METRO GROUP
MADE TO TRADE.

Quarterly Financial Report of METRO GROUP

Q1 2012

Strong sales growth in a difficult environment

METRO GROUP sales increase by 2.2% (+2.6% in local currency)

Metro Cash & Carry, Real and Galeria Kaufhof all with like-for-like sales growth

Sales in Germany grow by 1.6%

International sales grow by 2.6%
(Western Europe: -1.2%; Eastern Europe: +3.5%; Asia/Africa: +21.3%)

EBIT before special items amounts to €-9 million (Q1 2011: €145 million)

2012 sales and earnings guidance confirmed

Metro Cash & Carry
Significant sales increase of 3.7%
Like-for-like sales in Germany grow notably by 3.8%
Also strong like-for-like sales in Eastern Europe
Dynamic growth continues in Asia

Real
Sales +2.3%
Significant like-for-like sales growth in Germany of 4.8%
Positive development in Eastern Europe in local currency

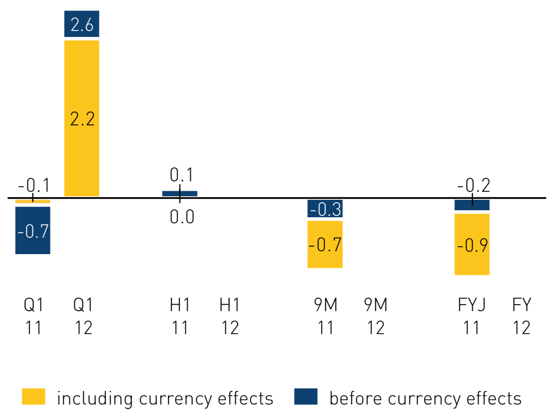
Media-Saturn
Sales +0.4%
Germany grows thanks to online sales
Eastern Europe grows significantly
Online sales of €166 million

Galeria Kaufhof
Sales +0.9%
Sales growth in Germany and Belgium

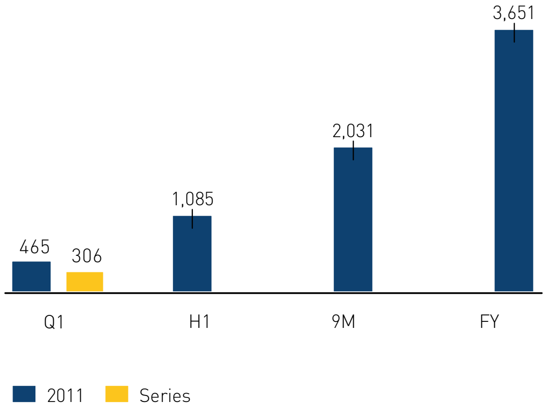
Real Estate
Earnings on previous year's level

OVERVIEW Q1 2012

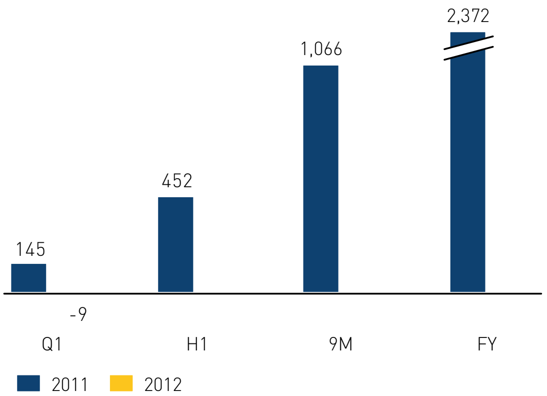
Sales growth [1] (in %)



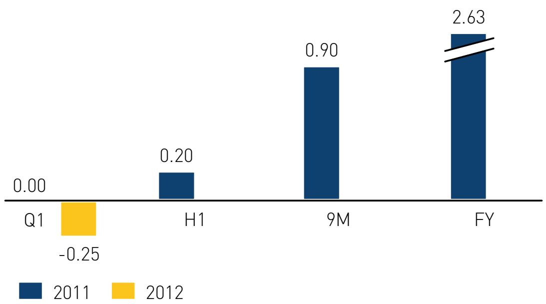
EBITDA [2] (€ million)



EBIT [2] (€ million)



EPS [2] (€)



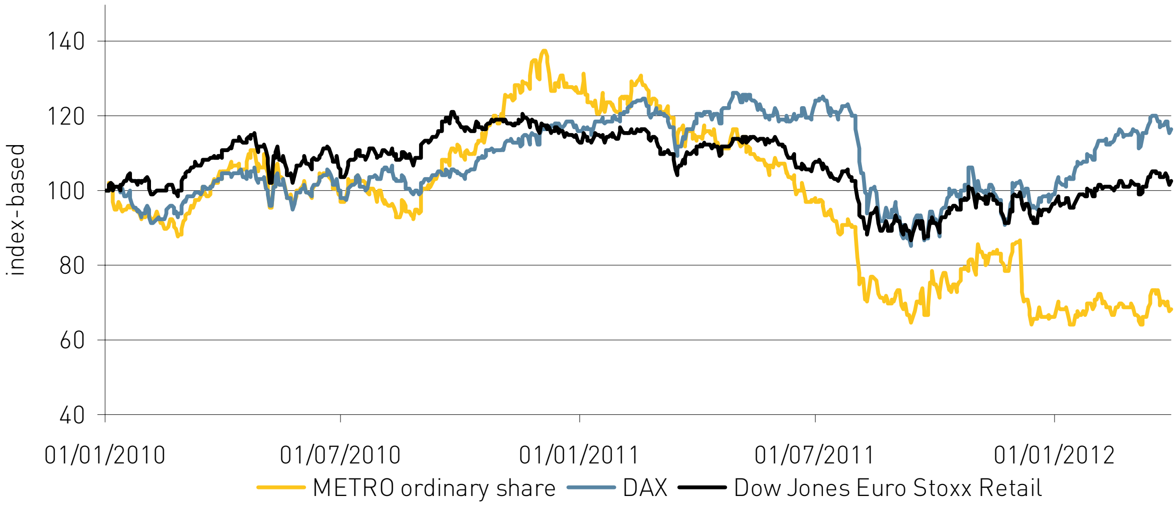
€ million	Q1 2011	Q1 2012	Change (€)	Change (LC)
Sales	15,307 [1]	15,647	2.2%	2.6%
Germany	5,950 [1]	6,047	1.6%	1.6%
International	9,357 [1]	9,600	2.6%	3.2%
Western Europe (excl. Germany)	4,754 [1]	4,695	-1.2%	-1.6%
Eastern Europe	3,818 [1]	3,954	3.5%	6.6%
Asia/Africa	784 [1]	952	21.3%	15.2%
International share of sales	61.1% [1]	61.4%	-	
EBITDA	465 [2]	306	-34.3%	
EBIT	145 [2]	-9	-	
EBT	25 [2]	-134	-	
Net profit for the period	16 [2]	-81	-	
EPS (€)	0.00 [2]	-0.25	-	
Capex	211	219	3.8%	
Stores	2,149	2,202	2.5%	
Selling space (1,000 sqm)	12,808	13,011	1.6%	
Employees (full-time basis)	249,386	248,554	-0.3%	

[1] Revised disclosure in 2011 (see Notes)

[2] 2011 before special items

METRO SHARE

METRO share price performance



The METRO AG share price rose by 2.8% over the course of Q1 2012 to €28.99. The performance of the METRO AG share therefore remains down on that of both the German DAX and the sector benchmark index, Dow Jones Euro Stoxx Retail. The trading statement announced in mid-January and the publication of the consolidated financial statements on 20 March 2012 were in line with expectations and therefore had no positive effect on the share price. The uncertainty in many key markets in which METRO GROUP is active resulted in a wait-and-see attitude of investors. Furthermore, the capital markets' overall view of the food retail sector weakened. As a result, a number of analysts have also reduced their target prices for the Metro share.

The Annual General Meeting to be held in Düsseldorf on 23 May 2012 will propose a dividend to shareholders of €1.35 per ordinary share. This would correspond to a dividend yield of 4.7% on the closing share price for the quarter.

Metro shares 2010 - Q1 2012

		2010	2011	Q1 2012
Closing prices (€)	Ordinary share	53.88	28.20	28.99
	Preference share	36.09	24.16	26.98
High prices (€)	Ordinary share	58.53	55.91	31.18
	Preference share	40.89	39.24	27.50
Low prices (€)	Ordinary share	37.28	27.39	27.22
	Preference share	32.00	22.43	24.21
Market capitalisation (€ billion)		17.6	9.2	9.5

Data based on XETRA closing prices

Performance comparison of Metro ordinary share vs DAX vs Dow Jones Euro Stoxx Retail

	31/12/2010 vs 31/12/2009	31/12/2011 vs 31/12/2010	31/03/2012 vs 31/12/2011
METRO GROUP	26.6%	-47.7%	2.8%
DAX	16.1%	-14.7%	17.8%
Dow Jones Euro Stoxx Retail	13.7%	-15.9%	6.6%

Source: Bloomberg

INTERIM GROUP MANAGEMENT REPORT

Macroeconomic Conditions

The global economic downturn, which already began in the second half of last year, continued in Q1 2012. Economic growth was again weak in the first few months of the year. In general, Q1 was marked by economic uncertainty. This was still mainly due to the sovereign debt crisis in the Eurozone, despite the progress made in implementing bailout measures.

The economic slowdown, coupled with continued consolidation measures to stabilise public debts, weighed on disposable incomes and consumers' purchasing power. In addition to VAT increases in some countries, consumers were also burdened by continuing high prices, especially for energy and fuels. At the same time, unemployment in many European countries rose once more, impairing consumer confidence in the process. The worsening conditions at the beginning of the year also impacted the wholesale and retail industry. However, positive calendar effects supported sales in Q1.

Not even Germany could continue to escape the effects of the European debt crisis, despite strong economic growth of 3% in 2011. Current estimates show that the German economy stagnated in Q1 following a contraction at the end of 2011. Seasonally adjusted, the positive labour market development continued, meaning that consumer sentiment remained relatively unaffected by the economic downturn. Conversely, consumers were impacted by record petrol and diesel prices. Overall, retail sales remained stable year on year also thanks to calendar effects in 2012.

At the beginning of 2012, numerous countries in Western Europe were in or on the brink of a recession. Both the worsening sovereign debt crisis and the growing efforts to consolidate government budgets had an increasing effect on the real economy. The divergence between robust core countries and financially unstable, peripheral countries continued. As a result, the overall retail sales development was also very heterogeneous.

Similar to Western Europe, high heterogeneity in the economic development continued in Eastern Europe. In light of worsening economic conditions, Poland and Russia in particular posted a solid performance. In contrast, Turkey lost momentum following two strong years. The economic situation in Bulgaria, Croatia, Serbia and Hungary in particular remained challenged. Also the situation in Greece continued to be difficult. Consumers in Hungary and the Czech Republic were hit by VAT hikes at the beginning of the year.

Despite a slight slowing in economic growth, the Asian emerging markets again posted the strongest growth worldwide in Q1. Retail sales momentum also remained comparatively high. Despite an economic deceleration, China, for example, continued to post double-digit retail sales growth.

Financial Position and Financial Performance

Sales

From January to March 2012, METRO GROUP generated sales of €15.6 billion, up 2.2% year-on-year (Q1 2011: €15.3 billion). In local currency, METRO GROUP sales were even up 2.6% on the previous year. The development in Q1 2012 benefited from positive calendar effects in comparison to Q1 2011.

Sales in Germany in Q1 2012 grew by 1.6% to €6.0 billion. Food sales in particular grew strongly also thanks to the positive calendar effects.

International sales grew by 2.6% to €9.6 billion from January to March 2012 and were impacted by negative currency effects, while in local currency international sales climbed by as much as 3.2%. The international share of sales rose from 61.1% to 61.4%.

Sales in Western Europe (excluding Germany) in Q1 2012 fell by 1.2% to €4.7 billion (in local currency: -1.6%) and were mainly impacted by the previous year's disposal of Media-Saturn France.

From January to March 2012, sales in Eastern Europe grew by 3.5% to €4.0 billion and sales in local currency even rose by a significant 6.6%.

Sales in Asia/Africa in Q1 2012 saw a marked rise of 21.3% to €1.0 billion. In local currency, sales grew by 15.2%.

Shape 2012

Further progress was again made in Q1 2012 with regard to productivity gains within the scope of the efficiency and value enhancing Shape 2012 programme. Metro Cash & Carry delivery sales rose by more than 50% to €504 million (Q1 2011: €325 million). METRO GROUP's own brand sales amounted to €1.7 billion, after €1.5 billion in the previous year. Sales in the promising online business grew to €178 million due to the acquisition of Redcoon (Q1 2011: €26 million).

Earnings

EBITDA in Q1 2012 amounted to €306 million (Q1 2011: €464 million). The figure for the previous year included Shape 2012 special items of €1 million. An overview of the special items is shown on page 17; these relate in particular to expenses incurred for restructuring measures.

EBIT in Q1 decreased to €-9 million (Q1 2011: €142 million). There were no one-off expenses (Q1 2011: €3 million), meaning that EBIT before special items also amounted to €-9 million (Q1 2011: €145 million). Earnings were impacted by extensive price investments, particularly at Media-Saturn, as well as higher expansion costs and expenses to improve customer value. Some of this negative impact on earnings was offset by the improved like-for-like sales development.

The **net financial result** in Q1 2012 amounted to €-125 million (Q1 2011: €-120 million). In 2011, a €27 million book gain was realised from the sale of the remaining stake in Loyalty Partner. The interest result only changed slightly to €-132 million (Q1 2011: €-131 million). The other financial result increased significantly, from €-16 million to €6 million, due to currency effects.

EBT in Q1 2012 amounted to €-134 million (Q1 2011: €22 million). Adjusted for special items, EBT was also €-134 million (Q1 2011: €25 million). **EPS** amounted to €-0.25, after €-0.01 in Q1 2011.

Capex

METRO GROUP's capex in Q1 2012 amounted to €219 million (Q1 2011: €211 million).

Store Network

In Q1 2012, 15 new stores were opened and four closed or sold.

From January to March 2012, Metro Cash & Carry opened eight new stores. For the first time, four Metro Cash & Carry stores in Pakistan are included as part of the joint venture. These were not counted as new store openings.

Real disposed of one hypermarket in Germany.

Media-Saturn opened six stores and closed three.

In Q1 2012, Galeria Kaufhof opened one "Wanderzeit"-branded store in Germany.

As at the end of March 2012, METRO GROUP operated a total of 2,202 stores.

A detailed presentation on the business development of the individual divisions is given on pages 9 to 15.

Funding

METRO GROUP employs typical capital market permanent issuance programmes for funding purposes. To cover medium- and long-term funding requirements, the Group has a "Debt Issuance Programme" available from which bonds are issued. The maximum programme volume amounts to €6 billion and was drawn down by around €4.3 billion as at 31 March 2012 (Q1 2011: €4.5 billion).

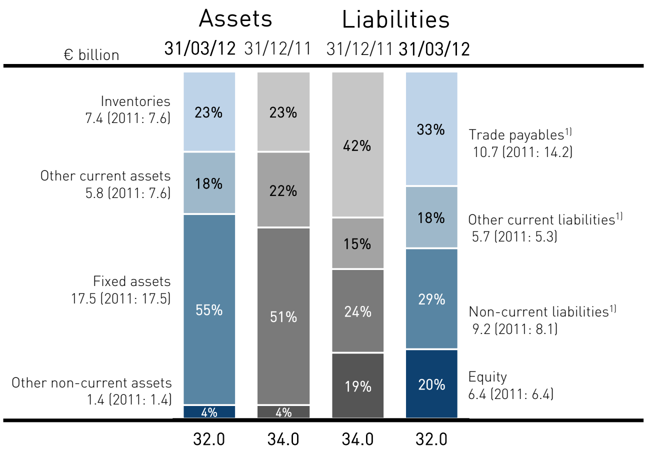
As previously announced, the bonds and note loans totalling approximately €1.1 billion that reach maturity this year were refinanced in full in Q1 2012 by a number of private placements, a promissory note (Schuldscheindarlehen) and EUR- and CHF-denominated bonds. This allowed METRO GROUP to secure all refinancing for 2012 early on and significantly improve its maturity profile.

Both the "Euro Commercial Paper Programme" as well as a further commercial paper programme, specifically geared to French investors, facilitate the coverage of short-term funding requirements. The maximum volume of each programme amounts to €2 billion. The drawdown on both programmes from January to March 2012 averaged €0.6 billion (Q1 2011: €0.1 billion).

In addition, METRO GROUP has bilateral and syndicated credit facilities amounting to €4.7 billion with durations up to 2017. As at 31 March 2012, the drawdown thereof was €1.5 billion (31 March 2011: €1.6 billion). €3.2 billion in bilateral and syndicated credit lines, with maturities exceeding one year, were not drawn down.

Balance Sheet

Total assets decreased by €2.0 billion to €32.0 billion compared to 31 December 2011. This is mainly due to the decrease in cash and cash equivalents typical for Q1 in comparison to the year-end closing.



[1] Revised disclosure in 2011 (see notes)

As at 31 March 2012, METRO GROUP's balance sheet disclosed €6.4 billion equity. Due to the balance sheet contraction, the year-to-date equity ratio increased significantly from 18.9% to 20.1%.

Net debt, after netting cash and cash equivalents, as well as bank deposits, with financial liabilities (including finance leases), totalled €7.4 billion compared to €4.1 billion as at 31 December 2011. This increase in net debt against the prior year-end closing is characteristic and resulted mainly from the €3.5 billion reduction in trade payables. The reason for 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, which are then reduced over the course of Q1. Net debt went up by €0.2 billion to €7.4 billion compared to 31 March 2011.

Cash Flow

From January to March 2012, cash outflow from operating activities amounted to €2.9 billion (Q1 2011: €3.3 billion cash outflow). This reflects the seasonal increase in net working capital. However, this increase was significantly less than in Q1 2011.

Cash flow from investing activities included cash outflows for capex and acquisitions as well as cash inflows relating to property sales and to the sale of shares in Loyalty Partner in the previous year. Overall, cash outflow amounted to €0.3 billion (Q1 2011: €0.2 billion cash outflow).

Cash flow before financing activities improved to €-3.2 billion (Q1 2011: €-3.5 billion).

Cash inflow from financing activities amounted to €1.8 billion (Q1 2011: €0.4 billion cash inflow). The increase was due to all financing for the year being secured in Q1 2012.

Opportunities and Risks

Since the preparation of the Annual Report (27 February 2012), no changes arose from the reported opportunities and risks concerning the ongoing development of METRO GROUP as described in detail in the Annual Report 2011 (pp. 158 – 174).

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

Sustainability

In the study "Germany's Top Employers 2012" published in March, the CRF Institute distinguished METRO GROUP for its excellent and modern human resources management. Consequently, METRO GROUP is one of the 118 employers that offer particularly good working conditions to their employees.

Subsequent Events and Outlook

Events After the Quarter-end Closing

Expenses in the low double-digit million Euros range are expected in the Other segment from the planned cessation of operations at a MGL METRO GROUP Logistics location by the end of 2013 at the very latest.

Macroeconomic Outlook

Uncertainty about future economic development remains high. The economic situation in Western and Eastern Europe is also marked by the different development amongst individual countries in 2012. More VAT increases will come into effect in Italy and France during the course of the year (October 2012). Growth rates among the Asian emerging markets remain comparatively high despite the economic slowdown. Overall, economic growth worldwide is likely to be down on that seen in 2011.

Outlook METRO GROUP

The economic situation worsened in 2011 largely as a result of the sovereign debt crisis. For this reason, we expect continued economic instability to dampen consumer confidence.

Sales

The persistently difficult economic situation and the slowing price increases will most likely have a negative impact on sales in 2012. On the other hand, all sales divisions are taking a number of steps designed to boost sales. For this reason, we foresee an increase in sales in 2012.

Earnings

METRO GROUP's strategy aims for sustainable growth in sales and earnings.

In 2012, the earnings development will be dampened by the continuing difficult economic situation. In 2012, METRO GROUP will continue to invest in its competitiveness. This will include both productivity steps from the Shape 2012 programme and targeted price investments. In addition, we intend to lay a foundation from which we can accelerate our expansion activities, an effort that will also create additional costs. We nonetheless expect EBIT before special items to roughly match the previous year's result (EBIT 2011 before special items: €2,372 million). It should be noted, though, that a forecast issued at this time includes an element of risk in light of the problems described above and the uncertain economic situation.

Cash Flow

Based on the development in Q1 2012 and in light of a focussed and disciplined investment programme, METRO GROUP expects the cash flow development to be significantly better in financial year 2012 than in 2011. As a result, net debt is expected to decline.

Capex

In the financial year 2012, METRO GROUP plans to invest €1.8 billion and open around 100 new stores. The original plan had been for investments of €2.0 billion and more than 100 new store openings.

	2012
Investments (€ billion)	1.8
New store openings	~100
Sales growth	>0 %
Earnings (before special items, € billion)	~2.4

Metro Cash & Carry

	Sales € million		Change (€)		Currency effects		Change (local currency)		lfl (local currency)	
	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012
Total[1]	7,023	7,284	1.1%	3.7%	0.7%	-0.2%	0.4%	3.9%	-0.7%	2.0%
Germany[1]	1,138	1,147	-5.6%	0.9%	0.0%	0.0%	-5.6%	0.9%	-2.1%	3.8%
Western Europe (excl. Germany)	2,577	2,572	-1.8%	-0.2%	0.3%	0.2%	-2.1%	-0.4%	-2.1%	-0.8%
Eastern Europe[1]	2,547	2,650	2.9%	4.0%	1.1%	-2.5%	1.8%	6.5%	-2.2%	3.1%
Asia/Africa	762	914	19.0%	20.0%	3.3%	6.0%	15.7%	14.0%	13.9%	5.3%

[1] Revised disclosure in 2011 (see Notes)

From January to March 2012, sales at Metro Cash & Carry grew considerably by 3.7% to €7.3 billion (in local currency: +3.9%). This was mainly due to dynamic developments in Eastern Europe and Asia. Like-for-like sales increased by a noticeable 2.0%, especially in Germany and Asia, with Eastern Europe also seeing an improvement. This was due to further productivity gains and a more attractive price profile as well as positive calendar effects.

Delivery sales grew very strongly to €504 million (Q1 2011: €325 million). The delivery business was successfully expanded in the eight so-called focus countries in particular (China, Germany, France, Italy, Poland, Russia, Spain and Turkey). Own brands also continued to grow dynamically. The share of own brand sales grew significantly by 2.1 percentage points to 16.5% (Q1 2011: 14.4%). This was mainly due to higher margin own brand products, which are tailored to the needs of our customer groups (Rioba, Fine Food, H-Line, HoReCa Select and Sigma).

In Germany, sales generated in Q1 2012 grew by 0.9% to €1.1 billion. Strong like-for-like sales growth of 3.8% more than offset the decline in sales from the optimisation of the store network (Q4 2011: 10 closures). This encouraging sales performance was also due to higher customer frequency.

Destination categories, especially ultra-fresh products, posted further sales growth. The measures implemented for non-food products showed first signs of success with a very positive sales development.

In February, a new regional delivery hub started operations in Hamburg-Altona, which will serve all delivery customers in the northern Hamburg region in the future. The Hamburg logistics platform is the third German regional delivery hub in addition to the ones in Weiterstadt and Essen.

In order to increase competence in freshness, targeted investments were made to optimise logistics structures. In January 2012, Metro Cash & Carry and MGL METRO GROUP Logistics brought a central hub for meat into operations near Frankfurt. In the future, this new logistics platform will handle an important part of the destination category fresh meat and strengthen the competitive edge in fresh.

Despite difficult macroeconomic conditions, sales in Western Europe in Q1 2012 were almost on par with the previous year at €2.6 billion (in local currency: -0.4%). Like-for-like sales declined slightly by 0.8%. Against the backdrop of an overall declining market, market shares were won in Spain and Italy. In France, like-for-like sales even continued to post encouraging growth, underscoring the strength of the Metro Cash & Carry concept.

Sales in Eastern Europe in Q1 2012 grew dynamically by 4.0% to €2.7 billion despite the ongoing difficult macroeconomic environment. In local currency, sales increased by as much as 6.5%. Like-for-like sales also increased significantly by 3.1%. In Russia, the exceptional like-for-like sales growth continued.

Metro Cash & Carry successfully launched in a further country, Romania, its franchise programme for independent retailers. This long-term partnership allows Metro Cash & Carry to strengthen the competitiveness of small traders in a way that benefits both sides. Similar programmes also exist in Poland and Bulgaria.

From January to March 2012, sales in Asia/Africa grew by 20.0% to €0.9 billion (in local currency: +14.0%). Sales increased in all countries, with China in particular seeing growth continue, including like-for-like sales growth.

The international share in sales generated during Q1 2012 increased from 83.8% to 84.2%.

€ million	Q1 2011	Q1 2012	Change
EBITDA	92	39	-58.0%
EBITDA before special items	96	39	-59.3%
EBIT	27	-26	-
EBIT before special items	31	-26	-
Capex	34	51	49.3%

	31/12/2011	31/03/2012	Change
Stores	728	740	+12
Selling space (1,000 sqm)	5,517	5,564	+47
Employees (full-time basis)	116,408	113,719	-2,689

In Q1 2012, EBITDA decreased by €53 million to €39 million (Q1 2011: €92 million).

EBIT in Q1 2012 decreased by €53 million to €-26 million due to the development of further functions to improve customer value, expenses for reorganisation as well as price investments. The result was also impacted by higher expansion costs. The EBIT decline was offset in part by the positive effect from the improved like-for-like sales development. Special items were not incurred in Q1. As a result, EBIT before special items also amounted to €-26 million (Q1 2011: €31 million).

Capex from January to March 2012 for the expansion and modernisation amounted to €51 million (Q1 2011: €34 million). In this period, Metro Cash & Carry opened eight stores, two in both China and Kazakhstan, and one each in Poland, Russia, India and Vietnam. For the first time, four Metro Cash & Carry stores in Pakistan are included as part of the joint venture. These were not counted as new store openings.

As at 31 March 2012, Metro Cash & Carry operated 740 stores in 30 countries, thereof 107 in Germany, 260 in Western Europe, 272 in Eastern Europe and 101 in Asia/Africa.

Real

	Sales € million		Change (€)		Currency effects		Change (local currency)		lfl (local currency)	
	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012
Total[1]	2,605	2,664	-3.5%	2.3%	0.1%	-1.2%	-3.6%	3.5%	-2.8%	3.5%
Germany[1]	1,896	1,968	-4.2%	3.8%	0.0%	0.0%	-4.2%	3.8%	-2.3%	4.8%
Eastern Europe	709	696	-1.8%	-1.8%	0.2%	-4.3%	-2.0%	2.6%	-4.2%	-0.1%

[1] Revised disclosure in 2011 (see Notes)

In Q1 2012, **sales** at Real increased by 2.3% to €2.7 billion (in local currency: +3.5%) due also to positive calendar effects as well as a higher average ticket.

In **Germany**, sales increased significantly by 3.8% to €2.0 billion during Q1. Like-for-like sales even increased by 4.8%. Consequently, Real outperformed the overall market. The "Funky Beans" promotional campaign had a very positive effect on the sales development. Higher customer frequency and positive non-food sales development also contributed to this growth. The attractiveness of the Real brand continued to rise in Q1. 87 attractive concept modules were implemented to strengthen the brand further.

The Real online shop continued to grow dynamically. The number of orders in Q1 2012 was more than twice that in Q1 2011.

Sales in **Eastern Europe** in Q1 2012 decreased by 1.8% to €0.7 billion. Conversely, sales in local currency grew by 2.6%. Like-for-like sales were on par with the previous year. Sales in Russia increased significantly; like-for-like sales almost saw double-digit percentage growth. In the still challenging Polish market, the sales development improved also thanks to the measures implemented.

The international share in sales generated during Q1 2012 decreased from 27.2% to 26.1%.

€ million	Q1 2011	Q1 2012	Change
EBITDA	25	22	-12.6%
EBITDA before special items	23	22	-4.7%
EBIT	-21	-23	-9.7%
EBIT before special items	-23	-23	0.1%
Capex	51	22	-56.5%

	31/12/2011	31/03/2012	Change
Stores	426	425	-1
Selling space (1,000 sqm)	3,082	3,065	-17
Employees (full-time basis)	52,214	51,190	-1,024

In Q1 2012, **EBITDA** fell to €22 million (Q1 2011: €25 million).

EBIT amounted to €-23 million, almost on par with the previous year (€-21 million). EBIT before special items remained unchanged against the previous year at €-23 million. A decline in EBIT in Eastern Europe was offset by the sales-driven rise in earnings in Germany.

Capex in Q1 2012 amounted to €22 million (Q1 2011: €51 million). One **store** was disposed of in Germany.

As at 31 March 2012, the store network comprised 425 stores in six countries, thereof 315 in Germany and 110 in Eastern Europe.

Media-Saturn

	Sales € million		Change (€)		Currency effects		Change (local currency)		lfl (local currency)	
	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012
Total	4,965	4,983	0.8%	0.4%	0.8%	-0.2%	0.0%	0.5%	-4.0%	-3.1%
Germany	2,254	2,265	1.8%	0.5%	0.0%	0.0%	1.8%	0.5%	0.4%	-3.7%
Western Europe (excl. Germany)	2,131	2,076	-2.3%	-2.6%	1.6%	0.6%	-3.9%	-3.2%	-8.3%	-4.2%
Eastern Europe	562	607	6.5%	8.1%	0.8%	-4.3%	5.7%	12.4%	-5.7%	3.9%
Asia	18	35	-	93.8%	-	15.7%	-	78.1%	-	n.a.

Although the overall market remained difficult in Q1 2012, sales at Media-Saturn rose by 0.4% to €5.0 billion (in local currency: +0.5%). The sales development was impacted by the previous year's sale of Media-Saturn France. The sales development in February and March continued to improve following a promotion-related weak start in January. Online sales continued to grow dynamically. Sales climbed from €19 million to €166 million due to the acquisition of Redcoon and the successful launches of the German multichannel offerings by Media Markt and Saturn. All in all, Media-Saturn's Q1 development underscores its leading market position in Europe.

In Germany, sales in Q1 2012 grew by 0.5% to €2.3 billion, while like-for-like sales fell by 3.7%. Sales dove in January due to the withdrawal of extensive marketing activities at the beginning of the year (2011: Saturn's 50th anniversary, 1,000 products at purchase prices at Media Markt). However, the weak start to the year was offset in part in February and March thanks to a significant sales upturn. This was also due to the dynamic online sales growth, which amounted to €83 million. Additionally, the measures initiated to sharpen the price profile also continued to bear fruit. The range of own brand products was expanded and enjoyed increasing popularity.

Media Markt launched its online shop on 16 January 2012. Media Markt, Saturn and Redcoon now have their own online retailing presence in Germany. Multichannel offerings are particularly important here. A high in-store pick-up rate underscores the attractiveness of this unique multichannel offering.

In Q1 2012, sales decreased by 2.6% in Western Europe, primarily due to the sale of Media-Saturn France (in local currency: -3.2%). Like-for-like sales dropped by 4.2%. The difficult economic environment continues to have a significant impact on demand for consumer electronics, particularly in Southern Europe. In this market environment, Media-Saturn was able to increase its market shares. Sales, including like-for-like sales, developed very strongly in the Netherlands and Sweden. Online retailing in Western Europe did very well, generating sales of €78 million. In the Netherlands, the online offering has now been extended to more than 8,000 articles.

In Eastern Europe, sales in Q1 2012 increased significantly by 8.1% to €0.6 billion (in local currency: +12.4%), with like-for-like sales growing by 3.9%. The positive sales trend in Poland continued. Overall sales in local currency even rose by more than 10%. Also sales in Russia continued to perform well, with growth of more than 20% and like-for-like sales also seeing double-digit growth.

Sales in Asia almost doubled thanks to the opening of additional pilot stores. Demand for large domestic appliances fell due to the end of state subsidies.

The international share in sales generated during Q1 2012 fell slightly from 54.6% to 54.5%.

€ million	Q1 2011	Q1 2012	Change
EBITDA	127	46	-63.6%
EBITDA before special items	128	46	-63.9%
EBIT	65	-20	-
EBIT before special items	66	-20	-
Capex	35	38	8.6%

	31/12/2011	31/03/2012	Change
Stores	893	896	+3
Selling space (1,000 sqm)	2,880	2,902	+22
Employees (full-time basis)	58,660	56,300	-2,360

In Q1 2012, **EBITDA** amounted to €46 million (Q1 2011: €127 million).

EBIT fell to €-20 million (Q1 2011: €65 million). This was due to the sales-related fall in earnings, the measures initiated to further sharpen the price profile and lower advertising subsidies as well as higher expansion costs (including in China) and costs to expand the multichannel business. As there were no special items, EBIT before special items also amounted to €-20 million (Q1 2011: €66 million).

Capex in the store network amounted to €38 million in Q1 2012 (Q1 2011: €35 million). Six **stores** were opened in the period from January to March 2012, thereof three in Germany, two in Italy and one in Sweden. Two stores were closed in Spain and one in Portugal.

At the end of Q1 2012, the store network of Media Markt and Saturn comprised 896 stores in 16 countries, thereof 392 in Germany, 344 in Western Europe, 153 in Eastern Europe and seven in Asia.

Galeria Kaufhof

	Sales € million		Change		lfl	
	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012
Total[1]	699	705	-5.6%	0.9%	-3.9%	0.1%
Germany[1]	653	659	-6.3%	0.8%	-4.8%	-0.1%
Western Europe (excl. Germany)[1]	46	47	4.5%	2.2%	4.4%	2.2%

[1] Revised disclosure in 2011 (see Notes)

In Q1 2012, **sales** at Galeria Kaufhof rose by 0.9% to €0.7 billion; like-for-like sales were up slightly on Q1 2011. Over the course of the quarter, sales grew dynamically after a slow start to the year due to weather conditions. The categories womenswear, accessories and hardlines in particular showed an encouraging development.

Sales at Galeria Kaufhof in **Germany** in the period from January to March 2012 grew by 0.8% to €0.7 billion; like-for-like sales were almost on par with Q1 2011.

The improved sales space allocation for high-margin categories accessories, textiles and shoes, continued to be rolled out.

The upgraded online shop, which now also includes textiles, enjoyed increasing popularity; sales doubled against Q1 2011.

In **Western Europe**, sales from January to March 2012 grew by 2.2% and benefited from a good development in textiles. In like-for-like terms, sales grew also by 2.2%.

In mid-January 2012, METRO GROUP suspended talks with interested parties for the takeover of Galeria Kaufhof until further notice. METRO GROUP will work on further enhancing the value of Galeria Kaufhof. This decision will not change the existing portfolio strategy of METRO GROUP.

€ million	Q1 2011	Q1 2012	Change
EBITDA	-4	2	-
EBITDA before special items	-4	2	-
EBIT	-27	-24	13.4%
EBIT before special items	-27	-24	13.4%
Capex	14	16	14.2%

	31/12/2011	31/03/2012	Change
Stores	140	141	+1
Selling space (1,000 sqm)	1,475	1,480	+5
Employees (full-time basis)	19,257	17,948	-1,309

In Q1 2012, EBITDA amounted to €2 million (Q1 2011: €-4 million).

Thanks to an improved sales development, EBIT in Q1 2012 rose to €-24 million (Q1 2011: €-27 million). This more than offset the increase in write-downs due to the extensive refurbishments. EBIT before special items also amounted to €-24 million (Q1 2011: €-27 million).

From January to March 2012, capex in the store network amounted to €16 million (Q1 2011: €14 million).

One Wanderzeit store was opened in Q1 2012. This new special concept now has four stores and offers an attractive equipment and clothing assortment centred on hiking on sales area of around 500 sqm .

As at 31 March 2012, the store network of Galeria Kaufhof comprised 141 stores, thereof 126 in Germany and 15 in Belgium.

Real Estate

€ million	Q1 2011	Q1 2012	Change
EBITDA	236	221	-6.0%
EBITDA before special items	231	221	-4.4%
EBIT	139	136	-2.0%
EBIT before special items	136	136	-0.3%
Capex	61	68	11.4%

	31/12/2011	31/03/2012	Change
Employees (full-time basis)	1,215	1,299	+84

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, active asset- and portfolio management, as well as the optimised resource deployment are to secure and systematically enhance the value of real estate in the long run.

As at 31 March 2012, METRO GROUP owned 687 properties (31 December 2011: 687).

In Q1 2012, EBITDA came in at €221 million (Q1 2011: €236 million). EBITDA before special items fell from €231 million to €221 million. These earnings mainly constitute rental income paid by METRO GROUP's divisions. EBIT was €136 million compared to €139 million in Q1 2011. EBIT before special items remained unchanged at €136 million. Lower rental income as a result of store disposals was offset by new store openings and rental increases from indexation.

Other

€ million	Q1 2011	Q1 2012	Change
Sales [1]	15	10	-30.8%
EBITDA	-7	-24	-
EBITDA before special items	-5	-24	-
EBIT	-38	-53	-40.4%
EBIT before special items	-36	-53	-47.4%
Capex	16	24	55.3%

[1] Revised disclosure in 2011 (see Notes)

	31/12/2011	31/03/2012	Change
Employees (full-time basis)	7,900	8,098	+198

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

In Q1 2012, sales in the segment Other totalled €10 million (Q1 2011: €15 million). Sales mainly included the commission from third-party business via METRO GROUP's procurement organisation in Hong Kong. Lower order volumes from some key accounts significantly reduced sales in comparison to Q1 2011.

In Q1 2012, EBIT fell to €-53 million (Q1 2011: €-38 million). EBIT before special items decreased from €-36 million to €-53 million. This EBIT-decline was due, among other things, to higher project costs in connection with the expansion of the Shared Service Centres as well as one-time expenses relating to the reduction of METRO AG's Management Board.

STORE NETWORK

AS AT 31 MARCH 2012

	Metro Cash & Carry		Real		Media-Saturn		Galeria Kaufhof		METRO GROUP	
	Q1	31/03/12	Q1	31/03/12	Q1	31/03/12	Q1	31/03/12	Q1	31/03/12
Germany		107	-1	315	+3	392	+1	126	+3	940
Austria		12				44				56
Belgium		11				21		15		47
Denmark		5								5
France		92								92
Italy		48			+2	112			+2	160
Luxemburg						2				2
Netherlands		17				38				55
Portugal		11			-1	9			-1	20
Spain		34			-2	66			-2	100
Sweden					+1	25			+1	25
Switzerland						27				27
United Kingdom		30								30
Western Europe		260				344		15		619
Bulgaria		14								14
Croatia		7								7
Czech Republic		13								13
Greece		9				10				19
Hungary		13				21				34
Kazakhstan	+2	8							+2	8
Moldova		3								3
Poland	+1	40		54		61			+1	155
Romania		32		25						57
Russia	+1	63		18		36			+1	117
Serbia		9								9
Slovakia		6								6
Turkey		24		12		25				61
Ukraine		31		1						32
Eastern Europe	+4	272		110		153			+4	535
China	+2	54				7			+2	61
Egypt		2								2
India	+1	10							+1	10
Japan		9								9
Pakistan	+4	9							+4	9
Vietnam	+1	17							+1	17
Asia/Africa	+8	101				7			+8	108
Total	+12	740	-1	425	+3	896	+1	141	+15	2,202

RECONCILITATION OF SPECIAL ITEMS (SEGMENTS)

Q1 2012

€ million	As reported		Special items		Before special items	
	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012
EBITDA	464	306	1	0	465	306
thereof Metro Cash & Carry	92	39	4	0	96	39
Real	25	22	-2	0	23	22
Media-Saturn	127	46	1	0	128	46
Galeria Kaufhof	-4	2	0	0	-4	2
Real estate	236	221	-5	0	231	221
Other	-7	-24	2	0	-5	-24
Consolidation	-4	-1	1	0	-3	-1
EBIT	142	-9	3	0	145	-9
thereof Metro Cash & Carry	27	-26	4	0	31	-26
Real	-21	-23	-2	0	-23	-23
Media-Saturn	65	-20	1	0	66	-20
Galeria Kaufhof	-27	-24	0	0	-27	-24
Real estate	139	136	-3	0	136	136
Other	-38	-53	2	0	-36	-53
Consolidation	-3	1	1	0	-2	1
EBT	22	-134	3	0	25	-134
Net profit for the period	14	-81	2	0	16	-81
Earnings per share (€)	-0.01	-0.25	0.01	0.00	0.00	-0.25

RECONCILIATION OF SPECIAL ITEMS (REGIONS)

Q1 2012

€ million	As reported		Special items		Before special items	
	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012
EBITDA	464	306	1	0	465	306
thereof Germany	115	48	3	0	118	48
Western Europe (excl. Germany)	124	73	3	0	127	73
Eastern Europe	202	172	-6	0	196	172
Asia/Africa	19	9	1	0	20	9
Consolidation	4	4	0	0	4	4
EBIT	142	-9	3	0	145	-9
thereof Germany	-32	-106	3	0	-29	-106
Western Europe (excl. Germany)	60	12	3	0	63	12
Eastern Europe	113	88	-4	0	109	88
Asia/Africa	-3	-7	1	0	-2	-7
Consolidation	4	4	0	0	4	4
EBT	22	-134	3	0	25	-134
Net profit for the period	14	-81	2	0	16	-81
Earnings per share (€)	-0.01	-0.25	0.01	0.00	0.00	-0.25

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

€ million	Q1 2011	Q1 2012
Net sales	15,307 [1]	15,647
Cost of sales	-12,124 [1]	-12,504
Gross profit on sales	3,183	3,143
Other operating income	319	326
Selling expenses	-2,990	-3,052
General administrative expenses	-356	-413
Other operating expenses	-14	-13
EBIT	142	-9
Result from associated companies	0	1
Other investment result	27	0
Interest income	32	32
Interest expenses	-163	-164
Other financial result	-16	6
Net financial result	-120	-125
EBT	22	-134
Income taxes	-8	53
Net profit for the period	14	-81
Net profit for the period attributable to non-controlling interests	17	1
Net profit attributable to shareholders of METRO AG	-3	-82
Earnings per share in € (basic=diluted)	-0.01	-0.25

[1] Revised disclosure (see Notes)

TOTAL COMPREHENSIVE INCOME RECONCILITATION

€ million	Q1 2011	Q1 2012
Net profit for the period	14	-81
Other comprehensive income		
Changes in revaluation reserve	0	0
Actuarial gains/losses	0	0
Currency translation differences from the conversion of the accounts of foreign operations	-13	145
Effective portion of gains/losses from cash flow hedges	-12	-21
Gains/losses fron the revaluation of financial instruments in the category "available-for-sale"	0	0
Income tax attributable to components of "other income"	2	-1
Total comprehensive income	-9	42
Comprehensive income attributable to non-controlling interests	14	6
Comprehensive income attributable to shareholders of METRO AG	-23	36

BALANCE SHEET

Assets

€ million	31/12/2011	31/03/2011	31/03/2012
Non-current assets	**18,822**	**18,682**	**18,816**
Goodwill	4,045	4,061	4,063
Other intangible assets	454	422	434
Tangible assets	12,661	12,276	12,603
Investment properties	209	233	220
Financial investments [1]	79	246	130
Other financial and non-financial assets [1]	470	443	460
Deferred tax assets	904	1,001	906
Current assets	**15,165**	**12,551**	**13,228**
Inventories	7,608	7,273	7,434
Trade receivables	551	451	519
Financial investments [1]	119	3	99
Other financial and non-financial assets [1]	2,882	2,493	2,477
Entitlements to income tax refunds	431	468	516
Cash and cash equivalents	3,355	1,690	1,958
Assets held for sale	219	173	225
	33,987	31,233	32,044

Equity and Liabilities

€ million	31/12/2011	31/03/2011	31/03/2012
Equity	**6,437**	**6,403**	**6,442**
Share capital	835	835	835
Capital reserve	2,544	2,544	2,544
Reserves retained from earnings	2,985	2,906	3,020
Non-controlling interests	73	118	43
Non-current liabilities	**8,085**	**8,342**	**9,165**
Provisions for pensions and similar commitments	1,028	1,014	1,033
Other provisions	463 [2]	489 [2]	457
Borrowings [1]	5,835	6,012	6,905
Other financial and non-financial liabilities [1]	602 [2]	613 [2]	620
Deferred tax liabilities	157	214	150
Current liabilities	**19,465**	**16,488**	**16,437**
Trade liabilities	14,214 [2]	10,233 [2]	10,729
Provisions	546 [2]	469 [2]	483
Borrowings [1]	1,606	2,915	2,459
Other financial and non-financial liabilities [1]	2,705 [2]	2,508 [2]	2,471
Income tax liabilities	394	223	295
Liabilities related to assets held for sale	0	140	0
	33,987	31,233	32,044

[1] Changes of name (see Notes)

[2] Revised disclosure (see Notes)

CASH FLOW STATEMENT

€ million	Q1 2011	Q1 2012
EBIT	142	-9
Write-backs/write-downs of assets excl. financial assets	322	315
Change in provisions for pensions and other provisions	-59 [1]	-48
Change in net working capital	-3,311 [1]	-2,878
Income taxes paid	-199	-227
Reclassification of gains (-) / losses (+) from the disposal of fixed assets	0	0
Other	-215 [1]	-84
Total cash flow from operating activities	**-3,320**	**-2,931**
Corporate acquisitions	0	0
Investments in tangible assets (excl. finance leases)	-281 [1]	-337
Other investments	-26	-32
Divestments	0	0
Disposal of fixed assets	98	99
Gains (-) / losses (+) from the disposal of fixed assets	0	0
Total cash flow from investing activities	**-209**	**-270**
Profit distribution		
to METRO AG shareholders	0	0
to other shareholders	-49	-35
Changes of financial liabilities	630	1,932
Interest paid	-160	-156
Interest received	34	47
Profit and loss transfers and other financing activities	-28	10
Total cash flow from financing activities	**427**	**1,798**
Total cash flows	**-3,102**	**-1,403**
Exchange rate effects on cash and cash equivalents	-7	6
Change in cash and cash equivalents due to the first-time consolidation of companies	0	0
Total change in cash and cash equivalents	**-3,109**	**-1,397**
Cash and cash equivalents on 1 January	4,799	3,355
Cash and cash equivalents on 31 March	**1,690**	**1,958**

[1] Revised disclosure (see Notes)

STATEMENT OF CHANGES IN EQUITY

€ million	Share capital	Capital reserve	Effective portion of gains/ losses from cash flow hedges	Currency translation differences from the conversion of the accounts of foreign operations	Income tax attributable to components of "other income"	Other earnings reserves	Total reserves retained from earnings	Total	thereof attribut-able to "other income"	Minority interests	thereof attribut-able to "other income"	Total equity
01/01/2011	835	2,544	63	-315	17	3,164	2,929	6,308		152		6,460
Dividends	0	0	0	0	0	0	0	0		-49		-49
Comprehensive income	0	0	-12	-10	2	-3	-23	-23	-20	14	-3	-9
Revision of IAS 17	0	0	0	0	0	0	0	0		1		1
31/03/2011	835	2,544	51	-325	19	3,161	2,906	6,285		118		6,403
01/01/2012	835	2,544	91	-438	-4	3,336	2,985	6,364		73		6,437
Dividends	0	0	0	0	0	0	0	0		-35		-35
Comprehensive income	0	0	-21	140	-1	-82	36	36	118	6	5	42
Capital balance from acquisitions of shares	0	0	0	0	0	0	0	0		0		0
31/03/2012	835	2,544	70	-298	-5	3,253	3,020	6,399		43		6,442

NOTES

SEGMENT REPORTING Q1 2012

Divisions

€ million	Metro Cash & Carry Q1 2011	Metro Cash & Carry Q1 2012	Real Q1 2011	Real Q1 2012	Media-Saturn Q1 2011	Media-Saturn Q1 2012	Galeria Kaufhof Q1 2011	Galeria Kaufhof Q1 2012	Real Estate Q1 2011	Real Estate Q1 2012	Other Q1 2011	Other Q1 2012	Consolidation Q1 2011	Consolidation Q1 2012	METRO GROUP Q1 2011	METRO GROUP Q1 2012
External sales (net)	7,023 [1]	7,284	2,605 [1]	2,664	4,965	4,983	699 [1]	705	0	0	15 [1]	10	0	0	15,307 [1]	15,647
Internal sales (net)	7	7	0	0	0	0	0	0	0	0	1,370 [1]	1,448	-1,377 [1]	-1,454	0	0
Total sales (net)	7,030 [1]	7,290	2,605 [1]	2,664	4,965	4,983	699 [1]	705	0	0	1,385 [1]	1,458	-1,377 [1]	-1,454	15,307 [1]	15,647
EBITDA	92	39	25	22	127	46	-4	2	236	221	-7	-24	-4	-1	464	306
Depreciation/amortisation	64	65	47	46	62	66	23	26	96	85	31	29	-1	-1	322	315
Write-backs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EBIT	27	-26	-21	-23	65	-20	-27	-24	139	136	-38	-53	-3	1	142	-9
Investments	34	51	51	22	35	38	14	16	61	68	16	24	0	0	211	219
Segment assets	7,404	8,108	3,706	3,574	5,619	5,688	1,032	1,054	8,507	8,713	1,529	1,539	-594	-786	27,203	27,889
thereof non-current	3,855	4,358	2,476	2,377	1,717	1,788	472	495	8,400	8,272	560	482	-142	-139	17,339	17,633
Segment liabilities	5,439	5,330	1,699	1,633	5,605	5,790	894	902	485	428	1,920	1,809	-1,138	-894	14,905	14,998
Selling space (1,000 sqm)	5,403	5,564	3,090	3,065	2,844	2,902	1,471	1,480	0	0	0	0	0	0	12,808	13,011
Stores (number)	703	740	427	425	880	896	139	141	0	0	0	0	0	0	2,149	2,202

[1] Revised disclosure (see Notes)

Regions

€ million	Germany Q1 2011	Germany Q1 2012	Western Europe excl. Germany Q1 2011	Western Europe excl. Germany Q1 2012	Eastern Europe Q1 2011	Eastern Europe Q1 2012	Asia/Africa Q1 2011	Asia/Africa Q1 2012	International Q1 2011	International Q1 2012	Consolidation Q1 2011	Consolidation Q1 2012	METRO GROUP Q1 2011	METRO GROUP Q1 2012
External sales (net)	5,950 [1]	6,047	4,754 [1]	4,695	3,818 [1]	3,954	784 [1]	952	9,357 [1]	9,600	0	0	15,307 [1]	15,647
Internal sales (net)	9	40	7	27	0	1	10 [1]	9	18 [1]	38	-27 [1]	-78	0	0
Total sales (net)	5,959 [1]	6,087	4,761 [1]	4,722	3,818 [1]	3,955	795 [1]	961	9,374 [1]	9,638	-27 [1]	-78	15,307 [1]	15,647
EBITDA	115	48	124	73	202	172	19	9	345	254	4	4	464	306
Depreciation/amortisation	147	154	64	61	90	84	22	16	175	161	0	0	322	315
Write-backs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EBIT	-32	-106	60	12	113	88	-3	-7	170	93	4	4	142	-9
Investments	106	91	25	40	60	40	21	47	105	128	0	0	211	219
Segment assets	11,053	11,406	7,258	7,243	7,827	8,026	1,408	1,617	16,492	16,885	-343	-403	27,203	27,889
thereof non-current	6,685	6,889	4,138	4,010	5,603	5,685	917	1,055	10,657	10,750	-3	-6	17,339	17,633
Segment liabilities	6,870	6,696	4,713	4,635	3,028	3,243	666	755	8,407	8,633	-373	-331	14,905	14,998
Selling space (1,000 sqm)	5,816	5,798	3,075	3,007	3,353	3,527	564	680	6,992	7,213	0	0	12,808	13,011
Stores (number)	940	940	628	619	495	535	86	108	1,209	1,262	0	0	2,149	2,202

[1] Revised disclosure (see Notes)

Notes to Group Accounting Principles and Methods

These unaudited interim consolidated financial statements as at 31 March 2012 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 2011. 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 2011 (see Annual Report 2011, pages 186-199).

During the financial year, sales-related and cyclical items 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. Furthermore, to provide a better overview within the tables, decimal places have been partly omitted. Contrary to former disclosure, only the numbers within the income statement, the total comprehensive income reconciliation, the balance sheet, the statement of changes in equity and the cash flow statement have been rounded in a way that they form the sum when added up. In the remaining tables, the individual numbers and the sums have been rounded independently. As a result, rounding differences may occur.

Application of New Accounting Methods

In preparing these interim consolidated financial statements, all standards and interpretations published by the International Accounting Standards Board (IASB), which had been adopted by the European Union, were applied. However, these were only the standards and interpretations already applied and explained in the annual consolidated financial statements as at 31 December 2011, as there have been no revisions relevant to METRO GROUP in Q1 2012.

Revised Disclosure

Commission-based Sales

Generally net sales are disclosed to the amount of the consideration received or the fair value of the goods and services sold. This disclosure method requires that the company be exposed to the significant risks and rewards associated with the sale of the goods or the rendering of the services. Otherwise net sales are only recognised to the amount of the commission which the company thus earns for acting as an agent. IAS 18 contains indicators which suggest disclosing sales to the amount of the commission. As of Q1 2012, METRO AG changes its interpretation of these indicators and adjusts the disclosure of certain transactions in the income statement to ensure better comparability with other retail companies, especially with regard to the EBIT margin. Net sales from these transactions are henceforth only disclosed to the amount of the commission, without the disclosure of the corresponding cost of sales. However, gross profit and absolute EBIT remain unaffected by this change. To guarantee comparability, the previous year's net sales in Q1 2011 have been adjusted by €-209 million. This effect is allocated to the external sales disclosed in the segment reporting: €-7 million are allocated to Metro Cash & Carry, €-44 million to Real, €-81 million to Galeria Kaufhof and €-76 to the segment Other.

Composition of Net Working Capital

In Q1 2012 the definition of net working capital has been extended to include deferred revenues and provisions in connection with customer loyalty programmes, deferred revenues from the sale of vouchers and provisions for rights of return. Liabilities from the purchase of other fixed assets, previously disclosed in "Trade payables", are henceforth excluded from the definition. In the cash flow statement, liabilities from the purchase of other fixed assets are like liabilities from the purchase of real estate assigned to investing activities.

The changes in definition have an effect on cash flow from operating activities and cash flow from investing activities. In the previous year's cash flow statement as of Q1 2012 the item "Change in provisions for pensions and other provisions" has been adjusted by €-9 million, "Change in net working capital" by €152 million, "Other" by €14 million and "Investments in tangible assets" by €-157 million.

In the course of the exclusion of liabilities from the purchase of other fixed assets from the definition of net working capital, the comparative balance sheet figures as of 31 March 2011 and 31 December 2011 have been adjusted. The reclassification results in a reduction in "Trade payables" and a corresponding increase in the item "Other financial and non-financial assets" (current) of €52 million as of 31 March 2011 and €53 million as of 31 December, respectively.

Reclassifications

Deferred revenues and provisions in connection with warranties and customer loyalty programmes have been reclassified from non-current- to current liabilities to take into account that they are part of the entity's normal operating cycle. The comparative figures as of 31 March 2011 and 31 December 2011 have been adjusted accordingly. As of both 31 March 2011 and 31 December 2011 €154 million have been reclassified from non-current „Other financial and non-financial liabilities" to the current item with the same title. The effect on "Other provisions" (long-term) was €-18 million as of 31 March 2011 and €-15 million as of 31 December 2011. These amounts have been reclassified to "Provisions" (current).

Revised Terminology

On the asset side of the balance sheet the item "Financial assets" has been renamed "Financial investments" and the item "Other receivables and assets" "Other financial and non-financial assets". On the liabilities side the title of the item "Financial liabilities" has been changed to "Borrowings". Additionally, the item "Other liabilities" is titled "Other financial and non-financial liabilities" as of this year. These terminology changes affect both non-current and current items of the same title. The terminology changes are to clarify that the items previously titled "Other receivables and assets" and "Other liabilities" also partly include financial assets and financial liabilities respectively.

Depreciation / Amortisation / Impairments

Write-downs amounted to €315 million (Q1 2011: €322 million). Thereof, €273 million (Q1 2011: €280 million) were included in selling expenses, €38 million (Q1 2011: €40 million) in general administrative expenses and €4 million (Q1 2011: €2 million) in cost of sales. Write-downs of intangible assets accounted for €40 million (Q1 2011: €36 million), write-downs of fixed assets accounted for €272 million (Q1 2011: €282 million) and write-downs of investment properties accounted for €3 million (Q1 2011: €4 million). Impairments were included to the amount of €1 million (Q1 2011: €13 million).

Impairments of capitalised financial instruments measured at amortised cost amounted to €25 million (Q1 2011: €34 million).

Segment Reporting

Segment reporting has been prepared in accordance with IFRS 8 (Operating Segments). The segmentation corresponds to the Group's internal controlling and reporting structures and is generally based on the division of the business into individual sectors.

Aside from the information on the operating segments listed above, equivalent information is provided on the Metro regions. Here, a distinction is made between the regions Germany, Western Europe excluding Germany, Eastern Europe and Asia/Africa.

- External sales represent sales of the operating segments to third parties outside the Group.
- Internal sales represent sales between the Group's operating segments.
- Segment EBITDA comprises EBIT before write-downs and write-backs on tangible and intangible assets.
- EBIT, as the key ratio for segment management, describes operating earnings for the period before net financial income and income taxes. Intra-Group rental contracts are shown as operating leases in the segments. The properties are leased at market rates. In principle, location risks and recoverability risks related to non-current assets are only disclosed in the segments where they represent Group risks.
- Segment investments include additions to assets adjusted for additions due to the reclassification of "assets held for sale" as fixed assets; additions to non-current financial investments are not included.
- Segment assets include non-current and current assets. Excluded are mainly financial investments according to the balance sheet, income tax items, cash and cash equivalents and assets allocable to discontinued operations. The reconciliation from segment assets to Group assets is shown in the following table:

€ million	31.03.2011	31.03.2012
Segment assets	27,203	27,889
Non-current and current financial investments	249	229
Cash and cash equivalents	1,690	1,958
Deferred tax assets	1,001	906
Entitlements to income tax refunds	468	516
Other entitlements to tax refunds[1]	475	464
Receivables from other financial transactions[2]	103	44
Other	44	38
Group assets	31,233	32,044

[1] Included in the balance sheet item "other financial and non-financial assets" (current)
[2] Included in the balance sheet items "other financial and non-financial assets" (non-current and current)

- Segment liabilities include non-current and current liabilities. They do not include, in particular, borrowings according to the balance sheet, income tax items and liabilities allocable to discontinued operations. The reconciliation from segment liabilities to Group liabilities is shown in the following table:

€ million	31.03.2011	31.03.2012
Segment liabilities	**14,905**	**14,998**
Non-current and current borrowings	8,927	9,364
Deferred tax liabilities	214	150
Income tax liabilities	223	295
Income tax provisions[1]	146	155
Other tax liabilities[2]	340	414
Liabilities from other financial transactions[2]	33	47
Liabilities to third parties[2]	27	88
Other	15	91
Group liabilities	**24,830**	**25,602**

[1] Included in the balance sheet items "other provisions" (non-current) and "provisions" (current)

[2] Included in the balance sheet items "other financial and non-financial liabilities" (non-current and current)

- In principle, transfers between segments are made based on the costs incurred from the Group's perspective.

Contingent Liabilities

The decline in contingent liabilities is mainly a result of the, in the meantime, realised risks in connection with the tax audit of a foreign subsidiary.

€ million	31/03/2011	31/03/2012
Liabilities from suretyships and guarantees	19	16
Liabilities from guarantee and warranty contracts	111	49
	130	65

Notes to Related Parties

In Q1 2012, METRO GROUP maintained the following business relations to related companies:

Mio. €	Q1 2011	Q1 2012
Goods/services provided	0	1
therefore to associated companies	0	0
Goods/services received	21	7
therefore from associated companies	2	3
Receivables from goods/services provided	0	1
Liabilities from goods/services received	2	2

In Q1 2012, METRO GROUP companies provided goods/services totalling €1 million to companies included in the group of related companies. This concerned primarily the granting of lease rights.

The goods/services totalling €7 million that METRO GROUP companies received from related companies in Q1 2012 consisted €5 million of services and €2 million of property leases. The decline in goods/services received resulted mainly from the termination of rental contracts with related parties.

Business relations with related companies are based on contractual agreements and are at arm's length. In the reporting period, METRO GROUP had no business relations with related natural persons.

Changes to the Management Board

Joël Saveuse, member of METRO AG's Management Board and CEO of the Real Group, left the company as of 31 March 2012. This was mutually agreed upon by Mr Saveuse and the Supervisory Board. CEO Olaf Koch has taken full responsibility for Real within the Management Board of METRO AG.

Financial Calendar

Annual General Meeting	Wednesday	23 May 2012	10.30 a.m.
Half-Year Financial Report H1/Q2 2012	Tuesday	31 July 2012	7.15 a.m.
Quarterly Financial Report Q3/9M 2012	Tuesday	30 October 2012	7.15 a.m.

All time specifications are CET.

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