



Q1 2016/17 RESULTS PRESENTATION

3 February 2017

METRO GROUP
MADE TO TRADE.

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Intended demerger: To date, the general meeting of METRO AG has taken no decision on the demerger of METRO GROUP. Thus, any information on the intended demerger only reflects the current status and targeted measures / structure, all of which may be subject to changes in the course of the future process.

DEMERGER UPDATE – CAPITAL MARKETS DAY AND NEXT STEPS

METRO



Capital Markets Day on 15 December

- Presentation of two independent and strong sector leaders; comprehensive information on strategy, operations and financials
- Around 100 attendants onsite

Next steps

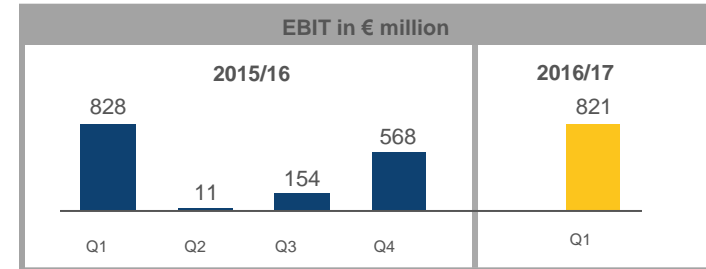
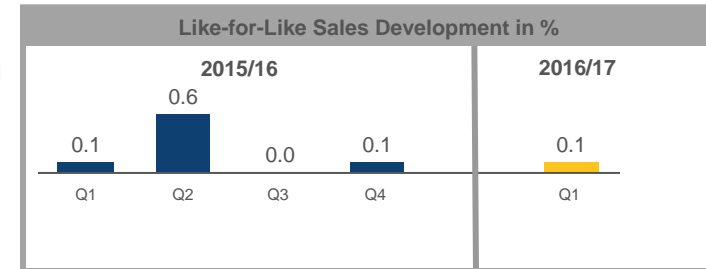
- AGM decision on 6 February
- Post approval:
 - listing preparation
 - publication of future METRO AG prospectus and interim combined financials ~2 weeks prior to listing
 - pre-listing roadshow for future METRO AG and CEECONOMY
 - start of trading targeted for mid 2017

CEECONOMY



Q1 2016/17 HIGHLIGHTS

- LfL sales on PY level; positive LfL development at METRO Cash & Carry
- Christmas business in challenging market environment, still a positive quarter is achieved
- Delivery and online sales with ongoing strong performance
- EBIT slightly lower due to METRO Cash & Carry and Real
- Pro à Pro closing completed on 1 February 2017
- Net debt on PY level at €0.1 billion



EBIT Q1 2016/17

in € million



- EBIT decline by ~€7 million
- Positive currency impact of roughly €5 million
- PY included ~€7 million EBIT from Vietnam operations
- Adjusted for this, EBIT declined by €5 million
- Real estate gains above PY level

Q1 2016/17: SALES AND EBIT BY DIVISION

€ million	Sales Q1 2016/17	Change	Like-for-Like Change	EBIT Q1 2015/16	EBIT comparable Q1 2015/16	EBIT Q1 2016/17	Δ Q1 2016/17 vs Q1 2015/16 comparable
METRO Cash & Carry	8,015	-0.3%	0.7%	458	~456	431	-25
Media-Saturn	6,893	0.0%	0.0%	309	309	312	+4
Real	2,058	-4.0%	-1.7%	83	83	71	-12
Others/Consolidation	20	3.0%	-	-22	-22	7	+29
METRO GROUP	16,986	-0.6%	0.1%	828	~826	821	-5



Continued positive LfL sales growth, Spain, Turkey and China performed well; EBIT impacted by overall challenging market environment, transformation countries (Belgium, Netherlands) and price investments in certain markets



Stable LfL sales development supported by multi-channel and Services & Solutions; EBIT slightly higher



LfL performance below PY level due to the challenging overall market; EBIT development in line with sales decrease

Q1 2016/17: INCOME STATEMENT (EBIT TO EPS)

€ million	Q1 2015/16	Q1 2016/17
EBIT	828	821
Net financial result	-104	-52
EBT	724	769
Income Taxes	-307	-345
Profit or loss for the period from continuing operations	417	424
Profit or loss for the period from discontinued operations	0	0
Profit or loss for the period	417	424
EPS in €	1.12	1.17

- Net financial result improved due to lower average financial liabilities, lower interest level and significantly improved other financial result
- €622 million bond (4.25% coupon) maturing on 22 February 2017 fully refinanced in January 2017
- Credit lines for future METRO AG (€2 billion) and CECONOMY AG (€1 billion) at very attractive financing conditions secured
- Tax rate of 44.8% in line with FY guidance (Q1 2015/16: 42.4%)
- EPS above PY

Q1 2016/17: OTHER KEY FINANCIALS

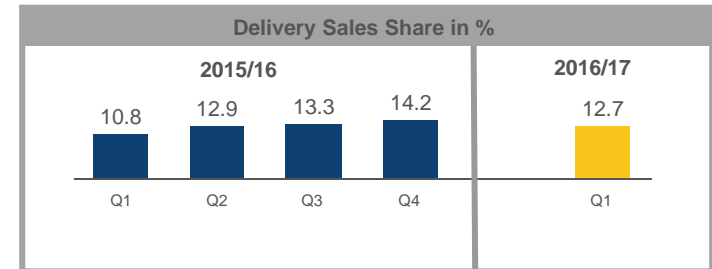
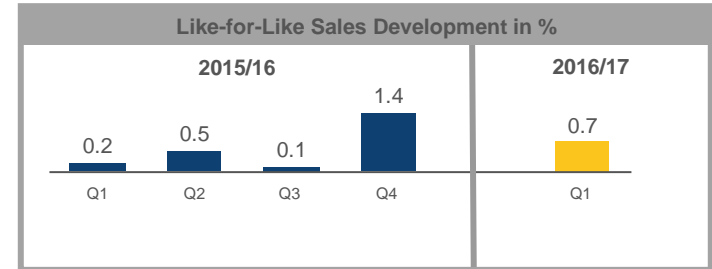
€ million	Q1 2015/16	Q1 2016/17	Change
Net debt (as at 31/12)	142	87	-55
Net working capital (as at 31/12)	4,017	3,498	-519
Change in net working capital (cash flow impact)	2,015	1,833	-182
Cash flow from operating activities	3,069	2,582	-487
Capex	337	142	-195
Number of new store openings	11	12	1

- Net debt of €0.1 billion on PY level
- Cash flow: NWC deterioration and one-off cash-in in PY; comparable cash flow largely stable
- Capex invested in modernisation, expansion and remodeling; FY expectation unchanged

METRO CASH & CARRY: HIGHLIGHTS Q1 2016/17



- Positive LfL sales growth driven by Spain, Turkey and China; Germany, Netherlands and Belgium impacted by the ongoing transformation
- Positive development in Trader and Multispecialists segment
- Russia with good top-line development despite low inflation and price competition
- Delivery sales increased by 16.5% (12.7% of total sales)
- EBIT below PY mainly impacted by transformation and higher price investments in certain markets



STRATEGIC UPDATE

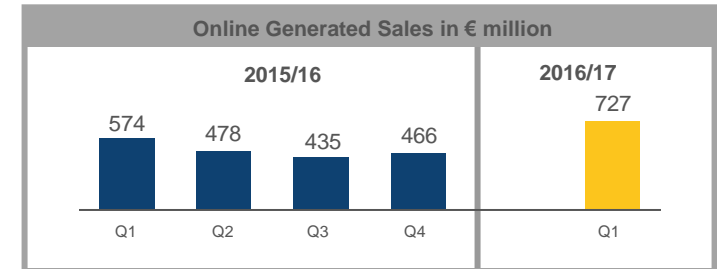
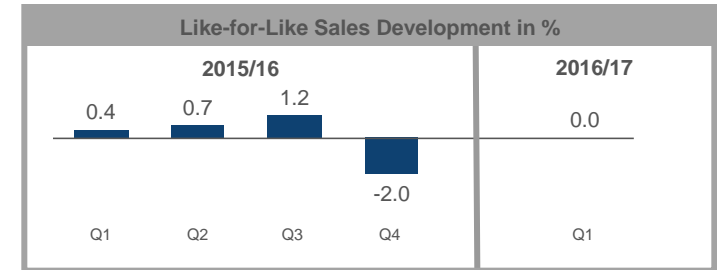
- **Business model adjustments based on VCPs**
 - Belgium: ~50% SKU reduction (mostly Non-Food); MediaMarkt “shop in shop”
 - Poland: reinforce profitable trader while growing Horeca
 - Trader focus with progressive abandoning of low margin sales; renew Horeca value proposition
 - Reopened flagship store in Warsaw with test kitchen and expanded space for ultra-fresh
- **FSD expansion: Pro à Pro acquisition closed on 1 February 2017**
 - Post-merger integration plan in place; VCP already approved
 - Synergies mostly in: purchasing, assortment and cross selling
- **Knowledge, solutions & digital: METRO Accelerator powered by Techstars**
 - 2nd METRO Accelerator for Horeca concluded; 10 startups presented at Demo Day
 - 1st METRO Accelerator for retail in cooperation with Real open for applications
- **Market entry preparation for Myanmar**
 - Capex-light expansion into Myanmar with focus on FSD
 - Distribution center to be built in Yangon; opening planned for beginning of 2018



MEDIA-SATURN: HIGHLIGHTS Q1 2016/17

- Stable LfL sales development; slight sales growth in local currency
- Sound sales performance in October and November; December, however, was impacted by the reduced sales concentration around the Christmas time, as indicated by advanced purchases (“Black Friday”) and positive effects in the first week of January
- Online generated sales grew more than 25% (excluding Redcoon country exits ~35%) and reached more than 10% of total sales for the first time
- Sales in Services & Solutions with double-digit growth rate
- EBIT slightly higher and broadly in line with sales development

MEDIA - SATURN



STRATEGIC UPDATE

- **Growth in Services & Solutions**
 - Roll-out of “smartbars” ongoing; currently in 480 stores in place (thereof ~140 operated by RTS in Germany)
- **Rise in loyalty program members**
 - Media Markt Club Germany with close to 1.8 million members per December 2016; in total 10.2 million loyalty program members
 - Club members with increase in frequency and basket value/size
 - Saturn Card pilot started in Berlin, Potsdam and Ingolstadt
- **New service trial “renting instead of buying”**
 - Customers can rent the latest electronic gadgets (around 500 products) like smartphones, drones, games consoles and laptops via the Media Markt webshop in Germany
- **CECOMOMY launches Retail Media Group, a cross-sector specialist for data monetization and smart data marketing**

MEDIA - SATURN



RMG

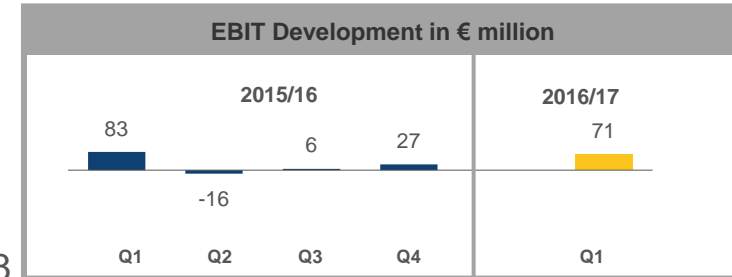
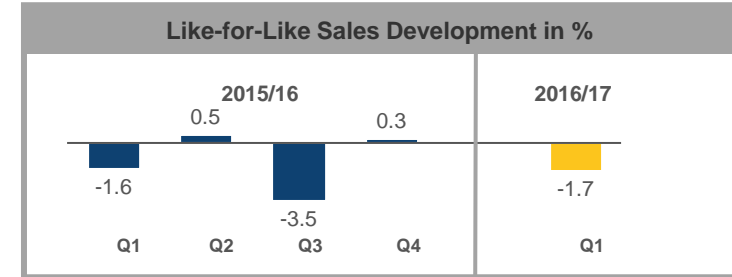
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REAL: HIGHLIGHTS Q1 2016/17

- LfL sales impacted by intense competitive environment
- Markthalle Krefeld:
 - Market-style character with special culinary offers well received
 - Development of roll-out strategy



- HQs restructuring initiated; up to 500 FTE reduction by mid 2018
- Significant online sales growth of c. 33%; integration of online platform Hitmeister (marketplace) provides further upside
- EBIT development in line with sales decrease



OUTLOOK 2016/17: FINANCIAL TARGETS AND CALENDAR

Guidance 2016/17

€ billion	Reported FY 2015/16	Guidance FY 2016/17
LfL sales growth	0.2%	>0%
EBIT before special items	1,560	>1,560 ¹

¹Based on constant foreign exchange rates

Financial Calendar

Annual General Meeting 2017	Monday	6 February 2017
Half-Year Financial Report H1/Q2 2016/17	Wednesday	31 May 2017
Quarterly Statement 9M/Q3 2016/17	Thursday	31 August 2017

Q&A



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BACK-UP

METRO GROUP
MADE TO TRADE.

SPECIAL ITEMS

€ million	Q1 2015/16	Q1 2016/17
Portfolio Optimisation Measures	-427	1
Restructuring and Efficiency-Enhancing Measures	6	79
Goodwill-Impairments	0	0
Others	9	8
METRO GROUP	-412	88

STORES BY DIVISION AND COUNTRY

	METRO Cash & Carry		Media-Saturn		Real		METRO GROUP					
	Openings/ additions Q1 2016/17	Closures/ disposals Q1 2016/17	31/12/2016	Openings/ additions Q1 2016/17	Closures/ disposals Q1 2016/17	31/12/2016	Opening/ additions Q1 2016/17	Closures/ disposals Q1 2016/17	31/12/2016	Openings/ additions Q1 2016/17	Closures/ disposals Q1 2016/17	31/12/2016
Germany			106			424		-3	282		-3	812
Austria			12	+1		50				+1		62
Belgium			16	+1		24				+1		40
France			94									94
Italy			49	+2		113				+2		162
Luxembourg						2						2
Netherlands			17			49						66
Portugal			10	+1		10				+1		20
Spain			37	+1		80				+1		117
Sweden						27						27
Switzerland						28						28
Western Europe (excl. Germany)			235	+6		383				+6		618
Bulgaria			11									11
Croatia			9									9
Czech Republic			13									13
Greece						11						11
Hungary			13	+2		24				+2		37
Kazakhstan			6									6
Moldova			3									3
Poland			30	+1		84				+1		114
Romania			30									30
Russia			89			61						150
Serbia		-1	9								-1	9
Slovakia			6									6
Turkey			32	+2	-2	45				+2	-2	77
Ukraine		-1	31								-1	31
Eastern Europe		-2	282	+5	-2	225				+5	-4	507
China	+1		87							+1		87
India			23									23
Japan			9									9
Pakistan			9									9
Asia	+1		128							+1		128
Total	+1	-2	751	+11	-2	1,032		-3	282	+12	-7	2,069*

* Including 4 stores in the Others segment