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**INVITATION**

to the Annual General Meeting of  
METRO AG on 13 May 2009

**METRO Group**

*The Spirit of Commerce*

# INVITATION TO THE GENERAL MEETING

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**METRO AG**  
**Düsseldorf**

German Securities ID (ordinary)	725 750
German Securities ID (preference)	725 753
ISIN (ordinary share)	DE 000 725 750 3
ISIN (preference share)	DE 000 725 753 7

We are pleased to invite our shareholders to the Annual General Meeting of METRO AG, which will be held on

**Wednesday, 13 May 2009**, at 10:30 a.m. Central European Standard Time in Congress Center Düsseldorf, CCD Stadthalle, Rotterdamer Straße 141 (Rheinufer), 40474 Düsseldorf.

Please note:

The legally binding language for the agenda of and the general information on the Annual General Meeting 2009 of METRO AG is German. Accordingly, only the German version constitutes the legally binding document while the English version is a convenience translation only.

# AGENDA

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## 1. Presentation of the approved annual financial statements, the approved consolidated financial statements and the management reports for METRO AG and the METRO Group for fiscal year 2008 with the report of the Supervisory Board and the explanatory report of the Management Board on matters relevant to acquisitions and appropriation of the balance sheet profit

The Management Board and the Supervisory Board propose to appropriate the balance sheet profit of €395,571,897.74 as follows:

- |   |  |               |
|---|--|---------------|
| 1. Distribution to shareholders             | <p>a) Distribution of a dividend in the amount of €1.18 per ordinary share; at 324,109,563 ordinary shares entitled to a dividend that amounts to €382,449,284.34.</p> <p>b) Distribution of a dividend in the amount of €1.298 per non-voting preference share; at 2,677,966 non-voting preference shares entitled to a dividend that amounts to up to €3,475,999.86. If the result for a given securities account is a dividend amount that is not in full euro cents, this will be rounded down to full euro cents.</p> |               |
| 2. Remaining balance/profit carried forward |  | €9,646,613.54 |

The profit carry-forward will be increased by the residual amount that could result due to the rounding down of the dividend according to 1. b) for each securities account, to a maximum of €21,423.72.

## 2. Formal approval of the actions of the members of the Management Board for fiscal year 2008

The Management Board and the Supervisory Board propose to formally approve the actions of the members of the Management Board in fiscal year 2008 for that period.

## 3. Formal approval of the actions of the members of the Supervisory Board for fiscal year 2008

The Management Board and the Supervisory Board propose to formally approve the actions of the members of the Supervisory Board in fiscal year 2008 for that period.

## 4. Election of the auditor for fiscal year 2009 and for an auditor's review of the condensed set of financial statements and the interim management report for the first half-year 2009

The Supervisory Board proposes to elect KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as auditor for fiscal year 2009 and for an auditor's review of the condensed set of financial statements and the interim management report for the first half-year 2009.

## 5. Authorisation to acquire and use Company shares

Because the authorisation to acquire Company shares as resolved by the last Annual General Meeting expires on 15 November 2009, the Management Board and the Supervisory Board propose that the following resolution be adopted:

- a) The Company is hereby authorised to acquire shares of the Company of any share class on or before 12 November 2010. The authorisation shall be limited to the acquisition of shares collectively representing a maximum of 10 percent of the capital stock issued as of the date the General Meeting resolution is passed. The authorisation may be exercised in whole or in part, in the latter case also several times. It may also be exercised for the acquisition of either ordinary shares or preference shares only.
- b) Shares may be acquired on the stock exchange or by way of a public tender offer.
  - (1) If shares are acquired on the stock exchange, the purchase price per share (excluding incidental transaction costs) paid by the Company shall not be more than 5 percent above or below the arithmetic mean of the closing prices quoted for shares of the Company of the same share class on the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during the three trading days immediately preceding the date of acquisition.
  - (2) If shares are acquired by way of a public tender offer, the purchase price per share offered and paid by the Company (not including incidental transaction costs) shall not be more than 10 percent above or below the arithmetic mean of the closing prices quoted for shares of the Company of the same share class on the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during the three trading days immediately preceding the date of announcement of the offer. If the public tender offer is oversubscribed, shares may be acquired in proportion to the respective stakes of the tendering shareholders in the Company or in proportion to the number of tendered shares. Commercial rounding may be used to avoid fractional shares.
- c) In addition to selling acquired Company shares on the stock exchange or by offer to all shareholders, the Management Board is hereby authorised, with consent of the Supervisory Board, to use Company shares acquired according to the authorisation granted in letter a) or according to any other previous authorisation for any of the following purposes:
  - (1) Listing of ordinary shares of the Company on any foreign stock exchanges where it was not hitherto admitted for trading. The initial listing price of these shares may not be more than 5 percent below the arithmetic mean of the closing prices for shares of the Company of the same share class on the XETRA trading system (or in a functionally comparable system replacing the XETRA system) on the Frankfurt Stock Exchange during the last five days of trading preceding the date of stock exchange listing;
  - (2) Transfer of ordinary shares of the Company to third parties in connection with corporate mergers or in connection with the acquisition of other companies, divisions of other companies or interests in other companies;
  - (3) Redemption of shares of the Company, without the need for any further resolution by the General Meeting authorising such redemption and implementation of such. Such redemption may also be accomplished without a reduction in capital by adjusting the proportional value of the remaining no-par-value shares to the capital stock of the Company. In this case, the Management Board is authorised to adjust the number of no-par-value shares in the Articles of Association;
  - (4) Sale of ordinary shares of the Company by means other than via the stock exchange or via an offer to all shareholders, provided that the sale is for cash payment and at a price not substantially lower than the stock exchange price in effect for listed ordinary shares of the Company with the same terms on the date of sale. The foregoing authorisation shall be limited to the sale of ordinary shares collectively representing no more than 10 percent of the capital stock. The limit of 10 percent of the capital stock shall be reduced by the pro-rata amount of capital stock represented by any shares issued (a) during the effective period of this authorisation in the course of any capital increase under exclusion of subscription rights according to § 186 para. 3 sentence 4 German Stock Corporation Act, or (b) to service bonds with warrants or convertible bonds providing for warrant or conversion rights or obligations,

insofar as such bonds were issued during the effective period of this authorisation under exclusion of subscription rights by analogous application of § 186 para. 3 sentence 4 German Stock Corporation Act;

- (5) Delivery of ordinary shares to holders of warrant or convertible bonds of the Company or its affiliates, according to the terms and conditions applicable to such warrant or convertible bonds; this also applies to the delivery of ordinary shares based upon the exercise of subscription rights, which in the event of a sale of Company ordinary shares through an offer to all shareholders may be granted to holders of warrants or convertible bonds of the Company or any of its affiliates, to the same extent that holders of such warrants or convertible bonds would have subscription rights for ordinary shares of the Company after exercising the warrant or conversion rights or performing the warrant or conversion obligations. The ordinary shares transferred based upon this authorisation shall collectively not exceed a pro-rata amount of 10 percent of the capital stock. Shares issued or sold by direct or analogous application of § 186 para. 3 sentence 4 German Stock Corporation Act during the effective period of this authorisation up to the date of use shall count towards the aforementioned limit.
- d) The authorisations granted in letter c) above may be exercised on one or several occasions, in whole or in part, individually or collectively.
- e) The subscription rights of shareholders shall be excluded if Company ordinary shares are used for any of the purposes authorised in letter c), nos. (1), (2), (4) or (5) above.
- f) The currently existing authorisation to acquire Company shares granted at the General Meeting on 16 May 2008 and expiring on 15 November 2009 shall cease to have force and effect upon this new authorisation becoming effective.

## **6. Authorisation I to issue warrants or convertible bonds and to exclude subscription rights, creation of contingent capital (contingent capital I) and amendment of § 4 para. 8 of the Articles of Association**

The existing authorisation to issue warrants and convertible bonds expires on 3 June 2009. In order to allow the Company to exercise this option in the future, the General Meeting is advised to adopt a new authorisation (Authorisation I) to issue warrants or convertible bonds and to create new contingent capital I for the provision of ordinary shares based on the warrant or conversion rights or obligations established based on this authorisation.

### **a) Authorisation I to issue warrants or convertible bonds and to exclude subscription rights**

The Management Board and the Supervisory Board recommend adoption of the following-resolution:

The existing authorisation to issue warrants or convertible bonds pursuant to the General Meeting's resolution of 4 June 2004 will be cancelled upon entry into the Commercial Register of the amendment to the Articles of Association to be adopted under letter b) aa) below, and replaced by the following authorisation.

The Management Board is authorised, with the consent of the Supervisory Board, to issue warrants or convertible bonds made out to the bearer (in aggregate, "bonds") with an aggregate par value of up to EUR 1,500,000,000 prior to 12 May 2014, at once or in several stages, and to grant the holders of warrants or convertible bonds with warrant or conversion rights or impose warrant or conversion obligations upon them for ordinary bearer shares in the Company representing up to EUR 127,825,000 of the capital stock in accordance with the terms of the warrants or convertible bonds. Bonds carrying warrant or conversion rights or obligations which were issued based on the General Meeting authorisation of 13 May 2009 for agenda item 7 ("Authorisation II") will count towards the aforementioned aggregate par value of up to EUR 1,500,000,000 so that this aggregate par value may be utilised only once under Authorisations I and II.

The bonds may also be issued by an affiliate of METRO AG in terms of § 18 German Stock Corporation Act in which METRO AG holds at least 90 percent of shares, directly or indirectly. In that case, the Management Board is authorised, with the consent of the Supervisory Board, to assume a guarantee for those bonds on behalf of the Company and grant their holders warrant or conversion rights to ordinary bearer shares in METRO AG or impose warrant or conversion obligations upon them.

Shareholders will be granted statutory subscription rights in that the bonds will be acquired by a bank or syndicate of banks contingent upon agreement to offer the bonds to the shareholders. If bonds are issued by an affiliate of METRO AG in terms of § 18 German Stock Corporation Act in which METRO AG holds at least 90 percent of shares, directly or indirectly, the Company must ensure that statutory subscription rights are granted to the shareholders of METRO AG in accordance with the above sentence.

However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights for residual amounts arising from proportional subscriptions to the extent necessary to grant or impose warrant or conversion rights or obligations with respect to the holders of existing warrant or conversion rights or obligations in the amount to which they would be entitled after exercise of the warrant or conversion right or fulfilment of the warrant or conversion obligation.

The Management Board is also authorised, with the consent of the Supervisory Board, to entirely exclude shareholder subscription rights to bonds issued in exchange for cash payment carrying warrant or conversion rights or obligations insofar as the Management Board concludes, after careful review, that the issue price of the bonds is not substantially lower than the hypothetical market value ascertained using recognised mathematical methods. This authorisation to exclude subscription rights applies for bonds which are issued with warrant or conversion rights or obligations to ordinary shares comprising no more than 10 percent of the capital stock both at the time the authorisation takes effect or – if this value is lower – at the time the authorisation is exercised. The following count towards the aforementioned 10 percent limit:

- new ordinary shares issued from authorised capital excluding subscription rights according to § 186 para. 3 sentence 4 German Stock Corporation Act during the term of the authorisation prior to the issuance of bonds with warrant or conversion rights or obligations without subscription rights according to § 186 para. 3 sentence 4 German Stock Corporation Act;
- ordinary shares acquired based on the authorisation of the General Meeting according to § 71 para. 1 no. 8 German Stock Corporation Act and sold according to §§ 71 para. 1 no. 8 sentence 5, 186 para. 3 sentence 4 German Stock Corporation Act during the term of such authorisation, prior to the issuance of bonds with warrant or conversion rights or obligations excluding subscription rights according to § 186 para. 3 sentence 4 German Stock Corporation Act;

- ordinary shares to be issued upon the exercise of warrant or conversion rights or obligations based on bonds with warrant or conversion rights or obligations issued under the General Meeting's authorisation of 13 May 2009 for agenda item 7 according to § 186 para. 3 sentence 4 German Stock Corporation Act while excluding subscription rights, insofar as those bonds were issued with warrant or conversion rights or obligations under the General Meeting's authorisation of 13 May 2009 for agenda item 6 until issuance according to § 186 para. 3 sentence 4 German Stock Corporation Act without subscription rights.

If bonds are issued which carry warrant or conversion rights or obligations, the warrant or conversion price is determined based on the rules in § 4 para. 8 of the Company's Articles of Association, as printed under agenda item 6 letter b) aa).

In the case of bonds carrying warrant or conversion rights or obligations, the warrant or conversion price may be adjusted in order to preserve the value of such rights or obligations in the event their value is diluted, without prejudice to § 9 para. 1 German Stock Corporation Act, unless such an adjustment is also provided for by law. The terms of the bonds may also provide for an adjustment of warrant or conversion rights or obligations in case of a capital reduction or other extraordinary measures or events (e.g. unusually high dividends, acquisition of control by third parties). In case of the acquisition of control by third parties, the terms of the bonds may provide for adjustment of the warrant or conversion price in accordance with typical market terms.

The terms of the bonds may grant the Company the right, in lieu of providing ordinary shares upon the exercise of warrant or conversion rights, to make a cash payment corresponding to the volume-weighted average price of ordinary shares on the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during the ten trading days after the exercise of warrant or conversion rights is announced for the number of ordinary shares which would otherwise be delivered. If the Company announces that it will exercise its right to make a cash payment after the exercise of warrant or conversion rights, the ten stock exchange days do not begin until three trading days after the Company's announcement that it will make a cash payment. The terms of the bonds may also state that the warrants or convertible bonds may, at the Company's option, be converted into existing ordinary shares in the Company or shares in another exchange-listed company, in lieu of conversion into new ordinary shares from contingent capital, and that warrant rights or obligations can be fulfilled through the delivery of such shares.

The terms of the bonds may also call for a warrant or conversion obligation at the end of the term (or at any other time), or authorise the Company to grant bond holders ordinary shares in the Company or shares in another exchange-listed company upon maturity of bonds carrying warrant or conversion rights (including bonds which mature due to termination), in whole or in part, in lieu of a maturity payment in cash. The percentage of the Company's capital stock represented by the ordinary shares in the Company issued upon the exercise of warrant or conversion rights may not exceed the par value of the bonds. §§ 9 para. 1, 199 para. 2 German Stock Corporation Act apply.

The Management Board is authorised, with the consent of the Supervisory Board, to determine the further details pertaining to the issuance and terms of the bonds, particularly the yield, issue price, term, division into shares, rules for the protection against dilution and the warrant or conversion period, or to define such details in consultation with the corporate officers of the affiliate of METRO AG which issues the warrants or convertible bonds.

## b) Creation of contingent capital I

The Management Board and the Supervisory Board recommend the creation of contingent capital I with the following content and, to this end, recommend adoption of the following amendment to the Articles of Association:

### aa) Creation of contingent capital I and amendment of § 4 para. 8 of the Articles of Association

§ 4 para. 8 of the Articles of Association is amended as follows:

- “(8) The capital stock is contingently increased by up to EUR 127,825,000 divided into up to 50,000,000 ordinary bearer shares (contingent capital I). The contingent capital increase will only be executed insofar as holders of warrant or conversion rights or holders of warrant or conversion obligations arising from warrants or convertible bonds issued or guaranteed by METRO AG or an affiliate of METRO AG in terms of § 18 German Stock Corporation Act in which METRO AG holds at least 90 percent of shares, directly or indirectly, based on Authorisation I adopted by the General Meeting of 13 May 2009 under agenda item 6 exercise their warrant or conversion rights, fulfil their warrant or conversion obligations or insofar as METRO AG chooses to provide ordinary shares in METRO AG, in whole or in part, in lieu of a cash payment. The contingent capital increase will not be executed insofar as a cash settlement is provided or shares in the Company or in another exchange-listed company are used to service the bonds. The new ordinary shares will be issued at the warrant or conversion price in accordance with the specifications of this authorisation:
- In the event bonds are issued which provide warrant rights but no warrant obligations, the warrant price will be 125 percent of the volume-weighted average price of ordinary shares in the Company on the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange in the period between adoption of the resolution regarding utilisation of Authorisation I by the Management Board and determination of the price of the bonds by the banks accompanying the issue or, in the event subscription rights are granted, 125 percent of the volume-weighted average price of ordinary shares in the Company on the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during the days on which subscription rights to the bonds are traded on the Frankfurt Stock Exchange, with the exception of the last two days of trading (the average price referenced above is referred to hereinafter as the "reference price").
  - If bonds are issued which confer conversion rights but no obligations, the conversion price is 125 percent of the reference price.
  - If bonds are issued which define warrant or conversion obligations, the warrant or conversion price upon maturity or in the event of a takeover offer is as follows:

- if the volume-weighted average price of ordinary shares in the Company on the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange in the twenty trading days ending with the third trading day prior to maturity of the bonds or, in case of a takeover offer, ending on the third trading day prior to the warrant or conversion date (the "average price") is
  - lower than or equal to the reference price, the reference price;
  - greater than the reference price and lower than 118 percent of the reference price, the average price;
  - equal to or greater than 118 percent of the reference price, 118 percent of the reference price;
- without prejudice to the above provisions, 118 percent of the reference price if the bond holders or creditors exercise existing warrant or conversion rights prior to the creation of warrant or conversion obligations;
- without prejudice to the above provisions, the reference price, insofar as the Management Board, with the consent of the Supervisory Board and in accordance with the terms of the bonds, initiates early conversion in order to avert a grave and imminent loss to the Company or in order to avoid substantial deterioration in one of the Company's published credit ratings from a recognised rating agency.

The new ordinary shares participate in the profit from the beginning of the fiscal year in which they are created based on the exercise of warrant or conversion rights or the fulfilment of warrant or conversion obligations. The Management Board is authorised, with the consent of the Supervisory Board, to define further details regarding execution of the contingent capital increase."

#### bb) Authorisation to amend the Articles of Association

The Supervisory Board is authorised to amend § 4 para. 8 of the Articles of Association in accordance with issuance of the subscription shares and to make all other associated adjustments to the Articles of Association which only affect the wording. The same applies in the event of non-utilisation of the authorisation to issue warrant or convertible bonds after expiration of the authorisation period and non-utilisation of the contingent capital after expiration of the periods for the exercise of warrant or conversion rights or for the fulfilment of warrant or conversion obligations.

### **7. Authorisation II to issue warrants or convertible bonds and to exclude subscription rights, creation of contingent capital (contingent capital II) and amendment of § 4 of the Articles of Association**

Contrary to the typical practice thus far, the proposed authorisation under agenda item 6 provides for a precisely definable warrant or conversion price for exercise of the authorisation in the interests of caution. In order to enable the Management Board and the Supervisory Board to exploit the financing instruments provided under the authorisation in the best possible manner, an additional authorisation will be adopted, the content of which will be identical except for a few necessary changes, allowing the definition of a precisely defined higher warrant or conversion price. The total volume of the bonds which may be issued under the two authorisations is to be limited to an aggregate par value of up to EUR 1,500,000,000 so that this aggregate par value can only be used once through the utilisation of Authorisation I and Authorisation II.

Authorisation II consists of multiple parts, including Authorisation II to issue warrants or convertible bonds and contingent capital II for the provision of ordinary shares based on warrant or conversion rights or obligations, which is to be created by separate resolutions.

**a) Authorisation II to issue warrants or convertible bonds and to exclude subscription rights**

The Management Board and the Supervisory Board recommend adoption of the following resolution:

The Management Board is authorised, with the consent of the Supervisory Board, to issue warrants or convertible bonds made out to the bearer (in aggregate, "bonds") with an aggregate par value of up to EUR 1,500,000,000 prior to 12 May 2014, at once or in several stages, and to grant the holders of warrants or convertible bonds with warrant or conversion rights or impose warrant or conversion obligations upon them for ordinary bearer shares in the Company representing up to EUR 127,825,000 of the capital stock in accordance with the terms of the warrants or convertible bonds. Bonds carrying warrant or conversion rights or obligations which were issued based on the General Meeting authorisation of 13 May 2009 for agenda item 6 ("Authorisation I") will count towards the aforementioned aggregate par value of up to EUR 1,500,000,000, so that this aggregate par value may be utilised only once under Authorisations I and II.

The bonds may also be issued by an affiliate of METRO AG in terms of § 18 German Stock Corporation Act in which METRO AG holds at least 90 percent of shares, directly or indirectly. In that case, the Management Board is authorised, with the consent of the Supervisory Board, to assume a guarantee for those bonds on behalf of the Company and grant their holders warrant or conversion rights to ordinary bearer shares in METRO AG or impose warrant or conversion obligations upon them.

Shareholders will be granted statutory subscription rights in that the bonds will be acquired by a bank or syndicate of banks contingent upon agreement to offer the bonds to the shareholders. If bonds are issued by an affiliate of METRO AG in terms of § 18 German Stock Corporation Act in which METRO AG holds at least 90 percent of shares, directly or indirectly, the Company must ensure that statutory subscription rights are granted to the shareholders of METRO AG in accordance with the above sentence.

However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights for residual amounts arising from proportional subscriptions to the extent necessary to grant or impose warrant or conversion rights or obligations with respect to the holders of existing warrant or conversion rights or obligations in the amount to which they would be entitled after exercise of the warrant or conversion right or fulfilment of the warrant or conversion obligation.

The Management Board is also authorised, with the consent of the Supervisory Board, to entirely exclude shareholder subscription rights to bonds issued in exchange for cash payment carrying warrant or conversion rights or obligations insofar as the Management Board concludes, after careful review, that the issue price of the bonds is not substantially lower than the hypothetical market value ascertained using recognised mathematical methods. This authorisation to exclude subscription rights applies for bonds which are issued with warrant or conversion rights or obligations to ordinary shares comprising no more than 10 percent of the capital stock both at the time the authorisation takes effect or -if this value is lower- at the time the authorisation is exercised. The following count towards the aforementioned 10 percent limit:

- new ordinary shares issued from authorised capital excluding subscription rights according to § 186 para. 3 sentence 4 German Stock Corporation Act during the term of the authorisation prior to the issuance of bonds with warrant or conversion rights or obligations without subscription rights according to § 186 para. 3 sentence 4 German Stock Corporation Act;
- ordinary shares acquired based on the authorisation of the General Meeting according to § 71 para. 1 no. 8 German Stock Corporation Act and sold according to §§ 71 para. 1 no. 8 sentence 5, 186 para. 3 sentence 4 German Stock Corporation Act during the term of such authorisation, prior to the issuance of bonds with warrant or conversion rights or obligations excluding subscription rights according to § 186 para. 3 sentence 4 German Stock Corporation Act;
- ordinary shares to be issued upon the exercise of warrant or conversion rights or obligations based on bonds with warrant or conversion rights or obligations issued under the General Meeting's authorisation of 13 May 2009 for agenda item 6 according to § 186 para. 3 sentence 4 German Stock Corporation Act while excluding subscription rights, insofar as those bonds were issued with warrant or conversion rights or obligations under the General Meeting's authorisation of 13 May 2009 for agenda item 7 until issuance according to § 186 para. 3 sentence 4 German Stock Corporation Act without subscription rights.

If bonds are issued which carry warrant or conversion rights or obligations, the warrant or conversion price is determined based on the rules in § 4 para. 12 of the Company's Articles of Association, as printed under agenda item 7 letter b) aa).

In the case of bonds carrying warrant or conversion rights or obligations, the warrant or conversion price may be adjusted in order to preserve the value of such rights or obligations in the event their value is diluted, without prejudice to § 9 para. 1 German Stock Corporation Act, unless such an adjustment is also provided for by law. The terms of the bonds may also provide for an adjustment of warrant or conversion rights or obligations in case of a capital reduction or other extraordinary measures or events (e.g. unusually high dividends, acquisition of control by third parties). In case of the acquisition of control by third parties, the terms of the bonds may provide for adjustment of the warrant or conversion price in accordance with typical market terms.

The terms of the bonds may grant the Company the right, in lieu of providing ordinary shares upon the exercise of warrant or conversion rights, to make a cash payment corresponding to the volume-weighted average price of ordinary shares on the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during the ten trading days after the exercise of warrant or conversion rights is announced for the number of ordinary shares which would otherwise be delivered. If the Company announces that it will exercise its right to make a cash payment after the exercise of warrant or conversion rights, the ten stock exchange days do not begin until three trading days after the Company's announcement that it will make a cash payment. The terms of the bonds may also state that the warrants or convertible bonds may, at the Company's option, be converted into existing ordinary shares in the Company or shares in another exchange-listed company, in lieu of conversion into new ordinary shares from contingent capital, and that warrant rights or obligations can be fulfilled through the delivery of such shares.

The terms of the bonds may also call for a warrant or conversion obligation at the end of the term (or at any other time), or authorise the Company to grant bond holders ordinary shares in the Company or shares in another exchange-listed company upon maturity of bonds carrying warrant or conversion rights (including bonds which mature due to termination), in whole or in part, in lieu of a maturity payment in cash. The percentage of the Company's capital stock represented by the ordinary shares in the Company issued upon the exercise of warrant or conversion rights may not exceed the par value of the bonds. §§ 9 para. 1, 199 para. 2 German Stock Corporation Act apply.

The Management Board is authorised, with the consent of the Supervisory Board, to determine the further details pertaining to the issuance and terms of the bonds, particularly the yield, issue price, term, division into shares, rules for the protection against dilution and the warrant or conversion period, or to define such details in consultation with the corporate officers of the affiliate of METRO AG which issues the warrants or convertible bonds.

**b) Creation of contingent capital II**

The Management Board and the Supervisory Board recommend the creation of contingent capital II with the following content and, to this end, recommend adoption of the following amendment to the Articles of Association:

**aa) Creation of new contingent capital II and amendment of § 4 of the Articles of Association**

In § 4 of the Articles of Association, a new paragraph (12) is inserted with the following content:

“(12) The capital stock is contingently increased by up to EUR 127,825,000 divided into up to 50,000,000 ordinary bearer shares (contingent capital II). The contingent capital increase will only be executed insofar as holders of warrant or conversion rights or holders of warrant or conversion obligations arising from warrants or convertible bonds issued or guaranteed by METRO AG or an affiliate of METRO AG in terms of § 18 German Stock Corporation Act in which METRO AG holds at least 90 percent of shares, directly or indirectly, based on Authorisation II adopted by the General Meeting of 13 May 2009 under agenda item 7 exercise their warrant or conversion rights, fulfil their warrant or conversion obligations or insofar as METRO AG chooses to provide ordinary shares in METRO AG, in whole or in part, in lieu of a cash payment. The contingent capital increase will not be executed insofar as a cash settlement is provided or shares in the Company or in another exchange-listed company are used to service the bonds. The new ordinary shares will be issued at the warrant or conversion price in accordance with the specifications of this authorisation.

- In the event bonds are issued which provide warrant rights but no warrant obligations, the warrant price will be 135 percent of the volume-weighted average price of ordinary shares in the Company on the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange in the period between adoption of the resolution regarding utilisation of Authorisation II by the Management Board and determination of the price of the bonds by the banks accompanying the issue or, in the event subscription rights are granted, 135 percent of the volume-weighted average price of ordinary shares in the Company on the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during the days on which subscription rights to the bonds are traded on the Frankfurt Stock Exchange, with the exception of the last two days of trading (the average price referenced above is referred to hereinafter as the “reference price”).
- If bonds are issued which confer conversion rights but no obligations, the conversion price is 135 percent of the reference price.
- If bonds are issued which define warrant or conversion obligations, the warrant or conversion price upon maturity or in the event of a takeover offer is as follows:

- if the volume-weighted average price of ordinary shares in the Company on the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange in the twenty trading days ending with the third trading day prior to maturity of the bonds or, in case of a takeover offer, ending on the third trading day prior to the warrant or conversion date (the "average price") is
  - lower than or equal to the reference price, the reference price;
  - greater than the reference price and lower than 120 percent of the reference price, the average price;
  - equal to or greater than 120 percent of the reference price, 120 percent of the reference price;
- without prejudice to the above provisions, 120 percent of the reference price if the bond holders or creditors exercise existing warrant or conversion rights prior to the creation of warrant or conversion obligations;
- without prejudice to the above provisions, the reference price, insofar as the Management Board, with the consent of the Supervisory Board and in accordance with the terms of the bonds, initiates early conversion in order to avert a grave and imminent loss to the Company or in order to avoid substantial deterioration in one of the Company's published credit ratings from a recognised rating agency.

The new ordinary shares participate in the profit from the beginning of the fiscal year in which they are created based on the exercise of warrant or conversion rights or the fulfilment of warrant or conversion obligations. The Management Board is authorised, with the consent of the Supervisory Board, to define further details regarding execution of the contingent capital increase."

#### bb) Authorisation to amend the Articles of Association

The Supervisory Board is authorised to amend § 4 para. 12 of the Articles of Association in accordance with issuance of the subscription shares and to make all other associated adjustments to the Articles of Association which only affect the wording. The same applies in the event of non-utilisation of the authorisation to issue warrant or convertible bonds after expiration of the authorisation period and non-utilisation of the contingent capital after expiration of the periods for the exercise of warrant or conversion rights or for the fulfilment of warrant or conversion obligations.

#### **8. Amendment of § 4 para. 10 of the Articles of Association (authorised capital III), deletion of § 4 para. 11 of the Articles of Association (authorised capital IV)**

Under § 4 para. 10 of the Articles of Association, the Management Board is authorised, with the consent of the Supervisory Board, to raise the Company's capital stock by up to EUR 100,000,000 through 3 June 2009 by issuing new ordinary bearer shares in exchange for cash capital contributions, at once or in several stages (authorised capital III). In accordance with § 4 para. 11 of the Articles of Association, the Management Board is authorised, with the consent of the Supervisory Board, to raise the Company's capital stock by up to EUR 125,000,000 through 3 June 2009 by issuing new ordinary bearer shares in exchange for non-cash capital contributions, at once or in several stages (authorised capital IV). Neither of these authorisations, which expire on 3 June 2009, have been utilised thus far. These authorisations are to be combined into a single authorisation in the future, authorised capital III. The Management Board and the Supervisory Board therefore recommend adoption of the following resolution:

a) § 4 para. 10 of the Articles of Association is amended as follows:

"(10) The Management Board is authorised, with the consent of the Supervisory Board, to raise the Company's capital stock by up to EUR 225,000,000 through 12 May 2014 by issuing new bearer ordinary shares in exchange for cash or non-cash capital contributions, at once or in several stages (authorised capital III). Shareholders are to receive subscription rights thereto. However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude residual amounts from shareholder subscription rights. The Management Board is also authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights insofar as shares are issued in exchange for non-cash capital contributions for the purpose of corporate mergers or for the acquisition of companies, divisions of companies or interests in companies. The Management Board is further authorised, with the consent of the Supervisory Board, to exclude subscription rights in the event of a capital increase in exchange for cash capital contributions to the extent necessary to grant subscription rights to new shares to the holders of warrants or convertible bonds issued by METRO AG and affiliates thereof in which METRO AG holds at least 90 percent of shares, directly or indirectly, in the scope to which they would be entitled upon exercise of the warrant or conversion rights or fulfilment of the warrant or conversion obligations. The Management Board is further authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights for one or more capital increases if the capital increase is executed in exchange for cash capital contributions, the aggregate par value of such capital increases does not exceed 10 percent of the Company's capital stock and the issue price of the new shares is not substantially lower than the stock exchange price of existing shares of the same class at the time of final definition of the issue price. The limit of 10 percent of the Company's capital stock is diminished by the share of the capital stock represented by the Company's own shares which are sold during the term of authorised capital III while excluding shareholder subscription rights according to §§ 71 para. 1 no. 8 sentence 5, 186 para. 3 sentence 4 German Stock Corporation Act. The limit is further diminished by the share of the capital stock represented by shares which are issued to service warrants or convertible bonds with warrant or conversion rights or obligations insofar as the bonds in question are issued during the term of authorised capital III while excluding subscription rights in analogous application of § 186 para. 3 sentence 4 German Stock Corporation Act. The Management Board is authorised, with the consent of the Supervisory Board, to define further details of the capital increases. The new shares may be acquired by banks if the latter agree to tender them to the shareholders."

b) The Supervisory Boards is authorised to amend § 4 para. 10 of the Articles of Association in accordance with the execution of each capital increase under authorised capital III and after expiration of the authorisation period.

c) § 4 para. 11 of the Articles of Association shall be deleted.

#### **9. Amendment of the §§ 15, 16, 17 para. 2 of the Articles of Association and of the heading to § 15**

On 5 November 2008, the German government presented a bill for an Act Implementing the Shareholder Rights Directive. This statute is to contain rules for calculation of the convocation and registration period and for the admissibility of the audio and video broadcasts of the meeting. In preparation for the Act Implementing the Shareholder Rights Directive, which is expected to take effect prior to the 2010 Annual General Meeting, the Management Board and the Supervisory Board recommend adoption of the following amendments to the Articles of Association:

a) Convening and registration period

aa) In § 15 para. 2 of the Articles of Association, the following sentence is inserted:

"The day of convening is not included."

bb) § 16 para. 1 sentence 2 of the Articles of Association is amended as follows:

"The registration must be received by the Company at the address specified in the invitation in text form, in German or in English, at least six days prior to the General Meeting, excluding the date of receipt."

cc) § 16 para. 2 sentence 3 is amended as follows:

"The verification of share property must relate to the beginning of the twenty-first day prior to the General Meeting and must be received by the Company at the address specified in the invitation at least six days prior to the General Meeting, excluding the date of receipt."

The Management Board is instructed to report the resolution pursuant to letter a) above regarding amendments to the Articles of Association for entry into the Commercial Register once § 123 German Stock Corporation Act is amended by the Act Implementing the Shareholder Rights Directive in accordance with the government bill of 5 November 2008.

b) Audio and video broadcast

aa) The heading to § 15 of the Articles of Association is amended as follows:

"Venue, Convening, Broadcast"

bb) In § 15 of the Articles of Association, a new Paragraph (3) is inserted, with the following content:

"(3) The Management Board may allow audio and video broadcast of the meeting."

cc) § 16 para. 3 of the Articles of Association is amended as follows:

"(3) The Management Board may allow shareholder to participate in the General Meeting who are not present at the place of the meeting and who have not appointed a proxy and allow them to exercise all or some of their rights, in whole or in part, by means of electronic communication."

dd) In § 17 para. 2 of the Articles of Association, sentence 2 shall be deleted. Sentence 3 as currently amended will become sentence 2.

The Management Board is instructed to report the resolution pursuant to letter b) above regarding amendments to the Articles of Association for entry into the Commercial Register once § 118 German Stock Corporation Act is amended by the Act Implementing the Shareholder Rights Directive in accordance with the government bill of 5 November 2008.

## 10. Amendment of § 18 para. 2 of the Articles of Association

The issuance of proxies is to be facilitated by amending the Articles of Association so that proxies issued in text form will be sufficient in the future. This is already admissible under current law and text form is also deemed sufficient under the Act Implementing the Shareholder Rights Directive based on the government bill of 5 November 2008.

The Management Board and the Supervisory Board recommend amending § 18 para. 2 of the Articles of Association as follows:

"(2) Voting rights may be exercised by proxy. Proxy must be issued in text form, unless otherwise provided by law."

## 11. Consent to a Control and Profit Transfer Agreement between METRO AG and METRO Elfte Gesellschaft für Vermögensverwaltung mbH, Düsseldorf

METRO AG ("METRO"), as the controlling company, and its wholly-owned subsidiary METRO Elfte Gesellschaft für Vermögensverwaltung mbH, Düsseldorf, ("METRO 11"), as the controlled company, concluded a Control and Profit Transfer Agreement on 26 February 2009.

The content of the agreement was as follows:

### § 1 Control

METRO 11 subjects management of its company to METRO. METRO is accordingly entitled to issue instructions to the management of METRO 11 with respect to management of the company. Instructions must be issued in writing.

### § 2 Profit Transfer

1. METRO 11 hereby agrees to transfer its entire profit to METRO. Subject to the formation or liquidation of reserves in accordance with para. 2 below, the amount transferred shall be the annual net income minus any loss carried forward from the year before.
2. METRO 11, may with the consent of METRO, transfer sums from the net income to other earnings reserves according to § 272 para. 3 German Commercial Code to the extent admissible under the German Commercial Code and economically justified using the diligence of a prudent businessman. Other earnings reserves according to § 272 para. 3 German Commercial Code formed during the term hereof must be liquidated at the request of METRO and used to cover net losses or transferred as profit. The transfer of sums arising from the liquidation of other earnings reserves according to § 272 para. 3 German Commercial Code which were formed prior to the commencement hereof or of capital reserves shall be excluded.
3. This obligation shall commence for the entire profit of the fiscal year in which this Agreement takes effect.

### § 3 Assumption of Losses

METRO shall be obligated to assume the losses of METRO 11 in accordance with the rules of § 302 German Stock Corporation Act as amended from time to time, i.e. subject to the requirements stated therein and in the scope defined therein. This obligation shall commence for the loss in the fiscal year in which this Agreement takes effect.

### § 4 Effective Date and Term

1. To take effect, this Agreement requires the approval of the Shareholders' Meeting of METRO 11 and the General Meeting of METRO. It takes effect upon entry into the Commercial Register at the registered office of METRO 11 and applies retroactively as of the beginning of the fiscal year in which entry is made, with the exception of the right of instruction (§ 1).
2. The Agreement may be terminated in writing at three months' notice at the end of each fiscal year though not before the passage of five years from the beginning of the fiscal year in which the Agreement takes effect, upon passage of 31 December 2014 at the earliest.
3. The right of termination without notice for good cause shall remain unaffected. Good cause particularly includes the sale or contribution of METRO 11 by METRO and the merger, split or liquidation of METRO or METRO 11. METRO particularly has a right of termination for good cause if METRO no longer has a majority of voting rights arising from shares in METRO 11.

§ 5  
Final Provisions

If a provision hereof is or becomes invalid or impracticable if a gap herein arises, the validity of the remaining provisions hereof shall not be affected thereby. The Parties hereby agree in that case to replace the valid or impracticable provision with the valid and practicable provision which most closely approximates the invalid or impracticable provision economically or to close the gap with the provision which the Parties would have stipulated based on their economic intent if they had considered that point.

The Management Board and the Supervisory Board recommend approval of the Control and Profit Transfer Agreement between METRO AG and METRO Elfte Gesellschaft für Vermögensverwaltung mbH.

**12. Consent to a Control and Profit Transfer Agreement between METRO AG and METRO Zwölfte Gesellschaft für Vermögensverwaltung mbH, Düsseldorf**

METRO AG ("METRO"), as the controlling company, and its wholly-owned subsidiary METRO Zwölfte Gesellschaft für Vermögensverwaltung mbH, Düsseldorf, ("METRO 12"), as the controlled company, concluded a Control and Profit Transfer Agreement on 26 February 2009.

The content of the agreement was as follows:

§ 1  
Control

METRO 12 subjects management of its company to METRO. METRO is accordingly entitled to issue instructions to the management of METRO 12 with respect to management of the company. Instructions must be issued in writing.

§ 2  
Profit Transfer

1. METRO 12 hereby agrees to transfer its entire profit to METRO. Subject to the formation or liquidation of reserves in accordance with para. 2 below, the amount transferred shall be the annual net income minus any loss carried forward from the year before.
2. METRO 12, may with the consent of METRO, transfer sums from the net income to other earnings reserves according to § 272 para. 3 German Commercial Code to the extent admissible under the German Commercial Code and economically justified using the diligence of a prudent businessman. Other earnings reserves according to § 272 para. 3 German Commercial Code formed during the term hereof must be liquidated at the request of METRO and used to cover net losses or transferred as profit. The transfer of sums arising from the liquidation of other earnings reserves according to § 272 para. 3 German Commercial Code which were formed prior to the commencement hereof or of capital reserves shall be excluded.
3. This obligation shall commence for the entire profit of the fiscal year in which this Agreement takes effect.

§ 3  
Assumption of Losses

METRO shall be obligated to assume the losses of METRO 12 in accordance with the rules of § 302 German Stock Corporation Act as amended from time to time, i.e. subject to the requirements stated therein and in the scope defined therein. This obligation shall commence for the loss in the fiscal year in which this Agreement takes effect.

§ 4  
Effective Date and Term

1. To take effect, this Agreement requires the approval of the Shareholders' Meeting of METRO 12 and the General Meeting of METRO. It takes effect upon entry into the Commercial Register at the registered office of METRO 12 and applies retroactively as of the beginning of the fiscal year in which entry is made, with the exception of the right of instruction (§ 1).
2. The Agreement may be terminated in writing at three months' notice at the end of each fiscal year though not before the passage of five years from the beginning of the fiscal year in which the Agreement takes effect, upon passage of 31 December 2014 at the earliest.
3. The right of termination without notice for good cause shall remain unaffected. Good cause particularly includes the sale or contribution of METRO 12 by METRO and the merger, split or liquidation of METRO or METRO 12. METRO particularly has a right of termination for good cause if METRO no longer has a majority of voting rights arising from shares in METRO 12.

§ 5  
Final Provisions

If a provision hereof is or becomes invalid or impracticable if a gap herein arises, the validity of the remaining provisions hereof shall not be affected thereby. The Parties hereby agree in that case to replace the valid or impracticable provision with the valid and practicable provision which most closely approximates the invalid or impracticable provision economically or to close the gap with the provision which the Parties would have stipulated based on their economic intent if they had considered that point.

The Management Board and the Supervisory Board recommend approval of the Control and Profit Transfer Agreement between METRO AG and METRO Zwölfte Gesellschaft für Vermögensverwaltung mbH.

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**Report of the Management Board to the General Meeting according to §§ 71 para. 1 no. 8 sentence 5, 186 para. 4 sentence 2 German Stock Corporation Act (agenda item 5)**

On 16 May 2008, the General Meeting authorised the Company to acquire Company shares of any share class of up to 10 percent of the Company's capital stock on or before 15 November 2009. As the authorisation of 16 May 2008 will expire prior to the Annual General Meeting of 2010, it should be replaced by the proposed new authorisation that would be effective until 12 November 2010.

The Company should be authorised to acquire Company shares on the stock exchange or by way of a public tender offer made to all shareholders of the Company. If the number of shares offered at the established price exceeds the number of shares sought by the Company, orders may be scaled in proportion to the stakes of the tendering shareholders or in proportion to the number of tendered shares. The option of commercial rounding serves to avoid fractional shares, so that the number of shares to be acquired by each tendering shareholder can be rounded as necessary in order to ensure acquisition of whole shares.

The authorisation should also allow for the acquisition of either ordinary shares or preference shares only.

In addition to selling acquired Company shares on the stock exchange or by offer to all shareholders, the Company should be authorised to use Company shares acquired based on this or earlier authorisations for the following purposes:

One purpose of the authorisation is to allow the Company to use Company ordinary shares acquired based on this or earlier authorisations for the purpose of listing such shares under exclusion of subscription rights on foreign stock exchanges where ordinary shares of the Company are not hitherto admitted for trading. This would broaden the shareholder base, further increase the attractiveness of Metro ordinary

share as an investment, and secure a reasonable equity capital base for the Company. A reasonable equity capital base is of considerable importance for the Company's finances and especially for the progress of the international expansion. By providing that the price at which shares of the Company are initially listed may not be more than 5 percent below the arithmetic mean of the closing prices quoted for listed ordinary shares of the Company with the same terms on the XETRA trading system on the five trading days immediately preceding the date of initial listing on the stock exchange, it is ensured that the consideration to be received by the Company will be reasonable and that shareholders will be adequately protected from dilution of the value of their shares.

The Company should also be in a position to have Company ordinary shares acquired based on this or earlier authorisations at its disposal which may be used as consideration for corporate mergers or for the acquisition of companies, divisions of companies or interests in companies, with exclusion of subscription rights. International competition and globalization of the economy frequently demand this form of consideration for such transactions. The proposed authorisation is intended to allow the Company to make swift and flexible use of opportunities for acquisitions of companies, divisions of companies or interests in companies both on a national level and in international markets. The Management Board will ensure that the interests of shareholders are reasonably protected when determining the relative value assigned to shares of the Company. The Management Board will use the stock exchange price as a guideline to determine the value of ordinary shares used as consideration. A schematic link to a stock exchange price is not intended, in particular to avoid that negotiation results, once achieved, may be jeopardized by fluctuations of the stock exchange price. Another advantage for the existing shareholders of using the Company's ordinary shares for acquisitions that their voting rights would not be diluted relative to the situation before the Company acquired its own shares. At the moment, there are no concrete acquisitions planned for which the Company's ordinary shares are to be used.

The Company should be authorised to redeem shares acquired based on this or earlier authorisations even without a further resolution by the General Meeting (§ 71 para. 1 no. 8 sentence 6 German Stock Corporation Act). The proposed authorisation in accordance with § 237 para. 3 no. 3 German Stock Corporation Act allows the Management Board to withdraw the shares without having to implement a reduction in capital. By withdrawing the shares without reducing the capital, the proportional value of the remaining ordinary shares of the Company is increased. The Management Board is therefore authorised to amend the Articles of Association in relation to the changing number of ordinary shares.

The proposed resolution is also intended to enable the Company to sell Company ordinary shares acquired under this or earlier authorisations subject to the conditions of § 186 para. 3 sentence 4 German Stock Corporation Act for cash payment under exclusion of subscription rights by means other than via the stock exchange or via an offer to the shareholders. This would allow the Company, in particular, to issue ordinary shares of the Company at short notice. The proposed authorisation therefore serves to secure a reasonable equity capital base for the Company in the long term. A prerequisite for this is that the selling price does not go substantially lower than the stock exchange price in effect for listed ordinary shares of the Company with the same terms at the time of the sale. In defining the issue price close to the stock exchange price, the Management Board will take into account the statutory requirements in effect at the time of the sale, as well as actual conditions. It is currently assumed that the sale price is not substantially lower than the stock exchange price if the issue price is no more than 5 percent below the arithmetic mean of the closing prices quoted for listed ordinary shares of the Company with the same terms on the XETRA trading system in the last five trading days prior to the date of the binding agreement with the purchaser. Any discount on the stock exchange price will be kept as low as possible by the Management Board according to market conditions prevailing at the time of placement. The proportional amount of capital stock allocated to the ordinary shares to be sold, in the aggregate, may not exceed 10 percent of the Company's capital stock. Any shares otherwise issued during the term of this authorisation under exclusion of subscription rights by direct or analogous application of § 186 para. 3 sentence 4 German Stock Corporation Act will count towards the aforementioned limit. The limit on the number of ordinary shares that may be sold and the requirement that the issue price of the new ordinary shares be set close to the stock exchange price reasonably protects shareholders from a dilution of the value of their shares. At the same time, it is ensured that the consideration to be received by the Company is reasonable.

The General Meeting of 13 May 2009 will recommend authorising the Management Board, with consent of the Supervisory Board, to issue bonds with warrants or convertible bonds. It may make sense to service the rights of bondholders to subscribe for ordinary shares not by way of a capital increase, but rather by issuing Company ordinary shares in whole or in part. The proposed authorisation therefore provides for

the use of Company ordinary shares acquired under this and earlier authorisations for this purpose under exclusion of subscription rights. Unlike the use of contingent capital, the use of Company ordinary shares prevents dilution of the shareholders' shares. To determine whether to issue Company ordinary shares or use contingent capital, the Management Board will carefully balance the interests of the Company and the shareholders. In cases where the Company sells Company ordinary shares by way of an offer made to all shareholders, the proposed authorisation would allow for subscription rights for ordinary shares of the Company to be granted to holders of warrants or convertible bonds to the extent they would have such subscription rights after the exercise of their warrant or conversion rights or the fulfilment of their warrant or conversion obligations. The exclusion of shareholders' subscription rights inherent in this provision has the advantage that the warrant or conversion price for previously issued warrants or convertible bonds would not have to be reduced in accordance with the terms and conditions for warrants and bonds in order to protect against dilution; in this case the Company would therefore receive greater proceeds when warrant or conversion rights are exercised or the warrant or conversion obligations are fulfilled. Ordinary shares transferred in accordance with the proposed authorisation may, in the aggregate, not exceed a pro-rata amount of 10 percent of the Company's capital stock. Shares issued or sold by direct or analogous application of § 186 para. 3 sentence 4 German Stock Corporation Act during the effective period of this authorisation up to the date of use shall count towards the aforementioned limit.

The Management Board will decide on exercising the proposed authorisation and using Company shares based on its reasonable business judgment. Furthermore, the Management Board will use Company shares acquired based on the proposed authorisation only with prior consent of the Supervisory Board. The Management Board will comply with its obligations to report to the next General Meeting according to § 71 para. 3 sentence 1 German Stock Corporation Act. There are currently no concrete plans to use an authorisation to acquire Company shares granted by the General Meeting.

#### **Report of the Management Board to the General Meeting according to §§ 221 para. 4 sentence 2, 186 para. 4 sentence 2 German Stock Corporation Act (agenda items 6 and 7)**

The proposed Authorisation I and Authorisation II to issue warrants or convertible bonds (in aggregate, "bonds") with an aggregate par value of up to EUR 1,500,000,000 and to create associated contingent capitals of up to EUR 127,825,000 each are meant to expand the options explained in greater detail below available to METRO AG for the financing of its operations and, in particular, to allow the Management Board, with the consent of the Supervisory Board, to act quickly and flexibly to take advantage of favourable capital market conditions in the interests of the Company.

The reason why two different authorisations are proposed for the issuance of bonds and for the creation of contingent capital is that several court rulings have been issued recently under which, contrary to what had been the general practice before, the definition of a minimum issue price for convertible bonds backed by contingent capital was found to be inadmissible. Instead, it is now necessary to define a specific warrant or conversion price, or a formula for calculating such a price. This requirement involves a considerable loss of flexibility and the ability to react to market developments is limited, since five years may pass between authorisation of the issue and the date the bonds are actually issued. By issuing two authorisations, the Company has the option of choosing the authorisation which better reflects prevailing market conditions at the time the bonds are issued, and thus obtain better financing terms.

The two authorisations are separate and are to be voted upon separately. However, the volume of the two authorisations is limited by the stipulation that the aggregate par value of the bonds issued under both authorisations may not exceed EUR 1,500,000,000.

##### **1. Authorisation I and contingent capital I (agenda item 6)**

In principle, shareholders have statutory subscription rights to bonds which carry options of conversion rights or obligations (§§ 221 para. 4, § 186 para. 1 German Stock Corporation Act). In order to facilitate execution, the Company will exercise the option of issuing bonds to a bank or banking syndicate, which will in turn agree to offer the bonds to the shareholders based on their subscription rights (indirect subscription rights in terms of § 186 para. 5 German Stock Corporation Act).

Precluding subscription rights for residual amounts enables utilisation of the proposed authorisation in whole numbers, which facilitates the exercise of subscription rights by shareholders. Precluding subscription rights in favour of the holders of existing options or conversion rights or obligations means that there is no need to reduce the option or conversion price for existing options and conversion rights, thus enabling the Company to raise more capital. In both cases, it is therefore in the interests of the Company and its shareholders to preclude subscription rights.

The Management Board is also authorised, with the consent of the Supervisory Board, to preclude shareholder subscription rights entirely if the bonds carrying options or conversion rights or obligations are issued at a price which is not substantially lower than the market value of those bonds. This allows the Company to take advantage of favourable market conditions at very short notice and attain better terms for interest rate and issue price of the bonds. Seamless placement and the definition of terms approximating market conditions are often impossible if subscription rights are retained. While § 186 para. 2 German Stock Corporation Act allows publication of the subscription price (along with the terms of the bonds) up to the third-to-last day of the subscription period, there is still a market risk for several days in light of the volatility which has often been observed on the stock markets, necessitating a security mark-down when defining the terms of the bonds, so that the terms will not approximate market conditions. Moreover, if subscription rights exist, successful placement with third parties may be jeopardized or require additional expenses due to the uncertainty with respect to the exercise of those subscription rights. Finally, due to the length of the subscription period, the Company will be unable to respond at short notice to favourable or unfavourable market conditions if subscription rights are granted, but would instead be exposed to declining share prices during the subscription period which may operate to the detriment of the Company.

In case of a full exclusion of subscription rights, the rule in § 186 para. 3 sentence 4 German Stock Corporation Act applies, according to § 221 para. 4 sentence 2 German Stock Corporation Act, correspondingly. The herein regulated limit on the exclusion of subscription rights to 10 percent of the capital stock must be observed. A specification to this effect in the authorising resolution also ensures that the 10 percent limit will not be exceeded even in the event of a capital reduction, since it is expressly stated that the authorisation for the preclusion of subscription rights may not exceed 10 percent of the capital stock, whether at the time the authorisation takes effect or – if this value is lower – at the time the authorisation is exercised. New shares from authorised capital excluding subscription rights according to § 186 para. 3 sentence 4 German Stock Corporation Act during the term of the authorisation count towards this 10 percent limit, including the bonds carrying warrant or conversion rights or obligations without subscription rights according to § 186 para. 3 sentence 4 German Stock Corporation Act, as do shares which are purchased based on the authorisation of the General Meeting according to § 71 para. 1 no. 8 German Stock Corporation Act and sold according to §§ 71 para. 1 no. 8 sentence 5, 186 para. 3 sentence 4 German Stock Corporation Act prior to the issuance of bonds with warrant or conversion rights or obligations excluding subscription rights according to § 186 para. 3 sentence 4 German Stock Corporation Act, as well as shares to be issued upon the exercise of warrant or convertible rights or obligations for bonds issued based on the General Meeting's authorisation of 13 May 2009 for agenda item 7 according to § 186 para. 3 sentence 4 German Stock Corporation Act without subscription rights, insofar as those bonds were issued with warrant or conversion rights or obligations under the General Meeting's authorisation of 13 May 2009 for agenda item 6 prior to the issuance of bonds without subscription rights according to § 186 para. 3 sentence 4 German Stock Corporation Act.

§ 186 para. 3 sentence 4 German Stock Corporation Act also states that the issue price may not be substantially lower than the stock exchange price. The purpose of this rule is to ensure that the new issue does not lead to significant dilution in the value of the shares. The dilutory effect of issuing bonds carrying options or conversion rights or obligations can be ascertained by determining the hypothetical stock exchange price of the bonds using recognised, primarily mathematical methods, and comparing this price with the issue price. If a proper assessment reveals that the issue price is not substantially lower than the hypothetical stock exchange price at the time the bonds are issued, the preclusion of subscription rights would be admissible in accordance with the meaning and purpose of § 186 para. 3 sentence 4 German Stock Corporation Act, since the bonds would not be issued at a substantial discount. The resolution states, however, the Management Board must conclude

before issuing the bonds carrying options or conversion rights or obligations, after careful review, that the intended issue price would not lead to significant dilution because the issue price is not substantially lower than the hypothetical market value ascertained using recognised, particularly mathematical methods. In that case, the hypothetical market value of subscription rights would drop to nearly zero, so that shareholders would not sustain any significant economic injury if subscription rights are precluded. Regardless of this review by the Management Board, the definition of terms approximating market conditions would be ensured, as would the avoidance of significant dilution in case of a bookbuilding procedure. In the case of the latter procedure, while the bonds are offered at a fixed issue price; some of the terms of the issue (e.g. the yield and, in some cases, the term) are defined based on purchase orders from investors, so that the total value of the bonds would approximate their market value. All this ensures that the preclusion of subscription rights will not lead to significant dilution in the value of the shares.

Shareholders also have the option of maintaining their stake in the Company after the exercise of options or conversion rights or obligations by purchasing shares on the stock market at any time. The authorisation to preclude subscription rights allows the Company to define terms which approximate market conditions, thus affording the greatest possible security with respect to placement of the new shares with third parties and the exploitation of favourable market conditions at short notice.

## 2. Authorisation II and contingent capital II (agenda item 7)

The content of the authorisation proposed under agenda item 7, together with contingent capital II, is identical to the proposed authorisation and contingent capital proposed under agenda item 6, with the exception of rules for definition of the conversion or option price and necessary changes arising from the adoption of two authorisations.

In the interests of avoiding repetitions, we therefore refer to the statements in this report regarding agenda item 6. These statements also apply accordingly as justification for the possible exclusion of subscription rights in connection with the issuance of bonds in accordance with agenda item 7, as for agenda item 6.

## **Report of the Management Board to the General Meeting according to §§ 203 para. 2 sentence 2, 186 para. 4 sentence 2 German Stock Corporation Act (agenda item 8)**

Authorised capital III pursuant to § 4 para. 10 of the Articles of Association, and authorised capital IV pursuant to § 4 para. 11 of the Articles of Association expire on 3 June 2009. Both categories are to be combined in a future authorisation for authorised capital III, to expire on 12 May 2014. This will provide the Company with access to additional capital as a means of long-term financing. Access to adequate capital is of considerable importance for the financing of the Company and, particularly, for continuation of the Company's international expansion.

With respect to agenda item 8, the Management Board and the Supervisory Board therefore recommend deleting § 4 para. 11 of the Articles of Association and amending § 4 para. 10 of the Articles of Association in order to authorise the Management Board, with the consent of the Supervisory Board, through 12 May 2014, to raise the Company's capital stock by up to EUR 225,000,000 by issuing new ordinary shares made out to the bearer, once or several times, in return for cash or non-cash contributions (authorised capital III). Shareholders will generally receive subscription rights if this proposed authorisation for authorised capital III is exercised. The proposed authorisation allows for the following exceptions:

In order to facilitate utilisation of the authorisation, the Management Board is to be authorised, with the consent of the Supervisory Board, to preclude subscription rights for residual amounts, so that shareholding percentages continue to be in whole numbers. The Management Board will also be authorised, with the consent of the Supervisory Board, to preclude shareholder subscription rights insofar as the shares in question are issued in exchange for non-cash capital contributions for the purposes of mergers or for the acquisition of companies, business units or shares in other companies. In the case of mergers

and acquisitions, international competition and economic globalisation often require payment of shares as consideration. Moreover, payment of the consideration in the form of shares may make it considerably easier for the Company to finance the transaction. The proposed authorisation will allow the Company to quickly and flexibly execute mergers and acquisitions in which the consideration consists of shares, in whole or in part, without having to obtain a resolution from the General Meeting, which is often not possible. When options for the acquisition of companies, business units or shares in other companies become more concrete, the Management Board will carefully consider whether to exercise its authorisation to execute the capital increase without subscription rights. It will only do so if the acquisition serves the described purposes and is in the well-understood interests of the Company. Only if these conditions are met will the Supervisory Board issue the necessary consent for utilisation of the authorised capital.

The Management Board, with the consent of the Supervisory Board, may also preclude subscription rights in case of a capital increase in exchange for cash contributions in favour of the holders of warrants and convertible bonds issued by METRO AG or by subsidiaries in which METRO AG holds 90 percent of shares, directly or indirectly in order to afford adequate protection against dilution to the holders of warrants and convertible bonds. The terms of warrants and convertible bonds typically state that the holders are to be protected from dilution in case of a share capital increase either by reducing the option or conversion price or through the provision of subscription rights. In order to avoid leaving the Company no alternative but to reduce the option or conversion price, an authorisation for utilisation of authorised capital III is intended to preclude subscription rights for new ordinary shares to the extent necessary to grant holders of warrants and convertible bonds subscription rights to the extent to which they would be entitled upon exercise of their options or conversion rights or upon performance of the option or conversion obligation prior to adoption of the capital increase. This authorisation allows the Management Board to choose between the alternatives upon utilising authorised capital III, after carefully weighing the interests of the Company and the shareholders.

Upon the utilisation of authorised capital III, the Management Board will also be authorised to preclude subscription rights in the event of a share capital increase in exchange for cash contributions according to § 186 para.3 sentence 4 German Stock Corporation Act. This option, which is provided by law, allows the Company to take advantage of favourable stock market situations at short notice so as to maximise the issue amount by setting a price which approximates the market price, and thus raise the greatest possible amount of capital. The authorisation to preclude subscription rights is limited to an amount not to exceed 10 percent of the Company's capital stock. This maximum amount for capital increases without subscription rights is diminished by the sums for which subscription rights were precluded under other authorisations according to § 186 para.3 sentence 4 German Stock Corporation Act (e.g. capital increases under authorised capital I). Subscription rights may only be precluded if the issue price for the new ordinary shares is not substantially lower than the stock market price of the Company's existing shares carrying the same rights. In defining the issue price, in an amount approximating the stock market price, the Management Board must take into account statutory requirements and actual conditions at the time the authorised capital is utilised. It is assumed at the moment that the issue price will not be substantially lower than the stock market price, certainly if the issue price of the new ordinary shares is no more than 5 percent lower than the arithmetic mean of the final auction price of ordinary shares in the Company on the XETRA trading system of the Frankfurt Stock Exchange in the five stock exchange days prior to the date of the Management Board resolution to utilise the authorised capital. The limit on the number of new shares and the obligation to define an issue price for the new shares which is not substantially lower than the stock market price serve to protect shareholders from dilution of the old ordinary shares and limit the losses shareholders will suffer as a result of the influx of new shares, according to the purpose of § 186 para.3 sentence 4 German Stock Corporation Act. Shareholders seeking to maintain their stake in the Company in case of a capital increase without subscription rights have the option of buying the necessary number of ordinary shares on the stock market. The option of precluding subscription rights according to § 186 para.3 sentence 4 German Stock Corporation Act allows the management to take advantage of favourable stock market situations at short notice. In addition, the Company can raise more capital by avoiding the subscription rights discount which would otherwise be necessary if the capital increase were executed with subscription rights. The option of raising capital at the highest possible price is significant for the Company, particularly since it is imperative for the Company to rapidly and flexibly exploit opportunities in its expanding markets and to have access to the capital necessary to do so.

In addition to issuing the new shares to shareholders directly, the Company will have the option of issuing the new shares to banks which, in turn, agree to offer them to shareholders. The option of using banks as intermediaries is merely meant to facilitate technical execution of the issue.

At the moment, there are no concrete plans to exercise the proposed authorisation. The Management Board will report to the General Meeting prior to each utilisation of authorised capital III.

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### Attendance at the General Meeting and the Exercise of Voting Rights

Holders of ordinary shares are entitled to attend the General Meeting and exercise their voting rights, holders of preference shares are entitled to attend the General Meeting, if they have registered for the General Meeting. The registration must be received no later than **Wednesday, 6 May 2009 (24:00 CEST)**, in text form and in the German or English language, by

METRO AG  
c/o Deutsche Bank AG  
- General Meetings -  
Postfach 20 01 07  
60605 Frankfurt am Main  
Germany  
or by fax to: +49 (0)69-12012-86045  
or by e-mail to: WP.HV@Xchanging.com

Furthermore, the right to attend the General Meeting and to exercise voting rights must also be proven. This requires verification of share property provided in text form and in the German or English language from the depository institution maintaining the securities account. The verification of share property must relate to the beginning of the twenty-first day prior to the date of the General Meeting – in this case **Wednesday, 22 April 2009, 0:00 CEST** – and be received at the latest on **Wednesday, 6 May 2009 (24:00 CEST)**, by

METRO AG  
c/o Deutsche Bank AG  
- General Meetings -  
Postfach 20 01 07  
60605 Frankfurt am Main  
Germany  
or by fax to: +49 (0)69-12012-86045  
or by e-mail to: WP.HV@Xchanging.com

Only persons/entities who have provided verification will be regarded as shareholders vis-à-vis the Company for participation in the General Meeting and the exercise of voting rights.

### Proxy Voting

Shareholders who do not attend the General Meeting in person may have their voting rights exercised by granting the respective powers to a proxy. The proxy must generally be granted in writing. However, if a proxy is granted to banks, equivalent institutions or companies (§§ 135 para. 12, 125 para. 5 German Stock Corporation Act) or persons in terms of § 135 para. 9 German Stock Corporation Act, particularly shareholder associations, it is sufficient if the authorisation is stated in verifiable fashion. The authorisation must be complete and may contain only declarations associated with the exercise of voting rights.

Shareholders may also authorise proxies nominated by the Company to exercise their voting rights. For this purpose, the following rules apply:

Apart from the proxy, they must also give instructions for the exercise of their voting rights. The proxies nominated by the Company are obliged to vote in accordance with the instructions given. The authorisations and instructions given to the proxies nominated by the Company must be issued only in writing. Authorisations and instructions issued prior to the General Meeting must be received by the Company no later than **Tuesday, 12 May 2009, 12:00 (noon) CEST**.

Shareholders who wish to authorise and instruct the proxies nominated by the Company are requested to contact the Company at:

METRO AG  
Bereich Recht und Projekte  
Schlüterstraße 1  
40235 Düsseldorf.

The respective forms may be obtained at the above address, by telephone at +49 (0)211-73778787, by fax at +49 (0)211-6886-1311 or online at [www.metrogroup.de/general-meeting](http://www.metrogroup.de/general-meeting).

Even in case of making use of proxies, timely registration for the General Meeting and timely verification of share property are required in accordance with the provisions described above.

### Motions and Proposals for Election by Shareholders, Voting Results

Motions and proposals for election in terms of § 126 and § 127 German Stock Corporation Act shall be exclusively addressed to:

METRO AG  
Bereich Recht und Projekte  
Schlüterstraße 1  
40235 Düsseldorf  
Germany  
or by fax to: +49 (0)211-6886-1311.

Shareholder motions and proposals for election received no later than **Wednesday, 29 April 2009 (24:00 CEST)** at the above address and in compliance with other applicable requirements will be published on the following website without undue delay:

[www.metrogroup.de/general-meeting](http://www.metrogroup.de/general-meeting)

The voting results will be published on the same website after the General Meeting.

**Total number of shares and voting rights**

As of the invitation date, the capital stock of METRO AG was divided into 326,787,529 shares. Of these, 324,109,563 shares are ordinary shares providing 324,109,563 votes and 2,677,966 are preference shares without voting rights.

Düsseldorf, March 2009

METRO AG

THE MANAGEMENT BOARD



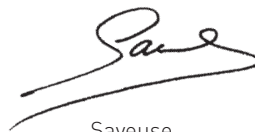
Dr. Cordes



Mierdorf



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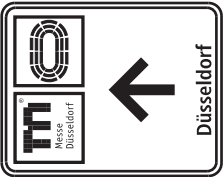
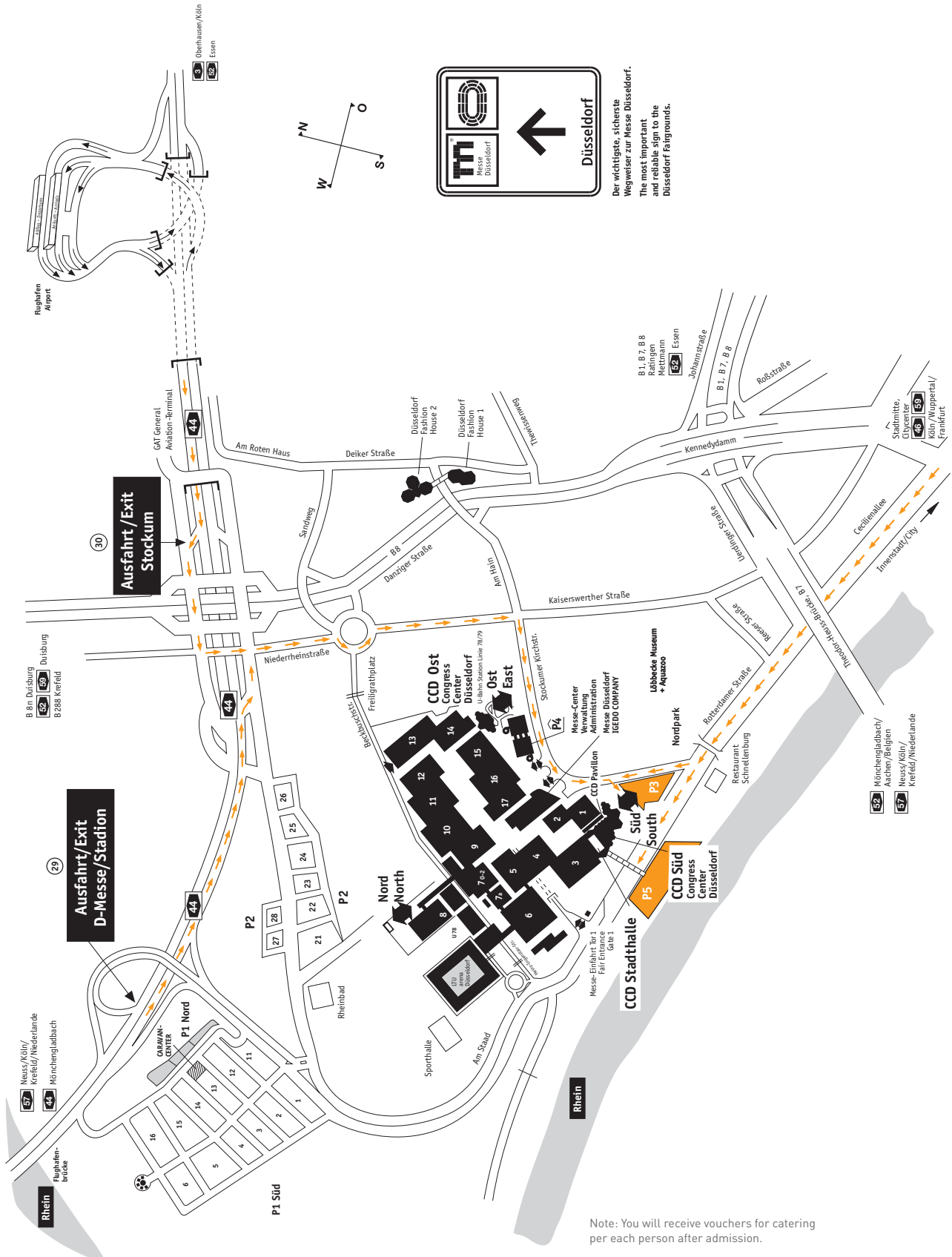
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# ARRIVAL INSTRUCTIONS

## CCD STADTHALLE DÜSSELDORF - PARKING PLACES P3 + P5



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The most important and reliable sign to the Düsseldorf Fairgrounds.

Note: You will receive vouchers for catering per each person after admission.

[www.metrogroup.de](http://www.metrogroup.de)



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