group H1 2006
External sales (net)	**14,757**	14,034	**6,009**	4,737	**7,489**	6,554	**1,596**	1,616	**461**	400	**30,312**	27,341
Internal sales (net)	**1**	45	**0**	1	**4**	4	**9**	6	**-15**	-55	**-**	-
Total sales (net)	**14,758**	14,080	**6,009**	4,738	**7,493**	6,557	**1,605**	1,622	**446**	345	**30,312**	27,341
EBITDA	**585**	536	**-20**	33	**226**	207	**1**	-10	**260**	286	**1,052**	1,052
Depreciation/amortisation	**201**	196	**88**	68	**103**	92	**53**	55	**188**	182	**633**	592
EBIT	**383**	340	**-108**	-34	**123**	115	**-52**	-65	**73**	104	**419**	459
Investments	**256**	256	**167**	64	**132**	133	**31**	84	**125**	143	**711**	681
Segment assets	**11,757**	10,765	**4,592**	3,239	**4,734**	4,216	**1,190**	1,224	**4,573**	4,845	**26,845**	24,290
Segment liabilities	**5,469**	4,846	**2,289**	1,182	**3,685**	3,180	**864**	848	**1,159**	1,602	**13,467**	11,657
Employees at closing date (full-time equivalents)	**101,721**	96,027	**60,549**	43,501	**46,956**	40,638	**18,419**	18,957	**15,668**	15,008	**243,313**	214,131
Selling space (in 1,000 sqm)	**4,534**	4,289	**3,569**	2,693	**1,986**	1,784	**1,484**	1,485	**417**	436	**11,990**	10,687
Stores (number)	**586**	554	**690**	591	**641**	583	**142**	142	**331**	333	**2,390**	2,203

Regions

€ million	Germany H1 2007	Germany H1 2006	Western Europe excl. Germany H1 2007	Western Europe excl. Germany H1 2006	Eastern Europe H1 2007	Eastern Europe H1 2006	Asia / Africa H1 2007	Asia / Africa H1 2006	Consolidation H1 2007	Consolidation H1 2006	METRO Group H1 2007	METRO Group H1 2006
External sales (net)	**13,081**	12,158	**9,415**	8,871	**6,923**	5,607	**893**	706	**-**	-	**30,312**	27,341
Internal sales (net)	**5**	6	**1**	0	**-**	-	**346**	334	**-352**	-341	**-**	-
Total sales (net)	**13,086**	12,164	**9,416**	8,871	**6,923**	5,607	**1,239**	1,040	**-352**	-341	**30,312**	27,341
EBITDA	**340**	391	**345**	349	**365**	321	**-1**	-6	**3**	-3	**1,052**	1,052
Depreciation/amortisation	**326**	326	**156**	147	**134**	102	**18**	17	**0**	0	**633**	592
EBIT	**15**	64	**189**	202	**232**	219	**-19**	-23	**3**	-3	**419**	459
Investments	**316**	317	**114**	165	**245**	176	**36**	23	**-**	-	**711**	681
Segment assets	**13,448**	12,454	**8,910**	8,062	**6,514**	4,800	**846**	697	**-2,871**	-1,724	**26,845**	24,290
Segment liabilities	**6,400**	5,696	**4,281**	3,956	**2,823**	1,946	**383**	332	**-420**	-273	**13,467**	11,657
Employees at closing date (full-time equivalents)	**108,613**	100,319	**50,807**	48,375	**70,442**	53,965	**13,451**	11,472	**-**	-	**243,313**	214,131
Selling space (in 1,000 sqm)	**6,802**	6,150	**2,653**	2,576	**2,144**	1,615	**391**	347	**-**	-	**11,990**	10,687
Stores (number)	**1,518**	1,436	**516**	490	**303**	230	**53**	47	**-**	-	**2,390**	2,203

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Segment Reporting Q2 2007

Sales divisions

€ million	Metro Cash & Carry		Real		Media Markt and Saturn		Galeria Kaufhof		Other/ Consolidation		METRO Group	
	Q2 2007	Q2 2006	**Q2 2007**	Q2 2006	**Q2 2007**	Q2 2006	**Q2 2007**	Q2 2006	**Q2 2007**	Q2 2006	**Q2 2007**	Q2 2006
External sales (net)	**7,778**	7,396	**3,016**	2,419	**3,565**	3,202	**786**	802	**247**	215	**15,393**	14,033
Internal sales (net)	**1**	0	**0**	0	**2**	3	**5**	4	**-8**	-8	**-**	-
Total sales (net)	**7,779**	7,396	**3,016**	2,419	**3,567**	3,205	**791**	806	**239**	207	**15,393**	14,033
EBITDA	**383**	348	**-7**	39	**108**	98	**-3**	-11	**136**	155	**618**	629
Depreciation/amortisation	**101**	98	**45**	34	**53**	47	**27**	28	**95**	101	**321**	308
EBIT	**281**	250	**-52**	5	**54**	51	**-29**	-39	**42**	54	**296**	321
Investments	**166**	128	**82**	35	**79**	75	**19**	33	**77**	75	**423**	346
Segment assets	**11,757**	10,765	**4,592**	3,239	**4,734**	4,216	**1,190**	1,224	**4,573**	4,845	**26,845**	24,290
Segment liabilities	**5,469**	4,846	**2,289**	1,182	**3,685**	3,180	**864**	848	**1,159**	1,602	**13,467**	11,657
Employees at closing date (full-time equivalents)	**101,721**	96,027	**60,549**	43,501	**46,956**	40,638	**18,419**	18,957	**15,668**	15,008	**243,313**	214,131
Selling space (in 1,000 sqm)	**4,534**	4,289	**3,569**	2,693	**1,986**	1,784	**1,484**	1,485	**417**	436	**11,990**	10,687
Stores (number)	**586**	554	**690**	591	**641**	583	**142**	142	**331**	333	**2,390**	2,203

Regions

€ million	Germany		Western Europe excl. Germany		Eastern Europe		Asia / Africa		Consolidation		METRO Group	
	Q2 2007	Q2 2006	**Q2 2007**	Q2 2006	**Q2 2007**	Q2 2006	**Q2 2007**	Q2 2006	**Q2 2007**	Q2 2006	**Q2 2007**	Q2 2006
External sales (net)	**6,481**	6,140	**4,838**	4,626	**3,682**	2,963	**392**	305	**-**	-	**15,393**	14,033
Internal sales (net)	**3**	3	**0**	0	**-**	-	**159**	146	**-163**	-149	**-**	-
Total sales (net)	**6,484**	6,143	**4,838**	4,626	**3,682**	2,963	**551**	451	**-163**	-149	**15,393**	14,033
EBITDA	**195**	253	**194**	194	**232**	188	**-6**	-7	**3**	1	**618**	629
Depreciation/amortisation	**164**	169	**81**	74	**68**	56	**9**	8	**-1**	0	**321**	308
EBIT	**30**	84	**113**	120	**164**	132	**-16**	-15	**4**	1	**296**	321
Investments	**172**	146	**74**	86	**159**	98	**19**	16	**-**	-	**423**	346
Segment assets	**13,448**	12,454	**8,910**	8,062	**6,514**	4,800	**846**	697	**-2,871**	-1,724	**26,845**	24,290
Segment liabilities	**6,400**	5,696	**4,281**	3,956	**2,823**	1,946	**383**	332	**-420**	-273	**13,467**	11,657
Employees at closing date (full-time equivalents)	**108,613**	100,319	**50,807**	48,375	**70,442**	53,965	**13,451**	11,472	**-**	-	**243,313**	214,131
Selling space (in 1,000 sqm)	**6,802**	6,150	**2,653**	2,576	**2,144**	1,615	**391**	347	**-**	-	**11,990**	10,687
Stores (number)	**1,518**	1,436	**516**	490	**303**	230	**53**	47	**-**	-	**2,390**	2,203

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Notes to Group Accounting Principles and Methods

The interim consolidated financial statements as at 30 June 2007 have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 „Interim Financial Reporting". They do not include all information required for the full annual consolidated financial statements at the end of the full year in accordance with IFRS.

In preparation of the interim consolidated financial statements, the same recognition and valuation methods were applied as in the last preceding annual consolidated financial statements as at 31 December 2006. Details on applied recognition and valuation methods are provided in the notes of the annual consolidated financial statements as at 31 December 2006.

During the year, sales-dependent and cyclical positions are accounted for pro-rata based on corporate planning, if material.

The current interim consolidated financial statements apply the accounting standards and interpretations newly introduced by the IASB which were adopted by the Council of the European Commission (please see METRO Group's Annual Report 2006, pp. 105-106). The application of these accounting standards had no impact on METRO Group's financial position and financial performance.

To provide a better overview in the tables, decimal places have partly been left out. Therefore rounding differences can occur.

Notes to related parties

In H1 2007 companies that are included in the circle of related companies rendered goods/services to the amount of €72 million to METRO Group companies. These consist primarily of leasing services. Business relations with related companies are based on contractual agreements and conform to market conditions. In the reporting period, METRO Group had no business relations with related natural persons.

Changes in the Supervisory Board

Mrs. Anja Kiehne-Neuberg left the Supervisory Board of METRO AG on 30 June 2007. Mr. Hubert Frieling was appointed as a member of the Supervisory Board with the resolution of the Düsseldorf District Court effective 20 July 2007.

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Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Düsseldorf, 30 July 2007

Board of Management

Dr. Körber

Mierdorf   Muller   Unger

METRO Group
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Review Report

To METRO AG, Düsseldorf

We have reviewed the condensed interim consolidated financial statements - comprising the balance sheet, income statement, cash flow statement, statement of changes in equity and selected explanatory notes - and the interim group management report of METRO AG, Düsseldorf for the period from January 1 to June 30, 2007 which are part of the half year financial reports according to § 37 w WpHG [„Wertpapierhandelsgesetz“: „German Securities Trading Act“]. The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report which has been prepared in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports is the responsibility of the Company’s management. Our responsibility is to issue a review report on these condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and additionally in accordance with the International Standard on Review Engagements, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410). Those standards require that we plan and conduct the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports.

Cologne, July 30, 2007

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Siemes Wirtschaftsprüfer (Auditor)	Dr. Böttcher Wirtschaftsprüfer (Auditor)

METRO Group
The Spirit of Commerce

METRO Group

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Visit our website at www.metrogroup.de, the primary source for publications and information about the METRO Group. With the METRO Group News Abo you can subscribe to reagular news and official publications of the company online.

Please note: In case of doubt the German version shall prevail.

Financial Calendar

Tuesday, 30 October 2007, 7.15 h

Quarterly Financial Report Q3 2007

Thursday, 10 January 2008, 8.00 h

Trading Statement 2007

Tuesday, 18. March 2008, 8.00 h

Full Year 2007 Report