

METRO WITH STABLE SALES DEVELOPMENT IN THE SECOND QUARTER OF 2017/18 – EARNINGS BURDENED

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- Further increase in like-for-like sales: Q2 2017/18 +2.0%, H1 2017/18 +1.3%; slight decline in reported sales: Q2 -0.8% to €8.4 billion, H1 -0.3% to €18.6 billion
- EBITDA excluding earnings contributions from real estate transactions amount to €153 million in Q2 (Q2 2016/17: €177 million), in H1 to €761 million (H1 2016/17: €742 million)
- Reported EBITDA come to €161 million in Q2 (Q2 2016/17: €251 million), in H1 to €769 million (H1 2016/17: €859 million)
- Earnings per share of €-0.14 in Q2 (Q2 2016/17: €0.11) and €0.50 in H1 (H1 2016/17: €0.45)
- Like-for-like sales at METRO Wholesale record stable growth in Q2 and H1 – delivery sales development remains very dynamic
- Significant sales growth at Real in Q2 has positive effect on growth in H1 – online sales continue to develop very positively
- Adjusted guidance for financial year 2017/18 confirmed

Düsseldorf, 15 May 2018 – METRO continued its stable sales development in the second quarter of financial year 2017/18, raising like-for-like sales by 2.0% compared with the same quarter of the previous year. The shift in the timing of Easter had a particularly noticeable impact on this. However, negative currency effects led to a 0.8% decline in reported sales to €8.4 billion. EBITDA excluding earnings contributions from real estate transactions amounted to €153 million compared with €177 million in the second quarter of 2016/17, due in particular to developments in Russia. Reported EBITDA fell to €161 million from €251 million in the previous year.

In the first half of 2017/18, like-for-like sales grew by 1.3% compared with the same period of the previous year, with both METRO Wholesale and Real contributing to this development. Negative currency effects led to reported sales declining slightly by 0.3% to €18.6 billion. EBITDA excluding earnings contributions from real estate transactions rose to €761 million from €742 million in the previous year. Reported EBITDA came to €769 million compared with €859 million in the same period of the previous year.

“We further increased like-for-like sales at METRO Wholesale in the second quarter of financial year 2017/18 and we saw positive developments at Real. We have also achieved further dynamic growth in the delivery and online business,” says Olaf Koch, Chairman of the Management

METRO AG

Metro-Straße 1
40235 Düsseldorf, Germany
P.O. Box 230361
40089 Düsseldorf, Germany

T +49 211 6886-4252
www.metroag.de
presse@metro.de
@METRO_News

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Board of METRO AG. "However, business development in Russia and negative currency effects had a strong negative impact on sales and earnings. By introducing a new pricing policy, intensifying commercial initiatives and enhancing support for independent traders in the last quarter, we have taken clear steps to restore growth to our Russian business. We are also confident that we will now be able to pay competitive compensation to new hires at Real from summer onwards, as scheduled."

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Outlook

METRO AG has adjusted its outlook for earnings and sales for the financial year 2017/18 on 20 April 2018 due to the overall development of the business. The outlook continues to be based on the assumption of stable exchange rates without portfolio adjustments. Our reporting will also assume a continuously complex geopolitical situation.

With regard to overall sales METRO AG expects a growth rate of minimum 0.5% in the financial year 2017/18 (before: minimum 1.1%). Opposed to this, we expect for METRO Russia a sales development considerably below the prior year. For Real we expect a slight improvement compared to the previous year. For the financial year 2017/18, the management board of METRO AG continues to expect the like-for-like development to slightly surpass the 0.5% growth delivered in the reporting year 2016/17. Here we expect for METRO Russia a development markedly lower than the year before.

The Management Board of METRO AG expects the EBITDA (exchange-rate adjusted and excluding earnings contributions from real estate transactions) of METRO to increase slightly in the financial year 2017/18 as compared to last year's result of EUR 1,436 million (before: approximately 10%). Opposed to this, for METRO Russia a strong decrease compared to the year before is expected.

Business development in H1/Q2 2017/18

- Like-for-like sales at METRO rose by 1.3% in the first half of 2017/18; positive like-for-like sales development at METRO Wholesale and Real
- 1.7% sales increase in local currency
- Reported sales declined by 0.3% to €18.6 billion due to negative currency effects
- In the second quarter of 2017/18, like-for-like sales growth of 2.0%; positive like-for-like sales development due in particular to the shift in the timing of Easter
- 2.0% increase in local currency
- Reported sales declined by 0.8% to €8.4 billion due to negative currency effects
- EBITDA excluding earnings contributions from real estate transactions amounted to €761 million in H1 2017/18 (H1 2016/17: €742 million); increase is driven by the absence of restructuring-related expenses, among others at Real, in comparison to the previous year and one time income in the Others segment in the current year; on the other hand, particularly the sales decline in Russia, which was amplified by negative

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currency effects, affected the earnings development and led to a development below the previous year's level

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- EBITDA excluding earnings contributions from real estate transactions rose by 6% at constant currency in comparison to the previous year
- Earnings contributions from real estate transactions of €8 million (H1 2016/17: €118 million)
- EBITDA amounted to €769 million (H1 2016/17: €859 million)
- EBITDA excluding earnings contributions from real estate transactions amounted to €153 million in Q2 2017/18 (Q2 2016/17: €177 million)
- Earnings contributions from real estate transactions of €8 million (Q2 2016/17: €75 million)
- EBITDA amounted to €161 million (Q2 2016/17: €251 million)
- The financial result in H1 2017/18 amounted to €-81 million (H1 2016/17: €-75 million); the other financial result changed by €-25 million due to temporary positive currency developments (mainly rouble) in the previous year; on the other hand, because of more favourable refinancing conditions the interest result improved by €12 million
- Earnings before taxes in H1 2017/18 amounted to €333 million (H1 2016/17: €429 million); reported tax expenses of €147 million (H1 2016/17: €250 million) correspond to a tax rate of 44% (H1 2016/17: 58%); tax rate higher than the originally expected tax rate of 40% due to the adjusted earnings outlook and associated tax consequences; high tax rate in the previous year primarily influenced by demerger and restructuring effects which did not lead to a corresponding reduction in tax expenses
- Profit or loss for the period in H1 2017/18 amounted to €185 million (H1 2016/17: €179 million)
- Earnings per share in H1 2017/18 came to €0.50 (H1 2016/17: €0.45)
- Net debt as of 31 March 2018 amounted to €4.0 billion (31 March 2017: €3.9 billion)

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40235 Düsseldorf, Germany
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40089 Düsseldorf, Germany

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METRO	H1 2016/17 (in € million)	H1 2017/18 (in € million)	Change
Sales	18,608	18,560	-0.3%
EBITDA excluding earnings contributions from real estate transactions	742	761	2.6%
Earnings contributions from real estate transactions	118	8	-93.3%
EBITDA	859	769	-10.5%
EBIT	504	413	-18.0%
Earnings before taxes (EBT)	429	333	-22.5%
Profit or loss for the period attributable to METRO AG shareholders	165	181	9.5%
Earnings per share in €	0.45 ¹	0.50	9.5%

¹Pro forma figure.

METRO	Q2 2016/17 (in € million)	Q2 2017/18 (in € million)	Change
Sales	8,514	8,449	-0.8%
EBITDA excluding earnings contributions from real estate transactions	177	153	-13.3%
Earnings contributions from real estate transactions	75	8	-89.5%
EBITDA	251	161	-36.0%
EBIT	78	-18	-
Earnings before taxes (EBT)	57	-60	-
Profit or loss for the period attributable to METRO AG shareholders	41	-52	-
Earnings per share in €	0.11 ¹	-0.14	-

¹Pro forma figure.

METRO Wholesale

Sales

- Like-for-like sales at METRO Wholesale increased by 1.2% in the first half of 2017/18; all regions except Russia contributed to this increase
- 2.0% increase in local currency
- Reported sales declined by 0.5% to €14.8 billion due to adverse currency developments, particularly in Russia, Turkey and China
- In the second quarter of 2017/18, like-for-like sales increased by 1.6%, profiting from the shift in the timing of Easter; all regions except Western Europe (excluding Germany) and Russia contributed to this growth
- 1.6% sales growth in local currency
- Reported sales declined by 1.8% to €6.7 billion due to adverse currency developments, particularly in the Asian countries, Russia and Turkey
- The delivery business of METRO Wholesale developed very dynamically: in H1 2017/18, sales increased by more than 20% to €2.5 billion to a sales share of 17%;

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the main contribution came from the acquisition of Pro à Pro; in Q2 2017/18, growth of around 13% to a sales share of around 19%

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Sales by segment

- Like-for-like sales in Germany rose by 2.6% in H1 2017/18; reported sales increased by 2.0%
- In Q2 2017/18, like-for-like sales in Germany gained 3.1%, also profiting from the shift in the timing of Easter; reported sales gained 2.4%
- Like-for-like sales in Western Europe excluding Germany climbed by 0.3% in H1 2017/18; main contributions came from France and Portugal; reported sales increased by 3.9% to €5.2 billion, with the acquisition of Pro à Pro contributing in particular
- In Q2 2017/18, like-for-like sales declined by 0.2%; reported sales increased by 1.8% to €2.3 billion, due in particular to acquisitions
- In Russia, like-for-like sales development was clearly negative in H1 2017/18 with a decline of 8.8%; 9.6% decline in local currency; reported sales fell by 14.9%
- In Q2 2017/18, like-for-like sales fell by 8.6%; in local currency decline by 10.4%; reported sales fell by 21.0%
- In H1 2017/18, clearly positive like-for-like sales development of 6.0% in Eastern Europe excluding Russia; main contributions came from Romania, Turkey and Ukraine; growth in local currency of 5.4%; reported sales rose by only 2.6% due to negative currency effects, especially in Turkey
- In Q2 2017/18, like-for-like sales developed clearly positively at 5.7%; growth in local currency of 5.1%; reported sales increased by only 2.6% due to negative currency effects, especially in Turkey
- Like-for-like sales in Asia increased by 2.4% in H1 2017/18, with contributions from all countries; growth in local currency of 2.8%; reported sales fell by 4.6% due to negative currency developments
- In Q2 2017/18, like-for-like sales increased by 4.3%; main contributions came from China and India; increase of 4.8% in local currency; reported sales declined by 3.6% due to negative currency developments

METRO Wholesale	H1 2016/17 (in € million)	H1 2017/18 (in € million)	Change (in €)	Change (in local currency)	Like-for-like (in local currency)
Sales	14,867	14,791	-0.5%	2.0%	1.2%
Germany	2,386	2,432	2.0%	2.0%	2.6%
Western Europe (excl. Germany)	5,030	5,225	3.9%	3.9%	0.3%
Russia	1,803	1,534	-14.9%	-9.6%	-8.8%
Eastern Europe (excl. Russia)	3,274	3,359	2.6%	5.4%	6.0%
Asia	2,335	2,227	-4.6%	2.8%	2.4%
Others/consolidation	39	13	-66.4%	-66.3%	0.0%

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METRO Wholesale	Q2 2016/17 (in € million)	Q2 2017/18 (in € million)	Change (in €)	Change (in local currency)	Like-for-like (in local currency)
Sales	6,852	6,730	-1.8%	1.6%	1.6%
Germany	1,039	1,064	2.4%	2.5%	3.1%
Western Europe (excl. Germany)	2,298	2,339	1.8%	1.8%	-0.2%
Russia	790	624	-21.0%	-10.4%	-8.6%
Eastern Europe (excl. Russia)	1,475	1,513	2.6%	5.1%	5.7%
Asia	1,235	1,190	-3.6%	4.8%	4.3%
Others/consolidation	14	0	-100.0%	-100.0%	0.0%

Earnings

- EBITDA excluding earnings contributions from real estate transactions amounted to €622 million in H1 2017/18 (H1 2016/17: €673 million); reduction mainly due to a declining sales-induced development in Russia and negative currency effects in the Asian countries, Russia and Turkey
- EBITDA excluding earnings contributions from real estate transactions declined in Q2 2017/18 to €124 million (Q2 2016/17: €155 million) due in particular to the ongoing negative development in Russia

EBITDA excluding earnings contributions from real estate transactions

In € million	EBITDA excluding earnings contributions from real estate transactions			EBITDA		EBIT	
	H1 2016/17	H1 2017/18	Change (in €)	H1 2016/17	H1 2017/18	H1 2016/17	H1 2017/18
METRO Wholesale	673	622	-51	755	626	534	411
Germany	49	53	4	48	53	11	16
Western Europe (excl. Germany)	172	194	22	174	195	110	126
Russia	192	143	-50	192	143	164	116
Eastern Europe (excl. Russia)	173	167	-6	173	168	121	118
Asia	89	83	-6	170	86	130	53
Others/consolidation	-2	-19	-16	-2	-19	-3	-19

EBITDA excluding earnings contributions from real estate transactions

In € million	EBITDA excluding earnings contributions from real estate transactions			EBITDA		EBIT	
	Q2 2016/17	Q2 2017/18	Change (in €)	Q2 2016/17	Q2 2017/18	Q2 2016/17	Q2 2017/18
METRO Wholesale	155	124	-31	235	128	128	20
Germany	-15	-12	3	-15	-12	-34	-31
Western Europe (excl. Germany)	6	24	18	6	24	-25	-10
Russia	70	35	-35	70	35	56	22
Eastern Europe (excl. Russia)	54	44	-10	54	45	30	20
Asia	48	48	-1	129	51	112	34
Others/consolidation	-9	-15	-6	-9	-15	-9	-15

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Real

- Sales at Real climbed by 1.7% in H1 2017/18 on a like-for-like basis; reported sales increased by 1.3% to €3.8 billion
- In Q2 2017/18, like-for-like sales increased significantly by 3.9%; increase largely attributable to the shift in Easter business; reported sales increased by 3.5%
- Online sales continued to develop very positively: in H1 2017/18 increase of around 37% to a sales share of around 2%; in Q2 2017/18, increase of around 28% to a sales share of around 2%

Real	H1 2016/17 (in € million)	H1 2017/18 (in € million)	Change (in €)	Like-for-like (in local currency)
Sales	3,718	3,767	1.3%	1.7%

Real	Q2 2016/17 (in € million)	Q2 2017/18 (in € million)	Change (in €)	Like-for-like (in local currency)
Sales	1,660	1,718	3.5%	3.9%

- EBITDA excluding earnings contributions from real estate transactions amounted to €136 million in H1 2017/18 (Q1 2016/17: €88 million); previous year's amount includes expenses for restructuring measures of €47 million
- In Q2 2017/18, EBITDA excluding earnings contributions from real estate transactions amounted to €36 million (Q2 2016/17: €33 million)

In € million	EBITDA excluding earnings contributions from real estate transactions			EBITDA		EBIT	
	H1 2016/17	H1 2017/18	Change (in €)	H1 2016/17	H1 2017/18	H1 2016/17	H1 2017/18
Real	88	136	48	93	136	24	59

In € million	EBITDA excluding earnings contributions from real estate transactions			EBITDA		EBIT	
	Q2 2016/17	Q2 2017/18	Change (in €)	Q2 2016/17	Q2 2017/18	Q2 2016/17	Q2 2017/18
Real	33	36	3	38	36	4	-5

METRO is a leading international specialist in wholesale and food retail. The company operates in 35 countries and employs more than 150,000 people worldwide. In financial year 2016/17, METRO generated sales of approximately €37 billion. The company provides custom solutions to meet the regional and international needs of its wholesale and retail customers. With its sales brands METRO/MAKRO Cash & Carry and Real as well as delivery services and digitisation initiatives, METRO sets the standards for tomorrow: for customer focus, digital solutions and sustainable business models. More information is available at metroag.de.

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