

**Annual Press Conference of the
METRO Group**

18 March 2008 in Düsseldorf

Speech

By the Chief Financial Officer of the METRO Group

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- Check against delivery -

Good morning, ladies and gentlemen,

The fiscal year 2007 is a strong foundation for the further, value-orientated growth strategy of the METRO Group. Let me now show you in detail how strong this basis actually is.

Our figures presented for sales and earnings are already adjusted for the disposal of the Extra supermarkets. We divested Extra to the Rewe Group effective on 1 July 2008. For better comparability of the figures, Extra was shown as a discontinued operation already for 2007.

Net of Extra, METRO Group raised sales by 10.4% to 64.3 billion Euros in fiscal 2007. This represents a strong growth. Also organically we generated strong sales growth, namely by 7.4%. In this figure, the additions from the acquisition of Wal-Mart Germany and Géant in Poland have not been included.

Metro Cash & Carry, Real and Media Markt Saturn were the growth drivers.

Metro Cash & Carry stepped up its total sales by 6% to 32 billion Euros. At the international level, Metro Cash & Carry generated a sales plus of 8.5% to 22 billion Euros. The international business now accounts for more than 80% of the total sales of Metro Cash & Carry.

The 25% growth at Real is for the most part attributable to the takeover of the German activities of Wal Mart and of Géant in Poland. But also organically Real grew by more than 5%. This is a good result, in particular when compared against the results presented in recent years.

Media Markt and Saturn raised their total sales by 13% to 17 billion Euros. Here, too, the international business was the main growth driver. In Western Europe, that is excluding Germany, the volume of business grew by around 16% to 7.5 billion Euros. In Eastern Europe, the company generated a sales growth of 51% to 1.7 billion Euros.

At 3.6 billion Euros, sales of Galeria Kaufhof came in around 1.5% lower than in the previous year. Net of the VAT increase in Germany, gross sales were slightly up from previous year.

METRO Group grew in all regions. Across Germany, sales rose by 6% to 26.3 billion Euros. The takeover of Wal Mart Germany certainly contributed substantially to this growth. But even without this acquisition we grew by 0.7% in Germany.

Even stronger growth was reported by our international activities. Here, sales rose by an impressive 13.6% to 38 billion Euros. Organically – that is without the acquisition of the Géant hypermarkets in Poland – international sales increased by a good 12%.

METRO Group generated its strongest growth in Asia. Here, sales soared by 27% to come in at 1.4 billion Euros. In Eastern Europe sales climbed by 24% to over 15 billion Euros in 2007. Hence, this region now accounts for nearly one quarter of Group sales!

With 6% in Western Europe we also achieved a very good sales growth in this region.

At nearly 60%, the international share of METRO Group sales reached a new record high in 2007 up from 57% one year earlier. And this share is set to grow further! 118 of the 138 new stores worldwide were opened outside of Germany, which attests to the continued internationalization of our company.

Metro Cash & Carry, Media Markt Saturn and Galeria Kaufhof. These three sales divisions were once again our most important earnings drivers in the fiscal year under review.

Thanks to its successful business model, Metro Cash & Carry even achieved to distinctly raise its profitability. At 12%, earnings grew nearly twice as much as sales. Overall, METRO Cash & Carry generated EBIT of 1.24 billion Euros. The sales division once again generated the highest earnings growth in Eastern Europe.

Real's full-year EBIT declined against the comparable year-earlier value and is now slightly negative at -16 million Euros. This figure includes substantial start-up losses resulting from the fact that Real invested considerably into its selected international expansion in Eastern Europe. Thus, Real markedly accelerated expansion in Romania and prepared its market entry into the Ukraine.

Media Markt and Saturn raised its EBIT by 4.5 % to 614 million Euros. Net of the high start-up losses in the new countries Turkey and Russia, the EBIT margin remained broadly stable. The fact that the Media-Saturn consumer electronics centers expanded at high speed and at the same time were also able to improve EBIT also demonstrates one thing: Media Markt and Saturn commands a highly profitable business model.

But the strongest earnings growth was achieved by Galeria Kaufhof. In a challenging market environment the management of Kaufhof consistently and very successfully continued to pursue its trading-up strategy. The custom base has accepted the up-market assortment and now buys products that offer a higher EBIT margin. With this strategy, Galeria Kaufhof succeeded in raising EBIT by 31% to 107 million Euros. This is the third consecutive year that Galeria Kaufhof generated a strong, double-digit earnings growth.

All major sales regions, Germany, Western Europe and Eastern Europe, generated a strong contribution to earnings. In Asia, earnings improved to -39 million Euros despite costs of market entry in Pakistan. The largest earnings jump was achieved in Eastern Europe. Here, we were able to raise our earnings

by 26% to 805 million Euros. The continued success demonstrates that our decision to consistently expand into this region at an early stage was right. And thanks to the strong regional diversification of our earnings base we are also much less exposed to national developments than many of our competitors. This is one of the strengths of the METRO Group.

Also our earnings developed very gratifyingly in 2007. METRO Group's net EBIT climbed by 8.8% to 2.1 billion Euros.

At 568 million Euros, our income tax expenses were up from one year earlier. This amount includes one-off tax effects totaling 125 million Euros, which are related to the corporate tax reform and are not cash-effective. On the other hand, we saw a positive one-off tax effect in the amount of 57 million Euros as a result of the disposal of Extra in the fourth quarter. Net of these one-off effects, the tax ratio remained unchanged at around 32%.

The earnings per share before special items came in at 2.82 Euros in 2007. This corresponds to a rise of about 4% over the year earlier.

In view of the very good overall development of earnings we will propose to the Annual General Meeting a dividend increase of 5.4% to 1.18 Euros. This will take our dividend ratio to over 40% without requiring us to cut down on our aggressive growth plans.

The return on capital employed now rose considerably from 8.4% to 9.0%.

The economic value added of the METRO Group was again substantially raised in fiscal 2007. It amounted to 538 million Euros following 426 million Euros one year earlier. In this context, Metro Cash & Carry, Media Markt Saturn and Galeria Kaufhof distinctly improved their EVA figures over 2006. One particularly gratifying development is that Galeria Kaufhof for the first time managed to turn EVA-

positive. Kaufhof earned its cost of capital and thus added value to the METRO Group.

The investments of the METRO Group totaled 2.2 billion Euros. Without the acquisitions of the prior year, the investment volume exceeded the prior-year level. Around two thirds of the investments went to our main growth drivers, Metro Cash & Carry and Media Markt Saturn. From a regional perspective, Eastern Europe is the main region for our investments.

Also the development of our net debt was very promising. In fiscal year 2007 METRO Group was able to bring down its net debt by 947 million Euros to 4.3 billion Euros.

The balance sheet total rose by 1.7 billion Euros to 33.9 billion Euros due to the expansion.

The equity ratio saw a gratifying increase of 40 basis points to 19.2%.

Also the number of employees continued to rise in the framework of our dynamic expansion. On an annual average, the group had a workforce of around 281,000 employees. This is nearly 30,000 more than one year earlier.

Ladies and gentlemen, allow me to once again summarize the main points at the end of my presentation:

- METRO Group raised its sales by 10.4% to 64.3 billion Euros in fiscal year 2007.
- EBIT during the same period climbed by 8.8% to 2.1 billion Euros.
- The net debt was reduced by around 1 billion Euros during the period under review.
- The equity ratio rose by 40 basis points to 19.2%.
- We will increase our dividend by 5.4% to 1.18 Euros.

For the current year we expect our sales to grow by more than 6 percent. The operating result EBIT before special items is anticipated to grow between 6 and 8 percent in 2008.

In the medium-term, METRO Group is aiming for even more ambitious targets. We want to achieve a yearly EBIT-growth by more than 8 percent corresponding with a sales' increase of more than 6 percent.

In order to continue expansions, we strive for investments in the amount of 2.2 billion Euros per year. The sales divisions will be enlarged continuously. We intend 40 openings at Metro Cash & Carry, about 15 new Real stores and 70 additional Media Markt and Saturn outlets every year.

All this are good news for our shareholders. These figures in addition also represent a solid foundation for the further value-orientated development of the METRO Group.

Thank you for your attention!