METRO REPORTS A SOLID QUARTER AND A TREND IMPROVEMENT IN RUSSIA

- Group: 9M like-for-like sales above previous year; EBITDA reaches €1,071 million in 9M and €302 million in Q3
- Q3: Positive trends in nearly all business segments; correction of negative development in Russia initiated rapidly
- Wholesale: steady like-for-like sales growth in Q3; in constant currency, EBITDA exceeds the previous year's result, also driven by first trend improvements in Russia
- Real: Declining sales in Q3 particularly due to the Easter shift; new tariff concept achieves competitive position but negatively impacts EBITDA in its first step
- Strong growth in delivery business and online business
- METRO confirms outlook for financial year 2017/18

Düsseldorf, 2 August 2018 – With slight like-for-like sales growth in the nine months to the end of June 2018, METRO achieved a solid overall business result. METRO once again increased sales on wholesale and posted like-for-like growth of 1.2% for the first nine months of the financial year. In Q3, the wholesale business grew by 1% like-for-like. Reported sales were impacted by negative currency effects. The group (i.e. including Real) has increased its like-for-like sales by 0.7% in 9M, although Real recorded a decline during the period. In Q3, like-for-like group sales slightly fell by 0.5%, primarily due to the shift in the timing of Easter. Group EBITDA reached €1,071 million in 9M and €302 million in Q3.

Olaf Koch, Chairman of the Management Board of METRO AG, said with regard to the figures: "The third quarter confirms the positive trend in the vast majority of our business entities. It also shows that we can correct individual negative developments rapidly and effectively. We have continued the positive like-for-like sales trend in our wholesale segment, which accounts for 80% of our business activities in terms of sales. The EBITDA margin of our wholesale business is stable at a good level of 4.7%. Russia is and will remain an important market for METRO. The measures taken have started to impact sales and earnings. On this improved basis, we will consistently continue our efforts in Russia. In Western Europe, including Germany, we recorded a temporary negative sales effect in the third quarter in wholesale and retail, which is due to the shift timing of the important Easter business. After terminating the temporary tariff agreement, Real initially recorded considerable wage increases, but the new tariff solution provides favourable conditions for

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competitive wage structures in the long term. Combined with the successful food lover concept and the ongoing rapid growth of the Real online marketplace, this is the foundation for a substantial increase in value. Considering the overall solid development, we confirm our outlook for financial year 2017/18."

METRO continues to exceed previous year's like-for-like sales

In the first nine months of 2017/18, METRO's like-for-like sales rose by 0.7%. This was thanks to the positive like-for-like development of METRO Wholesale. Reported sales decreased by -1.4% to €27.6 billion due to negative currency effects. METRO's like-for-like sales slightly decreased by -0.5% in Q3 2017/18. This development is in particular attributable to the Easter shift. Due to negative currency effects, reported sales decreased by -3.7% to €9.0 billion.

The earnings before interests, taxes, depreciation and amortisation (EBITDA) excluding earnings contributions from real estate transactions of METRO reached a total of €1,063 million in 9M 2017/18 (9M 2016/17: €1,121 million). This decrease is mainly attributable to negative currency effects and the impact on earnings as a result of the termination of the temporary tariff agreement at Real. The decline of sales in Russia also impacted the result, but in Q3 the initiated measures have considerably reduced this effect since the previous quarter. Earnings contributions from real estate transactions totalled €8 million (9M 2016/17: €127 million); EBITDA for the 9M period amounted to €1,071 million (2016/17: €1,248 million).

EBITDA excluding earnings contributions from real estate transactions reached a total of €302 million in Q3 2017/18 (Q3 2016/17: €379 million). There were no substantial earnings contributions from real estate transactions (Q3 2016/17: 9 Mio. €). EBITDA reached a total of €302 million (Q3 2016/17: €389 million). This is mainly attributable to an impact on earnings as a result of the termination of the temporary tariff agreement at Real.

The profit or loss for the period attributable to METRO totalled €238 million in 9M of 2017/18 (9M 2016/17: €240 million). In Q3, it reached a total of €57 million 2017/18 (Q3 2016/17: €75 million).

In 9M of 2017/18, earnings per share (EPS) amounted to €0.66 (9M 2016/17: €0.66). EPS were at €0.16 in Q3 2017/18 (Q3 2016/17: €0.21).

The reported net debt totalled €3.9 billion as of 30 June 2018 (30 June 2017: €3.8 billion).

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METRO Wholesale grows on a like-for-like basis and strongly in the delivery business

Like-for-like sales at METRO Wholesale increased by 1.2% in 9M 2017/18. This growth was fuelled by the German, Eastern European (excl. Russia) and Asian business, in particular. Due to adverse exchange rate developments – especially in Russia, Turkey and Asia – reported sales decreased by -1.3% to €22.1 billion.

In Q3 2017/18, like-for-like sales at METRO Wholesale rose by 1.0%. This growth was fuelled by Asia and, especially, Eastern Europe (excl. Russia) thanks to two-digit growth in Turkey, Ukraine and Romania. The Easter shift has negatively affected sales in Germany and Western Europe. Due to negative exchange rate developments, especially in Turkey and Russia, reported sales decreased by -2.8% to €7.3 billion.

In Russia, like-for-like sales in the 9M 2017/18 declined significantly by -7.0%. Due to negative currency effects, the reported sales decreased by -16.4%. Q3 2017/18 saw a tangible improvement compared to the previous quarter: thanks to suitable measures, the decline in sales has slowed down significantly (-3.2%). Due to negative currency effects, reported sales declined by -19.5%.

In 9M 2017/18, like-for-like sales in Germany increased by 1.2%. Reported sales rose by 0.5%. Like-for-like sales in Germany decreased by -1.7% in Q3 2017/18, which was primarily due to the Easter shift. Reported sales declined by -2.4%.

Business with HoReCa core customer groups (hotels, restaurants, caterers) and Traders continued to develop positively and experienced significant growth. For the HoReCa sector, like-for-like sales rose by 3.8% in the nine-month period and by 3.3% in the 3rd quarter. For Traders, like-for-like sales in the focus countries[1] rose by 3.7% in the 3rd quarter (9M: -0.6%) with a clear trend improvement in Russia.

METRO Wholesale's delivery sales showed very positive momentum, with sales rising by approximately 17% to €3.9 billion in 9M 2017/18. This is largely attributable to the acquisition of Pro à Pro. As a result, delivery sales accounted to 18% of total sales. In Q3 2017/18, sales increased by around 10% and achieved circa 19% of sales.

The EBITDA excluding earnings contributions from real estate transactions reached a total of €967 million in 9M 2017/18 (9M 2016/17: €1,030 million). This reduction was primarily due to a sales-related downtrend in Russia in the amount of €-64 million (€-37 million adjusted for currency effects) and negative currency effects in the amount of €22 million.

EBITDA excluding earnings contributions from real estate transactions has declined to a total of €345 million in Q3 2017/18 (Q3 2016/17: €357 million, owning particularly to the Easter shift and negative currency effects. In constant currency, EBITDA has increased by €6 million compared to the same period in the previous year. The development in Russia in the amount of €-14 million (€0 million adjusted for currency effects) is largely attributable to the increase in sales from Q2 and a positive one-time effect in the amount of approximately €10 million.

[1] Trader countries: Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Russia, Serbia, Slovakia

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Real with strong growth in the online business

Sales at Real declined by -1.0% in 9M 2017/18 and were particularly affected by a contracting stationary business. Reported sales decreased by -1.5% to €5.4 billion. Like-for-like sales significantly decreased by -6.6% in Q3 2017/18. This decline is especially attributable to unearned revenues due to the missing Easter business and a temporarily limited availability of goods. The reported sales decreased by -7.2%.

Online sales continued to develop very positively. In 9M 2017/18, online sales increased by around 34% and achieved circa 2% of sales. In Q3 2017/18, sales increased by around 30% and achieved circa 2% of sales.

The EBITDA excluding earnings contributions from real estate transactions reached €129 million in 9M 2017/18 (9M 2016/17: €121 million). The previous year included restructuring expenses of €46 million. This is primarily driven by tariff re-installment as a result of cancellation of the temporary tariff agreement.

EBITDA excluding earnings contributions from real estate transactions amounted to €-7 million in Q3 2017/18 (Q3 2016/17: €33 million). This decline is essentially attributable to the increase in the pay scale remuneration, which results from the termination of the temporary tariff agreement, for employees who were already employed at Real prior to the restructuring effective date on 8 June 2018, and the accrual of the temporarily reduced holiday and Christmas allowance entitlements – also a consequence of the termination of the temporary tariff agreement – for the year 2018. This initially results in significantly higher personnel expenses in the current and the next quarter, as well as in the next financial year. The personnel expenses will however be reduced over time, because a growing number of employees will then be remunerated under the new pay scale system introduced on 8 June 2018. Under this new pay scale system, employees who have commenced their employment on or after 8 June 2018 are remunerated in accordance with the competitive collective agreement between the DHV and the AHD employer association. Since then, more than 1,250 new employees were hired under the DHV collective agreement. This will gradually close the gap in personnel expenses between Real and other competitors in the German food retail industry.

METRO confirms outlook for financial year 2017/18

With regard to overall sales METRO AG expects a growth rate of minimum 0.5% in the financial year 2017/18. Opposed to this, METRO expects for METRO Russia a sales development considerably below the prior year. For Real METRO expects 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 METRO expects 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

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€1,436 million. Opposed to this, for METRO Russia a strong decrease compared to the year before is expected.

METRO assumes that the heterogeneous development of earnings will continue in the due course of the financial year, whereby Real earnings will be strongly impacted by the cancellation of the temporary tariff agreement in the 2nd half of the year.

METRO AG key figures

METRO	9M 2016/17 (in million €)	9M 2017/18 (in million €)	Change
Sales	27,947	27,557	-1.4%
EBITDA excluding earnings contributions from real estate transactions	1,121	1,063	-5.2%
Earnings contributions from real estate transactions	127	8	-93.8%
EBITDA	1,248	1,071	-14.2%
EBIT	720	547	-24.0%
Earnings before taxes (EBT)	573	429	-25.1%
Profit or loss for the period attributable to METRO	240	238	-0.7%
Earnings per share in €	0.66[1]	0.66	-0.7%

[1]Pro forma disclosure

METRO	Q3 2016/17 (in million €)	Q3 2017/18 (in million €)	Change
Sales	9,339	8,996	-3.7%
EBITDA excluding earnings contributions from real estate transactions	379	302	-20.4%
Earnings contributions from real estate transactions	9	0	-99.5%
EBITDA	389	302	-22.3%
EBIT	215	133	-38.1%
Earnings before taxes (EBT)	144	97	-32.6%
Profit or loss for the period attributable to METRO	75	57	-23.3%
Earnings per share in €	0.21[1]	0.16	-23.3%

[1]Pro forma disclosure

METRO Wholesale key figures

METRO Wholesale	9M 2016/17 (in million €)	9M 2017/18 (in million €)	Change (in €)	Change (in local currency)	like-for-like (in local currency)
Sales	22,421	22,133	-1.3%	1.5%	1.2%
Germany	3,582	3,599	0.5%	0.5%	1.2%
Western Europe (excl. Germany)	7,770	7,949	2.3%	2.3%	-0.2%
Russia	2,642	2,210	-16.4%	-8.1%	-7.0%
Eastern Europe (excl. Russia)	5,042	5,144	2.0%	5.6%	6.1%
Asia	3,324	3,208	-3.5%	3.2%	2.9%
Others/Consolidation	61	22	-63.2%	-63.2%	0.0%

METRO Wholesale	Q3 2016/17 (in million €)	Q3 2017/18 (in million €)	Change (in €)	Change (in local currency)	like-for-like (in local currency)
Sales	7,554	7,341	-2.8%	0.6%	1.0%
Germany	1,196	1,166	-2.4%	-2.4%	-1.7%
Western Europe (excl. Germany)	2,740	2,724	-0.6%	-0.6%	-1.2%
Russia	839	676	-19.5%	-4.7%	-3.2%
Eastern Europe (excl. Russia)	1,768	1,785	0.9%	5.9%	6.2%
Asia	989	981	-0.8%	4.2%	4.1%
Others/Consolidation	21	9	-57.2%	-57.4%	0.0%

	EBITDA excluding earnings contributions from real estate transactions			EBITDA		EBIT	
in € million	9M 2016/17	9M 2017/18	Change (in €)	9M 2016/17	9M 2017/18	9M 2016/17	9M 2017/18
METRO Wholesale	1,030	967	-63	1,113	971	783	649
Germany	72	75	3	71	75	14	18
Western Europe (excl. Germany)	301	335	34	303	336	205	233
Russia	278	214	-64	278	214	236	174
Eastern Europe (excl. Russia)	263	256	-7	263	257	187	184
Asia	121	121	-1	202	124	145	74
Others/ Consolidation	-4	-34	-29	-4	-34	-4	-34

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in € million	EBITDA excluding earnings contributions from real estate transactions Q3 2016/17	Q3 2017/18	Change (in €)	EBITDA Q3 2016/17	Q3 2017/18	EBIT Q3 2016/17	Q3 2017/18
METRO Wholesale	357	345	-12	358	345	250	238
Germany	23	21	-1	23	21	3	2
Western Europe (excl. Germany)	129	141	12	129	141	95	106
Russia	85	71	-14	85	71	71	58
Eastern Europe (excl. Russia)	90	89	-1	90	89	66	65
Asia	33	38	5	33	38	15	21
Others/ Consolidation	-2	-15	-13	-2	-15	-1	-15

Real key figures

Real	2016/17 (in million €)	2017/18 (in million €)	Change (in €)	like-for-like (in local currency)
9M sales	5,502	5,421	-1.5%	-1.0%
Q3 sales	1,783	1,655	-7.2%	-6.6%

in € million	EBITDA excluding earnings contributions from real estate transactions 2016/17	2017/18	Change (in €)	EBITDA 2016/17	2017/18	EBIT 2016/17	2017/18
9M Real	121	129	7	127	129	22	16
Q3 Real	33	-7	-40	33	-7	-2	-44

METRO is a leading international specialist company in the wholesale and food retail sector. The company is active in 35 countries and has more than 150,000 employees worldwide. In financial year 2016/17, METRO generated approximately €37 billion in revenue. The company supplies customised solutions for the local and international needs of its wholesale and retail clients. Its sales brands METRO/MAKRO Cash & Carry and Real and its delivery services and digitalisation initiatives, METRO is setting standards for the future in terms of its customer focus, digital solutions and sustainable business models. More information is available at www.metroag.de.