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# Return to Profitable Growth – Sales and Earnings Increase Significantly

**METRO GROUP's sales grow by 2.3% to €15.5 billion**

**Sales in Germany adjusted for store disposals above prior year**

**International sales increase by 4.4%**

**(Western Europe: +4.3%; Eastern Europe: +5.0%; Asia/Africa: +2.0%)**

**Shape 2012 on track**

**EBIT before special items grows due to Shape contributions  
to €136 million (Q1 2009: €87 million)**

**Cash flow before financing activities increases by €405 million;  
Net debt reduced by €731 million**

## Metro Cash & Carry

Sales -0.6%

Restructuring in Germany makes progress

Slight trend improvement in Western Europe

Eastern Europe remains very challenging

Growth region Asia/Africa with significant sales increase

## Real

Sales +4.4%

Germany grows like-for-like (+1.1%)

Sales in Eastern Europe increase significantly by 22.9%

## Media Markt and Saturn

Sales +6.1%

Germany with stable sales against very tough comps

Recovery in Western Europe continues

Significant trend deterioration in Eastern Europe

## Galeria Kaufhof

Sales +3.4% owing to gratifying development in March

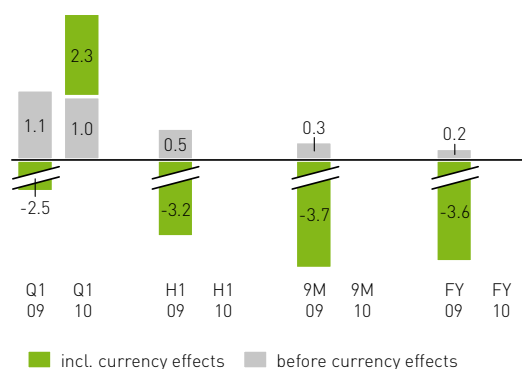
Highest like-for-like sales growth (+2.9%) since 2004

## Real Estate

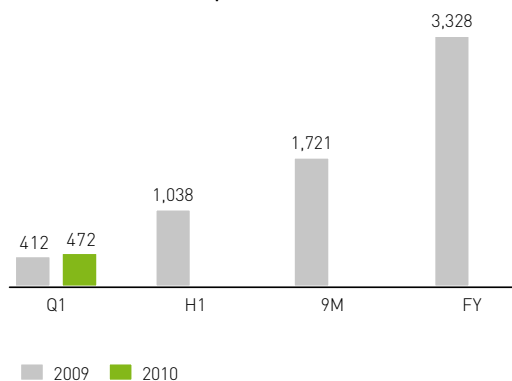
Earnings above prior year

## OVERVIEW Q1 2010

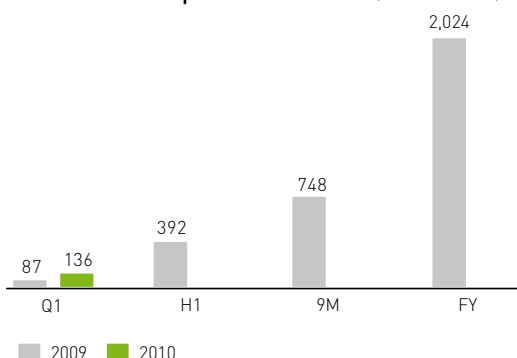
Sales growth (in %)



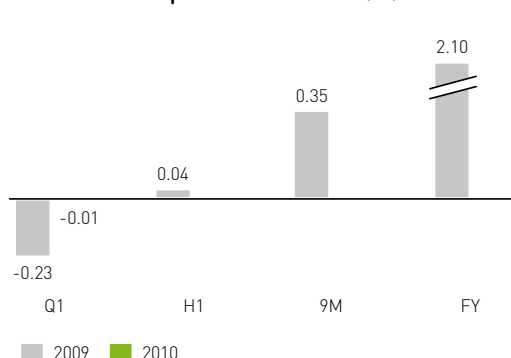
EBITDA before special items<sup>1) 2)</sup> (€ million)



EBIT before special items<sup>1) 2)</sup> (€ million)



EPS before special items<sup>1) 2)</sup> (€)



€ million	Q1 2009 <sup>3)</sup>	Q1 2010	Change (€)	Change (LC)
Sales	15,167	15,517	2.3%	1.0%
Germany	6,239	6,199	-0.7%	-0.7%
International	8,927	9,318	4.4%	2.2%
Western Europe (excl. Germany)	4,690	4,891	4.3%	3.9%
Eastern Europe	3,549	3,725	5.0%	-1.0%
Asia/Africa	688	702	2.0%	7.7%
International share of sales	58.9%	60.1%	-	-
EBITDA	380	453	19.2%	-
EBITDA before special items <sup>1)</sup>	412	472	14.6%	-
EBIT	54	117	-	-
EBIT before special items <sup>1)</sup>	87	136	55.9%	-
EBT	-117	4	-	-
EBT before special items <sup>1)</sup>	-84	23	-	-
EPS (€)	-0.30	-0.05	83.4%	-
EPS before special items (€) <sup>1)</sup>	-0.23	-0.01	94.1%	-
Capex	245	192	-21.8%	-
Stores	2,116	2,124	0.4%	-
Selling space (1,000 sqm)	12,328	12,604	2.2%	-
Employees (full-time basis)	252,222	251,650	-0.2%	-

<sup>1)</sup> Special items overview on pp. 15

<sup>2)</sup> Adjustment of previous year's figures due to first-time adoption of revised IFRS

<sup>3)</sup> Adjustment of previous year's figures due to first-time adoption of revised IFRS as well as a change in disclosure



# INTERIM GROUP MANAGEMENT REPORT

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## Macroeconomic Conditions

The recovery of the global economy seen in H2 2009 continued in Q1 2010. However, the growth momentum differed from region to region. The emerging markets in Asia reported the highest growth dynamics and, thus stimulated also global trade. Conversely, many industrialised countries only recovered very slowly with a still low capacity utilisation.

So far the retail sector benefited only partly from the economic recovery due to further increasing unemployment, as well as partly declining disposable income. Many countries reported declining retail sales compared to Q1 2009. Consumer prices rose, whereas last year they showed to some extent a deflationary tendency. However, this was mainly driven by oil price increases. Especially in Western Europe, retail prices remained further on a low level.

**Germany's** economy growth took a break in Q1 2010 due to weather conditions. Nonetheless, Germany benefited from increasing exports. The leading indicators point to strong growth dynamics in Q2.

The retail sector stagnated in the first quarter. Unemployment grew only moderately due to the short-term labour scheme. However, despite tax reliefs and reduced social security contributions disposable income showed only a moderate development.

In **Western Europe**, the economic recovery just progressed slowly. Some countries, such as Spain and Greece, are particularly afflicted by the economic crisis. Some smaller countries and France showed a more positive picture. The unemployment rate in Western Europe increased further and amounted to 10.0% in February, which was the highest level in more than ten years. Consequently, the retail sector remained constrained and declined in many countries since the beginning of the year against the background of marginal price increases.

The economies in **Eastern Europe** benefited from the global recovery. However, the development differed greatly from country to country. Whilst Poland and Turkey reported again robust growth, the growth momentum in many Eastern European countries was comparatively less pronounced. The Eastern European retail sector was unable to detach itself from the overall economic development. Although nominal retail sales grew year-on-year, real retail sales declined further.

**Asia** remained also in Q1 2010 the growth driver in the global economy. The growth rates of the emerging markets have already returned to the pre-crisis level and also Japan recovered. Therefore, also the retail sector developed positively.

## Financial Position and Financial Performance

### Sales

From **January to March 2010**, METRO GROUP generated sales of €15.5 billion (Q1 2009: €15.2 billion). This corresponds to a 2.3% sales increase. The sales development was supported by positive currency effects and by an earlier Easter than last year in many countries. In local currency, METRO GROUP's sales grew by 1.0%.

Sales in **Germany** in Q1 2010 were slightly below prior year's level in a broadly stable overall market and amounted to €6.2 billion. However, adjusted for store disposals and divestments, sales were 0.3% above prior year's level. Sales at the beginning of 2010 were impaired by unusually long and cold weather conditions, as well as by an unfavourable trading days constellation compared to last year. However, this sales decline was regained in February and, in particular, in March. Thereby, trading in March profited from an earlier Easter compared to prior year. All in all, METRO GROUP again developed better than the overall market.

In Q1 2010, **international** sales grew by 4.4% to €9.3 billion. Also adjusted for currency effects sales rose, namely by 2.2%. The international share of sales increased from 58.9% to 60.1%.

Sales in **Western Europe (excluding Germany)** in Q1 2010 grew by 4.3% to €4.9 billion. Adjusted for currency effects, sales increased by 3.9%. Thus, the trend improvement seen in the previous quarters continued. Especially Media Markt and Saturn's double-digit growth rate contributed materially to the improvement.

In Q1 2010, sales in **Eastern Europe** grew by 5.0% to €3.7 billion. Following significantly negative currency effects in 2009, sales now grew as a result of an altogether positive currency development. Adjusted for currency effects, sales declined by 1.0%. Also given the still difficult economic environment, especially for non-food, Q1 continued to show a very subdued development.

Sales in Q1 2010 in **Asia/Africa** grew by 2.0% to €0.7 billion. Adjusted for currency effects, sales increased significantly by 7.7%.

## Earnings

**EBITDA** in Q1 2010 amounted to €453 million (Q1 2009: €380 million) and included expenses amounting to €19 million (Q1 2009: €32 million) resulting from the efficiency- and value-enhancing programme Shape 2012. An overview of the special items is shown on page 15. These expenses are incurred in particular for cost savings measures. Of these expenses, €10 million are attributable to Metro Cash & Carry, €2 million to Real, €3 million to Media Markt and Saturn, and €4 million to the segment Other. Adjusted for these special items, EBITDA amounted to €472 million following €412 million in Q1 2009.

**EBIT** in Q1 2010 increased significantly by €63 million to €117 million (Q1 2009: €54 million) and included €19 million special items (Q1 2009: €33 million) relating to Shape 2012. Also adjusted for these special items, EBIT showed a significant increase of €87 million to €136 million. This increase resulted from cost savings but also productivity gains relating to Shape 2012. In addition, the earlier Easter business and currency effects had a positive effect on the earnings development.

The **net financial result** amounted to €-113 million following €-171 million in Q1 2009. Whilst interest expenses increased, the interest income lessened due to a lower interest rate level. However, the other financial result grew significantly due to positive currency effects.

In Q1 2010, **EBT** amounted to €4 million (Q1 2009: €-117 million). Adjusted for special items, EBT was €23 million (Q1 2009: €-84 million). **EPS** was €-0.05 compared to €-0.30 in Q1 2009. Adjusted for special items, EPS increased significantly from €-0.23 to €-0.01.

## Shape 2012

At the beginning of 2009, METRO GROUP announced its comprehensive efficiency- and value-enhancing programme Shape 2012. In the meantime, new organisational structures have been implemented. Numerous measures already contribute positively to earnings.

In March 2010, the restructuring of Metro Cash & Carry into two business units, as well as the integration, to a large extent, of the management and administrative functions at the GROUP's holding company METRO AG and Metro Cash & Carry were announced.

An important aspect of the reorganisation is the split of Metro Cash & Carry into two business units: the business unit Europe/MENA (Middle East and North Africa), and the business unit Asia/New Markets, including Russia, Ukraine and Kazakhstan. The central functions of the operational business, e.g. procurement or supply chain management, will continue to be jointly run. The new structure reflects the

importance of Metro Cash & Carry for the Group. Furthermore, this will further strengthen the organisational foundation for the successful implementation of the Shape programme, as well as for the acceleration of the international expansion in the medium term. All in all, METRO GROUP with its new structures will become even more competitive.

As previously announced, special items regarding Shape 2012 for measures to optimise personnel, the store base and supply chain were incurred also in 2010. So far, EBIT-effective one-off expenses relating to Shape 2012 amounted to €19 million in Q1 2010.

To be classed as a Shape special item, the expense (incl. consultancy fees) must relate to a restructuring measure, which leads to personnel reduction, store closures, part closures of sales space or liquidation of companies.

According to this definition, METRO GROUP currently expects gross one-off expenses resulting from the implementation of Shape 2012 for the years 2009 until 2011 to total approx. €650 million. The bulk of these one-offs was incurred in the financial year 2009 (€343 million). In the current financial year, approximately €170 million one-off expenses are expected.

## Capex

METRO GROUP's capex in Q1 2010 amounted to €192 million (Q1 2009: €245 million). This decline reflects the lower capex in the segment real estate.

## Store Network

In Q1 2010, eleven new stores were opened and 14 closed respectively sold on.

Metro Cash & Carry opened one store in China. In the course of the store network optimisation, three stores in Germany and one store in Portugal were disposed of. At Real, four hypermarkets in Germany were disposed of. Media Markt and Saturn opened ten stores. In the segment Other, six Grillpfanne restaurants were closed down. As at the end of March 2010, METRO GROUP operated 2,124 stores.

A detailed view on the business development of the individual divisions is shown on pages 8 to 13.

## Funding

METRO GROUP's short- and medium-term funding comprises typical capital markets' permanent issuance programmes, e.g. a "Euro Commercial Paper Programme" with an available volume up to €2.0 billion. A further "Commercial Paper Programme" specifically geared to French investors amounts to €3.0 billion. The drawdown on both programmes in Q1 2010 amounted to €0.1 billion (Q1 2009: €1.7 billion). This significant decline comes from the stronger strategic orientation towards long-term financial instruments.

In addition, bilateral and syndicated credit facilities amounting to €5.5 billion with durations up to 2013 are available. As at 31 March 2010, the drawdown was unchanged year-on-year and amounted to €1.4 billion.

In February 2010, METRO GROUP issued a €750 million bond from the "Debt Issuance Programme" with a maturity of seven years and a 4.25% coupon. Therewith the term structure of the financial debt was further optimised.

## Balance Sheet

Total assets decreased by €2.3 billion to €31.0 billion compared to 31/12/2009. This is, in comparison to the 2009 year-end closing, mainly due to the decrease in cash and cash equivalents typical for Q1. Translation effects from again slightly stronger currencies, especially in Eastern Europe, had a contrasting effect.

As at 31 March 2010, METRO GROUP's balance sheet disclosed €6.1 billion equity. The year-to-date equity ratio increased from 18.0% to 19.6%.

Net debt, after netting cash and cash equivalents, as well as bank deposits, with financial liabilities (including finance leases), totalled €7.1 billion compared to €4.2 billion as at 31/12/2009. This increase in net debt against the prior year-end closing is characteristic and resulted mainly from the reduction in trade payables of €3.2 billion. The reason behind this reduction lies in the high share of sales Q4 contributes to the full year, which regularly corresponds to high trade payables at the year-end closing. However, year-on-year net debt improved significantly by €0.7 billion.

## Cash Flow

A €2.6 billion cash outflow from operating activities of continuing operations resulted in Q1 2010 (Q1 2009: €2.8 billion).

Cash flow from investing activities included cash inflows relating to property sales in 2009, and showed a minor cash inflow (Q1 2009: €-0.2 billion).

Cash flow from continuing operations before financing activities improved by €0.4 billion to €-2.6 billion (Q1 2009: €-3.0 billion).

The cash inflow from financing activities of continuing operations amounted to €0.7 billion (Q1 2009: €1.2 billion). This mainly resulted from the bond issuance.

## Opportunities and Risks

In Q1 2010 no material change arose from the reported opportunities and risks concerning the ongoing development of the METRO GROUP as described in detail in the Annual Report 2009 (pp. 118-121).

There are no risks that could endanger the company's existence and at present none can be identified for the future.

€ billion	Assets		Liabilities	
	31/3/10	31/12/09*	31/12/09*	31/3/10
Inventories 7.0 (2009: 7.1)	23%	21%	41%	34%
Other current assets 5.4 (2009: 7.7)	17%	23%	15%	15%
Fixed assets 17.1 (2009: 17.0)	55%	51%	27%	32%
Other non-current assets 1.5 (2009: 1.5)	5%	5%	18%	19%
	31.0	33.3	33.3	31.0

\* Adjustment of previous year's figures due to a change in disclosure

## Sustainability

Galeria Kaufhof at the Alexanderplatz in Berlin was the first retail store in Germany to be awarded with the quality certificate "Generation-friendly Shopping". The certificate was presented by the Federal Minister for Family Affairs. The Galeria Kaufhof store has approximately 35,000 square meters sales space and meets nearly all of the required criteria (95%) and is thus on the whole generation-friendly.

METRO GROUP in Poland, the strongest Eastern European country by sales, published a report on the company's CSR activities. It impressively shows the comprehensive dedication of the Polish METRO GROUP divisions to sustainability.

## Subsequent Events and Outlook

### Event after the quarter-end closing

Material events after the quarter-end closing were non-existent.

### Macroeconomic Outlook

With regard to the further course of the year, leading indicators are pointing to continued economic recovery in Q2 2010. The strongest momentum will continue to come from the emerging markets in Asia, whilst the industrialised nations in the West will grow only very slowly. All in all, the economic upswing in the course of 2010 will be impacted by different factors. A further repairing of bank balance sheets, imminent consolidation measures of public finances, the strong increase in unemployment and the discontinuation of fiscal stimulus programmes, will burden economic growth, also beyond 2010.

Despite the slow recovery in Eastern Europe, this region and in Asia will continue to see the strongest economic growth potential. Therefore, METRO GROUP expects the Eastern European economies to develop high economic momentum in the medium term, also due to still high pent-up demand potential.

### Outlook METRO GROUP

METRO GROUP will continue on its profitable growth course and thus expand its position as one of the leading international retail groups over the next few years. Also 2010 will not be an easy year and it remains to be seen whether macroeconomic trends reverse during the course of the year. To what extent a trend reversal takes place this year depends mainly on the economic developments in particular in Eastern Europe.

However, METRO GROUP considers itself well prepared for the future and can build upon a successful portfolio of

sales divisions. In addition, with Shape 2012, the company is implementing a programme that will accompany METRO Group into a successful and profitable future.

### Sales

For 2010, METRO GROUP expects sales to exceed the previous year's level but to still fall short of the medium-term target level of 6% per year. Aside from the macroeconomic situation, this is also attributable to the lower number of new store openings in 2009 and 2010.

### Earnings

Due mostly to the contributions from Shape 2012, METRO GROUP expects EBIT before special items in 2010 to tangibly exceed the 2009 level. The extent of the earnings improvement, however, depends decisively on the development of macroeconomic parameters. The company's medium-term growth target for EBIT before special effects is more than 10% per year. Shape 2012 will unleash its positive earnings impact successively and become fully effective from 2012 on.

### New store openings

All in all, METRO GROUP plans to open around 95 stores. Thereof around 30 are Metro Cash & Carry stores, five Real hypermarkets and about 60 Media Markt and Saturn stores.



## Metro Cash & Carry

	Sales € million		Change [€]		Currency effects		Change [local currency]		lfl [local currency]	
	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010
<b>Total</b>	<b>6,992</b>	<b>6,951</b>	<b>-6.4%</b>	<b>-0.6%</b>	<b>-4.6%</b>	<b>1.3%</b>	<b>-1.8%</b>	<b>-1.9%</b>	<b>-4.5%</b>	<b>-2.8%</b>
Germany	1,234	1,211	-5.3%	-1.8%	0.0%	0.0%	-5.3%	-1.8%	-7.1%	-1.1%
Western Europe (excl. Germany)	2,666	2,624	-5.8%	-1.6%	-1.5%	0.2%	-4.3%	-1.8%	-5.2%	-1.3%
Eastern Europe	2,480	2,476	-11.6%	-0.2%	-13.9%	4.6%	2.3%	-4.8%	-2.1%	-6.7%
Asia/Africa	612	640	16.2%	4.5%	15.1%	-6.7%	1.1%	11.2%	-4.9%	5.4%

**Sales** at Metro Cash & Carry declined by 0.6% to €7.0 billion in Q1 2010. Adjusted for currency effects, sales decreased by 1.9%.

In **Germany**, sales in Q1 2010 declined by 1.8% to €1.2 billion. The closing down of three Schaper stores in the first quarter and two in Q4 2009 contributed partly to this decline. In like-for-like terms, sales decreased by 1.1%. Thereby, non-food sales in particular stabilised. Furthermore, the restructuring measures showed further positive effects. The marketing campaign "Damit kann ich arbeiten" (I can work with that) addresses professional customers directly. Also the delivery service and the improved private label ranges reported further sales increases.

Sales in **Western Europe** declined by 1.6% to €2.6 billion in Q1 2010. Adjusted for currency effects, sales decreased by 1.8% and in like-for-like terms by 1.3% below prior year's level.

Q1 2010 sales in **Eastern Europe** were almost unchanged at €2.5 billion. However, adjusted for currency effects, sales declined by 4.8%. Prior year's sales in Q1 still included strong growth in Russia and Ukraine. In the region Eastern Europe especially the non-food business remained challenging and was mainly responsible for the declining like-for-like sales development.

Sales in **Asia/Africa** in Q1 2010 grew by 4.5% to €0.6 billion in spite of the strong impact from negative currency effects. In local currency, sales growth was even double-digit at 11.2%. All Asian countries showed sales growth and hence the positive trend seen in H2 2009 continued.

In Q1 2010, the international share of sales increased slightly from 82.3% to 82.6%.

€ million	Q1 2009 <sup>1)</sup>	Q1 2010	Change
EBITDA	61	91	48.2%
EBITDA before special items	72	101	39.5%
EBIT	-1	15	-
EBIT before special items	10	25	-
Capex	19	49	-

	31/12/2009	31/03/2010	Change
Stores	668	665	-3
Selling space (1,000 sqm)	5,291	5,269	-22
Employees (full-time basis)	106,659	108,605	+1,946

<sup>1)</sup> Adjustment of previous year's figures due to first-time adoption of revised IFRS

In Q1 2010, **EBITDA** reached €91 million (Q1 2009: €61 million) and included expenses resulting from Shape 2012 amounting to €10 million. EBITDA before special items increased to €101 million (Q1 2009: €72 million). **EBIT** improved significantly and increased by €16 million to €15 million. Also before special items, EBIT growth was significant and amounted to €25 million following €10 million in prior year's quarter. This earnings improvement was

attributable to the positive effects from the Shape 2012 programme and was able to compensate the earnings decline in the Eastern European non-food business.

**Capex** for the expansion and the modernisation amounted to €49 million in Q1 2010 (Q1 2009: €19 million). Included therein is capex for the market entry into Egypt. In China, the store network was enlarged by one **store** in Beijing.



Moreover, Metro Cash & Carry was appointed official supplier to the World Fair Expo 2012 in Shanghai. Three Schaper stores in Germany and one store in Portugal were closed down respectively sold on.

As at 31 March 2010, Metro Cash & Carry operated in 30 countries with 665 stores, thereof 121 in Germany, 258 in Western Europe, 210 in Eastern Europe and 76 in Asia/Africa.



## Real

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		lfl (local currency)	
	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010
<b>Total</b>	<b>2,629</b>	<b>2,745</b>	<b>-4.9%</b>	<b>4.4%</b>	<b>-4.3%</b>	<b>1.9%</b>	<b>-0.6%</b>	<b>2.5%</b>	<b>-1.4%</b>	<b>1.7%</b>
Germany	2,042	2,024	-3.6%	-0.9%	0.0%	0.0%	-3.6%	-0.9%	-2.5%	1.1%
Eastern Europe	587	721	-9.1%	22.9%	-20.4%	9.8%	11.3%	13.1%	2.5%	3.3%

In Q1 2010, **sales** at Real grew by 4.4% to €2.7 billion. The dynamic expansion into the Eastern European growth markets and positive currency effects contributed to this increase. Adjusted for currency effects, sales rose by 2.5%.

In **Germany**, sales in Q1 2010 declined slightly by 0.9% to €2.0 billion due to store disposals (twelve stores less compared with Q1 2009). The satisfactory Easter business, especially for non-food, more than compensated the unfavourable trading days constellation in Q1. Like-for-like sales increased 1.1%. Thereby, Real benefited further from the brand-sharpening measures and was able to strengthen its local market position. Besides increasing private label sales, customers welcomed the many, newly introduced concept modules in various categories. De-

spite the negative calendar effect and the long-lasting winter weather, the customer frequency was only slightly down against Q1 2009.

Sales in **Eastern Europe** continued to develop dynamically in Q1 2010 and increased by 22.9% to €0.7 billion. Aside from expansion, significant positive currency effects supported this development. However, also adjusted for currency effects, sales grew considerably by 13.1%. Despite the still very difficult economic environment Real grew like-for-like sales by 3.3%. This increase was supported by the development in the food business. Non-food sales declined slightly.

The international share of sales in Q1 2010 grew significantly from 22.3% to 26.3%.

€ million	Q1 2009 <sup>1)</sup>	Q1 2010	Change
EBITDA	-5	21	-
EBITDA before special items	-5	23	-
EBIT	-53	-26	49.8%
EBIT before special items	-53	-24	53.4%
Capex	18	33	85.5%

	31/12/2009	31/03/2010	Change
Stores	441	437	-4
Selling space (1,000 sqm)	3,184	3,145	-39
Employees (full-time basis)	58,616	57,335	-1,281

<sup>1)</sup> Adjustment of previous year's figures due to first-time adoption of revised IFRS

In Q1 2010, **EBITDA** increased to €21 million (Q1 2009: €-5 million). Before special items, EBITDA reached €23 million (Q1 2009: €-5 million).

**EBIT** in Q1 2010 improved significantly by €27 million to €-26 million (Q1 2009: €-53 million) due to the positive sales development and the store network optimisation, and included €2 million special items. Also before special

items, EBIT increased significantly and came in at €-24 million (Q1 2009: €-53 million), even above the Q1 2008 level.

**Capex** in Q1 2010 amounted to €33 million (Q1 2009: €18 million). Four unprofitable **stores** in Germany were disposed of.

As at 31 March 2010, the store network comprised 437 stores, thereof 329 in Germany and 108 in Eastern Europe.



## Media Markt and Saturn

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		lfl (local currency)	
	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010
<b>Total</b>	<b>4,639</b>	<b>4,924</b>	<b>6.4%</b>	<b>6.1%</b>	<b>-2.0%</b>	<b>1.2%</b>	<b>8.4%</b>	<b>4.9%</b>	<b>1.3%</b>	<b>-0.4%</b>
Germany	2,215	2,214	11.7%	-0.1%	0.0%	0.0%	11.7%	-0.1%	8.3%	-1.6%
Western Europe (excl. Germany)	1,942	2,182	2.9%	12.4%	0.1%	0.7%	2.8%	11.7%	-5.6%	4.9%
Eastern Europe	482	528	-1.9%	9.5%	-19.7%	8.9%	17.8%	0.6%	-0.8%	-15.2%

In Q1 2010, **sales** at Media Markt and Saturn grew by 6.1% to €4.9 billion. Adjusted for currency effects, sales increased by 4.9%. Therewith, Media Markt and Saturn continued to grow dynamically despite the lower number of new store openings in 2009 and underlined its outstanding position as Europe's leading consumer electronics retailer. In like-for-like terms, sales were almost stable.

In **Germany**, sales were €2.2 billion and were, despite the tough prior year comparables, on prior year's level. Like-for-like sales declined by 1.6%. Last year's Q1 reported high like-for-like sales growth of 8.3% against the background of the 30<sup>th</sup> anniversary advertising campaign. The Q1 2010 bestsellers were computer hardware and TVs.

In Q1 2010, sales in **Western Europe** grew dynamically by 12.4% to €2.2 billion (adjusted for currency effects: 11.7%). Against a weaker prior year basis, especially the gradual pick-up in sales in Italy and Spain contributed to this growth. Also in like-for-like terms, sales showed a tangible increase and grew by 4.9%. All in all, sales in seven out of ten countries grew like-for-like. Thus, the positive sales trend of the previous quarters continued. Q1 demon-

strates that market leader Media Markt and Saturn is very well positioned to profit superiorly from the economic recovery. In the Netherlands, Media Markt complemented the store-based business with an online offering as per schedule. Initially, the offer comprised a comprehensive assortment of films, games and music.

In **Eastern Europe**, sales in Q1 2010 grew by 9.5% (adjusted for currency effects 0.6%). The macroeconomic environment was still very difficult. Aside from positive currency effects, sales growth was supported solely by the continued expansion. In light of the difficult economic environment, customer confidence lacked further and led, in particular, to significant reticence in buying high-ticket consumer goods. Thereby, the sales development was restrained at the beginning of 2010 and February, in particular, saw a significant decline. In like-for-like terms, sales in Q1 2010 decreased by 15.2%. However, in Turkey like-for-like sales were positive and growth was double-digit.

The international share of sales in Q1 2010 grew from 52.3% to 55.0%.

€ million	Q1 2009	Q1 2010	Change
EBITDA	139	140	0.9%
EBITDA before special items	139	143	3.4%
EBIT	79	78	-1.3%
EBIT before special items	79	81	3.1%
Capex	55	54	-2.4%

	31/12/2009	31/03/2010	Change
Stores	818	828	+10
Selling space (1,000 sqm)	2,633	2,669	+36
Employees (full-time basis)	58,694	57,749	-945

In Q1 2010, **EBITDA** came in at €140 million (Q1 2009: €139 million) and included special items amounting to €3 million. **EBIT** amounted to €78 million (Q1 2009: €79 mil-

lion) and especially reflected the good like-for-like development in Western Europe. EBIT before special items totalled €81 million (Q1 2009: €79 million).

**Capex** in the store network in Q1 2010 amounted to €54 million (Q1 2009: €55 million) and included expenses for the market entry into China. The store network was enlarged by ten **stores**, thereof two in Greece and one store each in Germany, Belgium, Italy, Netherlands, Austria, Sweden, Poland and Russia.

At the end of Q1 2010, the store network of Media Markt and Saturn comprised 828 stores in 16 countries, thereof 376 in Germany, 327 in Western and 125 in Eastern Europe.

In February Media Markt and Saturn won the “Shop Award” by the Visual Merchandising Initiative for the world’s largest Media Markt store in Munich, which was opened in May last year. This award also underpins Media Markt and Saturn’s concept strength. The numerous store solutions for supporting digital sales were viewed by the jury to be a convincing concept for state-of-the-art assortment presentation.



## Galeria Kaufhof

	Sales (€ million)		Change		lfl	
	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010
<b>Total</b>	<b>792</b>	<b>819</b>	<b>-3.8%</b>	<b>3.4%</b>	<b>-3.9%</b>	<b>2.9%</b>
Germany	710	735	-4.7%	3.4%	-4.9%	2.9%
Western Europe (excl. Germany)	82	84	5.1%	3.0%	6.3%	2.9%

In Q1 2010, **sales** at Galeria Kaufhof grew by 3.4% to €0.8 billion. In like-for-like terms, sales increased 2.9%. Therewith, Galeria Kaufhof delivered the highest like-for-like sales increase since 2004. After a very cautious start into 2010 due to the lengthy cold weather, the sales development in March, supported by the Easter business, more than compensated the sales declines at the beginning of the year.

the winter collection was able to be sold without high price discounts. Once again, Galeria Kaufhof developed ahead of the overall market.

In **Western Europe**, sales in Q1 2010 grew by 3.0% to €0.1 billion. Galeria Inno was able to clearly detach itself from the development of the Belgian retail sector with 2.9% like-for-like sales growth.

In **Germany**, sales at Galeria Kaufhof increased by 3.4% to €0.7 billion. Whilst the cold weather impaired frequency,

The international share of sales remained unchanged at 10.3%.

€ million	Q1 2009 <sup>1)</sup>	Q1 2010	Change
EBITDA	-19	5	-
EBITDA before special items	-1	5	-
EBIT	-46	-19	58.7%
EBIT before special items	-27	-19	28.9%
Investitionen	11	6	-44.4%

	31/12/2009	31/03/2010	Change
Stores	141	141	-
Selling space (1,000 sqm)	1,501	1,502	+1
Employees (full-time basis)	20,048	19,027	-1,021

<sup>1)</sup> Adjustment of previous year's figures due to first-time adoption of revised IFRS

**EBITDA** in Q1 2010 was €5 million compared to €-19 million last year. Before special items, EBITDA increased from €-1 million to €5 million. **EBIT** amounted to €-19 million following €-46 million in Q1 2009. Excluding special items, EBIT also increased significantly from €-27 million to €-19 million.

In Q1 2010, **capex** in the store network amounted to €6 million (Q1 2009: €11 million).

As at 31 March 2010, the store network of Galeria Kaufhof comprised 141 **stores**, thereof 126 in Germany and 15 in Belgium.

In March 2010, Galeria Kaufhof Hohe Straße in Cologne won the "Global Innovator Award 2009/2010". This is the first time that a German department store won this reputable award. Henceforth, the store ranks among the top five specialist stores worldwide in the fields of cooking, dining, living, gifts and lifestyle.

## Real Estate

€ million	Q1 2009	Q1 2010	Change
EBITDA	224	243	8.7%
EBITDA before special items	224	243	8.7%
EBIT	132	138	4.7%
EBIT before special items	132	138	4.7%
Capex	110	43	-60.8%
	31/12/2009	31/03/2010	Change
Employees (full-time basis)	1,378	1,350	-28

The segment Real Estate comprises all METRO GROUP's real estate assets, as well as all real estate-related services.

The real estate management actively contributes to METRO GROUP's value creation. The international expansion, the active asset- and portfolio management, as well as the optimised resource deployment are to secure and systematically enhance the value of the real estate in the long run.

In Q1 2010, **EBITDA** increased from €224 million to €243 million. These earnings mainly constitute rental income paid by METRO GROUP's divisions. **EBIT** was €138 million compared to €132 million in the prior year. The earnings improvement reflects in particular the incremental rental income resulting from Metro Cash & Carry's expansion.

## Other

€ million	Q1 2009	Q1 2010	Change
Sales	115	78	-32.3%
EBITDA	-22	-50	-
EBITDA before special items	-19	-46	-
EBIT	-59	-71	-20.1%
EBIT before special items	-56	-67	-19.6%
Capex	34	8	-76.1%
	31/12/2009	31/03/2010	Change
Employees (full-time basis)	8,606	7,585	-1,021

The segment Other comprises the restaurant business Grillpfanne, and amongst others, the procurement organisation in Hong Kong, which also operates for third parties, as well as the logistics services and METRO GROUP's strategic management holding, METRO AG.

In Q1 2010, **sales** in the segment Other were €78 million (Q1 2009: €115 million). The significant sales decline is mainly due to the divestment of the operational business of AXE Reisegastronomie, the disposal of Grillpfanne restaurants, as well as the procurement volume decline from third parties.

**EBIT** before special items declined to €-67 million. Within the scope of Shape 2012, €4 million were expensed for optimisation measures at the cross-divisional service companies and at METRO AG. The EBIT decline resulted mainly from one-off expenses relating to the reduction of METRO AG's Management Board.



## STORE NETWORK

AS AT 31 MARCH 2010

	Metro Cash & Carry		Real		Media Markt and Saturn		Galeria Kaufhof		Other		METRO GROUP	
	Q1	31/03/2010	Q1	31/03/2010	Q1	31/03/2010	Q1	31/03/2010	Q1	31/03/2010	Q1	31/03/2010
<b>Germany</b>	<b>-3</b>	<b>121</b>	<b>-4</b>	<b>329</b>	<b>+1</b>	<b>376</b>		<b>126</b>	<b>-6</b>	<b>53</b>	<b>-12</b>	<b>1,005</b>
Austria		12			+1	35					+1	47
Belgium		11			+1	19		15			+1	45
Denmark		5										5
France		91				32						123
Italy		48			+1	100					+1	148
Luxemburg						1						1
Netherlands		17			+1	33					+1	50
Portugal	-1	10				9					-1	19
Spain		34				61						95
Sweden					+1	17					+1	17
Switzerland						20						20
United Kingdom		30										30
<b>Western Europe</b>	<b>-1</b>	<b>258</b>			<b>+5</b>	<b>327</b>		<b>15</b>			<b>+4</b>	<b>600</b>
Bulgaria		11										11
Croatia		6										6
Czech Republic		13										13
Greece		9			+2	12					+2	21
Hungary		13				22						35
Kazakhstan		1										1
Moldova		3										3
Poland		29		54	+1	54					+1	137
Romania		24		24								48
Russia		52		15	+1	21					+1	88
Serbia		5										5
Slovakia		5										5
Turkey		14		14		16						44
Ukraine		25		1								26
<b>Eastern Europe</b>		<b>210</b>		<b>108</b>	<b>+4</b>	<b>125</b>					<b>+4</b>	<b>443</b>
China	+1	43									+1	43
India		5										5
Japan		6										6
Morocco		8										8
Pakistan		5										5
Vietnam		9										9
<b>Asia/Africa</b>	<b>+1</b>	<b>76</b>									<b>+1</b>	<b>76</b>
<b>Total</b>	<b>-3</b>	<b>665</b>	<b>-4</b>	<b>437</b>	<b>+10</b>	<b>828</b>		<b>141</b>	<b>-6</b>	<b>53</b>	<b>-3</b>	<b>2,124</b>

## RECONCILIATION OF SPECIAL ITEMS (SEGMENTS)

### Q1 2010

€ million	As reported		Special items		Before special items	
	Q1 2009 <sup>1)</sup>	Q1 2010	Q1 2009	Q1 2010	Q1 2009 <sup>1)</sup>	Q1 2010
<b>EBITDA</b>	<b>380</b>	<b>453</b>	<b>32</b>	<b>19</b>	<b>412</b>	<b>472</b>
thereof Metro Cash & Carry	61	91	11	10	72	101
Real	-5	21	0	2	-5	23
Media Markt and Saturn	139	140	0	3	139	143
Galeria Kaufhof	-19	5	18	0	-1	5
Real estate	224	243	0	0	224	243
Other	-22	-50	3	4	-19	-46
Consolidation	2	3	0	0	2	3
<b>EBIT</b>	<b>54</b>	<b>117</b>	<b>33</b>	<b>19</b>	<b>87</b>	<b>136</b>
thereof Metro Cash & Carry	-1	15	11	10	10	25
Real	-53	-26	0	2	-53	-24
Media Markt and Saturn	79	78	0	3	79	81
Galeria Kaufhof	-46	-19	19	0	-27	-19
Real estate	132	138	0	0	132	138
Other	-59	-71	3	4	-56	-67
Consolidation	3	3	0	0	3	3
<b>EBT</b>	<b>-117</b>	<b>4</b>	<b>33</b>	<b>19</b>	<b>-84</b>	<b>23</b>
<b>Earnings per share (€)</b>	<b>-0.30</b>	<b>-0.05</b>	<b>0.07</b>	<b>0.04</b>	<b>-0.23</b>	<b>-0.01</b>

<sup>1)</sup> Adjustment of previous year's figures due to first-time adoption of revised IFRS

## RECONCILIATION OF SPECIAL ITEMS (REGIONS)

### Q1 2010

€ million	As reported		Special items		Before special items	
	Q1 2009 <sup>1)</sup>	Q1 2010	Q1 2009	Q1 2010	Q1 2009 <sup>1)</sup>	Q1 2010
<b>EBITDA</b>	<b>380</b>	<b>453</b>	<b>32</b>	<b>19</b>	<b>412</b>	<b>472</b>
thereof Germany	112	111	28	10	140	121
Western Europe (excl. Germany)	96	144	2	8	98	152
Eastern Europe	168	179	2	0	170	179
Asia/Africa	0	13	0	1	0	14
Consolidation	4	7	0	0	4	7
<b>EBIT</b>	<b>54</b>	<b>117</b>	<b>33</b>	<b>19</b>	<b>87</b>	<b>136</b>
thereof Germany	-54	-55	29	10	-25	-45
Western Europe (excl. Germany)	21	71	2	8	23	79
Eastern Europe	92	91	2	0	94	91
Asia/Africa	-9	3	0	1	-9	4
Consolidation	4	7	0	0	4	7
<b>EBT</b>	<b>-117</b>	<b>4</b>	<b>33</b>	<b>19</b>	<b>-84</b>	<b>23</b>
<b>Earnings per share (€)</b>	<b>-0.30</b>	<b>-0.05</b>	<b>0.07</b>	<b>0.04</b>	<b>-0.23</b>	<b>-0.01</b>

<sup>1)</sup> Adjustment of previous year's figures due to first-time adoption of revised IFRS

# INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## INCOME STATEMENT

€ million	Q1 2009 <sup>1)</sup>	Q1 2010
<b>Net sales</b>	<b>15,167</b>	<b>15,517</b>
Cost of sales	-12,053	-12,307
<b>Gross profit on sales</b>	<b>3,114</b>	<b>3,210</b>
Other operating income	277	288
Selling expenses	-2,969	-3,007
General administrative expenses	-358	-362
Other operating expenses	-10	-12
<b>EBIT</b>	<b>54</b>	<b>117</b>
Result from associated companies	0	0
Other investment result	0	0
Interest income	42	28
Interest expenses	-157	-171
Other financial result	-56	30
<b>Net financial result</b>	<b>-171</b>	<b>-113</b>
<b>EBT</b>	<b>-117</b>	<b>4</b>
Income taxes	42	-1
<b>Net profit for the period</b>	<b>-75</b>	<b>3</b>
Profit attributable to non-controlling interests	23	19
Profit attributable to shareholder of METRO AG	-98	-16
<b>Earnings per share (€)</b>	<b>-0.30</b>	<b>-0.05</b>

<sup>1)</sup> Adjustment of previous year's figures due to first-time adoption of revised IFRS as well as a change in disclosure

## TOTAL COMPREHENSIVE INCOME RECONCILIATION

€ million	Q1 2009 <sup>1)</sup>	Q1 2010
<b>Net profit for the period</b>	<b>-75</b>	<b>3</b>
<b>Other comprehensive income</b>		
Changes in revaluation surplus related to non-current assets	0	0
Actuarial gains and losses	0	0
Exchange differences arising from translating the financial statements of foreign operations	-164	191
Effective portion of gains and losses arising from cash flow hedges	-6	2
Gains and losses on remeasuring "available-for-sale" financial instruments	0	0
Income taxes related to the components of "other comprehensive income"	2	-10
<b>Total comprehensive income</b>	<b>-243</b>	<b>186</b>
allocable to non-controlling interests	14	26
allocable to shareholders of METRO AG	-257	160

<sup>1)</sup> Adjustment of previous year's figures due to first-time adoption of revised IFRS

## BALANCE SHEET

Assets	31/12/2009 <sup>1)</sup>	31/03/2009 <sup>2)</sup>	31/03/2010
€ million			
<b>Non-current assets</b>	<b>18,464</b>	<b>18,642</b>	<b>18,622</b>
Goodwill	3,992	3,938	4,012
Other intangible assets	497	540	483
Tangible assets	12,244	12,229	12,347
Investment properties	129	130	169
Financial assets	113	163	127
Other receivables and assets	463	453	458
Deferred tax assets	1,026	1,189	1,026
<b>Current assets</b>	<b>14,818</b>	<b>11,821</b>	<b>12,411</b>
Inventories	7,110	6,829	7,008
Trade receivables	539	383	475
Financial assets	38	5	38
Other receivables and assets	2,613	2,090	2,173
Entitlements to income tax refunds	405	350	516
Cash and cash equivalents	3,996	2,044	2,107
Assets held for sale	117	120	94
	<b>33,282</b>	<b>30,463</b>	<b>31,033</b>

Equity and Liabilities	31/12/2009 <sup>1)</sup>	31/03/2009 <sup>2)</sup>	31/03/2010
€ million			
<b>Equity</b>	<b>5,992</b>	<b>5,783</b>	<b>6,097</b>
Share capital	835	835	835
Capital reserve	2,544	2,544	2,544
Reserves retained from earnings	2,375	2,171	2,494
Non-controlling interests	238	233	224
<b>Non-current liabilities</b>	<b>9,106</b>	<b>8,458</b>	<b>9,897</b>
Provisions for pensions and similar commitments	978	967	983
Other provisions	502	506	501
Financial liabilities	6,743	6,129	7,525
Other liabilities	667	627	672
Deferred tax liabilities	216	229	216
<b>Current liabilities</b>	<b>18,184</b>	<b>16,222</b>	<b>15,039</b>
Trade payables	13,667	9,826	10,482
Provisions	561	504	504
Financial liabilities	1,491	3,781	1,718
Other liabilities	2,200	1,858	2,130
Income tax liabilities	265	253	205
Liabilities related to assets held for sale	0	0	0
	<b>33,282</b>	<b>30,463</b>	<b>31,033</b>

<sup>1)</sup> Adjustment of previous year's figures due to a change in disclosure

<sup>2)</sup> Adjustment of previous year's figures due to first-time adoption of revised IFRS as well as a change in disclosure



## CASH FLOW STATEMENT

€ million	Q1 2009 <sup>1)</sup>	Q1 2010
EBIT	54	117
Depreciation of tangible and other intangible assets	326	336
Change in provisions for pensions and other provisions	-34	-37
Change in net working capital	-2,797	-2,737
Income taxes paid	-183	-251
Other	-182	-56
<b>Total cash flow from operating activities of continuing operations</b>	<b>-2,816</b>	<b>-2,628</b>
Total cash flow from operating activities of discontinued operations	-18	0
<b>Total cash flow from operating activities</b>	<b>-2,834</b>	<b>-2,628</b>
First-time acquisition	0	0
Investments in tangible assets (excl. finance leases)	-203	-149
Other investments	-51	-52
Divestment of Adler	-34	0
Disposals of fixed assets	94	206
<b>Total cash flow from investing activities</b>	<b>-194</b>	<b>5</b>
Profit distribution		
to METRO AG shareholders	0	0
to non-controlling interests	-35	-39
Changes of financial liabilities	1,431	885
Interest paid	-154	-175
Interest received	39	26
Profit and loss transfers and other financing activities	-67	26
Cash outflow from financing activities of discontinued operations	-39	0
<b>Total cash flow from financing activities of continuing operations</b>	<b>1,175</b>	<b>723</b>
Total cash flow from financing activities of discontinued operations	36	0
<b>Total cash flow from financing activities</b>	<b>1,211</b>	<b>723</b>
<b>Total cash flows</b>	<b>-1,817</b>	<b>-1,900</b>
Exchange rate effects on cash and cash equivalents	-13	11
Change in cash and cash equivalents due to the first-time consolidation of companies	0	0
<b>Total change in cash and cash equivalents</b>	<b>-1,830</b>	<b>-1,889</b>
Cash and cash equivalents on 1 January	3,874	3,996
<b>Cash and cash equivalents on 31 March</b>	<b>2,044</b>	<b>2,107</b>

<sup>1)</sup> Adjustment of previous year's figures due to first-time adoption of revised IFRS as well as a change in disclosure

## STATEMENT OF CHANGES IN EQUITY <sup>1)</sup>

€ million	Capital Stock	Capital Reserve	Effective portion of gains and losses arising from cash flow hedges	Exchange differences arising from translating the financial statements of foreign operations	Income taxes related to the components of "other comprehensive income"	Other reserves retained from earnings	Reserves retained from earnings	Total	related to "other compre- hensive income"	Non- con- trolling interests	related to "other compre- hensive income"	Total equity
<b>01/01/2009</b>	<b>835</b>	<b>2,544</b>	<b>57</b>	<b>-365</b>	<b>1</b>	<b>2,735</b>	<b>2,428</b>	<b>5,807</b>	<b>-</b>	<b>254</b>	<b>-</b>	<b>6,061</b>
Dividends	0	0	0	0	0	0	0	0	-	-35	-	-35
Total comprehensive income	0	0	-6	-155	2	-98	-257	-257	-159	14	-9	-243
Other transactions with owners	0	0	0	0	0	0	0	0	-	-	-	0
<b>31/03/2009</b>	<b>835</b>	<b>2,544</b>	<b>51</b>	<b>-520</b>	<b>3</b>	<b>2,637</b>	<b>2,171</b>	<b>5,550</b>	<b>-</b>	<b>233</b>	<b>-</b>	<b>5,783</b>
<b>01/01/2010</b>	<b>835</b>	<b>2,544</b>	<b>67</b>	<b>-440</b>	<b>17</b>	<b>2,731</b>	<b>2,375</b>	<b>5,754</b>	<b>-</b>	<b>238</b>	<b>-</b>	<b>5,992</b>
Dividends	0	0	0	0	0	0	0	0	-	-39	-	-39
Total comprehensive income	0	0	2	184	-10	-16	160	160	176	26	7	186
Changes in IAS 17 <sup>2)</sup>	0	0	0	0	0	-41	-41	-41	-	-	-	-41
Other transactions with owners	0	0	0	0	0	0	0	0	-	-1	-	-1
<b>31/03/2010</b>	<b>835</b>	<b>2,544</b>	<b>69</b>	<b>-256</b>	<b>7</b>	<b>2,674</b>	<b>2,494</b>	<b>5,873</b>	<b>-</b>	<b>224</b>	<b>-</b>	<b>6,097</b>

<sup>1)</sup> Adjustment of previous year's figures due to first-time adoption of revised IFRS

<sup>2)</sup> Changed presentation due to first-time adoption of revised IFRS

# NOTES

## SEGMENT REPORTING <sup>1)</sup> Q1 2010

### Continuing Operations

#### Divisions

	Metro Cash & Carry		Real		Media Markt and Saturn		Galeria Kaufhof		Real Estate		Other		Consolidation		METRO GROUP	
€ million	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010
External sales (net)	6,992	6,951	2,629	2,745	4,639	4,924	792	819	0	0	115	78	0	0	15,167	15,517
Internal sales (net)	2	6	0	0	0	0	1	0	0	0	1,373	1,419	-1,377	-1,425	0	0
Total sales (net)	6,995	6,957	2,629	2,746	4,639	4,924	793	819	0	0	1,488	1,496	-1,377	-1,425	15,167	15,517
EBITDA	61	91	-5	21	139	140	-19	5	224	243	-22	-50	2	3	380	453
Depreciation/amortisation	63	76	47	48	60	62	27	24	92	105	37	21	-1	0	326	336
EBIT	-1	15	-53	-26	79	78	-46	-19	132	138	-59	-71	3	3	54	117
Investments	19	49	18	33	55	54	11	6	110	43	34	8	0	0	245	192
Segment assets	6,943	7,028	3,570	3,775	4,820	5,318	1,140	1,026	8,531	8,581	1,893	1,554	-848	-705	26,048	26,577
thereof long-term	3,644	3,812	2,438	2,549	1,628	1,728	512	459	8,389	8,479	699	497	-130	-154	17,180	17,370
Segment liabilities	5,217	5,451	1,914	1,804	4,583	5,179	1,159	889	573	500	1,496	1,875	-1,090	-1,012	13,853	14,686
Selling space (in 1,000 sqm)	5,195	5,269	3,132	3,145	2,461	2,669	1,491	1,502	0	0	49	19	0	0	12,328	12,604
Stores (number)	658	665	437	437	774	828	141	141	0	0	106	53	0	0	2,116	2,124

#### Regions

	Germany		Western Europe excl. Germany		Eastern Europe		Asia/Africa		International		Consolidation		METRO GROUP	
€ million	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010
External sales (net)	6,239	6,199	4,690	4,891	3,549	3,725	688	702	8,927	9,318	0	0	15,167	15,517
Internal sales (net)	4	7	2	5	0	0	173	139	175	145	-179	-151	0	0
Total sales (net)	6,243	6,205	4,691	4,896	3,549	3,725	862	841	9,102	9,463	-179	-151	15,167	15,517
EBITDA	112	111	96	144	168	179	0	13	264	336	4	7	380	453
Depreciation/amortisation	166	166	75	73	76	88	9	10	160	171	0	0	326	336
EBIT	-54	-55	21	71	92	91	-9	3	104	166	4	7	54	117
Investments	91	109	35	30	101	44	18	9	155	83	0	0	245	192
Segment assets	11,591	10,999	7,359	7,347	6,501	7,320	1,241	1,325	15,101	15,992	-644	-413	26,048	26,577
thereof long-term	7,339	6,795	4,463	4,324	4,777	5,366	802	890	10,042	10,581	-201	-6	17,180	17,370
Segment liabilities	6,517	6,627	4,366	4,744	2,937	3,038	482	543	7,785	8,325	-449	-266	13,853	14,686
Selling space (in 1,000 sqm)	6,034	5,951	2,922	2,995	2,884	3,124	488	533	6,294	6,652	0	0	12,328	12,604
Stores (number)	1,067	1,005	578	600	403	443	68	76	1,049	1,119	0	0	2,116	2,124

#### Discontinued Operations

€ million	Q1 2009	Q1 2010
External sales (net)	50	0
Internal sales (net)	0	0
Total sales (net)	50	0
EBITDA	-1	0
Depreciation/amortisation	0	0
EBIT	-1	0
Investments	1	0
Segment assets	0	0
thereof long-term	0	0
Segment liabilities	0	0
Selling space (in 1,000 sqm)	0	0
Stores (number)	0	0

<sup>1)</sup> Adjustment of previous year's figures due to first-time adoption of revised IFRS as well as a change in disclosure

## Notes to Group Accounting Principles and Methods

These unaudited interim consolidated financial statements as at 31 March 2010 have been prepared in accordance with International Accounting Standard (IAS) 34 ("Interim Financial Reporting"), which regulates interim financial reporting under the International Financial Reporting Standards (IFRS). As a condensed interim report, it does not contain all the information required by IFRS for annual consolidated financial statements.

With the exception of new or revised standards and interpretations, the same recognition and measurement principles have been applied as in the last consolidated financial statements as at 31 December 2009. More information regarding the recognition and measurement principles applied can be found in the notes to the annual consolidated financial statements as at 31 December 2009 (see Annual Report 2009, pages 140-152).

### Application of new accounting methods

In preparing these interim consolidated financial statements, several standards and interpretations revised by the International Accounting Standards Board (IASB) have been applied, which had been adopted by the European Union. The changes relevant for METRO GROUP are described in the following.

#### IAS 17 („Leases“)

IAS 17 has been revised by the "Improvements to IFRSs 2009". The previous regulation which determined that leases of land are generally classified as operating leases if the ownership of the lease asset is not transferred to the lessee at the end of the lease term has been removed. Beginning with the business year 2010, all land leases shall be assessed and classified as finance leases or operating leases in an analogous manner to the classification of other lease assets. This also applies to unexpired leases.

In the first quarter 2010, METRO GROUP's land leases have been newly classified based on the data as at 1 January 2010, applying the transitional provisions. All land leases which have been newly classified as finance leases are long-running lease contracts. As a result of the reclassification, assets amounting to €53 million have been recognised in "Tangible assets" and "Other receivables and assets" have decreased by €-17 million due to the reversal of deferred expenses for prepaid rents. Additional liabilities amounting to €77 million have been recognised in "Financial liabilities". Differences between the assets and liabilities in the amount of €-41 million have been balanced out over "Reserves retained from earnings".

#### IFRS 3 ("Business Combinations") in conjunction with IAS 27 ("Consolidated and Separate Financial Statements")

As a result of the revision of IFRS 3 and IAS 27, several changes to the accounting for business combinations arise for business years beginning on or after 1 July 2009. Therefore, these changes have to be applied by METRO GROUP starting 1 January 2010.

For the treatment of the goodwill resulting from a business combination an option has been introduced which allows for the additional recognition of the goodwill attributed to non-controlling interests (new term for minority interests). This so-called "full goodwill method" also results in higher "Non-controlling interests" in "Equity". As this method is not applied by METRO GROUP, goodwills are still recognised in proportion to the interests held.

Under the previous IFRS 3, all costs directly attributable to the business combination, e. g. notary and consulting fees, have been included in the acquisition costs. Beginning with the business year 2010, all costs of a business combination directly attributable to the acquisition shall be expensed in the period in which they are incurred.

From the business year 2010 onwards, if a business combination is achieved in stages, the previously held assets and liabilities shall be remeasured at their fair values at the date on which control is obtained, affecting profit or loss. Any difference between the previous carrying amount of the interest in the subsidiary and the remeasured proportional net assets of the subsidiary shall be recognised as goodwill. This change had no effect on METRO GROUP in the first quarter 2010, as there has been no business combination achieved in stages, through which control has been obtained.

If contingent payments are agreed in a business combination, they shall be measured at their fair value on the date of acquisition and recognised according to the contractual conditions as asset, liability or equity. A subsequent goodwill adjustment when the acquisition price changes in the following periods resulting from future events (e. g. meeting a sales target) is not allowed, in contrast to the previous regulation.

The revised IAS 27 regulates that a change in the interest in a subsidiary which does not result in a loss of control shall be treated as an equity transaction without affecting profit or loss. If control is lost, all assets and liabilities of the former subsidiary are derecognised. Remaining interests are recognised at their fair values and the difference between the previous carrying amounts and the fair values is recognised affecting profit or loss.

Non-controlling interests, which are negative due to arisen losses, are shown with a deficit balance within equity.

## → NOTES

Under the previous IAS 27, negative non-controlling interests have been allocated against the majority interest.

## Reporting Changes

### Constitution of net working capital

The constitution of the item "Change in net working capital" in the "Cash flow statement" has been changed in the first quarter 2010. Previously, net working capital only comprised "Inventories" and "Trade payables". The new definition also includes "Trade receivables" and the items "Due from suppliers", "Due from credit cards" and "Prepayments made on inventories" belonging to "Other receivables and assets" from the asset side. Additionally, the items "Due to trade debtors" and "Prepayments received on orders", which are part of "Other liabilities", have been added. All these items had previously been included in "Other" in the "Cash flow statement". As these items have only been transferred into "Change in net working capital", the amount of "Cash flow from operating activities of continuing operations" remains unchanged. For better comparability, last year's figures for the first quarter 2009 have been adjusted accordingly in the "Cash flow statement".

### Reclassifications

Reclassifications have been made on the balance sheet between "Other receivables and assets", "Trade receivables", "Trade liabilities" and "Other liabilities", without affecting profit or loss, primarily to reflect the possibility to offset. Previous year's figures as at 31 March 2009 and 31 December 2009 have been adjusted to enhance comparability. The reclassifications had an effect of €-353 million on "Other receivables and assets", of €7 million on "Trade receivables", of €-343 million on "Trade liabilities" and of €-3 million on "Other liabilities" as at 31 March 2009. As at 31 December 2009, the effect on "Other receivables and assets" has been €-380 million, on "Trade receivables" €-5 million, on "Trade liabilities" €-383 million and on "Other liabilities" €-2 million. The reclassifications ensure a better reflection of the economic substance and, therefore, the communication of more relevant information about METRO GROUP's assets and financial position.

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

These interim consolidated financial statements have been prepared in euros. All amounts are stated in millions of euros (€ million), unless otherwise indicated.

To provide a better overview within the tables, decimal places have been partly omitted. As a result, rounding differences may occur.

## Notes to Related Parties

In Q1 2010, METRO GROUP maintained the following business relations to related companies:

€ million	Q1 2009	Q1 2010
Goods/services provided	0	1
Goods/services received	27	28
Receivables from goods/services provided	17	16
Liabilities from goods/services received	0	0

In Q1 2010, METRO GROUP companies provided goods/services totalling €1 million to companies included in the group of related companies. This concerns primarily the granting of lease rights.

The goods/services totalling €28 million that METRO GROUP companies received from related companies in Q1 2010 consist primarily of property leases.

The receivable from goods/services provided to the amount of €16 million relates to a long-term loan receivable of Metro Finance B. V. against Metro MSB Leasinggesellschaft mbH & Co. KG for a rented administration building. Metro MSB Leasinggesellschaft mbH & Co. KG is a related company of METRO AG because METRO AG's principle shareholders are its shareholders.

Business relations with related companies are based on contractual agreements providing for arm's length prices. In Q1 2010, METRO GROUP had no business relations with related natural persons.



### Changes in the Management Board

Zygmunt Mierdorf, member of the Management Board of METRO AG since 1999, stepped down from the Management Board as of 1 March 2010. On 26 February 2010, METRO AG's Supervisory Board resolved the revocation of his appointment as member of the Management Board and labour director by mutual agreement. Subsequently, the responsibilities of the Management Board have been reassigned and the Board has been downsized from six to five members. The Chairman and CEO of METRO AG, Dr Eckhard Cordes, will additionally assume the duties of the labour director. Henceforth, the Chief Financial Officer, Olaf Koch, has assumed also the responsibility for IT.

Additionally, the schedule of responsibilities within the Management Board of METRO AG was aligned in light of the new corporate structure at Metro Cash & Carry. Frans Muller will be responsible for the business unit Asia/New Markets, and Joël Saveuse will be responsible for Europe/MENA. At the same time, Saveuse will remain responsible for Real within the Management Board.

## Financial Calendar

Annual General Meeting	Wednesday	5 May 2010	10.30 am
Half-Year Financial Report H1/Q2 2010	Monday	2 August 2010	7.15 am
Quarterly Financial Report 9M/Q3 2010	Friday	29 October 2010	7.15 am

All time specifications are CET.

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

### Disclaimer

This report contains forward-looking statements which are based on certain expectations and assumptions at the time of publication of this report and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in these materials. Many of these risks and uncertainties relate to factors that are beyond METRO GROUP's ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated cost savings and productivity gains as well as the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this report. METRO GROUP does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.