

## Overview

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## Sales Q4

€ million

	<b>Q4</b>			<b>pre-</b>
	<b>2005</b>	<b>Change</b>	<b>LfL</b>	<b>currency</b>
Metro Cash & Carry	8,159	4.8%	0.5%	5.0%
Real	2,752	19.2%	-1.9%	19.5%
Media Markt and Saturn	4,417	17.0%	6.4%	17.1%
Galeria Kaufhof	1,156	0.6%	-1.5%	0.6%
Other companies	250	-	-	-
<b>METRO Group</b>	<b>16,735</b>	<b>10.1%</b>	<b>-</b>	<b>10.2%</b>

- Metro Cash & Carry with solid development
- Media Markt and Saturn with double-digit sales growth in Germany as well as abroad
- Notable sales growth at Real due to acquisitions
- Very satisfactory Christmas business in Germany

## Sales

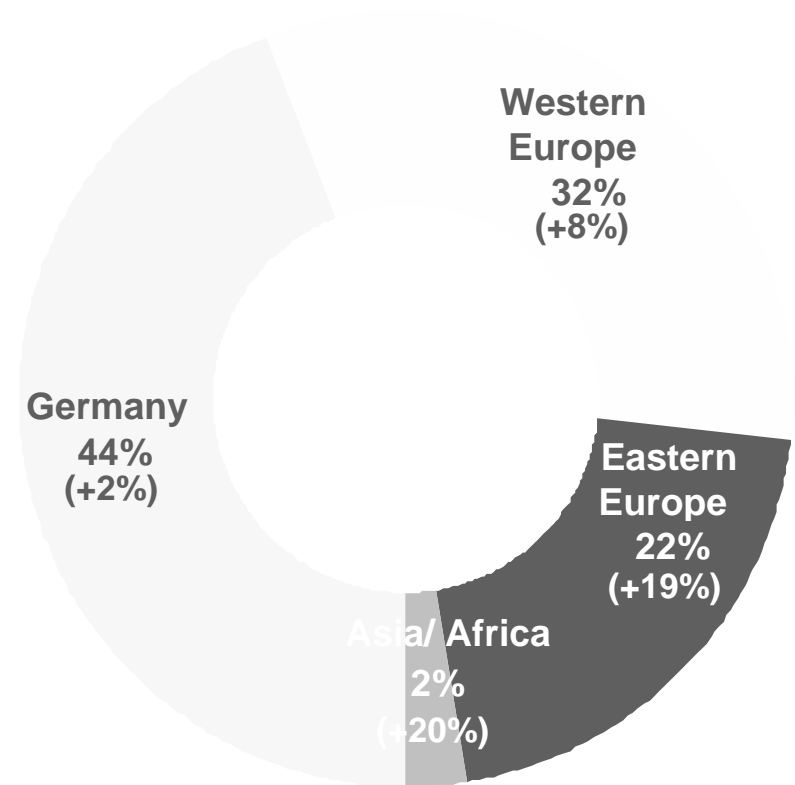
€ million

	2005	Change	LfL	pre-currency
Metro Cash & Carry	28,087	6.5%	2.2%	6.2%
Real	9,922	4.6%	-2.0%	4.6%
Media Markt and Saturn	13,306	13.9%	3.0%	13.9%
Galeria Kaufhof	3,575	0.9%	-0.6%	0.9%
Other companies	832	-	-	-
<b>METRO Group</b>	<b>55,722</b>	<b>7.5%</b>	<b>-</b>	<b>7.3%</b>

- Growth drivers Metro Cash & Carry as well as Media Markt and Saturn with good sales development
- Real with accelerated sales development in Eastern Europe
- Galeria Kaufhof with slight sales growth

## Sales by Region

- Germany with sales growth above market development
- International sales growth again double-digit (+12.4%)
- Western Europe: Sales growth also in mature markets
- Eastern Europe with dynamic sales growth
- Asia with strong growth



▶ **International: Growth engine accounting for 56% of sales**

## EBIT Q4

€ million	Q4	Change	
	2005	Absolute	%
Metro Cash & Carry	537	48	8.9%
Real	23	97	-
Media Markt and Saturn	314	38	12.2%
Galeria Kaufhof	148	5	3.5%
Other companies/ consolidation	43	-11	-26.6%
<b>METRO Group</b>	<b>1,065</b>	<b>177</b>	<b>16.6%</b>

- Metro Cash & Carry with good EBIT development
- Real characterised by special items
- Media Markt and Saturn with double-digit EBIT growth despite high marketing expenses and expansion into Sweden and Russia

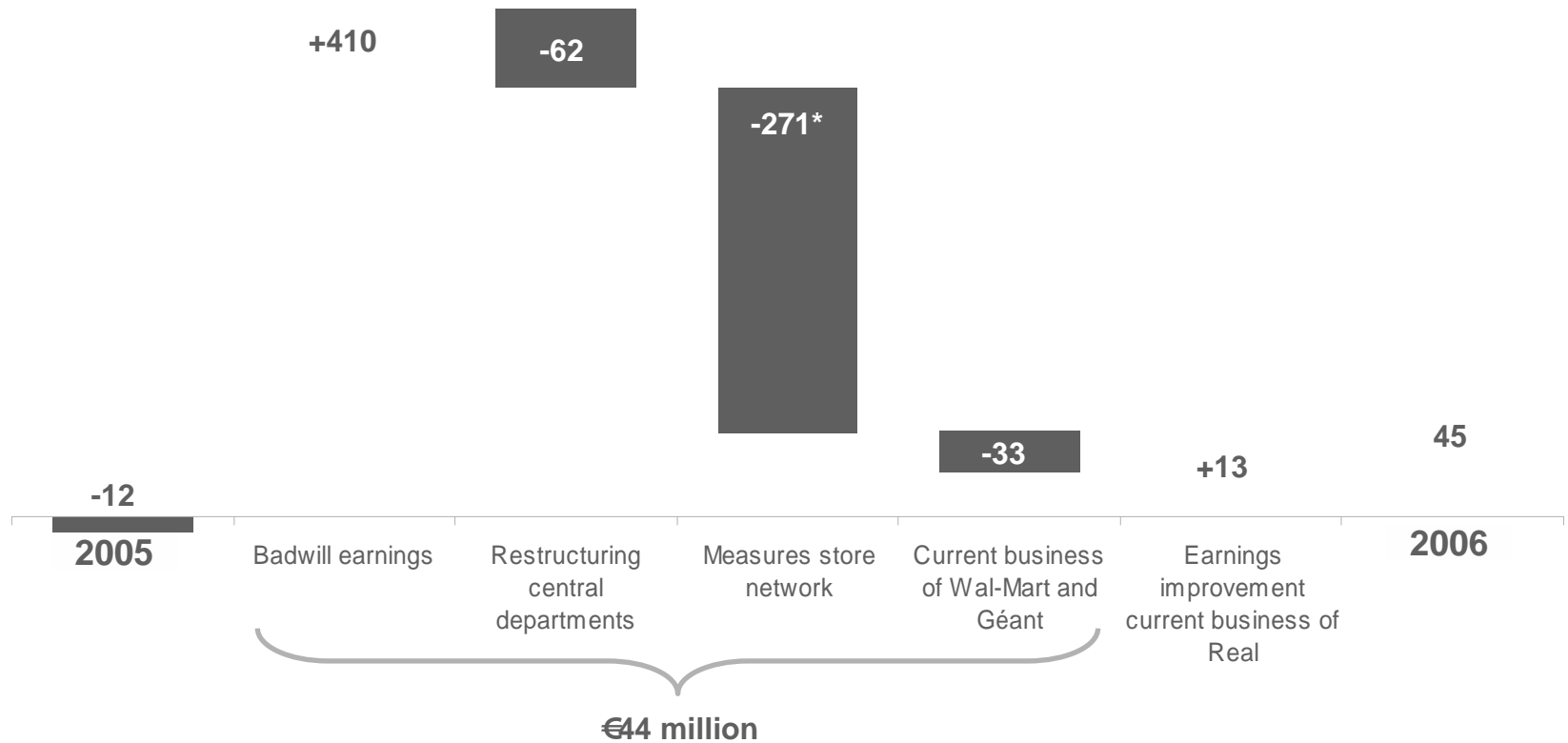
## EBIT

€ million	2005	Change	
		Absolute	%
Metro Cash & Carry	1,013	98	9.7%
Real	-12	57	-
Media Markt and Saturn	510	77	15.2%
Galeria Kaufhof	69	13	18.1%
Other companies/ consolidation	158	0	0.1%
<b>METRO Group</b>	<b>1,738</b>	<b>245</b>	<b>14.1%</b>

- Metro Cash & Carry as well as Media Markt and Saturn with even greater EBIT growth than sales growth
- Real with €44 million special items - therein included €28 million intra-Group provisions
- Galeria Kaufhof: Cost optimisation resulted in significant EBIT growth
- Adjusted for repositioning of Real including acquisitions EBIT increased by 9.9% to €1,910 million

# EBIT Development Real

€million



\* including €28 million for intra-Group provisions



## EBT (Earnings before Taxes)

€ million

	2005	Change	
		Absolute	%
EBIT	1,738	245	14.1
Result from associated companies	58	-58	-99.3
Other investment result	16	-2	-9.4
Net interest result	-471	5	1.0
Other financial result	17	-14	-91.0
Net financial income	-380	-69	-18.3
EBT	1,358	176	13.0

- As expected no result from associated companies - prior year included reduction of stake in Loyalty Partner
- Net interest result on prior year's level - increasing interest rates were compensated by lower net debt
- Other financial result declined due to currency effects

## Net Profit for the Period

€ million

	2005	Change	
		Absolute	%
EBT	1,358	176	13.0
Income taxes	-740*	256	34.5
Income from continuing operations	618	432	69.8
Income from discontinued operations after taxes	31	112	-
Net profit for the period	649	544	83.6

\*In 2005, special item from write-downs on deferred tax assets from loss carry-forwards at Real Germany of €307 million

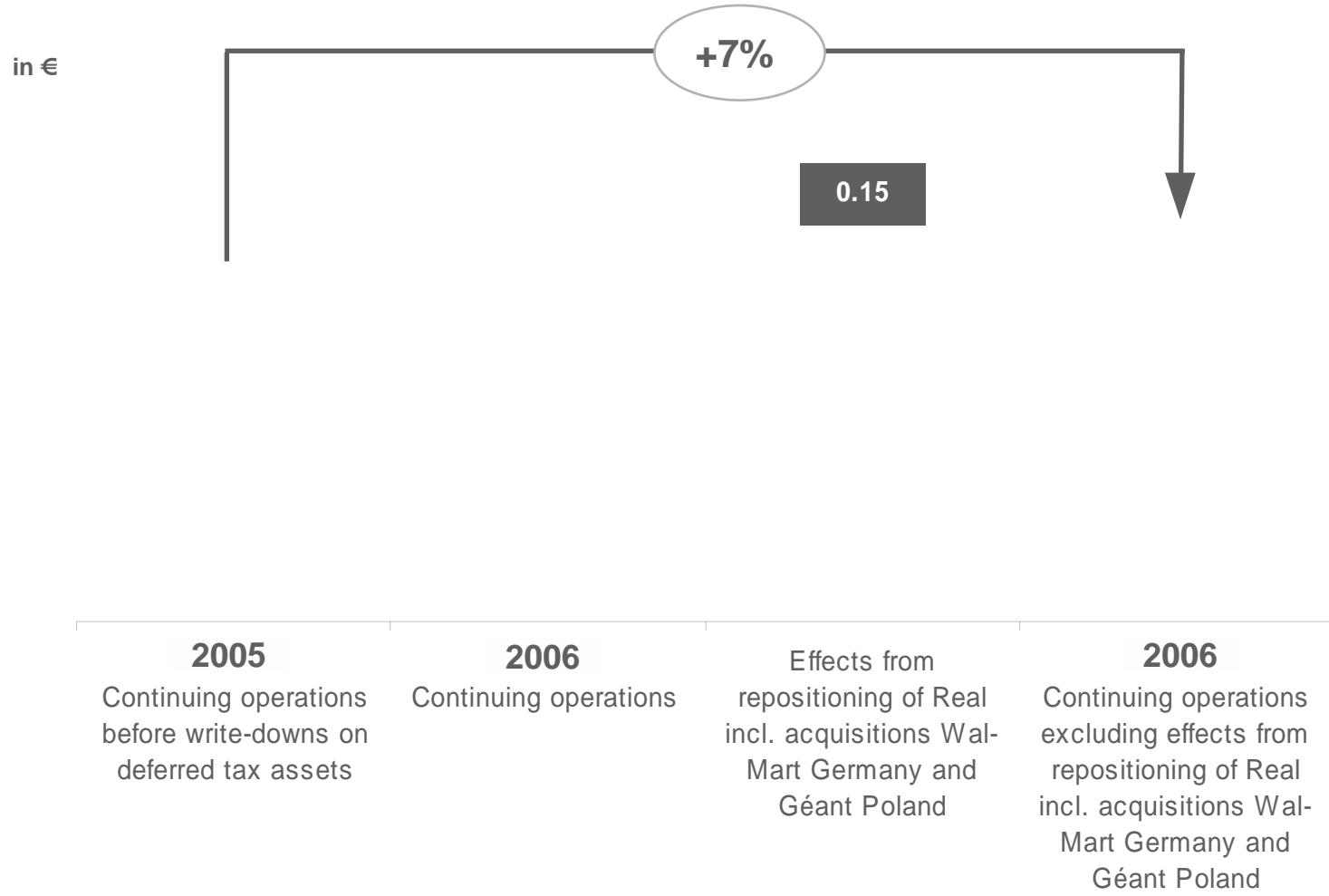
- Tax rate around 32% in line with adjusted tax rate 2005
- Income from discontinued operations includes book gain from post-IPO placement of remaining Praktiker stake (40.52%)

## Net Profit for the Period after Minority Interests

€ million	2005	Change	
		Absolute	%
Net profit for the period	649	544	83.6
allocable to minorities	118	19	15.5
from continuing operations	117	20	16.8
from discontinued operations	1	-1	-
allocable to stockholders of METRO AG	531	525	98.8
<b>from continuing operations</b>	<b>501</b>	<b>412</b>	<b>82.1</b>
from discontinued operations	30	113	-

- Minority interests exist mainly in Media Markt and Saturn

# EPS from Continuing Operations



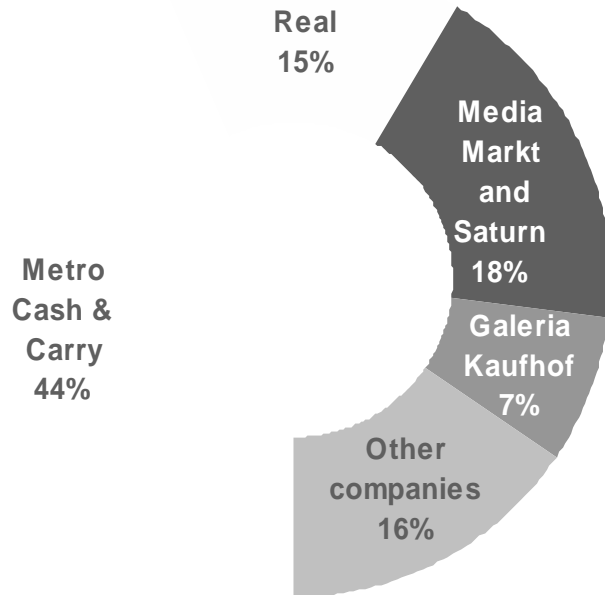
## Capital Expenditure

€ million	2005	Change	
		Absolute	%
Metro Cash & Carry	900	24	2.7
Real	266	610	-
Media Markt and Saturn	315	55	17.2
Galeria Kaufhof	96	55	56.7
Other companies	561	138	24.5
<b>METRO Group</b>	<b>2,138</b>	<b>882</b>	<b>41.2</b>

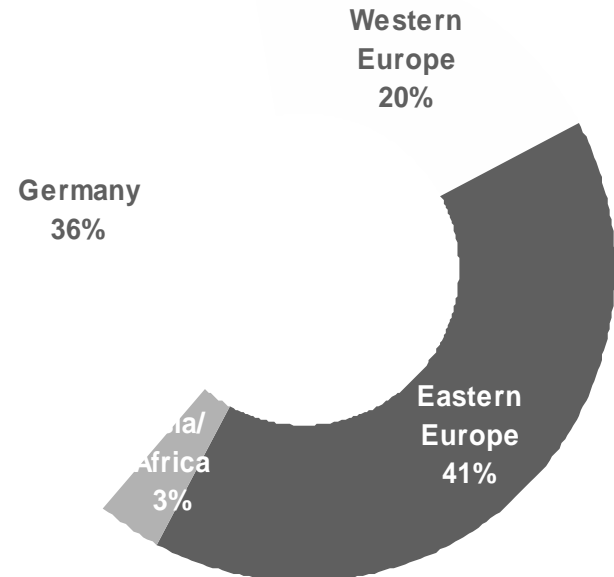
- Increasing capital expenditure at growth drivers Metro Cash & Carry as well as Media Markt and Saturn
- Real includes €563 million from acquisitions
- Other companies contains non-cash additions to fixed assets of €359 million for Wal-Mart freehold real estate
- Capital expenditure without acquisitions: €2 billion

## Capital Expenditure without Acquisitions

### By Division

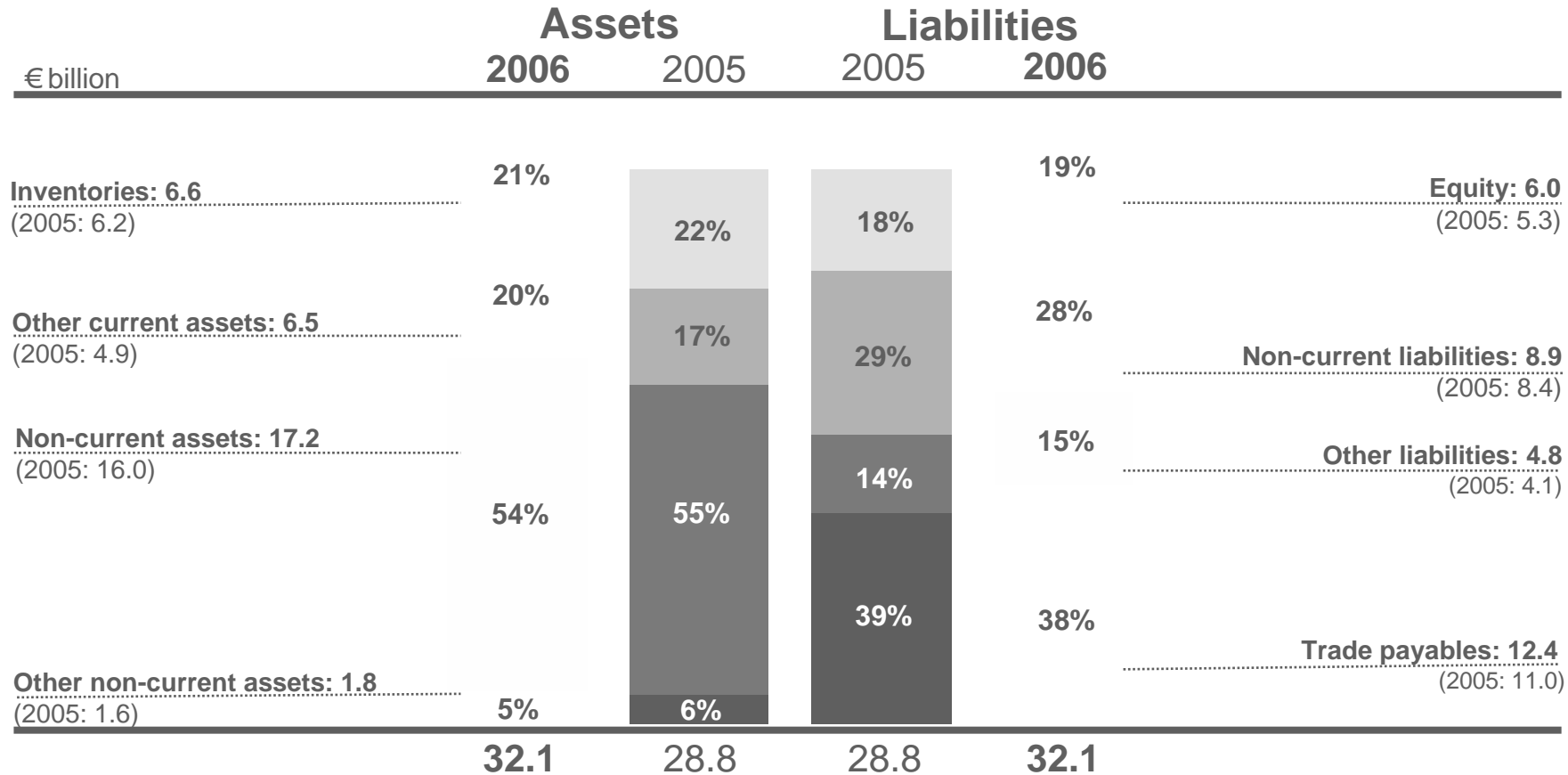


### By Region



- More than 60% allocated to growth drivers Metro Cash & Carry as well as Media Markt and Saturn
- More than 60% allocated internationally

# Balance Sheet Structure



▶ Total assets increased due to organic growth and acquisitions

## Balance Sheet Effects Resulting from Acquisition of Wal-Mart Germany (first-time consolidation)

### Assets

Intangible assets	
Tangible assets	
Inventories	
Receivables	
Deferred tax assets	
Cash and cash equivalents	
<hr/>	
Minorities	
Remaining receivable from negative purchase price	174
Received negative purchase price	13
Negative purchase price	
<hr/>	
<b>Total</b>	

### Liabilities

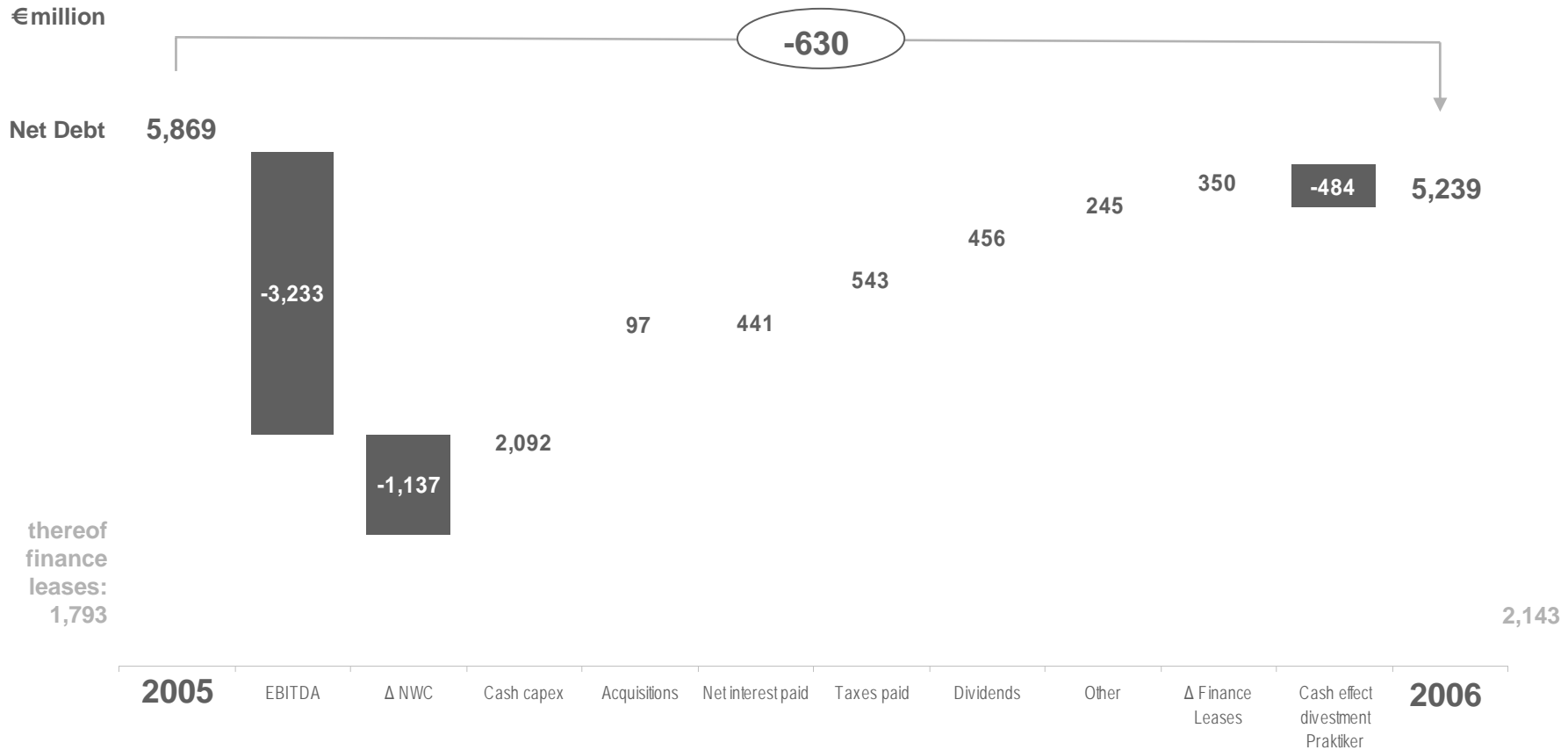
Provisions	
Financial liabilities	
Trade payables	
Other liabilities	
Deferred tax liabilities	
<hr/>	
Badwill	
<hr/>	
<b>Total</b>	

## Net Working Capital

€ million	2005	Change
<b>Inventories</b>		
Metro Cash & Carry	2,329	-33
Real	865	193
Media Markt and Saturn	2,131	273
Galeria Kaufhof	626	-59
Other companies/ consolidation	295	20
<b>Total inventories</b>	<b>6,246</b>	<b>394</b>
Trade payables	10,952	1,464
<b>Net working capital</b>	<b>-4,706</b>	<b>-1,070</b>

- All sales divisions with higher inventory turnover
- Good sales development in Q4, particularly at Media Markt and Saturn, contributed to improvement of net working capital

# Net Debt Development



▶ **Notable net debt relief despite increase in finance leases**

## EVA

€ million

	<b>NOPAT</b>	<b>Capital Employed</b>	<b>RoCE</b>	<b>EVA</b>
Metro Cash & Carry	899	6,698	13.4%	463
Real	202	7,489	2.7%	-285
Media Markt and Saturn	442	2,303	19.2%	292
Galeria Kaufhof	67	1,440	4.7%	-27
Other	288	4,713	6.1%	-17
<b>METRO Group</b>	<b>1,898</b>	<b>22,643</b>	<b>8.4%</b>	<b>426</b>

\* Based on adjusted prior year amounts

- Growth drivers Metro Cash & Carry as well as Media Markt and Saturn with clear EVA improvement
- Group RoCE increased to 8.4%

## Conclusion

- METRO Group sales increased by 7.5% to €59.9 billion
- All sales divisions with EBIT growth
- International business, especially Eastern Europe, again drove growth
- Net debt reduced by €630 million
- Equity ratio increased by 30bp to 18.8%
- Rating remains unchanged
- EPS from continuing operations without special items increased by 7% to €2.64
- RoCE increased to 8.4%
- Higher dividend of €1.12 per common stock proposed