# METRO GROUP with stable sales and EBIT development

- **Group's like-for-like sales increase slightly by 0.1%; reported sales: -0,6%**
- **EBIT before special items totals €821 million (Q1 2015/16: €828 million)**
- **EBIT after special items reaches €733 million (Q1 2015/16: €1,240 million including income from the sale of METRO Cash & Carry Vietnam)**
- **EPS before special items improves to €1.17 (Q1 2015/16: €1.12)**
- **Online and delivery sales continue to grow fast**
- **Net debt still at €0.1 billion**
- **Guidance confirmed for financial year 2016/17**
- **Management and Supervisory Boards of METRO AG have taken all preparatory decisions for the planned demerger**

**Düsseldorf, 3 February 2017 –** METRO GROUP generated a slight increase in like-for-like sales of 0.1% in the first quarter of financial year 2016/17, performing solidly in a challenging market environment. EBIT before special items was at previous year's level and reached €821 million in the first quarter of 2016/17 (Q1:2015/16: €828 million). METRO GROUP's EBIT after special items amounted to €733 million in the first quarter. The decline compared with €1,240 million in the previous year was primarily due to the fact that the previous year's figure included the income from the sale of METRO Cash & Carry Vietnam. In the first quarter of 2016/17, EPS before special items improved to €1.17 from €1.12 in the previous year. Sales in the online and delivery business increased markedly again: At Media-Saturn, the online sales increased by more than 25% and, for the first time, accounted for over 10% of total sales. METRO Cash & Carry's delivery sales climbed by 16.5%, accounting for 12.7% of total sales. “We performed solidly in a challenging market environment during the first quarter of the new financial year, generating stable sales and EBIT and continuing our positive like-for-like sales development, particularly at METRO Cash & Carry,” said Olaf Koch, Chairman of the Management Board of METRO AG. “The sustained increase in online and delivery sales testifies to METRO GROUP's successful transformation. We remain confident that we will achieve our full-year sales and earnings targets for METRO GROUP.”

Moreover, additional important preconditions for the planned demerger were met during the first quarter of the current financial year. The Management and Supervisory Boards of METRO AG have taken all required decisions; the demerger agreement was executed on



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13 December 2016. “Signing the demerger documentation for the planned demerger in time was a major effort and an important milestone on the road to a successful future for both future companies,” Koch says. METRO AG shareholders will vote on the demerger at the Annual General Meeting on 6 February.

METRO GROUP achieved a slight increase in like-for-like **sales** of 0.1% in Q1 2016/17. This was due to positive development at METRO Cash & Carry. Like-for-like sales at Media-Saturn were on the same level as the previous year while sales at Real declined. METRO GROUP sales in local currency declined by 0.4%. While the Russian rouble strengthened against the euro for the first time in quite a while, currencies in other countries, particularly in Turkey, trended downwards. Overall, this translated into slightly negative currency effects for METRO GROUP, with group sales down by 0.6% to €17.0 billion (Q1 2015/16: €17.1 billion). Adjusted for portfolio effects, sales came in only slightly below previous year's level.

| METRO GROUP | Q1 2015/16 (€ million) | Q1 2016/17 (€ million) | Change (€) |
|---|---|---|---|
| **Sales** | 17,090 | **16,986** | -0.6% |
| Germany | 6,809 | **6,690** | -1.8% |
| International | 10,281 | **10,296** | 0.1% |
| International share of sales | 60.2% | **60.6%** | – |

In Q1 2016/17, **EBIT** at METRO GROUP amounted to €733 million (Q1 2015/16: €1,240 million). This decline is primarily due to the fact that the previous year's figure includes income of €427 million from the sale of METRO Cash & Carry Vietnam. EBIT before special items amounted to €821 million (Q1 2015/16: €828 million). This decline is largely due to earnings developments at METRO Cash & Carry. EBIT was supported by positive currency effects of €5 million.

In Q1 2016/17, **earnings before taxes** amounted to €680 million (Q1 2015/16: €1,106 million). Before special items, earnings before taxes rose to €769 million (Q1 2015/16: €724 million).

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In the first quarter of 2016/17, **profit for the period** amounted to €230 million (Q1 2015/16: €597 million). The decline compared with the previous year's quarter was largely due to the fact that the previous year's figure included the income from the sale of METRO Cash & Carry Vietnam. Before special items, profit for the period rose to €424 million (Q1 2015/16: €417 million). Profit for the period before special items attributable to the shareholders of METRO AG improved to €381 million (Q1 2015/16: €367 million).

In Q1 2016/17, **earnings per share** amounted to €0.61 (Q1 2015/16: €1.68). Adjusted for special items, earnings per share stood at €1.17 (Q1 2015/16: €1.12).

| | Before special items | | After special items | |
|---|---|---|---|---|
| Earnings of METRO GROUP (€ million) | Q1 2015/16 | Q1 2016/17 | Q1 2015/16 | Q1 2016/17 |
| **EBIT** | 828 | **821** | 1,240 | **733** |
| **EBT (earnings before taxes)** | 724 | **769** | 1,106 | **680** |
| **Profit or loss for the period** | 417 | **424** | 597 | **230** |
| **Profit or loss for the period attributable to the shareholders of METRO AG** | 367 | **381** | 549 | **200** |
| **Earnings per share in €** | 1.12 | **1.17** | 1.68 | **0.61** |

**Net debt**, after netting cash and cash equivalents as well as financial investments with financial liabilities (including finance leases), was very low and unchanged from the previous year's figure at €0.1 billion on 31 December 2016.

## Outlook

The outlook is based on the current group structure and adjusted for currency effects. In addition, it is based on the assumption of a continuously complex geopolitical situation.

The outlook will be adjusted if the planned demerger of the group into two independent companies with a clear focus on the wholesale and food retail business on the one hand, and consumer electronics retailing on the other, is approved by the Annual General Meeting on 6 February 2017, as expected, and implemented, as scheduled, during financial year 2016/17.

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For financial year 2016/17, METRO GROUP expects to see a slight rise in overall sales, despite the persistently challenging economic environment. The Real sales line is expected to generate slightly better performance compared with financial year 2015/16. In like-for-like sales, METRO GROUP foresees another slight increase that will follow the reporting period’s rise of 0.2%. The METRO Cash & Carry and Media-Saturn sales lines in particular are expected to contribute to this development. The Real sales line is expected to generate slightly better performance compared with financial year 2015/16.

In financial year 2016/17, earnings development will also be shaped by the persistently challenging economic environment, with political developments adding to economic challenges. Nonetheless, METRO GROUP expects to achieve another slight improvement in earnings. Aside from operational improvements, METRO GROUP will again closely focus on efficient structures and strict cost management in this context. These measures are expected to result in special items for the last time, marking the successful conclusion of METRO GROUP’s transformation.

For these reasons, METRO GROUP expects EBIT before special items to rise slightly above the €1,560 million achieved in financial year 2015/16, although this figure will include slightly lower income from real estate sales. METRO Cash & Carry and Media-Saturn are expected to contribute to the slight earnings improvement.

## METRO Cash & Carry

Like-for-like **sales** of METRO Cash & Carry increased by 0.7% during Q1 2016/17, meaning that the positive quarterly sales trend has now continued uninterrupted for more than three years. Sales in local currency declined slightly by 0.1%. Reported sales dropped by 0.3% to €8.0 billion. However, it should be noted that the previous year's sales figure still included sales of METRO Cash & Carry's Vietnamese business, which has since been sold. Adjusted for this portfolio effect, sales rose compared with the previous year. In addition, while the Russian rouble strengthened, currency developments in other countries such as Turkey had a negative effect on sales.



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METRO Cash & Carry's **delivery** sales continued to develop positively, with sales rising by 16.5% to €1.0 billion. As a result, delivery sales accounted for 12.7% of total sales.

Like-for-like sales in the **Horeca** segment decreased by 1.2%. However, sales increased by 0.1% in local currency. Reported sales decreased by 0.4%. In Germany as biggest Horeca country, sales declined due to the continued transformation and the challenging market environment. In contrast, like-for-like sales in Turkey and Portugal developed very positively.

Like-for-like sales in the **Multispecialists** segment increased by 2.2%. Measured in local currency, sales rose by 2.9%. Reported sales increased even by 3.8%. Especially China, India and Pakistan showed a very positive development. In Russia, like-for-like sales increased in spite of intense price competition. Reported sales rose markedly – also supported by positive currency effects. Meanwhile, the negative sales trend continued in Belgium, the Netherlands and Austria.

Like-for-like sales in the **Trader** segment rose by 3.1%. All countries despite Poland contributed to this development. Measured in local currency, sales increased by 0.7%. Conversely, reported sales declined by 2.4%.

In Q1 2016/17, **EBIT** amounted to €405 million (Q1 2015/16: €877 million). The previous year's figure included the sale of METRO Cash & Carry Vietnam as a special item. EBIT before special items amounted to €431 million (Q1 2015/16: €458 million). The decline was primarily due to investments in price reductions especially in Russia.

| METRO Cash & Carry | Q1 2015/16 (€ million) | Q1 2016/17 (€ million) | Change (€) | Change (in local currency) | like-for-like (in local currency) |
|---|---|---|---|---|---|
| **Total sales** | 8,037 | **8,015** | -0.3% | -0.1% | 0.7% |
| Horeca | 3,801 | **3,785** | -0.4% | 0.1% | -1.2% |
| Multispecialists | 3,345 | **3,472** | 3.8% | 2.9% | 2.2% |
| Traders | 767 | **748** | -2.4% | 0.7% | 3.1% |
| Others | 124 | **10** | – | – | – |
| **EBIT before special items** | 458 | **431** | €-28 million | | |

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## Media-Saturn

Like-for-like **sales** of Media-Saturn matched the previous year's level in Q1 2016/17. Sales in local currency rose by 0.3%. At €6.9 billion, reported sales also remained unchanged from the previous year.
Following robust developments in October and November, sales in December were impacted by the longer Christmas sales period. Above all, early purchases (on so-called Black Friday) and positive follow-on effects during the first week of January impacted the Christmas business.
Overall, positive growth impulses from the smartphones, white goods and TV product groups as well as a strong increase in Services & Solutions sales were roughly compensated by declines in the entertainment, photo and IT hardware product categories.

Although Redcoon ended its business activities in five countries, **online** generated sales rose by more than 25% to €0.7 billion (Q1 2015/16: €0.6 billion). In terms of the multichannel business of the Media Markt and Saturn brands, online sales even increased by more than 40%. For the first time, Media-Saturn generated more than 10% of its sales online (sales share: 10.5% versus 8.3% in Q1 2015/16).
The Services & Solutions area developed positively with double-digit sales growth, driven mostly by strong demand for repair and installation services as well as guarantee extensions.

In **Germany**, like-for-like sales declined slightly by 0.6% in Q1 2016/17, due largely to the above-mentioned follow-on effects combined with a value-added tax campaign at Saturn at the beginning of January. Reported sales matched the previous year's level.

Like-for-like sales in **Western Europe** retreated by 0.9%. Sales in local currency dropped by 0.6%. Reported sales fell by 0.9%. While like-for-like sales developed positively in the Netherlands, Spain and Austria, sales declined in Switzerland and Belgium, in particular.

Like-for-like sales in **Eastern Europe** increased markedly by 5.4%, due mostly to very positive developments in Turkey. Sales in Eastern Europe rose by 4.5% in local currency.

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However, negative currency developments in Turkey weighed on sales, causing reported sales in Eastern Europe to increase by just 3.0%.

In Q1 2016/17, **EBIT** rose from €301 million to €318 million. However, this figure includes special items of €-5 million (Q1 2015/16: €7 million). EBIT before special items climbed from €309 million to €312 million.

| Media-Saturn | Q1 2015/16 (€ million) | Q1 2016/17 (€ million) | Change (€) | Change (in local currency) | Like-for-like (in local currency) |
|---|---|---|---|---|---|
| **Sales** | 6,889 | **6,893** | 0.0% | 0.3% | 0.0% |
| Germany | 3,291 | **3,293** | 0.1% | 0.1% | -0.6% |
| Western Europe (excl. Germany) | 2,758 | **2,734** | -0.9% | -0.6% | -0.9% |
| Eastern Europe | 840 | **865** | 3.0% | 4.5% | 5.4% |
| **EBIT before special items** | 309 | **312** | €4 million | – | – |

## Real

Real's like-for-like **sales** declined by 1.7% during the Christmas quarter. Due partly to store closures, reported sales retreated by 4.0% to €2.1 billion compared with the previous year's quarter.
Following a subdued start to the Christmas quarter, sales stabilised in December as non-food sales, in particular, developed positively. Food sales were impacted negatively by intensified competition.

**Online** sales increased markedly by 33% to €29 million.

The November opening of the new Markthalle Krefeld, a ground-breaking, market-style store concept with special culinary offerings, generated positive feedback and markedly boosted footfall.

In Q1 2016/17, **EBIT** amounted to €18 million (Q1 2015/16: €84 million). This includes special items, in particular for the reorganisation and restructuring of the administrative departments totalling €53 million (Q1 2015/16: €-1 million). In the foreseeable future, the



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central functions are to be consolidated at the office location in Düsseldorf. EBIT before special items amounted to €71 million (Q1 2015/16: €83 million). The lower EBIT figure is primarily due to the decline in sales.

| Real | Q1 2015/16 (€ million) | Q1 2016/17 (€ million) | Change (€) | Like-for-like |
|---|---|---|---|---|
| **Sales** | 2,144 | **2,058** | -4.0% | -1.7% |
| **EBIT before special items** | 83 | **71** | €-12 million | |

METRO GROUP is one of the most important international retailing companies. It generated sales of some €58 billion in financial year 2015/16. The company operates at more than 2,000 locations in 29 countries and employs some 220,000 people. The performance of METRO GROUP is based on the strength of its sales brands, which act independently on the market: METRO/MAKRO Cash & Carry, the international leader in the self-service wholesale trade; Media Markt and Saturn, the European market leader in consumer electronics retailing; and Real hypermarkets. More information at www.metrogroup.de



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