METRO GROUP's currency-adjusted earnings above prior year

Like-for-like sales of METRO GROUP up 2.1%

Adjusted for currency effects and portfolio changes sales increased by 2.6%

All sales lines posted higher like-for-like sales from the Christmas business

EBIT before special items totalled €1,024 million (Q1 2013/14: €1,073 million) in spite of significant negative currency effects of about €60 million

EPS before special items: €1.36 (Q1 2013/14: €1.35)

Net debt reduced markedly by €0.9 billion to €1.5 billion

Guidance confirmed for financial year 2014/15

METRO Cash & Carry

Sales: -3.6% (in local currency: +1.1%)

Good like-for-like sales growth of 1.4%: sixth consecutive quarterly increase

Double-digit like-for-like sales growth in Russia

Sale of MAKRO Cash & Carry Greece successfully completed

Media-Saturn

Sales: +4.1% (in local currency: +5.6%)

Strong increase in like-for-like sales of 3.8%

All regions contributed to the positive sales development

Online sales rose by more than 28%

Real

Sales: -14.4% due to sale of Real Eastern Europe

Like-for-like sales in Germany up 0.9%

Additional stores to be remodelled

Galeria Kaufhof

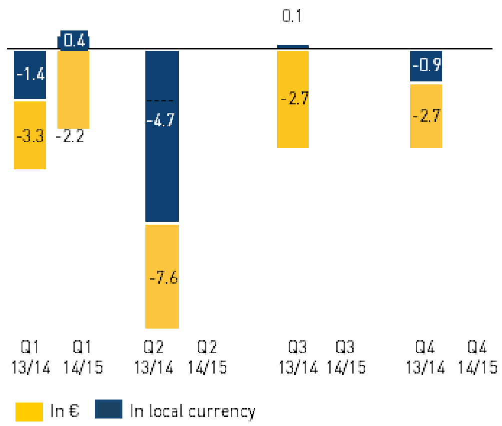
Sales: -1.0%

Like-for-like sales declined by 1.4% due to mild autumn weather

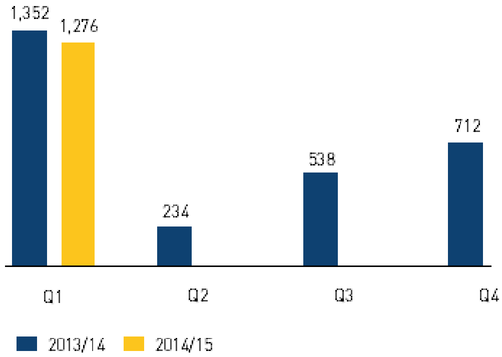
Strong sales increase from Christmas business

OVERVIEW Q1 2014/15

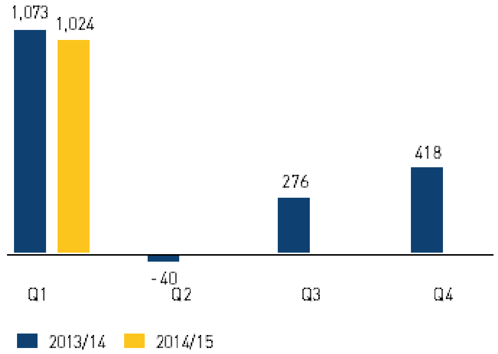
Sales growth (in %)



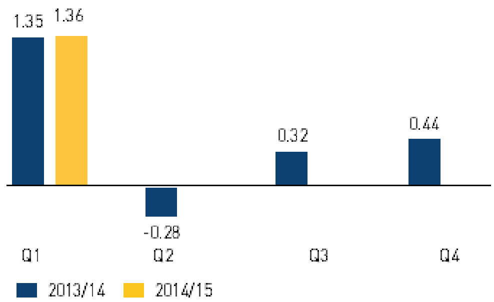
EBITDA before special items (€ million)



EBIT before special items (€ million)



EPS before special items (€)

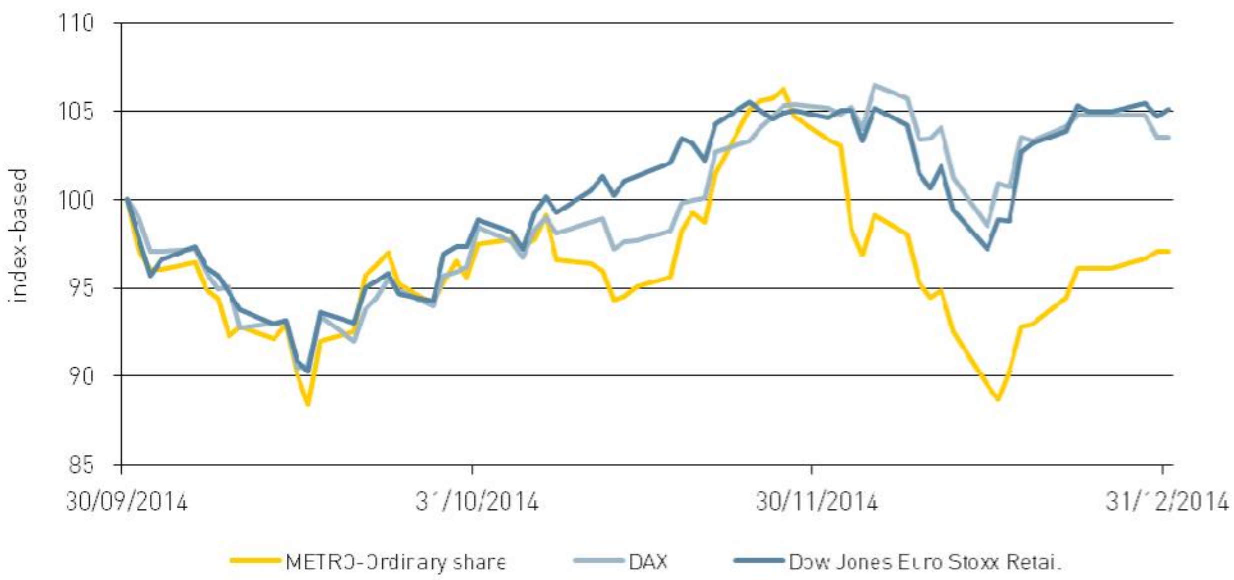


€ million	Q1 2013/14	Q1 2014/15	Change (€)	Change (local currency)
Sales	18,721	18,311	-2.2%	0.4%
Germany	7,709	7,718	0.1%	0.1%
International	11,012	10,593	-3.8%	0.7%
Western Europe (excl. Germany)	5,531	5,592	1.1%	1.1%
Eastern Europe	4,611	4,040	-12.4%	-0.4%
Asia/Africa	870	961	10.5%	2.8%
International share of sales	58.8%	57.8%	-	
EBITDA[1]	1,352	1,276	-5.6%	
EBIT[1]	1,073	1,024	-4.5%	
EBT (earnings before taxes)[1]	932	909	-2.5%	
Net profit for the period[1, 2]	440	445	1.2%	
EPS (€)[1]	1.35	1.36	1.2%	
Investments	273	176	-35.6%	
Locations[3]	2,253	2,209	-2.0%	
Selling space (1,000 sqm)[3]	12,853	12,198	-5.1%	
Employees (full-time basis)[3]	238,266	227,908	-4.3%	

[1]Before special items
[2]Profit attributable to shareholders of METRO AG
[3]As of the closing date 31 December

METRO SHARE

Share price development Q1 2014/15



At the start of the new financial year, the METRO AG ordinary share declined in line with the German stock index DAX and the Dow Jones Stoxx Retail sector index. On 16 October, the METRO share dropped to a quarterly low of €23.06. Following a recovery in November, the METRO share rose in sync with the indices again. On 27 November 2014, the METRO share reached its quarterly high at €27.71.

The geopolitical situation in Russia and Ukraine in combination with the weakening currencies in these countries weighed heavily on the METRO share at the end of November. From mid-December, positive reports about the past financial year and the announcement of an attractive dividend caused the share to rally again.

Overall, the METRO ordinary share price declined by 3.0% to €25.31 in Q1 2014/15. The DAX gained 3.5% while the Dow Jones Euro Stoxx Retail sector index rose by 5.1%.

As of the end of December 2014, Deutsche Börse's index ranked METRO AG's share 43rd in terms of market capitalisation and 31st in terms of stock market trading volume.

		Q1 2014/15
Closing price (€)	Ordinary shares	25.31
	Preference share	21.15
Highest price (€)	Ordinary shares	27.71
	Preference share	21.79
Lowest price (€)	Ordinary shares	23.06
	Preference share	19.31
Market capitalisation (€ billion)[1]	Total	8.3

[1]At the end of the reporting period
Data based on Xetra closing prices

INTERIM GROUP MANAGEMENT REPORT

Macroeconomic conditions

The economic environment remained challenging during the first quarter of the new financial year 2014/15. Over the past quarter, growth was driven mostly by the US economy which experienced some decoupling from developments in other regions of the world. In Europe and Asia, in turn, economic momentum remained muted.

Western Europe managed to avoid a renewed plunge into recession. Overall, however, the Eurozone economy stagnated during the reporting quarter. Sovereign debt concerns continue to dominate the news and have made renewed headlines as a result of the change of government in Greece. In addition, the Russia-Ukraine conflict continues to weigh on relations between Russia and the West. At the same time, pressure on the Russian economy is growing as a result of the sanctions imposed on Russia as well as low and continuously declining oil prices. In combination with the continuously diffuse political situation in Eastern Ukraine, this caused the rouble to take another plunge in December, which the Russian central bank sought to cap by massively raising benchmark rates and intervening in currency markets. While the Eastern European currencies have generally continued to weaken against the euro, Asian emerging market currencies strengthened against the euro. The euro also weakened significantly against the US dollar.

Consumer prices stagnated in Western Europe, in particular, with some countries slipping into deflation. Declining energy prices were the key factor here. At the same time, food prices also recorded further declines. Conversely, core inflation excluding energy and food declined only marginally compared with the same period a year earlier. However, at 0.7%, it also remains at a historically low level. Following significant currency devaluations, Russia and Ukraine, in turn, recorded strong double-digit price increases.

After the weak experienced in the two preceding quarters, the German economy strengthened only slightly during the Christmas quarter. Generally positive private consumption helped to stabilise the economy. The continuously robust employment situation and low prices bolstered private consumption. This also benefited the retail sector, which recorded nominal growth of about 1.5%. Overall, both food and non-food retail posted growth. In the non-food sector, clothes retailing was the key exception as it suffered a steep, weather-induced decline. At the same time, online retail continued to record strong growth and expanded its market share.

Economic developments in Western Europe remained muted during the reporting quarter, although the picture was mixed on a national level. While Spain is experiencing a sustained recovery, the economic situation remains difficult in Italy and France, in particular. This is also reflected in labour market developments. Unemployment rates in the Eurozone declined slightly compared with the same period in the previous year. However, while unemployment declined overall, jobless rates rose in Italy and France, in particular. This also had an impact on consumer demand and retailing. In France, in particular, retail sales were correspondingly lower during the reporting quarter. However, retail sales also stagnated in Western Europe during the quarter.

In Eastern Europe, economic developments were overshadowed by the Russia-Ukraine conflict, which negatively impacted these two countries' economies, in particular. All the while, Poland, the Czech Republic and Slovakia experienced generally robust economic momentum. This was also reflected in generally solid retail sales growth. At the same time, Russian retail profited from the steep devaluation of the rouble which fuelled short-term demand for consumer durables. This resulted in double-digit growth rates in many segments.

While Asia's emerging markets once again recorded the highest economic growth rates, the Chinese economy experienced the slowest growth in 24 years at 7.4%. India, in turn, experienced positive momentum, posting economic growth rates of 6%. Retail sales in both countries recorded double-digit nominal growth during the reporting quarter. In India, however, half of this growth was due to the increase in prices. The Japanese economy, for its part, struggled and slipped into recession during the second half of last year. In combination with a sales tax increase in April 2014, this is also dampening retail which managed to gain only slightly during the reporting quarter as a result.

Financial position and financial performance

Sales

Adjusted for currency effects and portfolio changes, METRO GROUP posted sales growth of 2.6% during the first quarter of 2014/15 (1 October 2014 to 31 December 2014) compared with the previous year's period. Reported sales declined by 2.2% to €18.3 billion. This decline is due mostly to the fact that the activities of Real in Eastern Europe are no longer included as well as to significant negative currency effects in large parts of Eastern Europe, particularly Russia and Ukraine. On a like-for-like basis, sales increased markedly by 2.1%.

Delivery sales increased substantially in Q1 2014/15 by 10.8% to €0.7 billion (in local currency: +12.3%).

The share of own brand sales declined slightly to 10.3% between October 2014 and December 2014 compared with 10.6% in the previous year’s period. This is also due to the fact that more customers opted for more expensive branded articles during the Christmas business than in the previous year.

During the first quarter of 2014/15, online sales produced by METRO GROUP totalled €0.6 billion, a rise of more than 30.0% compared with the previous year's quarter.

In Germany, sales increased by 0.1% to €7.7 billion during the first quarter of 2014/15. This was due to positive developments at Media-Saturn. All sales lines generated substantial sales growth during the Christmas business.

International sales fell by 3.8% to €10.6 billion in Q1 2014/15. Currency-adjusted sales rose by 0.7% including negative portfolio effects (Real Eastern Europe and MAKRO Cash & Carry Egypt). The international share of sales decreased from 58.8% to 57.8%.

In Western Europe (excluding Germany), sales rose by 1.1% to €5.6 billion in Q1 2014/15. This is due to positive developments at Media-Saturn, particularly in Spain.

Sales in Eastern Europe declined by 12.4% to €4.0 billion in Q1 2014/15. This is due to strong currency effects as well as the sale of Real Eastern Europe. Adjusted for currency effects, sales were down only slightly by 0.4%.

Sales in Asia/Africa grew by 10.5% to €1.0 billion. Currency effects had a positive impact here. Measured in local currency, sales rose by 2.8%.

Special items

Significant non-recurring business transactions, such as restructuring and changes in the group portfolio, are classified as special items. Reporting before special items therefore provides a better reflection of the operating performance, thus increasing the value of the information provided on the result. An overview, including the reconciliation of special items, can be found on pages 17 and 18.

Earnings

During the first quarter of 2014/15, EBIT at METRO GROUP stood at €1,008 million (Q1 2013/14: €1,094 million). This figure includes special items totalling €16 million (Q1 2013/14: €-21 million). EBIT before special items totalled €1,024 million (Q1 2013/14: €1,073 million). Exchange rate losses amount to about €60 million and stem mostly from business in Russian rouble.

The net financial result improved markedly from €-150 million to €-107 million in Q1 2014/15. The negative net interest result declined substantially to €-84 million as a result of lower indebtedness and lower interest rates (Q1 2013/14: €-106 million). The other net financial result was halved from €-44 million to €-22 million.

In the first quarter of 2014/15, earnings before taxes amounted to €901 million (Q1 2013/14: €944 million). Before special items, earnings before taxes totalled €909 million (Q1 2013/14: €932 million).

Reported tax expenses of €442 million (Q1 2013/14: €430 million) correspond to a group tax rate of 49.1% (Q1 2013/14: 45.6%). The tax rate before special items stands at 44.9% (Q1 2013/14: 46.1%).

In the first quarter of 2014/15, net profit for the period amounted to €459 million (Q1 2013/14: €514 million). This development is primarily due to the higher reported tax rate. Net profit for the period before special items nearly matched the year-earlier level at €501 million (Q1 2013/14: €503 million).

In the first quarter of 2014/15, earnings per share amounted to €1.24 (Q1 2013/14: €1.38). Adjusted for special items, earnings per share stood at €1.36, after €1.35 in the previous year's period.

Investments

METRO GROUP's capex in Q1 2014/15 amounted to €176 million (Q1 2013/14: €273 million).

Store network

In Q1 2014/15, METRO GROUP opened 23 stores in 7 countries (Q1 2013/14: 36 openings). In addition, 14 stores were disposed of or closed (Q1 2013/14: 4 disposals/closures).

METRO Cash & Carry opened a total of 9 stores in Q1 2014/15 (Q1 2013/14: 10). Russia and China accounted for 7 and 2 of these store openings, respectively. As announced, METRO Cash & Carry's 5 stores in Denmark were closed at the end of 2014. In addition, 1 METRO Cash & Carry store each was disposed of in Bulgaria and Romania.

Media-Saturn opened 13 consumer electronics stores during the first quarter of 2014/15 (Q1 2013/14: 25). The new store openings will lead to an even denser network of stores in Russia, the Netherlands, Spain, Germany, Belgium and Poland.

As announced, Real closed 5 stores during the first quarter of 2014/15.

Galeria Kaufhof opened 1 department store in Belgium and closed, as announced, 2 stores in Germany.

At the end of December 2014, METRO GROUP operated 2,209 stores in 30 countries.

A detailed presentation on the business development of the individual divisions is given on pages 9 through 14.

Funding

METRO GROUP employs typical ongoing capital market programmes for funding purposes. To cover medium- and long-term funding requirements, the Group uses a debt issuance programme. Bonds are issued from this programme. The maximum programme volume amounts to €6.0 billion and was drawn down by a nominal €3.9 billion as of 31 December 2014 (31 December 2013: €4.0 billion). METRO GROUP successfully issued a benchmark bond in the euro capital market as early as 21 October 2014 for a preliminary partial refinancing of the €1 million bond maturing in March 2015. The €500 million bond has a term of seven years and a coupon of 1.375% - the lowest coupon ever achieved in the BBB- rating class for such a term.

Short-term financing requirements are covered through the “Euro Commercial Paper Programme” and a “Commercial Paper Programme” geared especially to French investors. The maximum volume of each programme amounts to €2.0 billion. The total drawdown on both programmes between October 2014 and December 2014 amounted to €0.5 billion on average (Q1 2013/14: €0.3 billion).

In addition, METRO GROUP has bilateral and syndicated lines of credit amounting to €3.9 billion with remaining terms up to 2019. As of 31 December 2014, a total of €0.8 billion was drawn down (31 December 2013: €1.1 billion). A total of €3.1 billion in syndicated and bilateral lines of credit was not drawn on.

METRO GROUP's credit ratings assigned by Moody's and Standard & Poor's of Baa3 and BBB-, each with a stable outlook, are unchanged at investment grade.

Balance sheet

Compared with the end of the financial year as of 30 September 2014, total assets decreased by €3.5 billion to €31.6 billion. This is due partly to the business' typically seasonal nature which leads to higher cash and cash equivalents, but also to higher liabilities to suppliers at the end of the Christmas business. Compared with 31 December 2013, however, total assets fell by €1.4 billion. This reflects the lower indebtedness, among other things.

As of 31 December 2014, METRO GROUP's balance sheet disclosed €5.1 billion in equity. Compared with 30 September 2014, the equity ratio decreased from 17.8% to 16.0%. This is largely due to the higher total assets. Year on year as of 31 December 2013, the equity ratio fell from 17.3% to 16.0%. This reflects the lower equity resulting from currency effects and lower actuarial interest rates for pension liabilities.

Net debt, after netting cash and cash equivalents as well as financial investments with financial liabilities (including finance leases), totalled €1.5 billion as of 31 December 2014. As a result, net debt fell by €0.9 billion compared with 31 December 2013.

Cash flow

Between October 2014 and December 2014, cash inflow from operating activities amounted to €3.6 billion (Q1 2013/14: €3.6 billion).

Cash flow from investing activities amounted to €-0.3 billion (Q1 2013/14: €-0.2 billion) and primarily included investments in property, plant and equipment.

Cash flow from financing activities showed outflows of €0.8 billion (Q1 2013/14: €-1.2 billion) that were largely related to redemptions of financial debt.

Risks and opportunities

Since the preparation of the consolidated financial statements (24 November 2014), one material change has arisen from the reported opportunities and risks concerning the ongoing development of METRO GROUP as described in detail in the Annual Report 2014 (pp. 149 to 162). Due to the current strong devaluation of the Russian rouble, METRO GROUP is accordingly assuming a negative translation effect of about €200 million on EBIT. The recent devaluation of the Ukraine Hrywna will have no significant translation effect on EBIT.

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

Sustainability

In 2012, the METRO GROUP share was excluded from the Dow Jones Sustainability World Index after 12 consecutive years of membership of the index. In autumn 2014, the company once again cleared the hurdles for inclusion. Since then, METRO GROUP has been included in the global and European indices again. In addition, METRO GROUP received a retail sector bronze rating and was listed accordingly in the Sustainability Yearbook.

In summer 2014, METRO GROUP lost its prime status rating by rating agency oekom research, which meant that it was no longer included in the list of companies recommended by fund managers of sustainability funds. In December 2014, however, oekom research restored METRO GROUP's prime status rating after the Group provided the research agency with a comprehensive overview of its various new activities.

On 16 December 2014, METRO GROUP released its new Sustainability Report which describes the wide range of global initiatives. It explains METRO GROUP's objectives in the sustainability area, the approaches adopted and the measures that have already been implemented in METRO GROUP's sales divisions. The focus here is on the key areas of activity in the various segments of the value chain: from procurement, production and processing to transportation, storage and sales to the use of marketed products by customers and their disposal at the end of the product life cycle. The report is available at www.metrogroup.de.

METRO Cash & Carry

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like (local currency)	
	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15
Total	8,508	8,197	-1.1%	-3.6%	-3.3%	-4.7%	2.2%	1.1%	0.9%	1.4%
Germany	1,363	1,355	-2.1%	-0.6%	0.0%	0.0%	-2.1%	-0.6%	-2.1%	-0.6%
Western Europe (excl. Germany)	2,916	2,855	-0.1%	-2.1%	0.0%	0.0%	-0.1%	-2.1%	-0.6%	-1.3%
Eastern Europe	3,360	3,029	-2.6%	-9.9%	-6.5%	-14.4%	3.9%	4.6%	2.1%	4.5%
Asia/Africa	868	959	2.7%	10.5%	-8.6%	7.7%	11.4%	2.8%	7.0%	3.8%

Overall, METRO Cash & Carry recorded the sixth consecutive positive quarter with like-for-like sales growth of 1.4%. Due to exchange rate factors (primarily Russian rouble), sales in euro declined by 3.6% to €8.2 billion. Measured in local currency, sales rose by 1.1%.

Sales from the delivery business continued to show positive growth, rising by about 10.8% to €0.7 billion (in local currency by as much as about 12.3%). Sales from the delivery business now account for about 9% of sales of METRO Cash & Carry.

Own brands accounted for 16.0% of total sales in Q1 2014/15 after 16.4% in the previous year's period.

METRO Cash & Carry's 50-year anniversary on 27 October 2014 marked the end of the anniversary year and the festive highlight for customers and employees with a wide range of activities.

In Germany, sales declined slightly by 0.6% to €1.4 billion in Q1 2014/15. This decline also reflects the deflationary development of sales prices.

Sales in Western Europe totalled €2.9 billion and thus came in 2.1% below the previous year's figure. The like-for-like decline in sales of 1.3% was due to business developments in Belgium and the Netherlands. All other countries experienced stable or rising like-for-like sales.

In Eastern Europe, sales fell by 9.9% to €3.0 billion. However, this decline was exclusively due to currency effects. Measured in local currency, sales rose by 4.6%. Like-for-like sales also rose markedly by 4.5%. Supported by inflation, METRO Cash & Carry even recorded double-digit like-for-like growth in Russia.

Sales in Asia/Africa rose by 10.5% to €1.0 billion during Q1 2014/15. Exchange rates had a positive impact here. Measured in local currency, sales rose by 2.8%. Like-for-like sales actually grew by as much as 3.8%, with nearly all countries contributing to this increase.

The international share in sales generated during Q1 2014/15 dropped to 83.5% from 84.0%.

€ million	Q1 2013/14	Q1 2014/15	Change
EBITDA	646	587	-9.1%
EBITDA before special items	650	584	-10.3%
EBIT	536	485	-9.5%
EBIT before special items	540	481	-10.9%
Investments	60	77	27.4%

	30/09/2014	31/12/2014	Change
Store network	766	768	2
Selling space (1,000 sqm)	5,576	5,574	-2
Employees (full-time basis)	110,014	112,393	2,379

During the first quarter of 2014/15, EBIT amounted to €485 million (Q1 2013/14: €536 million). EBIT before special items amounted to €481 million (Q1 2013/14: €540 million). This decline is due mostly to very negative currency effects of nearly €60 million in Russia.

In Q1 2014/15, investments in expansion and modernisation amounted to €77 million (Q1 2013/14: €60 million). METRO Cash & Carry opened 9 stores during this period. The store networks in Russia and China were expanded by 7 and 2 stores, respectively. In Bulgaria and Romania, 1 store each was disposed of. As announced, 5 stores in Denmark were closed.

As of 31 December 2014, METRO Cash & Carry operated 768 stores in 27 countries: 107 stores in Germany, 233 in Western Europe, 295 in Eastern Europe and 133 in Asia.

Media-Saturn

	Sales € million		Change (€)		Currency effects		Change (local currency)		Like-for-like (local currency)	
	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15
Total	6,601	6,875	-0.7%	4.1%	-1.1%	-1.5%	0.4%	5.6%	-1.0%	3.8%
Germany	3,146	3,189	0.0%	1.4%	0.0%	0.0%	0.0%	1.4%	-1.2%	0.4%
Western Europe (excl. Germany)	2,564	2,688	0.3%	4.8%	-0.3%	-0.1%	0.6%	4.9%	0.2%	3.8%
Eastern Europe	891	998	-2.2%	12.0%	-6.9%	-12.4%	4.7%	24.4%	-3.7%	17.5%

Media-Saturn continued the positive sales trend of the past few quarters and generated strong like-for-like sales growth of 3.8% in Q1 2014/15. Sales in euro rose by 4.1% to €6.9 billion. As a result of the expansion, sales in local currency even grew by 5.6%. All regions contributed to the positive sales development.

Media-Saturn continued to forge ahead with the rigorous expansion of its online business and the dovetailing of its sales channels during the first quarter of 2014/15. As a result, online sales rose markedly by more than 25% to €0.5 billion, accounting for more than 7% of Media-Saturn's total sales.

In Germany, sales rose by 1.4% to €3.2 billion. Like-for-like sales increased by 0.4%.

Customers continue to respond positively to the multichannel offer. The online product range was expanded once again. At the end of December 2014, it consisted of about 90,000 items at Mediamarkt.de and about 80,000 at Saturn.de.

In Western Europe, sales rose markedly by 4.8% to €2.7 billion. In like-for-like terms, sales also increased noticeably by 3.8%. Development in Spain was particularly favourable, with double-digit growth in like-for-like sales. Sales recovered in Sweden, with like-for-like sales increasing compared with the previous year's figure. Due to the positive development in Western Europe, Media-Saturn continued to expand its market share in several countries.

In Eastern Europe, sales rose dynamically by 12.0% to €1.0 billion. Measured in local currency, sales even rose by 24.4%. At 17.5%, Media Saturn achieved record-high like-for-like sales growth in Eastern Europe. All countries recorded higher like-for-like sales, with Russia, Hungary and Poland achieving double-digit increases. Given expectations of a further weakening of the Russian rouble, pull-forward effects contributed decisively to high growth in Russia.

The international share in sales generated during Q1 2014/15 increased from 52.3% to 53.6%.

€ million	Q1 2013/14	Q1 2014/15	Change
EBITDA	356	406	13.9%
EBITDA before special items	353	401	13.6%
EBIT	292	344	18.0%
EBIT before special items	289	349	20.8%
Investments	58	41	-29.7%

	30/09/2014	31/12/2014	Change
Store network	986	999	13
Selling space (1,000 sqm)	3,070	3,085	15
Employees (full-time basis)	57,689	59,193	1,504

EBIT jumped sharply in the first quarter of 2014/15, rising to €344 million (Q1 2013/14: €292 million). This figure includes special items totalling €5 million (Q1 2013/14: €-3 million). EBIT before special items amounted to €349 million (Q1 2013/14: €289 million), an improvement of 20.8%. The strong increase was largely due to good like-for-like sales growth.

Investments amounted to €41 million in the first quarter of 2014/15 (Q1 2013/14: €58 million). A total of 13 consumer electronics stores were opened, including 5 in Russia, 3 in the Netherlands, 2 in Spain and 1 store each in Germany, Belgium and Poland.

As of 31 December 2014, the store network of Media-Saturn comprised 999 stores in 15 countries: 416 consumer electronics stores in Germany, 373 in Western Europe and 210 in Eastern Europe.

Real

	Sales € million		Change (€)		Currency effects		Change (local currency)		Like-for-like (local currency)	
	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15
Total	2,607	2,231	-16.0%	-14.4%	-0.4%	0.0%	-15.7%	-14.4%	-2.0%	0.9%
Germany	2,248	2,231	-2.2%	-0.8%	0.0%	0.0%	-2.2%	-0.8%	-2.1%	0.9%

As a result of the disposal of Real Eastern Europe, **sales** at Real declined from €2.6 billion to €2.2 billion in the first quarter of 2014/15. The figure for the previous year's quarter still included sales of Real in Poland and Turkey. As of Q1 2014/15, the remaining 4 stores of Real Romania are shown in the Others segment.

Due to closures, sales of Real Germany declined by 0.8% to €2.2 billion. On a like-for-like basis, however, sales increased by 0.9% despite the deflationary price development in the food sector.

Following heightened competition in autumn, developments turned distinctly positive again in December. Meanwhile, 50 stores have been remodelled since October 2013 on the basis of the store concept that was successfully tested and established in Essen. Real now offers customers an optimised assortment structure, attractive prices and an enhanced shopping atmosphere in all remodelled stores. Real plans to remodel additional stores on the basis of the new concept in financial year 2014/15.

In Germany, the own brand share of total sales dropped from 15.8% to 15.2% in Q1 2014/15. This shows that customers purchased more branded products during the Christmas quarter than a year earlier.

€ million	Q1 2013/14	Q1 2014/15	Change
EBITDA	155	105	-32.1%
EBITDA before special items	132	116	-12.4%
EBIT	121	74	-38.9%
EBIT before special items	98	84	-13.8%
Investments	6	12	-

	30/09/2014	31/12/2014	Change
Store network	311	302	-9
Selling space (1,000 sqm)	2,145	2,079	-66
Employees (full-time basis)	28,810	28,374	-436

During the first quarter of 2014/15, EBIT amounted to €74 million (Q1 2013/14: €121 million). EBIT before special items totalled €84 million, compared with €98 million in the previous year's period. This decline is due to an increased marketing intensity as well as the sale of Real Eastern Europe.

Investments amounted to €12 million in Q1 2014/15 (Q1 2013/14: €6 million).

As announced, 5 hypermarkets were closed in Germany. As a result, the German sales network comprised 302 stores as of 31 December 2014.

Galeria Kaufhof

	Sales € million		Change		Like-for-like	
	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15
Total	1,002	993	0.6%	-1.0%	0.6%	-1.4%
Germany	951	943	0.8%	-0.8%	0.8%	-1.1%
Western Europe (excl. Germany)	51	49	-2.6%	-3.5%	-2.6%	-5.9%

During the first quarter of 2014/15, sales at Galeria Kaufhof fell by 1.0% to €1.0 billion. Like-for-like sales decreased by 1.4%. A major reason for this was the mild weather conditions in autumn, which led to a poor start to the winter season for textile sales. This decline could not be fully compensated in December even though sales increased markedly during the Christmas business.

In Germany, sales of Galeria Kaufhof fell by 0.8% to €0.9 billion during the first quarter of 2014/15. Like-for-like sales decreased by 1.1%. The German textile market suffered a sharp, weather-induced decline. Here Galeria Kaufhof held up better, with distinctly positive business developments during the Christmas season. Accordingly, Galeria Kaufhof was able to expand its market share.

In Western Europe, sales fell by 3.5% in Q1 2014/15. In like-for-like terms, sales were down by 5.9%. The Christmas business developed very positively following a weak start to the quarter, but could not offset the sales decline.

€ million	Q1 2013/14	Q1 2014/15	Change
EBITDA	189	169	-10.5%
EBITDA before special items	189	169	-10.5%
EBIT	159	139	-12.4%
EBIT before special items	159	139	-12.4%
Investments	96	14	-85.2%

	30/09/2014	31/12/2014	Change
Store network	137	136	-1
Selling space (1,000 sqm)	1,446	1,430	-16
Employees (full-time basis)	17,330	18,358	1,028

During the first quarter of 2014/15, EBIT totalled €139 million (Q1 2013/14: €159 million). There were no special items. The decline is due to the fact that winter items were sold at a discount in the context of active inventory management as the seasonal business progressed.

During the first quarter of 2014/15, investments amounted to €14 million (Q1 2013/14: €96 million).

As announced, 2 stores in Germany were closed and 1 department store in Belgium was opened.

As of 31 December 2014, the store network of Galeria Kaufhof comprised 136 stores: 120 in Germany and 16 in Belgium.

Others

€ million	Q1 2013/14	Q1 2014/15	Change
Sales	3	15	-
EBITDA	32	3	-92.1%
EBITDA before special items	31	7	-78.4%
EBIT	-14	-35	-
EBIT before special items	-13	-31	-
Investments	53	32	-39.7%

	30/09/2014	31/12/2014	Change
Employees (full-time basis)	8,970	9,590	620

The Others segment comprises, among others, METRO AG as the management holding company of METRO GROUP, the procurement organisation in Hong Kong, which also operates on behalf of third parties, as well as logistics services and real estate activities of METRO PROPERTIES, which are not attributed to any sales lines (i.e. speciality stores, warehouses, head offices, etc.).

In Q1 2014/15, sales in the Others segment totalled €15 million (Q1 2013/14: €3 million). Among other things, sales include commissions for third-party business through METRO GROUP's procurement organisation in Hong Kong as well as the 4 Real stores in Romania since Q1 2014/15.

EBIT totalled €-35 million in the first quarter of 2014/15 (Q1 2013/14: €-14 million). EBIT before special items amounted to €-31 million (Q1 2013/14: €-13 million).

Subsequent events and outlook

Events after the quarter-end closing

On 19 January 2015, the management board of METRO GROUP Accounting Center GmbH informed employees about the planned closure of the company's Alzey operations. The respective discussions with the works council have already been initiated. This is expected to result in special items in the single-digit millions.

Following the approval of the relevant antitrust authorities, the sale of MAKRO Cash & Carry Greece that was agreed in November 2014 was completed on 30 January 2015. The sale was closed at a price reflecting an enterprise value of €65 million and entails a comparable amount of cash-effective revenues.

Macroeconomic outlook

Overall, global economic developments remain fragile. A positive outlook is reserved largely for the United States. In the Eurozone, lead indicators indicate, at best, a weak recovery although Eurozone economies are being supported by the euro devaluation, which boosts exports, as well as low oil prices. The European Central Bank is likely to attempt to foster economic growth and ward off deflation by buying government bonds. Overall, however, METRO GROUP expects little tailwind for the retail business in the Eurozone from the economic environment during the course of 2015. In Germany, in turn, robust labour market conditions and low prices continue to bolster conditions for consumption and retailing, in particular. In Eastern Europe, the Russia-Ukraine conflict continues to dominate the headlines. Russia continues to struggle with a difficult economic environment marked by a weak domestic economy, low oil prices and the steep devaluation of the rouble. In spite of China's loss of economic momentum, Asia's emerging markets will remain the fastest-growing region for METRO GROUP. The Japanese economy, in turn, is likely to recover only slowly from its current recession. In spite of the overall subdued economic growth trends we continue to expect global economic growth to top the previous year's figure at 2.4% in 2015.

Outlook

The forecast is based on the current group structure and refers to currency-adjusted figures. In addition, it is based on the assumption of an unchanged geopolitical situation compared to the last reporting (Annual Report 2013/14).

Sales

For financial year 2014/15, METRO GROUP expects to see a slight rise in overall sales, despite the persistently challenging economic environment.

In like-for-like sales, METRO GROUP foresees a slight increase that will follow the 0.1% gain in financial year 2013/14.

Earnings

In financial year 2014/15, earnings development will also be shaped by the persistently challenging economic environment.

Given the progress it has already made, METRO GROUP will continue the transformation of its business models in future. In the process, METRO GROUP will again closely focus on efficient structures and strict cost management.

For these reasons and in spite of diverging developments at the sales lines during the first quarter, METRO GROUP expects EBIT before special items adjusted for currency effects to rise slightly above the €1,727 million produced in financial year 2013/14, including typical levels of income from real estate sales.

Store network

Development of the store network Q1 2014/15

	30/09/2014	New store openings/ acquisitions Q1 2014/15	Closures/ disposals Q1 2014/15	31/12/2014	Change (absolute)
METRO Cash & Carry	766	+9	-7	768	+2
Media-Saturn	986	+13	0	999	+13
Real	307	0	-5	302	-5
Galeria Kaufhof	137	+1	-2	136	-1
Total	2,200*	+23	-14	2,209*	+9

*Including 4 stores in the Others segment

Store network as of 31 December 2014

	METRO Cash & Carry		Media-Saturn		Real		Galeria Kaufhof		METRO GROUP	
	Q1 2014/15	31/12/2014	Q1 2014/15	31/12/2014	Q1 2014/15	31/12/2014	Q1 2014/15	31/12/2014	Q1 2014/15	31/12/2014
Germany		107	+1	416	-5	302	-2	120	-6	945
Belgium		15	+1	24			+1	16	+2	55
Denmark	-5								-5	
France		93								93
Italy		49		117						166
Luxembourg				2						2
Netherlands		17	+3	48					+3	65
Austria		12		47						59
Portugal		10		9						19
Sweden				27						27
Switzerland				25						25
Spain		37	+2	74					+2	111
Western Europe (excl. Germany)	-5	233	+6	373			+1	16	+2	622
Bulgaria	-1	13							-1	13
Greece		9		10						19
Kazakhstan		8								8
Croatia		7								7
Moldova		3								3
Poland		41	+1	72					+1	113
Romania	-1	31							-1	31
Russia	+7	80	+5	68					+12	148
Serbia		10								10
Slovakia		6								6
Czech Republic		13								13
Turkey		28		39						67
Ukraine		33								33
Hungary		13		21						34
Eastern Europe	+5	295	+6	210					+11	505
China	+2	80							+2	80
India		16								16
Japan		9								9
Pakistan		9								9
Vietnam		19								19
Asia	+2	133							+2	133
Total	+2	768	+13	999	-5	302	-1	136	+9	2,209*

*Including 4 stores in the Others segment

Reconciliation of special items (operating segments)

Q1 2014/15

Special items

by sales line

€ million	As reported		Special items		Before special items	
	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15
EBITDA	1,375	1,269	-23	7	1,352	1,276
thereof METRO Cash & Carry	646	587	4	-4	650	584
Media-Saturn	356	406	-3	-4	353	401
Real	155	105	-23	10	132	116
Galeria Kaufhof	189	169	0	0	189	169
Others	32	3	-1	4	31	7
Consolidation	-3	0	0	0	-2	0
EBIT	1,094	1,008	-21	16	1,073	1,024
thereof METRO Cash & Carry	536	485	4	-3	540	481
Media-Saturn	292	344	-3	5	289	349
Real	121	74	-23	10	98	84
Galeria Kaufhof	159	139	0	0	159	139
Others	-14	-35	1	4	-13	-31
Consolidation	0	1	0	0	1	1
Net financial result	-150	-107	9	-8	-141	-115
EBT (Earnings Before Taxes)	944	901	-12	8	932	909
Income taxes	-430	-442	1	34	-429	-408
Net profit or loss for the period	514	459	-11	42	503	501
Profit or loss for the period attributable to non-controlling interests	63	55	0	1	63	56
Profit or loss for the period attributable to shareholders of METRO AG	451	404	-11	41	440	445
Earnings per share in € (basic = diluted)	1.38	1.24	-0.03	0.12	1.35	1.36

Reconciliation of special items (geographical segments)

Q1 2014/15

Special items

by region

	As reported		Special items		Before special items	
€ million	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15
EBITDA	1,375	1,269	-23	7	1,352	1,276
thereof Germany	621	540	-10	14	611	554
Western Europe (excl. Germany)	323	330	-1	0	321	329
Eastern Europe	413	359	-19	-8	394	351
Asia/Africa	19	43	7	1	26	44
Consolidation	0	-2	0	0	0	-2
EBIT	1,094	1,008	-21	16	1,073	1,024
thereof Germany	478	405	-8	14	470	420
Western Europe (excl. Germany)	265	273	-1	0	264	273
Eastern Europe	346	302	-19	1	327	304
Asia/Africa	5	30	7	1	12	31
Consolidation	0	-2	0	0	0	-2
Net financial result	-150	-107	9	-8	-141	-115
EBT (Earnings Before Taxes)	944	901	-12	8	932	909
Income taxes	-430	-442	1	34	-429	-408
Net profit or loss for the period	514	459	-11	42	503	501
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Net profit for the period attributable to shareholders of METRO AG	451	404	-11	41	440	445
Earnings per share in € (basic = diluted)	1.38	1.24	-0.03	0.12	1.35	1.36

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Income statement

€ million	Q1 2013/14	Q1 2014/15
Sales	18,721	18,311
Cost of sales	-14,697	-14,413
Gross profit on sales	4,024	3,898
Other operating income	373	339
Selling expenses	-2,972	-2,872
General administrative expenses	-323	-345
Other operating expenses	-8	-12
Earnings before interest and taxes EBIT	1,094	1,008
Result from associates and joint ventures	0	0
Other investment result	0	-1
Interest income	17	13
Interest expenses	-123	-97
Other net financial result	-44	-22
Net financial result	-150	-107
EBT (Earnings Before Taxes)	944	901
Income taxes	-430	-442
Net profit or loss for the period	514	459
Profit or loss for the period attributable to non-controlling interests	63	55
Net profit for the period attributable to shareholders of METRO AG	451	404
Earnings per share in € (basic = diluted)	1.38	1.24

Reconciliation from profit or loss for the period to total comprehensive income

€ million	Q1 2013/14	Q1 2014/15
Net profit or loss for the period	514	459
Other comprehensive income		
Items of “other comprehensive income” that will not be reclassified subsequently to profit or loss	0	-125
Remeasurements of defined benefit pension plans	1	-177
Income tax attributable to items of “other comprehensive income” that will not be reclassified subsequently to profit or loss	-1	52
Items of “other comprehensive income” that may be reclassified subsequently to profit or loss	22	-197
Currency translation differences from translating the financial statements of foreign operations	-34	-196
Effective portion of gains/losses from cash flow hedges	1	0
Gains/losses from the revaluation of financial instruments in the category “available for sale”	53	-1
Income tax attributable to items of “other comprehensive income” that may be reclassified subsequently to profit or loss	2	0
Other comprehensive income	22	-322
Total comprehensive income	536	137
Total comprehensive income attributable to non-controlling interests	66	55
Total comprehensive income attributable to shareholders of METRO AG	470	82

Balance sheet

Assets

€ million	30/09/2014	31/12/2013	31/12/2014
Non-current assets	15,572	16,566	14,918
Goodwill	3,671	3,765	3,645
Other intangible assets	380	376	370
Property, plant and equipment	10,025	10,608	9,445
Investment properties	223	153	221
Financial assets	71	381	71
Investments accounted for using the equity method	95	132	95
Other financial and non-financial assets	272	321	261
Deferred tax assets	835	830	810
Current assets	12,584	16,424	16,713
Inventories	5,946	6,843	6,770
Trade receivables	560	658[1]	658
Financial assets	1	8	1
Other financial and non-financial assets	2,981[1]	3,719[1]	3,595
Entitlements to income tax refunds	223	209	193
Cash and cash equivalents	2,406	4,654	4,884
Assets held for sale	467[1]	333	612
	28,156	32,990	31,631

Equity and liabilities

€ million	30/09/2014	31/12/2013	31/12/2014
Equity	4,999	5,698	5,061
Share capital	835	835	835
Capital reserve	2,551	2,551	2,551
Reserves retained from earnings	1,602	2,263	1,646
Non-controlling interests	11	49	29
Non-current liabilities	6,921	8,053	7,420
Provisions for pensions and similar obligations	1,684	1,509	1,859
Other provisions	478	436	462
Financial liabilities	4,453	5,814	4,839
Other financial and non-financial liabilities	176	172	159
Deferred tax liabilities	130	122	101
Current liabilities	16,236	19,239	19,150
Trade liabilities	10,075[1]	13,990[1]	13,742
Provisions	615	559	573
Financial liabilities	2,615	1,249	1,564
Other financial and non-financial liabilities	2,528	2,675	2,546
Income tax liabilities	198	446	430
Liabilities connected to assets held for sale	205[1]	320	295
	28,156	32,990	31,631

[1] Adjustment of previous year (see chapter "Notes to the accounting principles and methods for interim consolidated financial statements")

Cash flow statement

€ million	Q1 2013/14	Q1 2014/15
EBIT	1,094	1,008
Depreciation/amortisation/impairment losses/reversal of impairment losses of assets excl. financial investments	281	261
Change in provisions for pensions and other provisions	-74	-46
Change in net working capital	2,288	2,357
Income taxes paid	-79	-123
Reclassification of gains (-) / losses (+) from the disposal of long term assets	-3	-10
Other	62[1]	169
Cash flow from operating activities	3,569	3,616
Acquisitions of subsidiaries net of cash acquired	0	0
Investments in property, plant and equipment (excl. finance leases)	-248	-316
Other investments	-32	-32
Divestments	0	5
Disposal of fixed assets	38	43
Gains (+) / losses (-) from the disposal of fixed assets	3	10
Cash flow from investing activities	-239	-290
Dividends paid		
to METRO AG shareholders	0	0
to other shareholders	-44	-29
Redemption of liabilities from put options of non-controlling interests	-1	0
Raising of borrowings	0	500
Redemption of borrowings	-1,016	-1,159
Interest paid	-121	-95
Interest received	18	12
Profit and loss transfers and other financing activities	-30	-30
Cash flow from financing activities	-1,194	-801
Total cash flows	2,136	2,525
Currency effects on cash and cash equivalents	-12	-29
Total change in cash and cash equivalents	2,124	2,496
Cash and cash equivalents as of 1 October	2,564	2,406
Cash and cash equivalents shown under IFRS 5 assets	7[1]	3
Cash and cash equivalents as of 1 October	2,571	2,409
Cash and cash equivalents as of 31 December	4,654	4,884
Cash and cash equivalents shown under IFRS 5 assets	41[1]	21
Total cash and cash equivalents as of 31 December	4,695	4,905

[1] Changed separate recognition of cash and cash equivalents shown in IFRS 5 assets.

Statement of changes in equity

€ million	Share capital	Capital reserve	Effective portion of gains/losses from cash flow hedges	Gains/losses from the revaluation of financial instruments in the category "available for sale"	Currency translation differences from translating the financial statements of foreign operations	Remeasurements of defined benefit pension plans	Income tax attributable to components of "other comprehensive income"
01/10/2013	835	2,551	61	70	-407	-611	174
Dividends	0	0	0	0	0	0	0
Total comprehensive income	0	0	1	53	-37	1	1
Capital balance from acquisitions of shares	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0
31/12/2013	835	2,551	62	123	-444	-610	175
01/10/2014	835	2,551	82	0	-441	-865	201
Dividends	0	0	0	0	0	0	0
Total comprehensive income	0	0	-1	0	-196	-177	52
Capital balance from acquisitions of shares	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0
31/12/2014	835	2,551	81	0	-637	-1,042	253

Continued statement of changes in equity

€ million	Other reserves retained from earnings	Total reserves retained from earnings	Total equity before non-controlling interests	thereof attributable to "other comprehensive income"	Non-controlling interests	thereof attributable to "other comprehensive income"	Total equity
01/10/2013	2,506	1,793	5,179		27		5,206
Dividends	0	0	0		-44		-44
Total comprehensive income	451	470	470	(19)	66	(3)	536
Capital balance from acquisitions of shares	-1	-1	-1		1		0
Other changes	1	1	1		-1		0
31/12/2013	2,957	2,263	5,649		49		5,698
01/10/2014	2,625	1,602	4,988		11		4,999
Dividends	0	0	0		-29		-29
Total comprehensive income	404	82	82	(-322)	55	(0)	137
Capital balance from acquisitions of shares	-1	-1	-1		0		-1
Other changes	-37	-37	-37		-8		-45
31/12/2014	2,991	1,646	5,032		29		5,061

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Segment reporting Q1 2014/15

Operating segments

€ million	METRO Cash & Carry Q1 2013/14	METRO Cash & Carry Q1 2014/15	Media-Saturn Q1 2013/14	Media-Saturn Q1 2014/15	Real Q1 2013/14	Real Q1 2014/15	Galeria Kaufhof Q1 2013/14	Galeria Kaufhof Q1 2014/15
External sales (net)	8,508	8,197	6,601	6,875	2,607	2,231	1,002	993
Internal sales (net)	14	4	1	0	0	2	0	0
Sales (net)	8,521	8,202	6,602	6,875	2,607	2,233	1,002	993
EBITDA	646	587	356	406	155	105	189	169
Depreciation/amortisation/impairment	110	103	64	61	35	32	30	30
Reversals of impairment losses	0	1	0	0	0	0	0	0
EBIT	536	485	292	344	121	74	159	139
Investments	60	77	58	41	6	12	96	14
Segment assets	11,817[1]	11,287	6,513[1]	6,436	3,279	3,293	2,182	2,209
thereof non-current	(8,316)	(7,480)	(1,635)	(1,476)	(2,070)	(2,062)	(1,618)	(1,629)
Segment liabilities	6,148[1]	6,232	8,146[1]	8,449	1,649	1,729	930	998
Selling space (1,000 sqm)	5,608	5,574	3,070	3,085	2,732	2,079	1,443	1,430
Locations (number)	762	768	971	999	383	302	137	136

Continued Divisions

€ million	Others Q1 2013/14	Others Q1 2014/15	Consolidation Q1 2013/14	Consolidation Q1 2014/15	METRO GROUP Q1 2013/14	METRO GROUP Q1 2014/15
External sales (net)	3	15	0	0	18,721	18,311
Internal sales (net)	1,637	599	-1,652	-605	0	0
Sales (net)	1,639	613	-1,652	-605	18,721	18,311
EBITDA	32	3	-3	0	1,375	1,269
Depreciation/amortisation/impairment	46	37	-3	-1	281	262
Reversals of impairment losses	0	0	0	0	0	1
EBIT	-14	-35	0	1	1,094	1,008
Investments	53	32	0	0	273	176
Segment assets	2,920	2,098	-651	-466	26,060[1]	24,858
thereof non-current	(1,625)	(1,337)	(-51)	(-46)	(15,214)	(13,938)
Segment liabilities	2,433	1,638	-603	-401	18,703[1]	18,645
Selling space (1,000 sqm)	0	29	0	0	12,853	12,198
Locations (number)	0	4	0	0	2,253	2,209

[1] Adjustment of previous year (see chapter “Notes to the accounting principles and methods for group interim statements”)

Regional segments

	Germany		Western Europe (excl. Germany)		Eastern Europe		Asia/Africa	
€ million	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15
External sales (net)	7,709	7,718	5,531	5,592	4,611	4,040	870	961
Internal sales (net)	60	41	29	41	6	2	7	9
Sales (net)	7,769	7,759	5,560	5,633	4,617	4,042	877	970
EBITDA	621	540	323	330	413	359	19	43
Depreciation/amortisation/impairment	143	135	58	58	67	56	14	13
Reversals of impairment losses	0	0	0	1	0	0	0	0
EBIT	478	405	265	273	346	302	5	30
Investments	186	76	37	38	32	55	19	8
Segment assets	11,673[1]	11,532	6,547[1]	6,588	6,561[1]	5,376	1,658[1]	1,775
thereof non-current	(6,439)	(6,247)	(3,569)	(3,438)	(4,194)	(3,337)	(1,015)	(920)
Segment liabilities	8,669[1]	8,792	5,562[1]	5,935	3,778[1]	3,159	1,033[1]	1,107
Selling space (1,000 sqm)	5,777	5,703	2,855	2,806	3,446	2,900	775	789
Locations (number)	951	945	616	622	556	509	130	133

Continued Geographical segments

	International		Consolidation		METRO GROUP	
€ million	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15
External sales (net)	11,012	10,593	0	0	18,721	18,311
Internal sales (net)	42	52	-103	-93	0	0
Sales (net)	11,054	10,645	-103	-93	18,721	18,311
EBITDA	755	731	0	-2	1,375	1,269
Depreciation/amortisation/impairment	139	127	0	0	281	262
Reversals of impairment losses	0	1	0	0	0	1
EBIT	616	605	0	-2	1,094	1,008
Investments	88	100	0	0	273	176
Segment assets	14,767[1]	13,739	-379	-414	26,060[1]	24,858
thereof non-current	(8,778)	(7,695)	(-3)	(-3)	(15,214)	(13,938)
Segment liabilities	10,373[1]	10,200	-340	-347	18,703[1]	18,645
Selling space (1,000 sqm)	7,076	6,495	0	0	12,853	12,198
Locations (number)	1,302	1,264	0	0	2,253	2,209

[1] Adjustment of previous year (see chapter “Notes to the accounting principles and methods for group interim statements”)

Notes to the accounting principles and methods of the interim consolidated financial statements

These unaudited interim consolidated financial statements as of 31 December 2014 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.

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. 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 all other tables, the individual amounts and the totals were rounded separately. This may entail rounding differences.

During the financial year, sales-related and cyclical items are accounted for pro-rata, where material.

In preparing these interim consolidated financial statements, all applicable standards and interpretations published by the International Accounting Standards Board (IASB), insofar as these were adopted by the European Union, were applied. With the exception of new or revised accounting methods described below, the same recognition and measurement principles have been applied as in the last consolidated financial statements as of 30 September 2014. More information regarding the recognition and measurement principles applied can be found in the notes to the annual consolidated financial statements as of 30 September 2014 (see Annual Report 2013/14, pages 184-203).

New accounting rules

The new and amended standards that are material to METRO AG and have been applied for the first time since 1 October 2014 are explained in the following.

IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) and IFRS 12 (Disclosure of Interests in Other Entities)

The new standards IFRS 10, 11 and 12 contain changes in accounting and disclosure requirements for consolidated financial statements. IFRS 10 (Consolidated Financial Statements) includes a new definition of control that determines which entities are consolidated. It replaces previous regulations governing consolidated financial statements included in IAS 27 (Consolidated and Separate Financial Statements – from now on, only Separate Financial Statements) and SIC-12 (Consolidation – Special Purpose Entities). The key change resulting from IFRS 10 concerns the introduction of a uniform definition of control. Three criteria must now be met for the existence of control. For one, the investor has power over the investee. This means that the investor has existing rights that give it the ability to direct the relevant activities; that is, the activities that significantly affect the investee's results. In addition, the investor is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

IFRS 11 (Joint Arrangements) describes the accounting for arrangements in which several parties have joint control over a joint venture or a joint operation. It replaces IAS 31 (Interests in Joint Ventures) and SIC13 (Jointly Controlled Entities – Non-Monetary Contributions by Venturers) and amends IAS 28 (Investments in Associates – from now on: Investments in Associates and Joint Ventures). IFRS eliminates the option previously granted under IAS 31 to apply proportionate consolidation to joint ventures. From now on, joint ventures must be recognised using the equity method in accordance with the stipulations of IAS 28. As METRO AG has not made use of the option to apply proportionate consolidation, this amendment has no effect on the consolidated financial statements of METRO AG. According to IFRS 11, the individual partners in joint arrangements recognise their portion of jointly held assets and jointly incurred liabilities in their own balance sheet. Analogously, they also include their respective portion of sales, income and expenses deriving from the joint arrangement in their income statement.

The new IFRS 12 (Disclosure of Interests in Other Entities) markedly expands the disclosure requirements for investments in other entities. From now on, detailed information must be provided on subsidiaries, associates, joint arrangements, joint ventures, consolidated special purpose entities (so-called structured entities) and all special purpose entities that are not consolidated but with which an entity maintains a relationship.

The first-time application of these standards had no material effect on the consolidated financial statements of METRO AG.

IAS 32 (Financial Instruments: Presentation)

Pursuant to IAS 32 (Financial Instruments: Presentation), financial assets and financial liabilities should be offset if the following two preconditions are met: first, the entity must have a legally enforceable right to set off the amounts as of the balance sheet date; second, it must intend to either settle on a net basis or to realise the asset and settle the liability simultaneously. The amendment to IAS 32 "Offsetting of Financial Assets and Financial Liabilities" specifies when these conditions are considered met. In particular, it determines criteria for the existence of a legally enforceable right.

The retrospective application of this specification led to the following changes. The balance sheet was extended by €202 million during the comparable period until 31 December 2013, with trade receivables, receivables from suppliers and trade payables accounting for €4 million, €198 million and €202 million, respectively. The balance sheet was also extended by €152 million as of the end of the last financial year as of 30 September 2014, with receivables from suppliers, assets held for sale, trade payables and liabilities in connection with assets held for sale accounting for €145 million, €7 million, €145 million and €7 million, respectively.

Additional IFRS amendments

Within the scope of the annual improvements to IFRS 2010–2012, slight revisions were made to IFRS 3 (Business Combinations) and IFRS 8 (Operating Segments), among others. In IFRS 3, clarification was provided that a contingent consideration is only classified as equity or a financial liability when there is a financial instrument. Additionally, the option to recognise effects from the subsequent measurement of contingent considerations outside of profit or loss in other comprehensive income was eliminated. Their recognition through profit or loss is now mandatory. From now on, transactions with contingent considerations will therefore result in individual impacts on earnings for METRO AG.

Furthermore, aggregation of several operating segments to a single reportable segment in accordance with IFRS 8 requires a description of the aggregated operating segments. Additionally, the metrics used as a criterion for evaluating the existence of similar economic characteristics must now be disclosed. METRO AG will comply with these new disclosure requirements for the first time in its consolidated financial statements as of 30 September 2015. A reconciliation of segment assets to group assets is now necessary only if the segment assets are part of reporting to the responsible corporate decision-maker. However, for the time being, METRO AG will continue to report the reconciliations from segment assets to group assets and from segment liabilities to group liabilities.

Notes to the income statement

Depreciation/amortisation/impairment losses

Depreciation/amortisation/impairment losses of €263 million (Q1 2013/14: €281 million) include impairment losses of €3 million (Q1 2013/14: €3 million).

The attribution of depreciation/amortisation/impairment losses in the income statement and the affected asset categories is as follows:

€ million	Q1 2013/14	Q1 2014/15
Cost of sales	5	4
Selling expenses	242	229
General administrative expenses	34	29
Other operating expenses	0	0
Net financial result	0	1
	281	263

€ million	Q1 2013/14	Q1 2014/15
Goodwill	0	0
Other intangible assets	37	32
Property, plant and equipment	242	227
Investment properties	2	3
Financial investments[1]	0	1
	281	263

[1]Including investments accounted for using the equity method

Impairments of capitalised financial instruments measured at amortised cost amount to €16 million (Q1 2013/14: €18 million).

Notes to the balance sheet

1. Assets held for sale/liabilities related to assets held for sale

Sale of wholesale business in Vietnam

On 7 August 2014, METRO Cash & Carry reached an agreement with the Thai retail group Berli Jucker Public Company Limited (BJC) for the sale of all 19 Vietnamese wholesale stores including the associated real estate portfolio. METRO GROUP is currently still in negotiations with the major shareholder of BJC regarding the payment modalities for the sale. Once the respective contracts have been signed, the transaction requires customary local regulatory approvals. METRO GROUP continues to assume that the transaction will be concluded in financial year 2014/15. Until these conditions are fulfilled, the Vietnamese wholesale business will remain part of METRO GROUP and will continue to contribute to group results. Since the agreement's effective date, all assets and liabilities affected by the agreement have been treated as a disposal group pursuant to IFRS 5. Following consolidation of all intra-group assets and liabilities, they are therefore shown in the item "assets held for sale" (€243 million) or "liabilities related to assets held for sale" (€211 million) in the consolidated balance sheet as of 31 December 2014. The assets and liabilities can be broken down as follows:

€ million	31/12/2014
Assets	
Property, plant and equipment	120
Other financial and non-financial assets (non-current)	51
Inventories	50
Trade receivables	4
Other financial and non-financial assets (current)	15
Cash and cash equivalents	3
	243
Liabilities	
Provisions for pensions and similar obligations	1
Borrowings (non-current)	71
Trade liabilities	52
Provisions (current)	6
Borrowings (current)	76
Other financial and non-financial liabilities (current)	5
	211

In the METRO Cash & Carry segment, assets and liabilities held for sale that are related to the Vietnamese wholesale business contribute €235 million to segment assets and €64 million to segment liabilities.

Expenses of €1 million in connection with the sale to BJC were incurred in the first quarter of financial year 2014/15. They are reported under general administrative expenses and are attributable to the METRO Cash & Carry segment. No expenses were incurred in connection with the measurement of the disposal group at fair value less costs to sell. The transaction also had no impact on other comprehensive income.

Sale of cash & carry activities in Greece

In November 2014, METRO GROUP concluded an agreement about the sale of 100% of the shares in MAKRO Cash & Carry Wholesale S.A., Greece, consisting of 9 cash & carry stores and the associated real estate portfolio, with INO S.A., a 70% owned subsidiary of Greek retail group I. & S. Sklavenitis Trade S.A. (Sklavenitis). In the consolidated interim financial statements as of 31 December 2014, all assets and liabilities affected by this agreement are treated as a disposal group in the meaning of IFRS 5 and shown under „Assets held for sale" (€146 million) and „Liabilities related to assets held for sale" (€83 million) after consolidation of all intra-group assets and liabilities. These assets and liabilities can be broken down as follows:

€ million	31/12/2014
Assets	
Goodwill	25
Property, plant and equipment	57
Inventories	30
Other financial and non-financial assets (current)	16
Cash and cash equivalents	18
	146
Liabilities	
Provisions for pensions and similar obligations	2
Trade liabilities	74
Provisions (current)	2
Other financial and non-financial liabilities (current)	5
	83

In the METRO Cash & Carry segment, assets and liabilities held for sale that are related to the Greek wholesale business contribute €127 million to segment assets and €82 million to segment liabilities. In addition, segment liabilities in the consolidation segment are reduced by €2 million in this context.

Neither the sale to Sklavenitis nor the valuation of the disposal group at fair value less costs to sell had an impact in profit or loss. The transaction also had no impact on other comprehensive income.

The conditions for the accounting treatment of the disposal of the Greek wholesale business that were outstanding as of 31 December 2014 were fulfilled on 30 January 2015. Consequently, the deconsolidation will be shown in the half-year financial statement for 2014/15.

Divestment of Real's Eastern European business

In the context of the disposal of Real's Eastern European business to Groupe Auchan, which was completed by the end of Q2 2013/14, the group plans to sell the remaining assets to other buyers. At €2 million, these assets are recognised in "assets held for sale" and contribute the same amount to segment assets in the Others segment. “Liabilities related to assets held for sale” do not exist for these additional assets.

Real estate

Due to property sales and currency effects, the value of individual real estate assets held for sale declined by €8 million each to €221 million during the first quarter of 2014/15.

METRO GROUP expects to dispose of the real estate assets recognised as “assets held for sale” during the course of financial year 2014/15. No impairment losses to a lower fair value less costs to sell became necessary. Within segment reporting, these assets are recognised in segment assets of the Real (€172 million), and Others (€49 million) segments.

Carrying amounts and fair values according to measurement category

The carrying amounts and fair values of recognised financial instruments are as follows:

	31/12/2013				
		Balance sheet value			
€ million	Carrying amount	(Amortised) cost	Fair value affecting profit or loss	Fair value outside of profit or loss	Fair value
Assets	32,990	n/a	n/a	n/a	n/a
Loans and receivables	3,687	3,687	0	0	3,687
Loans and advance credit granted	69	69	0	0	69
Receivables due from suppliers[1]	2,260	2,260	0	0	2,260
Trade receivables[1]	658	658	0	0	658
Miscellaneous financial assets	701	701	0	0	701
Held to maturity	0	0	0	0	0
Securities	0	0	0	0	0
Miscellaneous financial assets	0	0	0	0	0
Held for trading	11	0	11	0	11
Derivative financial instruments not in a hedging relationship according to IAS 39	11	0	11	0	11
Securities	0	0	0	0	0
Miscellaneous financial assets	0	0	0	0	0
Available for sale	324	17	0	306	n/a
Investments	323	17	0	305	n/a
Securities	1	0	0	1	1
Miscellaneous financial assets	0	0	0	0	0
Derivative financial instruments within hedges under IAS 39	0	0	0	0	0
Cash and cash equivalents	4,654	4,654	0	0	4,654
Receivables from finance lease (amount according to IAS 17)	4	n/a	n/a	n/a	5
Assets not classified according to IFRS 7	24,311	n/a	n/a	n/a	n/a
Equity and liabilities	32,990	n/a	n/a	n/a	n/a
Held for trading	6	0	6	0	6
Derivative financial instruments not in a hedging relationship according to IAS 39	6	0	6	0	6
Miscellaneous financial liabilities	0	0	0	0	0
Other financial liabilities	21,155	21,076	0	78	21,483
Borrowings excl. finance leases (incl. hedged items in hedging relationships according to IAS 39)	5,683	5,683	0	0	6,012
Trade liabilities[1]	13,990	13,990	0	0	13,990
Miscellaneous financial liabilities	1,481	1,403	0	78	1,481
Derivative financial instruments within hedges under IAS 39	22	0	0	22	22
Liabilities from finance lease (amount according to IAS 17)	1,380	n/a	n/a	n/a	1,583
Liabilities not classified according to IFRS 7	10,428	n/a	n/a	n/a	n/a
Unrealised gain (+)/loss (–) from total difference between fair value and carrying amounts					-530

[1] Adjustment of previous year (see chapter "Notes to the accounting principles and methods for consolidated interim financial statements")

	31/12/2014				
		Balance sheet value			
€ million	Carrying amount	(Amortised) cost	Fair value affecting profit or loss	Fair value outside of profit or loss	Fair value
Assets	31,631	n/a	n/a	n/a	n/a
Loans and receivables	3,491	3,491	0	0	3,490
Loans and advance credit granted	54	54	0	0	53
Receivables due from suppliers	2,130	2,130	0	0	2,130
Trade receivables	658	658	0	0	658
Miscellaneous financial assets	649	649	0	0	650
Held to maturity	0	0	0	0	0
Securities	0	0	0	0	0
Miscellaneous financial assets	0	0	0	0	0
Held for trading	112	0	112	0	112
Derivative financial instruments not in a hedging relationship according to IAS 39	112	0	112	0	112
Securities	0	0	0	0	0
Miscellaneous financial assets	0	0	0	0	0
Available for sale	21	19	0	1	n/a
Investments	19	19	0	0	n/a
Securities	1	0	0	1	1
Miscellaneous financial assets	0	0	0	0	0
Derivative financial instruments within hedges under IAS 39	23	0	0	23	23
Cash and cash equivalents	4,884	4,884	0	0	4,884
Receivables from finance lease (amount according to IAS 17)	1	n/a	n/a	n/a	1
Assets not classified according to IFRS 7	23,099	n/a	n/a	n/a	n/a
Equity and liabilities	31,631	n/a	n/a	n/a	n/a
Held for trading	12	0	12	0	12
Derivative financial instruments not in a hedging relationship according to IAS 39	12	0	12	0	12
Miscellaneous financial liabilities	0	0	0	0	0
Other financial liabilities	20,293	20,173	48	72	20,515
Borrowings excl. finance leases (incl. hedged items in hedging relationships according to IAS 39)	5,145	5,145	0	0	5,367
Trade liabilities	13,742	13,742	0	0	13,742
Miscellaneous financial liabilities	1,406	1,287	48	72	1,407
Derivative financial instruments within hedges under IAS 39	4	0	0	4	4
Liabilities from finance lease (amount according to IAS 17)	1,258	n/a	n/a	n/a	1,471
Liabilities not classified according to IFRS 7	10,064	n/a	n/a	n/a	n/a
Unrealised gain (+)/loss (–) from total difference between fair value and carrying amounts					-437

Classes were formed based on similar risks for the respective financial instruments and correspond to the categories of IAS 39. Derivative financial instruments in a hedging relationship under IAS 39 and other financial liabilities are classified in each case to a separate class.

The fair value hierarchy comprises three levels which reflect the degree of closeness to the market of the input parameters used in the determination of the fair values. In cases in which the valuation is based on different input parameters, the fair value is attributed to the hierarchy level corresponding to the input parameter of the lowest level that is significant for the valuation.

Input parameters for level 1: Quoted prices (that are adopted unchanged) in active markets for identical assets or liabilities which the company can access at the valuation date.

Input parameters for level 2: Other input parameters than the quoted prices included in level 1 which are either directly or indirectly observable for the asset or liability.

Input parameters for level 3: Input parameters that are not observable for the asset or liability.

Of the total carrying amount of investments of €19 million (prior year: €323 million) €19 million (prior year: €17 million) are recognised at historical cost because a fair value cannot reliably be determined. These concern off-exchange financial instruments without an active market. The company currently does not plan to dispose of the investments recognised at historical cost. Exchange-listed investments totalling €0 million (previous year: €305 million) are recognised at fair value outside of profit or loss.

Miscellaneous financial liabilities include liabilities from put options of non-controlling interests in the amount of €120 million (prior year: €78 million). Of these, subsequent valuation is applied for €72 million (prior year: €78 million) outside of profit or loss and €48 million (previous year: €0 million) at fair value through profit or loss.

The following table depicts the financial instruments that are recognised at fair value in the balance sheet. These are classified into a 3-level fair value hierarchy whose levels reflect the degree of closeness to the market of the data used in the determination of the fair values:

	31/12/2013				31/12/2014			
€ million	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets	317	306	11	0	136	1	135	0
Held for trading								
Derivative financial instruments not in a hedging relationship according to IAS 39	11	0	11	0	112	0	112	0
Available for sale								
Investments	305	305	0	0	0	0	0	0
Securities	1	1	0	0	1	1	0	0
Derivative financial instruments in a hedging relationship according to IAS 39	0	0	0	0	23	0	23	0
Equity and liabilities	106	0	28	78	135	0	16	120
Held for trading								
Derivative financial instruments not in a hedging relationship according to IAS 39	6	0	6	0	12	0	12	0
Miscellaneous financial liabilities	0	0	0	0	0	0	0	0
Other financial liabilities								
Miscellaneous financial liabilities	78	0	0	78	120	0	0	120
Derivative financial instruments in a hedging relationship according to IAS 39	22	0	22	0	4	0	4	0
Total	211	306	-17	-78	1	1	119	-120

The measurement of securities (level 1) is carried out based on quoted market prices on active markets.

Interest rate swaps and currency transactions (all level 2) are measured using the mark-to-market method based on quoted exchange rates and market yield curves.

The fair value of commodity derivatives (level 2) is calculated as the average of the past month's price noted on the exchange.

No transfers between levels 1 and 2 were effected during the reporting period.

Level 3 includes the fair values of liabilities from put options of non-controlling interests. The fair value measurement is based on the respective contract design and is carried out based on the discounted cash flow method (31/12/2014: €72 million; 31/12/2013: €78 million) or under consideration of contractual value caps (31/12/2014: €48 million; 31/12/2013: €0 million).

Fair values of liabilities from put options, which are determined using the discounted cash flow method, are based on expected future cash flows over a detailed planning period of 3 years (previous year: 3 to 5 years) plus a perpetuity. The assumed growth rate for the perpetuity in local currency is 2.5% to 8.7% (previous year: 4.1% to 7.7%). The respective local WACC is used as the discount rate. In the reporting period, discount rates ranged from 11.6% to 15.2% (previous year: 11.1% to 15.8%). If the individual interest rates were to increase by 10%, the fair value of these liabilities would decline by €6 million (previous year: €9 million). An interest rate decrease by 10% would increase the fair value of these liabilities by €8 million (previous year: €13 million).

The changes in value of put options developed as follows:

€ million	2013/14	2014/15
As of 1/10/	78	72
Transfer to level 3	0	0
Transfer from level 3	0	0
Total gains (-) or losses (+) for the period	0	0
Net profit or loss for the period	0	1
Other comprehensive income	0	0
Other changes in value not affecting profit or loss	0	47
Transaction-related changes	0	0
Granting of new rights	0	0
Redemption of existing rights	0	0
As of 31 December	78	120

The changes in value of put options existing as of the closing date include €47 million (previous year: €0 million) from the first-time recognition of put options in debt by means of a reclassification from equity. In addition, expenses of €1 million are included in the other net financial result (previous year: €0 million).

Financial instruments that are recognised at amortised cost in the balance sheet, but for which the fair value is stated in the notes, are also classified according to a three-level fair value hierarchy.

Due to their mostly short terms, the fair values of receivables due from suppliers, trade receivables and liabilities as well as cash and cash equivalents essentially correspond to their carrying amounts.

The measurement of the fair value of bonds, liabilities to banks and promissory note loans is based on the market interest rate curve following the zero-coupon method in consideration of credit spreads (level 2). The amounts comprise the interest prorated to the closing date.

The fair values of all other financial assets and liabilities that are not listed on an exchange correspond to the present value of payments underlying these balance sheet items. The calculation was based on the applicable country-specific yield curves as of the closing date (level 2).

Other notes

Segment reporting

Segment reporting has been carried out 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 depreciation, amortisation and impairment losses and reversals of impairment losses of property, plant and equipment, intangible assets and investment properties.
— EBIT, as the key ratio for segment reporting, 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, store-related risks and recoverability risks related to non-current assets are

only shown in the segments where they represent group risks. In analogy, this also applies to deferred assets and liabilities, which are only shown at segment level if this was also required in the consolidated balance sheet.

— Segment investments include additions to non-current intangible assets and property, plant and equipment (including additions to the consolidation groups) as well as investment properties, except for additions due to the reclassification of "assets held for sale" as non-current assets.
— Segment assets include non-current and current assets. They do not include mostly financial assets, investments accounted for using the equity method, 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	31/12/2013	31/12/2014
Segment assets[1]	26,060	24,858
Non-current and current financial investments	389	72
Investments accounted for using the equity method	132	95
Cash and cash equivalents	4,654	4,884
Deferred tax assets	830	810
Entitlements to income tax refunds	209	193
Other entitlements to tax refunds[2]	612	521
Assets held for sale	47	27
Receivables from other financial transactions[3]	23	149
Other	33	21
Group assets	32,990	31,631

[1] Adjustment of previous year (see chapter "Notes to the accounting principles and methods for consolidated interim financial statements")
[2] Included in the balance sheet item "other financial and non-financial assets" (current)
[3] 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, tax items and liabilities allocable to discontinued operations.

The reconciliation from segment liabilities to group liabilities is shown in the following table:

€ million	31/12/2013	31/12/2014
Segment liabilities[1]	18,703	18,645
Non-current and current financial liabilities	7,063	6,403
Deferred tax liabilities	122	101
Income tax liabilities	446	430
Income tax provisions[2]	99	116
Other tax liabilities[3]	617	529
Liabilities from other financial transactions[3]	30	19
Liabilities to non-controlling interests[3]	82	124
Liabilities connected to assets held for sale	73	151
Interest for other provisions[3]	48	47
Other	9	4
Group liabilities	27,292	26,570

[1] Adjustment of previous year (see chapter "Notes to the accounting principles and methods for consolidated interim financial statements")
[2] Included in the balance sheet items "other provisions" (non-current) and "provisions" (current)
[3] 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

€ million	31/12/2013	31/12/2014
Liabilities from suretyships and guarantees	20	17
Liabilities from guarantee and warranty contracts	43[1]	41
	63	58

[1] Changed disclosure compared with the previous year

Contingent liabilities did not change considerably during the reporting period.

Other legal issues

Information on legal disputes, investigations and other legal issues as well as on the related possible risks and consequences for METRO GROUP can be found in nos. 46. "Other legal issues" and 47. "Events after the closing date" of the notes to the consolidated financial statements of METRO AG as of 30 September 2014.

No material developments with regard to legal disputes, investigations and other legal issues have occurred since the consolidated financial statements were prepared.

Events after the quarter-end closing

On 19 January 2015, the management board of METRO GROUP Accounting Center GmbH informed employees about the planned closure of the company's Alzey operations. The respective discussions with the works council have already been initiated. This is expected to result in special items in the single-digit millions.

Following the approval of the relevant antitrust authorities, the sale of MAKRO Cash & Carry Greece that was agreed in November 2014 was completed on 30 January 2015. The sale was closed at a price reflecting an enterprise value of €65 million and entails a comparable amount of cash-effective revenues.

Revision of Management Board remuneration

Effective from financial year 2014/15, the Supervisory Board has restructured the short- and long-term incentive for Management Board remuneration. In addition, it has created an option to make additional contributions to pension entitlements out of gross pay.

One-third each of the new short-term incentive will be calculated on the basis of like-for-like sales growth, EBIT and the return on capital employed. To ensure that Management Board compensation is linked to individual performance, the Supervisory Board of METRO AG generally reserves the right to reduce or increase the individual short-term incentive by up to 30% at its discretion. In any case, payment of the short-term incentive is limited to 200% of the defined target amount.

In future, one-third each of the new long-term incentive will be calculated on the basis of total shareholder return, the sustainability ranking and earnings per share. The overall cap for the new long-term incentive was reduced to 250% from 300% of the target amount. As of financial year 2015/16, the three-year performance period will be replaced by a four-year performance period.

In line with the new basic principles, the Supervisory Board will define targets for the short-term incentive and a portion of the long-term incentive on an annual basis in future.

Financial Calendar 2014/15

Annual General Meeting 2015	Friday	20 February 2015	10.30 a.m.
Half-Year Financial Report H1/Q2 2014/15	Tuesday	05 May 2015	7.30 a.m.
Quarterly Report 9M/Q3 2014/15	Thursday	06 August 2015	7.30 a.m.
Trading Statement Financial Year 2014/15	Monday	19 October 2015	7.30 a.m.

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