HALBJAHRESFINANZBERICHT DER METRO GROUP H1/Q2 2014/15

METRO GROUP
ZUM HANDELN GESCHAFFEN.

METRO GROUP records strongest like-for-like sales growth in 7 years

Q2

METRO GROUP's like-for-like sales rose markedly by 2.5%, supported by the earlier Easter business

Positive like-for-like sales trends across all regions

Negative impact on EBIT particularly from goodwill impairment (about €450 million) at Real

EBIT before special items: €-40 million (Q2 2013/14: €-40 million) including negative currency effects of about €30 million

EPS before special items: €-0.21 (Q2 2013/14: €-0.28)

METRO Cash & Carry

Sales: -2.5% (in local currency: +0.3%)

Like-for-like sales growth of 1.1%: seventh consecutive quarterly increase

Media-Saturn

Sales: +5.7% (in local currency: +6.9%)

Very strong increase in like-for-like sales of 5.2%

Positive like-for-like sales trends across all regions

Online sales up 25%

Real

Sales: -3.8% due to sale of Real Eastern Europe

Like-for-like sales in Germany up 1.1%

32 additional stores remodelled

Galeria Kaufhof

Sales: -1.1% due to declining textile market

Like-for-like sales down 0.6% in a very weak market environment

H1

Adjusted for portfolio changes and exchange rate effects, sales rose markedly by 2.8%; like-for-like sales increased noticeably by 2.2%

EBIT before special items: €984 million (H1 2013/14: €1,033 million) including negative currency effects of about €90 million

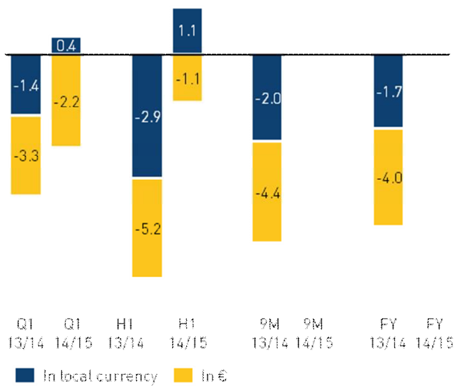
EPS before special items: €1.16 (H1 2013/14: €1.07)

Net debt reduced by €0.8 billion

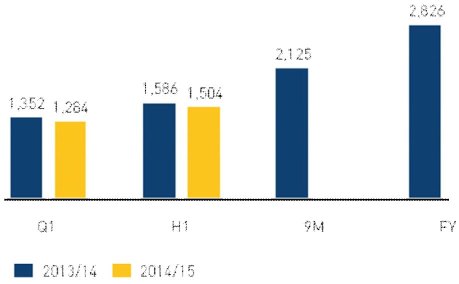
METRO GROUP guidance confirmed for the financial year 2014/15

OVERVIEW H1 2014/15

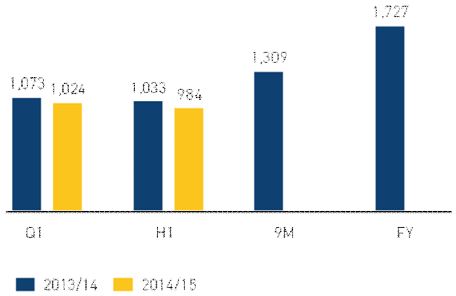
Sales growth (in %)



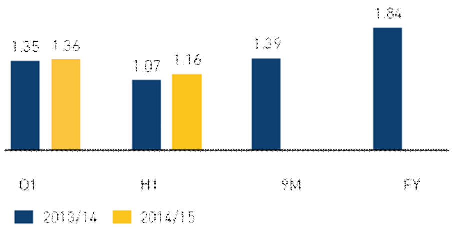
EBITDA before special items (€ million)



EBIT before special items (€ million)



EPS before special items (€)

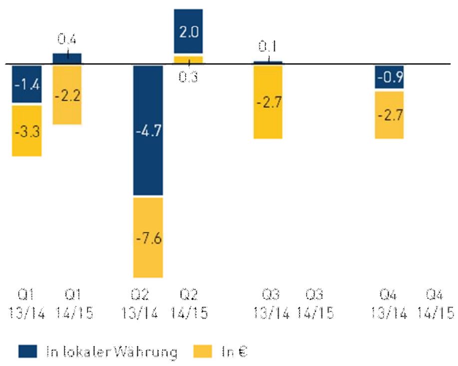


€ million	H1 2013/14	H1 2014/15	Change (€)	Change (local currency)
Sales	33,047	32,677	-1.1%	1.1%
Germany	13,508	13,623	0.9%	0.9%
International	19,539	19,053	-2.5%	1.2%
Western Europe (excl. Germany)	9,853	9,953	1.0%	0.9%
Eastern Europe	7,780	6,852	-11.9%	0.6%
Asia/Africa	1,906	2,248	18.0%	4.6%
International share of sales	59.1%	58.3%	-	
EBITDA[1]	1,586	1,504	-5.2%	
EBIT[1]	1,033	984	-4.7%	
Earnings before taxes (EBT)[1]	749	799	6.7%	
Net profit for the period[1, 2]	348	378	8.5%	
EPS (€)[1]	1.07	1.16	8.5%	
Investments	438	421	-3.8%	
Stores[3]	2,198	2,206	0.4%	
Selling space (1,000 sqm²)[3]	12,375	12,081	-2.4%	
Employees (full-time basis)[3]	223,119	219,852	-1.5%	

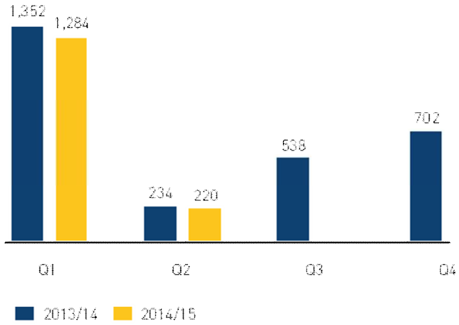
[1] Before special items
[2] Profit attributable to shareholders of METRO AG
[3] As of the closing date 31 March

OVERVIEW Q2 2014/15

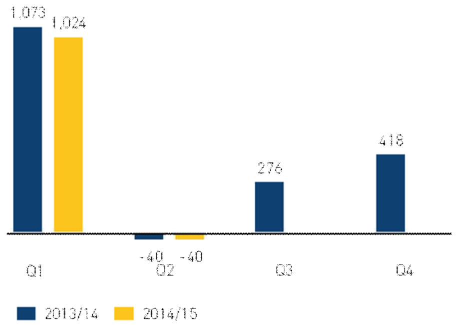
Sales growth (in %)



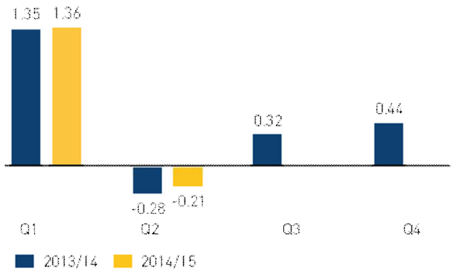
EBITDA before special items (€ million)



EBIT before special items (€ million)



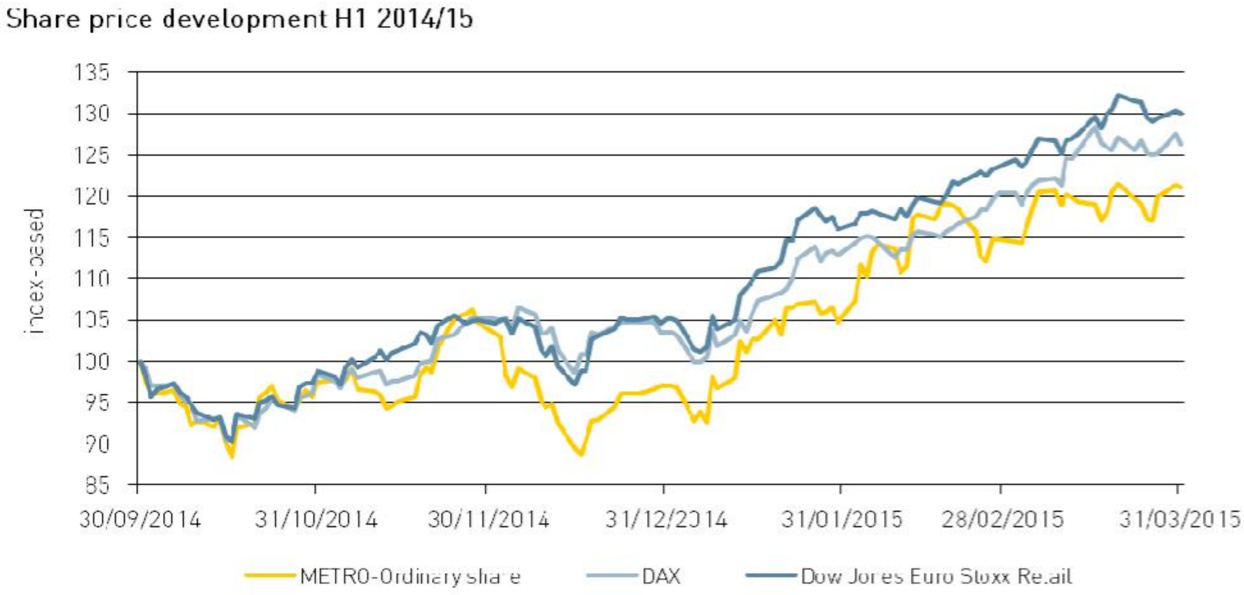
EPS before special items (€)



€ million	Q2 2013/14	Q2 2014/15	Change (€)	Change (local currency)
Sales	14,326	14,366	0.3%	2.0%
Germany	5,799	5,905	1.8%	1.8%
International	8,528	8,461	-0.8%	2.0%
Western Europe (excl. Germany)	4,322	4,361	0.9%	0.5%
Eastern Europe	3,170	2,813	-11.3%	2.7%
Asia/Africa	1,036	1,287	24.2%	6.0%
International share of sales	59.5%	58.9%	-	
EBITDA[1]	234	220	-6.1%	
EBIT[1]	-40	-40	-0.4%	
Earnings before taxes (EBT)[1]	-184	-110	39.9%	
Net profit for the period[1, 2]	-92	-67	26.8%	
EPS (€)[1]	-0.28	-0.21	26.8%	
Investments	164	245	49.3%	
Stores[3]	2,198	2,206	0.4%	
Selling space (1,000 sqm²)[3]	12,375	12,081	-2.4%	
Employees (full-time basis)[3]	223,119	219,852	-1.5%	

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

METRO SHARES



At the start of the first half of 2014/15, the METRO AG common share initially fell in sync with the German DAX stock index and the Dow Jones Stoxx Retail sector index. On 16 October 2014, the METRO share dropped to a half-year low of €23.06. Following a recovery in November 2014, the METRO share rose in sync with the indices again. 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 2014. From mid-December 2014, positive reports about the past financial year and the announcement of an attractive dividend caused the share to rally again. Starting in January 2015, the share rose continuously in line with the DAX and the Dow Jones Stoxx Retail Index. Stronger economic momentum in Europe and the European Central Bank's decision to initiate a major quantitative easing programme with €60 billion in monthly bond purchases at the beginning of March fuelled the positive market sentiment. In addition, many export-oriented European companies have benefited from the stronger US dollar.

On 20 February 2015, METRO AG's Annual General Meeting decided on a dividend payout of €0.90 per ordinary share. However, the share managed to recover the resulting dividend discount within just eight trading days. On 20 March 2015, the METRO share reached a half-year high at €31.69.

Overall, the METRO ordinary share price rose markedly by 21.1% in H1 2014/15 to €31.60. The DAX gained 26.3% while the Dow Jones Euro Stoxx Retail sector index rose by as much as 29.9%.

As of the end of March 2015, Deutsche Börse's index ranked METRO AG's share 44th in terms of market capitalisation and 31st in terms of stock market trading volume.

		Q1 2014/15	Q2 2014/15
Closing price (€)	Ordinary shares	25.31	31.60
	Preference shares	21.15	23.35
Highest price (€)	Ordinary shares	27.71	31.69
	Preference shares	21.79	24.44
Lowest price (€)	Ordinary shares	23.06	24.17
	Preference shares	19.31	21.13
Market capitalisation (€ billion)[1]	Total	8.3	10.3

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

INTERIM GROUP MANAGEMENT REPORT

Macroeconomic conditions

Global economic trends remained mixed during the first half of the financial year 2014/15. The US economy was on a positive growth trajectory – although weather conditions at the start of the year slightly dampened growth. The Western European economies also continued on their recovery path, supported by low oil prices, the devaluation of the euro and low interest rates. Developments in Eastern Europe remained divided, with generally stable trends in Central European countries, on the one hand, and Eastern European countries whose economic developments remained overshadowed by the Russia-Ukraine conflict, on the other. Growth weakened in Asia, particularly in China. However, as a whole, the region continued to record the strongest growth rates. Overall, the global economy has thus grown slightly faster during the current financial year than in the same period of the previous year.

Germany once again outperformed the other Western European economies in the first half of the current financial year. Declining unemployment and growing disposable incomes bolstered private consumption and retail, which thus emerged as the key drivers of economic growth over the past two quarters. Overall, non-food retail posted stronger nominal sales growth than food retail, thanks partly to near-stagnation of food prices. 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.

In Western Europe, low oil prices, the appreciation of the US dollar and low interest rates resulting from the European Central Bank's bond purchase programme served as a short-term economic stimulus programme. At the same time, uncertainties regarding a possible Greek exit from the Eurozone have increased substantially again following the change of government. In addition, the economic recoveries across Western Europe continue to progress at different speeds: While Spain posted good growth - despite persistently high unemployment –, the French economy continued to struggle. Italy, too, only slowly climbed out of the past months' recession. Overall, however, modestly higher growth caused unemployment in the Eurozone to continue its slight decline. As a result, retail also recovered. After three years of weakness, nominal retail sales increased modestly by about 1% during the first six months. At the same time, prices fell throughout the reporting period, although an upward trend was noticeable towards the end of the period and the downward trend in food prices was halted as well.

Despite the de-escalation efforts through the second Minsk agreement, economic developments in Eastern Europe were overshadowed by the Russia-Ukraine conflict, which negatively impacted these two countries' economies, in particular. In addition, low oil prices weighed on Russia's economy. At the same time, the past months' currency devaluations resulted in markedly higher inflationary pressures in both countries. Due to the ban on imports, this had a disproportionate effect on food prices in Russia. In turn, the Central European economies – Poland, Czech Republic and Slovakia – recorded overall robust economic developments. This was also reflected in retail sales which posted solid nominal growth of 3% to 4%.

While Asia's emerging markets once again recorded the highest economic growth rates, overall growth in China has weakened. India, in turn, experienced positive momentum, posting economic growth rates above 7%. Retail sales in both countries recorded double-digit nominal growth during the reporting period. 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 therefore weakened slightly during the first half of the current financial year.

Financial position and financial performance

Sales

Adjusted for currency effects and portfolio changes, METRO GROUP posted sales growth of 2.8% during the first half of 2014/15 (1 October 2014 to 31 March 2015) compared with the previous year's period. Reported sales declined by 1.1%

to €32.7 billion. This is due mostly to the sale of Real in Eastern Europe 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 2.2%.

In the second quarter (1 January to 31 March 2015), sales adjusted for currency effects and portfolio changes grew by 3.2%. Despite high negative currency effects, reported sales increased by 0.3% to €14.4 billion. Like-for-like sales increased by 2.5%, the strongest gain in 7 years. This positive development was supported by the earlier Easter business compared with the previous year.

Delivery sales increased by 10.5% to €1.4 billion in the first half of 2014/15 (H1 2013/14: €1.3 billion). In Q2 2014/15, delivery sales also rose sharply by 10.2% to €0.7 billion.

During the first half of 2014/15, METRO GROUP's online sales totalled €1.0 billion, an increase of about 27% compared with the previous year's period. Online sales also grew substantially during the second quarter of 2014/15, rising by 23% to €0.5 billion in a reflection of METRO GROUP's successful transformation into a multi-channel provider.

Like-for-like sales increased across all regions during the first half of 2014/15 and the second quarter of 2014/15.

In Germany, sales increased by 0.9% to €13.6 billion during the first half of 2014/15. During the second quarter, the strong development at Media-Saturn had a particularly positive effect on sales, which increased by 1.8%. The earlier Easter business also contributed to this development.

International sales fell by 2.5% to €19.1 billion in H1 2014/15, due mostly to exchange rate developments. In spite of negative portfolio effects, currency-adjusted sales increased by 1.2%. Sales declined slightly by 0.8% in the second quarter, but increased by 2.0% in local currency.

The international share in sales generated during H1 2014/15 fell from 59.1% to 58.3%.

In Western Europe (excluding Germany), sales rose by 1.0% to €10.0 billion in H1 2014/15. This is due to positive developments at Media-Saturn. In Q2 2014/15, sales climbed by 0.9%.

In Eastern Europe, sales declined by 11.9% to €6.9 billion in H1 2014/15. The decrease primarily resulted from distinctly negative currency effects and the disposal of Real in Eastern Europe. Currency-adjusted sales increased by 0.6%. Sales fell by 11.3% in the second quarter of 2014/15, while sales in local currency increased by 2.7%.

Sales in Asia/Africa grew markedly by 18.0% to €2.2 billion, supported by positive currency effects besides favourable operational developments. Measured in local currency, sales rose by 4.6%. On the back of stronger momentum, sales rose by 24.2% in Q2 2014/15 (in local currency: +6.0%).

Special items

Special items include one-time transactions or a number of one-time transactions of the same type, which influence the informative value of the company's operating performance and are reported on the income statement.

Reporting before special items therefore provides a better reflection of 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 21 to 24.

Earnings

During the first half of 2014/15, EBIT at METRO GROUP stood at €418 million (H1 2013/14: €861 million). This figure includes special items totalling €566 million (H1 2013/14: €172 million). EBIT before special items amounted to €984 million (H1 2013/14: €1,033 million). This decline is due, in particular, to foreign exchange losses of €90 million, primarily in relation to Russian rouble. As a result, EBIT before special items adjusted for currency effects increased.

In Q2 2014/15, EBIT totalled €-590 million (Q2 2013/14: €-233 million). Special items totalling €550 million (Q2 2013/14: €193 million) primarily relate to a goodwill impairment at Real. EBIT before special items came in at €-40 million (Q2 2013/14: €-40 million). Adjusted for negative currency effects of about €30 million, EBIT before special items thus improved significantly.

The net financial result improved markedly in H1 2014/15 from €-320 million to €-175 million. The net interest result rose substantially to -€158 million as a result of lower indebtedness and lower interest rates (H1 2013/14: €-202 million). The other net financial result improved significantly from €-122 million to €-17 million compared to the first half of 2013/14, essentially as a result of positive currency effects.

In the first half of 2014/15, Earnings before tax amounted to €243 million (H1 2013/14: €541 million). Before special items, earnings before taxes totalled €799 million (H1 2013/14: €749 million).

Reported tax expenses of €181 million (H1 2013/14: €299 million) correspond to a group tax rate of 74.6% (H1 2013/14: 55.2%). The tax rate before special items stands at 45.2% (H1 2013/14: 45.2%).

In the first half of 2014/15, net profit for the period amounted to €62 million (H1 2013/14: €242 million). Net proft for the period before special items improved to €438 million from €411 million.

In the first half of 2014/15, earnings per share amounted to €0.03 (H1 2013/14: €0.56). Adjusted for special items, earnings per share amounted to €1.16, after €1.07 in the previous year's period. In Q2 2014/15, earnings per share came to €-1.21 (Q2 2013/14: €0.82). Adjusted for special items, earnings per share in Q2 2014/15 stood at €-0.21 (Q2 2013/14: €-0.28).

Investments

METRO GROUP's capex in H1 2014/15 amounted to €421 million (H1 2013/14: €438 million). In Q2 2014/15, METRO GROUP invested €245 million (Q2 2013/14: €164 million).

Store network

In H1 2014/15, METRO GROUP opened 32 stores in 8 countries (H1 2013/14: 42 new openings), including 9 stores in the second quarter of 2014/15 (Q2 2013/14: 6). In addition, 26 stores were sold or closed (H1 2013/14: 65 disposals/closures), including 12 stores in the second quarter of 2014/15 (Q2 2013/14: 61).

METRO Cash & Carry opened a total of 10 stores in H1 2014/15 (H1 2013/14: 11). Russia and China accounted for 7 and 3 of these store openings, respectively. As announced, METRO Cash & Carry's 5 stores in Denmark were closed at the end of 2014. The company's 9 stores in Greece were disposed of in January 2015. In addition, 1 METRO Cash & Carry store each was abandoned in Italy, Bulgaria and Romania.

Media-Saturn opened 21 consumer electronics stores during the first half of 2014/15 (H1 2013/14: 30). The new store openings will lead to an even tighter network of stores in Russia, Poland, the Netherlands, Spain, Germany, Switzerland and Belgium. One store in Russia was closed.

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

Galeria Kaufhof opened 1 department store in Belgium. As announced, the sales line closed 3 stores in Germany.

At the end of March 2015, METRO GROUP operated 2,206 stores in 30 countries.

A detailed presentation on the business development of the individual divisions is given on pages 11 through 18.

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 about €3.6 billion as of 31 March 2015 (31 March 2014: €4.0 billion). As early as October 2014, METRO GROUP successfully issued a benchmark bond with a volume of €500 million, a seven-year term and a coupon of 1.375% in the euro capital market to partially refinance its €1 billion bond maturing in March 2015 ahead of time. In addition, a €600 million bond with a term of 10 years and a coupon of 1.5% was placed in March 2015.

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 March 2015 amounted to €0.8 billion on average (H1 2013/14: €0.3 billion).

In addition, METRO GROUP has bilateral and syndicated credit lines amounting to €4.1 billion with durations up to 2020. As of 31 March 2015, a total of €1.0 billion was drawn down (31 March 2014: €1.3 billion). A total of €3.1 billion in syndicated and bilateral credit lines was not drawn on.

METRO GROUP's credit rating by Standard & Poor's of BBB- with a stable outlook is unchanged at investment grade.

Balance sheet

Compared with the end of the financial year as of 30 September 2014, total assets increased by €0.6 billion to €28.7 billion. Year on year as of 31 March 2014, total assets increased by €0.4 billion. This reflects, in particular, the higher cash and cash equivalents as a new bond was issued at favourable terms in March 2015.

As of 31 March 2015, METRO GROUP's balance sheet disclosed €4.5 billion in equity. Compared with 30 September 2014, the equity ratio decreased from 17.8% to 15.5%. This is due to the higher total assets and the lower equity reflecting a goodwill impairment at Real. Year on year as of 31 March 2014, the equity ratio fell from 18.5% to 15.5%, reflecting the lower equity resulting from currency effects and lower actuarial interest rate for pension liabilities as well as goodwill impairment.

Net debt, after netting cash and cash equivalents as well as financial investments with financial liabilities (including finance leases), totalled €4.8 billion as of 31 March 2015. That was a decline of €0.8 billion compared with 31 March 2014. Compared with 30 September 2014, net debt increased partially as a result of the dividend payout.

Cash flow

Between October 2014 and March 2015, cash inflow from operating activities amounted to €0.9 billion (H1 2013/14: €0.7 billion).

Cash flow from investing activities amounted to €-0.6 billion (H1 2013/14: €-0.5 billion) and primarily included investments in property, plant and equipment.

Cash flow from financing activities showed inflows of €0.3 billion (H1 2013/14: cash outflow of €0.7 billion) and relates in particular to new financial borrowing to allow the company to benefit from the currently low interest rate level over the long term.

Risks and opportunities

Since the preparation of the consolidated financial statements (24 November 2014), the following material changes arose from the reported opportunities and risks concerning the ongoing development of METRO GROUP as described in detail in the Annual Report 2013/14 (pp. 149 to 162).

Given the recent slowing of the devaluation of the Russian rouble and assuming a stabilisation of the rouble at this level, METRO GROUP projects a correspondingly lower negative translation effect of about €150 million on EBIT.

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

Sustainability

Real is involved in the "Tierwohl" (animal welfare) initiative launched at the beginning of January 2015 which aims to improve conditions in which farm animals are kept, and thus continues to extend its commitment to fostering alternative forms of animal husbandry. Consumers increasingly demand species-appropriate animal husbandry. More and more customers consciously seek to positively influence animal welfare through their buying decisions. In order to substantially advance animal protection with respect to farm animals, leading representatives of the agricultural sector, the meat packing sector and the food retail sector have jointly developed a model for the implementation of specific animal welfare measures.

On 24 February, METRO GROUP won EHI Retail Institute's retail technology award Europe (reta) for its innovative technology for the detailed tracking and tracing of fish and meat products. EHI's annual award honours retail companies for the use of innovative information technology solutions in three categories and is presented at the annual EuroShop trade fair in Düsseldorf. The origin of fish and meat also plays an increasingly important role for restaurant owners, caterers and smaller retailers. Since summer 2014, the wholesale expert METRO Cash & Carry has been offering its professional customers a unique traceability solution which enables them to provide detailed product information to their own customers. The technology, which was developed in cooperation with the standardisation organisation GS1 Germany and the IT subsidiary METRO Systems, allows customers to access product details such as species, origin, trapping or keeping methods through a smartphone app when shopping in METRO Cash & Carry stores. Importantly, the technology is made available to all market participants and as such marks a first step towards a standardised traceability system for the industry.

Amsterdam-based Top Employers Institute has named five METRO countries among Europe's leading employers. METRO Cash & Carry's local companies in Belgium, France, Italy, Portugal and Spain were awarded the "Top Employers Europe 2015" certification for their outstanding commitment to employee development. In its annual survey, the institute identifies leading companies that nurture and develop talents throughout all levels of the organisation and work to optimise their employment practices. Key criteria include companies' talent strategy, performance management and corporate culture.

In March 2015, Galeria Kaufhof joined the "Fur Free Retailer" initiative and signed the relevant agreement. At a time of growing fur production around the world, Galeria Kaufhof is clearly endorsing its strong commitment to animal protection with this move.

METRO Cash & Carry

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like (local currency)	
	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15
Total	15,369	14,889	-2.0%	-3.1%	-4.1%	-3.8%	2.1%	0.6%	0.9%	1.2%
Germany	2,441	2,402	-2.1%	-1.6%	0.0%	0.0%	-2.1%	-1.6%	-2.1%	-1.6%
Western Europe (excl. Germany)	5,192	5,045	-0.8%	-2.8%	0.0%	0.0%	-0.8%	-2.8%	-1.2%	-1.4%
Eastern Europe	5,833	5,198	-4.3%	-10.9%	-8.9%	-14.6%	4.6%	3.7%	3.0%	4.4%
Asia/Africa	1,903	2,244	2.2%	17.9%	-6.6%	13.4%	8.7%	4.5%	4.7%	3.9%

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like (local currency)	
	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15
Total	6,861	6,691	-3.1%	-2.5%	-5.1%	-2.7%	2.0%	0.3%	0.8%	1.1%
Germany	1,078	1,048	-2.1%	-2.8%	0.0%	0.0%	-2.1%	-2.8%	-2.0%	-2.9%
Western Europe (excl. Germany)	2,276	2,190	-1.8%	-3.8%	0.0%	0.0%	-1.8%	-3.8%	-2.0%	-1.6%
Eastern Europe	2,472	2,169	-6.4%	-12.3%	-12.1%	-15.1%	5.7%	2.8%	4.1%	4.7%
Asia/Africa	1,035	1,285	1.7%	24.2%	-4.9%	18.2%	6.6%	6.0%	2.9%	4.0%

Overall, METRO Cash & Carry continued its very positive development, recording the seventh consecutive quarter of like-for-like sales growth at 1.1%.

Due to exchange rate factors (primarily Russian rouble), however, sales in euro decreased by 3.1% to €14.9 billion in the first half of 2014/15. By contrast, sales in local currency increased by 0.6%. Sales fell by 2.5% in the second quarter of 2014/15, while sales in local currency increased by 0.3%.

Delivery sales continued their positive trend, rising by 10.5% to €1.4 billion in the first half of 2014/15. Delivery sales now account for 9.3% of sales of METRO Cash & Carry. Sales from the delivery business continued their upward trend in Q2 2014/15, rising by 10.2% to €0.7 billion.

In Germany, sales declined by 1.6% to €2.4 billion in H1 2014/15. In Q2 2014/15, sales decreased by 2.8%. This development also reflects deflationary sales price trends which could not be compensated for by the earlier Easter business.

Sales in Western Europe totalled €5.0 billion in H1 2014/15, 2.8% below the previous year’s figure. In Q2 2014/15, sales decreased by 3.8%. This decline is partly attributable to the closure of the company's Danish stores and to declining sales trends in Belgium. In contrast, sales in the Netherlands declined only slightly during the second quarter. Sales increased in Italy and Portugal.

In Eastern Europe, sales fell by 10.9% to €5.2 billion during H1 2014/15. However, this decline was largely due to currency effects. Measured in local currency, sales rose by 3.7%. Like-for-like sales also rose markedly by 4.4%. Partially supported by inflation, the sales line recorded double-digit like-for-like growth in Russia. In Q2 2014/15, sales in Eastern Europe decreased by 12.3%. However, sales in local currency increased by 2.8% despite the disposal of the Greek stores. Like-for-like sales increased substantially by 4.7%.

Sales in Asia/Africa rose markedly by 17.9% to €2.2 billion during H1 2014/15. Exchange rates had a positive impact here. Measured in local currency, sales rose by 4.5%. Like-for-like sales increased by 3.9%. On the back of stronger momentum, sales rose by 24.2% in in Q2 2014/15 (in local currency: +6.0%). Like-for-like sales rose by 4%, supported, in particular, by double-digit growth in India and a positive sales trend in China.

The international share in sales generated during H1 2014/15 dropped to 83.9% from 84.1%.

€ million	H1 2013/14	H1 2014/15	Change	Q2 2013/14	Q2 2014/15	Change
EBITDA	767	718	-6.3%	121	131	8.7%
EBITDA before special items	797	724	-9.2%	147	140	-4.3%
EBIT	451	504	11.8%	-85	19	-
EBIT before special items	583	519	-11.0%	43	37	-12.6%
Investments	102	166	63.0%	42	89	-

	30/09/2014	31/03/2015	Change	31/12/2014	31/03/2015	Change
Stores	766	759	-7	768	759	-9
Selling space (1,000 sqm)	5,576	5,466	-110	5,574	5,466	-108
Employees (full-time basis)	110,014	107,710	-2,304	112,393	107,710	-4,683

During the first half of 2014/15, EBIT amounted to €504 million (H1 2013/14: €451 million) and included special items of €15 million. These concern, in particular, a goodwill impairment at METRO Cash & Carry in Pakistan. EBIT before special items amounted to €519 million (H1 2013/14: €583 million). This decline is due mostly to very negative year-to-year currency effects of about €90 million in Russia. As a result, METRO Cash & Carry's EBIT improved in local currency terms.

In Q2 2014/15, EBIT before special items came to €37 million (Q2 2013/14: €43 million). This figure includes negative currency effects of about €30 million. As such, EBIT actually improved significantly in currency-adjusted terms.

In H1 2014/15, investments in expansion and modernisation amounted to €166 million (H1 2013/14: €102 million). METRO Cash & Carry opened 10 stores during this period. The store networks in Russia and China were expanded by 7 and 3 stores, respectively. In Italy, Bulgaria and Romania, 1 store each was disposed of. As announced, the 5 stores in Denmark were closed. The 9 stores in Greece were sold as planned.

As of 31 March 2015, METRO Cash & Carry operated 759 stores in 26 countries: 107 stores in Germany, 232 in Western Europe, 286 in Eastern Europe and 134 in Asia.

Media-Saturn

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like (local currency)	
	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15
Total	11,482	12,035	-2.1%	4.8%	-1.3%	-1.3%	-0.8%	6.1%	-2.2%	4.4%
Germany	5,388	5,588	-2.5%	3.7%	0.0%	0.0%	-2.5%	3.7%	-3.6%	2.7%
Western Europe (excl. Germany)	4,565	4,815	-0.3%	5.5%	-0.3%	0.4%	0.0%	5.1%	-0.4%	3.7%
Eastern Europe	1,529	1,632	-2.8%	6.7%	-9.3%	-11.8%	6.5%	18.5%	-2.2%	13.2%

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like (local currency)	
	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15
Total	4,881	5,161	-4.0%	5.7%	-1.6%	-1.2%	-2.4%	6.9%	-3.7%	5.2%
Germany	2,242	2,399	-5.8%	7.0%	0.0%	0.0%	-5.8%	7.0%	-6.7%	5.9%
Western Europe (excl. Germany)	2,001	2,127	-1.0%	6.3%	-0.2%	0.9%	-0.8%	5.4%	-1.2%	3.7%
Eastern Europe	638	634	-3.6%	-0.6%	-12.7%	-12.3%	9.1%	11.7%	-0.2%	8.0%

Media-Saturn continued and accelerated its positive sales trend during the past quarter. In Q2 2014/15, like-for-like sales jumped by 5.2%.

Overall, sales increased by 4.8% to €12.0 billion during the first half of 2014/15. Partly as a result of the expansion, sales in local currency even grew by 6.1%. Like-for-like sales increased by 4.4%. All regions contributed to the positive sales development. Sales grew by 5.7% in the second quarter and by as much as 6.9% in local currency. Like-for-like sales increased by 5.2%. In tandem with the positive sales development, Media-Saturn managed to expand its market share in several countries.

Media-Saturn continued to forge ahead with the rigorous expansion of its online business and the dovetailing of its sales channels during the first half of 2014/15. As a result, online sales rose markedly by about 25% to €0.9 billion, accounting for nearly 8% of Media-Saturn's total sales. Online sales also grew during the second quarter, rising by more than 20% to €0.4 billion.

In Germany, sales increased by 3.7% to €5.6 billion in H1 2014/15. Like-for-like sales increased by 2.7%. The positive trend was reinforced further in the second quarter with a strong increase in sales of 7.0% to €2.4 billion. Like-for-like sales increased by 5.9%. Several successful marketing activities contributed to this positive development. In addition, as market leader, Media-Saturn benefited from positive broad market developments.

In the meantime, the multi-channel offering established as an integral part of Media-Saturn's business. The online product range was expanded once again. At the end of March 2015, it comprised more than 110,000 products at Mediamarkt.de and more than 100,000 at Saturn.de.

In its continued expansion of its multi-channel strategy, Media-Saturn now also cooperates with online marketplace eBay in the e-commerce area. eBay buyers in Germany can now choose from an even more attractive assortment of consumer electronic products. Media Markt and Saturn operate own eBay web shops to offer their regular online assortment to an even larger customer group.

In Western Europe, sales increased markedly by 5.5% to €4.8 billion during the first half of 2014/15. Like-for-like sales also increased noticeably by 3.7%. In Q2 2014/15, sales jumped by 6.3%. Like-for-like sales grew by 3.7%. The positive sales trend in Spain of Q1 continued in Q2 with double-digit like-for-like sales growth.

In Eastern Europe, a strong sales increase of 6.7% to €1.6 billion was recorded in H1 2014/15. Sales in local currency actually increased by 18.5%. Like-for-like sales also recorded a pleasing increase of 13.2%. All countries posted higher like-for-like sales. Business in Eastern Europe continued to develop favourably during Q2 2014/15. Adjusted for currency effects, however, sales were down slightly by 0.6%. Sales in local currency, in turn, grew strongly by 11.7%, with like-for-like sales growth reaching 8.0%. Following exceptionally strong growth in Russia resulting from strong pull-forward effects during the first quarter, business slowed somewhat during the second quarter. Business developments were particularly favourable in Hungary and Poland.

The international share in sales generated during H1 2014/15 increased from 53.1% to 53.6%.

€ million	H1 2013/14	H1 2014/15	Change	Q2 2013/14	Q2 2014/15	Change
EBITDA	396	460	16.2%	40	54	37.4%
EBITDA before special items	405	488	20.5%	52	79	52.6%
EBIT	266	332	24.9%	-26	-13	52.0%
EBIT before special items	275	369	34.5%	-14	20	-
Investments	107	81	-24.3%	49	40	-17.8%

	30/09/2014	31/03/2015	Change	31/12/2014	31/03/2015	Change
Stores	986	1,006	20	999	1,006	7
Selling space (1,000 sqm)	3,070	3,080	10	3,085	3,080	-5
Employees (full-time basis)	57,689	57,616	-73	59,193	57,616	-1,577

EBIT jumped sharply in the first half of 2014/15, rising to €332 million (H1 2013/14: €266 million). This figure includes special items totalling €38 million (H1 2013/14: €9 million), which mostly relate to store-related restructuring measures. EBIT before special items amounted to €369 million (H1 2013/14: €275 million), a significant improvement of 34.5%. The strong increase was largely due to good like-for-like sales growth.

In Q2 2014/15, EBIT before special items improved markedly to €20 million from a negative result of €-14 million in the previous year's quarter.

During the first half of 2014/15, capex amounted to €81 million (H1 2013/14: €107 million). A total of 21 consumer electronics stores were opened, including 6 in Poland, 5 each in Russia and the Netherlands, 2 in Spain and 1 store each in Germany, Belgium and Switzerland. One store in Russia was closed. Also, in Q2 2014/15, Media-Saturn opened its 1000th store.

As of 31 March 2015, the store network of Media-Saturn comprised 1,006 stores in 15 countries: 416 consumer electronics stores in Germany, 376 in Western Europe and 214 in Eastern Europe.

Real

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like (local currency)	
	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15
Total	4,507	4,059	-21.5%	-9.9%	-0.5%	0.0%	-21.1%	-9.9%	-3.9%	1.0%
Germany	4,089	4,059	-4.4%	-0.7%	0.0%	0.0%	-4.4%	-0.7%	-4.1%	1.0%

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like (local currency)	
	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15
Total	1,900	1,829	-28.0%	-3.8%	-0.6%	0.2%	-27.4%	-4.0%	-6.4%	1.1%
Germany	1,841	1,829	-6.9%	-0.7%	0.0%	0.0%	-6.9%	-0.7%	-6.6%	1.1%

As a result of the disposal of Real Eastern Europe, sales at Real declined from €4.5 billion to €4.1 billion in the first half of 2014/15. The figure for the previous year's period still included sales of Real in Poland and Turkey.

Due to store closures, sales of Real Germany declined by 0.7% to €4.1 billion in the first half of 2014/15. In turn, like-for-like sales increased by 1.0%. In Q2 2014/15, sales decreased by 0.7%. Like-for-like sales increased by 1.1%, helped by the earlier Easter business. Deflationary developments, particularly in the ultra-fresh produce area, as well as a late start to the gardening season prevented an even better development.

Sales of Real Online developed favourably. Online sales doubled to €10 million during the second quarter of 2014/15.

In December 2014, METRO GROUP had acquired 15% in the retail start-up "Emmas Enkel". At the same time, Real was appointed as the retailer's future supplier. First deliveries to the modern corner shops were made in March 2015, including high-value food items, regional fresh produce, household and drugstore products as well as own-brand articles.

€ million	H1 2013/14	H1 2014/15	Change	Q2 2013/14	Q2 2014/15	Change
EBITDA	104	81	-22.6%	-51	-25	51.7%
EBITDA before special items	125	113	-9.4%	-7	-3	62.8%
EBIT	34	-432	-	-87	-506	-
EBIT before special items	56	48	-15.3%	-41	-36	11.6%
Investments	36	77	-	30	65	-

	30/09/2014	31/03/2015	Change	31/12/2014	31/03/2015	Change
Stores	311	302	-9	302	302	0
Selling space (1,000 sqm)	2,145	2,078	-67	2,079	2,078	-1
Employees (full-time basis)	28,810	27,987	-823	28,374	27,987	-387

In H1 2014/15, EBIT stood at €-432 million (H1 2013/14: €34 million). This figure includes special items totalling €480 million (H1 2013/14: €23 million). Against the backdrop of earnings developments, this relates to goodwill impairments, in particular. Following a sustainable repositioning, Real has carried out impairments for goodwill resulting from company acquisitions that were completed 17 years ago. EBIT before special items amounted to €48 million, compared with €56 million in the previous year's period. The decline was driven by increased general cost, but also especially caused by activities for a sustainable improvement of customer perception and competitiveness. Thus, the marketing activites were intensified in H1 2014/15 and expenditures for store remodelling were increased in order to align more stores with the new concept.

In Q2 2014/15, EBIT before special items came to €-36 million (Q2 2013/14: €-41 million). This result also includes the earlier Easter business.

Capex amounted to €77 million in H1 2014/15 (H1 2013/14: €36 million). A total of 32 stores were remodelled in line with the new concept. As a result, the number of remodelled stores has risen to 82.

As announced, 5 hypermarkets were closed in Germany. As a result, the German sales network comprised 302 stores as of 31 March 2015.

Galeria Kaufhof

	Sales (€ million)		Change		Like-for-like	
	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15
Total	1,684	1,667	-0.4%	-1.0%	-0.4%	-1.1%
Germany	1,588	1,574	-0.3%	-0.9%	-0.3%	-0.8%
Western Europe (excl. Germany)	96	93	-2.1%	-3.2%	-2.1%	-5.9%

	Sales (€ million)		Change		Like-for-like	
	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15
Total	682	674	-1.9%	-1.1%	-1.9%	-0.6%
Germany	637	630	-1.9%	-1.0%	-1.9%	-0.3%
Western Europe (excl. Germany)	45	43	-1.6%	-2.9%	-1.6%	-5.8%

During the first half of 2014/15, sales at Galeria Kaufhof fell by 1.0% to €1.7 billion. Like-for-like sales decreased by 1.1%. This trend improved slightly during the second quarter of 2014/15, with like-for-like sales declining by 0.6%. As a result, Galeria Kaufhof outperformed the textile market in several segments, thereby expanding its market share.

In Germany, sales of Galeria Kaufhof fell by 0.9% to €1.6 billion during the first half of 2014/15. Like-for-like sales decreased by 0.8%.

In Q2 2014/15, sales decreased by 1.0%, due mostly to continued weakness in the textile market. Supported by the earlier Easter business, however, like-for-like sales only fell slightly by 0.3%.

In Western Europe, sales fell by 3.2% in H1 2014/15. Like-for-like sales were down by 5.9% as the trend observed during the first quarter continued in the second quarter of 2014/15. Sales decreased by 2.9%, with like-for-like sales down 5.8%.

€ million	H1 2013/14	H1 2014/15	Change	Q2 2013/14	Q2 2014/15	Change
EBITDA	216	174	-19.5%	28	5	-80.6%
EBITDA before special items	216	185	-14.5%	28	16	-42.1%
EBIT	157	115	-26.7%	-2	-24	-
EBIT before special items	157	126	-19.9%	-2	-13	-
Investments	119	34	-71.7%	22	19	-14.1%

	30/09/2014	31/03/2015	Change	31/12/2014	31/03/2015	Change
Stores	137	135	-2	136	135	-1
Selling space (1,000 sqm)	1,446	1,428	-18	1,430	1,428	-2
Employees (full-time basis)	17,330	17,034	-296	18,358	17,034	-1,324

In H1 2014/15, EBIT stood at €115 million (H1 2013/14: €157 million). Special items amounted to €11 million. This concerns primarily store-related restructuring expenses. EBIT before special items dropped to €126 million (H1 2013/14: €157 million). The decline is due mostly to the fact that winter items had to be sold at a discount as the seasonal business progressed. In Q2 2014/15, EBIT before special items came to €-13 million (Q2 2013/14: €-2 million). Discounts and diminishing like-for-like sales resulted in this decrease.

During the first half of 2014/15, capex amounted to €34 million (H1 2013/34: €119 million).

As announced, the sales line closed 3 stores in Germany and opened 1 department store in Belgium.

As of 31 March 2015, the store network of Galeria Kaufhof comprised 135 stores: 119 in Germany and 16 in Belgium.

Others

€ million	H1 2013/14	H1 2014/15	Change	Q2 2013/14	Q2 2014/15	Change
Sales	5	26	-	2	12	-
EBITDA	41	-19	-	9	-21	-
EBITDA before special items	46	-4	-	15	-11	-
EBIT	-51	-101	-98.6%	-37	-66	-78.7%
EBIT before special items	-41	-78	-93.2%	-27	-48	-73.2%
Investments	74	63	-15.0%	22	31	45.4%

	30/09/2014	31/03/2015	Change	31/12/2014	31/03/2015	Change
Employees (full-time basis)	8,970	9,505	535	9,590	9,505	-85

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).

In H1 2014/15, sales in the Others segment totalled €26 million (H1 2013/14: €5 million). Since the first quarter of 2014/15, sales include, among other things, the 4 Real stores in Romania and commissions from the third-party business operated by METRO GROUP's Hong Kong-based purchasing organisation.

In H1 2014/15, EBIT stood at €-101 million (H1 2013/14: €-51 million). Special items amounted to €23 million and relate, in particular, to one-time expenses in connection with real estate activities. EBIT before special items amounted to €-78 million (H1 2013/14: €-41 million). This development is due, in particular, to lower net income from rental income/expenses.

Subsequent events and outlook

Events after the quarter-end closing

On 16 April 2015, Media-Saturn acquired a majority stake in Dutch live shopping platform iBOOD.com, which it now controls. The company had sales of €36 million in 2014.

On 23 April 2015, Real and METRO Cash & Carry Germany announced the signing of a service agreement with MARKANT. In future, MARKANT will be responsible for the settlement of both companies' German merchandise business. The cooperation with MARKANT is expected to create synergies that will strengthen the competitiveness of Real and METRO Cash & Carry Germany.

Macroeconomic outlook

Despite stronger short-term momentum, global economic developments remain fragile. In the Eurozone, lower energy prices, euro devaluation and lower interest rates continue to provide for good short-term growth prospects. As a result, leading indicators continue to send out growth signals. Over the medium term, however, structural weakness - particularly in France and Italy - will serve to constrain the region's growth momentum. At the same time, the risk of a Greek exit from the Eurozone has increased substantially. Compared with past years, METRO GROUP expects the Western European retail industry to show solid nominal growth of about 1%. In Germany, robust labour market conditions and low prices continue to bolster conditions for consumption and retailing. As a result, Germany's retail industry is expected to outperform the Western European average again in this financial year. In Eastern Europe, the Russia-Ukraine conflict continues to dominate the headlines. Despite the recent recovery of oil prices and the rouble exchange rate, Russia continues to struggle with a difficult economic environment marked by a weak domestic economy. In contrast, METRO GROUP projects robust economic developments in the Central European countries. In spite of China's loss of economic momentum, Asia's emerging markets will remain the fastest-growing region for METRO GROUP. Japan's economy, however, is only slowly recovering from last year's recession. METRO GROUP continues to project global economic growth of 2.4% year-over-year 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 from the quarterly report for Q1 2014/15.

Sales
For the 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 the previous year.

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

Given the progress made so far, METRO GROUP will continue to realign its business models with a focus on efficient structures and strict cost control.

For these reasons, METRO GROUP expects EBIT before special items adjusted for currency effects with a difference development in the individual sales lines to rise slightly above the €1,727 million produced in the financial year 2013/14, including typical levels of income from real estate sales.

Store network

Development of store network H1 2014/15

	30/09/2014	New store openings/ acquisitions H1 2014/15	Closures/ disposals H1 2014/15	31/03/2015	Change (absolute)
METRO Cash & Carry	766	+10	-17	759	-7
Media-Saturn	986	+21	-1	1,006	+20
Real	307	+0	-5	302	-5
Galeria Kaufhof	137	+1	-3	135	-2
Total	2,200*	+32	-26	2,206*	+6

*Including 4 stores in the Others segment

Store network as of 31 March 2015

	METRO Cash & Carry		Media-Saturn		Real		Galeria Kaufhof		METRO GROUP	
	H1 2014/15	31/3/2015	H1 2014/15	31/3/2015	H1 2014/15	31/3/2015	H1 2014/15	31/3/2015	H1 2014/15	31/3/2015
Germany		107	+1	416	-5	302	-3	119	-7	944
Belgium		15	+1	24			+1	16	+2	55
Denmark	-5	0							-5	0
France		93								93
Italy	-1	48		117					-1	165
Luxembourg				2						2
Netherlands		17	+5	50					+5	67
Austria		12		47						59
Portugal		10		9					0	19
Sweden				27						27
Switzerland			+1	26					+1	26
Spain		37	+2	74					+2	111
Western Europe (excl. Germany)	-6	232	+9	376			+1	16	+4	624
Bulgaria	-1	13							-1	13
Greece	-9			10					-9	10
Kazakhstan		8								8
Croatia		7								7
Moldova		3								3
Poland		41	+6	77					+6	118
Romania	-1	31							-1	31
Russia	+7	80	+4	67					+11	147
Serbia		10								10
Slovakia		6								6
Czech Republic		13								13
Turkey		28		39						67
Ukraine		33								33
Hungary		13		21						34
Eastern Europe	-4	286	+10	214					+6	500
China	+3	81							+3	81
India		16								16
Japan		9								9
Pakistan		9								9
Vietnam		19								19
Asia	+3	134							+3	134
Total	-7	759	+20	1,006	-5	302	-2	135	+6	2,206*

*Including 4 stores in the Others segment

Reconciliation of special items (operating segments)

H1 2014/15

Special items

by sales line

€ million	As reported		Special items		Before special items	
	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15
EBITDA	1,524	1,413	63	91	1,586	1,504
thereof METRO Cash & Carry	767	718	30	6	797	724
Media-Saturn	396	460	9	28	405	488
Real	104	81	21	32	125	113
Galeria Kaufhof	216	174	0	11	216	185
Others	41	-19	5	14	46	-4
Consolidation	0	-1	-2	0	-2	-1
EBIT	861	418	172	566	1,033	984
thereof METRO Cash & Carry	451	504	132	15	583	519
Media-Saturn	266	332	9	38	275	369
Real	34	-432	23	480	56	48
Galeria Kaufhof	157	115	0	11	157	126
Others	-51	-101	10	23	-41	-78
Consolidation	5	1	-2	0	2	1
Financial result	-320	-175	35	-10	-284	-185
Earnings before taxes (EBT)	541	243	208	556	749	799
Income taxes	-299	-181	-39	-180	-338	-361
Net profit or loss for the period	242	62	168	376	411	438
Net profit or loss for the period attributable to non-controlling interests	60	52	2	8	63	60
Net profit or loss for the period attributable to shareholders of METRO AG	182	10	166	368	348	378
Earnings per share in € (basic = diluted)	0.56	0.03	0.51	1.13	1.07	1.16

Reconciliation of special items (geographical segments)

H1 2014/15

Special items

by region

€ million	As reported		Special items		Before special items	
	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15
EBITDA	1,524	1,413	63	91	1,586	1,504
thereof Germany	613	496	41	59	654	555
Western Europe (excl. Germany)	333	369	26	16	359	385
Eastern Europe	529	473	-12	9	517	482
Asia/Africa	51	79	8	7	59	86
Consolidation	-2	-4	0	0	-2	-4
EBIT	861	418	172	566	1,033	984
thereof Germany	325	-230	47	515	372	285
Western Europe (excl. Germany)	116	247	128	22	244	270
Eastern Europe	398	363	-11	12	388	375
Asia/Africa	24	43	8	16	31	59
Consolidation	-2	-4	0	0	-2	-4
Financial result	-320	-175	35	-10	-284	-185
Earnings before taxes (EBT)	541	243	208	556	749	799
Income taxes	-299	-181	-39	-180	-338	-361
Net profit or loss for the period	242	62	168	376	411	438
Net profit or loss for the period attributable to non-controlling interests	60	52	2	8	63	60
Net profit or loss for the period attributable to shareholders of METRO AG	182	10	166	368	348	378
Earnings per share in € (basic = diluted)	0.56	0.03	0.51	1.13	1.07	1.16

Reconciliation of special items (operating segments)

Q2 2014/15

Special items

by sales line

	As reported		Special items		Before special items	
€ million	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15
EBITDA	149	143	85	76	234	220
thereof METRO Cash & Carry	121	131	26	9	147	140
Media-Saturn	40	54	12	24	52	79
Real	-51	-25	44	22	-7	-3
Galeria Kaufhof	28	5	0	11	28	16
Others	9	-21	6	10	15	-11
Consolidation	3	-2	-3	0	1	-2
EBIT	-233	-590	193	550	-40	-40
thereof METRO Cash & Carry	-85	19	128	18	43	37
Media-Saturn	-26	-13	12	33	-14	20
Real	-87	-506	46	469	-41	-36
Galeria Kaufhof	-2	-24	0	11	-2	-13
Others	-37	-66	10	19	-27	-48
Consolidation	4	-1	-3	0	2	-1
Financial result	-170	-68	26	-2	-144	-70
Earnings before taxes (EBT)	-403	-658	219	548	-184	-110
Income taxes	132	261	-40	-214	92	47
Net profit or loss for the period	-271	-397	179	334	-92	-63
Net profit or loss for the period attributable to non-controlling interests	-2	-3	2	7	0	4
Net profit or loss for the period attributable to shareholders of METRO AG	-269	-394	177	327	-92	-67
Earnings per share in € (basic = diluted)	-0.82	-1.21	0.54	1.00	-0.28	-0.21

Reconciliation of special items (geographical segments)

Q2 2014/15

Special items

by region

€ million		As reported		Special items		Before special items	
		Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15
EBITDA		149	143	85	76	234	220
thereof	Germany	-7	-44	51	45	44	1
	Western Europe (excl. Germany)	11	39	27	16	38	55
	Eastern Europe	115	114	7	9	122	123
	Asia/Africa	32	36	0	6	32	43
	Consolidation	-2	-2	0	0	-2	-2
EBIT		-233	-590	193	550	-40	-40
thereof	Germany	-153	-635	55	501	-98	-135
	Western Europe (excl. Germany)	-149	-26	130	23	-19	-3
	Eastern Europe	52	60	8	11	61	71
	Asia/Africa	19	13	0	16	19	29
	Consolidation	-2	-2	0	0	-2	-2
Financial result		-170	-68	26	-2	-144	-70
Earnings before taxes (EBT)		-403	-658	219	548	-184	-110
Income taxes		132	261	-40	-214	92	47
Net profit or loss for the period		-271	-397	179	334	-92	-63
Net profit or loss for the period attributable to non-controlling interests		-2	-3	**2**	7	**0**	4
Net profit or loss for the period attributable to shareholders of METRO AG		-269	-394	**177**	327	**-92**	-67
Earnings per share in € (basic = diluted)		-0.82	-1.21	0.54	1.00	-0.28	-0.21

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Income statement

€ million	H1 2013/14	H1 2014/15	Q2 2013/14	Q2 2014/15
Sales	33,047	32,677	14,326	14,366
Cost of sales	-26,130	-25,884	-11,433	-11,472
Gross profit on sales	6,917	6,793	2,893	2,894
Other operating income	664	607	291	268
Selling expenses	-5,919	-5,775	-2,947	-2,903
General administrative expenses	-695	-734	-371	-388
Other operating expenses	-106	-473	-99	-461
Earnings before interest and taxes EBIT	861	418	-233	-590
Result from associates and joint ventures	1	0	1	0
Other investment result	3	0	3	0
Interest income	35	34	18	22
Interest expenses	-237	-192	-114	-95
Other net financial result	-122	-17	-78	5
Financial result	-320	-175	-170	-68
Earnings before taxes (EBT)	541	243	-403	-658
Income taxes	-299	-181	132	261
Net profit or loss for the period	242	62	-271	-397
Net profit or loss for the period attributable to non-controlling interests	60	52	-2	-3
Net profit or loss for the period attributable to shareholders of METRO AG	182	10	-269	-394
Earnings per share in € (basic = diluted)	0.56	0.03	-0.82	-1.21

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

€ million	H1 2013/14	H1 2014/15	Q2 2013/14	Q2 2014/15
Net profit or loss for the period	242	62	-271	-397
Other comprehensive income				
Items of “other comprehensive income” that will not be reclassified to profit or loss	-65	-151	-65	-26
Remeasurements of defined benefit pension plans	-92	-213	-93	-36
Income tax attributable to items of “other comprehensive income” that will not be reclassified to profit or loss	27	62	28	10
Items of “other comprehensive income” that may be reclassified to profit or loss	-78	-44	-100	152
Currency translation differences from translating the financial statements of foreign operations	-145	-52	-111	144
Effective portion of gains/losses from cash flow hedges	4	8	3	9
Gains/losses on remeasuring financial instruments in the category “available for sale”	60	0	7	0
Income tax attributable to items of “other comprehensive income” that may be reclassified subsequently to profit or loss	3	0	1	-1
Other comprehensive income	-143	-195	-165	126
Total comprehensive income	99	-133	-436	-271
Total comprehensive income attributable to non-controlling interests	62	52	-4	-3
Total comprehensive income attributable to shareholders of METRO AG	37	-185	-432	-268

Balance sheet

Assets

€ million	30/09/2014	31/03/2014	31/03/2015
Non-current assets	15,572	16,110	14,686
Goodwill	3,671	3,671	3,193
Other intangible assets	380	365	373
Tangible assets	10,025	10,279	9,577
Investment properties	223	149	194
Financial assets	71	382	74
Investments accounted for using the equity method	95	132	94
Other financial and non-financial assets	272	310	320
Deferred tax assets	835	822	861
Current assets	12,584	12,204	14,025
Inventories	5,946	6,347	6,588
Trade receivables	560	638	576
Financial assets	1	8	1
Other financial and non-financial assets	2,981[1]	2,898[1]	3,026
Entitlements to income tax refunds	223	198	257
Cash and cash equivalents	2,406	2,074	3,009
Assets held for sale	467[1]	41	568
	28,156	28,314	28,711

Equity and liabilities

€ million	30/09/2014	31/03/2014	31/03/2015
Equity	4,999	5,228	4,464
Share capital	835	835	835
Capital reserve	2,551	2,551	2,551
Reserves retained from earnings	1,602	1,828	1,053
Non-controlling interests	11	14	25
Non-current liabilities	6,921	7,038	7,774
Provisions for pensions and similar obligations	1,684	1,604	1,902
Other provisions	478	474	375
Financial liabilities	4,453	4,698	5,236
Other financial and non-financial liabilities	176	167	145
Deferred tax liabilities	130	95	116
Current liabilities	16,236	16,048	16,473
Trade liabilities	10,075[1]	9,914[1]	10,350
Provisions	615	563	582
Financial liabilities	2,615	2,971	2,767
Other financial and non-financial liabilities	2,528	2,417	2,398
Income tax liabilities	198	183	152
Liabilities related to assets held for sale	205[1]	0	224
	28,156	28,314	28,711

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

Cash flow statement

€ million	H1 2013/14	H1 2014/15
EBIT	861	418
Depreciation/amortisation/impairment losses/reversal of impairment losses of assets excl. financial investments	663	994
Change in provisions for pensions and other provisions	-9	-69
Change in net working capital	-538	-219
Income taxes paid	-203	-310
Reclassification of gains (-) / losses (+) from the disposal of fixed assets	-12	-8
Other	-86[1]	62
Cash flow from operating activities	676	868
Acquisition of subsidiaries	0	0
Investments in property, plant and equipment (excl. finance leases)	-411	-508
Other investments	-53	-239
Disposals of subsidiaries	-66	63
Disposal of long-term assets	53	66
Gains (+) / losses (-) from the disposal of fixed assets	12	8
Cash flow from investing activities	-465	-610
Dividends paid		
to METRO AG shareholders	0	-316[2]
to other shareholders	-75	-38[3]
Redemption of liabilities from put options of non-controlling interests	-1	0
Proceeds from long-term borrowings	959	2,259
Redemption of borrowings	-1,312	-1,410
Interest paid	-231	-190
Interest received	36	33
Profit and loss transfers and other financing activities	-67	-24
Cash flow from financing activities	-691	314
Total cash flows	-480	572
Currency effects on cash and cash equivalents	-17	31
Total change in cash and cash equivalents	-497	603
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 on 1 October	2,571	2,409
Cash and cash equivalents on 31 March	2,074	3,009
Cash and cash equivalents shown under IFRS 5 assets	0[1]	3
Cash and cash equivalents on 31 March	2,074	3,012

[1]Changed separate recognition of cash and cash equivalents shown in IFRS 5 Assets.
[2]The reported dividend includes dividends to non-controlling interests in the amount of about €21 million whose interests are shown fully as debt capital due to put options
[3]The reported dividend includes dividends to non-controlling interests in the amount of about €6 million whose interests are shown fully as debt capital due to put options

Statement of changes in equity

€ million	Share capital	Capital reserve	Effective portion of gains/losses from cash flow hedges	Gains/losses from the remeasurement of financial assets 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	4	60	-147	-92	30
Capital balance from acquisitions of shares	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0
31/03/2014	835	2,551	65	130	-554	-703	204
01/10/2014	835	2,551	82	0	-441	-865	201
Dividends	0	0	0	0	0	0	0
Total comprehensive income	0	0	8	0	-52	-213	62
Capital balance from acquisitions of shares	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0
31/03/2015	835	2,551	90	0	-493	-1,078	263

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		-75		-75
Total comprehensive income	182	37	37	(-145)	62	(2)	99
Capital balance from acquisitions of shares	0	0	0		0		0
Other changes	-2	-2	-2		0		-2
31/03/2014	2,686	1,828	5,214		14		5,228
01/10/2014	2,625	1,602	4,988		11		4,999
Dividends	-316[1]	-316	-316		-38[2]		-354
Total comprehensive income	10	-185	-185	(-195)	52	(0)	-133
Capital balance from acquisitions of shares	-1	-1	-1		-1		-2
Other changes	-47	-47	-47		1		-46
31/03/2015	2,271	1,053	4,439		25		4,464

[1] The reported dividend includes dividends to non-controlling interests in the amount of about €21 million whose interests are shown fully as debt capital due to put options
[2] The reported dividend includes dividends to non-controlling interests in the amount of about €6 million whose interests are shown fully as debt capital due to put options

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Segment reporting H1 2014/15

Operating segments

	METRO Cash & Carry		Media-Saturn		Real		Galeria Kaufhof	
€ million	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15
External sales (net)	15,369	14,889	11,482	12,035	4,507	4,059	1,684	1,667
Internal sales (net)	27	7	2	1	0	4	0	0
Sales (net)	15,396	14,895	11,484	12,036	4,507	4,063	1,684	1,667
EBITDA	767	718	396	460	104	81	216	174
Depreciation/amortisation/impairment	316	215	132	129	71	513	59	59
Reversals of impairment losses	0	1	2	1	0	0	0	0
EBIT	451	504	266	332	34	-432	157	115
Investments	102	166	107	81	36	77	119	34
Segment assets	11,531[1]	11,414	5,395[1]	5,518	3,013	2,925	2,187	2,195
thereof non-current	(8,035)	(7,691)	(1,596)	(1,461)	(2,062)	(1,645)	(1,610)	(1,622)
Segment liabilities	5,246[1]	5,557	5,524[1]	6,044	1,252	1,518	848	938
Selling space (1,000 sqm)	5,596	5,466	3,068	3,080	2,266	2,078	1,445	1,428
Locations (number)	761	759	975	1,006	325	302	137	135

Operating segments continued

	Others		Consolidation		METRO GROUP	
€ million	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15
External sales (net)	5	26	0	0	33,047	32,677
Internal sales (net)	2,955	623	-2,983	-634	0	0
Sales (net)	2,960	649	-2,983	-634	33,047	32,677
EBITDA	41	-19	0	-1	1,524	1,413
Depreciation/amortisation/impairment	91	83	-4	-2	665	997
Reversals of impairment losses	0	1	0	0	2	3
EBIT	-51	-101	5	1	861	418
Investments	74	63	0	0	438	421
Segment assets	2,663	2,064	-667	-485	24,123[1]	23,630
thereof non-current	(1,510)	(1,247)	(-49)	(-47)	(14,764)	(13,619)
Segment liabilities	2,184	1,640	-539	-419	14,514[1]	15,279
Selling space (1,000 sqm)	0	29	0	0	12,375	12,081
Locations (number)	0	4	0	0	2,198	2,206

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

Regional segments

	Germany		Western Europe (excl. Germany)		Eastern Europe		Asia/Africa	
€ million	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15
External sales (net)	13,508	13,623	9,853	9,953	7,780	6,852	1,906	2,248
Internal sales (net)	113	86	63	80	10	5	17	17
Sales (net)	13,620	13,709	9,917	10,033	7,790	6,857	1,922	2,265
EBITDA	613	496	333	369	529	473	51	79
Depreciation/amortisation/impairment	288	726	217	123	133	112	27	36
Reversals of impairment losses	0	0	0	1	2	2	0	0
EBIT	325	-230	116	247	398	363	24	43
Investments	288	219	71	78	55	97	24	27
Segment assets	10,928[1]	10,612	6,124[1]	6,217	5,850[1]	5,326	1,615[1]	1,896
thereof non-current	(6,382)	(5,715)	(3,439)	(3,418)	(3,948)	(3,472)	(998)	(1,016)
Segment liabilities	6,804[1]	7,299	4,326[1]	4,573	2,702[1]	2,471	940[1]	1,261
Selling space (1,000 sqm)	5,772	5,697	2,846	2,795	2,990	2,795	768	794
Locations (number)	951	944	616	624	502	504	129	134

Regional segments continued

	International		Consolidation		METRO GROUP	
€ million	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15	H1 2013/14	H1 2014/15
External sales (net)	19,539	19,053	0	0	33,047	32,677
Internal sales (net)	90	101	-202	-187	0	0
Sales (net)	19,629	19,155	-202	-187	33,047	32,677
EBITDA	913	921	-2	-4	1,524	1,413
Depreciation/amortisation/impairment	377	271	0	0	665	997
Reversals of impairment losses	2	3	0	0	2	3
EBIT	538	653	-2	-4	861	418
Investments	150	202	0	0	438	421
Segment assets	13,589[1]	13,438	-394	-420	24,123[1]	23,630
thereof non-current	(8,386)	(7,906)	(-3)	(-3)	(14,764)	(13,619)
Segment liabilities	7,968[1]	8,305	-258	-325	14,514[1]	15,279
Selling space (1,000 sqm)	6,604	6,384	0	0	12,375	12,081
Locations (number)	1,247	1,262	0	0	2,198	2,206

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

Segment reporting Q2 2014/15

Operating segments

	METRO Cash & Carry		Media-Saturn		Real		Galeria Kaufhof	
€ million	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15
External sales (net)	6,861	6,691	4,881	5,161	1,900	1,829	682	674
Internal sales (net)	13	2	0	1	0	2	0	0
Sales (net)	6,874	6,694	4,881	5,161	1,900	1,831	682	674
EBITDA	121	131	40	54	-51	-25	28	5
Depreciation/amortisation/impairment	206	112	68	68	36	481	29	29
Reversals of impairment losses	0	0	2	1	0	0	0	0
EBIT	-85	19	-26	-13	-87	-506	-2	-24
Investments	42	89	49	40	30	65	22	19
Segment assets	11,531[1]	11,414	5,395[1]	5,518	3,013	2,925	2,187	2,195
thereof non-current	(8,035)	(7,691)	(1,596)	(1,461)	(2,062)	(1,645)	(1,610)	(1,622)
Segment liabilities	5,246[1]	5,557	5,524[1]	6,044	1,252	1,518	848	938
Selling space (1,000 sqm)	5,596	5,466	3,068	3,080	2,266	2,078	1,445	1,428
Locations (number)	761	759	975	1,006	325	302	137	135

Operating segments continued

	Others		Consolidation		METRO GROUP	
€ million	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15
External sales (net)	2	12	0	0	14,326	14,366
Internal sales (net)	1,318	24	-1,332	-29	0	0
Sales (net)	1,320	36	-1,332	-29	14,326	14,366
EBITDA	9	-21	3	-2	149	143
Depreciation/amortisation/impairment	46	46	-1	-1	384	735
Reversals of impairment losses	0	1	0	0	2	2
EBIT	-37	-66	4	-1	-233	-590
Investments	22	31	0	0	164	245
Segment assets	2,663	2,064	-667	-485	24,123[1]	23,630
thereof non-current	(1,510)	(1,247)	(-49)	(-47)	(14,764)	(13,619)
Segment liabilities	2,184	1,640	-539	-419	14,514[1]	15,279
Selling space (1,000 sqm)	0	29	0	0	12,375	12,081
Locations (number)	0	4	0	0	2,198	2,206

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

Regional segments

	Germany		Western Europe (excl. Germany)		Eastern Europe		Asia/Africa	
€ million	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15
External sales (net)	5,799	5,905	4,322	4,361	3,170	2,813	1,036	1,287
Internal sales (net)	52	44	34	39	4	2	9	8
Sales (net)	5,851	5,950	4,356	4,400	3,173	2,815	1,045	1,295
EBITDA	-7	-44	11	39	115	114	32	36
Depreciation/amortisation/impairment	145	591	160	65	66	55	14	23
Reversals of impairment losses	0	0	0	0	2	1	0	0
EBIT	-153	-635	-149	-26	52	60	19	13
Investments	102	143	34	41	23	42	5	19
Segment assets	10,928[1]	10,612	6,124[1]	6,217	5,850[1]	5,326	1,615[1]	1,896
thereof non-current	(6,382)	(5,715)	(3,439)	(3,418)	(3,948)	(3,472)	(998)	(1,016)
Segment liabilities	6,804[1]	7,299	4,326[1]	4,573	2,702[1]	2,471	940[1]	1,261
Selling space (1,000 sqm)	5,772	5,697	2,846	2,795	2,990	2,795	768	794
Locations (number)	951	944	616	624	502	504	129	134

Regional segments continued

	International		Consolidation		METRO GROUP	
€ million	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15	Q2 2013/14	Q2 2014/15
External sales (net)	8,528	8,461	0	0	14,326	14,366
Internal sales (net)	48	49	-100	-94	0	0
Sales (net)	8,575	8,510	-100	-94	14,326	14,366
EBITDA	158	189	-2	-2	149	143
Depreciation/amortisation/impairment	239	143	0	0	384	735
Reversals of impairment losses	2	2	0	0	2	2
EBIT	-78	47	-2	-2	-233	-590
Investments	62	102	0	0	164	245
Segment assets	13,589[1]	13,438	-394	-420	24,123[1]	23,630
thereof non-current	(8,386)	(7,906)	(-3)	(-3)	(14,764)	(13,619)
Segment liabilities	7,968[1]	8,305	-258	-325	14,514[1]	15,279
Selling space (1,000 sqm)	6,604	6,384	0	0	12,375	12,081
Locations (number)	1,247	1,262	0	0	2,198	2,206

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

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

These unaudited interim consolidated financial statements as at 31 March 2015 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 are unaudited, but they were subject to an auditor's review in accordance with Section 37w (5) of the German Securities Trading Act (WpHG).

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. Rounding differences may occur.

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 SIC 13 (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 has 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 €174 million during the comparable period until 31 March 2014, with receivables from suppliers and trade payables accounting for €174 million and €174 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 related to 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

Depreciation/amortisation/impairment losses of €998 million (H1 2013/14: €666 million) include impairment losses of €480 million (H1 2013/14: €118 million). €477 million of this amount are related to Q2 2014/15 (Q2 2013/14: €114 million). Thereof, €446 million are attributable to goodwill impairment losses related to Real Germany. The business development of the cash-generating unit of Real Germany within the first half of the financial year that ended on 31 March 2015 was considered as a triggering event for a possible goodwill impairment. The goodwill impairment test required under IAS 36 resulted in a goodwill impairment of €446 million at Real Germany as goodwill was reduced to €638 million from €1,084 million. The impairment was shown within the “Other operating expenses” item.

The impairment test was performed on the level of a group of cash-generating units by comparing the cumulative carrying amounts of the group of cash-generating units with the recoverable amount. The recoverable amount is defined as fair value less costs to sell which is calculated based on discounted future cash flows. The fair value less costs to sell was calculated in the same manner as in the annual financial statements as of 30 September 2014 and is based on the following assumptions:

- Expected future cash flows are based on a qualified planning process under consideration of the internal experience, macroeconomic data collected by third-party sources as well as independent consulting.
- The detailed planning period comprises four years. As in the previous year, the growth rate considered at the end of the detailed planning period is 0.5%.
- As capitalisation rate, the weighted average cost of capital (WACC) is used which is determined by using the capital asset pricing model. In the process, an individual peer group is assumed for all groups of cash-generating units operating in the same business segment. In addition, the capitalisation rate is determined on the basis of an assumed basic interest rate of 1.375% (2.5% as of 30 September 2014) and a market risk premium of 6.75% (6.0% as of 30 September 2014) in Germany. Country-specific risk premiums based on the respective country rating are applied to equity cost and debt cost. The capitalisation rate after taxes determined for the group of cash-generating units of Real Germany amounts to 5.6% (5.7% as of 30 September 2014).
- For the impairment test, significant EBIT and EBIT margin growth, together with moderate sales development, were assumed for valuation purposes in the detailed planning period and in terms of the long-term result; medium-term EBIT growth results from the transformation process which the entity is currently undergoing. The determination of the sustainable result is based on assumptions regarding various cost reductions.

In addition, a full goodwill impairment of €9 million was recognised for the group of cash-generating units of METRO Cash & Carry in Pakistan. With exception of this group of cash-generating units, no indication for goodwill impairment was identified for any other group of cash-generating units.

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

€ million	H1 2013/14	H1 2014/15
Cost of sales	10	9
Selling expenses	504	477
General administrative expenses	64	56
Other operating expenses	88	455
Financial result	0	1
	666	998

€ million	H1 2013/14	H1 2014/15
Goodwill	88	455
Other intangible assets	71	62
Tangible assets	498	464
Investment properties	8	16
Financial assets[1]	0	1
Assets held for sale	0	0
	666	998

[1]Including investments accounted for using the equity method

€ million	Q2 2013/14	Q2 2014/15
Cost of sales	5	4
Selling expenses	261	248
General administrative expenses	30	28
Other operating expenses	88	455
Financial result	0	0
	384	735

€ million	Q2 2013/14	Q2 2014/15
Goodwill	88	455
Other intangible assets	35	30
Tangible assets	256	237
Investment properties	5	13
Financial assets[1]	0	0
Assets held for sale	0	0
	384	735

[1]Including investments accounted for using the equity method

Impairments of capitalised financial instruments measured at amortised cost amount to €32 million (H1 2013/14: €33 million). €16 million of this amount are related to Q2 2014/15 (Q2 2013/14: €15 million).

Notes to the balance sheet

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

Sale of wholesale business in Vietnam

On 18 February 2015, METRO Cash & Carry signed agreements regarding the purchase of all 19 Vietnamese wholesale stores including the associated real estate portfolios by TCC Holding Co., Ltd. (TCC). On 7 August 2014, METRO Cash & Carry had signed an agreement with Thai retail group Berli JuckerPublic Company Limited (BJC) regarding the sale of the Vietnamese wholesale business. This was rejected by a general meeting of BJC. As a result, BJC's majority shareholder TCC replaced BJC as party to the transaction at unchanged economic conditions. METRO GROUP continues to expect a successful closing of this transaction. At present, customary authorisations by the local authorities remain outstanding. 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 annual financial statements for 2013/14, all assets and liabilities affected by the transaction 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” or “liabilities related to assets held for sale” in the consolidated balance sheet as of 31 March 2015. The "assets held for sale" of €221 million shown in this context in the consolidated financial statements as of 30 September 2014 increased to €270 million in the current financial year as operations were continued. Correspondingly, “liabilities related to assets held for sale” increased from €192 million to €224 million during this period. As of 31 March 2015, the breakdown of these assets and liabilities is as follows:

€ million	31/3/2015
Assets	
Tangible assets	134
Other financial and non-financial assets (non-current)	57
Inventories	46
Trade receivables	4
Other financial and non-financial assets (current)	26
Cash and cash equivalents	3
	270
Liabilities	
Provisions for pensions and similar obligations	1
Financial liabilities (non-current)	72
Trade liabilities	56
Provisions (current)	6
Financial liabilities (current)	76
Other financial and non-financial liabilities (current)	13
	224

In the METRO Cash & Carry segment, assets and liabilities held for sale that are related to the Vietnamese wholesale business contribute €260 million to segment assets and €68 million to segment liabilities.

EBIT-effective expenses of €7 million in connection with the sale were incurred in the first half of the financial year 2014/15. They are reported under general administrative expenses and are attributable to the METRO Cash & Carry segment. In addition, the net financial result includes €8 million in income, with €9 million shown in the other financial result and €-1 million shown in the net interest result. 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

On 21 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., 70% owned subsidiary of Greek retail group I. & S. Sklavenitis Trade S.A. (Sklavenitis). After the suspensive conditions had been fulfilled, the transaction was completed on 30 January 2015. As a result, the deconsolidation of MAKRO Cash & Carry Wholesale S.A. was implemented in the half-year financial statements as of 31 March 2015. The assets and liabilities disposed of as a result of the deconsolidations can be broken down as follows:

€ million	31/3/2015
Assets	
Goodwill	25
Tangible assets	57
Inventories	30
Other financial and non-financial assets (current)	16
Entitlements to income tax refunds	0
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

The EBIT contribution resulting from the disposal of MAKRO Cash & Carry Wholesale S.A. amounts to €8 million, with €9 million recognised in other operating income and €1 million recognised in general administrative expenses. In addition, the reversal through profit or loss of currency translation differences that were recognised in equity until the deconsolidation date resulted in expenses of €8 million in the other net financial result. The deconsolidation had no impact on other comprehensive income.

Divestment of Real's Eastern European business

In the context of the disposal of Real's Eastern European business to Groupe Auchan, which was concluded by the end of Q2 2013/14, the Group plans to sell the remaining assets to other buyers. At €2 million, and after consideration of €-1 million in currency effects, 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

The value of individual properties held for sale increased from €236 million to €296 million during the first half of the financial year 2014/15 as a result of the reclassification of individual properties with a total value of €75 million from non-current assets to "assets held for sale", the sale of real estate assets with a total value of €10 million and currency effects totalling €-5 million.

METRO GROUP expects to dispose of the real estate assets recognised as "assets held for sale" within a year following their first-time recognition in this balance sheet item. 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 (€124 million) segments.

Dividends paid

Dividend distribution of METRO AG is based on METRO AG's annual financial statements prepared under German commercial law. As resolved by the Annual General Meeting on 20 February 2015, a dividend of €0.90 per ordinary share and €1.13 per preference share, for a total of €295 million, was paid from the reported net profit of €319 million for the financial year 2013/14, with the remaining amount carried forward to the new account. The dividend was paid out on 23 February 2015.

Recognition of actuarial gains and losses in equity ("other comprehensive income") from the remeasurement of defined-benefit pension plans

In H1 2014/15, an amount of €213 million (H1 2013/14: €-92 million) from the remeasurement of defined-benefit pension plans as of 31 March 2015 was recognised in METRO AG's other comprehensive income outside of profit or loss, resulting in a reduction of equity. Aside from the reduction of the actuarial interest rate and the difference between normed and actual income from plan assets, the remeasurement also comprises the adjustment of inflation expectations effected during Q2

2014/15, the retirement age and the mortality assumption resulting from a modified assessment.

The national actuarial rates of interest and inflation rates have changed as follows:

	30/09/2014					31/03/2015				
%	Germany	Netherlands	United Kingdom	Belgium	Other countries	Germany	Netherlands	United Kingdom	Belgium	Other countries
Actuarial interest rate	2.60	2.70	4.20	2.60	2.60	1.40-1.50	1.60	3.24	1.50	1.50
Inflation rate	2.00	2.00	2.50	2.00	1.92	1.50	2.00	2.50	2.00	1.92

The retirement age was determined as the respective statutory retirement age less two years and the modification of the mortality tables effected in previous years was cancelled based on the current mortality rates published by the German Federal Statistics Office.

Carrying amounts and fair values according to measurement category

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

	31/03/2014				
		Balance sheet value			
€ million	Carrying amount	(Amortised) cost	Fair value through profit or loss	Fair value outside of profit or loss	Fair value
Assets	28,314	n/a	n/a	n/a	n/a
Loans and receivables	2,885	2,885	0	0	2,888
Loans and advance credit granted	62	62	0	0	65
Receivables due from suppliers[1]	1,593	1,593	0	0	1,593
Trade receivables	638	638	0	0	638
Miscellaneous financial assets	593	593	0	0	593
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	35	0	35	0	35
Derivative financial instruments not in a hedging relationship according to IAS 39	35	0	35	0	35
Securities	0	0	0	0	0
Other financial assets	0	0	0	0	0
Available for sale	331	17	0	313	n/a
Investments	330	17	0	312	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	2,074	2,074	0	0	2,074
Receivables from finance lease (amount according to IAS 17)	2	n/a	n/a	n/a	2
Assets not classified according to IFRS 7	22,986	n/a	n/a	n/a	n/a
Equity and liabilities	28,314	n/a	n/a	n/a	n/a
Held for trading	8	0	8	0	8
Derivative financial instruments not in a hedging relationship according to IAS 39	8	0	8	0	8
Miscellaneous financial liabilities	0	0	0	0	0
Other financial liabilities	17,711	17,640	0	71	17,995
Financial liabilities excl. finance leases (incl. hedged items in hedging relationships according to IAS 39)	6,319	6,319	0	0	6,604
Trade liabilities[1]	9,914	9,914	0	0	9,914
Miscellaneous financial liabilities	1,478	1,407	0	71	1,478
Derivative financial instruments within hedges under IAS 39	14	0	0	14	14
Liabilities from finance lease (amount according to IAS 17)	1,350	n/a	n/a	n/a	1,580
Liabilities not classified according to IFRS 7	9,231	n/a	n/a	n/a	n/a
Unrealised gain (+)/loss (–) from total difference between fair value and carrying amounts					-512

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

€ million	31/03/2015 Carrying amount	Balance sheet value (Amortised) cost	Fair value through profit or loss	Fair value outside of profit or loss	Fair value
Assets	28,711	n/a	n/a	n/a	n/a
Loans and receivables	2,765	2,765	0	0	2,765
Loans and advance credit granted	57	57	0	0	57
Receivables due from suppliers	1,553	1,553	0	0	1,553
Trade receivables	576	576	0	0	576
Miscellaneous financial assets	579	579	0	0	579
Held to maturity	0	0	0	0	0
Securities	0	0	0	0	0
Other financial assets	0	0	0	0	0
Held for trading	21	0	21	0	21
Derivative financial instruments not in a hedging relationship according to IAS 39	21	0	21	0	21
Securities	0	0	0	0	0
Miscellaneous financial assets	0	0	0	0	0
Available for sale	196	20	0	176	n/a
Investments	20	20	0	0	n/a
Securities	176	0	0	176	176
Miscellaneous financial assets	0	0	0	0	0
Derivative financial instruments within hedges under IAS 39	68	0	0	68	68
Cash and cash equivalents	3,009	3,009	0	0	3,009
Receivables from finance lease (amount according to IAS 17)	0	n/a	n/a	n/a	0
Assets not classified according to IFRS 7	22,652	n/a	n/a	n/a	n/a
Equity and liabilities	28,711	n/a	n/a	n/a	n/a
Held for trading	63	0	63	0	63
Derivative financial instruments not in a hedging relationship according to IAS 39	63	0	63	0	63
Miscellaneous financial liabilities	0	0	0	0	0
Other financial liabilities	18,496	18,374	48	73	18,748
Financial liabilities excl. finance leases (incl. hedged items in hedging relationships according to IAS 39)	6,735	6,735	0	0	6,988
Trade liabilities	10,350	10,350	0	0	10,350
Miscellaneous financial liabilities	1,410	1,289	48	73	1,411
Derivative financial instruments within hedges under IAS 39	1	0	0	1	1
Liabilities from finance lease (amount according to IAS 17)	1,268	n/a	n/a	n/a	1,583
Liabilities not classified according to IFRS 7	8,884	n/a	n/a	n/a	n/a
Unrealised gain (+)/loss (–) from total difference between fair value and carrying amounts					-568

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 €20 million (prior year: €330 million) €20 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: €312 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 €122 million (prior year: €71 million). Of these, subsequent valuation is applied for €73 million (prior year: €71 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:

	31/03/2014				31/03/2015			
€ million	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets	348	313	35	0	265	176	89	0
Held for trading								
Derivative financial instruments not in a hedging relationship according to IAS 39	35	0	35	0	21	0	21	0
Available for sale								
Investments	312	312	0	0	0	0	0	0
Securities	1	1	0	0	176	176	0	0
Derivative financial instruments in a hedging relationship according to IAS 39	0	0	0	0	68	0	68	0
Equity and liabilities	93	0	22	71	185	0	64	122
Held for trading								
Derivative financial instruments not in a hedging relationship according to IAS 39	8	0	8	0	63	0	63	0
Miscellaneous financial liabilities	0	0	0	0	0	0	0	0
Other financial liabilities								
Miscellaneous financial liabilities	71	0	0	71	122	0	0	122
Derivative financial instruments in a hedging relationship according to IAS 39	14	0	14	0	1	0	1	0
Total	255	313	13	-71	80	176	26	-122

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 depends on the respective contract details and is carried out using the discounted cash flow method (31/03/2015: €73 million; 31/03/2014: €71 million) and in consideration of contractual value limits (31/03/2015: €48 million; 31/03/2014: €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: 2.5% to 8.1%). 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: 11.6% to 14.9%). If the individual interest rates were to increase by 10%, the fair value of these liabilities would decline by €6 million (previous year: €8 million). An interest rate decrease by 10% would increase the fair value of these liabilities by €8 million (prior year: €11 million).

The changes in value of put options developed as follows:

€ million	2013/14	2014/15
On 1 October	78	72
Transfer to level 3	0	0
Transfer from level 3	0	0
Total gains (-) or losses (+) for the period	0	1
Net profit or loss for the period	0	1
Other comprehensive income	0	0
Other changes in value outside of profit or loss	-7	48
Transaction-related changes	0	0
Granting of new rights	0	0
Redemption of existing rights	0	0
On 31 March	71	122

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, goodwill impairments of €1 million (previous year: €-7 million) were increased and expenses of €1 million (previous year: €0 million) resulted in other net financial result.

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 3-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	31/3/2014	31/3/2015
Segment assets[1]	24,123	23,630
Non-current and current financial investments	390	75
Investments accounted for using the equity method	132	94
Cash and cash equivalents	2,074	3,009
Deferred tax assets	822	861
Entitlements to income tax refunds	198	257
Other entitlements to tax refunds[2]	508	478
Assets held for sale	0	10
Receivables from other financial transactions[3]	46	275
Other	21	22
Group assets	28,314	28,711

[1] Adjustment of previous year (see chapter "Notes to the accounting principles and methods for interim consolidated 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	31/3/2014	31/3/2015
Segment liabilities[1]	14,514	15,279
Non-current and current financial liabilities	7,669	8,003
Deferred tax liabilities	95	116
Income tax liabilities	183	152
Income tax provisions[2]	93	54
Other tax liabilities[3]	382	283
Liabilities from other financial transactions[3]	25	67
Liabilities to non-controlling interests[3]	73	123
Liabilities related to assets held for sale	0	156
Interest for other provisions[3]	45	13
Other	7	1
Group liabilities	23,086	24,247

[1] Adjustment of previous year (see chapter "Notes to the accounting principles and methods for interim consolidated 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	31/3/2014	31/3/2015
Liabilities from suretyships and guarantees	20	13
Liabilities from guarantee and warranty contracts	47[1]	40
	67	53

[1] Changed disclosure from previous year

Contingent liabilities have not changed 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. Information on legal disputes related to Media-Saturn-Holding GmbH can be found in the risk and opportunities report in chapter 12 of the combined management report in the consolidated financial statements of METRO AG as of 30 September 2014.

The following material developments with regard to legal disputes, investigations and other legal issues have occurred since the consolidated financial statements were prepared:

Legal disputes in relation to Media-Saturn-Holding GmbH
Based on the arbitral award of 8 August 2012, the approval of this decision by the Higher Regional Court of Munich of 18 December 2013 as well as the binding ruling by the Munich court on 9 August 2012, METRO AG (METRO) feels confirmed in its opinion that the consolidation of the Media-Saturn group of companies was rightfully effected according to the relevant IFRS (International Financial Reporting Standards) regulations, both in the past and in the consolidated financial statements as of 30 September 2014. As reported, the minority shareholder appealed against the above-mentioned decision of the Higher Regional Court of Munich of 18 December 2013 before the Federal Court of Justice; METRO considers a success of this appeal highly unlikely.

As reported, members of the advisory board delegated by the minority shareholder have filed several legal actions against Media-Saturn-Holding (MSH) before the Regional Court of Ingolstadt in which they challenge MSH advisory board resolutions – including the budget resolutions for 2012/13 and 2013/14. In the meantime, the overwhelming majority of these actions – for example, in connection with the approval of the preparation of the annual financial statements of MSH as of 30 September 2012 and in relation to budget resolutions for 2012/13 – have been dismissed in the first instance, with these decisions partially declared effective. Any appeals by unsuccessful claimants to the Higher Regional Court of Munich – including in relation to the budget resolutions for 2012/13 – have been rejected. The respective claimant filed a complaint relating to non-admission before the German Federal Court of Justice. In METRO's view, the chances of success of the non-admission complaint and other challenges that are still in first-instance hearings are also low. In particular, METRO does not expect the courts to deviate from the arbitration court's decision regarding the majority voting requirement for the advisory board.

In April 2015, the Regional Court of Ingolstadt dismissed the complaint of the minority shareholder through which the shareholder aims to achieve the dismissal of the managing director installed by METRO. The Regional Court of Ingolstadt and the Higher Regional Court of Munich as the court of appeal have finally dismissed the minority shareholder's request for an injunction against the managing director that would have prohibited him from performing his duties.

Investigations by the Federal Cartel Office
As reported, on 14 January 2010, the Federal Cartel Office searched former business premises of MGB METRO GROUP Buying GmbH. On 19 December 2011, the Federal Cartel Office extended the scope of the investigation to also include METRO AG, METRO Cash & Carry International GmbH and METRO Dienstleistungs-Holding GmbH. This extension resulted from the merger of MGB METRO GROUP Buying GmbH into METRO Dienstleistungs-Holding GmbH as part of the decentralisation of central procurement in Germany. As reported, the Federal Cartel Office used this as a reason to extend the investigation to the parent or group holding company in view of the risk that the legal opponent may cease to exist due to a corporate restructuring with a change of legal form. The Federal Cartel Office's investigation is ongoing; in October 2014 and February 2015, the authority sent a comprehensive hearing notification concerning one part of the proceedings to METRO AG and METRO Dienstleistungs-Holding GmbH. In this notification, accusations are levelled against these companies concerning practices engaged in by the former MGB METRO Group Buying GmbH in the form of vertical price fixing agreements with a supplier. A comprehensive defence case against these allegations has been launched and appropriate risk provisions have been formed. In another sub-complex, however, the Federal Cartel Offices recently closed proceedings.

Remaining legal issues
In addition, companies of METRO GROUP are parties to other judicial or arbitral and antitrust law proceedings in various European countries. This also includes investigations by the EU Commission into the MSH Group and Redcoon GmbH, which were initiated with searches related to suspected anti-competitive agreements with suppliers in 2013 and 2015, respectively. Insofar as the existence of a liability is more likely than not, appropriate risk provisions have been formed for these proceedings.

Events after the quarter-end closing

On 16 April 2015, Media-Saturn acquired a majority stake in Dutch live shopping platform iBOOD.com, which it now controls. The company had sales of €36 million in 2014.

On 23 April 2015, Real and METRO Cash & Carry Germany announced the signing of a service agreement with MARKANT. In future, MARKANT will be responsible for the settlement of both companies' German merchandise business. The cooperation with MARKANT is expected to create synergies that will strengthen the competitiveness of Real and METRO Cash & Carry Germany.

Revision of Management Board remuneration

Effective from the financial year 2014/15, the Supervisory Board adjusted the design of the short- and long-term incentives for Management Board members. In addition, an option was introduced to switch gross salary components into self-funded pension entitlements.

The new short-term incentive is calculated on the basis of an equally weighted consideration of like-for-like sales growth, EBIT and return on capital. To ensure the individual performance orientation of Management Board remuneration, the Supervisory Board of METRO AG now also reserves the general right to reduce or increase the weight of the individual short-term incentive by up to 30%, respectively, at its discretion. In any case, the payout of the short-term incentive is limited to 200% of the defined target amount.

In future, the new long-term incentive will be calculated on the basis of an equally weighted consideration of total shareholder return, sustainability ranking and earnings per share. The total cap for the new long-term incentive was reduced to 250% from 300% of the target amount. From the financial year 2015/16, the performance period will cover four rather than three years.

In future, based on the new principles, the Supervisory Board will define annual targets for the short-term incentive and a portion of the long-term incentive.

RESPONSIBILITY STATEMENT OF THE LEGAL REPRESENTATIVES

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

Düsseldorf, 4 May 2015

The Management Board

OLAF KOCH MARK FRESE PIETER HAAS HEIKO HUTMACHER

REVIEW REPORT

To METRO AG, Düsseldorf

We have reviewed the condensed interim consolidated financial statements of the METRO AG – comprising the balance sheet, the income statement, total comprehensive income reconciliation, cash flow statement, statement of changes in equity and selected explanatory notes – together with the interim group management report of the METRO AG, for the period from 1 October 2014 to 31 March 2015 that are part of the semi-annual financial report according to § 37w WpHG ["Wertpapierhandelsgesetz": "German Securities Trading Act"]. The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the reviews so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an audit certificate.

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

Cologne, 4 May 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Lurweg	Münstermann
Auditor	Auditor

Financial calendar 2014/15

Quarterly Report 9M/Q3 2014/15	Thursday	6 August 2015	7.30 a.m.
Announcement of sales results for the financial year 2014/15	Monday	19 October 2015	7.30 a.m.
Annual Report 2014/15	Tuesday	15 December 2015	8.00 a.m.

All time specifications are CET

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Visit our website at www.metrogroup.de, the primary source for publications and information about the METRO GROUP.

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

Disclaimer

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