

**REWE-ZENTRALFINANZ EG, COLOGNE, AND  
REWE - ZENTRAL-AKTIENGESELLSCHAFT, COLOGNE**

# **COMBINED MANAGEMENT REPORT**

**FOR THE 2018 FINANCIAL YEAR**

## **CONTENTS**

|  |           |
|--|-----------|
| <b>GROUP STRUCTURE</b>   | <b>3</b>  |
| <b>ECONOMIC ENVIRONMENT</b>  | <b>6</b>  |
| 1. Macroeconomic Development   | 6         |
| 2. Development by Sector   | 8         |
| <b>PERFORMANCE</b>   | <b>11</b> |
| 1. Comparison of the forecast reported in the previous year with actual business development | 11        |
| 2. Results of Operations   | 12        |
| 3. Financial Position and Net Assets   | 15        |
| 4. Performance Indicators  | 19        |
| <b>RISK AND OPPORTUNITIES REPORT</b>   | <b>25</b> |
| <b>REPORT ON EXPECTED DEVELOPMENTS</b>   | <b>35</b> |
| 1. Future Macro-Economic Development   | 35        |
| 2. Expected Revenue and EBITA Development  | 36        |

# Group Structure

The REWE Group is an international retail and tourism group. It consists of two independent corporate groups with the parents, REWE-ZENTRALFINANZ eG, Cologne (RZF), and REWE - Zentral-Aktiengesellschaft, Cologne (RZAG).

The combined financial statements of these two corporate groups as at 31 December 2018 have been combined on a voluntary basis into a single set of financial statements ("Combined Financial Statements"). The information provided below refers to these Combined Financial Statements. The accounting policies used are explained in the notes to the Combined Financial Statements.

As at 31 December 2018, the Combined Financial Statements included the parent companies as well as a total of 412 subsidiaries (previous year: 396).

The Management Boards of RZAG and RZF held meetings on 25 February 2019. At its meeting, the Management Board of RZAG resolved to transfer all shares with restricted transferability held by the shareholders of RZAG, with the exception of RZF's shareholders and the "KAM" shareholders, on the basis of contribution agreements or share purchase and transfer agreements, and proposed to the Annual General Meeting that it also consent to this. At its meeting, the Management Board of RZF approved the acquisition of the aforementioned shares and proposed to the Annual General Meeting that it also consent to this. The Supervisory Boards of RZAG and RZF adopted the resolutions without amendment on 20 March 2019. The final approvals still required for the effectiveness of the contribution agreements are to be given at an extraordinary general meeting of RZF and at an extraordinary general meeting of RZAG on 30 April 2019.

The contributions are to be made in the form of contributions in kind against the grant of additional shares of RZF. The shareholdings will be determined based on the ratio of fair values calculated for both groups. The fair values were determined by an external appraiser. The value ratios as at 31 December 2018 serve as the basis for the valuation.

The sales are based on the values in KPMG's expert opinion, which was prepared in accordance with the requirements of IDW S1 and is dated 27 February 2019.

Following the transfer of shares, RZF will hold a controlling interest of 99.9995 per cent in RZAG. RZF is expected to acquire the remaining eight shares from the "KAM" shareholders in 2019.

The REWE Group operates in various business segments, which are divided into divisions and segments.

## Business Segments

### RETAIL GERMANY



### RETAIL INTERNATIONAL



### DIY STORES



### TRAVEL AND TOURISM



### OTHER



The **Retail Germany** business segment includes the REWE, Penny Germany and Retail Germany Central Companies divisions.

In the REWE division, 1,832 supermarkets and consumer stores are operated under the REWE CITY, REWE CENTER and REWE To Go brands. There are also 2,616 REWE and REWE Dortmund partner stores, REWE Dortmund stores and nahkauf stores as well as significant large, third-party corporate customers supplied by the wholesale business. Retail Germany also has an online presence with REWE.de.

The Penny Germany division operates 2,182 discount stores under the PENNY brand.

In addition to the domestic real estate companies, the Retail Germany Central Companies division also includes the production and sale of baking items under the Glocken Bäckerei brand and the production of meat and sausage products under the Wilhelm Brandenburg brand.

The **Retail International** business segment covers the Austrian Full-Range Stores, CEE Full-Range Stores and Penny International divisions. The Austrian and CEE Full-Range Stores divisions operate supermarkets and consumer stores at a total of 2,847 locations. In Austria, the stores are operated under the BILLA, MERKUR and ADEG brands. In addition, the wholesale business supplies 378 ADEG partner stores. The Retail International stores are also represented with the BILLA supermarkets in Bulgaria, Russia, Slovakia, the Czech Republic and Ukraine. In addition, drug stores are also operated in Croatia and Austria under the BIPA brand. In Lithuania, supermarkets are operated under the IKI brand.

In the Penny International division, the PENNY MARKT and PENNY MARKET brands are operated at a total of 1,505 locations in Italy, Austria, Romania, the Czech Republic and Hungary.

The **Travel and Tourism** business segment is organised into the Central Europe, Northern Europe, Eastern Europe and Destination Areas divisions. It comprises a number of tour operators, travel sales

channels (travel agency chains, franchise sales channels and online portals) as well as destination agencies and hotels under the DER Touristik umbrella brand. Travel and Tourism business segment operates in the source markets of Germany, Austria, Switzerland, Eastern Europe, as well as Scandinavia, Finland, France, the United Kingdom and the Benelux countries through the Kuoni units. Travel and Tourism mainly trades under the brands ADAC REISEN, Apollo, Club Calimera, DER.COM, DER Reisebüro, DERPART, DERTOUR, EXIM Tours, helvetic tours, ITS, Jahn Reisen, KUONI and Meier's Weltreisen. The Travel and Tourism business segment has a total of 760 physical sales locations.

The **DIY Stores** (formerly: National Specialist Stores) business segment operates 295 DIY stores in Germany under the toom Baumarkt and B1 Discount Baumarkt brands. As part of the wholesale business, 38 partner stores and franchisees are also supplied.

Central services provided by the parent companies and various subsidiaries for group companies and third parties are combined under the Other business segment. These services are essentially procurement functions (merchandise wholesale business and warehousing), central settlement, del credere assumptions, IT services, energy trading (EHA), online retail trade (ZooRoyal and Weinfreunde), e-commerce services (REWE Digital) as well as coordination of Group-wide advertising activities.

#### Locations as at 31/12/2018

| Country           | Retail Germany | Retail International | Travel and Tourism | DIY Stores | Total        |
|-------------------|----------------|----------------------|--------------------|------------|--------------|
| Germany           | 4,014          | --                   | 552                | 295        | 4,861        |
| Austria           | --             | 2,123                | --                 | --         | 2,123        |
| Czech Republic    | --             | 605                  | 41                 | --         | 646          |
| Italy             | --             | 373                  | --                 | --         | 373          |
| Hungary           | --             | 218                  | 8                  | --         | 226          |
| Romania           | --             | 236                  | --                 | --         | 236          |
| Slovakia          | --             | 151                  | 13                 | --         | 164          |
| Russia            | --             | 156                  | --                 | --         | 156          |
| Nordic countries* | --             | --                   | 6                  | --         | 6            |
| Bulgaria          | --             | 124                  | --                 | --         | 124          |
| Switzerland       | --             | --                   | 74                 | --         | 74           |
| United Kingdom    | --             | --                   | 48                 | --         | 48           |
| Lithuania         | --             | 230                  | --                 | --         | 230          |
| France            | --             | --                   | 16                 | --         | 16           |
| Ukraine           | --             | 30                   | --                 | --         | 30           |
| Croatia           | --             | 106                  | --                 | --         | 106          |
| Poland            | --             | --                   | 2                  | --         | 2            |
| <b>Total</b>      | <b>4,014</b>   | <b>4,352</b>         | <b>760</b>         | <b>295</b> | <b>9,421</b> |

\* Denmark, Finland, Norway and Sweden.

# Economic Environment

## 1. MACROECONOMIC DEVELOPMENT

The economy in **Germany** also recorded an upswing in 2018: GDP increased by 1.5 per cent (previous year: 2.5 per cent). However, in comparison to the previous year and the forecasts, this growth was significantly more subdued. This was due to factors including a weakening of foreign business attributable to an economic slowdown in Germany's most important sales markets, problems facing the automotive industry, which had to significantly scale down production on account of new EU inspections in connection with new vehicle registrations, and increasing production-side bottlenecks, primarily with regard to the labour force. The domestic economy in particular had a positive impact on this development. In 2018, inflation rose to 1.8 per cent (previous year: 1.7 per cent) as a result of, among other factors, rising energy prices. The economic upturn also had an impact on the labour market: at 3.2 per cent, unemployment was lower than it had been in the previous year (3.8 per cent).

GDP in **Austria** grew by 2.8 per cent (previous year: 3.0 per cent) in 2018, significantly higher than the forecast of 1.9 per cent. Despite a global economic slowdown, this was due in particular to robust domestic demand, which was bolstered by both private consumption and investments, as well as continued increasing foreign demand. The economic upturn positively influence the labour market here too, with the unemployment rate falling to 4.8 per cent (previous year: 5.5 per cent). Energy prices remained a key factor driving prices in 2018: inflation in 2018 amounted to 2.1 per cent (previous year: 2.2 per cent).

In 2018, the economy in **Italy** grew at a less pronounced rate (1.0 percent) than in the previous year (1.6 per cent). This development was underpinned by higher investments, which were offset by sluggish consumption and an increase in imports as exports stagnated. One of the reasons for this development is the political situation in the country, which is leading to a loss of confidence among consumers, companies and investors. Unemployment fell to 10.7 per cent (previous year: 11.2 per cent), due among other factors to a positive industry development. Inflation fell to 1.2 per cent (previous year: 1.3 per cent).

The economies in the **Central and Eastern European** countries in which the REWE Group is represented developed positively in 2018. Bulgaria, Croatia, Romania, Russia, Slovakia, the Czech Republic, Ukraine and Hungary all experienced an economic upturn, with Slovakia and Ukraine exceeding forecasts and prior-year growth rates. GDP growth in Bulgaria, Croatia and Hungary was at the same level as in the previous year but above what had been forecast. GDP growth in Russia increased year on year. Compared to the previous year, Romania and the Czech Republic recorded lower economic growth; nevertheless, the Czech Republic exceeded expectations. The upswing was attributable primarily to private consumption, which benefited from positive situation on the labour market and the increase in real wages, as well as investments, which increased due in part to EU funding. With the exception of Russia and Ukraine, unemployment rates fell in all countries, in some cases noticeably. Inflation in Russia, the Czech Republic and Ukraine fell, in part significantly, compared with the previous year. Inflation in the other countries increased year on year and in some cases significantly exceeded forecasts.

In **Scandinavia**, Sweden and Norway recorded higher economic growth than in the previous year. While economic growth in Denmark was less dynamic than in the previous year, it did exceed the forecasts. Inflation in Sweden and Norway remained level year on year, while price rises in Denmark were less pronounced than in the previous year. Unemployment again fell in each of the three countries.

With GDP growth of 3.0 per cent, the economy in **Switzerland** was significantly stronger than in the previous year (1.7 per cent) and exceeded expectations (1.3 per cent). However, all signs pointed to a slowdown in the second half of 2018. The ongoing upturn continued to be reflected in labour market: unemployment fell to 2.8 per cent (previous year: 3.2 per cent) and was thus below the forecast of 3.0 per cent. Inflation increased significantly to 1.1 per cent (previous year: 0.5 per cent), which was due to factors including high oil prices during the year.

In the **United Kingdom**, economic growth in 2018 was 1.4 per cent, down year on year (previous year: 1.8 per cent) and slightly below expectations (1.5 per cent). This is due to the continued uncertainty surrounding the consequences of the UK leaving the EU (Brexit), which among other things has led to businesses putting investments on hold. Despite a robust labour market (unemployment declined from 4.4 per cent in the previous year to 4.2 per cent), private consumption decreased in part due to stagnating real incomes on account of inflation, and will increasingly be financed by private debt. Inflation decreased slightly to 2.5 per cent (previous year: 2.7 per cent), which again was primarily due the devaluation of the pound since the Brexit referendum.

In 2018, the economy in **France** grew at a less pronounced rate (1.5 percent) than in the previous year (2.3 per cent). In addition to a global economic slowdown, the economic development was influenced in part by strikes and higher taxes, particularly in the first half of the year, and the social unrest that began in late November with the "yellow-vest" protests. A noticeably more subdued increase in consumption was offset by industry developments: capacity utilisation was at its highest level since 2008. Although the unemployment rate declined slightly from 9.4 per cent in the previous year to 9.1 per cent, it remained high compared to the rest of Europe. Inflation rose from 1.2 per cent to 2.1 per cent.

## Changes in economic data for REWE Group countries

| in % <sup>1</sup> | GDP  |        |       | Inflation |        |       | Unemployment |        |       |
|-------------------|------|--------|-------|-----------|--------|-------|--------------|--------|-------|
|                   | 2017 | 2018p* | 2018p | 2017      | 2018p* | 2018p | 2017         | 2018p* | 2018p |
| Germany           | 2.5  | 2.3    | 1.5   | 1.7       | 1.6    | 1.8   | 3.8          | 3.3    | 3.2   |
| Austria           | 3.0  | 1.9    | 2.8   | 2.2       | 1.8    | 2.1   | 5.5          | 5.1    | 4.8   |
| Czech Republic    | 4.3  | 2.6    | 3.1   | 2.4       | 2.1    | 2.2   | 2.9          | 2.7    | 2.2   |
| Italy             | 1.6  | 1.4    | 1.0   | 1.3       | 1.2    | 1.2   | 11.2         | 10.9   | 10.7  |
| Hungary           | 4.0  | 3.4    | 4.0   | 2.4       | 2.8    | 2.8   | 4.2          | 4.0    | 3.7   |
| Romania           | 6.9  | 4.4    | 4.0   | 1.1       | 2.5    | 4.4   | 4.9          | 5.1    | 4.6   |
| Slovakia          | 3.4  | 3.7    | 3.9   | 1.4       | 1.7    | 2.6   | 8.1          | 7.0    | 6.8   |
| Russia            | 1.5  | 1.7    | 1.7   | 3.7       | 3.9    | 2.8   | 5.2          | 5.5    | 5.5   |
| Bulgaria          | 3.6  | 3.2    | 3.6   | 1.2       | 1.6    | 2.4   | 6.2          | 5.5    | 5.3   |
| Switzerland       | 1.7  | 1.3    | 3.0   | 0.5       | 0.6    | 1.1   | 3.2          | 3.0    | 2.8   |
| United Kingdom    | 1.8  | 1.5    | 1.4   | 2.7       | 2.5    | 2.5   | 4.4          | 4.6    | 4.2   |
| Sweden            | 2.1  | 2.4    | 2.4   | 1.9       | 1.8    | 1.9   | 6.7          | 6.5    | 6.3   |
| Lithuania         | 3.9  | -      | 3.5   | 3.7       | -      | 2.7   | 7.1          | -      | 6.1   |
| Norway            | 1.9  | 1.6    | 2.1   | 1.9       | 2.0    | 1.9   | 4.2          | 3.8    | 3.8   |
| Denmark           | 2.3  | 1.8    | 2.0   | 1.1       | 1.6    | 1.0   | 5.7          | 5.6    | 5.1   |
| France            | 2.3  | -      | 1.5   | 1.2       | -      | 2.1   | 9.4          | -      | 9.1   |
| Ukraine           | 2.5  | 3.2    | 3.5   | 14.4      | 10.0   | 10.9  | 9.2          | 9.3    | 9.4   |
| Croatia           | 2.8  | 2.7    | 2.8   | 1.3       | 1.6    | 1.6   | 11.1         | 9.9    | 9.7   |

Sources: International Monetary Fund, World Economic Outlook Database October 2018, Update January 2019; Joint forecast (Autumn 2018)

p = projected; p\* = projected in previous year

<sup>1</sup> Year-on-year GDP change in %

## 2. DEVELOPMENT BY SECTOR

### Food Retail Sector

#### Industry trend: revenue

| Change in %          | Retail<br>2018<br>nominal | Retail<br>2017<br>nominal | Food retail<br>2018<br>nominal | Food retail<br>2017<br>nominal |
|----------------------|---------------------------|---------------------------|--------------------------------|--------------------------------|
| Germany              | 2.7                       | 5.1                       | 1.2 <sup>1</sup>               | 3.7 <sup>1</sup>               |
| Austria              | 2.6                       | 3.4                       | 2.5                            | 3.4                            |
| Czech Republic       | 5.9                       | 8.2                       | 3.5                            | 6.5                            |
| Italy                | 0.8                       | 2.4                       | 0.3                            | 1.9                            |
| Hungary              | 9.3                       | 7.7                       | 7.0                            | 5.7                            |
| Romania              | 11.3                      | 12.2                      | 10.5                           | 9.3                            |
| Slovakia             | 6.4                       | 8.4                       | 4.1                            | 7.0                            |
| Russia <sup>2</sup>  | 2.6                       | 1.1                       | 1.7                            | 0.4                            |
| Bulgaria             | 7.5                       | 4.6                       | 10.2                           | 4.7                            |
| Lithuania            | 9.7                       | --                        | 5.4                            | --                             |
| Ukraine <sup>2</sup> | 7.0                       | 7.3                       | --                             | --                             |
| Croatia              | 5.7                       | 6.4                       | 3.1                            | 2.3                            |

Sources: Eurostat; <sup>1</sup> GfK; <sup>2</sup> Retail Update Russia (Biweekly News Report – Published by PMR) Last update: January 2019 – Figures for Ukraine up to 5/2018

Figures for revenue development in the **German** food retail sector declined year on year in analyses prepared by GfK (nominal: +1.2 per cent; FMCGs excl. non-food) and by Nielsen/TradeDimension (nominal: +2.5 per cent). In this context, the Retail Germany business segment performed excellently, with revenue growth at 9.9 per cent (adjusted for changes in the scope of consolidation: 5.5 per cent). Eurostat data generally confirmed the development in the German food retail sector,



although we consider that data to be less meaningful than the data provided by GfK due to the collection methods used.

In 2018, the retail trade in **Austria** posted a revenue increase of 2.6 per cent in nominal terms (0.5 per cent in real terms). The food retail sector posted a revenue increase of 2.5 per cent in nominal terms (0.8 per cent in real terms). In nominal terms, growth thus slowed as against the prior year. It also represented a year-on-year decline in real terms.

Retail sales in **Italy** increased by 0.8 per cent in nominal terms in 2018 (decline of 0.4 per cent in real terms). Households recorded real losses in purchasing power as inflation exceeded wage increases. Revenue in the food retail sector increased in nominal terms by 0.3 per cent (0.9 per cent decrease in real terms).

The food retail sector in the **Eastern European** countries in which the REWE Group is represented developed positively. In 2018, Romania and Bulgaria recorded the highest increase in nominal revenue growth in the food retail sector, at 10.5 per cent and 10.2 per cent, respectively. Compared to the previous year, the development in Hungary was positive in 2018: year-on-year increases were recorded in both the retail and food retail sectors. Consumption in these countries was boosted in part by rising wages and the positive situation on the labour market. In Russia, the increase revenue in the retail sector (2.6 percent in nominal terms) and the food retail sector (1.7 per cent in nominal terms) was moderate, but nevertheless an improvement on the previous year.

## Travel and Tourism

The market for tour operators saw 6.9 per cent revenue growth in 2018 to 36.0 billion euros, further building on the growth in the previous year. Cruise represented the primary growth segment, recording an increase in revenue of 7.8 per cent. The rise in revenue recorded by traditional air travel agencies was due primarily to non-European Mediterranean destinations (+51.0 per cent).

Accordingly, the destinations that had been mired in crisis over the past three years (Turkey, Tunisia and Egypt) saw customers return. The growth trend in Greece also continued, amounting to +20.1 per cent. The other European Mediterranean destinations recorded stagnating growth of just 0.9 per cent, with Spain even seeing a decline. In 2018, the market for tour operators in the Mediterranean destinations was significantly weighed down by airline insolvencies (Niki, Small Planet, and Primera) as well as the repercussions of the Air Berlin insolvency. In view of the appreciation of the euro against the dollar, long-haul travel remained stable (+/- 0 per cent). Individual long-haul destinations such as the Caribbean and North America recorded significant declines in revenue of 18.7 per cent and 11.6 per cent, respectively. By contrast, destinations in the Far East (+8.7 per cent), Indian Ocean (+6.4 per cent) and in southern Africa (+10.2 per cent) posted gains. Land-based destinations recorded modest growth of 0.8 per cent. On account of the hot summer in Germany, the expected last-minute bookings did not materialise. Germans instead chose to organise their holiday trips in Germany and to its neighbouring countries themselves.

In 2018, the stationary travel agency market also increased revenue by in total 2.9 per cent to 19.0 billion euros, while online travel sales recorded significant growth of 25.5 per cent. In addition, revenue recorded by product portals (+16.3 per cent) and online direct sales of tourism service providers (+9.3 per cent) rose significantly and are increasingly competing with their own sales channels via tour operators and travel agencies. The specialised business travel organisations

recorded a slight decrease of 0.5 per cent to 7.8 billion euros. Overall, the travel agency market in Germany recorded a 2.0 per cent increase to 26.9 billion euros.

## DIY Stores

According to information published by the German Association of DIY and Gardening Stores in Cologne (BHB - Handelsverband Heimwerken, Bauen und Garten e. V.), the DIY retail sector posted revenue growth of 1.6 per cent to 18.75 billion euros in 2018. Based on adjusted sales area, revenue increased slightly by 1.3 per cent. While revenue decreased in the first quarter (-7.1 per cent compared to prior-year quarter) due in particular to the poor weather in March and the fewer number of sales days, the 8.3 per cent increase in revenue in the second quarter contributed significantly to the positive performance: at 6.0 billion euros, the months of April, May and June were the strongest in terms of revenue in the first nine months. After a healthy third quarter, which further reinforced the positive trend with an increase in revenue of 0.3 per cent, the fourth quarter – due in particular to a strong October – contributed to the year's positive development.

# Performance

## **1. COMPARISON OF THE FORECAST REPORTED IN THE PREVIOUS YEAR WITH ACTUAL BUSINESS DEVELOPMENT**

Revenue development of the REWE Group was in line with expectations in 2018.

Operating EBITA developed much better than forecast for 2018 in almost all business segments. This was due mainly to the developments in both the national and the international food retail sectors.

The Retail Germany business segment significantly increased its revenue year on year, essentially meeting its targets.

The Retail Germany business segment EBITA was significantly higher than forecast; REWE and Penny also recorded increases. Despite the successful integration of the Supermärkte Nord companies, these continue to weigh on earnings.

The revenue development of the Retail International business segment was above budgeted expectations. Both Penny and the Full-Range stores showed positive development. For instance, the development in Eastern Europe in particular was better than expected. In particular, the revenue in the Czech Republic developed better than forecast. The first-time consolidation of UAB Palink, Vilnius, Lithuania, significantly influenced the development of the CEE Full-Range Stores from August 2018 onward.

EBITA of the Retail International business segment was above expectations. Penny and the Full-Range stores segment exceeded their EBITA target. With regard to the Full-Range stores in Eastern Europe, only Russia and Ukraine fell short of expectations.

The development of the Travel and Tourism business segment was marked in particular by the difficult development in the German tour operator business. While the Travel and Tourism business segment increased its revenue year on year, it did not meet its revenue expectations. Due to the situation in the German tour operator business, the negative effects from the insolvencies of various airlines, and the accrual of restructuring costs, the Travel and Tourism business segment fell short of the budgeted EBITA targets.

The DIY Stores segment did not quite meet revenue expectations, although it still recorded a year-on-year increase. Due to lower cost developments, the DIY Stores segment was able to exceed the budgeted EBITA targets.

The combined Group's net debt was below the budgeted figures. This was due primarily to lower-than-planned investments. The unsuccessful sale of UAB Palink, Vilnius, Lithuania, had an offsetting effect.

## 2. RESULTS OF OPERATIONS

### Revenue Development

| in million €         | 2018            | 2017            | Change in absolute figures | Change in % |
|----------------------|-----------------|-----------------|----------------------------|-------------|
| Retail Germany       | 31,443.7        | 28,621.1        | 2,822.6                    | 9.9         |
| Retail International | 14,242.7        | 13,353.5        | 889.2                      | 6.7         |
| Travel and Tourism   | 4,880.0         | 4,649.6         | 230.4                      | 5.0         |
| DIY Stores           | 2,151.1         | 2,130.8         | 20.3                       | 1.0         |
| Other                | 660.3           | 669.3           | -9.0                       | -1.3        |
| <b>Total</b>         | <b>53,377.8</b> | <b>49,424.3</b> | <b>3,953.5</b>             | <b>8.0</b>  |

Revenue increased by a total of 8.0 per cent in 2018.

The highest-volume business segment, Retail Germany, recorded a 9.9 per cent increase in revenue and was thus significantly higher than the industry trend in Germany. The positive revenue trend was supported by the development of REWE's own stores (including REWE To Go) and the Penny stores, as well as by wholesale activities. Furthermore, the first-time inclusion of REWE Dortmund SE & Co. KG, Dortmund, over the entire year contributed significantly to the increase in revenue.

The Retail International business segment, with revenue of 14.2 billion euros, is the second-largest business segment in the REWE Group. The 6.7 per cent increase in revenue (+7.1 per cent adjusted for currency translation effects) was due primarily to the Full-Range stores segment in Central and Eastern Europe. Particularly high revenue increases were generated in the Czech Republic and Slovakia, due mainly to the positive performance of the existing stores and to expansion activities. Furthermore, UAB Palink, Vilnius, Lithuania, which was fully consolidated for the first time on 1 August 2018, contributed significantly to the increase in revenue. The Austrian Full-Range Stores segment reported a continued positive revenue trend, which was attributable mainly to food retail. Penny International's revenue also made a contribution to this positive development: this was caused by the revenue trend in the Czech Republic, Romania and Hungary in particular.

The Travel and Tourism Business Segment generated consolidated revenue of 4.9 billion euros (brokered travel revenue of 6.7 billion euros), up 5.0 per cent on the previous year. The newly developed source market, France, made a particular contribution to the growth in revenue. Significant revenue increases were also recorded in Central Europe and the target destination agencies. Overall, the recovery by the destinations Egypt, Tunisia and Turkey and the high demand for travel to Greece had a positive effect on the revenue trend.

In the DIY Stores business segment, revenue increased by 1.0 per cent. The increase in revenue at DIY stores was attributable mainly to the positive performance by the retail stores. Expansion activities as well as existing stores contributed to this growth.

### Stores and Sales Areas

At the end of the year, the REWE Group's retail business segments operated 9,421 retail outlets with a total sales area of 9.2 million square metres.

| Number of stores     | 31 Dec. 2018 | 31 Dec. 2017 | Change in absolute figures | Change in % |
|----------------------|--------------|--------------|----------------------------|-------------|
| Retail Germany       | 4,014        | 4,078        | -64                        | -1.6        |
| Retail International | 4,352        | 4,008        | 344                        | 8.6         |
| Travel and Tourism   | 760          | 750          | 10                         | 1.3         |
| DIY Stores           | 295          | 293          | 2                          | 0.7         |
| <b>Total</b>         | <b>9,421</b> | <b>9,129</b> | <b>292</b>                 | <b>3.2</b>  |

| Sales area in m <sup>2</sup> * | 31 Dec. 2018     | 31 Dec. 2017     | Change in absolute figures | Change in % |
|--------------------------------|------------------|------------------|----------------------------|-------------|
| Retail Germany                 | 4,288,551        | 4,387,104        | -98,553                    | -2.2        |
| Retail International           | 2,969,858        | 2,702,133        | 267,725                    | 9.9         |
| DIY Stores                     | 1,951,291        | 1,935,235        | 16,056                     | 0.8         |
| <b>Total</b>                   | <b>9,209,700</b> | <b>9,024,472</b> | <b>185,228</b>             | <b>2.1</b>  |

\* No sales area is calculated in Travel and Tourism.

## Results

| in million €   | 2018            | 2017            | Change in absolute figures | Change in % |
|--|-----------------|-----------------|----------------------------|-------------|
| Revenue  | 53,377.8        | 49,424.3        | 3,953.5                    | 8.0         |
| Cost of materials, incl. changes in inventories  | -40,378.2       | -36,948.6       | -3,429.6                   | -9.3        |
| <b>Gross profit</b>  | <b>12,999.6</b> | <b>12,475.7</b> | <b>523.9</b>               | <b>4.2</b>  |
| Gross profit ratio   | 24.4%           | 25.2%           |                            |             |
| <b>EBITDA</b>  | <b>1,843.1</b>  | <b>1,594.9</b>  | <b>248.2</b>               | <b>15.6</b> |
| Depreciation, amortisation and impairments/reversals of impairment losses and impairment losses (excl. goodwill) | -1,234.6        | -1,103.5        | -131.1                     | -11.9       |
| <b>EBITA</b>   | <b>608.5</b>    | <b>491.4</b>    | <b>117.1</b>               | <b>23.8</b> |
| Goodwill impairments   | -10.4           | 0.0             | -10.4                      | 0.0         |
| <b>EBIT</b>  | <b>598.1</b>    | <b>491.4</b>    | <b>106.7</b>               | <b>21.7</b> |
| Financial result   | -14.6           | -16.6           | 2.0                        | 12.0        |
| <b>EBT</b>   | <b>583.5</b>    | <b>474.8</b>    | <b>108.7</b>               | <b>22.9</b> |
| Taxes on income  | -153.7          | -133.0          | -20.7                      | -15.6       |
| Results from continuing operations   | 429.8           | 341.8           | 88.0                       | 25.7        |
| Results from discontinued operations   | 0.0             | -4.0            | 4.0                        | 100.0       |
| <b>EAT/net income for the year</b>   | <b>429.8</b>    | <b>337.8</b>    | <b>92.0</b>                | <b>27.2</b> |

**EBITDA** increased by 248.2 million euros: The increase in gross profit by 523.9 million euros and the increase in other operating income (+436.2 million euros; excl. reversals of impairment losses) was offset by an increase of 346.6 million euros in other operating expenses and 365.3 million euros in personnel expenses. The sharper increase in cost of materials as compared to revenue, particularly in the Retail Germany, Travel and Tourism and DIY Stores business segments, resulted in a decrease in the gross profit margin to 24.4 per cent (previous year: 25.2 per cent).

The increase in other operating income was attributable primarily to higher income from advertising services, rental income, income from the reversal of provisions and income from additional services for goods traffic. The increase in income from advertising services is attributable to increased advertising activities in radio and television, print media, outdoor advertising and the increased use of advertising material in the Retail Germany and Retail International business segments.

Furthermore, the first-time inclusion of REWE Dortmund SE & Co. KG, Dortmund, over the entire year also had a significant effect for the Retail Germany business segment.

Rental income increased mainly in the Retail Germany business segment. This was due to the increase in the number of partner stores and the higher sales-based rents due to increased revenue. Income also increased due to the first-time inclusion of REWE Dortmund SE & Co. KG, Dortmund, over the entire year.

The increase in income from the reversal of provisions related primarily to the reversal of provisions for expected losses from onerous contracts.

Some of these items of income are closely related to the corresponding expenses. Corresponding to the increases in rental income and income from additional services for goods traffic, the related expenses also rose. Expenses for maintenance and consumables as well as for the vehicle fleet and freight also increased.

The expenses for the vehicle fleet and freight increased primarily in the Retail Germany and Retail International business segments. The increase in the Retail Germany business segment resulted among other things from the increase in the use of third-party logistics services in the context of expanding the Group's business activities.

The increase in rental and lease expenses related primarily to the Retail Germany business segment and is attributable in part to the first-time inclusion of REWE Dortmund SE & Co. KG, Dortmund, over the entire year. In addition, the increase in rental and lease expenses resulted from the increase in the number of leased properties which were sub-leased to partners. The first-time inclusion of UAB Palink, Vilnius, Lithuania, also led to a significant increase in the Retail International business segment.

The increase in expenses for maintenance and consumables related mainly to the Retail Germany business segment. This was due in part to construction work in connection with restructuring measures.

The increase in personnel expenses (5.4 per cent) was attributable to factors including the first-time inclusion of REWE Dortmund SE & Co. KG, Dortmund, over the entire year, the first-time consolidation of UAB Palink, Vilnius, Lithuania, and the pay scale increases in 2018.

**EBITA** was 608.5 million euros in 2018, 117.1 million euros higher than in the previous year (491.4 million euros).

The financial result improved by 2.0 million euros: the 17.6-million-euro increase in the result from companies accounted for using the equity method and the 6.8-million-euro increase in the result from the measurement of derivative financial instruments were partly offset by the 11.8-million-euro decline in the interest result and the 10.6-million-euro decrease in the other financial result. The improvement in the result from companies accounted for using the equity method was attributable primarily to the reclassification of UAB Palink, Vilnius, Lithuania, which had been classified as a held for sale in the previous year. The recognised income relates to the pro rata result up to the date of first-time consolidation from 1 August 2018. The interest result is offset by higher interest income from taxes and higher interest expenses from financing activities.

Taxes on income resulted in an expense of 153.7 million euros (previous year: 133.0 million euros). This amount consists of a current tax expense of 134.3 million euros (previous year: 136.4 million euros) as well as deferred tax expense of 19.4 million euros (previous year: income of 3.4 million euros). The current tax expense includes income of 23.1 million euros (previous year: 1.3 million euros) from taxes for previous years.

## 1. FINANCIAL POSITION AND NET ASSETS

### Financial Position

The groups essentially have access to the following debt capital funds currently available:

#### Debt capital funds

| in million €         | 31 Dec. 2018   | 31 Dec. 2017   | Maturity                                      |
|----------------------|----------------|----------------|---|
| Syndicated loan      | 2,000.0        | 1,500.0        | 3 December 2023;<br>max. term 3 December 2025 |
| Promissory note loan | 1,000.0        | 0.0            | 28 February 2021 to 28 February 2028          |
| Promissory note loan | 175.0          | 175.0          | 2 September 2024                              |
| <b>Total</b>         | <b>3,175.0</b> | <b>1,675.0</b> |   |

Under an agreement dated 3 December 2018, REWE International Finance B.V. agreed a syndicated loan with a volume of 2,000.0 million euros, which matures in December 2023 and can be renewed twice, in each case by one year. This loan agreement replaces the existing syndicated loan of 1,500.0 million euros. As at 31 December 2018, the syndicated loan had not been drawn down (previous year: drawdown of 650.0 million euros). In addition, a promissory note loan was issued in the financial year. The total volume of the transaction amounted to 1,000.0 million euros and comprises various maturity tranches of three to ten years.

As at the balance sheet date there were three bilateral credit lines totalling 275.0 million euros (previous year: four bilateral credit lines totalling 350.0 million euros) with different maturities. 204.0 million euros of the lines of credit were drawn down by the balance sheet date (previous year: 62.6 million euros).

Internal cash pooling is aimed at reducing the amount of debt financing and at optimising cash and capital investments. Cash pooling allows the use of individual companies' excess liquidity in the groups for internal financing.

#### Net Debt

The 428.2-million-euro increase in net debt in 2018 as compared to 2017 was due primarily to an increase in liabilities to banks and liabilities from other loans, which increased in part due to raising a promissory note loan. This was offset by the repayment of the line of credit, which had been drawn down from the syndicated loan as at 31 December 2017.

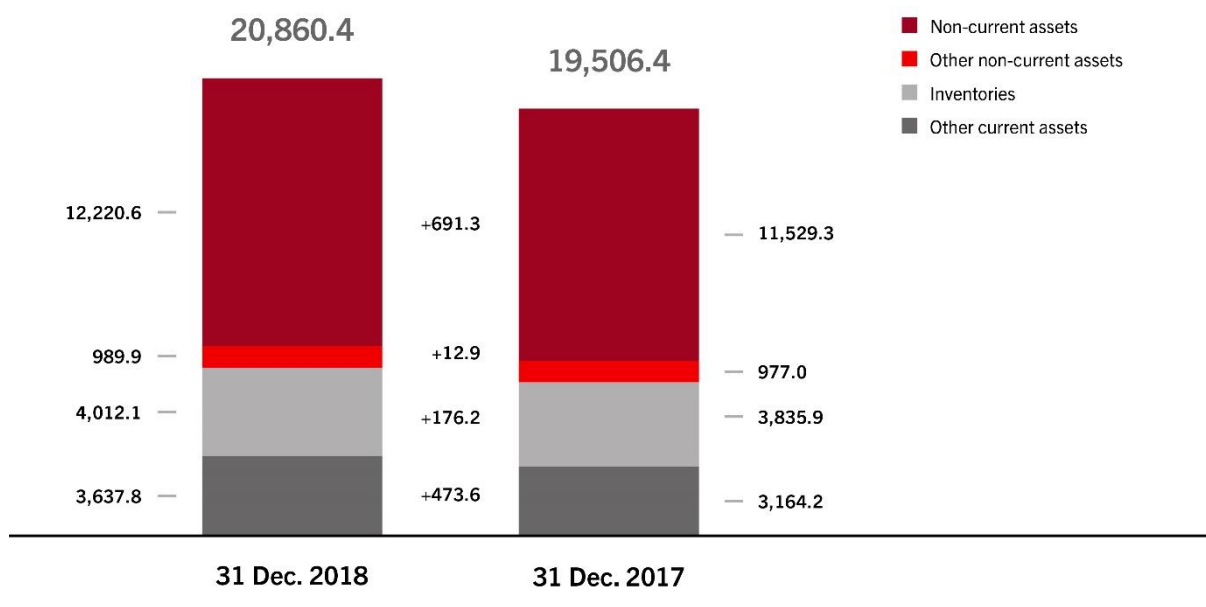
| in million €              | 31 Dec. 2018   | 31 Dec. 2017   |
|---------------------------|----------------|----------------|
| Financial liabilities*    | 2,719.5        | 2,305.5        |
| Cash and cash equivalents | -639.2         | -653.4         |
| <b>Net Debt</b>           | <b>2,080.3</b> | <b>1,652.1</b> |

\* Included under other financial liabilities.

## Net Assets

### Assets

in million €



Total assets increased in the financial year by 1,354.0 million euros to 20,860.4 million euros.

In 2018, the REWE Group invested 1,793.7 million euros (previous year: 1,856.3 million euros) in intangible assets, property, plant and equipment and in investment property. The capital expenditures related primarily to the expansion and modernisation of the existing store network and the warehouse locations and production companies. There were also additions from acquisitions, which resulted primarily from the first-time consolidation of UAB Palink, Vilnius, Lithuania. Reductions in non-current assets were primarily caused by disposals, impairments, depreciation and amortisation.

Internally generated intangible assets in use amounting to 77.8 million euros are reported in the financial year (previous year: 89.7 million euros). There are also internally generated intangible assets still in development. The internally generated intangible assets primarily concern software products. In addition, research and development costs amounting to 64.4 million euros were incurred (previous year: 70.4 million euros) that were recognised as expenses.

The change in other non-current assets was due to the increase in other assets (73.3 million euros) and companies accounted for using the equity method (17.2 million euros), which was partly offset by the decreases in financial assets (48.7 million euros) and deferred tax assets (28.9 million euros). The change in non-current other assets was attributable primarily to a change in the presentation of shares in associates and shares in affiliated companies, which are not included in the consolidated financial statements for reasons of immateriality in connection with the application of IFRS 9 *Financial Instruments*, and which were previously reported under other financial assets. Deferred assets also increased, primarily due to construction cost subsidies.



The decrease in non-current other financial assets was due mainly to the reclassification of shares in associates and shares in affiliated companies (which are not included in the consolidated financial statements for reasons of immateriality) to non-current other assets in connection with the first-time application of IFRS 9 *Financial Instruments*. This decrease was partly offset by an increase in other loans and loans to associates.

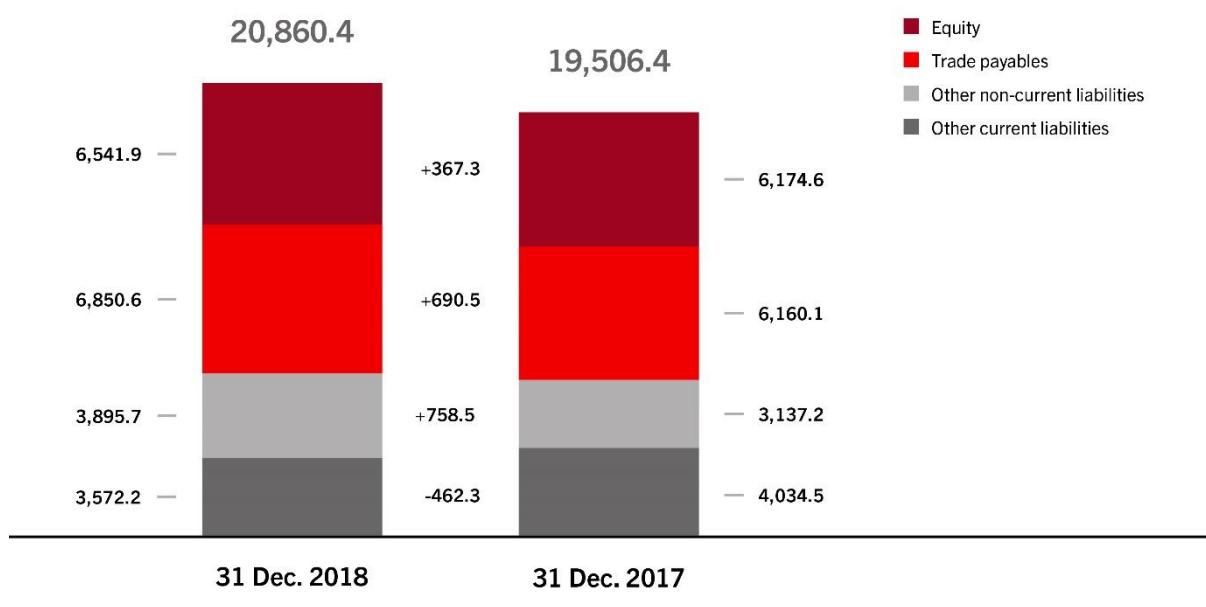
Inventories increased primarily due to an increase in finished goods and merchandise in the Retail International and Retail Germany business segments. The increase in inventory in the Retail International business segment is due in part to the first-time consolidation of UAB Palink, Vilnius, Lithuania; the increase in the Retail Germany business segment is attributable to the expansion of the warehouse locations. Prepayments also increased, primarily in the Travel and Tourism business segment: in particular in the Central Europe division, prepayments to service providers rose by 34.9 million euros, due mainly to a higher volume of bookings.

The increase in other current assets is primarily attributable to the rise in other financial assets (375.6 million euros), trade receivables (138.2 million euros) and current income tax assets (58.4 million euros). The increase in other financial assets resulted mainly from the increase in trade payables with debit balances in the Retail Germany business segment. Trade receivables from associates increased in relation to the balance sheet date, in particular in the Retail Germany business segment. This was partly offset by cash and cash equivalents (-14.2 million euros) and other current assets (-11.6 million euros). Under other current assets, the increase in deferred assets was partly offset by the decrease in receivables from other taxes. Please see note 4 "Performance indicators" with respect to the change in cash and cash equivalents.

Long-term assets held for sale also decreased (72.8 million euros) due primarily to the reclassification of UAB Palink, Vilnius, Lithuania, which had been reported as an operation held for sale as at 31 December 2017. In April 2018, shares in associates were reclassified. This was offset by the classification of real estate as assets held for sale in the Retail International business segment.

## Equity and Liabilities

in million €



The balance sheet shows equity of 6,541.9 million euros as at 31 December 2018 (previous year: 6,174.6 million euros), which corresponds to an equity ratio of 31.4 per cent (previous year: 31.7 per cent). The return on equity of continuing operations was 7.0 per cent (previous year: 5.9 per cent).

Retained earnings increased by 427.2 million euros to 6,479.0 million euros. Substantial components of this increase were the net income generated for the financial year attributable to the shareholders of the parent in the amount of 429.3 million euros (previous year: 342.3 million euros). The 22.6-million-euro decrease in other reserves to -99.0 million euros resulted primarily from the change in the reserve for currency translation differences, the reserve for financial instruments measured at fair value through other comprehensive income, and the reserve for deferred taxes. This was offset by the reserves for cash flow hedges. Non-controlling interests decreased from 37.3 million euros to 110.1 million euros due in part to changes in the scope of consolidation.

The change in non-current liabilities is due primarily to the increase in non-current other financial liabilities (+895.5 million euros) and other non-current liabilities (+14.4 million euros). The increase in other non-current financial liabilities is attributable mainly to the raising of a promissory loan note amounting to 1.0 billion euros. This was offset by the change in other non-current provisions (-150.9 million euros). Under that item, provisions were recognised for contingent losses from onerous contracts in the Retail Germany business segment.

The increase in current liabilities was due primarily to the increase in current trade payables (688.3 million euros), other current liabilities (83.4 million euros) and current employee benefits (31.2 million euros). Trade payables increased in particular in the Retail Germany and Retail International business segments; this was attributable to the increase in ordinary activities, changes due to reporting date effects and in the Retail International business segment on account of the first-time consolidation of UAB Palink, Vilnius, Lithuania. Other current liabilities increased as a result of higher

prepayments received on account of orders, which was due primarily to a change in the payment terms and conditions. This concerned almost exclusively the Travel and Tourism business segment. In the Retail Germany business, the increase in other current liabilities was attributable to the rise in liabilities from customer loyalty programmes, which was due mainly to the introduction of the "PAYBACK" programme at Penny Germany. Current employee benefits increased due in part to higher liabilities from employee benefits, severance payments and holiday provisions; this was partly offset by the change in liabilities from annual bonus payments.

Other current financial liabilities (-493.3 million euros), other current provisions (-69.2 million euros), current income tax liabilities (-10.9 million euros) and liabilities from the non-current assets held for sale and disposal groups (-3.5 million euros) had an offsetting effect. The decrease in other current financial liabilities is attributable primarily to the 650.0 million euros drawn down under the syndicated loan as at 31 December 2017; the line of credit had not been drawn down as at the current reporting date. Other current provisions decreased due to factors including the decline in provisions for expected losses from onerous contracts.

In addition, there were contingent liabilities of 497.2 million euros as at the balance sheet date (previous year: 225.2 million euros) which were attributable mainly to payment guarantees to financial institutions. Furthermore, other financial obligations to service providers amounting to 394.0 million euros (previous year: 686.1 million euros) were recorded in the Travel and Tourism business segment.

Significant events after the end of the reporting period are described under note 43 "Events after the Balance Sheet Date" in the notes to the Combined Financial Statements.

## **2. PERFORMANCE INDICATORS**

### **Financial Performance Indicators**

The most significant performance indicators of the REWE Group's operating units are revenue and EBITA. Net debt is included at the Group level. These key figures are reported under notes 2 and 3.

The cash flow statement shows changes in cash and cash equivalents less overdraft facilities during the financial year. A distinction is drawn between changes resulting from operating activities, investing activities and financing activities.

## Change in cash and cash equivalents

| in million €  | 2018         | 2017         |
|---|--------------|--------------|
| <b>Cash funds at beginning of period</b>                              | <b>651.6</b> | <b>575.8</b> |
| Cash flows from operating activities, continuing operations           | 1,486.1      | 1,300.2      |
| Cash flows from investing activities, continuing operations           | -1,786.3     | -1,903.5     |
| Cash flows from financing activities, continuing operations           | 284.5        | 619.7        |
| <b>Cash flows from continuing operations</b>                          | <b>-15.7</b> | <b>16.4</b>  |
| <b>Cash flows from discontinued operations</b>                        | <b>0.0</b>   | <b>63.5</b>  |
| Change in cash funds related to changes in the scope of consolidation | 0.4          | 0.0          |
| Currency translation differences                                      | -1.5         | -4.1         |
| <b>Cash funds at end of period</b>                                    | <b>634.8</b> | <b>651.6</b> |
| <b>Cash funds at the end of the period, discontinued operations</b>   | <b>0.0</b>   | <b>0.0</b>   |
| <b>Cash funds at the end of the period, continuing operations</b>     | <b>634.8</b> | <b>651.6</b> |
| of which: cash and cash equivalents                                   | 639.2        | 653.4        |
| of which: bank overdrafts   | -4.4         | -1.8         |

For additional explanations, please see note 38 "Cash Flow Statement" in the notes to the Combined Financial Statements.

## Non-financial Performance Indicators

### Employees

On an annual average, the REWE Group had 234,017 employees in 2018 (previous year: 224,931), of which 6,351 (previous year: 6,317) were trainees.

The increase in the number of employees is attributable primarily to the first-time inclusion of REWE Dortmund SE & Co. KG (see note 4 "Acquisitions") and UAB Palink, Vilnius, Lithuania, which was fully consolidated for the first time on 1 August 2018.

As an international trading and tourism group we rely on qualified employees. So that we continue to be considered an attractive employer in the competition for qualified employees, the REWE Group makes targeted investments in its current and future employees. The following action areas play a central role:

### *Values and culture*

The REWE Group wants long-term commitments from its employees and offers them a motivating work environment. This includes fair work conditions, attractive social benefits and offers that are adapted to the different phases of the employee's life. Fair work environments are based on valuing diversity and a commitment to equal opportunity – these are core values for the REWE Group's corporate culture. The appreciation of employees through appropriate compensation with attractive additional benefits (such as our employee discount) is also a material component of a fair work environment.

### ***Training and professional development***

The REWE Group offers school leavers initial vocational training in sales and distribution, logistics and administration. These programmes offer them real future prospects. Apprentices who excel are guaranteed full-time, permanent positions after completion of their apprenticeship.

In order to promote the potential and individual development of employees in the best manner possible, the REWE Group continuously expands its personnel development measures and offers all its employees and executives an extensive offering of internal continuing education. As part of this effort, the Company endeavours to recruit as many as possible specialists and managers from its own ranks and to retain qualified and motivated employees long-term. In addition to numerous classroom-based courses, we also offer our employees at our headquarters and in our stores the opportunity to complete training courses online.

### ***Health and safety***

Occupational health management is an important element of the REWE Group's internal social policy. This helps to strengthen employees' responsibility for their own health. At the same time, we are making efforts to continuously improve working conditions.

Be it ergonomic work stations or accident prevention, the safety and health of our employees has the highest priority for us. We assist the responsible managers in preparing their risk assessments for the purpose of determining the physical and mental demands of the job, and provide them with advice on setting up work stations. In addition, we place great value on the prevention of violence (particularly offering training on how to react in the event of a robbery) as well as reducing musculoskeletal strain and optimising employees' workplace habits (e.g., when lifting, carrying, pushing, sitting). Following the principle "demand and promote", we offer our employees various programmes on promoting a healthy lifestyle and mitigating environmental risk factors. Moreover, we work closely with the occupational health service to address the topic of psychological health (e.g. consultations or a telephone hotline).

### ***Work-life balance***

Be it adult care for family members or childcare: we help our employees to balance their careers and families by offering family-oriented services which fit with each stage of life.

A family-friendly HR policy is important to the REWE Group in order to gain and retain employees. That is why we offer on-site kindergartens at headquarters or for our regional employees the national child and adult care services in cooperation with awo lifebalance GmbH in the regions, for example. A good work-life balance is becoming a decisive factor for many people when selecting an employer. That is why many divisions of the REWE Group have been certified by undergoing the "career and family" audit by berufundfamilie Service GmbH. Numerous models are used in the REWE Group that allow employees to organise their work individually and flexibly.

Whether employees themselves are suffering from severe illness, if they have lost a loved one, if they have a family member requiring care or are facing other private issues, personal problems can cause considerable stress and have a significant impact on an employee's working life. The REWE Group supports the "LoS!" pilot project to offer employees quick and practical assistance in critical life situations.

## **Sustainability**

Sustainability at the REWE Group is firmly anchored in both the Company's strategy and the corporate organisation. The Chairman of the Management Board, Mr Lionel Souque, is responsible for setting the sustainability strategy of the entire REWE Group.

Four strategic pillars – "Green Products", "Energy, Climate and the Environment", "Employees" and "Social Involvement" – were introduced in 2008 to implement the sustainability strategy. Within these pillars, the Company has identified action areas that cover all of the issues relevant to the REWE Group.

In 2016, a strategic process was implemented by the food retail segment in Germany and at DER Touristik to review the organisation and focus of the REWE Group's commitment to sustainability, and to adapt this where necessary. The aim was to better integrate activities into the sales lines' existing business processes in order to anchor sustainability even more firmly in the Company. As part of the strategy process at DER Touristik, the five following pillars of sustainability were redefined: "Environment and Nature", "Customers and Products", "National Partners", "Employees" and "Society". The four pillars of sustainability for the food retail sector in Germany were confirmed and the action areas were revised.

### **a) Green Products**

The goal of the "Green Products" pillar is to make more sustainable product ranges available and to offer these to consumers at the stores. The "Green Products" pillar's action areas therefore include "Expanding sustainable product ranges" and the demand for "Social standards in the supply chain". "Product quality and safety" and "Biodiversity" is also addressed.

The action areas for the German food retail sector were redefined as part of the sustainability strategy. These action areas are now called "Fairness", "Conservation of resources", "Animal welfare" and "Diet".

The REWE Group consistently follows its objective of increasing the share of sustainable store brands and brand-name products by using the PRO PLANET label for store brand products which, in addition to high quality, also have positive ecological and/or social characteristics, by expanding the organic product line and through its product line of regional products as well as various raw materials-related guidelines.

### **b) Energy, Climate and the Environment**

Three action areas have been identified in the "Energy, Climate and the Environment" pillar: "Energy Efficiency", "Atmospheric Emissions" and "Conservation of Resources".

By 2022, the REWE Group aims to reduce greenhouse gas emissions per square metre of sales area by half compared to 2006 levels. The 2017 carbon footprint report shows that a reduction of 40.3 per cent has already been attained. In addition, electricity consumption per square metre of sales area will be reduced by 7.5 per cent between 2012 and 2022. The coolant-related greenhouse gas emissions per square metre of sales area will be reduced by 35 per cent between 2012 and 2022.

### **c) Employees**

The satisfaction and performance capability of employees are a core element of the REWE Group's strategic human resources management. Accordingly, the following action areas have been identified for the "Employees" pillar: "Fair work conditions", "Human resources development", "Health management and occupational safety", "Life-phase oriented HR policy" and "Diversity and equal opportunity".

The new action areas were defined for the German food retail sector as part of the sustainability strategy as follows: "Values and culture", "Training and professional development", "Health and safety", "Work-life balance" and "Diversity and equal opportunity".

Various initiatives have been implemented in all action areas in order to increase employee satisfaction and dedication. Examples include promoting employees across all levels of the Group's hierarchy as part of our systematic career and succession planning programme, continually developing measures to achieve a work-life balance, promoting integration and inclusion, and stepping up efforts to increase the number of female executives.

### **d) Social Involvement**

As a major corporate group and in its cooperative tradition, the REWE Group feels obligated to be engaged socially and supports numerous national and international social projects. The action areas under the "Social Involvement" pillar are: "Healthy Nutrition and Exercise", "Opportunities for Children and Young People", "Handling Food Responsibly" and "Biodiversity and Environmental Protection". In addition, the following preamble was formulated for the food retail sector in Germany: "REWE and PENNY promote non-profit organisations and projects, as well as organisations dedicated to consumer education".

One commitment of particular significance to the REWE Group is to support local food bank initiatives. For instance, for more than 19 years now, the Company has been one of the primary sponsors of more than 900 "Tafel" food banks across Germany and a member of the Bundesverband Deutsche Tafel e.V.

### ***Sustainability Activities***

The core of the REWE Group's sustainability activities is the active integration and sensitisation of all relevant stakeholder groups, consumers in particular. The sales lines oversee customer relations, for instance by providing information in the form of weekly flyers, on its website or as part of Sustainability-related initiatives. Manufacturers of brand-name products are also motivated to make their offerings more sustainable. For instance, the REWE Group is a proud supporter of the "Germany's most sustainable products" competition, where consumers can vote online to determine the winners. The winners receive the German Sustainability Award that was handed out in December 2018 together with the German Sustainability Award Foundation. As a retail and tourism company, the REWE Group's business activities have an impact on biodiversity, which for years the REWE Group has demonstrated a commitment to preserving. For instance, since 2010 we have been planting areas of blossoming plants and installed nesting aids in apple orchards. The benefits of this work were published in 2018. Efforts to monitor the populations of wild bees revealed a significant increase in the number of species of wild bees in the surveyed areas compared to 2010.

These and other activities undertaken by the REWE Group are covered in detail in the REWE Group's annual sustainability report.



# Risk and Opportunities Report

## The Value of Risk Management

As an internationally active retail and tourism group, we are exposed to a wide variety of risks, some with short reaction times, as part of our business operations.

Risks are uncertain company-external and internal influential factors that impair the potential profit areas (assets, profit and liquidity) and/or the Group's reputation and thus hinder or threaten to hinder the realisation of planned goals or may negatively impact further business development. On the other hand, opportunities are company-external and internal influential factors that create the potential profit areas (assets, profit and liquidity) and thus positively impact the planned goals or further business development.

We employ a uniform risk management system throughout the Group to counter this risk potential successfully and ensure our opportunities potential in the long term. In so doing, we understand risk management as a continual process that is firmly integrated as a regular step in our operating practices.

At the REWE Group, all risks are subject to mandatory management and are mitigated in their effect and probability through operational initiatives. The scope of the related need for action and the point in time for initiating appropriate actions are based on the urgency (probability of materializing) as well as the threat potential (potential damage determined from the monetary, reputational, and legal impact) of the risk. We document and manage existing needs for action in our risk areas using documented action plans and schedules.

## Risk Management Organisation

The general conditions, guidelines and processes for uniform corporate risk management are created centrally by Corporate Controlling in cooperation with the corporate Governance & Compliance and Business Administration departments.

Under the groups' prescribed guidelines concerning the defined risk areas, it is the responsibility of the groups to locally organise the establishment and procedural flow of the operational risk management process.

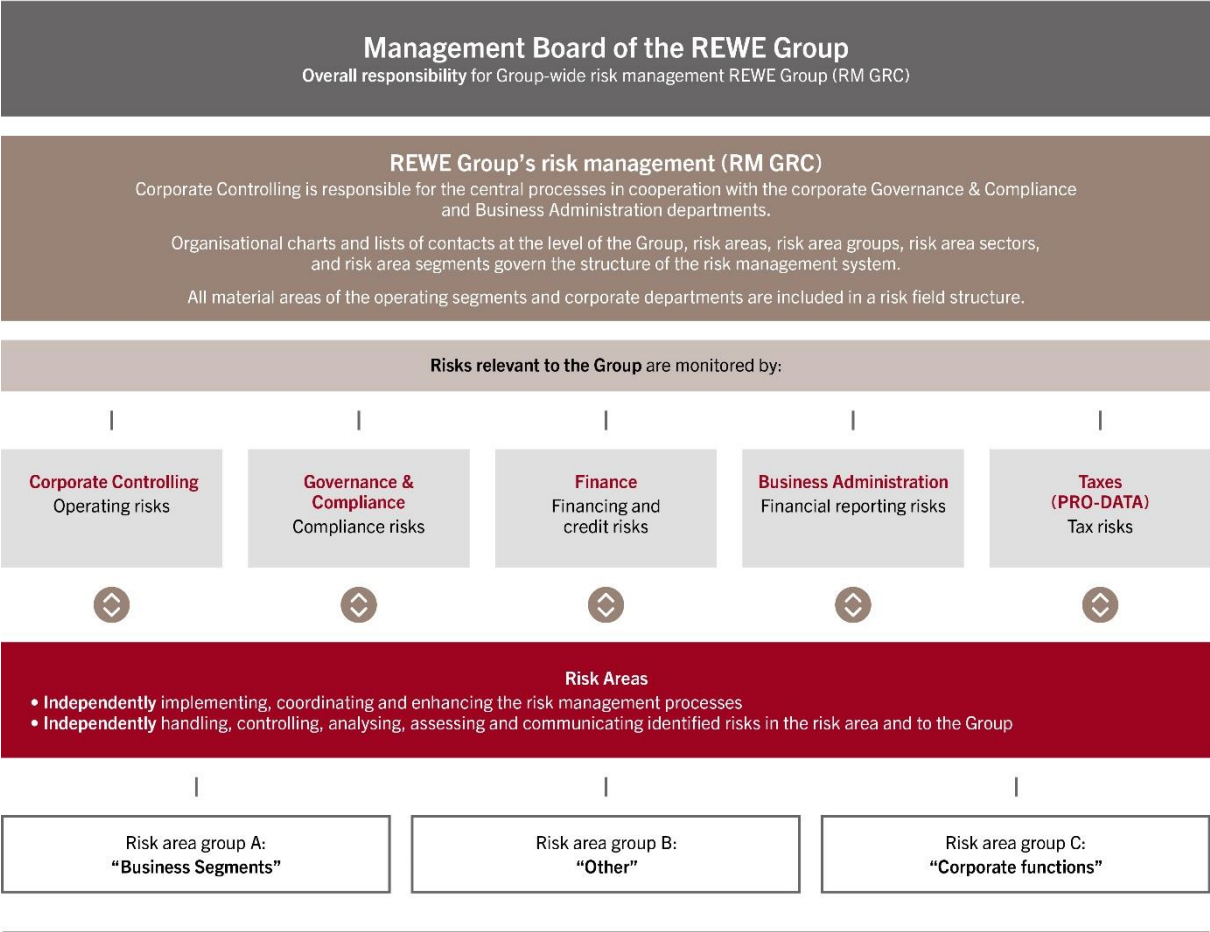
Risk managers identify reportable risks early in our risk areas using a bottom-up approach and these risks are then classified uniformly throughout the Group and managed independently.

Risk checklists in the form of Group recommendations are developed by our corporate departments and provided to the risk areas regularly in advance of the annual risk inventory to support their risk identification and analysis. This ensures the Group-wide consideration of possible risk events as seen by headquarters.

The risk analysis covers a three-year planning horizon, analogous to the period of our mid-term plan.

Risks with relevant significance for the groups are managed and monitored by selected corporate departments based on their technical competence. In addition to operational business risks with significant threat potential, the focus is also on significant risks from finance, compliance, taxes and

financial reporting. The corporate departments discuss and reconcile the varying risk assessments with the risk areas after the risk inventory has been completed and before the risk report is prepared.

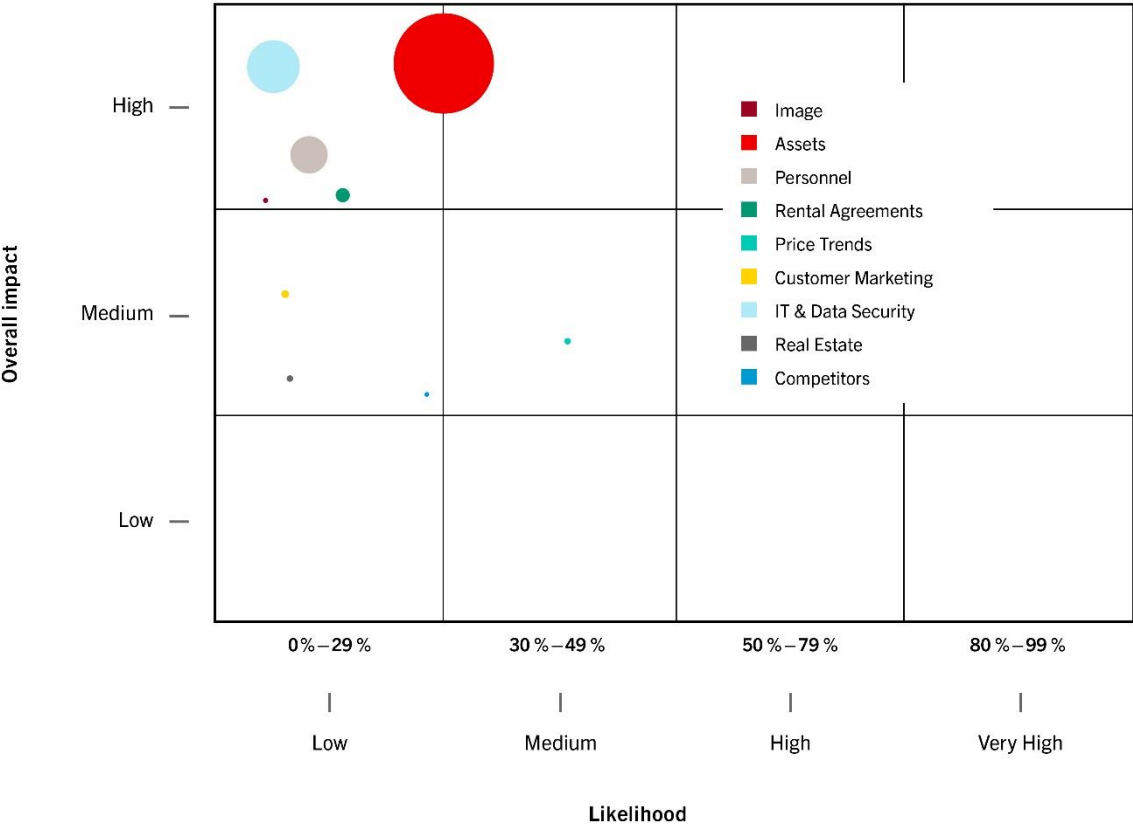


Our management and supervisory boards are informed of the groups' current risk situation in standardised form on an annual basis. To that end, the risk managers send risk reports to the groups. These reports contain risk inventories of relevant individual risks from the risk areas as of a given closing date. Risks with similar content and causes are subsequently aggregated at the level of the groups into risk categories and classified as high, medium or low with regard to their relevance to the groups based on the threat potential to our business activities, financial position, results of operations, cash flows and our reputation (high: monetary impact in specific cases > 100 million euros or considerable significance with regard to business activities, cash flows, financial position, and results of operations and reputation; medium and low: at most moderate significance with regard to business activities, cash flows, financial business activities, and results of operations and reputation).

We measure and manage opportunities as part of our regularly scheduled operational and strategic planning. Opportunities and risks are not offset at the level of the groups.

In addition, binding provisions were made under which newly identified, significant risks or existing risks with material effects, changes in their development and high probability of occurrence in the risk areas must be reported in a timely manner and directly to our management bodies.

As independent bodies, external auditors and the Auditing department assess the quality and functionality of our risk management system at regular intervals. Nevertheless, we cannot guarantee with complete certainty that all relevant risks are recognised early and the controls and processes function in the desired scope. Human error can never be ruled out completely.



**Presentation of Risks**

The risk assessment is made based on given or realistically assumable circumstances. Changes in the risk environment, the initiation of actions and changes to planning approaches result in changes to the risk portfolio. Therefore, the contract and environment risk types are no longer included in the top risks. The real estate and customer marketing risk types were added.

**a) Top Risks**

**Valuation Risks**

**Assets**

Unexpected budget or forecast deviations as well as changes in general economic conditions may result in having to remeasure assets such as real estate and goodwill. This can materially impact the

earnings development of the groups. Changes in input factors can result in either charges to earnings through impairment write-downs and/or to increases in earnings through reversals of impairment losses. Regular reviews of the recoverability of assets, the examination and plausibility check of the mid-term plan as well as monitoring of the current development of earnings and values give us a current picture of our valuation portfolio and future valuation risks at all times. Necessary strategic measures for reducing the impairment risk can be taken in a timely manner.

### **Rental Agreements**

Budget deviations may similarly influence the measurement of rental agreements (onerous contracts). For example, a degradation of retail earnings can result in a higher measurement adjustment that weighs down earnings. The monitoring of current earnings and a regular earnings forecast allow for the early countering of possible risks from existing rental agreements.

### **IT and Data Security**

Due to the high dependence of trading and tourism processes on IT systems, including of stored data, the security of these systems represents an important foundation for the Company's success. Risk gaps will be closed by a high level of expenditures and investments in the security and performance capability of systems as well as ongoing monitoring of key processes. Furthermore, we use information events, training courses and work instructions to regularly inform our employees about material changes relating to data security.

Data security is ensured by the introduction of new, state-of-the art technologies, thus reducing possible abuse to a minimum. Documenting processes, setting rules and instructions as well as contractual safeguards form the basis for securing the Company's IT processes and systems.

A residual risk cannot be excluded entirely despite the necessary security measures.

### **Personnel Risks**

Due to the dominance of personnel expenses in the retail business, personnel risks are also a primary focus of risk reporting. The development of pay scales and non-wage labour costs as well as the increased availability of labour are therefore of major importance. In particular, developments on the labour market are currently showing that risks are intensifying.

Third-party services and work agreements also continue to be a source of potential risk. We attempt to mitigate any risks associated with engaging third-party services by raising the awareness of our executives and employees through training courses, information events and recommended courses of action.

An optimum recruiting process is essential to ensure that vacancies are filled quickly and with suitable candidates.

Cost increases can be partially compensated for by continually reviewing our processes and optimising our procedures. This requires strict and consistent cost management.

### **Customer Marketing**

Customer marketing risks relate primarily to the dissemination and distribution of customer and product information. Disruptions in the information process or delayed or incorrect customer

information materially affect revenue and earnings development. Spreading the tasks across multiple vendors and service providers serves to mitigate the risk of dependency and significant communication disruptions.

### **Real Estate**

Business interruptions that can occur due to technical errors in the buildings of our retail properties lead to loss of revenue and earnings during extended conversion or repair work.

Damage to buildings caused by fire or natural disasters and the requisite renovation or rebuilding work can lead longer business interruptions and loss of revenue and earnings.

In the case of such damage, it is generally only the property that is insured and not the business interruption.

### **Price Trend Risks**

An intensification of the competitive environment can negatively impact price trends and be contained by initiatives only with difficulty. Negative price developments slow sustainable growth in revenue and gross profit and lead to profit erosion. The situation is aggravated by discounters adding brand-name products to their shelves and in the non-food sector by the continued fierce competition among online retailers. Since these articles are essentially high revenue items, long-term price reductions on these items have a significant impact on the development of gross profit.

Changes in the general conditions, such as an increase in excise duties or value added taxes, could materially impact the price trend and thus directly or indirectly affect the results of operations. Changes in prices on the procurement markets can also have a material influence on the gross profit situation.

We are able to react quickly to price adjustments and adapt to the new price situation by monitoring the competition and prices. Innovative products and brands as well as competitive cost structures assist us in containing or reducing erosions of gross margins.

A residual risk cannot be excluded entirely despite the necessary security measures.

### **Image**

Flawed communication with customers and stakeholders, first and foremost on the topic of sustainability, can lead to image risks for the Company. Because the REWE Group takes a leading position in the field of sustainability, correct and transparent communication, e.g. on issues relating to products and employees, plays an important role. Due to the high sustainability requirements and continual observation by stakeholders, flawed communication can have material adverse effects on customers and stakeholders.

Sustainability communications are therefore subject to a careful examination and are reviewed by the necessary specialist departments. Campaigns are centrally supported by market research. A clearing office has been established to review communications media and statements.

### **Competitors**

Overall, competition in the food retail sector continues to put pressure on prices and thus on gross margins.

Discounters are increasingly carrying brand-name products, which is increasing the pressure on market price trends. The resulting pressure on gross profit could have a material impact on the results of operations.

It is important for a retail company to recognise market trends early and to develop characteristics distinguishing it from the competition using new store concepts. Changes in customers' lifestyles affect their purchasing behaviour and thus the market requirements. Therefore, it is important to recognise market trends and changes in behaviour early in order to offer the store concepts to customers that meet their needs. If trends or market changes are identified too late, especially in the saturated markets, this results in a long-term competitive disadvantage and thus in revenue and earnings declines.

The growing online business poses new challenges for both over-the-counter retailing and travel and tourism. The increasing activities in the Internet retail trade will lead to changes in the retail landscape. It is therefore particularly important to closely observe and actively follow this trend. For instance, the REWE Group has continued to strengthen its online activities, particularly in the German food retail sector. We plan to expand the segment further and take a leading role in online business in the German food retail sector.

Store concepts and ranges are continually refined, meaning that innovations must be identified and implemented at an early stage. We constantly observe our competitors and the markets so as not to miss trends or new developments. This enables us to identify and implement trends and changes at an early stage.

## **b) Other Risks**

### **Financial Risks**

The groups are exposed to various financial risks by their business activities, in particular to liquidity risk, interest rate risk, foreign currency risk and commodity price risk (jet fuel). The liquidity, interest rate and foreign currency risks are managed systematically pursuant to the financial guidelines. Financial risks are identified, assessed and hedged in close co-operation with the operating units. A central Treasury Committee consults and decides on the risk policy and risk strategy. Treasury committees also exist at the level of the business segments. The permissible range of actions, responsibilities, financial reporting and control mechanisms for financial instruments are defined in detail in the corporate guidelines. These guidelines call in particular for a clear functional separation between trading and settlement activities.

Comprehensive management of financial risks focuses on the unpredictability of developments on the financial markets and aims to minimise the potential for negative impact on the financial position of the groups. Mitigating risk generally takes precedence over considerations of profitability.

A treasury management system is used to limit interest rate and foreign currency risks so that they are always within the scope stipulated by financial guidelines. Derivative financial instruments are used to hedge risks; their use is coordinated by the Treasury Committee.

Loans, fixed-term deposits and overnight money are used as financial instruments.

The aim of liquidity management is to ensure that, through REWE International Finance B.V., Venlo, Netherlands ("RIF"), the consolidated companies always have access to sufficient liquidity on the

basis of adequate undrawn lines of credit so that no liquidity risk exists should unexpected events have a negative financial impact on liquidity.

The budgeted demand for jet fuel is secured in coordination with the responsible managers within DER Touristik using derivative financial instruments with terms up to 18 months.

## **Legal Risks**

As an international company, the REWE Group is confronted with changes in the legal framework of its business activities as well as legal disputes and official proceedings, some of which could significantly impact on the Group's business. A team of legal experts observes such changes continually and coordinates the Group's key legal steps.

A Compliance Management System (CMS) was implemented in the REWE Group in 2010 to ensure adherence with statutory and internal Company directives. Since then, the CMS has been continuously enhanced and includes in particular preventive measures to avoid compliance risks, with a focus on antitrust and corruption risks. The decentrally-structured compliance organisation has a direct link to the chairman of the Management Board.

The compliance programme was further expanded in 2018 as well. Phase I of the REWE Group's project to certify the Compliance Management System in accordance with the IDW Audit Standard AuS 980 – "Audit of the design of the REWE Group's CMS" – was successfully completed in 2017. The design of the Group-wide Compliance Management System was set out in writing and was subsequently examined by the external auditing firm KPMG, which issued an unqualified audit opinion. Phase II of the project, a review of the "Appropriateness of the CMS", began in mid-2017. In this regard, compliance-relevant processes have been and will continue to be optimised and adapted with respect to their content and systems, and new processes were established and gradually implemented in the Group. Furthermore, in 2018, efforts were initiated to expand and comprehensively implement the training concept. In addition, numerous on-site training sessions and workshops were again conducted in which employees were also taught subject-specific behaviour conforming to compliance requirements. In 2018, in addition to the existing interactive online courses, comprehensive in-person training sessions on anti-trust law were also carried out. Furthermore, work began to establish new online training courses on "Integrity and anti-corruption", which will be rolled out throughout the Group in 2019. Executives and employees also took advantage of the individual compliance consultations offered. After the completion of the project to reorganise the Group's policies and guidelines management system in 2017, which has been the responsibility of the corporate Governance & Compliance department since 2016, Group-relevant guidelines continued to be transferred to the new system and into the dedicated nationally and internationally applicable "House of Rules" (HORUS) IT system in 2018, accompanied by regular communication measures.

Furthermore, in 2018, REWE's internal employee platforms were redesigned with respect to compliance updates and news, so that employees now receive the latest key compliance information in a format that is easy to understand. The REWE Group's compliance reporting system is also available on the intranet and all relevant contact data for whistleblower notifications is published there. Material information about the CMS as well as the REWE Group's code of conduct are also available on the REWE Group's website.

In its decision dated 2 February 2017, the European Commission initiated formal proceedings against the largest European tour operators – including companies of the groups – due to suspected source market restrictions. The outcome of these investigations is difficult to predict at the present time.

### **Tax Risks**

Tax risks result primarily from ongoing and upcoming tax audits. These risks and possible legal risks are always taken into account by recognising provisions or allowances for claims in the statement of financial position. Tax risks are minimised by engaging qualified tax experts to closely monitor and collect information on the operating areas, by involving such experts in change projects and contractual matters and by the internal control system.

### **Socio-political Risks**

As an international corporate group, the REWE Group is dependent on the political and economic situation in the countries in which it operates. The general conditions in the individual countries can change rapidly. Changes or instability in the political leadership, strikes, civil unrest, attacks, embargos or changes in regulations, laws or levies can lead to risks.

We are following very closely the current tense situation in Europe, the intensive discussions on immigration and asylum policies and the varying opinions of the individual member states regarding European policies, in particular also the discussions and decisions surrounding the United Kingdom's withdrawal from the EU (Brexit). In light of the current discussions being held, we expect significant effects for Europe's future economic development.

We closely analyse risks or opportunities that arise from the social and political situation and initiate measures if necessary.

We continuously monitor the development of socio-political risks in the countries relevant to us. In particular, we are closely monitoring current political developments in the Arabic world as well as the resulting uncertainty for our markets in these destinations as well as for the European economy.

## **Presentation of Opportunities**

### **Markets and Customers**

The REWE Group is represented in the Western and Eastern Europe countries with successful brands and distribution strategies. The REWE Group can utilise its opportunities on the market by developing new business models and by further developing innovative sales concepts and consistently aligning its actions to the customers' needs.

As such, the customer is the focal point of the Group's actions. By expanding the product lines of regional and sustainable products, the REWE Group is taking a leading role in the food retail sector, which is distinguishing it significantly from the competition.

In international business, the REWE Group signifies strong retail brands such as BILLA, MERKUR, BIPA, PENNY and IKI that have a high degree of name recognition. Our strength is an innovative product line which is tailored to specific countries and is continually improved and expanded. Improvements in quality and freshness lead to a positive customer perception and strengthen our competitive position.



We are in a position to improve our market share through investments in a modern and extensive branch network and by focusing on strong brands and sales concepts.

The intensified expansion of our tourism business could enable us to solidify and expand our position in the European market. Extending the value chain and expanding into additional source markets create further added value and increase the potential of harnessing market opportunities.

We want to continue to exploit the opportunities to profit from the growth of online sales and online business by further expanding our online activities. At the same time, we can further expand our market position by sensibly linking our strong brick-and-mortar retail activities and travel service activities.

### **Economic Environment**

The positive economic developments in Western Europe in the previous year are also benefiting the economic climate in Eastern Europe. If, despite the current negative forecasts, the positive development in Western Europe persists, the knock-on effects could also lay a positive foundation for development in Eastern Europe.

### **Prices**

The prevailing strong competition in the food retail sector, the continuing price wars and the increasing share of brand articles being sold in the discount sector are sharply reducing margins in the food retail sector. Should the price wars and competitive pressure abate or ease, this could lead to increasing revenue and margins and therefore positive growth of gross margins.

The success of our retail companies is dependent to a considerable extent on the purchase prices. In the past we formed a purchasing company in Brussels with E.Leclerc in order to meet the growing challenges of the competition in retailing and the increasing internationalisation of the food retail sector.

We are also part of the COOPERNIC strategic alliance with other European retail companies. We can counter the risk of purchasing price volatility and leverage international purchasing potentials through joint purchasing and by negotiating terms and conditions.

### **Costs**

Continuous optimisations of processes and costs lead to improvements in productivity which positively impacts costs, and in turn, earnings.

## **Management's Overall Assessment of the Risk Situation**

Due to our activity in the retail and tourism sectors, we are particularly dependent on demand for consumer goods and the competitive situation. Recent years have shown that economic development in the countries of Western, Southern and Eastern Europe sharply impacts purchasing power and therefore demand. Even if the food retail sector is not as strongly affected by the economic crisis as other retail sectors, a degradation of general conditions still has a negative influence on the Company's success.

A substantial degradation of general economic conditions and an intensification of the political and economic situation in the leading nations in the Americas, Asia and Europe will greatly increase

potential risks. Developments within the European Union and the discussions surrounding its future, in particular the developments in connection with the United Kingdom's withdrawal from the EU, may also lead to higher potential risks. In the Travel and Tourism business segment, the booking behaviour of customers is significantly influenced by general economic conditions and external factors. Political events, natural disasters, epidemics or terrorist attacks influence the demand for travel in certain destination areas. The market risks are increasing through the entry of additional market participants and new business models.

Overall, however, there are currently no identifiable risks whose materialisation could threaten the continued existence of the groups.

# Report on Expected Developments

## 1. FUTURE MACRO-ECONOMIC DEVELOPMENT

The report on expected developments considers the relevant facts and events known as at the date the report was prepared, which could influence future business development. The forecasts are based primarily on the analyses of the International Monetary Fund (IMF) and the joint forecast.

Forecast economic data for REWE Group countries

| in % <sup>1</sup> | GDP   |       | Inflation |       | Unemployment |       |
|-------------------|-------|-------|-----------|-------|--------------|-------|
|                   | 2018p | 2019p | 2018p     | 2019p | 2018p        | 2019p |
| Germany           | 1.5   | 1.3   | 1.8       | 2.0   | 3.2          | 3.0   |
| Austria           | 2.8   | 2.2   | 2.1       | 2.1   | 4.8          | 4.6   |
| Czech Republic    | 3.1   | 3.0   | 2.2       | 2.3   | 2.2          | 2.2   |
| Italy             | 1.0   | 0.6   | 1.2       | 1.3   | 10.7         | 10.4  |
| Hungary           | 4.0   | 3.3   | 2.8       | 3.1   | 3.7          | 3.5   |
| Romania           | 4.0   | 3.4   | 4.4       | 3.5   | 4.6          | 4.2   |
| Slovakia          | 3.9   | 4.1   | 2.6       | 2.4   | 6.8          | 6.0   |
| Russia            | 1.7   | 1.6   | 2.8       | 5.1   | 5.5          | 5.3   |
| Bulgaria          | 3.6   | 3.1   | 2.4       | 2.4   | 5.3          | 4.6   |
| Switzerland       | 3.0   | 1.8   | 1.1       | 1.4   | 2.8          | 2.8   |
| United Kingdom    | 1.4   | 1.5   | 2.5       | 2.1   | 4.2          | 4.4   |
| Sweden            | 2.4   | 2.2   | 1.9       | 2.0   | 6.3          | 6.0   |
| Lithuania         | 3.5   | 2.9   | 2.7       | 2.7   | 6.1          | 5.8   |
| Norway            | 2.1   | 2.1   | 1.9       | 2.0   | 3.8          | 3.7   |
| Denmark           | 2.0   | 1.9   | 1.0       | 1.5   | 5.1          | 4.8   |
| France            | 1.5   | 1.5   | 2.1       | 1.8   | 9.1          | 8.7   |
| Ukraine           | 3.5   | 2.7   | 10.9      | 7.3   | 9.4          | 9.2   |
| Croatia           | 2.8   | 2.6   | 1.6       | 1.8   | 9.7          | 8.6   |

Sources: International Monetary Fund, World Economic Outlook Database October 2018, Update January 2019; Joint forecast (Autumn 2018)  
p = projected; <sup>1</sup> year-on-year GDP change in per cent

**Germany** will report lower growth in 2019 than in 2018. The issues facing the automotive industry and a slowdown in production in the second half of 2018 will have a knock-on effect on growth in Germany in 2019. An upturn in consumer spending and increasing wages will have a favourable impact on domestic demand, which will remain the primary force driving economic growth, while the shortages on the labour market will limit growth opportunities. Stable demand for labour and slower growth in the number of gainfully employed people will lead to a tightening of the labour market. This is particularly evident in the construction industry, which already reached its capacity limits in 2018. It is unclear how the USA's future economic policy and the developments relating to the United Kingdom's withdrawal from the EU will affect the global economy.

For **Austria**, we expect weaker growth in 2019 than in 2018. The Austrian economy will be primarily shaped by stable domestic demand and weaker, but still favourable investment activities. Private consumption, driven by the increase in real wages in 2018, will continue to underpin the economy. The unemployment rate will improve to 4.6 per cent. We expect consumer prices to reach 2018 levels.

Economic development in **Italy** for 2019 shows a downward trend, at 0.6 per cent, and is expected to lag well behind the European trend. The current uncertainty regarding Italy's economic development

was exacerbated further by declining investments in the second half of 2018 and the Italian government's budget dispute with the EU. The high level of government debt and the tense situation on the financial markets have increased the risk for 2019.

The **Eastern European** economies in which the REWE Group is represented will lose momentum in 2019. Due to the slowdown in the global economy, declining exports will adversely impact growth. The current difficult situation facing the automotive industry in Europe may also have a dampening effect on the economic development in those countries. The increasing employment trend in some countries may lead to an increased shortage of skilled workers.

Compared to 2018, economic growth in **Switzerland** will lose significant steam in 2019. The economic slowdown in the euro zone and rather subdued growth in domestic demand will reduce growth. In the case of investments in particular, lower growth is expected due to the global economic uncertainties.

Economic development in the **United Kingdom** is characterised first and foremost by the uncertainties surrounding the upcoming Brexit. Generally, growth rates are expected to stabilise in 2019 as against 2018. As previously, there is great uncertainty as to the future development of the country, particularly with respect to the outcome of the negotiations with the European Union.

We generally continue to anticipate stable growth rates in **Scandinavia** for 2019, and expect growth in Norway to remain level compared to 2018. Growth in Sweden and Denmark will decline slightly year on year. The high level of domestic demand will continue to be the driving force for the economy.

In **France** we expect economic growth to remain level year on year, at 1.5 per cent. Higher wages and tax breaks as well as social programmes launched by the government (reducing social security contributions, increasing minimum wage, etc.) are intended to increase purchasing power. While this would boost private consumption, it would also raise government debt. The unemployment rate is expected to improve to 8.7 per cent. We see a risk in prolonged protests by the "yellow vest" movement, which could adversely affect consumption and investment in 2019.

## 2. EXPECTED REVENUE AND EBITA DEVELOPMENT

For 2019, the REWE Group projects slightly increasing revenue marked by stronger growth due to expansion and growth on existing space. The projected earnings for 2019 will be achieved by increasing existing store space, positive developments from integration effects and the enhancement of existing business models. Cost-efficiency projects, particularly those at headquarters, are intended to improve the Group's cost structure and make a positive contribution to EBITA<sup>1</sup>. The increasing competitive and price pressure will weigh down the future earnings trend.

### Retail Germany

In the **REWE** division, the strengthening of the price-performance perception in the over-the-counter business and the further development of the online business will be at the forefront in 2019. Investments in the existing store network and logistics will secure the Company's long-term future.

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<sup>1</sup> The forecasts for 2019 do not include any effects in connection with the introduction of IFRS 16 "Leases".

Positive developments from the units integrated in the previous year as well as the favourable performance of the store and wholesale business will lead to higher revenue. The increase in revenue as well as more efficient cost structures will contribute significantly to a positive earnings trend.

In the **PENNY** division, we expect continued positive revenue development. Decisive here is the further investment in the existing store network, the optimisation of the product ranges, efficient process and cost structures as well as an increasing number of stores. The heightened competitive situation and resultant high price pressure will reduce revenue.

The positive revenue trend, the enhanced customer loyalty programmes and efficient cost structures will have a favourable effect on earnings in 2019.

### **Retail International**

In the **Austria** and **CEE Full-Range Stores** business segment, revenue is forecast to increase slightly in 2019 as compared to 2018. The modernisation measures conducted and still planned will continue to result in revenue and earnings growth. BIPA Austria is performing according to plan but will continue to weigh down earnings in 2019. Nevertheless, the planned activities lay the foundation for future competitiveness in a solid environment.

The increased expansion activities will also lead to higher revenue and stable earnings in Eastern Europe. The situations in Russia and Ukraine remain challenging going forward. The integration of UAB Palink, Vilnius, Lithuania, in 2018 and the resulting effect for 2019 as a whole will significantly affect the division's performance.

At **Penny International**, revenue is forecast to increase as compared to 2018. This is due primarily to the positive performance of existing stores and the continued expansion. The positive revenue trend has a positive influence on the earnings situation, although increasing costs will erode this. Despite various project activities, the infrastructure expansion and the planned cost increases, earnings are projected to exceed the figure recorded in 2018.

### **Travel and Tourism**

We expect the Travel and Tourism business segment to record higher revenue in 2019. This will be attributable to positive market developments as well as catch-up effects in the tour operator business compared to the previous year.

The positive revenue trend and cost efficiency measures will lead to a significant improvement in EBITA as compared to 2018.

### **DIY Stores**

The DIY Stores business segment expects a slight improvement in the revenue situation and plans on an increase in earnings. The continued development of the online activities in connection with the brick-and-mortar business will be a focus of activities in 2019.

## **Management's Overall Assertion on Revenue, EBITA and Debt Development**

We expect slight increases in revenue and a slightly rising price level for the business units for the 2019 financial year. Additional expansions and renovation activities will support long-term revenue development but will lead to higher investments in 2019.

We expect that the positive revenue trend, efficient cost structures and the expansion of the business models will lead to a significant year-on-year growth in operating EBITA in 2019.

As a result of high capital expenditures, the Group's net debt will continue to increase by the end of 2019. Sufficient provisions have been made for this in connection with the current credit facilities.

Cologne, 26 March 2019

**REWE-ZENTRALFINANZ EG, COLOGNE, AND  
REWE - ZENTRAL-AKTIENGESELLSCHAFT, COLOGNE**

# **COMBINED FINANCIAL STATEMENTS**

**FOR THE 2018 FINANCIAL YEAR**

## **CONTENTS**

|  |           |
|--|-----------|
| <b>INCOME STATEMENT</b>                  | <b>39</b> |
| <b>STATEMENT OF COMPREHENSIVE INCOME</b> | <b>40</b> |
| <b>BALANCE SHEET</b>                     | <b>41</b> |
| <b>CASH FLOW STATEMENT</b>               | <b>43</b> |
| <b>STATEMENT OF CHANGES IN EQUITY</b>    | <b>44</b> |



## Income Statement for the Financial Year from 1 January to 31 December 2018

| in million €   | Note no.  | 2018         | 2017         |
|--|-----------|--------------|--------------|
| Revenue  | 9         | 53,377.8     | 49,424.3     |
| Change in inventory  |           | 36.5         | 44.1         |
| Other operating income   | 10        | 3,853.7      | 3,397.6      |
| Cost of materials  | 11        | -40,414.7    | -36,992.7    |
| Personnel expenses   | 12        | -7,100.6     | -6,735.3     |
| Depreciation, amortisation and impairments                                   | 13        | -1,272.7     | -1,111.3     |
| Other operating expenses   | 14        | -7,881.9     | -7,535.3     |
| Impairment losses on financial assets  |           | -3.3         | 0.0          |
| Miscellaneous  |           | -7,878.6     | -7,535.3     |
| <b>Operating result</b>  |           | <b>598.1</b> | <b>491.4</b> |
| Results from companies accounted for using the equity method                 | 15        | 52.0         | 34.4         |
| Results from the measurement of derivative financial instruments             | 16        | -7.1         | -13.9        |
| Interest and similar income  |           | 22.7         | 12.6         |
| Interest and similar expenses  |           | -74.0        | -52.1        |
| <b>Interest result</b>   | <b>17</b> | <b>-51.3</b> | <b>-39.5</b> |
| Other financial income   | 18        | -8.2         | 2.4          |
| <b>Financial result</b>  |           | <b>-14.6</b> | <b>-16.6</b> |
| <b>Earnings before taxes</b>   |           | <b>583.5</b> | <b>474.8</b> |
| Taxes on income  | 19        | -153.7       | -133.0       |
| <b>Results from continuing operations</b>                                    |           | <b>429.8</b> | <b>341.8</b> |
| Results from discontinued operations   | 5         | 0.0          | -4.0         |
| <b>Net income for the year</b>   |           | <b>429.8</b> | <b>337.8</b> |
| Net income for the year attributable to shareholders of the parent companies |           | 429.3        | 342.3        |
| Net income for the year attributable to non-controlling interests            |           | 0.5          | -4.5         |

**Statement of Comprehensive Income\***  
**for the Financial Year from 1 January to 31 December 2018**

| in million €   | 1 Jan. - 31 Dec.<br>2018 | 1 Jan. - 31 Dec.<br>2017 |
|--|--------------------------|--------------------------|
| <b>Net income for the year</b>   | <b>429.8</b>             | <b>337.8</b>             |
| <b>Gains and losses from the translation of the financial statements of foreign subsidiaries</b>   | <b>-25.3</b>             | <b>14.1</b>              |
| of which recognised directly to equity   | -25.3                    | 15.4                     |
| of which recognised in profit or loss  | 0.0                      | -1.3                     |
| <b>Gains and losses from the remeasurement of financial instruments at fair value through other comprehensive income</b>                     | <b>-9.0</b>              | <b>6.6</b>               |
| of which recognised directly to equity   | -9.0                     | 6.7                      |
| of which recognised in profit or loss  | 0.0                      | -0.1                     |
| <b>Gains and losses from designated risk components of hedging instruments</b>   | <b>14.1</b>              | <b>-51.0</b>             |
| of which recognised directly to equity   | 2.4                      | -45.2                    |
| of which recognised in profit or loss  | 11.7                     | -5.8                     |
| <b>Gains and losses attributable to costs of hedging</b>   | <b>6.6</b>               | <b>0.0</b>               |
| of which: recognised directly to equity  | 9.5                      | 0.0                      |
| of which: recognised in profit or loss   | -2.9                     | 0.0                      |
| <b>Other comprehensive income of associates and joint ventures</b>   | <b>-0.3</b>              | <b>0.1</b>               |
| of which recognised directly to equity   | -0.3                     | 0.1                      |
| <b>Deferred taxes on aforementioned gains or losses reported under other comprehensive income</b>  | <b>-8.1</b>              | <b>16.0</b>              |
| of which recognised directly to equity   | -8.1                     | 16.0                     |
| <b>Other comprehensive income attributable to items to be recycled to the income statement at a later date if certain conditions are met</b> | <b>-22.0</b>             | <b>-14.2</b>             |
| <b>Gains and losses from the remeasurement of defined-benefit pension commitments</b>  | <b>29.7</b>              | <b>-2.2</b>              |
| <b>Gains and losses from the remeasurement of equity instruments</b>   | <b>-8.8</b>              | <b>0.0</b>               |
| <b>Other comprehensive income of associates and joint ventures</b>   | <b>-0.1</b>              | <b>0.0</b>               |
| <b>Deferred taxes on aforementioned gains or losses reported under other comprehensive income</b>  | <b>-9.9</b>              | <b>7.0</b>               |
| <b>Other comprehensive income attributable to items which will never be recycled to the income statement</b>                                 | <b>10.9</b>              | <b>4.8</b>               |
| <b>Other comprehensive income</b>  | <b>-11.1</b>             | <b>-9.4</b>              |
| <b>Total comprehensive income</b>  | <b>418.7</b>             | <b>328.4</b>             |
| Comprehensive income attributable to shareholders of the parent companies  | 416.1                    | 336.4                    |
| Comprehensive income attributable to non-controlling interests   | 2.6                      | -8.0                     |

\* Classification expanded as compared to the previous year in line with the initial application of IFRS 9.

(For disclosures, see note 32 "Equity")

## Balance Sheet as at 31 December 2018

### ASSETS

| in million €  | Note no. | 31 Dec. 2018    | 31 Dec. 2017    |
|---|----------|-----------------|-----------------|
| <b>Intangible assets</b>                                    | 21       | 2,053.2         | 1,875.1         |
| <b>Property, plant and equipment</b>                        | 22       | 10,145.0        | 9,617.5         |
| <b>Investment properties</b>                                | 23       | 22.4            | 36.7            |
| <b>Companies accounted for using the equity method</b>      | 25       | 161.0           | 143.8           |
| <b>Other financial assets</b>                               | 26       | 234.4           | 283.1           |
| <b>Other assets</b>   | 28       | 158.1           | 84.8            |
| <b>Deferred tax assets</b>                                  | 30       | 436.4           | 465.3           |
| <b>Non-current assets</b>                                   |          | <b>13,210.5</b> | <b>12,506.3</b> |
| <b>Inventories</b>  | 29       | 4,012.1         | 3,835.9         |
| <b>Other financial assets</b>                               | 26       | 1,057.1         | 681.5           |
| <b>Trade receivables</b>                                    | 27       | 1,400.6         | 1,262.4         |
| <b>Other assets</b>   | 28       | 393.2           | 404.8           |
| <b>Current income tax assets</b>                            | 30       | 138.7           | 80.3            |
| <b>Cash and cash equivalents</b>                            | 31       | 639.2           | 653.4           |
| <b>Sub-total of current assets</b>                          |          | <b>7,640.9</b>  | <b>6,918.3</b>  |
| <b>Non-current assets held for sale and disposal groups</b> | 5        | 9.0             | 81.8            |
| <b>Current assets</b>                                       |          | <b>7,649.9</b>  | <b>7,000.1</b>  |
| <b>Total assets</b>   |          | <b>20,860.4</b> | <b>19,506.4</b> |

## Balance Sheet as at 31 December 2018

### EQUITY AND LIABILITIES

| in million €  | Note no. | 31 Dec. 2018    | 31 Dec. 2017    |
|---|----------|-----------------|-----------------|
| Subscribed capital  | 32       | 38.7            | 38.7            |
| Capital reserves  | 32       | 30.8            | 30.8            |
| Retained earnings   | 32       | 6,479.0         | 6,051.8         |
| Other reserves  | 32       | -99.0           | -76.4           |
| Treasury shares   | 32       | -17.7           | -17.7           |
| <b>Equity attributable to shareholders of the parent companies</b>    |          | <b>6,431.8</b>  | <b>6,027.2</b>  |
| Non-controlling interests   | 32       | 110.1           | 147.4           |
| <b>Equity</b>   |          | <b>6,541.9</b>  | <b>6,174.6</b>  |
| Employee benefits   | 33       | 975.2           | 981.1           |
| Other provisions  | 34       | 628.1           | 779.0           |
| Other financial liabilities   | 35       | 2,104.5         | 1,209.0         |
| Trade payables  | 36       | 9.1             | 6.9             |
| Other liabilities   | 37       | 141.6           | 127.2           |
| Deferred tax liabilities  | 30       | 46.3            | 40.9            |
| <b>Non-current liabilities</b>  |          | <b>3,904.8</b>  | <b>3,144.1</b>  |
| Employee benefits   | 33       | 665.4           | 634.2           |
| Other provisions  | 34       | 550.0           | 619.2           |
| Other financial liabilities   | 35       | 695.3           | 1,188.6         |
| Trade payables  | 36       | 6,841.5         | 6,153.2         |
| Other liabilities   | 37       | 1,574.0         | 1,490.6         |
| Current income tax liabilities  | 30       | 87.5            | 98.4            |
| <b>Sub-total current liabilities</b>                                  |          | <b>10,413.7</b> | <b>10,184.2</b> |
| Liabilities from non-current assets held for sale and disposal groups | 5        | 0.0             | 3.5             |
| <b>Current liabilities</b>  |          | <b>10,413.7</b> | <b>10,187.7</b> |
| <b>Total assets</b>   |          | <b>20,860.4</b> | <b>19,506.4</b> |

## Cash Flow Statement for the Financial Year from 1 January to 31 December 2018

| in million €   | 2018            | 2017            |
|--|-----------------|-----------------|
| Results from continuing operations   | 429.8           | 341.8           |
| Financial result   | 14.6            | 16.6            |
| Income tax expense   | 153.7           | 133.0           |
| Depreciation/amortisation and retroactive capitalisations on intangible assets, property, plant and equipment and financial assets | 1,244.0         | 1,102.5         |
| Decrease in provisions   | -243.6          | -92.8           |
| Losses on the disposal of intangible assets, property, plant and equipment and financial assets                                    | 19.8            | 8.1             |
| Other non-cash expenses  | 16.2            | -11.4           |
| Increase in inventories, trade receivables and other assets not attributable to investing or financing activities                  | -612.9          | -211.2          |
| Increase in trade payables and other liabilities not attributable to investing or financing activities                             | 658.6           | 204.3           |
| Income taxes paid  | -202.7          | -184.8          |
| Dividends received   | 40.4            | 41.0            |
| <b>Sub-total</b>   | <b>1,517.9</b>  | <b>1,347.1</b>  |
| Interest received  | 19.3            | 16.3            |
| Interest paid  | -51.1           | -63.2           |
| <b>Cash flows from operating activities, continuing operations</b>   | <b>1,486.1</b>  | <b>1,300.2</b>  |
| <b>Cash flows from operating activities, discontinued operations</b>   | <b>0.0</b>      | <b>-10.2</b>    |
| Proceeds from disposals of intangible assets, property, plant and equipment and investment properties                              | 81.4            | 78.8            |
| Proceeds from disposals of financial assets and companies accounted for using the equity method                                    | 203.0           | 359.0           |
| Payments for/proceeds from the disposal of shares in consolidated companies  | -0.8            | 0.0             |
| Purchase of intangible assets, property, plant and equipment and investment properties   | -1,793.7        | -1,856.3        |
| Purchase of financial assets and companies accounted for using the equity method   | -271.3          | -429.0          |
| Excess proceeds from business combinations and the acquisition of shares in consolidated companies                                 | 20.8            | 0.8             |
| Payments for business combinations and the acquisition of shares in consolidated companies   | -25.7           | -56.8           |
| <b>Cash flows from investing activities, continuing operations</b>   | <b>-1,786.3</b> | <b>-1,903.5</b> |
| <b>Cash flows from investing activities, discontinued operations</b>   | <b>0.0</b>      | <b>73.8</b>     |
| Paid dividends and other interests   | -41.8           | -8.4            |
| Proceeds from equity contributions   | 3.6             | 0.0             |
| Payments from changes in non-controlling interests   | -45.5           | -6.0            |
| Cash proceeds from borrowings  | 1,595.8         | 825.6           |
| Cash repayments of borrowings  | -1,160.7        | -144.6          |
| Cash payments of finance lease liabilities   | -66.9           | -46.9           |
| <b>Cash flows from financing activities, continuing operations</b>   | <b>284.5</b>    | <b>619.7</b>    |
| <b>Cash flows from financing activities, discontinued operations</b>   | <b>0.0</b>      | <b>-0.1</b>     |
| Change of affecting payment in cash funds  | -15.7           | 79.9            |
| Change in cash funds related to changes in the scope of consolidation  | 0.4             | 0.0             |
| Currency translation differences   | -1.5            | -4.1            |
| <b>Total change in cash funds</b>  | <b>-16.8</b>    | <b>75.8</b>     |
| <b>Cash funds at beginning of the period</b>   | <b>651.6</b>    | <b>575.8</b>    |
| <b>Cash funds at end of the period</b>   | <b>634.8</b>    | <b>651.6</b>    |
| Cash funds at the end of the period, discontinued operations   | 0.0             | 0.0             |
| Cash funds at the end of the period, continuing operations   | 634.8           | 651.6           |

(For disclosures, see note 38 "Cash Flow Statement")

## Statement of Changes in Equity for the 2017 Financial Year\*

| in million €  | Subscribed capital | Capital reserves | Retained earnings | Other reserves               |                          |   |                     |                                      |  |                            |                 | Equity parent company | Non-controlling interests | Total          |
|---|--------------------|------------------|-------------------|------------------------------|--------------------------|---|---------------------|--------------------------------------|--|----------------------------|-----------------|-----------------------|---------------------------|----------------|
|   |                    |                  |                   | Reserve for cash flow hedges | Costs of hedging reserve | Reserve for financial instruments measured at fair value through other comprehensive income | Revaluation reserve | Difference from currency translation | Reserve for at-equity accounting components taken directly to equity | Reserve for deferred taxes | Treasury shares |                       |                           |                |
| <b>As at 1 Jan. 2017</b>  | <b>38.7</b>        | <b>30.8</b>      | <b>5,704.6</b>    | <b>41.5</b>                  | <b>0.0</b>               | <b>2.5</b>  | <b>1.0</b>          | <b>-92.1</b>                         | <b>-0.3</b>  | <b>-12.0</b>               | <b>-17.7</b>    | <b>5,697.0</b>        | <b>48.5</b>               | <b>5,745.5</b> |
| Change in accounting policies   | 0.0                | 0.0              | 0.0               | -1.2                         | 1.2                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | 0.0                   | 0.0                       | 0.0            |
| <b>As at 1 Jan. 2017 (adjusted)</b>   | <b>38.7</b>        | <b>30.8</b>      | <b>5,704.6</b>    | <b>40.3</b>                  | <b>1.2</b>               | <b>2.5</b>  | <b>1.0</b>          | <b>-92.1</b>                         | <b>-0.3</b>  | <b>-12.0</b>               | <b>-17.7</b>    | <b>5,697.0</b>        | <b>48.5</b>               | <b>5,745.5</b> |
| Currency translation adjustments  | 0.0                | 0.0              | 0.0               | 0.0                          | 0.0                      | 0.0   | 0.0                 | 12.3                                 | 0.0  | 0.0                        | 0.0             | 12.3                  | 1.8                       | 14.1           |
| Financial instruments measured at fair value through other comprehensive income | 0.0                | 0.0              | 0.0               | 0.0                          | 0.0                      | 6.6   | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | 6.6                   | 0.0                       | 6.6            |
| Hedging instruments – designated risk components                                | 0.0                | 0.0              | 0.0               | -52.1                        | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | 16.2                       | 0.0             | -35.9                 | 0.9                       | -35.0          |
| Remeasurement of defined-benefit pension commitments                            | 0.0                | 0.0              | 10.6              | 0.0                          | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | 10.6                  | -6.2                      | 4.4            |
| Other comprehensive income of associates and joint ventures                     | 0.0                | 0.0              | 0.0               | 0.0                          | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.5  | 0.0                        | 0.0             | 0.5                   | 0.0                       | 0.5            |
| <b>Other comprehensive income</b>   | <b>0.0</b>         | <b>0.0</b>       | <b>10.6</b>       | <b>-52.1</b>                 | <b>0.0</b>               | <b>6.6</b>  | <b>0.0</b>          | <b>12.3</b>                          | <b>0.5</b>   | <b>16.2</b>                | <b>0.0</b>      | <b>-5.9</b>           | <b>-3.5</b>               | <b>-9.4</b>    |
| <b>Net income for the year</b>  | <b>0.0</b>         | <b>0.0</b>       | <b>342.3</b>      | <b>0.0</b>                   | <b>0.0</b>               | <b>0.0</b>  | <b>0.0</b>          | <b>0.0</b>                           | <b>0.0</b>   | <b>0.0</b>                 | <b>0.0</b>      | <b>342.3</b>          | <b>-4.5</b>               | <b>337.8</b>   |
| <b>Comprehensive income</b>   | <b>0.0</b>         | <b>0.0</b>       | <b>352.9</b>      | <b>-52.1</b>                 | <b>0.0</b>               | <b>6.6</b>  | <b>0.0</b>          | <b>12.3</b>                          | <b>0.5</b>   | <b>16.2</b>                | <b>0.0</b>      | <b>336.4</b>          | <b>-8.0</b>               | <b>328.4</b>   |
| Capital increase/decrease   | 0.0                | 0.0              | 0.0               | 0.0                          | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | 0.0                   | 0.1                       | 0.1            |
| Dividend distribution   | 0.0                | 0.0              | -4.9              | 0.0                          | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | -4.9                  | -3.5                      | -8.4           |
| <b>Changes in equity by shareholders</b>  | <b>0.0</b>         | <b>0.0</b>       | <b>-4.9</b>       | <b>0.0</b>                   | <b>0.0</b>               | <b>0.0</b>  | <b>0.0</b>          | <b>0.0</b>                           | <b>0.0</b>   | <b>0.0</b>                 | <b>0.0</b>      | <b>-4.9</b>           | <b>-3.4</b>               | <b>-8.3</b>    |
| Changes in the scope of consolidation   | 0.0                | 0.0              | 0.9               | 0.0                          | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | 0.9                   | 111.1                     | 112.0          |
| Acquisitions of non-controlling interests                                       | 0.0                | 0.0              | -2.2              | 0.0                          | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | -2.2                  | -0.8                      | -3.0           |
| Transfer between reserves   | 0.0                | 0.0              | 0.5               | 0.0                          | 0.0                      | 0.0   | -0.5                | 0.0                                  | 0.0  | 0.0                        | 0.0             | 0.0                   | 0.0                       | 0.0            |
| <b>Ending balance as at 31 Dec. 2017</b>  | <b>38.7</b>        | <b>30.8</b>      | <b>6,051.8</b>    | <b>-11.8</b>                 | <b>1.2</b>               | <b>9.1</b>  | <b>0.5</b>          | <b>-79.8</b>                         | <b>0.2</b>   | <b>4.2</b>                 | <b>-17.7</b>    | <b>6,027.2</b>        | <b>147.4</b>              | <b>6,174.6</b> |

\* Prior-year amounts adjusted in accordance with the provisions relating to financial instruments (IFRS 9) and accounting policies (IAS 8).

## Statement of Changes in Equity for the 2018 Financial Year

| in million €  | Subscribed capital | Capital reserves | Retained earnings | Other reserves               |                          |   |                     |                                      |  |                            |                 | Equity parent company | Non-controlling interests | Total          |
|---|--------------------|------------------|-------------------|------------------------------|--------------------------|---|---------------------|--------------------------------------|--|----------------------------|-----------------|-----------------------|---------------------------|----------------|
|   |                    |                  |                   | Reserve for cash flow hedges | Costs of hedging reserve | Reserve for financial instruments measured at fair value through other comprehensive income | Revaluation reserve | Difference from currency translation | Reserve for at-equity accounting components taken directly to equity | Reserve for deferred taxes | Treasury shares |                       |                           |                |
| <b>As at 1 Jan. 2018</b>  | <b>38.7</b>        | <b>30.8</b>      | <b>6,051.8</b>    | <b>-11.8</b>                 | <b>1.2</b>               | <b>9.1</b>  | <b>0.5</b>          | <b>-79.8</b>                         | <b>0.2</b>   | <b>4.2</b>                 | <b>-17.7</b>    | <b>6,027.2</b>        | <b>147.4</b>              | <b>6,174.6</b> |
| Change in accounting policies   | 0.0                | 0.0              | 11.9              | -0.1                         | 0.0                      | -0.1  | 0.0                 | -0.1                                 | -0.2   | 0.5                        | 0.0             | 11.9                  | 0.0                       | 11.9           |
| <b>As at 1 Jan. 2018 (adjusted)</b>   | <b>38.7</b>        | <b>30.8</b>      | <b>6,063.7</b>    | <b>-11.9</b>                 | <b>1.2</b>               | <b>9.0</b>  | <b>0.5</b>          | <b>-79.9</b>                         | <b>0.0</b>   | <b>4.7</b>                 | <b>-17.7</b>    | <b>6,039.1</b>        | <b>147.4</b>              | <b>6,186.5</b> |
| Currency translation adjustments  | 0.0                | 0.0              | 0.0               | 0.0                          | 0.0                      | 0.0   | 0.0                 | -25.4                                | 0.0  | 0.0                        | 0.0             | -25.4                 | 0.1                       | -25.3          |
| Financial instruments measured at fair value through other comprehensive income | 0.0                | 0.0              | 0.0               | 0.0                          | 0.0                      | -9.0  | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | -9.0                  | 0.0                       | -9.0           |
| Hedging instruments – designated risk components                                | 0.0                | 0.0              | 0.0               | 14.1                         | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | -7.7                       | 0.0             | 6.4                   | 0.0                       | 6.4            |
| Hedging instruments – costs of hedging  | 0.0                | 0.0              | 0.0               | 0.0                          | 6.6                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | 6.6                   | 0.0                       | 6.6            |
| Remeasurement of defined-benefit pension commitments                            | 0.0                | 0.0              | 17.8              | 0.0                          | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | 17.8                  | 2.0                       | 19.8           |
| Financial instruments measured at fair value through other comprehensive income | 0.0                | 0.0              | -8.8              | 0.0                          | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | -0.4                       | 0.0             | -9.2                  | 0.0                       | -9.2           |
| Other comprehensive income of associates and joint ventures                     | 0.0                | 0.0              | -0.1              | 0.0                          | 0.0                      | 0.0   | 0.0                 | 0.0                                  | -0.3   | 0.0                        | 0.0             | -0.4                  | 0.0                       | -0.4           |
| <b>Other comprehensive income</b>   | <b>0.0</b>         | <b>0.0</b>       | <b>8.9</b>        | <b>14.1</b>                  | <b>6.6</b>               | <b>-9.0</b>   | <b>0.0</b>          | <b>-25.4</b>                         | <b>-0.3</b>  | <b>-8.1</b>                | <b>0.0</b>      | <b>-13.2</b>          | <b>2.1</b>                | <b>-11.1</b>   |
| <b>Net income for the year</b>  | <b>0.0</b>         | <b>0.0</b>       | <b>429.3</b>      | <b>0.0</b>                   | <b>0.0</b>               | <b>0.0</b>  | <b>0.0</b>          | <b>0.0</b>                           | <b>0.0</b>   | <b>0.0</b>                 | <b>0.0</b>      | <b>429.3</b>          | <b>0.5</b>                | <b>429.8</b>   |
| <b>Total comprehensive income</b>   | <b>0.0</b>         | <b>0.0</b>       | <b>438.2</b>      | <b>14.1</b>                  | <b>6.6</b>               | <b>-9.0</b>   | <b>0.0</b>          | <b>-25.4</b>                         | <b>-0.3</b>  | <b>-8.1</b>                | <b>0.0</b>      | <b>416.1</b>          | <b>2.6</b>                | <b>418.7</b>   |
| Capital increase/decrease   | 0.0                | 0.0              | 0.0               | 0.0                          | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | 0.0                   | 3.6                       | 3.6            |
| Dividend distribution   | 0.0                | 0.0              | -29.3             | 0.0                          | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | -29.3                 | -12.6                     | -41.9          |
| <b>Changes in equity by shareholders</b>  | <b>0.0</b>         | <b>0.0</b>       | <b>-29.3</b>      | <b>0.0</b>                   | <b>0.0</b>               | <b>0.0</b>  | <b>0.0</b>          | <b>0.0</b>                           | <b>0.0</b>   | <b>0.0</b>                 | <b>0.0</b>      | <b>-29.3</b>          | <b>-9.0</b>               | <b>-38.3</b>   |
| Changes in the scope of consolidation   | 0.0                | 0.0              | -0.1              | 0.0                          | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | -0.1                  | 17.3                      | 17.2           |
| Acquisitions of non-controlling interests                                       | 0.0                | 0.0              | 6.0               | 0.0                          | 0.0                      | 0.0   | 0.0                 | 0.0                                  | 0.0  | 0.0                        | 0.0             | 6.0                   | -48.2                     | -42.2          |
| Transfer between reserves   | 0.0                | 0.0              | 0.5               | 0.0                          | 0.0                      | 0.0   | -0.5                | 0.0                                  | 0.0  | 0.0                        | 0.0             | 0.0                   | 0.0                       | 0.0            |
| <b>Ending balance as at 31 Dec. 2018</b>  | <b>38.7</b>        | <b>30.8</b>      | <b>6,479.0</b>    | <b>2.2</b>                   | <b>7.8</b>               | <b>0.0</b>  | <b>0.0</b>          | <b>-105.3</b>                        | <b>-0.3</b>  | <b>-3.4</b>                | <b>-17.7</b>    | <b>6,431.8</b>        | <b>110.1</b>              | <b>6,541.9</b> |

(For disclosures, see note 32 "Equity")

**REWE-ZENTRALFINANZ EG, COLOGNE, AND  
REWE - ZENTRAL-AKTIENGESELLSCHAFT, COLOGNE**

# **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE 2018 FINANCIAL YEAR**



## CONTENTS

|   |           |
|---|-----------|
| <b>GENERAL ACCOUNTING PRINCIPLES OF<br/>THE COMBINED FINANCIAL STATEMENTS</b> | <b>49</b> |
| 1. Basic Principles   | 49        |
| 2. Application and Effects of New or Revised Accounting Standards             | 51        |
| 3. Consolidation  | 57        |
| 4. Acquisitions   | 62        |
| 5. Divestitures   | 65        |
| 6. Currency Translation   | 65        |
| 7. Accounting Policies  | 66        |
| 8. Significant Accounting Judgements, Estimates and Assessments               | 85        |
| <b>INCOME STATEMENT DISCLOSURES</b>   | <b>87</b> |
| 9. Revenue  | 87        |
| 10. Other Operating Income  | 88        |
| 11. Cost of Materials   | 90        |
| 12. Personnel Expenses  | 90        |
| 13. Depreciation, Amortisation and Impairments                                | 91        |
| 14. Other Operating Expenses  | 92        |
| 15. Results from Companies Accounted For Using the Equity Method              | 93        |
| 16. Results from the Measurement of Derivative Financial Instruments          | 93        |
| 17. Interest Result   | 94        |
| 18. Other Financial Result  | 94        |
| 19. Taxes on Income   | 95        |
| 20. Profit or Loss Attributable to Non-controlling Interests                  | 98        |

|  |            |
|--|------------|
| <b>BALANCE SHEET DISCLOSURES</b>                                       | <b>99</b>  |
| 21. Intangible Assets  | 99         |
| 22. Property, Plant and Equipment                                      | 104        |
| 23. Investment Properties  | 105        |
| 24. Leases   | 106        |
| 25. Companies Accounted for Using the Equity Method                    | 108        |
| 26. Other Financial Assets   | 109        |
| 27. Trade receivables  | 110        |
| 28. Other Assets   | 110        |
| 29. Inventories  | 111        |
| 30. Current and Deferred Taxes   | 111        |
| 31. Cash and Cash Equivalents  | 112        |
| 32. Equity   | 112        |
| 33. Employee Benefits  | 114        |
| 34. Other Provisions   | 122        |
| 35. Other Financial Liabilities  | 124        |
| 36. Trade Payables   | 125        |
| 37. Other Liabilities  | 126        |
| 38. Cash Flow Statement  | 127        |
| <b>OTHER DISCLOSURES</b>   | <b>130</b> |
| 39. Capital Management Disclosures                                     | 130        |
| 40. Financial Risk Management  | 131        |
| 41. Further Disclosures on Financial Instruments                       | 141        |
| 42. Contingent Liabilities/Receivables and Other Financial Obligations | 145        |
| 43. Events after the Balance Sheet Date                                | 145        |
| 44. Related Party Disclosures  | 146        |
| 45. Fees for Services Provided by the Auditor                          | 148        |
| 46. Management Board and Supervisory Board                             | 149        |

**Annex:** List of Shareholdings as at 31 December 2018

# General Accounting Principles of the Combined Financial Statements

## 1. BASIC PRINCIPLES

These financial statements are a summary of the consolidated financial statements of REWE-ZENTRALFINANZ eG, Cologne (hereinafter referred to as "RZF" for short), and REWE - Zentral-Aktiengesellschaft, Cologne (hereinafter referred to as "RZAG" for short), for the financial year ended on 31 December 2018, and were prepared voluntarily (Combined Financial Statements). The consolidated financial statements of the companies identified above were prepared in accordance with International Financial Reporting Standards, as applicable in the European Union (hereinafter referred to as "IFRSs" for short), the supplemental provisions of the German Commercial Code (Handelsgesetzbuch, "HGB"), as well as the supplemental provisions of the articles of association of RZAG and RZF, and were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Cologne. The Combined Financial Statements were also combined following IFRSs and were subject to the premise that the two companies are considered to be joint parent companies of their consolidated subsidiaries.

The Combined Financial Statements fully comply with all IFRSs as applicable in the European Union. All accounting standards and interpretations requiring application for financial years starting 1 January 2018 have been taken into account.

The financial statements of the companies included in the Combined Financial Statements have been prepared pursuant to uniform accounting principles. The income statement in the Combined Financial Statements was prepared using the nature of expense method. The financial years of RZF and RZAG and their subsidiaries (hereinafter referred to as the "groups" for short) correspond to the calendar year. Unless otherwise indicated, all disclosures are in millions of euros (€ million). Rounding may result in differences of  $\pm$  one unit (€, %, etc.).

These financial statements were released for publication by the Management Boards on 26 March 2019.

RZF's registered office is at Domstraße 20 in Cologne, Germany, and is registered in the Register of Cooperative Societies at the Local Court of Cologne under GnR 631. RZAG's registered office is also at Domstraße 20 in Cologne, Germany, and is registered in the Commercial Register of the Local Court of Cologne under HRB 5281. The groups' business activities are divided into five "business segments", which are subdivided further into divisions and business units. The main focus of the business activities is on the chain food retail sector, in both the full-range stores and discount segments.

The **Retail Germany** business segment includes the REWE, Penny Germany and Retail Germany Central Companies divisions.

In the REWE division, the Retail Germany business segment operates the chain food retail sector in Germany under the REWE, REWE CITY, REWE CENTER and REWE to go brands. Retail Germany also has an online presence with REWE.de. It also supplies independent retail dealers, group companies

and REWE partner retailers in the merchandise wholesale business. This business is operated primarily by REWE Markt GmbH, Cologne. In addition, the Penny Germany division operates the chain food retail sector in Germany under the PENNY sales brand via Penny-Markt Gesellschaft mit beschränkter Haftung, Cologne. In addition to the domestic real estate companies, the Retail Germany Central Companies division also includes the production and sale of baking items under the Glocken Bäckerei brand and the production of meat and sausage products under the Wilhelm Brandenburg brand.

Responsibility for the Retail Germany business segment rests with REWE Beteiligungs-Holding Aktiengesellschaft, Cologne.

The **Retail International** business segment covers the Austrian Full-Range Stores, CEE Full-Range Stores and Penny International divisions. In the Austrian Full-Range Stores division, supermarkets and consumer stores are operated in Austria under the BILLA, MERKUR and ADEG brands as well as drug stores under the BIPA brand. In the CEE Full-Range Stores division, the Retail International stores are also represented with the BILLA supermarket format in Bulgaria, Russia, Slovakia, the Czech Republic and Ukraine. Supermarkets are also operated in Lithuania under the IKI brand. The business segment's key companies are Billa Aktiengesellschaft, Wiener Neudorf, Austria, and Merkur Warenhandels-AG, Wiener Neudorf, Austria. The Penny International division operates discount stores in Italy, Austria, Romania, the Czech Republic and Hungary via separate sales and distribution companies in each country operating under the PENNY MARKET brand.

The **Travel and Tourism** business segment comprises a number of tour operators, specialists which offer a number of travel agency chains, franchise sales channels and online portals under the DER Touristik umbrella brand. The Travel and Tourism business segment operates in Germany as well as in the Benelux countries, Finland, France, the United Kingdom, Austria, Eastern Europe, Switzerland and Scandinavia. The business is operated mainly via DER Touristik Deutschland GmbH, Cologne, primarily under the brands ADAC REISEN, Apollo, Club Calimera, DER.COM, DER Reisebüro, DERPART, DERTOUR, EXIM Tours, helvetic tours, ITS, Jahn Reisen, KUONI and Meier's Weltreisen.

The **DIY Stores** (formerly: National Specialist Stores) business segment operates DIY stores under the toom Baumarkt brand. The business segment is operated primarily by toom Baumarkt GmbH, Cologne.

The **Other** business segment provides corporate services for REWE Group companies. This segment handles goods procurement through REWE Group Buying GmbH, Cologne, deliveries to wholesale customers through RZAG, and centralised settlement through RZF. The business segment's other key companies are the financing company REWE International Finance B.V., Venlo, Netherlands (hereinafter referred to as "RIF" for short), REWE Digital GmbH, Cologne, which bundles its online activities, and the energy service provider -EHA-Energie-Handels-Gesellschaft mbH & Co. KG, Hamburg.

For an exhaustive overview of the Group's subsidiaries, please refer to the List of Shareholdings appended to the notes.

## 2. APPLICATION AND EFFECTS OF NEW OR REVISED ACCOUNTING STANDARDS

The following accounting standards were adopted for the first time in the 2018 financial year:

| Name of standard, amendment or interpretation   |  |
|---|--|
| IFRS 9  | Financial Instruments, including amendments to this standard                 |
| IFRS 15   | Revenue from Contracts with Customers, including amendments to this standard |
| IAS 40 <sup>1</sup>   | Amendments: Transfers of Investment Property                                 |
| IFRIC 22 <sup>1</sup>   | Foreign Currency Transactions and Advance Consideration                      |
| Various <sup>1</sup>  | Amendments: Annual Improvements: 2014-2016 cycle                             |
| <sup>1</sup> No material impacts resulted from the standard, amendment or interpretation. |  |

### IFRS 9: Financial Instruments, Including Amendments to this Standard

#### Classification and Measurement

This standard replaces the previous provisions on accounting for financial instruments set forth in IAS 39.

The groups opted for the simplified initial application for classification and measurement purposes. The cumulative effect from the transition is recognised directly in equity. Comparative figures from prior-year periods are not restated.

The measurement categories under IAS 39 are replaced by the "amortised cost", "fair value through profit or loss" and "fair value through other comprehensive income" measurement categories. The classification of a financial asset into these categories depends not only on its classification as an equity or debt instrument in accordance with IAS 32 but also on its contractual characteristics (contractual interest and principal payments or cash flow characteristics) and the underlying business model ("hold-to-collect", "hold-to-collect and sell" or "sell") of the company. When classifying a financial asset that is a debt instrument in accordance with IAS 32 in the "fair value through profit or loss" category, it must be remeasured through profit or loss similar to the previous presentation in accordance with IAS 39. If a financial asset (debt instrument) is assigned to the "fair value through other comprehensive income" category, the asset is remeasured at fair value and any changes in value are recognised in other comprehensive income. When classifying a financial asset in the "amortised cost" category, it is subsequently measured at amortised cost using the effective interest method.

Equity investments (equity instruments) that were measured at cost in accordance with the exceptions under IAS 39 will be measured at fair value through profit or loss going forward. In accordance with IFRS 9, the groups make the irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument (FVOCI option). Due to the exercise of the FVOCI option for equity instruments, an initial application effect in the lower double-digit million range was recognised in other comprehensive income.

Subsidiaries and associates that, due to their immateriality, were not fully consolidated or accounted for using the equity method and were previously recognised as "available-for-sale financial assets", will be reported under other assets from the 2018 financial year onwards (75.4 million euros).

Debt instruments in the form of loans to associates whose contractual cash flows do not meet the cash flows characteristics test will be measured at fair value through profit or loss from 1 January 2018 onwards ("fair value through profit or loss"). The negative transition effect due to application of the new valuation technique is recognised in other comprehensive income and is in the lower double-digit million range.

The requirements for classifying and measuring financial liabilities in accordance with IFRS 9 are largely unchanged compared with the accounting requirements of IAS 39. Only when the irrevocable election to recognise financial liabilities at fair value (fair value option) is made does IFRS 9 allow changes in value resulting from own credit risk to be recognised directly in equity.

As was previously the case, the groups do not exercise the fair value option for financial assets or financial liabilities.

### **Impairment Model**

In addition to the new classification requirements, the new standard also includes new guidance on calculating impairment losses on financial assets. The previous model for accounting for credit losses was replaced by a multiple-stage model for accounting for expected credit losses.

The groups opted for the simplified initial application with regard to the impairment model. The cumulative effect (0.3 million euros) from the transition was primarily attributable to trade receivables and was recognised directly in equity. Comparative figures from the prior-year period were not restated. The increase in the loss allowance was due primarily to the requirement that loss allowances also be recognised for credit-impaired assets.

The carrying amounts of the financial assets and financial liabilities pursuant to the measurement categories in accordance with IAS 39 and IFRS 9 are as follows:

| in million €                                      | 31 Dec. 2017                                   |                | 1 Jan. 2018                                     |                | Difference   |
|---|--|----------------|---|----------------|--------------|
|   | Category in accordance with IAS 39             |                | Category in accordance with IFRS 9              |                |              |
| <b>Financial assets</b>                           |  |                |   |                |              |
| <b>Other financial assets</b>                     |  | <b>964.6</b>   |   | <b>901.3</b>   | <b>-63.3</b> |
| Other receivables from suppliers                  | Loans and receivables                          | 543.7          | Amortised cost                                  | 543.7          | 0.0          |
| Loans   | Loans and receivables                          | 238.0          | Amortised cost                                  | 238.0          | 0.0          |
| Shareholder loans to partner companies            | Loans and receivables                          | 41.5           | Fair value through profit or loss               | 40.4           | -1.1         |
| Receivables from derivative financial instruments |  | 25.2           |   | 25.2           | 0.0          |
| Derivatives not included in hedge accounting      | Financial assets held for trading              | 15.3           | Fair value through profit or loss               | 15.3           | 0.0          |
| Derivatives included in hedge accounting          | N/A  | 9.9            | N/A   | 9.9            | 0.0          |
| Shares in corporations and other securities       | Financial assets available for sale            | 61.0           | Fair value through profit or loss <sup>1)</sup> | 6.7            | -54.3        |
|   |  |                | Fair value through other comprehensive income   | 35.8           | 35.8         |
| Interest in partnerships                          | Financial assets available for sale            | 46.1           | Fair value through profit or loss <sup>1)</sup> | 2.4            | -43.7        |
| Other financial assets                            | Loans and receivables                          | 9.1            | Amortised cost                                  | 9.1            | 0.0          |
| <b>Trade receivables</b>                          | <b>Loans and receivables</b>                   | <b>1,262.4</b> | <b>Amortised cost</b>                           | <b>1,262.1</b> | <b>-0.3</b>  |
| <b>Cash and cash equivalents</b>                  | <b>Loans and receivables</b>                   | <b>653.4</b>   | <b>Amortised cost</b>                           | <b>653.4</b>   | <b>0.0</b>   |
| <b>Financial liabilities</b>                      |  |                |   |                |              |
| <b>Other financial liabilities</b>                |  | <b>2,397.6</b> |   | <b>2,397.6</b> | <b>0.0</b>   |
| Liabilities to banks                              | Financial liabilities at amortised cost        | 1,120.8        | Amortised cost                                  | 1,120.8        | 0.0          |
| Liabilities from finance leases <sup>2)</sup>     | N/A  | 899.7          | N/A   | 899.7          | 0.0          |
| Liabilities from derivative financial instruments |  | 36.5           |   | 36.5           | 0.0          |
| Derivatives not included in hedge accounting      | Financial liabilities held for trading         | 15.0           | Fair value through profit or loss               | 15.0           | 0.0          |
| Derivatives included in hedge accounting          | N/A  | 21.5           | N/A   | 21.5           | 0.0          |
| Other financial liabilities                       | Financial liabilities at amortised cost        | 340.6          | Amortised cost                                  | 340.6          | 0.0          |
| <b>Trade payables</b>                             | <b>Financial liabilities at amortised cost</b> | <b>6,160.1</b> | <b>Amortised cost</b>                           | <b>6,160.1</b> | <b>0.0</b>   |

<sup>1)</sup> Change includes reclassification of immaterial affiliated companies and associates

<sup>2)</sup> Carrying amount in accordance with IAS 17

## Hedge Accounting

The initial application of IFRS 9 also amends the rules for hedge accounting. When entities apply the standard for the first time, they have the option to continue hedge accounting in accordance with IAS 39. The groups did not exercise this option. Hedges are therefore accounted for in accordance with IFRS 9. The requirements of the new standard are that operating risk management and hedge accounting be aligned to a greater degree in order to better present a true and fair view of the economic relationships between the hedged item and the hedging instrument. In the context of applying the standard, the groups have aligned their risk management strategies with one set of uniform hedging procedures.

In addition, hedge accounting in accordance with IFRS 9 results in expanded designation options as well as the need to implement more complex accounting and measurement methodologies. The groups recognise designated changes in fair value in the reserve for cash flow hedges, while gains or losses from non-designated changes in fair value are reported in the costs of hedging reserve. Non-designated changes in the time value of foreign currency options or forward components and the foreign currency basis spread of forward transactions are recognised as costs of hedging.

In accordance with IAS 39, the time value of foreign currency options was presented in the financial result as the ineffective portion of existing cash flow hedges. Since no foreign currency options were designated as hedging instruments using hedge accounting in the previous year, the retrospective application of the requirements governing the designation of option transactions did not result in any effects from the initial application or the need to restate the prior-year figures.

Upon initial application, the groups also applied the option to retrospectively implement the new accounting requirements governing the exclusion of the foreign currency basis spreads of forward exchange contracts designated as hedging instruments. The restatement of the prior-year comparative figures was restricted to reclassifying the measurement gains and losses on foreign currency basis spreads between the reserve for designated risk components and the costs of hedging reserve.

**Effects of Excluding Foreign Currency Basis Spreads from the Designation**

| in million €                  | Reserve for cash flow hedges | Costs of hedging reserve |
|-------------------------------|------------------------------|--------------------------|
| Adjustment as at 1 Jan. 2017  | +3.1                         | -3.1                     |
| Adjustment as at 30 June 2017 | -0.3                         | +0.3                     |
| Adjustment as at 31 Dec. 2017 | -1.2                         | +1.2                     |

By contrast, the forward elements of the forward exchange contracts designated as hedging instruments will continue to be treated as the effective portion of the derivative and recognised in the reserve for designated risk components.

The forward elements and the foreign currency basis spreads were excluded from the designation for forward exchange contracts that had been concluded as at 1 January 2018, and were designated as hedging instruments using hedge accounting.

If the amendments to IFRS 9 to exclude certain value components of hedging instruments had not been applied as at the balance sheet date, the reserve for designated risk components would have amounted to 10.0 million euros instead of 2.2 million euros.

**IFRS 15: Revenue from Contracts with Customers**

The new standard provides uniform, principle-based guidance on the revenue recognition for all industries and all categories of transactions and replaces a number of individual provisions. The date and amount of revenue is based on a five-step model. Under this model, an entity must recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Control can still be passed either at a point in time or over time. Furthermore, the standard clarifies a number of technicalities such as how changes to contracts should be handled and how variable



consideration such as rebates, rights of return and performance-based compensation should be measured. Moreover, the standard includes new guidance on principal versus agent considerations and costs of obtaining a contract.

The DIY Stores business segment recognised reimbursement liabilities from possible returns in the low seven-figure range. The associated right to receive the returned products from the customer in return for reimbursing the payment is recognised as an asset.

The new standard also gives rise to further effects on the balance sheet and income statement. Due to their immateriality, these effects are not presented separately.

The groups apply the modified retrospective transition method, under which a cumulative restatement effect is recognised as at the transition date. Comparative figures from prior-year periods are not restated.

## New or Revised Accounting Standards Published, but not yet Applied During the 2018 Financial Year

The new standards and interpretations listed below, as well as amendments to existing standards, were issued by the IASB, but – if adopted as European law – did not yet require application in the 2018 financial year. Any option for voluntary early application was not exercised for these accounting standards.

### New or Revised Accounting Standards Published, but not yet Applied During the 2018 Financial Year

| Mandatory application expected in financial year   | Name of standard, amendment or interpretation |  | Standard has already been adopted as European law |
|--|---|--|---|
| 2019   | IFRS 9 <sup>1</sup>                           | Amendments: Prepayment Features with Negative Compensation       | Yes   |
|  | IFRS 16                                       | Leases   | Yes   |
|  | IAS 28 <sup>1</sup>                           | Amendments: Long-term Interests in Associates and Joint Ventures | Yes   |
|  | IFRIC 23 <sup>1</sup>                         | Uncertainty over Income Tax Treatments                           | Yes   |
|  | IAS 19 <sup>1</sup>                           | Amendments: Plan Amendment, Curtailment or Settlement            | Yes   |
|  | Various <sup>1</sup>                          | Amendments: Annual Improvements: 2015-2017 cycle                 | yes   |
| 2020   | IFRS 3 <sup>1</sup>                           | Amendments: Definition of a Business                             | Yes   |
|  | IAS 1/IAS 8 <sup>1</sup>                      | Amendments: Definition of Material                               | No <sup>2</sup>                                   |
|  | Various <sup>1</sup>                          | Amendments: Revised Conceptual Framework                         | No <sup>2</sup>                                   |
| 2021   | IFRS 17 <sup>1</sup>                          | Insurance Contracts  | No <sup>2</sup>                                   |
| <sup>1</sup> No material impacts are expected to result from the standard, amendment or interpretation.<br><sup>2</sup> Since the standard, amendment or interpretation has not yet been adopted as European law, there is no mandatory application date within the European Union. Consequently, the date of initial application as planned by the IASB, on which the allocation to financial years is based, is subject to change. |   |  |   |

The first-time application of the new standards or amendments is expected to have the following effects on the presentation of net assets, financial position and results of operations:

## IFRS 16: Leases

The new standard, IFRS 16, will replace the currently applicable standard, IAS 17, and IFRIC 4. The scope of IFRS 16 includes in general all rental and lease arrangements, sub-letting arrangements and sale-and-leaseback transactions.

The purpose of the new standard is to account for all obligations arising from rental and lease arrangements. The principal innovation of IFRS 16 as compared to IAS 17 relates to lessee accounting. Going forward, lessees will no longer be required to classify leases as either operating or finance leases. Instead, the lessee must recognise a liability as at the date on which the lessor transfers the asset to the lessee for use as well as a corresponding right-of-use asset, which is generally equal to the present value of the future lease payments plus directly attributable costs. During the term of the lease, the lease liability is adjusted using a model based on financial mathematics, while the usage right is amortised. The REWE Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases and for leases for which the underlying asset is of low value.

At the lessor, however, the provisions of the new standard do not differ from the previous standards of IAS 17. The criteria of IAS 17 are taken over for the classification pursuant to IFRS 16.

From the lessor's point of view, subleases in particular will need to be analysed. According to the information currently available, the effect on the balance sheet and income statement is expected to be minor, since, based on current analyses, a significant number of subleases will continue to be recognised as operating leases.

The new standard will materially affect EBITDA, EBITA, EBIT, EBT and EAT: the future lease payments attributable to leases to be recognised will no longer be reported as a lease expense. These leases will be recognised through profit or loss by amortising the recognised right-of-use asset and discounting the lease liability.

The new standard will also affect the cash flow statement: Whereas the lease expenses from operating leases are currently reported under cash flows from operating activities, the effects from these leases to be recognised going forward will be reported in different sections of the cash flow statement: interest paid must be recognised under cash flows from operating activities and payment of the lease liability under cash flows from financing activities. Thus, IFRS 16 will lead to an increase in cash flows from operating activities and a decrease in cash flows from financing activities.

The groups will apply the standard from the mandatory effective date on 1 January 2019. The modified retrospective approach is currently used to determine the effect of the changes as at the date of initial application. Consequently, the comparative figures for the year prior to initial application will not be restated retrospectively. The lease liability must be measured as at the date of first-time application using the present value of the lease payments still outstanding as at the transition date, applying the incremental borrowing rate. The right-of-use asset is recognised at the same amount less amounts recognised as provisions if the lease is an onerous contract as defined in IAS 37 (option). The cumulative effect is recognised in retained earnings.

The REWE Group reviewed the groups' significant leases (real estate and vehicle fleet) with respect to the new accounting requirements for leases under IFRS 16. The standard will have fundamental

effects on the accounting treatment of operating leases. As at the balance sheet date, the REWE Group reported obligations from non-cancellable operating leases of 12,847.3 million euros (undiscounted; see note 24 "Leases"). In the case of agreements previously classified as finance leases, the carrying amount of the right of use asset and the lease liability in accordance with IFRS 16 as at 1 January 2019 corresponds to the values recognized in accordance with IAS 17 as at 31 December 2018 (IFRS 16.C11).

In the Combined Financial Statements, a lease expense of 1,892 million euros is reported as at 31 December 2018 (for current rental and lease expenses, see note 14 "Other Operating Expenses"). The accounting of operating leases in accordance with IFRS 16 is expected to result in a lease liability of approximately 9 billion euros. The recognition of right-of-use assets is expected to decline by approximately 0.5 billion euros. Depending on the lease term, country, location (real estate) and other conditions specific to the leased asset, interest rates of between 0.75 per cent and 13.75 per cent were used to calculate the present value. Options to renew are only taken into account if, on the basis of the plans approved by management, it is sufficiently certain that the corresponding leased asset will continued to be operated over this period; otherwise, the shortest possible lease term is assumed. The lease expenses reported as at 31 December 2018 include immaterial expenses for short-term leases and for leases for which the underlying asset is of low value.

### **3. CONSOLIDATION**

#### **Consolidation Principles**

The Combined Financial Statements are prepared in accordance with the consolidation methods presented below.

##### **a) Subsidiaries**

Generally, subsidiaries are all companies at which RZF or RZAG, or both together, that on account of substantial direct or indirect rights have the ability to control key business activities of these companies so as to generate variable returns (controlled companies). The existence and effect of potential voting rights which are currently exercisable or convertible are taken into account when evaluating whether control exists.

Subsidiaries are generally included in the Combined Financial Statements (full consolidation) from the date on which control has been transferred, directly or indirectly, to RZF or RZAG or both together. They are deconsolidated when control is lost. Subsidiaries classified as held for sale are recognised pursuant to the provisions for non-current assets, disposal groups and discontinued operations held for sale.

Acquired subsidiaries are recognised using the acquisition method. The acquisition cost corresponds to the fair value of the assets acquired, the equity instruments issued and the liabilities incurred or assumed as at the transaction date. Costs related to the business combination are always treated as expenses, regardless of whether they are directly allocable to the acquisition. Upon initial consolidation, the assets, liabilities and contingent liabilities identifiable in connection with a business combination are measured at their fair value as at the acquisition date, irrespective of the extent of any non-controlling interest.

The excess of the acquisition cost over the interest in the net fair value of the assets acquired is recognised as goodwill. If the acquisition cost is less than the net fair value of the assets of the acquired subsidiary after reassessing the measurement, the difference is recognised in the income statement under "other operating income".

Intercompany transactions and any resulting gains that are included in the Combined Financial Statements are eliminated. Losses are also eliminated unless the transaction indicates an impairment of the transferred asset.

The separate financial statements of the domestic and foreign subsidiaries consolidated are prepared according to uniform accounting policies.

#### **b) Joint Ventures and Joint Operations**

Joint arrangements, over which RZF or RZAG, or both together, directly or indirectly, exercise joint control with one or more partners by virtue of a contractual agreement, are included in the Combined Financial Statements as joint ventures or joint operations. Currently, no joint operations are included in the Combined Financial Statements. Joint ventures are included in the Combined Financial Statements using the equity method. Please see the explanatory notes with regard to associates for the general accounting treatment using the equity method. They are recognised from the date on which joint control can be exercised until the date on which joint control is lost. Joint ventures classified as held for sale are recognised pursuant to the provisions for non-current assets, disposal groups and discontinued operations held for sale. Entities over which joint control cannot be exercised despite a corresponding share of voting rights are classified as associates or as other equity investments.

#### **c) Associates**

An entity at which the groups have the ability to significantly influence financial and operating decisions, and in which the groups regularly hold 20 to 50 per cent share of voting rights, directly or indirectly, is classified as an associate and recognised in the Combined Financial Statements using the equity method. The equity method is not used if an associate has been classified as held for sale. An entity in which the share of voting rights is 20 per cent or more, but whose financial and operating policy cannot be significantly influenced, is classified as other equity investments. These shares are reported under non-current financial assets and generally measured at fair value. If the fair value cannot be reliably measured, the amortised cost is the best estimate.

An entity is generally included in the group of associates accounted for using the equity method from the date on which significant influence over the entity can first be exercised. An entity is no longer included in the Combined Financial Statements using the equity method as at the date on which significant influence can no longer be exercised. An associate classified as held for sale is recognised in accordance with the provisions for non-current assets, disposal groups and discontinued operations held for sale.

Investments in associates are initially recognised at cost. In addition to the interest in net assets, cost reflects the disclosed hidden reserves and liabilities and a premium paid in the form of goodwill. A gain on a bargain purchase is recognised immediately in profit or loss. If there are indications of an impairment of the entity accounted for using the equity method, the entire carrying amount of the

investment is subjected to an impairment test. A subsequent reversal of impairment also applies to the entire carrying amount.

The groups' interest in an associate includes the goodwill identified upon acquisition, subsequent effects from the adjustment of hidden reserves and liabilities and pro-rata profits and losses of the associated company as at the acquisition date, less the cumulative impairment losses from impairment testing of the carrying amount of the equity-accounted investment.

During subsequent consolidation, the carrying amount recognised in the balance sheet increases or decreases in accordance with the groups' share of the associate's net income/loss for the period. Changes recognised directly in the associate's equity are also recognised directly in equity in the Combined Financial Statements in the amount of the groups' interest. If the carrying amount of the investment and other unsecured receivables of the groups are written down in full due to pro-rata losses of the associate, the groups do not recognise any additional losses unless they have entered into a legal or constructive obligation or have made payments for the associate.

Significant "upstream" and "downstream" transactions and resulting profits between the companies of the groups as well as those between an associate or joint venture are eliminated. Significant losses are also eliminated unless the transaction indicates an impairment of the transferred asset.

The accounting policies of associates are adjusted as required to ensure uniform accounting treatment.

## **Consolidation Principles in Connection with Step-ups and Step-downs**

### **a) Control Obtained in Stages**

For a business combination achieved in stages, there is an upward consolidation as at the acquisition date when control is obtained for the first time. First, the previously held interest is measured at fair value through profit or loss. Then, a first-time consolidation is recognised based on the fair values of all acquired shares. Together with the consideration transferred for the recently acquired shares, the amount of non-controlling interests and the net fair value of the subsidiary's assets, the remeasured interest forms the basis for calculating goodwill or a bargain purchase.

If the shares previously held were classified as equity instruments for which the fair value option was exercised, the changes in fair value recognised in equity must be reclassified to retained earnings.

Upon a transition from the equity method to full consolidation, the interest previously recognised using the equity method is also remeasured to fair value through profit or loss. Reserves recognised directly in equity are reversed as if the previously held interest had been sold. Upon disposal, these reserves are reversed in accordance with the individual standards under which they were recognised.

### **b) Loss of Control with Retention of an Interest**

Upon loss of control, the interest disposed of is deconsolidated through profit or loss. At the same time, amounts related to this interest recognised directly in equity are either recognised through profit or loss or reclassified to other retained earnings depending on the provisions of the individual standards under which these reserves were recognised. Any remaining interest in the entity is measured at fair value through profit or loss in the Combined Financial Statements as at the date of

the step-down. The accounting treatment of this remaining interest in subsequent periods is made in accordance with the provisions for financial instruments, for associates or for joint ventures.

### c) Step-ups or Step-downs in Interests Without Loss of Control

#### i) Step-ups in Interests in Controlled Companies

Acquisitions of interests in a subsidiary, whose direct or indirect control by the groups was possible prior to the acquisition, are accounted for as equity transactions between owners. A difference between the purchase price and the interest of the non-controlling interests in the net assets resulting from such an acquisition is recognised directly in equity in the Combined Financial Statements.

#### ii) Step-downs of Interests in Controlled Companies

The disposal of interests in a subsidiary without loss of control is treated analogously to an increase in controlling interests – as a pure equity transaction. As a result, for sales to non-controlling interests, differences between the disposal proceeds and the corresponding interest in the net carrying amount of the subsidiary's assets are also recognised directly to equity in the Combined Financial Statements.

## Scope of Consolidation

During the financial year, the Combined Financial Statements included 412 (previous year: 396) subsidiaries, of which 260 (previous year: 249) were German and 152 (previous year: 147) were foreign.

### Changes to the Scope of Consolidation in Financial Year 2018

| Fully-consolidated subsidiaries   | Germany    | International | Total      |
|---|------------|---------------|------------|
| As at 1 Jan. 2018   | 249        | 147           | 396        |
| <b>Additions</b>  | <b>15</b>  | <b>9</b>      | <b>24</b>  |
| of which: new formations or initial consolidations of companies already under control | 14         | 6             | 20         |
| of which: acquisitions  | 1          | 3             | 4          |
| <b>Disposals</b>  | <b>4</b>   | <b>4</b>      | <b>8</b>   |
| of which: mergers, accretions or liquidations   | 3          | 4             | 7          |
| of which: disposals   | 1          | 0             | 1          |
| <b>As at 31 Dec. 2018</b>   | <b>260</b> | <b>152</b>    | <b>412</b> |

## Disclosures on Changes in the Scope of Consolidation

### Companies Included in the Scope of Consolidation for the First Time During the Financial Year

| No.            | Company Name, Registered Office                         |
|----------------|---|
| <b>Germany</b> |   |
| 1.             | Glockenbrot Immobilien 1 GmbH & Co. KG, Cologne         |
| 2.             | REISEBÜRO RADE GMBH, Offenburg*                         |
| 3.             | REWE Immobilien 2 GmbH & Co. KG, Cologne                |
| 4.             | REWE Immobilien 3 GmbH & Co. KG, Cologne                |
| 5.             | REWE Immobilien Beteiligungs GmbH, Cologne              |
| 6.             | REWE LOG 30 GmbH, Cologne                               |
| 7.             | REWE LOG 31 GmbH, Cologne                               |
| 8.             | REWE LOG 32 GmbH, Cologne                               |
| 9.             | REWE Märkte 46 GmbH, Cologne                            |
| 10.            | REWE Märkte 47 GmbH, Cologne                            |
| 11.            | REWE Märkte 54 GmbH, Cologne                            |
| 12.            | REWE Märkte 55 GmbH, Cologne                            |
| 13.            | REWE Märkte 56 GmbH, Cologne                            |
| 14.            | Wilhelm Brandenburg Immobilien 2 GmbH & Co. KG, Cologne |
| 15.            | Wilhelm Brandenburg Immobilien 3 GmbH & Co. KG, Cologne |
|                | * Acquisitions  |

| No.                  | Company Name, Registered Office             |
|----------------------|---|
| <b>International</b> |   |
| 1.                   | commercetools B.V., Amsterdam               |
| 2.                   | DER Touristik Tunisie S.A.R.L., Tunis       |
| 3.                   | Destination Touristik Services d.o.o., Pula |
| 4.                   | Journey Latin America Limited, London*      |
| 5.                   | REWE Systems Austria GmbH, Premstätten      |
| 6.                   | REWE Systems Spain S.L., Málaga             |
| 7.                   | Travel LAB SAS, St. Ouen*                   |
| 8.                   | UAB Palink, Vilnius*                        |
| 9.                   | Xtravel AB, Stockholm*                      |
|                      | * Acquisitions                              |

### Companies that were Deconsolidated in the Financial Year due to Mergers, Accretions, Liquidations or Disposals

| No.            | Company Name, Registered Office                                  |
|----------------|--|
| <b>Germany</b> |  |
| 1.             | DIY Union GmbH, Cologne*   |
| 2.             | Gartenliebe GmbH, Cologne  |
| 3.             | REWE Unterhaltungselektronik GmbH, Cologne                       |
| 4.             | SELGROS Verwaltung GmbH & Co. Vermietungs-KG, Pullach i. Isartal |
|                | * Partial disposal   |

| No.                  | Company Name, Registered Office       |
|----------------------|---------------------------------------|
| <b>International</b> |                                       |
| 1.                   | Falk Lauristen Rejser A/S, Herning    |
| 2.                   | MAXXI S.R.L., Milan                   |
| 3.                   | REWE ITALIA SRL, Carmignano di Brenta |
| 4.                   | Serenissima Travel Limited, London    |

Eight joint ventures (previous year: seven) and 12 associates (previous year: 14) were included using the equity method in the financial year.

In addition, the groups have interests in a total of 1,214 REWE partner companies (previous year: 1,151) which are also included as associates using the equity method.

#### 4. ACQUISITIONS

In January 2018, REWE-Beteiligungs-Holding International GmbH, Cologne, acquired a further 11.23 per cent interest in the associate UAB Palink, Vilnius, Lithuania (hereinafter "UAB Palink"), followed by another 13.27 per cent in July 2018. On acquiring the two tranches, REWE-Beteiligungs-Holding International GmbH held a 68.85 per cent interest and thus control over UAB Palink. An additional 24.90 per cent interest was acquired in September 2018. The initial consolidation date is 1 August 2018.

##### Fair Value of the Identified Assets and Liabilities as at the Date of Acquisition

| in million €                         | UAB Palink   |
|--------------------------------------|--------------|
| Intangible assets                    | 20.3         |
| Property, plant and equipment        | 94.0         |
| Inventories                          | 45.1         |
| Trade receivables                    | 2.5          |
| Other assets                         | 3.6          |
| Cash and cash equivalents            | 37.9         |
| Deferred tax assets                  | 5.5          |
| <b>Total assets</b>                  | <b>208.9</b> |
| Employee benefits                    | 0.4          |
| Other provisions                     | 0.3          |
| Trade payables                       | 66.6         |
| Other liabilities                    | 51.9         |
| Deferred tax liabilities             | 3.5          |
| <b>Total liabilities</b>             | <b>122.7</b> |
| Fair value of net assets             | 86.2         |
| Fair value of previously held shares | 135.4        |
| Non-controlling interests            | 26.8         |
| Cost                                 | 21.7         |
| <b>Goodwill</b>                      | <b>97.7</b>  |

The goodwill primarily reflects location advantages and synergies. It is not tax deductible. The remeasurement of the existing shares (55.58 per cent) resulted in a gain of 11.1 million euros, which is recognised under other operating income. The existing shares were measured using a DCF method.

The receivables amount to 3.5 million euros gross, of which 1.0 million euros is expected to be uncollectable. Between 1 August 2018 and 31 December 2018, UAB Palink contributed 274.2 million euros to revenue and 9.1 million euros to earnings in the Combined Financial Statements. Had the company been consolidated as at 1 January 2018, it would have contributed an additional 378.4 million euros to revenue and an additional 7.3 million euros to earnings in the Combined Financial Statements. Negligible acquisition-related costs were incurred in connection with the acquisition of UAB Palink, which are recognised under other operating expenses. The acquisition resulted in a cash inflow of 16.2 million euros as at the initial date of consolidation.

In accordance with the purchase agreement dated 5 March 2018, DER Touristik Group GmbH, Cologne, acquired all shares in Travel LAB SAS, Bloom Investissements SAS and Key 2014 SAS, each with registered office in Saint-Ouen, France (hereinafter "Travel Lab"). Travel Lab is a tour operator



which mainly offers guided tours, beach holidays at locations in the Indian Ocean and exclusive cruises. The acquisition served to tap a new source market in the area of tourism. The initial consolidation date is 1 March 2018.

#### Fair Value of the Identified Assets and Liabilities as at the Date of Acquisition

| in million €                   | Travel Lab  |
|--------------------------------|-------------|
| Intangible assets              | 2.2         |
| Property, plant and equipment  | 1.2         |
| Inventories                    | 4.7         |
| Trade receivables              | 18.6        |
| Other financial assets         | 0.3         |
| Other assets                   | 8.2         |
| Cash and cash equivalents      | 15.0        |
| Current income tax receivables | 0.5         |
| <b>Total assets</b>            | <b>50.7</b> |
| Employee benefits              | 2.8         |
| Other provisions               | 0.6         |
| Trade payables                 | 9.5         |
| Other financial liabilities    | 0.2         |
| Other liabilities              | 23.8        |
| <b>Total liabilities</b>       | <b>36.9</b> |
| Fair value of net assets       | 13.8        |
| Cost                           | 30.5        |
| <b>Goodwill</b>                | <b>16.7</b> |

The goodwill is attributable to the incoming employees and future synergies. It is not tax deductible. The trade receivables amount to 18.9 million euros gross, of which 0.3 million euros is expected to be uncollectable. A contingent payment was agreed with the previous owner in connection with the acquisition; this payment is not part of the purchase price but rather a separate transaction. The payment must be made if certain earnings targets are exceeded. The earnings targets were not reached on the reporting date, meaning that a liability did not have to be recognised.

Between 1 March and 31 December 2018, Travel Lab contributed 113.0 million euros to revenue and 0.9 million euros to earnings in the Combined Financial Statements. Negligible acquisition-related costs were incurred in connection with the first-time inclusion of Travel Lab and are recognised under other operating expenses. The acquisition resulted in a cash outflow of 15.5 million euros.

In accordance with the agreement dated 31 October 2018, DER Touristik UK Limited, Dorking, United Kingdom, acquired all shares in Journey Latin America Limited, London, United Kingdom. Journey Latin America Limited is a special organiser of travel to Central and South America. The initial consolidation date is 31 October 2018.

## Fair Value of the Identified Assets and Liabilities as at the Date of Acquisition

| in million €              | Journey Latin America |
|---------------------------|-----------------------|
| Intangible assets         | 0.1                   |
| Inventories               | 2.2                   |
| Other financial assets    | 0.4                   |
| Other assets              | 0.2                   |
| Cash and cash equivalents | 7.9                   |
| <b>Total assets</b>       | <b>10.8</b>           |
| Prepayments received      | 5.9                   |
| Trade payables            | 0.8                   |
| Other liabilities         | 1.4                   |
| <b>Total liabilities</b>  | <b>8.1</b>            |
| Fair value of net assets  | 2.7                   |
| Cost                      | 8.2                   |
| <b>Goodwill</b>           | <b>5.5</b>            |

The goodwill primarily reflects the synergies and expertise of the specialist organiser. Between 31 October 2018 and 31 December 2018, Journey Latin America Limited contributed 4.1 million euros to revenue and 0.3 million euros to earnings in the Combined Financial Statements. Only immaterial acquisition-related costs were incurred as part of the acquisition; they are recognised under other operating expenses. The acquisition resulted in a cash outflow of 0.3 million euros.

In September 2017, DER Touristik Nordic AB, Stockholm, Sweden, acquired Xtravel AB, Stockholm, Sweden. The company was classified as immaterial upon acquisition and was fully consolidated for the first time on 1 January 2018 due to an increase in business volume. In exercising the option under IFRS 1.18 in conjunction with IFRS 1.C1, no retrospective purchase price allocation in accordance with IFRS 3 was performed. The cost was 1.7 million euros. This resulted primarily in additions to trade receivables (0.4 million euros), cash (0.6 million euros) and other liabilities (1.2 million euros). The first-time inclusion resulted in 1.8 million euros in goodwill.

Under the agreement dated 14 December 2017, DERPART Reisevertrieb GmbH, Frankfurt, acquired all shares in Reisebüro Rade GmbH, Offenburg. The company operates travel agencies in five locations in the Offenburg metropolitan area. The initial consolidation date was 1 January 2018. The costs to acquire the shares amounted to 2.6 million euros. This resulted primarily in additions to cash and cash equivalents (1.7 million euros) and other liabilities (1.7 million euros). The acquisition resulted in 1.2 million euros in goodwill. The company contributed 3.0 million euros to revenue and 0.4 million euros to earnings in the Combined Financial Statements.

In November 2018, PENNY MARKET S.R.L., Milan, Italy, acquired two stores in Italy. The acquisition took the form of an asset deal. The cost was 1.8 million euros. This resulted in immaterial additions to property, plant and equipment and other liabilities. The acquisition resulted in 1.6 million euros in goodwill, which primarily reflected the value of advantageous locations.

OOO BILLA, Moscow, Russia, acquired a total of 12 stores in Russia during the financial year. The acquisitions took the form of asset deals which did not meet the requirements of IFRS 3. Of the 23.9 million euros in costs, 7.2 million euros was paid during the financial year. The acquisition primarily resulted in additions to immaterial assets. Due to a deterioration in the revenue forecasts for the

acquired stores, impairment losses of 6.8 million euros on the acquired immaterial assets were recognised in 2018.

## **5. DIVESTITURES**

### **BILLA CROATIA**

BILLA Croatia was classified as a discontinued operation in 2016 and deconsolidated as at 31 March 2017. This resulted in a loss of 4.0 million euros, which was attributable exclusively to the shareholders of the parent company. In the previous year, the result included 1.1 million euros in income tax expenses.

In connection with the disposal of this discontinued operation, provisions amounting to 3.5 million euros were recognised. Upon derecognition of the discontinued operation, this amount was reclassified to other provisions.

Prior to reclassification in accordance with IFRS 5, all income and expenses from intra-Group transactions were eliminated between the discontinued and continuing operations in the previous year. This amounted to 5.6 million euros and related to cost of materials.

### **Real Estate**

The properties classified as held for sale in the previous year were sold in the financial year. During the financial year, three properties held by Retail International were classified as held for sale.

### **UAB Palink**

Since it is no longer intended to be sold, UAB Palink, which had been classified as held for sale in the previous year, was for the time being again reported under companies accounted for using the equity method (see note 4 "Acquisitions" and note 25 "Companies Accounted for Using the Equity Method").

## **6. CURRENCY TRANSLATION**

The Combined Financial Statements are prepared in euros. This corresponds to the currency of the groups' primary economic environment (functional currency).

The items of each entity included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (functional currency).

### **Translation of Transactions in the Separate Financial Statements**

Transactions in foreign currency in the financial statements of the groups' combined companies are translated into the functional currency using the exchange rate applicable as at the transaction date. Gains and losses resulting from the settlement of such transactions as well as from the translation of monetary assets and liabilities maintained in foreign currency at the closing rate are recognised in profit or loss.

## Translation of Financial Statements of Subsidiaries with Different Functional Currencies into the Reporting Currency (Euro)

Financial statements of subsidiaries which were prepared in a functional currency other than the euro reporting currency are translated pursuant to the concept of functional currency translation. Assets and liabilities are translated using the closing rate for each balance sheet date. For the sake of simplification, the income and expense items in the income statement are translated at the average rate for the period.

Differences from the translation of financial statements prepared in a different functional currency are recognised directly in equity. A translation difference recognised directly in equity will not be realised until the corporate unit is deconsolidated.

Financial statements that are accounted for using the equity method and prepared in a different functional currency are also translated pursuant to the functional currency concept when adjusting equity.

### Exchange Rates of Countries not Participating in the European Monetary Union

| ISO code | Country              | Currency       | Closing rate per € |              | Average rate per € |         |
|----------|----------------------|----------------|--------------------|--------------|--------------------|---------|
|          |                      |                | 31 Dec. 2018       | 31 Dec. 2017 | 2018               | 2017    |
| AED      | United Arab Emirates | Dirham         | 4.207              | 4.404        | 4.338              | 4.148   |
| AUD      | Australia            | Dollar         | 1.622              | 1.535        | 1.580              | 1.473   |
| BGN      | Bulgaria             | Lew            | 1.956              | 1.956        | 1.956              | 1.956   |
| CAD      | Canada               | Dollar         | 1.560              | 1.504        | 1.529              | 1.465   |
| CHF      | Switzerland          | Franc          | 1.123              | 1.170        | 1.155              | 1.112   |
| CNY      | China                | Yuan           | 7.878              | 7.804        | 7.808              | 7.629   |
| CZK      | Czech Republic       | Koruna         | 25.778             | 25.535       | 25.647             | 26.326  |
| DKK      | Denmark              | Krone          | 7.467              | 7.445        | 7.453              | 7.439   |
| GBP      | United Kingdom       | Pound Sterling | 0.903              | 0.887        | 0.885              | 0.877   |
| HKD      | Hong Kong            | Dollar         | 8.972              | 9.372        | 9.257              | 8.805   |
| HRK      | Croatia              | Kuna           | 7.410              | 7.440        | 7.418              | 7.464   |
| HUF      | Hungary              | Forint         | 321.610            | 310.330      | 318.881            | 309.193 |
| MAD      | Morocco              | Dirham         | 10.920             | 11.236       | 11.082             | 10.950  |
| NOK      | Norway               | Krone          | 9.974              | 9.840        | 9.596              | 9.327   |
| NZD      | New Zealand          | Dollar         | 1.706              | 1.685        | 1.706              | 1.590   |
| PLN      | Poland               | Zloty          | 4.303              | 4.177        | 4.261              | 4.257   |
| RON      | Romania              | Leu            | 4.663              | 4.659        | 4.654              | 4.569   |
| RUB      | Russian Federation   | Rouble         | 79.545             | 69.392       | 74.019             | 65.938  |
| SEK      | Sweden               | Krona          | 10.277             | 9.844        | 10.258             | 9.635   |
| SGD      | Singapore            | Dollar         | 1.564              | 1.602        | 1.593              | 1.559   |
| THB      | Thailand             | Baht           | 37.317             | 39.121       | 38.169             | 38.296  |
| TND      | Tunisia              | Dinar          | 3.424              | 2.974        | 3.109              | 2.731   |
| UAH      | Ukraine              | Hryvnia        | 31.583             | 33.732       | 32.111             | 30.020  |
| USD      | USA                  | Dollar         | 1.145              | 1.199        | 1.181              | 1.130   |
| ZAR      | South Africa         | Rand           | 16.451             | 14.805       | 15.615             | 15.049  |

## 7. ACCOUNTING POLICIES

The significant provisions presented below on recognition and measurement have been applied uniformly for all accounting periods presented in these financial statements.

# Intangible Assets

With the exception of goodwill, intangible assets are recognised at cost when acquired. If their useful life can be determined, they are generally amortised on a straight-line basis over their contractual term or their shorter economic useful life. Favourable contracts are amortised over the individual contractual term.

## Economic Useful Lives Underlying Amortisation

| in years                | Useful life |
|-------------------------|-------------|
| Software                | 3 – 5       |
| Trademarks              | 5 – 30      |
| Customer relationships  | 4 – 21      |
| Licenses                | 1 – 45      |
| Leasehold interests     | 1 – 25      |
| Permanent rights of use | 2 – 30      |

Internally generated intangible assets must be capitalised only if certain precisely defined prerequisites are met. In the Combined Financial Statements, this applies to internally developed software. Cost comprises all directly allocable costs necessary to prepare and produce the software products. In addition to external costs, this also encompasses internal personnel costs. Capitalised development expenses are amortised over the expected useful life of the newly developed software. Research costs are expensed in the period in which they arise.

Goodwill represents the excess of the cost of an acquisition over the acquirer's share of the net fair value of the net assets on the acquisition date. Such goodwill is allocated to intangible assets and is not amortised. Goodwill is measured at its original cost less cumulative impairments and assessed at least annually as part of an impairment test. Goodwill attributable to foreign entities is recognised in local currency and subject to currency translation. No reversals of impairment are carried out on goodwill.

Goodwill from the acquisition of an associate or a joint venture is included in the carrying amount of the investment in associates or joint ventures.

## Property, Plant and Equipment

Property, plant and equipment is measured at cost less accumulated depreciation and cumulative impairment losses. The cost includes the expenses directly attributable to the acquisition. Borrowing costs are capitalised solely when material assets are produced which require more than twelve months of preparation for their intended use or sale. In the groups, this concerns warehouses and administrative buildings in particular. All other borrowing costs are expensed in the period in which they are incurred. Public investment subsidies received and free investment grants are considered by reducing the cost of the corresponding asset by the amount of the subsidy.

Depreciation is generally taken on a straight-line basis over the respective economic useful life. Residual carrying amounts and economic useful lives are reviewed at each balance sheet date and adjusted if necessary. As part of the review of the economic useful lives of real estate, the maximum useful life was reduced from 50 to 40 years for the majority of the store properties.

## Economic Useful Lives Underlying Depreciation

| in years  | Useful life |
|---|-------------|
| Buildings                                       | 25 – 50     |
| Investment properties                           | 25 – 50     |
| Leasehold improvements                          | 7 – 15      |
| Technical equipment and machinery               | 8 – 20      |
| Motor vehicles                                  | 5 – 8       |
| Other equipment, operating and office equipment | 3 – 23      |

Restoration obligations are included in the cost in the amount of the discounted settlement. These capitalised restoration costs are depreciated pro rata over the useful life of the asset. Maintenance expenses are recognised only if the recognition criteria for property, plant and equipment are satisfied. Gains and losses from disposals of assets are determined as the difference between the disposal proceeds and the carrying amounts and are recognised in profit or loss.

## Impairment of Assets

Intangible assets with an indefinite useful life are not amortised, but instead tested at least annually for impairment. Intangible and tangible assets with a finite useful life are tested for impairment if pertinent events or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss is recognised in the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value in use. For impairment testing, assets are aggregated at the lowest level for which separate cash flows can be identified. As a rule, the individual store is the cash-generating unit (CGU) for impairment testing of the assets identified here, unless a smaller CGU could be determined or the asset was not allocable to a store.

Impairments of tangible and intangible assets, with the exception of goodwill, are reversed if the reasons for an impairment recognised in previous years no longer apply. For assets subject to depreciation/amortisation, impairments are reversed up to the carrying amount – less depreciation/amortisation – that would have been determined if no impairment loss had been recognised in previous years. For assets with indefinite useful lives, impairments are reversed up to a maximum of the carrying amount that would have been determined if no impairment loss had been recognised in previous years.

The carrying amount of an interest in an entity recognised using the equity method is always tested for impairment if there are objective indications that the interest could be impaired.

The impairment described in this section does not apply to recognised inventories, assets from employee benefits, financial assets under the scope of IFRS 9 or deferred taxes.

### **Impairment of Goodwill**

Goodwill is tested for impairment annually and additionally if there are indications of impairment. The goodwill allocated to a CGU is impaired if the recoverable amount is less than the carrying amount. An impairment may not be reversed if the reason for an impairment recognised in previous years no longer exists.

Goodwill is allocated by considering the units that should benefit from the synergies resulting from the business combination.

CGUs are formed at the lowest level at which goodwill is monitored for internal management purposes.

## Investment Properties

Investment properties comprise real estate (land, buildings or parts of buildings)

- held for generating rental income or to realise capital appreciation,
- which is not used for production or administrative purposes, and
- is also not to be sold in connection with ordinary business activities.

Investment properties are measured in accordance with the cost model at cost less accumulated depreciation and impairments. They are depreciated on a straight-line basis over their expected useful life and subjected to impairment testing if there are indications of impairment. Please see the notes on property, plant and equipment with respect to useful lives.

A mixed-use property is classified based on the portion of owner occupation. If this is more than five per cent, it is not classified as an investment property.

## Other Financial Assets

### a) Classification

Other financial assets within the scope of IFRS 9 are classified to one of the following measurement categories:

- amortised cost,
- fair value through profit or loss, or
- fair value through other comprehensive income.

Other financial assets are initially classified as equity or debt instruments in accordance with IAS 32. In the case of a debt instrument, it is subsequently classified depending on:

- the business model for managing the financial asset, and
- the contractual cash flow characteristics.

Financial assets (debt instruments) held within a business model whose objective is to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost.

Debt instruments that meet the cash flow characteristics but are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are measured at fair value through other comprehensive income. The groups do not hold any financial assets that are assigned to this category.

In accordance with the classification requirements of IFRS 9, financial assets are measured at fair value through profit or loss under the following conditions:

- The cash flow characteristics have not been met.
- The financial asset is held for trading ("sell" business model).
- The election is made to recognise changes in fair value through profit or loss (FVPL option), taking into account the requirements under IFRS 9.
- The financial asset meets the definition of a derivative.

The groups do not exercise the FVPL option for financial assets.

Debt instruments are reclassified only in the event there is a change in the business model for managing the financial asset.

In accordance with IFRS 9, an entity may make an irrevocable election at initial recognition for investments in equity instruments not held for trading to present changes in fair value in other comprehensive income (FVOCI option). The measurement effects recognised in other comprehensive income are not reclassified to the income statement upon subsequent disposal of the equity instrument.

## **b) Recognition and derecognition**

Regular way purchases or sales of financial assets are measured at fair value as at the trade or settlement date. A financial asset is derecognised if the contractual rights to cash inflows from the asset expire or if the financial asset is transferred. The latter is the case if all substantial risks and rewards of ownership of the asset are transferred or if control over the asset is lost.

Financial assets are counted as current assets if their maturity is within twelve months of the balance sheet date. Otherwise, they are presented as non-current assets.

## **c) Measurement**

At initial recognition, financial assets are measured at fair value plus or minus the transaction costs directly attributable to the acquisition of the financial asset. In the case of primary financial instruments, the fair value is generally the transaction price. The transaction costs of financial assets measured at fair value through profit or loss are recognised directly through profit or loss. If the transaction price differs from the fair value, the difference is recognised through profit or loss.

The subsequent measurement of the financial assets depends on the measurement category:

Debt instruments

- **Amortised cost:**  
Subsequent measurement is made at amortised cost using the effective interest method. Gains or losses on impairment must be recognised in profit or loss. Gains and losses from the derecognition of these assets, including interest income, are recognised in profit or loss in the period in which they arise.
- **Fair value through profit or loss:**  
Gains and losses from the change in fair value of these assets, including interest income, are recognised in profit or loss in the period in which they arise.
- **Fair value through other comprehensive income:**  
The groups do not hold any financial assets assigned to this measurement category.

Equity instruments



In general, investments in equity instruments are measured at fair value through profit or loss. Changes in the fair value of the instruments, including their dividend income, are recognised in profit or loss in the period in which they arise.

If the irrevocable election is made to recognise financial assets that represent equity instruments, the changes in the fair value are presented in other comprehensive income. The measurement effects recognised in other comprehensive income are not reclassified to the income statement upon subsequent disposal of the equity instrument. By contrast, dividends must be recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

#### **d) Impairments**

The credit risk of debt instruments reported at amortised cost is measured using a three-stage impairment model. The model includes forward-looking inputs and reflects significant increases in credit risk.

Upon initial recognition of the financial assets, a loss allowance must be determined and recognised through profit or loss on the basis of the expected credit losses that would result from a loss event occurring within twelve months of the balance sheet date (stage 1). If the credit risk of the financial assets has increased significantly between the date of initial recognition and the balance sheet date, the loss allowance must be recognised at an amount equal to the lifetime expected credit losses of the financial instrument (stage 2). Indications of a significant increase in the credit risk include considerable financial difficulties on the part of a borrower and an increased probability that a borrower will enter bankruptcy or other financial reorganisation. If, in addition to a significant increase in the credit risk as at the balance sheet date, there are objective indications of impairment, such as a breach of contract in connection with a default or delinquency in interest and principal payments, the creditworthiness of the financial asset is deemed impaired and the specific valuation allowance is also measured on the basis of the present value of the lifetime expected credit losses, taking into account the available evidence (stage 3).

The calculation of the expected future impairment losses is generally based on historical probabilities of default, which are supplemented by future parameters relevant to the credit risk.

Financial assets are derecognised if there is no reasonable expectation of repayment. In the event a financial asset is derecognised, the groups continue to undertake enforcement measures in an effort to collect the receivable due.

There were no significant changes in the impairment methods and assumptions applied during the financial year.

For reasons of materiality, no loss allowances were recognised for other financial assets.

#### Accounting policies applied up to 31 December 2017

The Group applied IFRS 9 retrospectively, but has decided to not restate the comparative figures retrospectively. Consequently, the comparative figures continue to be presented in accordance with the accounting policies applied by the groups as at 31 December 2017.

Other financial assets within the scope of IAS 39 were assigned to one of the following categories depending on their intended use:

- "financial assets at fair value through profit or loss",
- "loans and receivables", or
- "available-for-sale financial assets".

The "financial investments held to maturity" category was not used.

Other financial assets were generally initially recognised at fair value. In the case of a financial asset that was not measured at fair value through profit or loss, the transaction costs that were directly attributable to the acquisition of the financial asset were included in the measurement. For financial assets in the "financial assets at fair value through profit or loss" category, associated transaction costs were recognised in profit or loss. Regular way purchases and sales of financial assets were measured at fair value as at the trade date.

The recognised value corresponded to the maximum credit risk.

Subsequent measurement depended on the classification of the financial assets:

#### **a) Financial Assets at Fair Value Through Profit or Loss**

Financial assets were assigned to this category if they were principally acquired with a short-term intent to sell or if they were designated as such by management. Derivatives belonged to this category to the extent they did not qualify as hedges.

Financial assets in this category were recognised as current assets if they were either held for trading or would likely be realised within twelve months of the balance sheet date.

The fair value option was not exercised.

Gains and losses from financial assets in this category, including interest and dividend income, were recognised in profit or loss in the period in which they arose.

Financial assets measured at fair value through profit or loss, such as derivatives with a positive fair value, were subsequently measured at fair value.

#### **b) Loans and receivables**

Loans and other financial receivables (e.g. trade receivables) were classified as "loans and receivables". They were primary financial assets with fixed or determinable payments that were not quoted on an active market. They were counted as current assets if their maturity was within twelve months of the balance sheet date. Otherwise, they were presented as non-current assets.

Subsequent measurement was made at amortised cost using the effective interest method.

Gains and losses from financial assets recognised at amortised cost were recognised as amortisations or impairments in the net income/loss for the period.

#### **c) Available-for-sale Financial Assets**

Available-for-sale financial assets were primary financial assets that were either allocated directly to this category or could not be allocated to any other category presented. Available-for-sale financial assets were generally subsequently measured at the fair value directly to equity. If no quoted price

listed on an active market was available or the fair value could not be measured reliably, these financial assets were measured at amortised cost.

Gains and losses from a change in the fair value of available-for-sale financial assets were recognised directly to equity, taking deferred taxes into account. Gains and losses were recognised only when the financial asset was derecognised or if the asset was impaired. Interest calculated using the effective interest method was recognised in the income statement.

#### **d) Impairment of Financial Assets**

At each balance sheet date, a test was carried out to see if there were objective indications of impairment to a financial asset or a group of financial assets. A need to recognise an impairment was considered to exist if the carrying amount of the financial asset or of a group of financial assets exceeded the future recoverable amount expected. For financial assets or a group of financial assets measured at amortised cost, the impairment was the difference between the carrying amount of the asset or group of financial assets and the present value of the expected future cash flows discounted at the original effective interest rate. An impairment resulted in a direct reduction of the carrying amount of all affected financial assets, with the exception of trade receivables, the carrying amount of which was reduced indirectly using an adjustment account. Changes in the carrying amount were recognised in profit or loss in the "other operating expenses" item. If a trade account receivable was classified as uncollectible, the impairment recognised in the adjustment account was eliminated against the gross receivable.

If the fair value of an available-for-sale financial asset was significantly or permanently below the asset's cost, this was considered an indicator that the asset was impaired. In such an event, the cumulative loss was reclassified from equity to profit or loss. This cumulative loss was the difference between the cost and the current fair value less previously recognised impairment losses. If the causes for impairment on a debt instrument (e.g. government bonds) no longer existed, the impairment was reversed through profit or loss. By contrast, for equity instruments (e.g. equity investments), the impairment was not reversed through profit or loss when the reasons for an impairment no longer existed.

#### **e) Derecognition of Financial Assets**

A financial asset was derecognised if the contractual rights to cash inflows from the asset expired or if the financial asset was transferred. The latter was the case if all substantial risks and rewards of ownership of the asset were transferred or if control over the asset was lost.

### **Trade receivables**

Trade receivables are classified as financial assets in the "amortised cost" measurement category because they are held until maturity to collect the contractual payments of principal and interest on the principal amount outstanding.

They are initially recognised at fair value or, to the extent there are no significant financing components, at their transaction price.

Subsequent measurement is made at amortised cost using the effective interest method. Impairment losses on trade receivables are recognised using the simplified impairment approach in accordance

with IFRS 9. Under this approach, the lifetime expected credit losses are recognised through profit or loss upon initial recognition. Objective indications of the existence of an impairment include a borrower with significant financial difficulties, an increased probability that a borrower will enter bankruptcy or other financial reorganisation, as well as a breach of contract, such as default or delinquency in interest or principal payments. The existence of such objective evidence leads to a specific valuation allowance on the receivables under the simplified stage-based approach.

Accounting policies applied until 31 December 2017:

Trade receivables fell into the "loans and receivables" measurement category. They were initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Trade receivables were written down to the lower present value of the expected future cash flows if there were objective indications that the outstanding amounts receivable were not fully recoverable. Indicators of the existence of an impairment included a borrower with significant financial difficulties, an increased probability that a borrower will enter bankruptcy or other financial reorganisation, as well as a breach of contract, such as default or delinquency in interest or principal payments.

Non-interest bearing or low-interest-bearing receivables with fixed terms of more than one year were discounted.

Receivables from other long-term investments, joint ventures and associates fell in the "loans and receivables" category and were measured at fair value on the acquisition date and subsequently measured at amortised cost using the effective interest method.

## **Other assets**

All other claims are recognised under other assets. All other assets are recognised at cost and written down to the lower recoverable amount when indications of impairment exist.

## **Inventories**

Inventories of raw materials, consumables and supplies as well as merchandise are generally measured at cost or the lower net realisable value. For the branch business, they are measured retrospectively using an appropriate discount on the selling prices.

Inventories in warehouses are measured at cost less all subsequent cost reductions. Direct administrative costs of merchandise procurement and central settlement are added to the cost. Allowances for inventory risks are determined as at the balance sheet date and accounted for on an individual basis.

The net realisable value used is calculated as the realisable sale proceeds anticipated less the completion and selling costs incurred up to sale. Merchandise is written down to the lower net realisable value item by item. If the reason for the write-down ceases to exist or the net realisable value increases, the write-down is reversed.

Work in progress and finished goods are recognised at cost or at the lower net realisable value. They include all costs directly allocable to the production process as well as appropriate portions of the production-related overheads. This includes production-related depreciation, pro-rata administrative

costs and pro-rata social security costs. Borrowing costs are not normally recognised as part of cost because long-term production processes are necessary to produce inventories only in exceptional cases.

## Cash and Cash Equivalents

Cash includes cash, cheques received and bank balances. Cash equivalents are short-term, highly liquid financial investments that can be converted into certain cash amounts at all times or within a maximum period of three months and that are subject to insignificant risk of changes in value.

As is the case for other financial assets, cash and cash equivalents are also subject to the general impairment requirements of IFRS 9.

## Current and Deferred Taxes

Current tax expense and income are determined based on the respective domestic taxable earnings of the year (taxable income) using the domestic tax provisions applicable to the company. The liabilities or receivables of the groups' companies from current taxes are calculated based on the applicable tax rates of the countries in which the companies included in the Combined Financial Statements are domiciled. Uncertain income tax assets and liabilities are recognised as soon as their level of probability exceeds 50 per cent. Uncertain income tax positions are recognised using their most probable value.

Deferred taxes are determined using the liability method (balance sheet liabilities method). Accordingly, temporary differences in the carrying amounts of assets and liabilities recognised under IFRS in the Combined Financial Statements and the carrying amounts for tax purposes are generally recognised. In addition, deferred tax assets are recognised for tax loss carryforwards (taking into account a minimum taxation provision) and for interest carryforwards and realisation carryforwards for hidden liabilities from the transfer of obligations.

Deferred taxes are measured using the respective country-specific tax rates and tax laws that have been enacted or substantively enacted as at the balance sheet date and whose applicability is expected as at the date the deferred tax assets will be recovered or the deferred tax liabilities will be settled.

Deferred tax assets are recognised only to the extent to which it is probable that future taxable income of the same taxable entity at the level of the same taxation authority will be available, against which the temporary differences can be offset.

Expected future tax reductions from loss carryforwards, and interest carryforwards are capitalised if it is probable that sufficient taxable income will be generated in the foreseeable future or taxable temporary differences that will reverse in the future are available and against which the tax loss carryforwards can be offset in the period in question. The three-year plans for internal management purposes are used for the forecast of future tax results and taxable temporary differences. These forecasts are generally extrapolated to a five-year planning horizon.

Changes in deferred taxes in the balance sheet are recognised as deferred tax expense/income if the underlying item is not accounted for directly in equity. Deferred tax assets and tax liabilities are recognised directly in equity for the effects presented in equity.

Deferred tax assets and liabilities are not discounted.

Deferred tax assets and deferred tax liabilities are offset if these income tax assets and liabilities apply to the same taxation authority and to the same taxable entity.

## **Non-current Assets, Disposal Groups and Discontinued Operations Held for Sale**

Non-current assets or groups of assets and liabilities are classified as held for sale if their carrying amount will largely be realised through a highly probable sale within the next twelve months or through an already completed sales transaction instead of continued business use. They are measured at the lower of the carrying amount and fair value less costs to sell. If non-current assets with a finite useful life are to be sold, they are no longer depreciated/amortised as at the date they are classified as held for sale.

These assets and liabilities are presented in the balance sheet separately in the items "non-current assets and disposal groups held for sale" or "liabilities from non-current assets and disposal groups held for sale". Related expenses and revenues are included in the result from continuing operations until disposal unless the disposal group qualifies for reporting as a discontinued operation.

The results of an entity's component are presented as a discontinued operation if this component represents a material business line or includes all activities in a geographical region. Results from discontinued operations are recognised in the period in which they arise and are presented separately in the income statement as "results from discontinued operations". The previous period's income statement is adjusted accordingly.

## **Employee Benefits**

Consolidated companies have both defined contribution and defined benefit pension plans.

Consolidated companies contribute to defined contribution plans on the basis of a statutory or contractual obligation, or make voluntarily contributions to public or private external pension insurance plans. The consolidated companies have no additional payment obligations beyond the payment of the contributions. The contributions are recognised in personnel expenses when due. Prepayments of contributions are recognised as assets in that there is a right to repayment or reduction of future contribution payments.

A defined benefit plan is a pension scheme that stipulates the amount of pension benefits an employee will receive upon retirement. The amount is normally dependent on one or more factors such as age, length of service and salary. The provision for defined benefit plans recognised in the balance sheet (net pension obligation) corresponds to the present value of the defined benefit obligation (DBO) as at the balance sheet date less the fair value of plan assets. The DBO is calculated annually by independent actuarial experts using the projected unit credit method. The DBO is calculated by discounting the expected future cash outflows using the interest rate for the most

highly rated corporate bonds denominated in the currency in which the benefits will also be paid, and whose terms correspond to those of the pension obligation.

Actuarial gains and losses based on experience adjustments and changes to actuarial assumptions are recognised in other comprehensive income and in retained earnings in the statement of comprehensive income.

Past service cost is recognised in profit or loss as soon as it is incurred.

The interest portion contained in the pension expenses consists of the interest cost on the DBO and the interest on plan assets. They are aggregated into a net interest component, which is presented in the financial result. The net interest component is determined by using the above interest rate.

The expected income from reimbursement rights against the trust associations is also reported under the financial result. It is likewise determined by using the above interest rate.

The other components of pension expenses are reported under personnel expenses.

Severance payments and similar payments in Italy ("Trattamento di Fine Rapporto" or "TFR") are non-recurring payments that must be paid due to labour law provisions in Austria and Italy upon termination of an employee as well as regularly upon retirement. As defined benefit pension plans, they are recognised in accordance with the above principles for accounting for such plans.

Retirement allowances are employee benefits that are paid under certain conditions when employees retire. Survivor benefits are payments based on length of service, which are made to the heirs of an employee upon the death of that employee. Since retirement allowances and survivor benefits are defined benefit plans, they are recognised in accordance with the above principles for accounting for defined benefit plans.

The provision for German partial and early retirement obligations is measured in accordance with the expert actuarial opinion of Hamburger Pensionsverwaltung e.G., Hamburg, based on the 2018 G actuarial tables (previous year: 2005 G actuarial tables) of Prof. Klaus Heubeck, based on a reasonable discount rate. The refund claims for additional retirement contributions against the German Federal Employment Agency (Bundesagentur für Arbeit) are recognised under other assets. The provisions for additional retirement contributions from partial retirement obligations are allocated over the vesting period.

The provision for service anniversary bonuses corresponds to the full amount of the obligation and was determined using actuarial principles reflecting a reasonable fluctuation discount and discount rate. It is measured based on the 2018 G actuarial tables (previous year: 2005 G actuarial tables) of Prof. Klaus Heubeck for the earliest possible retirement age for German statutory pension insurance.

The provision for holiday entitlements is measured at the daily rates or the average hourly rate expected for the subsequent year, including expected additional amounts (e.g., in-kind remuneration, holiday pay, Christmas bonus and employer contributions to capital-forming savings schemes) and social security contributions to be incurred.

## Other Provisions

Other provisions are recognised if there is a present legal or constructive obligation vis-à-vis third parties as a result of past events, whose settlement is expected to entail an outflow of resources embodying economic benefits and whose amount can be estimated with sufficient reliability.

They are measured using the best estimated value of the settlement amount. They are not offset against reimbursement claims. If the amount of the provision could be influenced by several possible events, the amount is estimated by weighting all potential events with their respective probabilities (calculation of an expected value). Non-current provisions are recognised using the discounted settlement amount as at the balance sheet date.

For rented properties, each location is analysed based on the following principles as to whether and in what amount another provision must be recognised from the lease:

- A provision for rental obligations is recognised for rented properties not used by the groups and for rented properties that are not subleased or are subleased below cost. For residual rental agreement terms of up to one year, the provision is measured using the nominal amount of the rent shortfall. For longer-term rental agreements, the provision is measured at the present value of the expected rent shortfall.
- A provision for onerous contracts is recognised for rented properties used by the groups if the location shows a sustained negative contribution margin. For residual rental agreement terms of up to one year, the provision is measured using the lower amount between negative contribution margins and expected rent shortfall taking into account future subleasing of the property. For longer-term rental agreements, the provision is measured at the present value of the nominal amount.

## Other Financial Liabilities

### a) Classification

On account of their characteristics, other financial liabilities within the scope of IFRS 9 are generally assigned to the "amortised cost" measurement category in the groups.

This does not include, for example, derivative financial liabilities, which are assigned to the "fair value through profit or loss" category.

Financial liabilities cannot be reclassified.

### b) Recognition and derecognition

The groups recognise a financial liability at the time they become a contracting party.

A financial liability is derecognised if its underlying obligation is satisfied or terminated, or expires. If an existing financial liability is exchanged for another financial liability of the same creditor with substantially different contractual terms, or if the terms of an existing liability are changed significantly, such an exchange or change is treated as a derecognition of the original liability and a recognition of a new liability. The difference between the respective carrying amounts is recognised in net income/loss for the period.



Financial liabilities are counted as current liabilities if their maturity is within twelve months of the balance sheet date. Otherwise, they are presented as non-current liabilities.

### **c) Measurement**

At initial recognition, financial liabilities are measured at fair value plus or minus the transaction costs directly attributable to the acquisition of the financial liability. The transaction costs of financial liabilities measured at fair value through profit or loss are recognised through profit or loss.

During subsequent measurement, all financial liabilities are generally measured at amortised cost using the effective interest method, with the interest expense recognised using the effective interest rate.

This excludes the following financial liabilities:

- derivative financial instruments,
- contingent consideration that is recognised by the acquirer and measured at fair value through profit or loss in accordance with IFRS 3,
- financial guarantee contracts for which the higher of the two following amounts is recognised: either the amount of the impairment loss determined pursuant to the requirements of IFRS 9 or the original amount less cumulative amortisation.

The groups do not exercise the voluntary option to subsequently measure the liabilities at fair value through profit or loss (fair value option).

### **d) Miscellaneous**

The membership capital of RZF is presented under other financial liabilities because the members have the right to demand redemption of the shares.

Accounting policies applied up to 31 December 2017

Other financial liabilities within the scope of IAS 39 were assigned to one of the following categories in the groups, depending on their intended use:

- "financial liabilities held for trading",
- "financial liabilities at fair value through profit or loss" or
- "other financial liabilities".

Other financial liabilities in the "financial liabilities held for trading" and "financial liabilities at fair value through profit or loss" categories were initially recognised at fair value. Subsequent measurement was also at fair value.

Other financial liabilities in the "other financial liabilities" category, including borrowings, were initially recognised at fair value, including such transaction costs that were directly attributable to the issuance of the financial liability. During subsequent measurement, they were measured at amortised cost using the effective interest method, with the interest expense recognised using the effective interest rate.

Liabilities to banks and liabilities to other long-term investments were assigned to the "other financial liabilities" category.

The membership capital of RZF was presented under other financial liabilities because the members have the right to demand redemption of the shares.

Financial guarantee contracts were initially measured at fair value. The higher of the two following amounts was recognised based on the subsequent measurement: either the amount determined pursuant to the provisions governing provisions or the original amount less cumulative amortisation.

A financial liability was derecognised if its underlying obligation was satisfied, terminated or expired. If an existing financial liability was exchanged for another financial liability of the same creditor with substantially different contractual terms, or if the terms of an existing liability were changed significantly, such an exchange or change was treated as a derecognition of the original liability and a recognition of a new liability. The difference between the respective carrying amounts was recognised in net income/loss for the period.

## **Trade payables**

Trade payables are classified as financial liabilities in the "at amortised cost" measurement category.

They are initially measured at fair value. Subsequent measurement is made at amortised cost using the effective interest method.

## **Other Liabilities**

Other liabilities are recognised at the repayment amount.

## **Contingent Liabilities and Assets**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the entity. Contingent liabilities also include present obligations that arise from past events for which no provision has been recognised because the outflow of resources embodying economic benefits is not probable or cannot be measured with sufficient reliability. If the chance of a possible outflow of resources embodying economic benefits is not remote, a disclosure is made in the notes to the financial statements. Contingent liabilities are recognised solely in connection with business combinations.

Contingent assets are not recognised, but instead only explained in the notes.

## **Leases**

Lease agreements that transfer all substantial risks and rewards incidental to ownership of an asset are recognised as finance leases. Property, plant and equipment rented on the basis of finance leases is recognised at fair value or at the lower present value of the minimum lease payments as at the acquisition date. Such assets are depreciated on a straight-line basis over the expected useful life or over the shorter lease term if the transfer of ownership at the end of the lease term is not sufficiently certain. The present value of the payment obligations resulting from the future lease payments is presented under financial liabilities.

All other lease transactions in which the risks and rewards incidental to ownership of an asset are not substantially transferred are recognised as operating leases. Payments made or received in connection with an operating lease are generally recognised in the income statement on a straight-line basis over the term of the lease.

## **Accounting for Derivative Financial Instruments and Hedges**

In addition to primary financial instruments, items including derivative financial instruments are also presented under other financial assets and other financial liabilities in the Combined Financial Statements.

Derivative financial instruments are initially recognised at fair value as at the date the contract is concluded and measured at fair value in subsequent periods.

The effect of changes in the fair value on profit or loss or equity generally depends on whether the derivative was designated as a hedging instrument in a hedging relationship using hedge accounting, and if so, on the hedged item.

The consolidated companies designate certain derivatives either as:

- hedges of the fair value of a recognised asset, liability or a fixed company obligation (fair value hedge) or
- hedges of the cash flows of a recognised asset, liability or a highly probable forecast transaction (cash flow hedge).

When derivatives are designated, the hedging relationship between the hedging instrument and the hedged item as well as the risk management strategy and objectives are documented.

This includes the specific assignment of the hedging instruments to the corresponding assets or liabilities or (firmly agreed/expected) future transactions and the assessment of the degree of effectiveness of the hedging instruments used. The effectiveness of existing hedging relationships is monitored on an ongoing basis. If the conditions for using hedge accounting are no longer met, the hedging relationship is terminated immediately.

### **a) Fair Value Hedge**

In the previous year, the groups hedged against changes in the fair value of recognised assets, recognised liabilities, off-balance-sheet firm commitments and precisely defined portions of such assets, liabilities or firm commitments, provided the change was attributable to a specific risk and impacted the profit or loss for the period. For fair value hedges, the hedged item was measured in profit or loss in accordance with the applicable accounting requirements as at the balance sheet date. The corresponding derivative hedging instrument was recognised at its fair value through profit or loss.

Changes in the fair value of the designated derivative hedging instruments were recognised in the income statement together with the those changes in the fair value of the assets or liabilities designated as hedged items that were attributable to the hedged risk.

A fair value hedge ceased to be recognised if the hedging instrument expired, was sold, became due or was exercised, or if the hedging transaction no longer satisfied the requirements for hedge

accounting. Any adjustment to the carrying amount of a hedged item was amortised to profit or loss using the effective interest method as at the date the hedging relationship was terminated.

Replacing or continuing a hedging instrument through another hedging instrument did not constitute the expiration or termination of the hedging relationship, provided the documented hedging strategy called for such a replacement or continuation. The novation of a hedging instrument to a central counterparty also did not constitute an end to the hedging relationship if the hedging instrument was novated due to statutory requirements or on account of the novation the central counterparty became the contracting partner of all parties of the respective derivative agreement. Furthermore, there can be no changes (except for those necessitated by the novation) to the terms of the agreement underlying the original derivative.

There are no fair value hedges in the current financial year.

## **b) Cash Flow Hedge**

The groups use cash flow hedges to hedge against the risk of cash flow fluctuations on profit or loss related to recognised assets, recognised liabilities or highly probable forecast transactions.

The effective portion of changes in the fair value of derivatives that are designated to hedge the cash flow and represent qualified hedging instruments is recognised in equity.

A distinction is drawn between changes in the value components of hedging instruments included in the designation and those excluded from the hedging relationship. For currency derivatives that were concluded prior to 1 January 2018, only the foreign currency basis spreads were excluded from the designation. For currency derivatives that were concluded after 1 January 2018, neither the foreign currency basis spreads nor the forward components of the hedges were designated.

The effective changes in the value of the excluded fair value components are recognised in equity in the costs of hedging reserve. The effective changes in the value of the designated components are recognised in the reserve for designated risk components.

By contrast, any resulting ineffective portion of the designated and excluded components is recognised directly in profit or loss for the period.

If the hedged item leads to the recognition of a non-financial asset or non-financial liability, the effective changes in value of the hedging instrument previously recognised in other comprehensive income are directly included in the original cost or carrying amount of the asset or liability. If a non-financial asset or non-financial liability is not recognised, the amounts recognised in equity are reclassified to the income statement and recognised as an income or expense in the period in which the hedged item affects profit or loss.

If a hedging instrument expires or is sold or if the hedging relationship no longer meets the accounting requirements under IFRS 9 relating to cash flow hedges, the cumulative gain or loss remains in equity. The gain or loss recognised in equity is not recognised in the income statement until the underlying expected forecast transaction occurs. If the forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity must be recognised immediately in profit or loss.

Taking into account the terms for fair value hedges mentioned in paragraph a) above, the replacement or continuation of a hedging instrument through another hedging instrument and the novation of a hedging instrument to a central counterparty as a result of existing or newly enacted statutory or regulatory provisions also do not constitute the expiration or termination of the hedging relationship in the case of cash flow hedges.

### **c) Derivatives that are not designated as hedging instruments**

Certain derivative financial instruments, such as written options, do not meet the requirements for hedge accounting in accordance with IFRS 9. Furthermore, there are derivative financial instruments, such as forward exchange contracts and currency swaps, that are not or only partially designated as hedges using hedge accounting. Any changes in the fair value of non-designated derivatives or portions thereof are recognised directly in the income statement. The presentation of the measurement gains and losses is based on the presentation of the gains or losses of the economically underlying hedged transactions.

If currency derivatives are used to economically hedge foreign currency loans, the gains or losses from the change in fair value of the stand-alone derivatives are reported in the financial result. Measurement gains and losses from stand-alone derivatives concluded to economically hedge purchases of goods in foreign currencies or to hedge foreign currency liabilities from hotel purchases are reported under other operating expenses and income.

## **Determination of Fair Value**

The fair value of a specific asset or liability is the sale price of a hypothetical transaction (sale/transfer) conducted at arm's length between market participants on the primary or most advantageous market as at the measurement date.

Fair value is calculated using market, cost and revenue-based measurement models. The three-level measurement hierarchy is used for the underlying input factors: Level 1 inputs are unadjusted quoted prices and market prices in the primary or most advantageous active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are market data that can be observed, either directly or indirectly, over the full term of the asset or liability. Level 3 inputs are unobservable parameters (not market-based) and shall only be used if observable parameters are not available.

The fair value of interest rate swaps is calculated based on the present value of the estimated future cash flows. The fair value of currency forwards is determined using the forward exchange rates as at the balance sheet date and discounted.

For derivative financial instruments without an option component, including forward contracts and interest rate swaps, future cash flows are determined using yield curves. The fair value of these instruments is the sum of the discounted cash flows. The options on currency pairs are measured on the basis of standard market option price models.

For trade receivables and payables, it is assumed that the nominal amount less allowances and any necessary discounting corresponds to the fair value.

The influence of credit risk is always taken into account when determining fair value.

Recognised capital market valuation techniques are used to determine the fair value of investment properties.

## Revenue and Expense Recognition

Beginning on 1 January 2018, revenue is recognised in accordance with the five-step model specified by IFRS 15:

- Identify the contract,
- Identify the individual performance obligations,
- Determine the transaction price,
- Allocate the transaction price,
- Recognise revenue when (or as) the performance obligation is satisfied.

Revenue is generally not recognised until the control of the performance obligation has transferred to the customer.

Revenue from the sale of goods to wholesalers, retailers and individual customers is recognised once products have been delivered to a customer, the customer has accepted the goods, and the collectability of the resulting receivable is deemed sufficiently certain. Bonuses, discounts and rebates are deducted from the transaction price and therefore the net amount of the corresponding revenue is reported. The variable components of the price, such as bonuses, are estimated using historical and forecast revenue thresholds. Income from performance obligations satisfied over time, such as the rendering of services, is recognised in accordance with the stage of completion in the ratio of the service provided to the service to be provided in the financial year the service is provided. The total amount of the transaction price allocated to the unsatisfied or partially satisfied performance obligations at the end of the reporting period was not disclosed since the performance obligations are primarily part of contracts with an expected original term of at most one year.

The Travel and Tourism business segment offers both package travel and component travel arrangements. Significant integration services are provided for both types of products in order to sell the customer a trip. Due in particular to these integration services, the trip constitutes only a single performance obligation. Revenue for travel extending beyond the balance sheet date is recognised pro rata and accounted for accordingly in the pro rata expenses. The sales commissions of travel agencies are recognised on a net basis.

In accordance with IFRS 15, customer loyalty programmes are considered to be the material right to receive a premium right or a discount on a future purchase. To the extent customer loyalty programmes are in place, revenue is reduced proportionately on the basis of relative individual sales prices. The right is deemed an individual performance obligation and this thus recognised as a contract liability. This deferred revenue is recognised when premiums are provided.

If goods are sold with a return obligation, revenue is recognised as a refund liability at each reporting date in accordance with IFRS 15 with the potential probability of return. In turn, a right to return these goods is recorded. Both previously deferred items are realised once the right to return expires. As a matter of principle, the groups do not grant any significant financing for the purchase of goods or services. The average payment terms vary between the business segments. While average payment terms of up to eight days are granted in the Retail business segment, advance payments are

required in the Travel and Tourism business segment for orders and one to four weeks prior to departure, which are due immediately.

Dividend income is recognised when the legal claim arises.

Interest income and expenses are recognised periodically using the effective interest method.

In the case of transport services, it is reviewed whether this is a service provided as principal (gross disclosure of revenue) or agent (net disclosure of revenue).

## **8. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSESSMENTS**

The preparation of the Combined Financial Statements in compliance with IFRS as adopted into European law requires that judgements be made and estimates and assessments be used, which impact on the amount and presentation of recognised assets, liabilities, income, expenses and contingent liabilities.

### **Judgements when Applying Accounting Policies**

Preparing the financial statements in conformity with IFRS requires judgements. All judgements are continually reassessed and are based on historical experience and expectations with regard to future events that appear reasonable under the given circumstances.

This applies in particular to the following circumstances:

- When determining the scope of consolidation, it was decided that 1,214 REWE partnerships (previous year: 1,151) would be included as associates using the equity method due to lack of control. Control was negated despite certain opportunities to exert influence because the groups cannot determine these companies' relevant activities.
- When determining the scope of consolidation, it was decided that certain companies would be included in the Combined Financial Statements as subsidiaries, even absent the existence of an equity investment, because the groups exercise control over these companies on account of special contractual relationships.
- The groups hold equity investments in various real estate funds, which are in the German legal form of a limited partnership (*Kommanditgesellschaft*), as limited partners. Due to lack of control, it was decided that the interests in these funds would be reported as shares in associates or as equity investments, depending on the extent to which influence could be exerted.

### **Estimates and Assessments**

Preparing the financial statements in conformity with IFRS requires estimates. All estimates and assessments are updated continually and are based on historical experiences and additional factors, including expectations in terms of future events that appear reasonable under the given circumstances. Naturally, estimates derived in this way will very rarely correspond to the actual circumstances to come. Changes are recognised in profit or loss when better knowledge is available.

Areas where assumptions and estimates are of decisive significance for the Combined Financial Statements are listed below:

- Estimates of the economic useful lives of assets must be made when determining depreciation/amortisation.
- Assets and liabilities must be identified in connection with purchase price allocations for business combinations and measured at fair value, which requires that assumptions be made.
- Goodwill acquired in connection with business combinations is allocated to cash-generating units. An estimate of whether the goodwill is recoverable must be made at least annually. The recoverable amount is calculated to determine this, which requires assumptions to be made.
- The carrying amount of a deferred tax asset is checked at each balance sheet date to determine whether it is still recoverable, i.e. whether future tax relief can be realised. This requires making assumptions. The amount of provisions for risks from expected tax audits and for litigation risks is also based on estimates by management.
- When measuring provisions for expected losses from onerous contracts, the underlying negative contribution margins are determined using planning data. In that respect, forward-looking assumptions and estimates are inputs into the calculation. The subletting ratio is calculated using weighted actual subleases.
- The annual financial statements of the associated REWE partner companies were not yet available in final form when the Combined Financial Statements were prepared. An estimate of the annual results of the REWE partner companies was made based on the preliminary annual financial statements, whereby any necessary additional adjustments pursuant to IFRS provisions will be made.
- The measurement of the fair values of investment properties requires estimates with respect to the allocation between portions for buildings and land. The land value is separated from the building portion for accounting treatment. The allocation ratio for the land and the building portion therefore affects the present value of future earnings from the building.
- In the case of award credits under customer loyalty programmes, the probability of redemption is estimated on the basis of historical experience.
- Revenue is recognised on the basis of its operating purpose. When estimating variable consideration, the influencing factors are recorded as precisely as possible so that any future correction of recognised revenue figures can be avoided to the greatest extent. Non-monetary consideration is measured at fair value if it can be reasonably estimated. If this is not the case, the individual sales price of the good or service is used that was promised in exchange for the non-monetary consideration. If percentage rebates are granted depending on the volume purchased during the year, these are taken into account when recognising revenue during the year, provided that they can be reliably determined.
- Estimates and external ratings are used to calculate the expected credit losses of financial instruments.



# Income Statement Disclosures

## 9. REVENUE

Revenue increased year-on-year by a total of 8.0 per cent.

### Classification of Revenue by Business Segments

| in million €         | 2018            | 2017            |
|----------------------|-----------------|-----------------|
| Retail Germany       | 31,443.7        | 28,621.1        |
| Retail International | 14,242.7        | 13,353.5        |
| Travel and Tourism   | 4,880.0         | 4,649.6         |
| DIY Stores           | 2,151.1         | 2,130.8         |
| Other                | 660.3           | 669.3           |
| <b>Total</b>         | <b>53,377.8</b> | <b>49,424.3</b> |

Virtually all business segments recorded increases in revenue.

Retail Germany recorded a 9.9 per cent increase in revenue. The positive revenue trend is supported by the development of REWE's own stores (including REWE to go) and the Penny stores, as well as by wholesale activities. Furthermore, REWE Dortmund SE & Co. KG, Dortmund, contributed significantly to the increase in revenue.

Adjusted for currency effects, the Retail International business segment posted revenue growth in all countries, which amounted to 7.1 per cent overall (6.7 per cent including currency translation effects). The increase in revenue was due primarily to the Full-Range stores segment in Central and Eastern Europe. Particularly high revenue increases were generated in the Czech Republic and Slovakia, which were due mainly to the positive performance of the existing stores and to expansion activities. Furthermore, UAB Palink, which was fully consolidated for the first time as at 1 August 2018, contributed significantly to the increase in revenue. The Austrian Full-Range Stores segment reported a continued positive revenue trend, which was attributable mainly to food retail. Penny International's revenue also made a contribution to this positive development: this was caused by the revenue trend in the Czech Republic, Romania and Hungary in particular.

The Travel and Tourism business segment closed the year with a revenue increase of 5.0 per cent. The increases in revenue are attributable primarily to the continued positive development in Northern and Eastern Europe. The newly developed source market, France, in particular contributed to the growth in revenue. Significant revenue increases were also recorded in Central Europe and the target destination agencies. Overall, the recovery by the destinations Egypt, Tunisia and Turkey and the high demand for travel to Greece had a positive effect on the revenue trend.

In the DIY Stores business segment, revenue increased by 1.0 per cent. The increase in revenue at DIY stores was attributable mainly to the positive performance by the retail stores. Expansion activities as well as existing stores contributed to this growth.

## Timing of Revenue Recognition

| in million €       | Retail Germany  | Retail International | Travel and Tourism | DIY Stores     | Other        | Total           |
|--------------------|-----------------|----------------------|--------------------|----------------|--------------|-----------------|
| <b>2018</b>        |                 |                      |                    |                |              |                 |
| At a point in time | 31,438.7        | 14,242.7             | 362.6              | 2,140.3        | 161.9        | 48,346.2        |
| Over time          | 5.0             | 0.0                  | 4,517.4            | 10.8           | 498.4        | 5,031.6         |
| <b>Total</b>       | <b>31,443.7</b> | <b>14,242.7</b>      | <b>4,880.0</b>     | <b>2,151.1</b> | <b>660.3</b> | <b>53,377.8</b> |

As at the reporting date, the groups did not have any contract assets but did have the following contract liabilities:

## Contract Liabilities

| in million €                                 | 31 Dec. 2018 | 31 Dec. 2017 |
|--|--------------|--------------|
|  | Total        | Total        |
| Prepayments received on account of orders    | 559.6        | 508.9        |
| Liabilities from customer loyalty programmes | 106.8        | 87.2         |
| Liabilities from vouchers                    | 95.2         | 89.2         |
| Deferred liabilities                         | 50.3         | 38.4         |
| <b>Total</b>                                 | <b>811.9</b> | <b>723.7</b> |

Of the contract liabilities as at 1 January 2018, 591.6 million euros was recognised as revenue in the financial year.

## 10. OTHER OPERATING INCOME

### Breakdown of Other Operating Income

| in million €  | 2018           | 2017           |
|---|----------------|----------------|
| Income from advertising services                                      | 929.9          | 793.4          |
| Rental income   | 868.2          | 747.6          |
| Income from additional services for goods traffic                     | 855.5          | 787.2          |
| Income from other services  | 499.8          | 471.8          |
| Income from the reversal of provisions                                | 352.6          | 264.5          |
| Income from the reversal of provisions with the nature of a liability | 51.9           | 61.3           |
| Income from exchange rate changes                                     | 30.7           | 8.1            |
| Income from reversals of impairment losses on non-current assets      | 27.7           | 7.8            |
| Income from bad debts previously written off                          | 26.3           | 21.5           |
| Income from the collection of liabilities                             | 20.8           | 15.9           |
| Income from the disposal of non-current assets                        | 20.5           | 29.5           |
| Income from damage claims   | 0.5            | 18.7           |
| Miscellaneous other operating income                                  | 169.3          | 170.3          |
| <b>Total</b>  | <b>3,853.7</b> | <b>3,397.6</b> |

The increase in other operating income was due primarily to an increase in income from advertising services, rental income, income from the reversal of provisions and income from additional services for goods traffic. Some of these items of income are closely related to the corresponding operating expenses. By contrast, income from damage claims and income from the reversal of provisions with the nature of a liability decreased.

Income from advertising services increased in particular in the Retail Germany and Retail International business segments. The rise was due in part to increased advertising activities in radio

and television, print media and in outdoor advertising. Furthermore, in the Retail Germany business segment, income increased due to the first-time inclusion of REWE Dortmund SE & Co. KG, Dortmund, over the entire year.

The increase in rental income is due primarily to the increase in rental income from REWE partner stores in the Retail Germany business segment. Positive effects here stemmed from the increase in the number of partner stores and the higher sales-based rents due to increased revenue. Furthermore, income increased due to the first-time inclusion of REWE Dortmund SE & Co. KG, Dortmund, over the entire year.

The increase in income from the reversal of provisions was due primarily to the Retail Germany business segment.

The increase in income from other services is due in part to the first-time inclusion of REWE Dortmund SE & Co. KG, Dortmund, over the entire year. The increase was furthermore due to the rise in income from the provision of services to REWE partner stores in the Retail Germany business segment.

The increase in income from exchange rate changes relates primarily to the Other and Travel and Tourism business segments. This relates to measurement gains and losses from stand-alone derivatives concluded to hedge purchases of goods in foreign currencies or to hedge foreign currency liabilities from hotel purchases, as well as exchange gains.

The increase in income from reversals of impairment losses on non-current assets relates mainly to properties in the Retail International business segment.

The decline in income from damage claims relates primarily to the Travel and Tourism as well as Retail Germany business segments.

The decrease in income from the reversal of provisions with the nature of a liability relates primarily to the Retail Germany business segment.

Since the financial year, the income from the disposal of shares in DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, is recognised in equity (see note 7 "Accounting Policies"). This led to a decline during the financial year in income from the disposal of non-current assets.

Other operating income includes a gain of 11.1 million euros from the remeasurement of the 55.58 per cent interest in UAB Palink at fair value. The interest was remeasured on 31 July 2018 in line with the transition from accounting for the company using the equity method to fully consolidating the company (see note 4 "Acquisitions" and note 25 "Companies Accounted for Using the Equity Method").

## 11. COST OF MATERIALS

### Breakdown of Cost of Materials

| in million €  | 2018            | 2017            |
|---|-----------------|-----------------|
| Cost of raw materials, consumables and supplies, and of purchased goods | 36,149.2        | 32,951.8        |
| Cost of purchased services  | 4,265.5         | 4,040.9         |
| <b>Total</b>  | <b>40,414.7</b> | <b>36,992.7</b> |

Including changes in inventories, the cost of materials rose by 9.3 per cent, slightly faster than revenue. The gross profit margin was at 24.4 per cent (previous year: 25.2 per cent).

## 12. PERSONNEL EXPENSES

### Breakdown of Personnel Expenses

| in million €  | 2018           | 2017           |
|---|----------------|----------------|
| Wages and salaries  | 5,805.0        | 5,481.8        |
| Social security, pension plans and other employee benefit costs | 1,295.6        | 1,253.5        |
| <b>Total</b>  | <b>7,100.6</b> | <b>6,735.3</b> |

The increase in personnel expenses is essentially attributable to the inclusion of REWE Dortmund SE & Co. KG, Dortmund, for the entire year, additions to the scope of consolidation resulting from this year's acquisitions, in particular UAB Palink (see note 4 "Acquisitions"), and the 2018 pay scale increase.

The interest cost on provisions for employee benefits (see note 33 "Employee Benefits") is not reported under expenses for pension plans, but under interest result as the net interest expense from defined benefit plans.

Expenses of 528.0 million euros (previous year: 505.4 million euros) were incurred for defined contribution plans in the financial year. The employer's contribution to statutory pension insurance totalled 510.7 million euros (previous year: 488.5 million euros).

### Average Number of Employees

| Average number                                     | 2018           | 2017           |
|--|----------------|----------------|
| Full-time employees                                | 109,001        | 101,184        |
| Part-time employees and marginal part-time workers | 118,665        | 117,430        |
| Trainees   | 6,351          | 6,317          |
| <b>Total</b>                                       | <b>234,017</b> | <b>224,931</b> |

The increase in the employee headcount was due primarily to additions to the scope of consolidation resulting from this year's acquisitions, in particular UAB Palink (see note 4 "Acquisitions"), and the inclusion of REWE Dortmund SE & Co. KG, Dortmund, for the entire year.

## 13. DEPRECIATION, AMORTISATION AND IMPAIRMENTS

### Breakdown of Depreciation, Amortisation and Impairments

| in million €                                      | 2018           | 2017           |
|---|----------------|----------------|
| <b>Depreciation, amortisation and impairments</b> | <b>1,211.3</b> | <b>1,079.5</b> |
| Depreciation of property, plant and equipment     | 1,113.5        | 1,002.4        |
| Amortisation of intangible assets                 | 97.0           | 75.7           |
| Depreciation of investment properties             | 0.8            | 1.4            |
| <b>Impairments</b>                                | <b>61.4</b>    | <b>31.8</b>    |
| Impairments of property, plant and equipment      | 38.3           | 31.5           |
| Goodwill impairments                              | 10.4           | 0.0            |
| Impairments of intangible assets                  | 10.0           | 0.0            |
| Impairments of investment properties              | 2.7            | 0.3            |
| <b>Total</b>                                      | <b>1,272.7</b> | <b>1,111.3</b> |

Impairments of property, plant and equipment were recognised in respect of real estate, leasehold improvements in buildings, technical equipment and machinery as well as operating and office equipment.

The goodwill impairment relates to the PENNY Italy CGU (see note 21 "Intangible Assets").

The impairments of intangible assets related primarily to concessions.

The properties' value in use was determined based on property-based cash flow budgets and country-specific capital charges. Market-price-based processes and capital market valuation techniques were used to determine the fair values less costs to sell. The measurement included appraisals, knowledge from sale negotiations and other market assessments. As far as possible, the fair values were derived from prices directly or indirectly observed in the market. In all other cases, the fair values were determined on the basis of inputs that were not based on data observable in the market.

## 14. OTHER OPERATING EXPENSES

### Breakdown of Other Operating Expenses

| in million €   | 2018           | 2017           |
|--|----------------|----------------|
| Expenses for rents and leases                                      | 1,891.9        | 1,818.4        |
| Advertising expenses   | 1,024.9        | 1,037.4        |
| Other occupancy costs  | 925.2          | 880.0          |
| Expenses from supplementary payments for goods traffic             | 855.5          | 787.2          |
| Expenses for maintenance and consumables                           | 794.2          | 732.5          |
| Vehicle fleet, freight   | 746.5          | 655.9          |
| Expenses for third-party services                                  | 536.0          | 516.7          |
| General and administrative expenses                                | 287.7          | 305.8          |
| Voluntary social benefits  | 111.4          | 113.2          |
| CRS communication, IT (Travel and Tourism)                         | 53.8           | 50.0           |
| Travel expenses  | 48.6           | 50.3           |
| Addition to provision for contingent losses from onerous contracts | 45.2           | 66.4           |
| Losses on the disposal of non-current assets                       | 40.3           | 36.4           |
| Other taxes  | 39.8           | 31.8           |
| Contributions, fees and duties                                     | 34.5           | 54.6           |
| Other personnel expenses   | 29.1           | 26.1           |
| Expenses from exchange rate changes                                | 28.7           | 9.2            |
| Insurance  | 27.2           | 27.3           |
| Losses on writedowns on receivables                                | 3.1            | 39.8           |
| Miscellaneous other operating expenses                             | 358.3          | 296.3          |
| <b>Total</b>   | <b>7,881.9</b> | <b>7,535.3</b> |

The increase in other operating expenses is due primarily to an increase in the expenses for the vehicle fleet and freight, expenses for rents and leases, expenses from supplementary payments for goods traffic, expenses for maintenance and consumables as well as other occupancy costs. Some of these services are closely related to the corresponding items of operating income. By contrast, a decline was recorded in the expenses relating to losses on writedowns on receivables, to the addition to the provision for contingent losses from onerous contracts as well as to contributions, fees and duties.

The expenses for the vehicle fleet and freight increased primarily in the Retail Germany business segment. The increase resulted among other things from the increase in the use of third-party logistics services in the context of expanding the Group's business activities.

The expenses for the rents and leases increased primarily in the Retail Germany and Retail International business segments. The increase was due in part to the first-time inclusion of REWE Dortmund SE & Co. KG, Dortmund, for the entire year, and the higher number of leased properties that are subleased to partners. In the Retail International business segment, the increase was mainly attributable to the first-time inclusion of UAB Palink.

The increase in expenses for maintenance and consumables related mainly to the Retail Germany business segment. The increase was due, among other things, to structural changes in connection with restructuring measures.

The increase in other occupancy costs relates primarily to the Retail Germany and Retail International business segments.

The increase in expenses from exchange rate changes relates primarily to the Other and Travel and Tourism business segments. This relates to measurement gains and losses from exchange losses and from stand-alone derivatives concluded to hedge purchases of goods in foreign currencies or to hedge foreign currency liabilities from hotel purchases.

In the previous year, allowances on receivables related mainly to the Travel and Tourism business segment and were due in part to write-downs on the receivables of an airline.

The decrease in additions to the provision for expected losses from onerous contracts is attributable primarily to the DIY Stores and Retail Germany business segments.

In the previous year, expenses related to contributions, fees and duties had included the risk provisions for the duties to be paid in the Retail International business segment.

## **15. RESULTS FROM COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD**

Of the results from companies accounted for using the equity method in the financial year, an amount of 6.4 million euros was attributable to companies classified as joint ventures (previous year: 5.2 million euros).

The companies classified as associates contributed 45.6 million euros (previous year: 29.2 million euros) to the results from companies accounted for using the equity method. Of the increase, 13.6 million euros is attributable to the inclusion of a company held for sale in the previous year (see note 5 "Divestitures").

## **16. RESULTS FROM THE MEASUREMENT OF DERIVATIVE FINANCIAL INSTRUMENTS**

Derivative financial instruments are used to hedge interest rate, foreign exchange, and commodities price risks. These derivative financial instruments are explained in note 40 "Financial Risk Management".

The measurement of the derivative financial instruments resulted in a total expense of 7.1 million euros in the financial year (previous year: 13.9 million euros). This was due primarily to the fact that stand-alone currency derivatives are marked to market.

Of the result from the measurement of derivative financial instruments, -7.8 million euros is due to the fair value measurement of RIF's stand-alone currency derivatives. These are used to hedge foreign currency loans. Offsetting currency translation gains or losses from these loans are reported under the other financial result.

Furthermore, the result from the measurement of derivative financial instruments includes gains of 0.7 million euros from the measurement of stand-alone interest rate swaps in Hungary. The swaps matured as at 31 October 2018.

Measurement gains and losses from stand-alone derivatives concluded to hedge purchases of goods in foreign currencies or to hedge foreign currency liabilities from hotel purchases are not reported here but rather under other operating expenses and income.

## 17. INTEREST RESULT

### Breakdown of Interest Result

| in million €  | 2018         | 2017         |
|---|--------------|--------------|
| <b>Interest and similar income</b>                                    | <b>22.7</b>  | <b>12.6</b>  |
| Interest income from taxes  | 14.7         | 5.9          |
| Interest income from financing activities                             | 3.4          | 2.6          |
| Other interest income   | 4.6          | 4.1          |
| <b>Interest and similar expenses</b>                                  | <b>-74.0</b> | <b>-52.1</b> |
| Interest expense from financing activities                            | -31.8        | -15.1        |
| Interest expense from finance leases                                  | -21.1        | -15.7        |
| Interest expense from additions to defined-benefit pension provisions | -11.2        | -10.4        |
| Interest expense from discounting assets and compounding liabilities  | -6.2         | -2.4         |
| Interest expense from taxes   | -1.7         | -3.0         |
| Interest expense from derivative financial instruments                | -1.3         | -0.5         |
| Other interest expense  | -0.7         | -5.0         |
| <b>Total</b>  | <b>-51.3</b> | <b>-39.5</b> |

The net interest result fell year on year by a total of 11.8 million euros.

Interest income from taxes increased by 8.8 million euros. It relates primarily to interest on corporate income tax, trade tax and VAT reimbursement claims as well as income from the reversal of provisions for interest on tax audit risks.

The increase in the interest expenses from financing activities by 16.7 million euros resulted mainly from the rise in borrowing for investments, in particular from the raising of promissory loan notes.

The interest expenses from finance leases relate primarily to the Retail Germany business segment. The increase is due chiefly to the first-time inclusion of REWE Dortmund Vertriebsgesellschaft mbH, Dortmund, for the entire year.

The net interest expense from defined benefit pension plans essentially resulted from the compounding of obligations for pensions and similar post-employment obligations. For the changes in the measurement parameters and of the net interest expense from defined benefit pension plans, see note 33 "Employee Benefits".

## 18. OTHER FINANCIAL RESULT

### Breakdown of Other Financial Result

| in million €                   | 2018        | 2017       |
|--------------------------------|-------------|------------|
| Income from equity investments | 4.5         | 9.0        |
| Income from loans              | 0.7         | 0.6        |
| Other income and expenses      | -13.4       | -7.2       |
| <b>Total</b>                   | <b>-8.2</b> | <b>2.4</b> |

Income from equity investments resulted mainly from distributions from real estate funds and other dividends. In addition, income from shares in associates which are not accounted for in accordance with the equity method for reasons of materiality are included in this figure, as are reversals of impairment losses on equity investments.



The year-on-year increase in other expenses is mainly attributable to exchange rate effects.

## 19. TAXES ON INCOME

### Breakdown of Total Taxes on Income

| in million €                                     | 2018          | 2017          |
|--|---------------|---------------|
| Current tax expense                              | -134.3        | -136.4        |
| of which: taxes on income for the financial year | -157.4        | -137.7        |
| of which: taxes on income for previous years     | 23.1          | 1.3           |
| Deferred taxes                                   | -19.4         | 3.4           |
| <b>Total taxes on income</b>                     | <b>-153.7</b> | <b>-133.0</b> |

### Source of Deferred Tax Assets and Liabilities on Temporary Differences Due to Different Carrying Amounts of Balance Sheet Items

| in million €                                  | 31 Dec. 2018        |                          | 31 Dec. 2017        |                          |
|---|---------------------|--------------------------|---------------------|--------------------------|
|   | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| <b>ASSETS</b>                                 |                     |                          |                     |                          |
| Intangible assets                             | 182.6               | 282.7                    | 150.0               | 244.1                    |
| Property, plant and equipment                 | 106.3               | 219.5                    | 253.3               | 377.1                    |
| Non-current financial assets                  | 45.8                | 21.5                     | 14.1                | 8.7                      |
| Inventories                                   | 78.7                | 7.7                      | 57.2                | 5.7                      |
| Receivables and other assets                  | 49.7                | 22.3                     | 58.0                | 20.4                     |
| Loss carryforwards                            | 41.8                | 0.0                      | 66.6                | 0.0                      |
| Interest carryforwards                        | 2.1                 | 0.0                      | 3.2                 | 0.0                      |
| Other off-balance sheet transactions          | 1.4                 | 0.0                      | 0.8                 | 0.0                      |
| <b>LIABILITIES</b>                            |                     |                          |                     |                          |
| Pension provisions                            | 165.1               | 20.5                     | 163.6               | 30.3                     |
| Other provisions                              | 277.5               | 36.2                     | 305.9               | 30.6                     |
| Liabilities                                   | 103.5               | 54.0                     | 95.8                | 27.2                     |
| <b>Total deferred tax assets/liabilities</b>  | <b>1054.5</b>       | <b>664.4</b>             | <b>1168.5</b>       | <b>744.1</b>             |
| of which: non-current                         | 796.2               | 568.0                    | 971.1               | 687.7                    |
| of which: current                             | 258.3               | 96.4                     | 197.4               | 56.4                     |
| Offsetting                                    | -618.1              | -618.1                   | -703.2              | -703.2                   |
| <b>Amount recognised in the balance sheet</b> | <b>436.4</b>        | <b>46.3</b>              | <b>465.3</b>        | <b>40.9</b>              |

To the extent that the realisation of the deferred tax asset depends on future taxable profits exceeding the earnings impact from the reversal of existing taxable temporary differences, deferred tax assets were recognised only if there were sufficient substantial indications for their realisation in future periods. Companies with tax losses in the current or prior period recognised deferred tax assets of 319.1 million euros (previous year: 308.2 million euros) for deductible temporary differences in future periods, which are higher than the earnings impact from the reversal of existing taxable temporary differences. The recognition of deferred tax assets is subject to sufficient indications that they will be realised in future periods as a result of future structural measures and existing tax budgets. No deferred tax assets were recognised for deductible temporary differences of 404.8 million euros (previous year: 379.9 million euros).

As was the case for the decrease in corporate tax loss carryforwards, the decline in deferred tax assets on tax loss carryforwards was due primarily to the utilisation of loss carryforwards in the consolidated tax group of RZF and REWE Deutscher Supermarkt AG & Co. KGaA, Cologne. By contrast, loss carryforwards at the Italian tax group rose, which also led to an increase in unrecognised corporate tax loss carryforwards.

#### Composition of Carryforwards for Which No Deferred Taxes Were Recognised

| in million €  | 2018         | 2017         |
|---|--------------|--------------|
| <b>Corporate tax - loss carryforwards</b>   |              |              |
| Corporate tax - loss carryforwards as at 31 Dec.  | 908.8        | 910.1        |
| <b>Corporate tax - unrecognised loss carryforwards as at 31 Dec.</b>                        | <b>723.5</b> | <b>647.4</b> |
| Corporate tax - unrecognised loss carryforwards - expiration after 5 years or no expiration | 723.5        | 647.4        |
| <b>Trade tax - loss carryforwards</b>   |              |              |
| Trade tax - loss carryforwards as at 31 Dec.  | 471.1        | 442.3        |
| <b>Trade tax - unrecognised loss carryforwards as at 31 Dec.</b>                            | <b>437.7</b> | <b>315.6</b> |
| Trade tax - unrecognised loss carryforwards - no expiration                                 | 437.7        | 315.6        |
| <b>Losses pursuant to § 15a German Income Tax Act (EStG)</b>                                |              |              |
| Losses pursuant to § 15a EStG as at 31 Dec.   | 11.5         | 9.4          |
| <b>Losses pursuant to § 15a EStG - unrecognised loss carryforwards as at 31 Dec.</b>        | <b>11.5</b>  | <b>9.4</b>   |
| Losses pursuant to § 15a EStG - unrecognised loss carryforwards - no expiration             | 11.5         | 9.4          |
| <b>Interest carryforwards</b>   |              |              |
| Interest carryforwards as at 31 Dec.  | 7.9          | 13.0         |
| <b>Interest carryforwards - unrecognised as at 31 Dec.</b>                                  | <b>0.0</b>   | <b>0.7</b>   |
| Interest carryforwards - unrecognised - no expiration                                       | 0.0          | 0.7          |
| <b>Off-balance sheet tax benefit</b>  |              |              |
| Off-balance sheet tax benefit as at 31 Dec.   | 4.6          | 2.4          |
| <b>Off-balance sheet tax benefit - unrecognised as at 31 Dec.</b>                           | <b>0.0</b>   | <b>0.0</b>   |

The increase in trade tax loss carryforwards during the financial year are due primarily to losses from partnerships. For the most part, no deferred tax assets were taken into account for these trade tax loss carryforwards. By contrast, the trade tax loss carryforwards in RZF's consolidated tax group were utilised in full.

#### Change in Deferred Tax Assets and Liabilities

| in million €  | 2018         | 2017         |
|---|--------------|--------------|
| <b>Deferred taxes</b>   | <b>390.1</b> | <b>424.4</b> |
| <b>Year-on-year change</b>  | <b>-34.3</b> | <b>48.9</b>  |
| Change in deferred taxes on items recognised directly in equity (IAS 39, IAS 19, IFRS 9)  | -18.0        | 22.9         |
| Change in deferred taxes from acquisitions/divestments recognised directly in equity  | 2.1          | 24.3         |
| Change in deferred taxes from exchange rate changes recognised directly in equity   | 1.0          | -2.4         |
| Change in deferred taxes due to temporary differences recognised through profit and loss  | 6.5          | -14.4        |
| Change in deferred taxes due to loss and interest carryforwards recognised through profit and loss                                    | -25.9        | 17.8         |
| <b>Reclassification of changes in deferred taxes recognised through profit or loss in respect of discontinued operations</b>          | <b>0.0</b>   | <b>0.3</b>   |
| <b>Reclassification of amount recognised in the balance sheet for deferred taxes recognised in respect of discontinued operations</b> | <b>0.0</b>   | <b>0.4</b>   |

The change (recognised through profit or loss) in deferred taxes due to loss and interest carryforwards is due mainly to the utilisation of tax loss carryforwards and the associated deferred tax assets recognised in previous years. By contrast, the prior-year period was characterised by the recognition of deferred tax assets on loss carryforwards as a result of improved earnings and utilisation prospects.

The change in deferred taxes relating to cash flow hedges and other financial instruments which are recognised directly in equity (IAS 39, IFRS 9) amounted to -8.1 million euros and the change in pension and similar obligations recognised directly in equity (IAS 19) amounted to -9.9 million euros. The change in deferred taxes recognised directly in equity relating to acquisitions and divestitures declined to 2.1 million euros in the financial year and includes a further equity investment in UAB Palink. The significantly higher amount in the previous year was primarily due to the formation of the joint venture REWE Dortmund SE & Co. KG, Dortmund, and the acquisition of 64 store locations from the Kaiser's Tengelmann Group, including K-LOG Kaiser's Tengelmann Logistik- und Dienstleistungsgesellschaft mbH.

#### Reconciliation of the Expected Income Tax to the Actual Income Tax Expense

| in million €  | 2018          | 2017          |
|---|---------------|---------------|
| Earnings before taxes, continuing operations                                  | 583.5         | 474.8         |
| Earnings before taxes, discontinued operations                                | 0.0           | -2.9          |
| <b>Profit before taxes on income: profit (+)/loss (-)</b>                     | <b>583.5</b>  | <b>471.9</b>  |
| Anticipated tax rate  | 30.0%         | 30.0%         |
| <b>Anticipated tax expense</b>  | <b>-175.0</b> | <b>-141.6</b> |
| Effects of different tax rates on the tax rate                                | 1.6           | 31.4          |
| Effects from tax rate changes   | 3.5           | 13.7          |
| Effects from taxes from previous years recognised in the financial year       | 45.0          | 33.4          |
| Effects of non-allowable income taxes (withholding and foreign taxes)         | -0.6          | -0.6          |
| Effects from non-deductible operating expenses                                | -15.7         | -15.7         |
| Effects of tax-free income  | 4.3           | 4.5           |
| Effects from trade tax add-backs/reductions                                   | -37.4         | -44.4         |
| Effects of permanent effects  | 51.8          | -28.7         |
| Effects from transfers of assessment bases from/to non-consolidated companies | 17.4          | -5.2          |
| Effects from recognition adjustments and write-downs of deferred tax assets   | -49.0         | 17.7          |
| Effects from equity consolidation   | 0.4           | 1.4           |
| <b>Total tax income (+)/tax expense (-) as per reconciliation</b>             | <b>-153.7</b> | <b>-134.1</b> |
| of which: from continuing operations  | -153.7        | -133.0        |
| of which: from discontinued operations  | 0.0           | -1.1          |

The Group tax rate for 2018 remains unchanged at 30.0 per cent, consisting of the corporate tax with a tax rate of 15.0 per cent and the solidarity surcharge, which is levied at 5.5 per cent on the corporate tax, in addition to the trade tax.

The effective tax rate in the financial year was 26.3 per cent (previous year: 28.4 per cent).

As at 31 December 2018, 0.4 million euros in deferred tax liabilities on undistributed profits of subsidiaries were recognised, for which a distribution of these profits is intended in the foreseeable future. All other profits are retained or continually reinvested.

The temporary differences in connection with investments in subsidiaries, joint ventures and associates, for which no deferred tax liabilities were recognised, were 689.7 million euros (previous year: 658.9 million euros) as at the balance sheet date.

## **20. PROFIT OR LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS**

The profit attributable to non-controlling interests was 0.5 million euros (previous year: -4.5 million euros).

# Balance Sheet Disclosures

## 21. INTANGIBLE ASSETS

### Change in Intangible Assets

| in million €                                       | Concessions,<br>favourable contracts,<br>industrial property<br>rights and similar<br>rights as well as<br>licenses to such<br>rights | Customer<br>relationships | Goodwill | Prepayments and<br>assets under<br>development | Total   |
|--|---|---------------------------|----------|--|---------|
| <b>Cost</b>  |   |                           |          |  |         |
| As at 1 Jan. 2017                                  | 823.5   | 10.1                      | 1,881.5  | 32.6   | 2,747.7 |
| Currency translation                               | -0.9  | 0.1                       | 2.2      | 0.0  | 1.4     |
| Additions to/disposals from scope of consolidation | 5.5   | 0.0                       | -7.6     | 0.0  | -2.1    |
| Reclassifications of assets held for sale          | 59.3  | 0.0                       | 24.5     | 0.0  | 83.8    |
| Additions from acquisitions                        | 33.0  | 54.7                      | 70.6     | 0.0  | 158.3   |
| Additions  | 67.8  | 0.0                       | 1.7      | 35.2   | 104.7   |
| Disposals  | -18.4   | 0.0                       | -0.5     | -1.5   | -20.4   |
| Reclassifications                                  | 24.6  | 0.0                       | 0.0      | -21.7  | 2.9     |
| As at 31 Dec. 2017/1 Jan. 2018                     | 994.4   | 64.9                      | 1,972.4  | 44.6   | 3,076.3 |
| Currency Translation                               | -2.3  | -0.1                      | -8.4     | -0.1   | -10.9   |
| Additions to/disposals from scope of consolidation | 23.4  | 0.0                       | 0.0      | 0.0  | 23.4    |
| Additions from acquisitions                        | 22.5  | 0.0                       | 124.5    | 0.0  | 147.0   |
| Additions  | 102.3   | 0.0                       | 5.1      | 27.6   | 135.0   |
| Disposals  | -17.8   | 0.0                       | -1.7     | -0.5   | -20.0   |
| Reclassifications                                  | 31.9  | 0.0                       | 0.0      | -28.4  | 3.5     |
| As at 31 Dec. 2018                                 | 1,154.4   | 64.8                      | 2,091.9  | 43.2   | 3,354.3 |
| <b>Depreciation, amortisation and impairments</b>  |   |                           |          |  |         |
| As at 1 Jan. 2017                                  | 518.8   | 3.1                       | 537.7    | 0.3  | 1,059.9 |
| Currency translation                               | 0.8   | 0.2                       | 0.0      | 0.0  | 1.0     |
| Additions to/disposals from scope of consolidation | 0.0   | 0.0                       | -7.6     | 0.0  | -7.6    |
| Reclassifications of assets held for sale          | 59.3  | 0.0                       | 24.5     | 0.0  | 83.8    |
| Additions  | 73.9  | 1.8                       | 0.0      | 0.0  | 75.7    |
| Disposals  | -11.6   | 0.0                       | 0.0      | 0.0  | -11.6   |
| As at 31 Dec. 2017/1 Jan. 2018                     | 641.2   | 5.1                       | 554.6    | 0.3  | 1,201.2 |
| Currency Translation                               | -1.1  | 0.0                       | 0.0      | 0.0  | -1.1    |
| Additions  | 90.8  | 6.2                       | 0.0      | 0.0  | 97.0    |
| Impairments  | 10.0  | 0.0                       | 10.4     | 0.0  | 20.4    |
| Disposals  | -15.6   | 0.0                       | 0.0      | 0.0  | -15.6   |
| Reversals of impairment losses                     | -0.8  | 0.0                       | 0.0      | 0.0  | -0.8    |
| As at 31 Dec. 2018                                 | 724.5   | 11.3                      | 565.0    | 0.3  | 1,301.1 |
| Carrying amount as at 1 Jan. 2017                  | 304.7   | 7.0                       | 1,343.8  | 32.3   | 1,687.8 |
| Carrying amount as at 31 Dec. 2017/1 Jan. 2018     | 353.2   | 59.8                      | 1,417.8  | 44.3   | 1,875.1 |
| Carrying amount as at 31 Dec. 2018                 | 429.9   | 53.5                      | 1,526.9  | 42.9   | 2,052.2 |

Favourable contracts were recognised as intangible assets if contracts were taken over in connection with a business combination whose terms and conditions were more favourable than the market conditions at the date of the business combination.

The increase in goodwill is due to the first-time consolidations in 2018 (see note 4 "Acquisitions"). This was attributable primarily to the goodwill for UAB Palink and Travel LAB SAS, Saint-Ouen, France.

Internally generated intangible assets in use amounting to 77.8 million euros are presented in the financial year (previous year: 89.7 million euros). In addition, there are internally generated intangible assets still in development. The internally generated intangible assets primarily concern software products. Additional research and development expenses of 64.4 million euros (previous year: 70.4 million euros) were incurred in the financial year. These expenses were not capitalised as internally generated intangible assets because the recognition requirements were not satisfied.

The cumulative cost and/or cumulative depreciation was reclassified if it was attributable to assets that were recognised under other items of non-current assets and that must now be presented in other items.

With regard to the impairment losses during the financial year, please see the remarks under note 13 "Depreciation, Amortisation and Impairments".

Intangible assets amounting to 0.1 million euros (previous year: 0.0 million euros) were pledged as collateral for liabilities. In addition, purchase commitments in the amount of 0.1 million euros (previous year: 0.3 million euros) were entered into for intangible assets.

## Goodwill

### Breakdown of Goodwill by CGU Groups

| Group of cash-generating units<br>in million € | 31 Dec. 2018   | 31 Dec. 2017   |
|--|----------------|----------------|
| REWE   | 679.4          | 677.0          |
| Travel and Tourism Central Europe              | 348.9          | 344.2          |
| PENNY Czech Republic                           | 196.8          | 198.7          |
| IKI Baltic states                              | 97.7           | 0.0            |
| Travel and Tourism Northern Europe             | 87.4           | 65.0           |
| BILLA Czech Republic                           | 54.4           | 54.9           |
| BILLA Russia                                   | 47.2           | 54.1           |
| EHA  | 7.1            | 7.1            |
| Digital  | 7.0            | 7.0            |
| DIY Stores                                     | 1.1            | 1.0            |
| PENNY Italy                                    | 0.0            | 8.8            |
| <b>Total goodwill</b>                          | <b>1,527.0</b> | <b>1,417.8</b> |

The 2.4-million-euro increase in goodwill of the REWE group of CGUs is due to the additions to REWE Regiemarkt's customer base at individual stores.

The 4.7-million-euro increase in goodwill of the Travel and Tourism Central Europe group of CGUs is attributable primarily to advantageous exchange rate developments in the KUONI Switzerland business unit as well as from the acquisition of all shares in Reisebüro Rade GmbH, Offenburg (see also note 4 "Acquisitions").

At the PENNY Czech Republic group of CGUs, the unfavourable exchange rate changes resulted in a decline in goodwill of 1.9 million euros.

At the new IKI Baltic states group of CGUs, the addition of UAB Palink resulted in goodwill of 97.7 million euros (see also note 4 "Acquisitions").

At the Travel and Tourism Northern Europe group of CGUs, the acquisition of three business units (see also note 4 "Acquisitions") primarily led to an increase in goodwill of 22.4 million euros.

The advantageous exchange rate development from the previous year for the BILLA Czech Republic group of CGUs reversed during the financial year, resulting in a decrease in goodwill amounting to 0.5 million euros. The negative exchange rate development from the previous year for the BILLA Russia group of CGUs continued during the financial year, resulting in a decrease in goodwill amounting to 6.9 million euros.

**The slight increase in goodwill at the DIY Stores group of CGUs in the financial year is attributable to the acquisition of a further store location.**

At the PENNY Italy group of CGUs, the addition during the year resulting from an asset deal amounted to 1.6 million euros. In addition, the annual impairment test identified a recoverable amount that resulted in an impairment of the entire amount of goodwill attributed to this CGU of 10.4 million euros (see also note 13, "Depreciation, Amortisation and Impairments").

#### **Measurement Model and Material Measurement Parameters**

The recoverable amount of the CGU groups is determined based on the fair value less costs to sell using the discounted cash flow method, based on level 3 inputs.

The key measurement parameters used to calculate the fair value of CGUs are the capital charges (WACC) used to calculate the discount rate, the growth discount in the discount rate used for calculating the perpetual annuity and the change in EBIT in the planning period as the basis for forecasting the cash flows of the CGUs.

The measurement of the fair value of the CGU groups is based on the forecasted cash flows, which are derived on the basis of the three-year plan approved by the management. This three-year plan was prepared on the basis of internal Company experience and expectations regarding future market development and is used for internal purposes. Country-specific parameters, such as economic growth, consumer prices, private consumption and the unemployment rate, are considered in the three-year plan. The last planning year in the three-year plan is generally used as a basis for the perpetual annuity in the measurement model.

A growth discount is factored into the discount rate for the perpetual annuity in the measurement model. Growth rates forecast by international organisations for gross domestic product up to 2023 were used when determining the country-specific growth discounts. The discount rates used reflect the special risks of the corresponding CGU groups. Capital charges (WACC) are determined based on fair values. The specific beta coefficients were derived from capital market data for several comparable companies.

## Comparison of Discount Rates and Growth Discounts

| Group of cash-generating units     | Discount rate per year (WACC) |       | Growth discount |      |
|------------------------------------|-------------------------------|-------|-----------------|------|
|                                    | 2018                          | 2017  | 2018            | 2017 |
| REWE                               | 4.8%                          | 4.8%  | 0.5%            | 0.5% |
| Travel and Tourism Central Europe  | 5.6%                          | 5.8%  | 0.4%            | 0.5% |
| PENNY Czech Republic               | 6.3%                          | 5.5%  | 1.3%            | 0.8% |
| Travel and Tourism Northern Europe | 6.1%                          | 6.4%  | 0.8%            | 0.8% |
| BILLA Czech Republic               | 6.3%                          | 5.5%  | 1.3%            | 0.8% |
| BILLA Russia                       | 11.3%                         | 11.5% | 2.5%            | 2.5% |
| EHA                                | 4.8%                          | 4.8%  | 0.5%            | 0.5% |
| Digital                            | 4.8%                          | 4.8%  | 0.5%            | 0.5% |
| DIY Stores                         | 4.8%                          | -     | 0.5%            | -    |
| PENNY Italy                        | 6.8%                          | -     | 0.5%            | -    |

Impairment tests were conducted in euros for the Travel and Tourism Central Europe and Travel and Tourism Northern Europe groups of CGUs and average discount and growth rates were used; the average of the country-specific parameters was calculated based on revenue ratios.

The three-year plans for internal management purposes are used for the forecast of future cash flows of the CGU groups. The detailed planning period was expanded for some CGU groups. This is done if the most recent budget year does not reflect long term results as a basis for the perpetual annuity. This is primarily due to restructuring and expansion plans in the CGU groups.

The following assumptions were made in the detailed planning period with respect to the future development of EBIT and revenue for the individual CGU groups:

### Trend Indications for the Development of EBIT and Revenue

| Group of cash-generating units     | Forecast development EBIT/Revenue |               | Detailed planning period |          |
|------------------------------------|-----------------------------------|---------------|--------------------------|----------|
|                                    | EBIT                              | Revenue       | 2018                     | 2017     |
| REWE                               | solid growth                      | slight growth | 3 and 10 years           | 10 years |
| Travel and Tourism Central Europe  | strong growth                     | slight growth | 3 years                  | 3 years  |
| PENNY Czech Republic               | slight growth                     | slight growth | 3 years                  | 3 years  |
| Travel and Tourism Northern Europe | solid growth                      | slight growth | 3 years                  | 3 years  |
| BILLA Czech Republic               | solid growth                      | slight growth | 3 years                  | 3 years  |
| BILLA Russia                       | strong growth                     | strong growth | 3 years                  | 3 years  |
| EHA                                | solid growth                      | slight growth | 3 years                  | 3 years  |
| Digital                            | strong growth                     | strong growth | 10 years                 | 10 years |
| DIY Stores                         | strong growth                     | stable        | 10 years                 | -        |
| PENNY Italy                        | strong growth                     | slight growth | 3 years                  | -        |

### Sensitivity of Material Measurement Parameters

As part of sensitivity analyses, the potential effects from changes in the weighted cost of capital (WACC), country-specific growth discounts or in the EBIT for the last planning year are analysed, as are combinations of these significant measurement parameters to future cash flows.

At the following CGU groups, the sensitivity analyses showed the potential impairments of goodwill in the event of changes in parameters presented in the table below:



## Potential Impairment Risk with a Change to a Significant Parameter

### Potential Impairment Risk with an Increase in the WACC

| Group of cash-generating units | WACC<br>Increase in percentage<br>points | Impairments<br>in million € |
|--------------------------------|--|-----------------------------|
| PENNY Italy                    | 1.0                                      | 239.1                       |
| REWE                           | 1.0                                      | 0.0                         |
| DIY Stores                     | 1.0                                      | 11.9                        |

### Potential Impairment Risk with a Decrease in EBIT

| Group of cash-generating units | EBIT perpetual annuity<br>Decrease in percentage<br>points | Impairments<br>in million € |
|--------------------------------|--|-----------------------------|
| PENNY Italy                    | 10.0   | 237.9                       |
| REWE                           | 10.0   | 0.0                         |
| DIY Stores                     | 10.0   | 0.0                         |

### Potential Impairment Risk with a Decrease in the Growth Discount

| Group of cash-generating units | Growth discount<br>Decrease in percentage<br>points | Impairments<br>in million € |
|--------------------------------|---|-----------------------------|
| PENNY Italy                    | 0.5   | 237.5                       |
| REWE                           | 0.5   | 0.0                         |
| DIY Stores                     | 0.5   | 0.0                         |

## Potential Impairment Risk with a Change to Two Significant Parameters

### Potential Impairment Risk with a Simultaneous Change to WACC and the Growth Discount

| Group of cash-generating units | WACC<br>Increase in percentage<br>points | Growth discount<br>Decrease in percentage<br>points | Impairments<br>in million € |
|--------------------------------|--|---|-----------------------------|
| PENNY Italy                    | 1.0                                      | 0.5   | 240.3                       |
| REWE                           | 1.0                                      | 0.5   | 0.0                         |
| DIY Stores                     | 1.0                                      | 0.5   | 46.6                        |

### Potential Impairment Risk with a Simultaneous Change to WACC and EBIT

| Group of cash-generating units | WACC<br>Increase in percentage<br>points | EBIT perpetual annuity<br>Decrease in percentage<br>points | Impairments<br>in million € |
|--------------------------------|--|--|-----------------------------|
| PENNY Italy                    | 1.0                                      | 10.0   | 240.8                       |
| REWE                           | 1.0                                      | 10.0   | 0.0                         |
| DIY Stores                     | 1.0                                      | 10.0   | 70.6                        |

### Potential Impairment Risk with a Simultaneous Change to EBIT and the Growth Discount

| Group of cash-generating units | EBIT perpetual annuity<br>Decrease in percentage<br>points | Growth discount<br>Decrease in percentage<br>points | Impairments<br>in million € |
|--------------------------------|--|---|-----------------------------|
| PENNY Italy                    | 10.0   | 0.5   | 239.4                       |
| REWE                           | 10.0   | 0.5   | 0.0                         |
| DIY Stores                     | 10.0   | 0.5   | 0.0                         |

No realistic changes in parameters are expected for any of the CGU groups which would result in an impairment.

## 22. PROPERTY, PLANT AND EQUIPMENT

### Change in Property, Plant and Equipment

| in million €  | Land and buildings | Leasehold improvements | Technical equipment and machinery | Other equipment, operating and office equipment | Prepayments and assets under construction | Total           |
|---|--------------------|------------------------|-----------------------------------|---|---|-----------------|
| <b>Cost</b>   |                    |                        |                                   |   |   |                 |
| <b>As at 1 Jan. 2017</b>                              | <b>6,627.8</b>     | <b>1,894.6</b>         | <b>567.4</b>                      | <b>6,244.2</b>                                  | <b>285.5</b>                              | <b>15,619.5</b> |
| Currency translation                                  | 8.7                | 4.0                    | -1.4                              | 9.1   | -0.1                                      | 20.3            |
| Additions to/disposals from scope of consolidation    | 1.3                | 0.0                    | 0.1                               | 1.3   | 0.0                                       | 2.7             |
| Reclassifications of assets held for sale             | 22.0               | 22.6                   | 0.3                               | 40.5  | 0.0                                       | 85.4            |
| Additions from acquisitions                           | 175.9              | 6.9                    | 2.9                               | 56.3  | 0.3                                       | 242.3           |
| Additions   | 814.8              | 212.0                  | 53.2                              | 695.1   | 258.5                                     | 2,033.6         |
| Disposals   | -66.7              | -40.6                  | -11.7                             | -293.3  | -16.5                                     | -428.8          |
| Reclassifications                                     | 57.7               | 8.3                    | 8.5                               | 6.5   | -111.4                                    | -30.4           |
| <b>As at 31 Dec. 2017/1 Jan. 2018</b>                 | <b>7,641.5</b>     | <b>2,107.8</b>         | <b>619.3</b>                      | <b>6,759.7</b>                                  | <b>416.3</b>                              | <b>17,544.6</b> |
| Currency Translation                                  | -25.6              | -9.1                   | -0.6                              | -13.1   | -0.6                                      | -49.0           |
| Additions to/disposals from scope of consolidation    | 0.0                | 0.0                    | 0.0                               | 0.6   | 0.0                                       | 0.6             |
| Reclassifications of assets held for sale             | -13.1              | -0.1                   | 0.0                               | 0.0   | 0.0                                       | -13.2           |
| Additions from acquisitions                           | 47.2               | 11.1                   | 0.0                               | 34.5  | 2.6                                       | 95.4            |
| Additions   | 463.6              | 227.3                  | 61.8                              | 785.2   | 145.6                                     | 1,683.5         |
| Disposals   | -85.2              | -57.7                  | -11.0                             | -336.0  | -8.6                                      | -498.5          |
| Reclassifications                                     | 186.1              | 11.3                   | 19.8                              | 54.5  | -268.2                                    | 3.5             |
| <b>As at 31 Dec. 2018</b>                             | <b>8,214.5</b>     | <b>2,290.6</b>         | <b>689.3</b>                      | <b>7,285.4</b>                                  | <b>287.1</b>                              | <b>18,766.9</b> |
| <b>Depreciation, amortisation and impairments</b>     |                    |                        |                                   |   |   |                 |
| <b>As at 1 Jan. 2017</b>                              | <b>2,120.5</b>     | <b>1,033.6</b>         | <b>235.4</b>                      | <b>3,802.3</b>                                  | <b>1.4</b>                                | <b>7,193.2</b>  |
| Currency translation                                  | 5.0                | 4.0                    | -0.8                              | 7.4   | 0.0                                       | 15.6            |
| Additions to/disposals from scope of consolidation    | 1.3                | 0.0                    | 0.1                               | 0.9   | 0.0                                       | 2.3             |
| Reclassifications of assets held for sale             | 10.8               | 22.6                   | 0.2                               | 40.4  | 0.0                                       | 74.0            |
| Additions   | 199.6              | 133.1                  | 43.7                              | 626.0   | 0.0                                       | 1,002.4         |
| Impairments   | 21.7               | 4.9                    | 0.0                               | 5.2   | -0.3                                      | 31.5            |
| Disposals   | -34.9              | -34.6                  | -9.0                              | -267.6  | 0.0                                       | -346.1          |
| Reversals of impairment losses                        | -7.2               | -0.6                   | 0.0                               | 0.0   | 0.0                                       | -7.8            |
| Reclassifications                                     | -36.6              | -1.1                   | 0.3                               | -0.9  | 0.3                                       | -38.0           |
| <b>As at 31 Dec. 2017/1 Jan. 2018</b>                 | <b>2,280.2</b>     | <b>1,161.9</b>         | <b>269.9</b>                      | <b>4,213.7</b>                                  | <b>1.4</b>                                | <b>7,927.1</b>  |
| Currency Translation                                  | -7.9               | -3.5                   | -0.2                              | -7.1  | 0.0                                       | -18.7           |
| Reclassifications of assets held for sale             | -6.0               | 0.0                    | 0.0                               | 0.0   | 0.0                                       | -6.0            |
| Additions   | 262.2              | 136.9                  | 47.4                              | 667.0   | 0.0                                       | 1,113.5         |
| Impairments   | 35.3               | 0.7                    | 1.1                               | 1.2   | 0.0                                       | 38.3            |
| Disposals   | -55.5              | -46.2                  | -7.1                              | -304.1  | -0.1                                      | -413.0          |
| Reversals of impairment losses                        | -18.1              | -6.2                   | 0.0                               | -1.9  | 0.0                                       | -26.2           |
| Reclassifications                                     | 9.1                | -2.0                   | -0.7                              | 0.9   | -0.4                                      | 6.9             |
| <b>As at 31 Dec. 2018</b>                             | <b>2,499.3</b>     | <b>1,241.6</b>         | <b>310.4</b>                      | <b>4,569.7</b>                                  | <b>0.9</b>                                | <b>8,621.9</b>  |
| <b>Carrying amount as at 1 Jan. 2017</b>              | <b>4,507.3</b>     | <b>861.0</b>           | <b>332.0</b>                      | <b>2,441.9</b>                                  | <b>284.1</b>                              | <b>8,426.3</b>  |
| <b>Carrying amount as at 31 Dec. 2017/1 Jan. 2018</b> | <b>5,361.3</b>     | <b>945.9</b>           | <b>349.4</b>                      | <b>2,546.0</b>                                  | <b>414.9</b>                              | <b>9,617.5</b>  |
| <b>Carrying amount as at 31 Dec. 2018</b>             | <b>5,715.2</b>     | <b>1,049.0</b>         | <b>378.9</b>                      | <b>2,715.7</b>                                  | <b>286.2</b>                              | <b>10,145.0</b> |

Additions from acquisitions in financial year 2018 relate primarily to the first-time consolidation of UAB Palink. The additions from acquisitions are described under note 4 "Acquisitions". The other additions comprise in particular investments for expanding the store network as well as capital expenditures for replacements and expansions at retail stores, warehouse sites and production companies. The majority of the disposals resulted from the disposal or scrapping of operating and office equipment.

During the financial year, borrowing costs in the amount of 0.3 million euros (previous year: 0.1 million euros) were recognised. These concern the establishment of a logistics centre for the Retail Germany business segment. The weighted average cost of capital was used as a basis for determining the borrowing costs requiring capitalisation.

The cumulative cost and/or cumulative depreciation was reclassified if it was attributable to assets that were recognised under other items of non-current assets and that must now be presented in other items.

With regard to the impairment losses taken on property, plant and equipment during the financial year, please see the remarks under note 13 "Depreciation, Amortisation and Impairments". With regard to the reversals of impairment losses, please see the remarks under note 10 "Other Operating Income".

Property, plant and equipment in the amount of 204.3 million euros (previous year: 217.5 million euros) serves as collateral for financial liabilities. Purchase commitments of 235.6 million euros (previous year: 272.2 million euros) were entered into for property, plant and equipment. Compensation of 0.6 million euros (previous year: 0.6 million euros) was received and recognised in net profit or loss for property, plant and equipment that was impaired, lost or removed from operation.

## 23. INVESTMENT PROPERTIES

### Change in Investment Properties

| in million €  | Total        |
|---|--------------|
| <b>Cost</b>   |              |
| <b>As at 1 Jan. 2017</b>                              | <b>90.5</b>  |
| Additions   | 2.6          |
| Disposals   | -7.9         |
| Reclassifications                                     | 27.6         |
| <b>As at 31 Dec. 2017/1 Jan. 2018</b>                 | <b>112.8</b> |
| Disposals   | -33.7        |
| Reclassifications                                     | -7.0         |
| <b>As at 31 Dec. 2018</b>                             | <b>72.1</b>  |
| <b>Depreciation, amortisation and impairments</b>     |              |
| <b>As at 1 Jan. 2017</b>                              | <b>44.0</b>  |
| Additions   | 1.4          |
| Impairments   | 0.3          |
| Disposals   | -7.6         |
| Reclassifications                                     | 38.0         |
| <b>As at 31 Dec. 2017/1 Jan. 2018</b>                 | <b>76.1</b>  |
| Additions   | 0.8          |
| Impairments   | 2.7          |
| Disposals   | -22.4        |
| Reversals of impairment losses                        | -0.6         |
| Reclassifications                                     | -6.9         |
| <b>As at 31 Dec. 2018</b>                             | <b>49.7</b>  |
| <b>Carrying amount as at 1 Jan. 2017</b>              | <b>46.5</b>  |
| <b>Carrying amount as at 31 Dec. 2017/1 Jan. 2018</b> | <b>36.7</b>  |
| <b>Carrying amount as at 31 Dec. 2018</b>             | <b>22.4</b>  |

The change in the carrying amount of investment property resulted mainly from the disposal of real estate in the Retail Germany business segment (11.3 million euros) as well as impairments of 2.7 million euros attributable primarily to the Retail International business segment.

The rental income from these properties during the financial year was 5.1 million euros (previous year: 3.5 million euros). The operating expenses for these properties amounted to 0.9 million euros (previous year: 1.9 million euros). Operating expenses for properties not generating rental income amounted to 0.2 million euros (previous year: 0.3 million euros).

The fair value of investment properties is 32.0 million euros (previous year: 61.5 million euros). The change is due mainly to disposals of investment property in the Retail Germany and Retail International business segments, which were partly offset by additions in the Retail International business segment.

Recognised valuation techniques (discounted value of future earnings method) are used to determine the fair value. Based on the inputs to the valuation techniques used, fair value measurement is categorised to level 3 in accordance with the measurement hierarchy used to measure fair value. In addition to reasonable management costs and market rents, rental income from current rental agreements was also used as a key measurement parameter. The discount rate for properties factors in the individual situation and condition of each property. More information on determining fair value can be found in note 13 "Depreciation, Amortisation and Impairments". Appraisals are made by independent experts in individual cases.

## 24. LEASES

Real estate from finance leases is also presented under property, plant and equipment. It is included in the "Land and buildings" item in an amount of 824.5 million euros (previous year: 871.6 million euros).

Many of the leased properties are partially or fully subleased. A majority of the subleasing is made to companies in connection with the REWE partnership model. The lease agreements have varying terms and conditions, rent increase clauses and renewal options. Purchase options are not normally included.

In addition, assets classified as other operating and office equipment are leased in connection with operating leases with short-term termination clauses.

### Finance Leases as Lessee

#### Reconciliation of Minimum Lease Payments to be Paid to the Recognised Present Value of the Obligation

| in million €  | 31 Dec. 2018 | 31 Dec. 2017 |
|---|--------------|--------------|
| Total minimum lease payments from finance leases        | 999.7        | 1,052.5      |
| Discounting   | -145.3       | -152.8       |
| <b>Present value of liabilities from finance leases</b> | <b>854.4</b> | <b>899.7</b> |

## Allocation of the Minimum Lease Payments, the Discounting and Present Value of the Minimum Lease Payments by Residual Maturity

| in million €  | Up to 1 year | 1 to 5 years | More than 5 years | 31 Dec. 2018<br>Total |
|---|--------------|--------------|-------------------|-----------------------|
| Total minimum lease payments from finance leases        | 84.9         | 352.0        | 562.8             | 999.7                 |
| Discounting   | -19.9        | -64.5        | -60.9             | -145.3                |
| <b>Present value of liabilities from finance leases</b> | <b>65.0</b>  | <b>287.5</b> | <b>501.9</b>      | <b>854.4</b>          |

| in million €  | Up to 1 year | 1 to 5 years | More than 5 years | 31 Dec. 2017<br>Total |
|---|--------------|--------------|-------------------|-----------------------|
| Total minimum lease payments from finance leases        | 82.4         | 334.1        | 636.0             | 1,052.5               |
| Discounting   | -19.3        | -66.1        | -67.4             | -152.8                |
| <b>Present value of liabilities from finance leases</b> | <b>63.1</b>  | <b>268.0</b> | <b>568.6</b>      | <b>899.7</b>          |

The change in the present value of lease commitments arises in particular through scheduled repayments of lease commitments.

## Operating Leases as Lessee

### Total Future Minimum Lease Payments to be Paid Resulting from Non-Cancellable Operating Leases

| in million €                               | 31 Dec. 2018    | 31 Dec. 2017    |
|--|-----------------|-----------------|
| Up to 1 year                               | 1,899.3         | 1,843.9         |
| 1 to 5 years                               | 5,855.5         | 5,674.3         |
| More than 5 years                          | 5,092.5         | 4,895.1         |
| <b>Future payments on operating leases</b> | <b>12,847.3</b> | <b>12,413.3</b> |

## Operating Leases as Lessor

### Total Future Expected Lease Payments Resulting from Non-Cancellable Operating Leases

| in million €  | 31 Dec. 2018   | 31 Dec. 2017   |
|---|----------------|----------------|
| Up to 1 year  | 759.1          | 716.4          |
| 1 to 5 years  | 2,213.4        | 2,105.7        |
| More than 5 years                                     | 1,930.3        | 2,037.5        |
| <b>Future payments expected from operating leases</b> | <b>4,902.8</b> | <b>4,859.6</b> |

The principal amount of minimum lease payments that the groups will receive in future from subleasing properties leased under operating leases is 4,791.9 million euros (previous year: 4,587.0 million euros). Some of the subleasing income is secured through security deposits and payment guarantees. The increase in future subleasing income to be received and in expected future total leasing income resulted primarily from the conclusion of new sublease agreements.

## 25. COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

### Information Regarding Associates

| in million €  | 31 Dec. 2018 | 31 Dec. 2017 |
|---|--------------|--------------|
| Group's share of results from continuing operations | 45.6         | 29.2         |
| Group's share of comprehensive income               | 45.6         | 29.2         |
| Carrying amount of shares in associates             | 115.4        | 102.4        |

The associates are primarily 1,214 REWE partner companies (previous year: 1,151).

Of the increase in the Group's share of the comprehensive income of 16.4 million euros, 13.6 million was due to a company held for sale in the previous year.

The equity investment in UAB Palink was again accounted for using the equity method in the financial year after the "available for sale" criteria were no longer met. The measurement was applied retrospectively from the date the company was classified as "available for sale".

In January 2018, a further 11.23 per cent was acquired for 30.7 million euros; thus, the total shareholding as at this date amounted to 55.58 per cent. However, this equity investment did not constitute control over the company, as that would have required a qualified majority of more than 60.0 per cent.

As at 31 July 2018, a further 13.27 per cent was acquired for 21.7 million euros, bringing the shareholding as at this date to 68.85 per cent. This constituted control for the first time, so that as at this date the equity method was applied for the last time and the accounting treatment transitioned to that of a fully consolidated subsidiary. The amount for adjusting the previously held shares is recognised under other operating income (see note 10 "Other Operating Income").

### Change in Carrying Amount of the Equity Investment

| in million €   |              |
|--|--------------|
| <b>As at 1 Jan. 2018</b>                                   | <b>80.0</b>  |
| Pro rata results – 2018                                    | 13.6         |
| Acquisition of shares – January 2018                       | 30.7         |
| Adjustment of existing shares in accordance with IFRS 3.42 | 11.1         |
| <b>As at 31 July 2018</b>                                  | <b>135.4</b> |

Further explanations can be found in note 4 "Acquisitions".

### Information Regarding Joint Ventures

| in million €  | 31 Dec. 2018 | 31 Dec. 2017 |
|---|--------------|--------------|
| Group's share of results from continuing operations | 6.4          | 5.2          |
| Group's share of other comprehensive income         | -0.4         | 0.0          |
| Group's share of comprehensive income               | 6.0          | 5.0          |
| Carrying amount of shares in joint ventures         | 45.6         | 41.4         |

## 26. OTHER FINANCIAL ASSETS

### Breakdown of Other Financial Assets

| in million €                                      | Remaining term |                  | 31 Dec. 2018   | Remaining term |                  | 31 Dec. 2017 |
|---|----------------|------------------|----------------|----------------|------------------|--------------|
|   | Up to 1 year   | More than 1 year | Total          | Up to 1 year   | More than 1 year | Total        |
| Trade payables with debit balances                | 659.4          | 0.0              | 659.4          | 302.9          | 0.0              | 302.9        |
| Claims from supplier compensation                 | 252.1          | 0.0              | 252.1          | 240.8          | 0.0              | 240.8        |
| Loans to associates                               | 42.8           | 133.2            | 176.0          | 52.6           | 119.0            | 171.6        |
| Other loans                                       | 18.1           | 69.7             | 87.8           | 27.6           | 53.4             | 81.0         |
| Receivables from derivative financial instruments | 32.8           | 0.0              | 32.8           | 25.2           | 0.0              | 25.2         |
| Loans to joint ventures                           | 28.3           | 1.9              | 30.2           | 10.2           | 1.5              | 11.7         |
| Other equity investments                          | 0.0            | 19.8             | 19.8           | 0.0            | 26.4             | 26.4         |
| Shares in associates                              | 0.0            | 0.0              | 0.0            | 0.0            | 58.1             | 58.1         |
| Shares in affiliated companies                    | 0.0            | 0.0              | 0.0            | 0.0            | 17.3             | 17.3         |
| Other receivables from financial transactions     | 23.6           | 9.8              | 33.4           | 22.2           | 7.4              | 29.6         |
| <b>Total</b>                                      | <b>1,057.1</b> | <b>234.4</b>     | <b>1,291.5</b> | <b>681.5</b>   | <b>283.1</b>     | <b>964.6</b> |

The increase in trade payables with debit balances relates mainly to the Retail Germany business segment.

Claims from supplier compensation relate to retrospective compensation claims from suppliers.

Loans to associates include primarily shareholder and start-up loans and merchandise credits to REWE partner companies. The increase is due primarily to the higher number of partner companies.

Other loans relate to, among other things, merchandise credits, loans to lessors and start-up loans to other related parties.

The receivables from derivative financial instruments primarily concern currency derivatives. They essentially resulted from currency hedges of the Travel and Tourism business segment. Further explanations of changes in derivative financial instruments can be found in note 40 "Financial Risk Management".

The loans to joint ventures essentially include loans to REWE PETZ GmbH, Wissen, and to EURELEC TRADING SCRL, Brussels.

The other equity investments item is used mainly to report the shares in DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, and in Home24 GmbH, Berlin. The decrease is due primarily to the disposal of some of the shares in DZ Bank AG Deutsche Zentral-Genossenschaftsbank and the measurement of these equity investments (see note 7 "Accounting Policies").

From the financial year onwards, shares in associates and shares in affiliated companies that for reasons of immateriality are not accounted for using the equity method or fully consolidated in the consolidated financial statements, are recognised under other assets (see note 28 "Other Assets").

## 27. TRADE RECEIVABLES

### Breakdown of Trade Receivables

| in million €                                       | 31 Dec. 2018   | 31 Dec. 2017   |
|--|----------------|----------------|
| Trade receivables from third parties               | 859.1          | 875.7          |
| Trade receivables from associates                  | 521.5          | 358.0          |
| Trade receivables from joint ventures              | 16.2           | 25.0           |
| Trade receivables from affiliated companies        | 3.5            | 3.4            |
| Trade receivables from other long-term investments | 0.3            | 0.3            |
| <b>Total</b>                                       | <b>1,400.6</b> | <b>1,262.4</b> |

The increase in trade receivables from associates is primarily in relation to the balance sheet date.

## 28. OTHER ASSETS

### Breakdown of Other Assets

| in million €  | Remaining term |                  | 31 Dec. 2018 | Remaining term |                  | 31 Dec. 2017 |
|---|----------------|------------------|--------------|----------------|------------------|--------------|
|   | Up to 1 year   | More than 1 year | Total        | Up to 1 year   | More than 1 year | Total        |
| Deferred assets   | 47.3           | 73.2             | 120.5        | 37.1           | 57.9             | 95.0         |
| Receivables from other taxes                                  | 68.8           | 0.0              | 68.8         | 103.3          | 0.0              | 103.3        |
| Deferred discounts from central settlement                    | 48.9           | 0.0              | 48.9         | 51.5           | 0.0              | 51.5         |
| Shares in associates  | 0.0            | 47.4             | 47.4         | 0.0            | 0.0              | 0.0          |
| Receivables from prepayments and security deposits            | 28.3           | 17.7             | 46.0         | 25.9           | 23.1             | 49.0         |
| Deferred commissions from travel agencies                     | 28.7           | 0.0              | 28.7         | 27.7           | 0.0              | 27.7         |
| Shares in affiliated companies                                | 0.0            | 12.8             | 12.8         | 0.0            | 0.0              | 0.0          |
| Receivables from former partners from partnership model       | 6.2            | 0.0              | 6.2          | 5.8            | 0.0              | 5.8          |
| Interest on corporate income tax and trade tax reimbursements | 3.6            | 0.0              | 3.6          | 0.2            | 0.0              | 0.2          |
| Reimbursement rights against trust associations               | 2.2            | 0.2              | 2.4          | 2.7            | 0.2              | 2.9          |
| Miscellaneous   | 159.2          | 6.8              | 166.0        | 150.6          | 3.6              | 154.2        |
| <b>Total</b>  | <b>393.2</b>   | <b>158.1</b>     | <b>551.3</b> | <b>404.8</b>   | <b>84.8</b>      | <b>489.6</b> |

Receivables from other taxes relate primarily to value-added tax.

Previously, affiliated companies and associates that, for reasons of immateriality, were not fully consolidated or accounted for using the equity method, were recognised under other financial assets. Beginning in financial year 2018, they are recognised under other assets (see note 2 "Application and Effects of New or Revised Accounting Standards"). In the previous year, the figures for immaterial affiliated companies and associates amounted to 17.3 million euros and 58.1 million euros, respectively.

The deferred assets include, among other items, prepaid rents, service fees, flat-rate maintenance fees, construction cost and investment subsidies as well as prepaid tourism payments. This item increased primarily due to construction cost subsidies.



Allowances of 0.5 million euros were recognised on receivables from former partners of REWE partner companies in the financial year (previous year: 0.6 million euros).

## 29. INVENTORIES

### Breakdown of Inventories

| in million €                            | 31 Dec. 2018   | 31 Dec. 2017   |
|---|----------------|----------------|
| Finished goods and merchandise          | 3,518.3        | 3,426.0        |
| Prepayments                             | 275.2          | 202.4          |
| Work in progress                        | 156.9          | 144.9          |
| Raw materials, consumables and supplies | 61.7           | 62.6           |
| <b>Total</b>                            | <b>4,012.1</b> | <b>3,835.9</b> |

The change in inventories is primarily attributable to the increase in finished goods and merchandise as well as prepayments.

The increase in finished goods and merchandise was due mainly to the Retail International, Other, and Retail Germany business segments. The increase in the inventory of the Retail International business segment was due in part to the first-time consolidation of UAB Palink (see note 4 "Acquisitions"). The inventory increase in the Retail Germany business segment was attributable mainly to the expansion of the warehouse locations.

The increase in prepayments resulted primarily in the Travel and Tourism business segment: in particular in the Central Europe division, prepayment to service providers rose by 34.9 million euros, due mainly to this higher volume of bookings in these destinations.

Allowances for slow-moving merchandise and for individual risks amounted to 253.3 million euros as at the balance sheet date (previous year: 237.5 million euros). Reversals of impairment losses on inventories amounted to 7.1 million euros in the Travel and Tourism business segment (previous year: 4.1 million euros); they were recognised as a reduction in material expenses. The reversal of impairment losses was due to the new assessment of the country risks, in particular in Tunisia, Morocco and Turkey on the basis of the order volume.

As in the previous year no inventories were pledged as collateral for financial liabilities during the financial year.

## 30. CURRENT AND DEFERRED TAXES

For information on current and deferred taxes, see note 19 "Taxes on Income".

## 31. CASH AND CASH EQUIVALENTS

### Breakdown of Cash and Cash Equivalents

| in million €                                  | 31 Dec. 2018 | 31 Dec. 2017 |
|---|--------------|--------------|
| Cash-in-hand and store money                  | 454.1        | 426.2        |
| Bank balances                                 | 185.0        | 226.1        |
| Cheques received                              | 0.1          | 1.1          |
| <b>Total</b>                                  | <b>639.2</b> | <b>653.4</b> |
| Bank overdrafts                               | -4.4         | -1.8         |
| <b>Funds according to cash flow statement</b> | <b>634.8</b> | <b>651.6</b> |

The cash-in-hand and store money essentially presented cash-in-hand at stores and funds in transit at cash transportation companies. The increase is due in part to the higher number of stores and the first-time inclusion of UAB Palink.

The bank balances include both current account balances and demand and time deposits.

The cash and cash equivalents, less the overdraft facilities presented under liabilities to banks, shown here comprise the cash funds within the meaning of the cash flow statement. The change in cash funds is presented in the cash flow statement (see note 38 "Cash Flow Statement").

## 32. EQUITY

The changes in equity are presented in the statement of changes in equity. The co-operative shares in RZF are shown as debt capital under financial liabilities. The changes in this item between reporting dates are explained in note 35 "Other Financial Liabilities".

### Subscribed Capital

As in the previous year, the subscribed capital of RZAG is divided into 1,512,000 registered no-par-value shares with restricted transferability; it amounted to 38.7 million euros as at the balance sheet date. The subscribed capital is fully paid up. Each share carries one vote.

### Capital Reserves

The capital reserves relate to the premiums from the capital increases RZAG implemented in 1987 and 1990.

### Retained Earnings

Retained earnings include the legal reserves, other revenue reserves, the unappropriated profit, the reserve for pension obligations, the reserve for gains and losses from the remeasurement of equity instruments and the reserves from adjustment entries made for the transition from local GAAP to IFRS accounting. In accordance with IFRS 9, the reserve for changes in the fair value of equity instruments was reported for the first time in the financial year. A total of 661.8 million euros (previous year: 612.6 million euros) of retained earnings is attributable to the legal reserve of RZF and 38.7 million euros (previous year: 38.7 million euros) to the legal reserve of RZAG. These amounts are not eligible for distribution as dividends.

The other change in retained earnings is due primarily to the net income generated in the financial year amounting to 429.3 million euros (previous year: 342.3 million euros), which is attributable to the shareholders of the parent companies, the result of 17.8 million euros from the remeasurement of defined benefit pension commitments including the corresponding deferred taxes (previous year: loss of 10.6 million euros), the change in fair value of equity instruments amounting to -8.8 million euros and a dividend distribution of 29.3 million euros (previous year: 4.9 million euros). Further effects resulted from the changes in the scope of consolidation amounting to -0.1 million euros (previous year: 0.9 million euros). In addition, retained earnings also changed by 6.0 million euros (previous year: -2.2 million euros) as a result of the acquisition of shares from other shareholders.

## **Other Reserves**

The statement of comprehensive income shows how changes in these reserves impact on profit or loss.

The reserve for cash flow hedges includes the measurement gains or losses on cash flow hedges taken directly to equity, which are discussed in note 40 "Financial Risk Management".

The costs of hedging reserve includes the change in the fair values of forward elements as well as the foreign currency basis spread of forward contracts as hedging expenses.

The reserve for financial instruments measured at fair value through other comprehensive income includes the effects from the change of financial instruments, for which the option to recognised the change in equity was exercised and for which the changes in subsequent periods are recognised through profit or loss.

The revaluation reserve results from after-tax remeasurement gains or losses, taken directly to equity, on shares held before control was obtained in companies acquired in stages. If such companies are sold, the revaluation reserve is reclassified directly to retained earnings; otherwise it is transferred to retained earnings on a pro rata basis.

The reserve for currency translation differences is the result of translating other currencies into euros (see note 6 "Currency Translation").

The reserve for income components of equity-accounted companies recognised directly in equity contains the accumulated other comprehensive income of associates and joint ventures.

The deferred tax reserve includes the accumulated deferred taxes recognised in equity on the items recognised in other reserves, as explained above.

## **Treasury Shares**

Treasury shares relate to shares in RZAG that are directly or indirectly held by RZF companies.

## **Non-Controlling Interests**

Non-controlling interests comprise third-party interests in the equity of consolidated subsidiaries. They amounted to 110.1 million euros as at 31 December 2018 (previous year: 147.4 million euros).

Changes in the scope of consolidation included the non-controlling interests relating to the first-time consolidation of UAB Palink.

The changes in non-controlling interests between reporting dates are detailed in the statement of changes in equity.

## Appropriation of Profits

The Management Board and the Supervisory Board of RZAG will propose to the Annual General Meeting on 29 June 2019 to allocate 16.6 million euros to retained earnings and to carry forward 16.6 million euros to a new account. A distribution of 24.00 euros per share was made in the year under review.

After the payment of interest on the co-operative shares and the statutory allocation of 21.6 million euros (previous year: 11.8 million euros) to legal reserves, RZF's unappropriated commercial law profit amounted to 122.6 million euros in the 2018 financial year (previous year: 66.8 million euros). The Management Board and Supervisory Board of RZF will propose to the general meeting on 30 June 2019 to allocate from this profit an amount of 50.5 million euros (previous year: 27.5 million euros) to legal reserves and an amount of 72.1 million euros (previous year: 39.3 million euros) to other revenue reserves.

## 33. EMPLOYEE BENEFITS

### Breakdown of Employee Benefits

| in million €                       | Remaining term |                  | 31 Dec. 2018   | Remaining term |                  | 31 Dec. 2017   |
|------------------------------------|----------------|------------------|----------------|----------------|------------------|----------------|
|                                    | Up to 1 year   | More than 1 year | Total          | Up to 1 year   | More than 1 year | Total          |
| Pensions                           | 65.0           | 545.3            | 610.3          | 67.0           | 558.2            | 625.2          |
| Severance pay and TFR              | 1.4            | 223.0            | 224.4          | 1.5            | 228.4            | 229.9          |
| Special annual bonuses             | 182.7          | 11.0             | 193.7          | 196.6          | 11.7             | 208.3          |
| Service anniversary bonuses        | 12.2           | 155.1            | 167.3          | 10.0           | 143.0            | 153.0          |
| Liabilities from employee benefits | 138.0          | 0.0              | 138.0          | 121.0          | 0.0              | 121.0          |
| Holiday provisions                 | 135.0          | 0.0              | 135.0          | 126.4          | 0.0              | 126.4          |
| Employee termination benefits      | 49.7           | 1.0              | 50.7           | 35.0           | 0.0              | 35.0           |
| Overtime and performance bonuses   | 25.8           | 0.0              | 25.8           | 26.4           | 0.0              | 26.4           |
| Partial and early retirement       | 9.8            | 15.2             | 25.0           | 7.6            | 13.6             | 21.2           |
| Retirement allowances              | 1.0            | 7.0              | 8.0            | 1.1            | 6.0              | 7.1            |
| Holiday/Christmas bonuses          | 7.3            | 0.0              | 7.3            | 5.8            | 0.0              | 5.8            |
| Survivors' benefits                | 0.0            | 6.4              | 6.4            | 0.0            | 6.5              | 6.5            |
| Other                              | 37.5           | 11.2             | 48.7           | 35.8           | 13.7             | 49.5           |
| <b>Total</b>                       | <b>665.4</b>   | <b>975.2</b>     | <b>1,640.6</b> | <b>634.2</b>   | <b>981.1</b>     | <b>1,615.3</b> |

## Disclosures of Defined Benefit Pension Plans

Depending on the respective national law, different retirement benefit systems are available to the employees of the consolidated companies. These pension plans can be defined contribution or defined benefit plans. Significant defined benefit pension plans are currently in place for consolidated companies in Germany, Switzerland, the United Kingdom, Austria and Italy.

## a) Description of Defined Benefit Pension Plans

The defined benefit obligations consist of pensions and similar obligations, such as end-of-service and *Trattamento di Fine Rapporto* (TFR) benefits, survivor benefits and retirement allowances.

### Breakdown of Present Value of Defined Benefit Obligations by Country

| in million €   | 2018           |                     | 2017         |                     |
|--|----------------|---------------------|--------------|---------------------|
|  | Pensions       | Similar obligations | Pensions     | Similar obligations |
| Germany  | 733.1          | 13.9                | 726.0        | 13.5                |
| Switzerland  | 234.7          | 0.0                 | 235.2        | 0.0                 |
| United Kingdom   | 31.2           | 0.0                 | 33.9         | 0.0                 |
| Austria  | 1.2            | 216.6               | 1.5          | 222.2               |
| Italy  | 0.0            | 7.1                 | 0.0          | 7.2                 |
| Other  | 3.2            | 1.2                 | 1.5          | 0.6                 |
| <b>Present value of defined-benefit obligation as at 31 December</b> | <b>1,003.4</b> | <b>238.8</b>        | <b>998.1</b> | <b>243.5</b>        |

The material pension plans break down into growing and fixed (closed) commitments as follows:

### **Germany**

The major part of the obligations results from two different types of pension commitment: firstly there is an active defined contribution commitment, whose volume is set to increase further in the future, and secondly there is a pension commitment that was closed in 2008. Both commitments are subject to guaranteed interest rates. For the consolidated companies, this entails the risk of not generating the guaranteed interest rate of the pension commitment in the long term. The old pension commitment was financed exclusively on the basis of deferred compensation. To reduce the longevity risk, a lump-sum option was introduced for this commitment. The new pension commitment is no longer financed exclusively, but still predominantly by deferred compensation as well as by employer contributions. Risk is minimised by arranging it as a defined contribution commitment. The longevity risk is reduced by granting generous lump-sum options at the start of pension payments. In addition, the inflation risk for this pension commitment is minimised by specifying the pension adjustments in advance. For the pension commitment, there are secured trust assets, which are allocated to individual commitments and the pension commitment described here. Since the trust assets are plan assets, these are netted against the corresponding obligations.

The other pension commitments made by consolidated German companies are exposed to inflation risk because, pursuant to section 16 of the Company Pensions Act (*Gesetz zur Verbesserung der betrieblichen Altersversorgung*, "BetrAVG"), pension adjustments must be made in line with the consumer price index.

In addition, a large portion of the defined benefit obligations results from an overall benefit commitment fixed back in 1992 and a pension commitment closed in 1997. Since most of the beneficiaries already receive retirement benefits, these defined benefit commitments only represent a small risk for the consolidated companies.

In the Travel and Tourism business segment, there are moreover commitments that depend on salary and length of service. Most of them are pension commitments, but some are overall benefit commitments. Here the number of active beneficiaries means the consolidated companies are

exposed to the risk of a disproportionate increase in the obligation due to salary increases. Since the payment of the commitments is planned exclusively in the form of pensions, there is also a longevity risk.

In addition, there are pension commitments based on length of service in Travel and Tourism; these commitments were closed to new joiners in 2004. Since payments are planned in the form of pensions, they are also exposed to a longevity risk. Plan assets are available to secure these pension commitments. The plan assets available to Travel and Tourism in Germany are composed of approximately two-thirds real estate and one-third cash and cash equivalents.

Furthermore, a large portion of the defined benefit obligations of the consolidated companies consists of a direct pension commitment assumed as the result of a business acquisition; this relates primarily to the Penny Germany business segment and is, at a low level, dependent on length of service. The commitment was financed by a once-off payment by the seller as at the transfer date and thereafter by employer contributions from the consolidated companies. To mitigate the financing risk from salary adjustments, it has been agreed to fix the commitment as at a specified date in the past by entering into individual agreements with a large number of employees.

In addition, there are defined benefit obligations with different pension commitments from other company acquisitions. In most cases, they are financed by the employer and employees making equal contributions. A portion of the commitments are funded by a support fund with back-to-back reinsurance. The assets transferred to the support funds represent plan assets.

Finally, there are pension-related benefit commitments in the form of retirement allowances and survivor benefits. The levels of these once-off payments depend on the length of service of the employees concerned.

### **Switzerland**

Retirement provisions, survivor benefits and loss of earnings provisions in Switzerland are based on a three-pillar system, which is financed in different ways. In accordance with the Swiss Occupational Pensions Act (Gesetz über die berufliche Vorsorge, "BVG"), the second pillar ensures disability benefits or survivor benefits (in case of the insured person's death) for all employed persons of legal age with an annual income of at least 21,060 Swiss francs. From the age of 25, there is also an obligatory retirement pension component. This retirement provision is financed by the employer and the employee on a funded basis as a percentage of the income insured. The Act prescribes minimum benefits. At the consolidated Swiss companies, occupational benefit provisions are arranged through the BonAssistus pension fund, PAX BVG, the PAX Foundation, Swiss Life BVG and the IGP Foundation. This plan is run jointly by several employers. The above pension funds and foundations may amend their financing system (contributions and benefits) at any time. If there is a shortfall, recovery contributions may be levied on the employer. The plan assets deposited with the pension fund and the collective foundations cover most of the obligations arising from the benefit obligations that exist under the BVG. The assets the consolidated companies have contributed to the pension fund and the foundations is determined in the same way as for a partial liquidation incorporating value fluctuation reserves: by allocating the individual provisions to the beneficiaries and then assigning the assets of all insured persons in active service to the respective companies in proportion to their retirement

assets, while the assets of retired employees are allocated to them directly. The pension funds and foundations have taken out reinsurance to ensure they can meet the legal benefit obligations.

### ***United Kingdom***

There is an employer's pension commitment in the Travel and Tourism business segment that has been closed for new hires since 2002, but which continues to accumulate for the existing beneficiaries. The commitment is based on salary and length of service and is currently covered by plan assets. Upon retirement, up to 25.0 per cent of the pension entitlement may be paid out as a one-off payment. However, there is a longevity risk due to the foreseen lifetime pension payments of at least 75.0 per cent.

In the United Kingdom the plan assets in the trusts are remeasured at least every three years. As part of this remeasurement, the trustees of the corresponding trusts use mostly very conservative parameters and determine from them any existing financing surplus or shortfall and thus the future payments by the employer.

### ***Austria***

In Austria, labour law requires all employment contracts that were entered into by 31 December 2002 and lasted for an uninterrupted period of at least three years to be included in a defined benefit plan (old end-of-service benefit model), which provides for a once-off payment if an employee's contract is terminated (except in cases of voluntary resignation) or upon retirement at the latest. The amount of the once-off payment depends on the employee's average monthly remuneration and length of service and varies between two and twelve times the monthly remuneration. The payment arrangements range from immediate payment to payment in half-monthly instalments.

The above model was amended with effect from 1 January 2003 and every employer is now obliged to contribute 1.5 per cent of the employee's monthly remuneration to a statutory end-of-service benefit fund. The new end-of-service benefit model therefore takes the form of a defined contribution benefit model.

### ***Italy***

Similar to Austria, employees in Italy have a right to a severance payment if the employment contract is terminated. This payment is referred to as "Trattamento di Fine Rapporto" (TFR). This is an additional pension entitlement granted under public law. The entitlement is comparable to deferred compensation and is based on the level of income and the number of years in service.

Before the TFR was reformed in 2005, it was a defined benefit plan. With effect from 1 January 2007, all existing plans were closed and transferred to a defined contribution benefit system. The amendment applied to both new joiners and to future years of service of beneficiaries in active service. The defined benefit obligation of consolidated Italian companies therefore reflects the extent of the obligation for beneficiaries' years in active service up to 2007.

Since the benefit models in Switzerland, Austria and Italy are statutory benefit systems, there are no company-specific risks.

## b) Significant Actuarial Assumptions

The defined benefit obligations reported in the balance sheet are based on expert actuarial opinions. The following parameters were used to measure the significant defined benefit obligations:

### Country-specific Parameters for Measuring Significant Defined Benefit Obligations

| Significant Measurement parameters | 2018                     |                                  |                           |          | 2017                     |                                  |                           |          |
|------------------------------------|--------------------------|----------------------------------|---------------------------|----------|--------------------------|----------------------------------|---------------------------|----------|
|                                    | Accounting interest rate | Expected future salary increases | Rate of pension increases | Duration | Accounting interest rate | Expected future salary increases | Rate of pension increases | Duration |
| Germany                            | 1.75%                    | 3.00%                            | 1.90%                     | 14 years | 1.50%                    | 2.80%                            | 1.90%                     | 16 years |
| Switzerland                        | 0.90%                    | 1.00%                            | -                         | 14 years | 0.70%                    | 1.20%                            | -                         | 14 years |
| United Kingdom                     | 2.90%                    | 3.50%                            | 3.50%                     | 22 years | 2.50%                    | 3.40%                            | 3.40%                     | 20 years |
| Austria                            | 1.30%                    | 3.00%                            | -                         | 8 years  | 1.10%                    | 2.80%                            | -                         | 9 years  |
| Italy                              | 1.30%                    | -                                | -                         | 8 years  | 1.20%                    | -                                | -                         | 9 years  |

The calculations of the German commitments are based on basic biometric values (probabilities of death and disability) contained in the 2018 G mortality tables (previous year: 2005 G mortality tables) of Prof. Klaus Heubeck. The death and disability probabilities contained in "Technische Grundlagen BVG 2015" were used for Switzerland, the AVÖ 2018 P tables of Pagler & Pagler were used for Austria, and the Tavole IPS55 and Tavole INPS 2000 were used for Italy.

## c) Changes in the Net Defined Benefit Obligation and the Reimbursement Rights Against Trust Associations

### Calculation of Net Obligation Recognised in the Balance Sheet

| in million €  | 2018           |                     | 2017         |                     |
|---|----------------|---------------------|--------------|---------------------|
|   | Pensions       | Similar obligations | Pensions     | Similar obligations |
| Present value of unfunded obligations                                     | 583.4          | 238.8               | 568.4        | 243.5               |
| Present value of obligations funded in whole or in part                   | 420.0          | 0.0                 | 429.7        | 0.0                 |
| <b>Present value of defined benefit obligations</b>                       | <b>1,003.4</b> | <b>238.8</b>        | <b>998.1</b> | <b>243.5</b>        |
| Fair value of plan assets   | 395.1          | 0.0                 | 375.2        | 0.0                 |
| <b>Net liability from defined-benefit pension plans as at 31 December</b> | <b>608.3</b>   | <b>238.8</b>        | <b>622.9</b> | <b>243.5</b>        |
| of which: reported as provision for pensions and similar obligations      | 610.3          | 238.8               | 625.2        | 243.5               |
| of which: reported as other assets  | 2.0            | 0.0                 | 2.3          | 0.0                 |

The net liability from pensions and similar obligations reported under provisions includes obligations for end-of-service and TFR benefits of 224.4 million euros (previous year: 229.9 million euros), obligations for retirement allowances of 8.0 million euros (previous year: 7.1 million euros) and obligations for survivor benefits of 6.4 million euros (previous year: 6.5 million euros).

Other assets resulted from surpluses of defined benefit plans of DER Touristik UK Limited, Dorking, United Kingdom, and RZAG.



### Change in the Present Value of Defined Benefit Obligation in the Financial Year

| in million €   | 2018           |                     | 2017         |                     |
|--|----------------|---------------------|--------------|---------------------|
|  | Pensions       | Similar obligations | Pensions     | Similar obligations |
| Present value of defined-benefit obligation as at 1 January          | 998.1          | 243.5               | 934.7        | 243.8               |
| Current service cost   | 21.3           | 11.1                | 19.1         | 10.9                |
| Interest cost  | 13.3           | 2.5                 | 12.5         | 2.3                 |
| Effects from remeasurements  | -21.6          | -3.5                | 15.6         | -2.6                |
| of which: effects from change to demographic assumptions             | 6.2            | 0.0                 | -0.4         | 0.2                 |
| of which: effects from change to financial assumptions               | -33.0          | 0.7                 | 11.0         | -2.0                |
| of which: effects from experience adjustments                        | 5.2            | -4.2                | 5.0          | -0.8                |
| Past service cost  | -0.6           | 0.0                 | 19.8         | 0.0                 |
| of which: from plan settlements                                      | 0.0            | 0.0                 | -0.4         | 0.0                 |
| Effects from exchange rate changes                                   | 9.1            | 0.0                 | -22.9        | 0.0                 |
| Contributions to pension plan  | 18.0           | 0.0                 | 20.8         | 0.0                 |
| of which: employer contributions                                     | 3.7            | 0.0                 | 3.7          | 0.0                 |
| of which: plan participant contributions                             | 14.3           | 0.0                 | 17.1         | 0.0                 |
| Benefits paid  | -35.3          | -13.9               | -40.4        | -10.9               |
| of which: benefits paid in the context of plan settlements           | -1.7           | 0.0                 | -0.9         | 0.0                 |
| Effects from business combinations and disposals                     | 1.1            | -0.9                | 38.9         | 0.0                 |
| <b>Present value of defined-benefit obligation as at 31 December</b> | <b>1,003.4</b> | <b>238.8</b>        | <b>998.1</b> | <b>243.5</b>        |

The impacts from business combinations in the financial year relate essentially to the acquisition of the Travel LAB SAS, St. Ouen, France (see note 4 "Acquisitions").

### Change in Fair Value of Plan Assets in the Financial Year

| in million €   | 2018                                      | 2017         |
|--|---|--------------|
|  | Fair value of plan assets as at 1 January | 375.2        |
| Interest income  | 4.6                                       | 4.4          |
| Effects from remeasurements                                | 4.8                                       | 10.9         |
| Effects from exchange rate changes                         | 7.5                                       | -18.7        |
| Contributions to pension plan                              | 22.2                                      | 18.6         |
| of which: employer contributions                           | 19.3                                      | 15.5         |
| of which: plan participant contributions                   | 2.9                                       | 3.1          |
| Benefits paid  | -19.6                                     | -25.9        |
| of which: benefits paid from plan assets                   | -18.5                                     | -25.2        |
| of which: benefits paid in the context of plan settlements | -1.1                                      | -0.7         |
| Effects from business combinations and disposals           | 0.4                                       | 0.0          |
| Effects from asset transfers                               | 0.0                                       | -1.0         |
| <b>Fair value of plan assets as at 31 December</b>         | <b>395.1</b>                              | <b>375.2</b> |

Plan assets consist primarily in connection with pension obligations in Germany, Switzerland and the United Kingdom.

## Composition of Plan Assets of the Consolidated Companies

| in million €                                       | 2018         | 2017         |
|--|--------------|--------------|
| Cash and cash equivalents                          | 8.8          | 9.5          |
| of which: quoted market price on an active market  | 8.8          | 9.5          |
| Equity instruments                                 | 44.1         | 48.1         |
| of which: quoted market price on an active market  | 44.1         | 48.1         |
| Debt instruments                                   | 38.6         | 42.0         |
| of which: quoted market price on an active market  | 37.6         | 40.2         |
| Real Estate  | 47.4         | 41.5         |
| of which: quoted market price on an active market  | 11.6         | 10.9         |
| of which: owner-occupied                           | 1.8          | 1.4          |
| Securities funds                                   | 67.1         | 54.2         |
| of which: quoted market price on an active market  | 67.1         | 54.2         |
| Reinsurance policies                               | 172.8        | 165.8        |
| Other  | 16.3         | 14.1         |
| of which: quoted market price on an active market  | 11.9         | 9.2          |
| <b>Fair value of plan assets as at 31 December</b> | <b>395.1</b> | <b>375.2</b> |

## Change in Reimbursement Rights from the Trust Assets of the Consolidated Companies Used to Secure the Pension Obligations in the Course of the Financial Year

| in million €  | 2018       | 2017       |
|---|------------|------------|
| <b>Fair value of reimbursement rights as at 1 January</b>   | <b>0.6</b> | <b>0.0</b> |
| Contributions to pension plan                               | -0.2       | 0.0        |
| of which: employer contributions                            | -0.2       | 0.0        |
| Effects from asset transfers                                | 0.0        | 0.6        |
| of which: effects of assumptions of assets                  | 0.0        | 0.6        |
| <b>Fair value of reimbursement rights as at 31 December</b> | <b>0.4</b> | <b>0.6</b> |

The assets reported under Reimbursement rights against trust associations are term deposits and bank balances. The reimbursement rights are reported under other financial assets (see note 28 "Other Financial Assets").

## d) Effects of Defined Benefit Plans Recognised Directly in Equity and Effects Recognised in the Income Statement

### Effects from the Remeasurement of the Net Obligation from Defined Benefit Obligations and Reimbursement Rights against Trust Associations on Retained Earnings.

| in million €  | 2018        |                     | 2017        |                     |
|---|-------------|---------------------|-------------|---------------------|
|   | Pensions    | Similar obligations | Pensions    | Similar obligations |
| Remeasurement of present value of defined-benefit obligations | 21.6        | 3.5                 | -15.6       | 2.6                 |
| Remeasurement of plan assets                                  | 4.8         | 0.0                 | 10.9        | 0.0                 |
| <b>Total</b>  | <b>26.4</b> | <b>3.5</b>          | <b>-4.7</b> | <b>2.6</b>          |

### Composition of Expenses from Defined Benefit Plans

| in million €  | 2018        |                     | 2017        |                     |
|---|-------------|---------------------|-------------|---------------------|
|   | Pensions    | Similar obligations | Pensions    | Similar obligations |
| Current service cost                                | 21.3        | 11.1                | 19.1        | 10.9                |
| Past service cost and effects from plan settlements | -0.6        | 0.0                 | 19.8        | 0.0                 |
| Net interest cost                                   | 8.7         | 2.5                 | 8.1         | 2.3                 |
| <b>Pension expense</b>                              | <b>29.4</b> | <b>13.6</b>         | <b>47.0</b> | <b>13.2</b>         |

The past service cost and the effects from plan settlements are recognised under personnel expenses, while the net interest cost is reported under the financial result.

### e) Effects of Significant Actuarial Assumptions on the Present Value of the Defined Benefit Obligation

The tables below show the effects of an isolated change to the significant actuarial parameters on the present value of the defined benefit obligations for pensions and similar obligations. In each of these scenarios, a change of 0.5 percentage points is assumed in the discount rate, in expected future wage and salary increases and in expected future pension increases. In addition, a change in the life expectancy of all beneficiaries, regardless of age, is simulated by shifting the review date by one year.

#### Effects of Significant Actuarial Assumptions on Pensions

| in million €  | 2018     |          | 2017     |          |
|---|----------|----------|----------|----------|
|   | Increase | Decrease | Increase | Decrease |
| <b>Increase/decrease in discount rate by 0.5 percentage points</b>                            |          |          |          |          |
| Present value of defined-benefit obligation as at 31 December                                 | 938.2    | 1,077.5  | 826.4    | 948.5    |
| <b>Increase/decrease in rate of expected future salary increases by 0.5 percentage points</b> |          |          |          |          |
| Present value of defined-benefit obligation as at 31 December                                 | 1,006.4  | 999.6    | 885.8    | 880.7    |
| <b>Increase/decrease in rate of pension increases by 0.5 percentage points</b>                |          |          |          |          |
| Present value of defined-benefit obligation as at 31 December                                 | 1,045.5  | 973.6    | 922.7    | 860.7    |
| <b>Increase/decrease in life expectancy by 1 year</b>   |          |          |          |          |
| Present value of defined-benefit obligation as at 31 December                                 | 1,031.1  | 974.8    | 909.7    | 857.7    |

#### Effects of Significant Actuarial Assumptions on Similar Obligations

| in million €  | 2018     |          | 2017     |          |
|---|----------|----------|----------|----------|
|   | Increase | Decrease | Increase | Decrease |
| <b>Increase/decrease in discount rate by 0.5 percentage points</b>                            |          |          |          |          |
| Present value of defined-benefit obligation as at 31 December                                 | 230.3    | 248.7    | 234.0    | 253.8    |
| <b>Increase/decrease in rate of expected future salary increases by 0.5 percentage points</b> |          |          |          |          |
| Present value of defined-benefit obligation as at 31 December                                 | 248.7    | 230.2    | 253.3    | 234.3    |
| <b>Increase/decrease in rate of pension increases by 0.5 percentage points</b>                |          |          |          |          |
| Present value of defined-benefit obligation as at 31 December                                 | 238.8    | 238.8    | 243.5    | 243.5    |
| <b>Increase/decrease in life expectancy by 1 year</b>   |          |          |          |          |
| Present value of defined-benefit obligation as at 31 December                                 | 238.8    | 238.8    | 243.5    | 243.5    |

In the same way as for the calculation of the present value of the defined benefit obligation in the balance sheet, the projected unit credit method is also used to determine the changes in the defined benefit obligation in relation to the above measurement parameters.

The expected payments under the defined benefit plans for the following financial year are 47.6 million euros (previous year: 41.9 million euros) for pensions and 17.9 million euros (previous year: 17.0 million euros) for similar obligations.

## Disclosures of Other Employee Benefits

The consolidated companies have committed themselves to paying service anniversary bonuses on the basis of a works agreement. The liability of 167.3 million euros (previous year: 153.0 million euros) corresponds to the full amount of the obligation; it was determined in Germany in accordance with financial engineering principles, assuming a discount rate appropriate to the maturity of 1.0 per cent (previous year: 0.8 per cent), based on the 2018 G mortality tables of Prof. Klaus Heubeck. The increase in service anniversary bonuses is due primarily to the increase in the amounts granted as a result of including the financial year just concluded and an increase in the employee headcount.

Liabilities from employee benefits include 68.3 million euros (previous year: 61.8 million euros) in liabilities to statutory social insurance funds. In addition, this item primarily comprises liabilities from wages and salaries still to be settled as well as liabilities from merchandise vouchers to employees.

The provisions for partial retirement obligations amounting to 25.0 million euros (previous year: 21.2 million euros) are based on actuarial reports of Hamburger Pensionsverwaltung e.G., Hamburg. They were measured on the basis of the 2018 G mortality tables of Prof. Klaus Heubeck, assuming a discount rate appropriate to the maturity of 0.0 per cent (previous year: 0.0 per cent). Despite the general expiry of the partial retirement models, the amount reported for provisions increased. This was due to the fact that further new partial retirement agreements were signed in individual cases.

Other employee benefits include, as in the previous year, provisions for redundancy plan costs and continued remuneration in the context of restructuring.

## 34. OTHER PROVISIONS

### Development of Other Provisions

| in million €                                    | As at 1 Jan. 2018 | Reclassifications | Changes in scope of consolidation | Utilisations  | Reversals     | Additions    | Interest cost | Currency differences | Reclassifications as liabilities from disposal groups and reclassifications | As at 31 Dec. 2018 |
|---|-------------------|-------------------|-----------------------------------|---------------|---------------|--------------|---------------|----------------------|---|--------------------|
| Expected losses from onerous contracts          | 687.7             | -3.4              | 0.3                               | 0.0           | -225.1        | 45.2         | 0.0           | -0.7                 | 0.0   | 504.0              |
| Expected losses from lease obligations          | 174.9             | 3.4               | 0.0                               | -35.0         | -30.9         | 58.8         | 0.2           | 0.0                  | 0.0   | 171.4              |
| Compensation to customers                       | 136.3             | 0.0               | 0.0                               | -130.5        | -4.6          | 129.7        | 0.0           | 0.0                  | 0.0   | 130.9              |
| Restoration costs                               | 43.9              | 0.0               | 0.0                               | -0.7          | -2.4          | 1.8          | 0.0           | 0.0                  | 0.0   | 42.6               |
| Court, litigation, legal consulting costs       | 33.0              | 1.3               | 0.0                               | -4.3          | -6.5          | 11.6         | 0.0           | -0.1                 | 2.0   | 37.0               |
| Other taxes                                     | 25.0              | 0.2               | 0.0                               | -10.0         | -6.0          | 21.6         | 0.0           | -2.2                 | 0.0   | 28.6               |
| Other expected losses                           | 22.4              | 0.0               | 0.0                               | -6.9          | -2.8          | 8.8          | 0.0           | -0.1                 | 0.0   | 21.4               |
| Expected losses from equity accounting          | 10.1              | 0.0               | 0.0                               | 0.0           | -6.0          | 11.2         | 0.0           | 0.0                  | 0.0   | 15.3               |
| Provisions for guarantees and courtesy services | 7.4               | 0.0               | 0.0                               | -5.1          | -0.4          | 5.5          | 0.0           | 0.0                  | 0.0   | 7.4                |
| Rental risks                                    | 6.1               | 0.0               | 0.0                               | -2.0          | -1.0          | 3.8          | 0.0           | 0.0                  | 0.0   | 6.9                |
| Interest on taxes                               | 6.3               | 0.0               | 0.0                               | -0.4          | -3.0          | 1.3          | 0.0           | 0.0                  | 0.0   | 4.2                |
| Miscellaneous other provisions                  | 245.1             | -1.0              | 0.6                               | -82.2         | -32.1         | 78.1         | 0.0           | -0.1                 | 0.0   | 208.4              |
| <b>Total</b>                                    | <b>1,398.2</b>    | <b>0.5</b>        | <b>0.9</b>                        | <b>-277.1</b> | <b>-320.8</b> | <b>377.4</b> | <b>0.2</b>    | <b>-3.2</b>          | <b>2.0</b>  | <b>1,178.1</b>     |

A provision for location-specific onerous contracts was recognised in the amount of the current contractual obligation. In this context, contracts are classified as onerous contracts if the unavoidable costs of meeting the obligations under the contract exceed the expected economic benefits, provided this relates to established stores, i.e. stores that have been in operation for four years and that do not fall under the definition of an expansion, new or developing store or a store slated for closure. In 2018, provisions for onerous contracts in Germany were discounted at an interest rate of 0.0 per cent (previous year: 0.0 per cent). Country-specific interest rates were used abroad. If the interest rate had remained unchanged compared with the previous year, provisions would have been 1.5 million euros higher (previous year: 0.2 million euros lower) (interest rate sensitivity). The reduction in provisions related mainly to the Retail Germany business segment. Despite the difficult market environment, it was possible to reduce the risk provisions.

Provisions for expected losses from lease obligations relate to lease deficits that arise because leased properties could not be subleased or could only be subleased at rates that do not cover costs.

Provisions for compensation to customers include compensation agreements not yet settled as at the balance sheet date.

#### Breakdown of Expected Maturities of Other Provisions

| in million €<br>Expected maturity               | 31 Dec. 2018 |                       |                         |                | 31 Dec. 2017 |                       |                         |                |
|---|--------------|-----------------------|-------------------------|----------------|--------------|-----------------------|-------------------------|----------------|
|   | Up to 1 year | Between 1 and 5 years | After more than 5 years | Total          | Up to 1 year | Between 1 and 5 years | After more than 5 years | Total          |
| Expected losses from onerous contracts          | 92.5         | 253.4                 | 158.1                   | 504.0          | 118.9        | 326.2                 | 242.6                   | 687.7          |
| Expected losses from lease obligations          | 30.7         | 66.7                  | 74.0                    | 171.4          | 37.9         | 73.0                  | 64.0                    | 174.9          |
| Compensation to customers                       | 130.9        | 0.0                   | 0.0                     | 130.9          | 136.3        | 0.0                   | 0.0                     | 136.3          |
| Restoration costs                               | 4.8          | 11.2                  | 26.6                    | 42.6           | 4.7          | 10.7                  | 28.5                    | 43.9           |
| Court, litigation, legal consulting costs       | 26.1         | 10.9                  | 0.0                     | 37.0           | 23.6         | 9.4                   | 0.0                     | 33.0           |
| Other taxes                                     | 28.6         | 0.0                   | 0.0                     | 28.6           | 25.0         | 0.0                   | 0.0                     | 25.0           |
| Other expected losses                           | 21.0         | 0.4                   | 0.0                     | 21.4           | 22.2         | 0.2                   | 0.0                     | 22.4           |
| Expected losses from equity accounting          | 14.9         | 0.4                   | 0.0                     | 15.3           | 10.1         | 0.0                   | 0.0                     | 10.1           |
| Provisions for guarantees and courtesy services | 6.0          | 1.4                   | 0.0                     | 7.4            | 6.3          | 1.1                   | 0.0                     | 7.4            |
| Rental risks                                    | 6.9          | 0.0                   | 0.0                     | 6.9            | 6.1          | 0.0                   | 0.0                     | 6.1            |
| Interest on taxes                               | 3.9          | 0.3                   | 0.0                     | 4.2            | 6.3          | 0.0                   | 0.0                     | 6.3            |
| Miscellaneous other provisions                  | 183.7        | 11.4                  | 13.3                    | 208.4          | 221.8        | 13.5                  | 9.8                     | 245.1          |
| <b>Total</b>                                    | <b>550.0</b> | <b>356.1</b>          | <b>272.0</b>            | <b>1,178.1</b> | <b>619.2</b> | <b>434.1</b>          | <b>344.9</b>            | <b>1,398.2</b> |

## 35. OTHER FINANCIAL LIABILITIES

### Breakdown of Other Financial Liabilities

| in million €   | Remaining term |                  | 31 Dec. 2018   | Remaining term |                  | 31 Dec. 2017   |
|--|----------------|------------------|----------------|----------------|------------------|----------------|
|  | Up to 1 year   | More than 1 year | Total          | Up to 1 year   | More than 1 year | Total          |
| Liabilities to banks                                     | 438.6          | 1,004.3          | 1,442.9        | 945.7          | 175.1            | 1,120.8        |
| Liabilities from finance leases                          | 65.0           | 789.4            | 854.4          | 63.0           | 836.7            | 899.7          |
| Liabilities from other loans                             | 69.8           | 293.9            | 363.7          | 73.7           | 175.9            | 249.6          |
| Liabilities to associates from intercompany transactions | 11.4           | 0.0              | 11.4           | 11.8           | 0.0              | 11.8           |
| Loans from associates                                    | 8.5            | 0.0              | 8.5            | 0.3            | 0.0              | 0.3            |
| Loans from affiliated companies                          | 5.2            | 0.0              | 5.2            | 5.7            | 0.0              | 5.7            |
| Interest rate swaps                                      | 5.0            | 0.0              | 5.0            | 0.8            | 0.0              | 0.8            |
| Accrued interest on derivatives                          | 0.5            | 0.0              | 0.5            | 0.0            | 0.0              | 0.0            |
| Other liabilities from financial transactions            | 25.7           | 2.2              | 27.9           | 16.5           | 0.3              | 16.8           |
| <b>Financial liabilities</b>                             | <b>629.7</b>   | <b>2,089.8</b>   | <b>2,719.5</b> | <b>1,117.5</b> | <b>1,188.0</b>   | <b>2,305.5</b> |
| Accounts receivable with a credit balance                | 51.8           | 0.0              | 51.8           | 35.4           | 0.0              | 35.4           |
| Non-controlling interest in the net assets of companies  | 0.0            | 14.7             | 14.7           | 0.0            | 21.0             | 21.0           |
| Liabilities from derivative financial instruments        | 13.8           | 0.0              | 13.8           | 35.7           | 0.0              | 35.7           |
| <b>Total</b>   | <b>695.3</b>   | <b>2,104.5</b>   | <b>2,799.8</b> | <b>1,188.6</b> | <b>1,209.0</b>   | <b>2,397.6</b> |

Of the reported liabilities to banks, 170.0 million euros (previous year: 281.6 million euros) are secured by land charges.

### Interest Rate Structure of Fixed-interest Liabilities to Banks

| Financing   | Interest terms | Currency  | Interest rate lock-in | Weighted interest rate as a % of original borrowing | Volume as at balance sheet date |
|---|----------------|-----------|-----------------------|---|---------------------------------|
| Liabilities to banks<br>(excluding current account) | Fixed-interest | million € | Up to 1 year          | 4.37  | 1.3                             |
|   |                |           | 1 to 5 years          | 2.59  | 111.9                           |
|   |                |           | More than 5 years     | 0.86  | 56.6                            |
| <b>Total</b>  |                |           |                       |   | <b>169.8</b>                    |

The interest rate lock-in of short and medium-term financial liabilities to banks and the interest rate adjustment dates of all fixed-interest financial liabilities to banks correspond to the interest lock-in periods shown. Interest rate adjustment dates for variable interest rates occur within one year.

Under an agreement dated 3 December 2018, RIF agreed a syndicated loan with a volume 2,000.0 million euros, which matures in December 2023 and can be renewed twice in each case by one year. This loan agreement replaces the existing syndicated loan of 1,500.0 million euros. As at 31 December 2018, the syndicated loan had not been drawn down (previous year: drawdown of 650.0 million euros).

As at the balance sheet date there were three bilateral credit lines totalling 275.0 million euros (previous year: four bilateral credit lines totalling 350.0 million euros) with different maturities.

204.0 million euros of the lines of credit were drawn down by the balance sheet date (previous year: 62.6 million euros).

Liabilities to banks essentially comprise non-current loans to finance real estate and short-term lines of credit. The increase is attributable primarily to the raising of a promissory note loan amounting to 1,000.0 million euros, of which 881.5 million euros was reported under non-current liabilities to banks. The individual tranches mature between 28 February 2021 and 28 February 2028. The repayment of the syndicated loan (650.0 million euros) utilised on 31 December 2017 had an offsetting effect. The promissory note loan is used for general corporate financing purposes.

Please see note 24 "Leases" for notes on the development of liabilities from finance leases.

Non-current liabilities from other loans include a promissory note loan totalling 175.0 million euros (previous year: 175.0 million euros), which the groups can use for investments via RIF, and a portion of the promissory note loan raised in 2018 (118.5 million euros). Other short-term loans related primarily to the demand and term deposits set aside for the short term by related parties. This decrease occurred in relation to the balance sheet date.

Other liabilities from financial transactions primarily consisted of liabilities from current settlement accounts with related parties and affiliates. The liabilities from derivative financial instruments essentially concern currency derivatives. Further explanations of changes in derivative financial instruments can be found in note 41 "Further Disclosures on Financial Instruments".

Non-controlling interests in the net assets of companies relate to shares in consolidated companies that guarantee the holder the right to return them to the issuer for cash or cash equivalents or other financial assets. They include shares in partnerships and the co-operative shares in RZF. As at the balance sheet date, the total of 432,000 co-operative shares were held by 16 members (previous year: 14). The par value of each co-operative share was decreased from 800.00 euros to 1.00 euro. As in the previous year, the total uncalled liability of all members totalled 0.4 million euros as at 31 December 2018.

All financial liabilities, with the exception of liabilities from derivative financial instruments and liabilities from finance leases (see note 24 "Leases") are recognised at the amount repayable.

## 36. TRADE PAYABLES

### Breakdown of Trade Payables

| in million €                           | Remaining term |                  | 31 Dec. 2018   | Remaining term |                  | 31 Dec. 2017   |
|--|----------------|------------------|----------------|----------------|------------------|----------------|
|  | Up to 1 year   | More than 1 year |                | Up to 1 year   | More than 1 year |                |
|  |                |                  | Total          |                |                  | Total          |
| Trade payables to third parties        | 6,839.7        | 9.1              | <b>6,848.8</b> | 6,152.0        | 6.9              | <b>6,158.9</b> |
| Trade payables to associates           | 1.2            | 0.0              | <b>1.2</b>     | 0.2            | 0.0              | <b>0.2</b>     |
| Trade payables to joint ventures       | 0.6            | 0.0              | <b>0.6</b>     | 0.1            | 0.0              | <b>0.1</b>     |
| Trade payables to affiliated companies | 0.0            | 0.0              | <b>0.0</b>     | 0.9            | 0.0              | <b>0.9</b>     |
| <b>Total</b>                           | <b>6,841.5</b> | <b>9.1</b>       | <b>6,850.6</b> | <b>6,153.2</b> | <b>6.9</b>       | <b>6,160.1</b> |

The increase in trade payables to third parties was attributable to increase in ordinary activities, changes relating to the reporting date and the first-time consolidation of UAB Palink (see note 4

"Acquisitions"). The recognition of deferred liabilities for construction measures and projects also contributed to this development.

## 37. OTHER LIABILITIES

### Breakdown of Other Liabilities

| in million €                                       | Remaining term |                  | 31 Dec. 2018   | Remaining term |                  | 31 Dec. 2017   |
|--|----------------|------------------|----------------|----------------|------------------|----------------|
|  | Up to 1 year   | More than 1 year |                | Up to 1 year   | More than 1 year |                |
|  |                |                  | Total          |                |                  | Total          |
| Prepayments received on account of orders          | 559.6          | 0.0              | 559.6          | 508.9          | 0.0              | 508.9          |
| Liabilities from advance travel services           | 192.6          | 0.0              | 192.6          | 201.6          | 0.0              | 201.6          |
| Liabilities from other taxes                       | 155.4          | 0.0              | 155.4          | 157.8          | 0.2              | 158.0          |
| Provisions with the nature of a liability          | 135.9          | 0.0              | 135.9          | 126.2          | 0.0              | 126.2          |
| Onerous contracts                                  | 14.7           | 115.9            | 130.6          | 10.3           | 109.1            | 119.4          |
| Liabilities from customer loyalty programmes       | 106.8          | 0.0              | 106.8          | 87.2           | 0.0              | 87.2           |
| Liabilities from merchandise/gift vouchers         | 95.2           | 0.0              | 95.2           | 89.2           | 0.0              | 89.2           |
| Occupancy costs                                    | 69.5           | 0.0              | 69.5           | 63.0           | 0.0              | 63.0           |
| Deferred income                                    | 25.7           | 24.5             | 50.2           | 24.0           | 14.4             | 38.4           |
| Mutual indemnity society                           | 42.5           | 0.0              | 42.5           | 40.8           | 0.0              | 40.8           |
| Liabilities from prepayments and security deposits | 10.6           | 0.0              | 10.6           | 9.7            | 0.0              | 9.7            |
| Reimbursement liabilities                          | 2.5            | 0.0              | 2.5            | 0.0            | 0.0              | 0.0            |
| Miscellaneous                                      | 163.0          | 1.2              | 164.2          | 171.9          | 3.5              | 175.4          |
| <b>Total</b>                                       | <b>1,574.0</b> | <b>141.6</b>     | <b>1,715.6</b> | <b>1,490.6</b> | <b>127.2</b>     | <b>1,617.8</b> |

Prepayments received on account of orders are primarily recorded in the Travel and Tourism business segment. They comprise deferred performance by tour operators for travel to be completed after the balance sheet date. The increase was primarily attributable to the change in payment terms, which resulted in the prepayments being collected earlier from end customers. The first-time inclusion of Travel LAB SAS, Saint-Ouen, France, and Journey Latin America Limited, London, United Kingdom (see note 4 "Acquisitions"), also contributed significantly to this development.

Liabilities from advance travel services relate primarily to outstanding invoices for third-party services that the tour operators use for their own travel products and that had not been billed by the service providers as at the balance sheet date.

Liabilities from other taxes relate primarily to value-added tax as well as payroll and church tax.

The various provisions with the nature of a liability were recognised for, among other things, agent commissions, lease obligations, administrative expenses and deferred income for power and gas invoices.

Liabilities from contracts are recognised for contracts assumed in the context of a business combination, if their contractual conditions were less favourable than the market conditions at the time of acquisition. Liabilities for onerous contracts are paid down on a straight-line basis over the remaining term of the underlying contract. The increase in this item was due to the first-time inclusion of UAB Palink (see note 4 "Acquisitions").

Liabilities from customer loyalty programmes increased primarily as a result of the introduction of the "PAYBACK" customer loyalty programme at PENNY.



Deferred income liabilities contain, among others, building cost subsidies and deferred service fees.

## **38. CASH FLOW STATEMENT**

The cash flow statement shows changes in cash and cash equivalents less overdraft facilities during the financial year. A distinction is drawn between changes resulting from operating activities, investing activities and financing activities. The discontinued operations' cash flows from operating activities, investing activities and financing activities are reported separately from those of continuing operations in accordance with IFRS 5. Currently, there are no discontinued operations.

The disclosures below relate to the cash flows of continuing operations.

### **Cash Flow from Operating Activities**

During the period under review, the cash provided by operating activities increased from 1,300.2 million euros to 1,486.1 million euros. The 185.9-million-euro increase resulted primarily from the significant year-on-year improvement in the operating result.

A decrease in utilisations of provisions and the increase in trade payables also led to higher operating cash flows.

Other non-cash transactions amounting to 16.2 million euros (previous year: -11.4 million euros) in the financial year related to, among other things, allowances on receivables and inventories as well as the recognition directly within equity of 29.9 million euros (previous year: -2.1 million euros) for the remeasurement of pensions and similar obligations.

During the financial year, borrowing costs in the amount of 0.3 million euros (previous year: 0.1 million euros) were recognised.

### **Cash Flow from Investing Activities**

The cash used in investing activities amounted to -1,786.3 million euros in the financial year, compared with -1,903.5 million euros in the previous year. The decrease in cash used in investing activities was due primarily to the 51.1-million-euro decline in net payments for the acquisition of consolidated companies and other business units and the 62.6-million-euro decrease in investments in intangible assets, property, plant and equipment, and investment properties.

The proceeds from disposals of financial assets and companies accounted for using the equity method included an amount of 153.8 million euros (previous year: 157.4 million euros) that arose from the repayment of loans. Of this figure, 120.4 million euros (previous year: 142.0 million euros) related to loans to associates.

Furthermore, loans granted to joint ventures led to outflows for purchases of financial assets amounting to 32.4 million euros (previous year: 160.8 million euros) and repayments made in the course of the year to proceeds from disposals of financial assets amounting to 14.3 million euros (previous year: 171.2 million euros).

Investments in non-current assets amounted to 1,793.7 million euros, (previous year: 1,856.3 million euros). They related mainly to expansion investments in the store network and replacement and expansion investments at stores, warehouse locations and manufacturing companies.

Under purchases of financial assets, an amount of 171.1 million euros (previous year: 174.6 million euros) related to loans granted. Of this figure, an amount of 126.5 million euros (previous year: 152.3 million euros) was granted to associates.

Furthermore, outflows of 30.7 million euros for the purchase of further shares (first tranche) in UAB Palink were recognised under purchases of financial assets and companies accounted for using the equity method.

Of the excess proceeds from business combinations and the acquisition of shares in consolidated companies amounting to 20.8 million euros (previous year: 0.8 million euros), 16.2 million euros was attributable to the acquisition of additional shares (second tranche) in UAB Palink and 4.6 million euros to repayments in connection with the acquisition of store locations from the Kaiser's Tengelmann Group in the previous year.

Of the payments for business combinations and the acquisition of shares in consolidated companies amounting to 25.7 million euros (previous year: 56.8 million euros), 15.5 million euros was attributable to the acquisition of the shares in Travel LAB SAS, Bloom Investissements SAS and Key 2014 SAS, each with its registered office in Saint-Ouen, France, 7.2 million euros to the acquisition of 12 stores in Russia, 1.8 million euros to the acquisition of two stores in Italy and 1.2 million to the acquisition of shares in Reisebüro Rade GmbH, Offenburg, and Journey Latin America Limited, London, United Kingdom. See also note 4 "Acquisitions".

## **Cash Flow from Financing Activities**

The cash flow from financing activities was 284.5 million euros. Changes since the previous year amounting to 335.2 million euros resulted primarily from the fact that a promissory note loan amounting to 1,000.0 million euros was raised in the financial year while the syndicated line of credit was repaid in the amount of 650.0 million euros.

Furthermore, the utilisation of lines of credit resulted in cash inflows totalling 181.4 million euros.

In addition to the utilisation of lines of credit, cash proceeds of 11.0 million euros (previous year: 14.5 million euros) and cash repayments of 2.1 million euros (previous year: 34.7 million euros) in relation to borrowings from affiliated companies and associates also contributed to the cash inflows from financing activities.

Furthermore, loans from banks amounting to 16.5 million euros (previous year: 88.2 million euros) were raised during the financial year and 117.9 million euros (previous year: 91.1 million euros) of other loans were repaid.

In addition, the raising and repayment of loans to related parties led to cash proceeds of 567.7 million euros (previous year: 50.0 million euros) and cash payments of 556.9 million euros (previous year: 14.2 million euros).

The 33.4-million-increase in paid dividends resulted primarily from the increase in RZAG's dividends.

The payments from the change in non-controlling interests amounting to 45.5 million euros (previous year: 6.0 million euros) include cash outflows for the acquisition of further shares (third tranche) in UAB Palink. For information on acquisition of the three tranches, please also see note 4 "Acquisitions".

For details on cash repayments of finance lease liabilities amounting to 66.9 million euros (previous year: 46.9 million euros), see note 24 "Leases".

The change in cash funds amounting to 0.4 million euros related to changes in the scope of consolidation were attributable to fully consolidating Xtravel AB, Stockholm, Sweden, for the first time.

## Liabilities from Financing Activities

Liabilities from financing activities related in particular to loans and demand and time deposits from banks, promissory note loans and finance lease liabilities. In addition, there are also loans from affiliated companies, associates and related parties.

### Reconciliation of Liabilities from Financing Activities

| in million €   | 2018           | 2017           |
|--|----------------|----------------|
| <b>Other financial liabilities as at 1 Jan.</b>            | <b>2,397.6</b> | <b>1,337.7</b> |
| Non-interest bearing financial liabilities                 | -92.1          | -69.1          |
| <b>Financial liabilities as at 1 Jan.</b>                  | <b>2,305.5</b> | <b>1,268.6</b> |
| Liabilities from operating intercompany transactions       | -19.0          | -16.6          |
| Bank overdrafts  | -1.8           | -42.0          |
| Other liabilities from operating activities                | -10.2          | -6.1           |
| <b>Liabilities from financing activities as at 1 Jan.</b>  | <b>2,274.5</b> | <b>1,203.9</b> |
| Net change in cash funds                                   | 368.2          | 634.1          |
| of which cash proceeds from borrowings                     | 1,595.8        | 825.6          |
| of which cash repayments of borrowings                     | -1,160.7       | -144.6         |
| of which cash payments of finance lease liabilities        | -66.9          | -46.9          |
| Net change in non-cash funds                               | 31.0           | 436.5          |
| of which additions from finance leases                     | 21.7           | 280.6          |
| of which due to changes in the scope of consolidation      | 0.0            | 151.1          |
| of which due to currency translation                       | -1.3           | 4.8            |
| of which due to reclassifications                          | 0.0            | -0.2           |
| of which due to other changes                              | 10.6           | 0.2            |
| <b>Liabilities from financing activities as at 31 Dec.</b> | <b>2,673.7</b> | <b>2,274.5</b> |
| Liabilities from operating intercompany transactions       | 30.9           | 19.0           |
| Bank overdrafts  | 4.4            | 1.8            |
| Other liabilities from operating activities                | 10.5           | 10.2           |
| <b>Financial liabilities as at 31 Dec.</b>                 | <b>2,719.5</b> | <b>2,305.5</b> |
| Non-interest bearing financial liabilities                 | 80.3           | 92.1           |
| <b>Other financial liabilities as at 31 Dec.</b>           | <b>2,799.8</b> | <b>2,397.6</b> |

Other non-cash changes in liabilities from financing activities amounting to 10.6 million euros were due primarily to accrued interest on loans from banks.

# Other Disclosures

## 39. CAPITAL MANAGEMENT DISCLOSURES

The purpose of financial management in the groups is to ensure a maximum degree of financial flexibility as well as sufficient scope for action regarding the operational, financial and strategic business development of the groups at all times. REWE Group is committed to maintaining a strong financial profile and a solid credit rating. In maintaining the financial profile, REWE Group focuses on internationally accepted, rating-relevant financial ratios. All strategic business decisions are reviewed with regard to their impact on these key figures.

A financial policy has been defined for REWE Group that specifies its most important key figure as follows:

|  |
|--|
| $\text{Leverage factor}^* = \frac{\text{Net financial debt} + \text{Net annual rent expense} \times 5}{\text{EBITDA} + \text{Net annual rent expense}}$    |
| <small>* The leverage factor is not a component of IFRS accounting standards and may be defined and calculated differently by different companies.</small> |

The leverage factor is the ratio of net debt to rent-adjusted EBITDA (EBITDAR) of REWE Group. The definition of this key figure takes into account the liabilities recognised on the balance sheet and net rental obligations, multiplied by five. This factor implies the present value of net rental obligations. A maximum leverage factor of three has been specified for REWE Group. Should extraordinary market conditions force management to exceed this debt limit, measures must be developed to return the key ratio to the target level. As at 31 December 2018, this key figure stood at 2.5 (previous year: 2.6). The basis for calculating the debt factor changed with the introduction of IFRS 16 on January 1, 2019. The financing structure, liquidity and financial risk positions are managed centrally at REWE Group.

Based on capital market principles, long-range capital management is also guided by the decision with respect to variable and fixed-rate borrowing.

Short-term liquidity management for REWE Group is conducted on a monthly basis for the subsequent year and is updated continuously. The medium-term liquidity requirement is calculated for each calendar year based on the medium-term plan and thus serves as the basis for the financing strategy.

REWE Group has assigned a central treasury committee to manage financial risks (e.g. foreign exchange risks, interest rate risks and credit risks). Treasury committees also exist at the level of the business segments. These bodies serve to further the mutual exchange of information, shaping opinions and encouraging close consultation among the different corporate units on issues and strategies of overall importance.

Moreover, the expertise concentrated in REWE Group is used to advise and support domestic and international REWE Group companies in all relevant financial matters. Relevant issues range from fundamental considerations concerning the financing of acquisition and investment projects to on-site support for local financial officers of individual group companies in discussions with banks and financial services providers.

## 40. FINANCIAL RISK MANAGEMENT

The groups are exposed to various financial risks through their operating activities, particularly foreign exchange risk, liquidity risk, interest rate risk, commodity price risk and credit risk.

The foreign exchange, liquidity and interest rate risk to which the groups are exposed is systematically managed in accordance with financial guidelines. Financial risks are identified, assessed and hedged in close co-operation with the operating units. A central treasury committee discusses and decides on risk policy and strategy.

The operational framework, lines of responsibility, financial reporting and control mechanisms for financial instruments are defined in detail in the respective guidelines. These guidelines call in particular for a clear functional separation between trading and settlement activities.

Comprehensive management of financial risks focuses on the unpredictability of developments on the financial markets and aims to minimise the potential for negative impact on the financial position of the groups. Mitigating risk generally takes precedence over considerations of profitability.

Forward contracts, swaps and options are used to hedge interest rate risks, foreign exchange risks, and commodities price risks. These are recognised under other financial assets or other financial liabilities.

### Fair Values of the Derivative Financial Instruments

| in million €                             | Fair value<br>- Assets - |              | Fair value<br>- Liabilities - |              |
|--|--------------------------|--------------|-------------------------------|--------------|
|  | 31 Dec. 2018             | 31 Dec. 2017 | 31 Dec. 2018                  | 31 Dec. 2017 |
| Interest rate swaps                      | 0.0                      | 0.0          | 5.0                           | 0.8          |
| Accrued interest on derivatives          | 0.0                      | 0.0          | 0.5                           | 0.0          |
| Currency derivatives                     | 32.8                     | 24.0         | 12.0                          | 34.9         |
| of which: within cash flow hedges        | 28.0                     | 7.6          | 7.9                           | 18.1         |
| of which: within fair value hedges       | 0.0                      | 1.1          | 0.0                           | 2.5          |
| of which: outside a hedging relationship | 4.8                      | 15.3         | 4.1                           | 14.3         |
| Commodity derivatives                    | 0.0                      | 1.2          | 1.8                           | 0.8          |
| <b>Total</b>                             | <b>32.8</b>              | <b>25.2</b>  | <b>19.3</b>                   | <b>36.5</b>  |

### Foreign Exchange Risk

The groups have international operations and are therefore exposed to potential foreign exchange risks.

Foreign exchange risks (i.e. potential impairment losses on financial instruments due to exchange rate changes) exist in particular where assets and liabilities are denominated or will routinely arise in a currency other than the groups' functional currency. In accordance with the financial guidelines, receivables and liabilities denominated in foreign currency must be hedged in full using derivatives. The group companies' counterparties in transactions involving derivative financial instruments are top-rated banks.

Foreign exchange risks may be hedged using only marketable derivative financial instruments whose correct financial engineering and accounting treatment must be assured in the groups' treasury systems.

In the Travel and Tourism business segment and at RZAG, future payments from foreign currency transactions are hedged through the conclusion of corresponding derivatives and reported as cash flow hedges. In both cases, these are hedging procedures (hedging of highly probable forecast transactions).

In the context of managing foreign exchange risks associated with the tourism business, liabilities denominated in foreign currency (hedged items) resulting from hotel procurement are hedged by using exchange rate hedges to mitigate the risk of fluctuations in exchange rates. These foreign exchange transaction risks arise when the calculation rates for the various seasonal classifications are set. The hedged transactions on these dates are planned foreign exchange liabilities that are realised only as the corresponding account entries are subsequently made. As part of currency hedging, the hedged transactions are offset against forward exchange contracts, currency swaps and currency options. If the requirements for applying hedge accounting in accordance with IFRS 9 are met, the hedging relationship is recognised as a cash flow hedge. 100% of the notional volume is designated upon conclusion of forward exchange contracts and currency swaps. If the companies assume that there is no longer a high probability that the hedged transaction will occur (for example, if payments are postponed to another season), the hedge is de-designated and hedge accounting is discontinued. The current currency options in this context are recognised as stand-alone derivatives.

RZAG also concludes forward exchange contracts and currency swaps. These are used to hedge against exchange rate fluctuations arising from merchandise management contracts. As at the date of the hedge, the hedged items are planned purchases in foreign currencies, which materialise over time from master contracts to individual orders. If the requirements for applying hedge accounting in accordance with IFRS 9 are met, the hedging relationship is recognised as a cash flow hedge. However, this only applies to forward exchange contracts that have been concluded. 90% of the notional volume is designated upon conclusion and designation of the derivatives. 10% of the notional volume of the derivatives is not designated in the hedging relationship and is recognised as a stand-alone derivative. If RZAG does not assume that the expected hedged transaction will occur (for example, if the delivery is postponed to the subsequent month or if there is no delivery), the corresponding derivative hedging instruments are de-designated and hedge accounting is discontinued. Currency swaps are recognised as stand-alone derivatives.

Moreover, short-term forward exchange contracts and currency swaps are entered into to hedge the foreign exchange risk arising from foreign-currency receivables and liabilities already recognised. These are recognised as stand-alone derivatives at fair value through profit or loss.

### Notional Amounts of the Currency Derivatives in a Cash flow hedge for Each Currency

| ISO code | Country              | Currency       | 31 Dec. 2018<br>Notional amount<br>in million units | 31 Dec. 2017<br>Notional amount<br>in million units |
|----------|----------------------|----------------|---|---|
| AED      | United Arab Emirates | Dirham         | 199.9   | 0.0   |
| AUD      | Australia            | Dollar         | 26.0  | 0.0   |
| CAD      | Canada               | Dollar         | 25.3  | 0.0   |
| CHF      | Switzerland          | Franc          | 10.7  | 95.8  |
| CNY      | China                | Yuan           | 9.7   | 0.0   |
| DKK      | Denmark              | Krone          | 7.0   | 195.0   |
| EUR      | EU-States            | Euro           | 1.0   | 0.0   |
| GBP      | United Kingdom       | Pound Sterling | 10.6  | 43.0  |
| HKD      | Hong Kong            | Dollar         | 8.5   | 0.0   |
| INR      | India                | Rupee          | 419.0   | 0.0   |
| JPY      | Japan                | Yen            | 206.3   | 0.0   |
| MAD      | Morocco              | Dirham         | 23.7  | 0.0   |
| NOK      | Norway               | Krone          | 38.8  | 760.0   |
| NZD      | New Zealand          | Dollar         | 22.4  | 0.0   |
| SEK      | Sweden               | Krona          | 95.7  | 1,519.6   |
| SGD      | Singapore            | Dollar         | 4.2   | 0.0   |
| THB      | Thailand             | Baht           | 2,689.8   | 0.0   |
| TND      | Tunisia              | Dinar          | 8.8   | 0.0   |
| USD      | USA                  | Dollar         | 360.7   | 0.0   |
| ZAR      | South Africa         | Rand           | 463.9   | 0.0   |

As at the reporting date, the currency derivatives used mature in a total of up to 16 months.

Weighted by the respective hedged notional volume, the following exchange rates resulted for the major currencies.

### Average exchange rate of the currency derivatives in a Cash flow hedge

| ISO code | Country              | Currency       | 31 Dec. 2018<br>Weighted average<br>rate per € | 31 Dec. 2017<br>Weighted average<br>rate per € |
|----------|----------------------|----------------|--|--|
| AED      | United Arab Emirates | Dirham         | 3.699  | -  |
| AUD      | Australia            | Dollar         | 1.639  | -  |
| CAD      | Canada               | Dollar         | 1.524  | -  |
| CHF      | Switzerland          | Franc          | 1.147  | 1.069  |
| CNY      | China                | Yuan           | 7.908  | -  |
| DKK      | Denmark              | Krone          | 6.478  | 0.734  |
| EUR      | EU-States            | Euro           | 1.123  | -  |
| GBP      | United Kingdom       | Pound Sterling | 0.868  | 0.824  |
| HKD      | Hong Kong            | Dollar         | 9.317  | -  |
| INR      | India                | Rupee          | 85.008   | -  |
| JPY      | Japan                | Yen            | 124.845  | -  |
| MAD      | Morocco              | Dirham         | 11.535   | -  |
| NOK      | Norway               | Krone          | 9.194  | 0.947  |
| NZD      | New Zealand          | Dollar         | 1.760  | -  |
| SEK      | Sweden               | Krona          | 9.331  | 9.784  |
| SGD      | Singapore            | Dollar         | 1.602  | -  |
| THB      | Thailand             | Baht           | 34.436   | -  |
| TND      | Tunisia              | Dinar          | 3.633  | -  |
| USD      | USA                  | Dollar         | 1.177  | -  |

Gains and losses from the measurement of stand-alone derivatives in the context of managing risks associated with the tourism business and for hedging merchandise management contracts are recognised under other operating income and other operating expenses. The currency translation effects from the hedged items are also reported in the operating result. The fact that measurement effects may arise from stand-alone derivatives before the corresponding hedged items (such as advance travel services or inventories) are recognised may cause shifts in the operating result. However, since the volume of stand-alone derivatives is low, the associated effects on earnings are immaterial.

Gains and losses from the measurement of stand-alone derivatives also include effects from terminating previously existing hedges. De-designation expenses of 0.1 million euros and de-designation income of 0.3 million euros was recognised during the financial year.

The carrying amounts of the hedging instruments are shown in the table under note 40 "Financial Risk Management". The change in value used to determine ineffectiveness amounts to 29.7 million euros for hedging instruments and -29.4 million euros for hedged items. The amount of the hedged risk (existing hedging relationships) recognised in other comprehensive income amounts to 2.2 million euros.

Ineffective portions from changes in the value of the designated components of hedges can result from credit valuation adjustments relating to the own default risk or the risk of the counterparty (debit valuation adjustments and credit valuation adjustments). Furthermore, these can arise from gains or losses upon initial recognition resulting from exchange rate fluctuations between the trading date and the conclusion of the transaction with the bank (day one gains or losses). The effects of these ineffective portions are also recognised in other operating expenses or other operating income.

#### Effects of ineffective portions on the income statement

| in million €                   | 2018       |
|--------------------------------|------------|
| Gains on ineffective portions  | 2.2        |
| of which: other effects        | 2.2        |
| Losses on ineffective portions | -1.9       |
| of which: other effects        | -1.9       |
| <b>Total</b>                   | <b>0.3</b> |

The conclusion of currency derivatives meant that fluctuations in exchange rates did not have any significant impact on the result.

For an explanation of the effects of cash flow hedges on the equity attributable to the shareholders of the parent companies, please refer to the changes in the reserve for cash flow hedges presented in the statement of changes in equity. In addition, the statement of comprehensive income presents for all shareholders the amounts recognised in the income statement and those taken directly to equity and thus the impact of cash flow hedges on other comprehensive income and on net income for the year.

The amounts recognized directly in equity in the statement of comprehensive income include the derecognition of reserves against the initial cost of inventories (basis adjustments) in an amount of -2.0 million euros. Of this amount, -1.0 million euros was temporarily recognised in profit or loss.



Due to the conclusion of hedges, fluctuations in exchange rates did not have any significant impact on the result.

The result from currency transactions would have been approximately 18.9 million euros (previous year: 11.0 million euros) lower if the euro had been ten percentage points stronger against the key foreign currencies on the balance sheet date. If the euro had been ten percentage points weaker against the key foreign currencies, the result from currency transactions would have been approximately 18.9 million euros (previous year: 11.0 million euros) higher. Of this figure, 1.0 million euros (previous year: 0.4 million euros) is attributable to changes in the euro exchange rate against the dollar. Interest rate effects have not been taken into account.

The equity from currency transactions would be approximately 17.2 million euros lower (previous year: 22.1 million euros) if the euro had been ten percentage points stronger against the key foreign currencies on the balance sheet date. If the euro had been ten percentage points weaker against the key foreign currencies, equity from currency transactions would have been approximately 17.2 million euros higher (previous year: 22.1 million euros). Of this figure, 32.6 million euros (previous year: 39.0 million euros) is attributable to changes in the euro exchange rate against the dollar. Interest rate effects have not been taken into account.

## Liquidity Risk

The aim of liquidity management is to ensure that, through RIF the consolidated companies always have access to sufficient liquidity on the basis of adequate undrawn lines of credit so that no liquidity risk exists should unexpected events have a negative financial impact on liquidity.

Loans, fixed-term deposits and overnight money are used as financial instruments.

Through RIF, the group companies have access to a syndicated loan of 2,000.0 million euros with a term ending on 3 December 2023 and which can be renewed twice, in each case by one year. The interest rate is based on EURIBOR. As at 31 December 2018, the line of credit had not been drawn down. The syndicated loan of 1,500.0 million euros, which was available in the previous year and had a term ending in September 2020, was terminated early in the financial year. The amount drawn down in the previous year was 650.0 million euros.

In addition, RIF was used to finance a promissory note loan amounting to 1,000.0 million euros. The promissory note loan has different maturities ranging between 2021 and 2028.

In addition, there are other bilateral lines of credit between individual companies and banks.

Internal cash pooling is aimed at reducing the amount of debt financing and at optimising cash and capital investments. Cash pooling allows the use of the excess liquidity of individual companies to internally finance the cash requirements of other consolidated companies. The financial control system ensures the optimal use of the group companies' financial resources.

The groups did not significantly offset financial assets and financial liabilities with non-group companies. There are global netting agreements in connection with the central settlement business.

The following tables provide information on the contractually agreed, undiscounted interest and principal payments for financial liabilities. Where there is a right to terminate a loan agreement, a cash outflow on the earliest possible termination date has been assumed.

## Liquidity Analysis of Financial Liabilities

| in million €                            | 31 Dec. 2018                                       | 2019             | 2020         | 2021         | 2022         | 2023         | 2024 and beyond   |
|---|--|------------------|--------------|--------------|--------------|--------------|-------------------|
| Primary financial instruments           | Carrying amount<br>Contractually agreed cash flows | Less than 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | More than 5 years |
| Other non-current financial liabilities | 2,104.5  | 13.8             | 136.5        | 193.6        | 133.8        | 427.3        | 1,436.1           |
| Non-current trade payables              | 9.1  | 0.0              | 3.1          | 2.5          | 1.2          | 1.9          | 0.5               |
| Other current financial liabilities     | 676.0  | 703.2            | 0.0          | 0.0          | 0.0          | 0.0          | 0.0               |
| Current trade payables                  | 6,841.5  | 6,841.5          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0               |

| in million €                            | 31 Dec. 2017                                       | 2018             | 2019         | 2020         | 2021         | 2022         | 2023 and beyond   |
|---|--|------------------|--------------|--------------|--------------|--------------|-------------------|
| Primary financial instruments           | Carrying amount<br>Contractually agreed cash flows | Less than 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | More than 5 years |
| Other non-current financial liabilities | 1,209.0  | 3.4              | 118.2        | 118.5        | 111.2        | 133.6        | 869.3             |
| Non-current trade payables              | 6.9  | 0.0              | 2.3          | 2.3          | 0.4          | 0.9          | 2.0               |
| Other current financial liabilities     | 1,152.2  | 1,157.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0               |
| Current trade payables                  | 6,153.2  | 6,154.2          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0               |
| Loan commitments                        | 15.8   | 0.1              | 0.8          | 1.0          | 1.0          | 1.0          | 11.8              |

Cash outflows from primary financial instruments include the interest component in addition to the principal repayment, so that the sum of the cash outflows may exceed the carrying amount in the financial year under review.

All financial liabilities in the liquidity analysis relate to primary financial instruments. In addition, derivative financial instruments amounting to 19.3 million euros (previous year: 36.4 million euros) are reported on the balance sheet.

## Liquidity Analysis of Derivatives

| in million €                     | 2019       | 2020 and beyond |
|----------------------------------|------------|-----------------|
|                                  | Cash flows | Cash flows      |
| <b>Currency derivatives</b>      |            |                 |
| <b>Financial assets</b>          |            |                 |
| Proceeds                         | 1,059.0    | 7.9             |
| Payments                         | 1,025.5    | 7.6             |
| <b>Financial liabilities</b>     |            |                 |
| Proceeds                         | 864.7      | 1.2             |
| Payments                         | 872.9      | 1.2             |
| <b>Interest rate derivatives</b> |            |                 |
| <b>Financial liabilities</b>     |            |                 |
| Proceeds                         | 0.0        | 1.2             |
| Payments                         | 1.4        | 8.7             |

| in million €                     | 2018       | 2019       |
|----------------------------------|------------|------------|
|                                  | Cash flows | Cash flows |
| <b>Currency derivatives</b>      |            |            |
| <b>Financial assets</b>          |            |            |
| Proceeds                         | 984.1      | 20.0       |
| Payments                         | 968.0      | 19.9       |
| <b>Financial liabilities</b>     |            |            |
| Proceeds                         | 844.3      | 40.7       |
| Payments                         | 868.0      | 40.9       |
| <b>Interest rate derivatives</b> |            |            |
| <b>Financial liabilities</b>     |            |            |
| Proceeds                         | 0.5        | 0.0        |
| Payments                         | 1.2        | 0.0        |

## Interest Rate Risk

Interest rate risk is generally caused by fluctuations in market interest rates for interest-bearing assets and interest-bearing liabilities. All assets and liabilities with variable interest rates or short-term interest rates that are fixed expose the groups to cash flow risk. Fixed interest-bearing liabilities with extended fixed interest periods result in a fair-value interest-rate risk. At the end of the year, 11.8 per cent (previous year: 25.1 per cent) of liabilities to banks had fixed interest rates.

Interest-bearing assets and liabilities may impact earnings and equity as a result of interest rate fluctuations. These risks are reported on the basis of a sensitivity analysis, which shows the effects that would result from changes in the relevant risk variables – in particular interest rates. These changes are determined on the balance sheet date, using reasonable discretion.

The interest rate swaps in Hungary and the Czech Republic recognised in the previous year expired on 31 October 2018. The measurement of the interest rate swaps in Hungary resulted in a gain of 0.7 million euros in the financial year (previous year: gain of 0.7 million euros).

Under the agreements dated 28 February 2018, RIF concluded four interest rate swaps with different external banks to hedge variable interest payments on various tranches of a promissory note loan.

## Payment terms for interest rate swaps

| Maturity         | Notional volume<br>in million € | Fixed interest<br>rate<br>in % |
|------------------|---------------------------------|--------------------------------|
| 28 February 2025 | 35.0                            | 0.878                          |
| 28 February 2025 | 35.0                            | 0.897                          |
| 28 February 2025 | 45.5                            | 0.873                          |
| 28 February 2028 | 31.0                            | 1.225                          |

These interest rate swaps are accounted for as cash flow hedges. Since the critical contractual terms of the hedged item and the hedging instrument as well as the term and the notional volume match, no ineffective portions are recognised. The reserve for cash flow hedges in the statement of changes in equity includes 5.0 million euros in losses attributable to the aforementioned interest rate swaps at RIF.

In terms of interest rate hedging transactions entered into as part of cash flow hedge accounting, equity would have been approximately 9.8 million euros higher (previous year: 0.4 million euros) if the interest rate level had been 100 basis points higher at the balance sheet date. If the interest rate level had been 100 basis points lower, equity would have been approximately 10.8 million euros lower (previous year: 0.5 million euros). Since a decrease of 100 basis points is no longer expected, the calculation for 2018 is for the first time based on a decrease of 50 basis points. If the interest rate level had been 50 basis points lower, equity would have been approximately 5.3 million euros lower.

In addition, there is an interest rate risk from primary, variable-rate financial instruments. If interest rate levels had been 100 basis points higher, the interest result would have been 7.4 million euros lower (previous year: 9.9 million euros). If interest rate levels had been 100 basis points lower, the interest result would have been 7.4 million euros higher (previous year: 9.9 million euros).

## Commodity Price Risk

Nova Airlines AB, Stockholm, Sweden, is exposed to commodity price risks. The management of the company estimates how much aviation fuel will be needed for the next season and initially hedges approximately 40 to 50 per cent of the net exposure before the bookings are available and approximately 70 to 80 per cent prior to the start of the season. Since the contracts are denominated in US dollars, currency hedges are also concluded.

The hedges are only concluded for Nova Airlines AB since the fuel prices in other transport contracts are already fixed at the time the contracts are negotiated prior to the start of a season, rendering hedges unnecessary.

In the financial year, Nova Airlines AB used derivatives in the form of commodities futures to hedge the price of aviation fuel. The commodity hedges concluded were used to hedge a total volume of 22,000 metric tonnes (previous year: 15,500 metric tonnes) of aviation fuel. The derivatives have a maximum term of 17 months. The hedges are accounted for as cash flow hedges.

## Credit Risk

Credit risk from financial assets arises from the potential failure of a counterparty to meet its obligations in whole or in part, thereby causing financial losses to the other party.

Potential credit risk exists in relation to cash and cash equivalents, trade receivables, loans, other receivables and derivative financial instruments with positive fair values.

Credit risk related to cash deposits, derivative contracts and financial transactions are mitigated by entering into such transactions subject to fixed limits and only with banks that have a good to excellent credit rating, which corresponds to an independent minimum rating of "investment grade". Payment transactions are also settled through such banks. The credit rating and risk-bearing capacity of the partner banks is monitored systematically on an ongoing basis. The functions of setting and monitoring the limits are separated for trading and settlement operations.

Minimum credit rating requirements and individual caps on financial exposure have been established as part of accounts receivable management, operational monitoring of debtors and ongoing receivables monitoring.

Business dealings with large corporate customers are subject to a separate solvency monitoring system. Compared with the overall exposure to credit risk, receivables from these counterparties are not so large individually that they would create an exceptional concentration of risk. Sales to retail customers are settled in cash or with EC cash cards or conventional credit cards. Cash logistics in the retail trade are subject to a separate monitoring system.

Material loans are monitored by external rating agencies in order to identify potential credit risks early.

In addition, sureties received (e.g. bank guarantees or transferred inventories) amounted to 151.6 million euros.

### **Impairment of Financial Assets**

The groups apply the requirements of multi-step impairment model under IFRS 9 to financial assets measured at amortised cost. The initial recognition of such financial receivables is based on a loss allowance at an amount equal to the 12-month expected credit loss. If the credit risk has increased significantly since initial recognition, a loss allowance at an amount equal to the lifetime expected credit loss is recognised.

The credit risk of trade receivables is calculated using the simplified approach for using a provision matrix based on historical default rates adjusted for current and forward-looking information. Objective indications of impairment are identified through the ongoing monitoring of debtors and reflected in specific valuation allowances. If it can be reasonably expected that the receivable is no longer realisable, it is derecognised. Indicators that a receivable – based on reasonable assessment – is no longer realisable include, among others, the debtor's failure to agree to a repayment plan with the groups.

Due to the large number of customers at different locations, there is no concentration of credit risk.

The change in loss allowances on trade receivables as at 31 December 2018 is presented in the table below:

### Change in Loss Allowances on Trade Receivables

| in million €                            | 2018  | 2017  |
|---|-------|-------|
| As at 1 Jan.                            | 56.1  | 123.2 |
| Additions                               | 10.6  | 24.8  |
| Reversals/utilisations                  | -21.5 | -14.5 |
| Changes in scope of consolidation       | -1.4  | -77.4 |
| Exchange rate effects and other changes | 0.4   | 0.0   |
| As at 31 Dec.                           | 44.2  | 56.1  |

As described above, trade receivables on which no loss allowances have been recognised are recognised at their expected credit loss using a provision matrix.

The age structure of trade receivables on which no loss allowances have been recognised is presented in the table below:

### Breakdown of the Age Structure of Overdue Receivables on Which no Loss Allowances Have Been Recognised in accordance with IFRS 9

| in million €      | 31 Dec. 2018<br>Carrying amount | Of which past due as at the balance sheet date and not impaired |                        |                        |                   |
|-------------------|---------------------------------|---|------------------------|------------------------|-------------------|
|                   |                                 | Less than 30 days   | Between 30 and 60 days | Between 60 and 90 days | More than 90 days |
| Expected losses   | 0.4%                            | 0.2%  | 0.0%                   | 0.1%                   | 9.2%              |
| Trade receivables | 724.8                           | 691.9   | 12.2                   | 4.6                    | 16.2              |
| Impairments       | 2.9                             | 1.4   | 0.0                    | 0.0                    | 1.5               |

### Breakdown of the Age Structure of Overdue Receivables on Which no Loss Allowances Have Been Recognised in accordance with IAS 39

| in million €                       | 31 Dec. 2017<br>Carrying amount | Of which past due as at the balance sheet date and not impaired |                         |                          |                    |
|------------------------------------|---------------------------------|---|-------------------------|--------------------------|--------------------|
|                                    |                                 | Less than 90 days   | Between 90 and 180 days | Between 180 and 360 days | More than 360 days |
| Non-current other financial assets | 283.1                           | 0.3   | 0.0                     | 0.0                      | 0.0                |
| Current other financial assets     | 681.5                           | 35.2  | 1.9                     | 0.7                      | 1.2                |
| Current trade receivables          | 1,262.4                         | 48.7  | 2.1                     | 0.2                      | 1.4                |

The other financial assets within the scope of the general impairment model have a low credit risk.

Due to the large number of vendors at different locations, there is no risk concentration, which means that the identified 12-month expected credit loss on other receivables from vendors is immaterial. For an overview of financial assets measured at amortised cost, please refer to the breakdown by class.

Only immaterial impairment losses were identified for cash and cash equivalents.

The change in loss allowances on other financial assets as at 31 December 2018 is presented in the table below:

## Change in Loss Allowances on Other Financial Assets

| in million €        | Level 1 | Level 2 | Level 3 |
|---------------------|---------|---------|---------|
| As at 1 Jan. 2018   | 0.0     | -32.3   | -2.5    |
| Additions           | 0.0     | -17.0   | -4.9    |
| Reversals/disposals | 0.0     | 2.8     | 0.0     |
| As at 31 Dec. 2018  | 0.0     | -46.5   | -7.4    |

As at the reporting date there were loans amounting to 130.0 million euros that had not been impaired because assignment agreements for inventories are in place.

Expenses for loss allowances on financial assets are recognised together with income from reversals of impairment losses recognised in the operating result in previous years.

## 41. FURTHER DISCLOSURES ON FINANCIAL INSTRUMENTS

### Financial Instruments by Class and Measurement Category as at 31 December 2018

#### Carrying amounts by class and measurement category

| in million €                                      | Carrying amount 31 Dec. 2018 | Carrying amount pursuant to IFRS 9 |   |                                   | Carrying amount pursuant to IAS 17 |
|---|------------------------------|------------------------------------|---|-----------------------------------|------------------------------------|
|   |                              | Amortised cost                     | Fair value through other comprehensive income | Fair value through profit or loss |                                    |
| <b>ASSETS - Financial assets</b>                  |                              |                                    |   |                                   |                                    |
| Other financial assets                            | 1,291.5                      | 1,183.3                            | 42.3  | 65.9                              | 0.0                                |
| Other receivables from suppliers                  | 911.6                        | 911.6                              | 0.0   | 0.0                               | 0.0                                |
| Loans   | 262.7                        | 262.7                              | 0.0   | 0.0                               | 0.0                                |
| Shareholder loans to partner companies            | 47.1                         | 0.0                                | 0.0   | 47.1                              | 0.0                                |
| Receivables from derivative financial instruments | 32.8                         | 0.0                                | 26.6  | 6.2                               | 0.0                                |
| Derivatives not included in hedge accounting      | 6.2                          | 0.0                                | 0.0   | 6.2                               | 0.0                                |
| Derivatives with hedging relationship*            | 26.6                         | 0.0                                | 26.6  | 0.0                               | 0.0                                |
| Shares in corporations and other securities       | 26.0                         | 0.0                                | 15.7  | 10.3                              | 0.0                                |
| Interest in partnerships                          | 2.3                          | 0.0                                | 0.0   | 2.3                               | 0.0                                |
| Other financial assets                            | 9.0                          | 9.0                                | 0.0   | 0.0                               | 0.0                                |
| Trade receivables                                 | 1,400.6                      | 1,400.6                            | 0.0   | 0.0                               | 0.0                                |
| Cash and cash equivalents                         | 639.2                        | 639.2                              | 0.0   | 0.0                               | 0.0                                |
| <b>LIABILITIES - financial liabilities</b>        |                              |                                    |   |                                   |                                    |
| Other financial liabilities                       | 2,799.8                      | 1,926.1                            | 14.7  | 4.6                               | 854.4                              |
| Liabilities to banks                              | 1,442.9                      | 1,442.9                            | 0.0   | 0.0                               | 0.0                                |
| Liabilities from finance leases*                  | 854.4                        | 0.0                                | 0.0   | 0.0                               | 854.4                              |
| Liabilities from derivative financial instruments | 19.3                         | 0.0                                | 14.7  | 4.6                               | 0.0                                |
| Derivatives not included in hedge accounting      | 4.6                          | 0.0                                | 0.0   | 4.6                               | 0.0                                |
| Derivatives with hedging relationship*            | 14.7                         | 0.0                                | 14.7  | 0.0                               | 0.0                                |
| Other financial liabilities                       | 483.2                        | 483.2                              | 0.0   | 0.0                               | 0.0                                |
| Trade payables                                    | 6,850.6                      | 6,850.6                            | 0.0   | 0.0                               | 0.0                                |

\* Not a measurement category pursuant to IFRS 9

## Financial Instruments by Class and Measurement Category as at 31 December 2017

The classes of financial instruments were based on the structure of the balance sheet.

### Reconciliation of the Individual Classes and Measurement Categories of IAS 39 to the Balance Sheet Items

| in million €  | Carrying amount 31 Dec. 2017 | Carrying amount pursuant to IAS 39 |  |                                    | Carrying amount pursuant to IAS 17 |
|---|------------------------------|------------------------------------|--|------------------------------------|------------------------------------|
|   |                              | (Amortised) cost                   | Fair value recognised directly in equity | Fair value through profit and loss |                                    |
| <b>ASSETS</b>   |                              |                                    |  |                                    |                                    |
| <b>Non-current financial assets</b>                                       | <b>283.1</b>                 | <b>263.9</b>                       | <b>19.2</b>                              | <b>0.0</b>                         | <b>0.0</b>                         |
| Financial assets available for sale                                       | 107.1                        | 87.9                               | 19.2                                     | 0.0                                | 0.0                                |
| Loans and receivables   | 176.0                        | 176.0                              | 0.0                                      | 0.0                                | 0.0                                |
| <b>Current financial assets</b>   | <b>681.5</b>                 | <b>656.3</b>                       | <b>8.8</b>                               | <b>16.4</b>                        | <b>0.0</b>                         |
| Financial assets held for trading   | 15.3                         | 0.0                                | 0.0                                      | 15.3                               | 0.0                                |
| Financial assets available for sale                                       | 0.1                          | 0.1                                | 0.0                                      | 0.0                                | 0.0                                |
| Loans and receivables   | 656.2                        | 656.2                              | 0.0                                      | 0.0                                | 0.0                                |
| Financial assets in hedge accounting*                                     | 9.9                          | 0.0                                | 8.8                                      | 1.1                                | 0.0                                |
| <b>Current trade receivables</b>  | <b>1,262.4</b>               | <b>1,262.4</b>                     | <b>0.0</b>                               | <b>0.0</b>                         | <b>0.0</b>                         |
| Loans and receivables   | 1,262.4                      | 1,262.4                            | 0.0                                      | 0.0                                | 0.0                                |
| <b>Cash and cash equivalents</b>  | <b>653.4</b>                 | <b>653.4</b>                       | <b>0.0</b>                               | <b>0.0</b>                         | <b>0.0</b>                         |
| Loans and receivables   | 653.4                        | 653.4                              | 0.0                                      | 0.0                                | 0.0                                |
| <b>Total ASSETS</b>   | <b>2,880.4</b>               | <b>2,836.0</b>                     | <b>28.0</b>                              | <b>16.4</b>                        | <b>0.0</b>                         |
| <b>LIABILITIES</b>  |                              |                                    |  |                                    |                                    |
| <b>Non-current financial liabilities</b>                                  | <b>1,209.0</b>               | <b>372.4</b>                       | <b>0.0</b>                               | <b>0.0</b>                         | <b>836.6</b>                       |
| Other financial liabilities   | 372.4                        | 372.4                              | 0.0                                      | 0.0                                | 0.0                                |
| Liabilities from finance leases*  | 836.6                        | 0.0                                | 0.0                                      | 0.0                                | 836.6                              |
| <b>Non-current trade payables</b>   | <b>6.9</b>                   | <b>6.9</b>                         | <b>0.0</b>                               | <b>0.0</b>                         | <b>0.0</b>                         |
| Other financial liabilities   | 6.9                          | 6.9                                | 0.0                                      | 0.0                                | 0.0                                |
| <b>Current financial liabilities</b>                                      | <b>1,188.6</b>               | <b>1,089.0</b>                     | <b>19.0</b>                              | <b>17.5</b>                        | <b>63.1</b>                        |
| Financial liabilities held for trading                                    | 15.0                         | 0.0                                | 0.0                                      | 15.0                               | 0.0                                |
| Other financial liabilities   | 1,089.0                      | 1,089.0                            | 0.0                                      | 0.0                                | 0.0                                |
| Financial liabilities in hedge accounting*                                | 21.5                         | 0.0                                | 19.0                                     | 2.5                                | 0.0                                |
| Liabilities from finance leases*  | 63.1                         | 0.0                                | 0.0                                      | 0.0                                | 63.1                               |
| <b>Current trade payables</b>   | <b>6,153.2</b>               | <b>6,153.2</b>                     | <b>0.0</b>                               | <b>0.0</b>                         | <b>0.0</b>                         |
| Other financial liabilities   | 6,153.2                      | 6,153.2                            | 0.0                                      | 0.0                                | 0.0                                |
| <b>Total LIABILITIES</b>  | <b>8,557.7</b>               | <b>7,621.5</b>                     | <b>19.0</b>                              | <b>17.5</b>                        | <b>899.7</b>                       |
| <b>Of which: aggregated by measurement categories pursuant to IAS 39:</b> |                              |                                    |  |                                    |                                    |
| Financial assets held for trading   | 15.3                         | 0.0                                | 0.0                                      | 15.3                               | 0.0                                |
| Financial assets available for sale                                       | 107.2                        | 88.0                               | 19.2                                     | 0.0                                | 0.0                                |
| Loans and receivables   | 2,748.0                      | 2,748.0                            | 0.0                                      | 0.0                                | 0.0                                |
| Financial liabilities held for trading                                    | 15.0                         | 0.0                                | 0.0                                      | 15.0                               | 0.0                                |
| Other financial liabilities   | 7,621.5                      | 7,621.5                            | 0.0                                      | 0.0                                | 0.0                                |
| <b>Of which: in hedge accounting pursuant to IAS 39:</b>                  |                              |                                    |  |                                    |                                    |
| Financial assets in hedge accounting                                      | 9.9                          | 0.0                                | 8.8                                      | 1.1                                | 0.0                                |
| Financial liabilities in hedge accounting                                 | 21.5                         | 0.0                                | 19.0                                     | 2.5                                | 0.0                                |

\* Not a measurement category pursuant to IFRS 9



The classification and measurement requirements of IFRS 9 have been applied since 1 January 2018. The corresponding reconciliation of the classes to the balance sheet items from 31 December 2017 to 1 January 2018 are presented in note 2 "Accounting Policies".

IFRS 7 requires financial instruments measured at fair value to be assigned to a fair value hierarchy. There are three hierarchy levels. Level 1 comprises financial instruments whose fair values can be derived from quoted prices. Level 2 comprises financial instruments whose fair values cannot be derived from quoted prices, but whose measurement-related inputs are directly or indirectly observable on the market. Financial instruments that cannot be assigned to either level 1 or level 2 are assigned to level 3. Fair value in this case is determined using factors that are not based on observable market data.

Shares in corporations and other securities include securities amounting to 15.7 million euros that are measured at fair value. They are assigned to level 1. These measurement effects recognised in other comprehensive income are not reclassified to the income statement upon subsequent disposal of the equity instrument. These are strategic financial investments. The groups consider the option to measure them at fair value through other comprehensive income to be more meaningful.

This relates to the following shares:

- DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main (fair value as at 31 December 2018: 11.9 million euros),
- home24 SE, Berlin (fair value as at 31 December 2018: 3.8 million euros).

In the financial year, some of the shares in DZ BANK AG Deutsche Zentral-Genossenschaftsbank were sold at their fair value of 11.2 million because this financial investment was no longer in line with the groups' investment strategy.

The assets and liabilities from derivative financial instruments, which include interest rate swaps, currency derivatives and commodities derivatives, are measured at fair value and assigned to level 2 of the fair value hierarchy.

The remaining financial assets, which are recognised at fair value, are measured using established valuation techniques and are assigned to level 3 of the fair value hierarchy. There were no material measurement effects as at 31 December 2018.

## Fair Value Disclosures

### Comparison of the Carrying Amounts and Fair Values of the Financial Instruments for Each Class

| in million €                            | 31/12/2018      |                | 31/12/2017      |                |
|---|-----------------|----------------|-----------------|----------------|
|   | Carrying amount | Fair value     | Carrying amount | Fair value     |
| <b>ASSETS</b>                           |                 |                |                 |                |
| <b>Non-current</b>                      | <b>234.4</b>    | <b>235.0</b>   | <b>283.1</b>    | <b>284.3</b>   |
| Non-current other financial assets      | 234.4           | 235.0          | 283.1           | 284.3          |
| <b>Current</b>                          | <b>3,096.9</b>  | <b>3,097.2</b> | <b>2,597.3</b>  | <b>2,597.6</b> |
| Current other financial assets          | 1,057.1         | 1,057.4        | 681.5           | 681.8          |
| Current trade receivables               | 1,400.6         | 1,400.6        | 1,262.4         | 1,262.4        |
| Cash and cash equivalents               | 639.2           | 639.2          | 653.4           | 653.4          |
| <b>LIABILITIES</b>                      |                 |                |                 |                |
| <b>Non-current</b>                      | <b>2,113.6</b>  | <b>2,214.7</b> | <b>1,215.9</b>  | <b>1,251.7</b> |
| Other non-current financial liabilities | 2,104.5         | 2,205.6        | 1,209.0         | 1,244.8        |
| Non-current trade payables              | 9.1             | 9.1            | 6.9             | 6.9            |
| <b>Current</b>                          | <b>7,536.8</b>  | <b>7,537.2</b> | <b>7,341.8</b>  | <b>7,345.8</b> |
| Other current financial liabilities     | 695.3           | 695.7          | 1,188.6         | 1,192.6        |
| Current trade payables                  | 6,841.5         | 6,841.5        | 6,153.2         | 6,153.2        |

Due to the short remaining maturities, the carrying amounts of current trade receivables and trade payables as well as of cash and cash equivalents approximate their fair values.

Non-current trade receivables and trade payables are discounted to present value. In this case, the carrying amounts largely reflect the fair values.

Market prices are generally used to measure other financial assets and liabilities. In the absence of a market price, the approved discounted cash flow methods are used to calculate fair value. The valuation model is based on the yield curves and exchange rates that apply on the balance sheet date.

## Net Result from Financial Instruments

### Breakdown of Income and Expenses from Financial Instruments in Accordance with IFRS 9 Measurement Categories

| Income (+)/expenses (-)<br>in million €                 | 2018   | 2017  |
|---|--------|-------|
| Financial assets at amortised cost                      | 39.5   | 38.5  |
| Financial assets and liabilities measured at fair value | -6.6   | -17.5 |
| Financial liabilities at amortised cost                 | -102.9 | -70.8 |

Income on financial assets measured at amortised cost primarily includes exchange rate gains and losses as well as income from previously impaired receivables. Impairment losses on financial receivables had an offsetting effect within this item. The result of financial assets and liabilities measured at fair value includes the result from the measurement of derivative financial instruments and income from equity investments. In the previous year, equity investments were measured at cost and recognised at amortised cost under financial assets. Expenses from financial liabilities measured at amortised cost primarily include interest expenses and exchange gains and losses.

Interest income on financial instruments not measured at fair value through profit or loss amounted to 5.9 million euros (previous year: 6.3 million euros), while corresponding interest expenses amounted to 21.0 million euros (previous year: 28.2 million euros).

## 42. CONTINGENT LIABILITIES/RECEIVABLES AND OTHER FINANCIAL OBLIGATIONS

### Contingent Liabilities as at the Balance Sheet Date

| in million €                           | 31/12/2018   | 31/12/2017   |
|--|--------------|--------------|
| Contingent liabilities from guarantees | 412.3        | 147.2        |
| Contingent liabilities from warranties | 15.8         | 8.1          |
| Other contingent liabilities           | 69.1         | 69.9         |
| <b>Total</b>                           | <b>497.2</b> | <b>225.2</b> |

Contingent liabilities from guarantees essentially concern payment guarantees to financial institutions. These relate primarily to guarantees assumed by RZF for various Kuoni companies in the Travel and Tourism business segment. In some countries in which the Kuoni companies operate, local laws require that travel guarantees and payment guarantees be given by the tour operator in order to hedge against the default risks of the organiser vis-à-vis the customer. These guarantees have virtually all been assumed by way of guarantee contract by RZF for the Kuoni companies vis-à-vis the banks.

In addition, for the first time this includes rent guarantees from the Retail Germany business segment as well as a guarantee from RIF for outstanding merchandise liabilities of EURELEC Trading SCRL, Brussels, Belgium.

Contingent liabilities from guarantee agreements include primarily letters of comfort to financial institutions for possible use by REWE partner investment companies as general partners of the associated REWE partner companies taking out the loans.

The other contingent liabilities relate primarily to contingent liabilities from del credere-assumptions. They arose from the joint assumption of liabilities from goods purchased from member operations and invoiced only in the subsequent year.

In addition, there are obligations in the Travel and Tourism business segment amounting to 394.0 million euros (previous year: 686.1 million euros) from guaranteed quota contracts with hotels and various airlines as well as prepayment obligations agreed with hotels. The obligations are subject to major annual fluctuations depending on expected capacity utilisations.

## 43. EVENTS AFTER THE BALANCE SHEET DATE

The Management Boards of RZAG and RZF held meetings on 25 February 2019. At its meeting, the Management Board of RZAG resolved to transfer all shares with restricted transferability held by the shareholders of RZAG, with the exception of RZF's shareholders and the "KAM" shareholders, on the basis of contribution agreements or share purchase and transfer agreements, and proposed to the Annual General Meeting that it also consent to this. At its meeting, the Management Board of RZF approved the acquisition of the aforementioned shares and proposed to the Annual General Meeting

that is also consent to this. The Supervisory Boards of RZAG and RZF adopted the resolutions without amendment on 20 March 2019. The final approvals still required for the effectiveness of the contribution agreements are to be given at an extraordinary general meeting of RZF and at an extraordinary general meeting of RZAG on 30 April 2019.

The contributions are to be made in the form of contributions in kind against the grant of additional shares of RZF. The shareholdings will be determined based on the ratio of fair values calculated for both groups. The fair values were determined by an external appraiser. The value ratios as at 31 December 2018 serve as the basis for the valuation.

The sales are based on the values in KPMG's expert opinion, which was prepared in accordance with the requirements of IDW S1 and is dated 27 February 2019.

Following the transfer of shares, RZF will hold a controlling interest of 99.9995 per cent in RZAG. RZF is expected to acquire the remaining eight shares from the "KAM" shareholders in 2019.

No other significant events became known between the end of the reporting period and the time of approval of the Combined Financial Statements.

#### 44. RELATED PARTY DISCLOSURES

In accordance with IAS 24, parties related to the groups are non-consolidated subsidiaries, joint ventures and associates, including their subsidiaries, as well as other entities and persons defined as follows: Management Board and Supervisory Board of RZAG and RZF and entities controlled, jointly controlled or significantly influenced by these persons or close members of their families.

Other related parties include primarily companies belonging to Für Sie Handelsgenossenschaft eG Food – Non Food, Cologne, DOEGO Fruchthandel Import eG, Dortmund, BUBI Frischdienst eG, Dortmund, and companies of Dohle Handelsgruppe Holding GmbH & Co. KG, Siegburg, which form part of the group of other related parties because they provide Supervisory Board members to RZF and RZAG. In addition to subsidiaries included in the Combined Financial Statements, RZF and RZAG have direct or indirect relations with a large number of non-consolidated companies and associates in the course of their normal business activities; these companies are considered related parties of RZF and RZAG. RZF and RZAG maintain significant business relations with the REWE partner companies, which are associates in which RZF has an indirect interest under the REWE partnership model. The supply of goods and services conducted as part of normal business activities primarily comprises the delivery of goods, leasing and services.

##### Goods and Services Received from or to Related Parties

| in million €                    | Volume of goods and services provided |                | Volume of goods and services received |             |
|---------------------------------|---------------------------------------|----------------|---------------------------------------|-------------|
|                                 | 2018                                  | 2017           | 2018                                  | 2017        |
| Subsidiaries (non-consolidated) | 0.0                                   | 0.0            | 0.1                                   | 0.1         |
| Joint ventures                  | 216.0                                 | 213.4          | 0.8                                   | -0.5        |
| Associates                      | 7,471.0                               | 6,883.7        | 5.7                                   | 4.8         |
| Other related parties           | 403.5                                 | 415.3          | 21.2                                  | 29.4        |
| <b>Total</b>                    | <b>8,090.5</b>                        | <b>7,512.4</b> | <b>27.8</b>                           | <b>33.8</b> |

The volume of goods and services provided to joint ventures relates mainly to goods deliveries amounting to 200.7 million euros (previous year: 189.5 million euros).

Goods and services supplied to associates are attributable mainly to deliveries of goods amounting to 6,678.9 million euros (previous year: 6,131.0 million euros) and to leases and services amounting to 618.7 million euros (previous year: 578.3 million euros) provided to the REWE partner companies.

The goods and services provided to other related parties relates mainly to goods deliveries amounting to 397.7 million euros (previous year: 403.4 million euros). The remaining amount for goods and services is due almost exclusively to leasing services and services provided to companies taking part in central settlement.

The goods and services received from associates primarily comprise expenses for services used and rental expenses. The goods and services received from other related parties are attributable almost entirely to expenses from leasing services.

#### Composition of Receivables from Related Parties

| in million €                    | 31/12/2018   | 31/12/2017   |
|---------------------------------|--------------|--------------|
| Subsidiaries (non-consolidated) | 19.9         | 0.3          |
| Joint ventures                  | 49.5         | 42.5         |
| Associates                      | 722.1        | 548.9        |
| Other related parties           | 131.0        | 147.3        |
| <b>Total</b>                    | <b>922.5</b> | <b>739.0</b> |

Receivables from non-consolidated subsidiaries are included in other receivables from financial transactions and trade receivables from affiliated companies (see note 26 "Other Financial Assets" and note 27 "Trade Receivables").

Receivables from associates relate primarily to goods supplied to REWE partner companies amounting to 477.4 million euros (previous year: 333.7 million euros) as well as loans to associates amounting to 178.4 million euros (previous year: 186.7 million). The loans mainly comprise shareholder loans and start-up loans to REWE partner companies (see note 26 "Other Financial Assets").

Receivables from other related parties are attributable mainly to central settlement receivables of 115.8 million euros (previous year: 129.1 million euros).

#### Composition of Liabilities to Related Parties

| in million €                    | 31/12/2018  | 31/12/2017  |
|---------------------------------|-------------|-------------|
| Subsidiaries (non-consolidated) | 11.2        | 6.2         |
| Joint ventures                  | 0.8         | 0.3         |
| Associates                      | 30.4        | 20.8        |
| Other related parties           | 45.3        | 63.6        |
| <b>Total</b>                    | <b>87.7</b> | <b>90.9</b> |

Liabilities to non-consolidated subsidiaries are included in liabilities to affiliated companies and trade payables to affiliated companies (see note 35 "Other Financial Liabilities" and note 36 "Trade Payables").

## Remuneration for Key Management Personnel

### Total Remuneration for Key Management Personnel at RZF and RZAG as well as for Supervisory Board Members

| in million €      | 2018        | 2017        |
|-------------------|-------------|-------------|
| Management Board  | 17.1        | 26.2        |
| Supervisory Board | 1.5         | 1.2         |
| <b>Total</b>      | <b>18.6</b> | <b>27.4</b> |

### Breakdown of Remuneration for Key Management Personnel

| in million €                 | 2018        | 2017        |
|------------------------------|-------------|-------------|
| Short-term benefits due      | 13.4        | 20.1        |
| Post-employment benefits*    | 1.7         | 1.4         |
| Other long-term benefits due | 3.5         | 2.4         |
| Termination benefits         | 0.0         | 3.5         |
| <b>Total</b>                 | <b>18.6</b> | <b>27.4</b> |

\*Total costs

A short-term and long-term performance-based profit-sharing and bonus programme is in place for the Management Board. As at 31 December 2018, a total of 10.4 million euros (previous year: 18.7 million euros) for this programme was recognised as liabilities.

Employee representatives elected to the Supervisory Board of RZF and RZAG continue to be entitled to a regular salary under their employment contract. The amount of remuneration is based on provisions agreed in the employment contract.

## Pension Obligations for Current Key Management Personnel

Pension obligations of 8.7 million euros were recognised for Management Board members (previous year: 25.6 million euros).

## 45. FEES FOR SERVICES PROVIDED BY THE AUDITOR

The overview below shows the total fee for PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Cologne, the auditor of the Combined Financial Statements, recognised as an expense during the financial year.

### Total Fee for the Auditor in the Financial Year

| in million €                                | 2018       | 2017       |
|---|------------|------------|
| Fees for financial statement audit services | 4.8        | 4.6        |
| Fees for other services                     | 0.8        | 0.3        |
| <b>Total</b>                                | <b>5.6</b> | <b>4.9</b> |

The fees for financial statement audit services include in particular the fees for the audit of the Combined Financial Statements, the consolidated financial statements and the annual financial

statements of the consolidated companies. In 2018, this includes 0.1 million euros for financial statement audit services relating to the 2017 financial year.

Fees for other services mainly include audit-related consulting and other consulting services. The 0.5-million-euro increase in expenses related to consulting services in connection with vendor agreements and internal IT projects.

## **46. MANAGEMENT BOARD AND SUPERVISORY BOARD**

The composition of the Management Boards of REWE-ZENTRALFINANZ eG, Cologne, and REWE - Zentral-Aktiengesellschaft, Cologne, is identical.

### ***The Management Board had the following members in the period under review:***

|   |  |
|---|--|
| Lionel Souque                             | Chairman of the Management Board of REWE-ZENTRALFINANZ eG, Cologne, and REWE - Zentral-Aktiengesellschaft, Cologne<br>Retail Germany including REWE Group Buying, Coopernic/EURELEC, Legal Entity and Cooperative, Group Audit, Corporate Affairs, Executive Development |
| Jan Kunath                                | Deputy Chairman of the Management Board of REWE-ZENTRALFINANZ eG, Cologne, and REWE - Zentral-Aktiengesellschaft, Cologne<br>Retail International, Corporate IT including REWE Systems, REWE Digital   |
| Sören Hartmann                            | Member of the Management Board of REWE-ZENTRALFINANZ eG, Cologne, and REWE - Zentral-Aktiengesellschaft, Cologne<br>Travel and Tourism   |
| Dr. Christian Mielsch                     | Member of the Management Board of REWE-ZENTRALFINANZ eG, Cologne, and REWE - Zentral-Aktiengesellschaft, Cologne<br>DIY Stores, Business Administration, Finance, Taxes, Group Controlling, Investment Management/M&A, Corporate Security & Services at Headquarters     |
| Frank Wiemer<br>(until 30 September 2018) | Member of the Management Board of REWE-ZENTRALFINANZ eG, Cologne, and REWE - Zentral-Aktiengesellschaft, Cologne<br>DIY Stores, Logistics, REWE Systems, Corporate Security & Services at Headquarters   |

***The Supervisory Boards had the following members in the period under review:***

|   |   |
|---|---|
| Erich Stockhausen                                     | Chairman of RZF and RZAG, Businessman and member of the Management Board of REWE West eG, Hürth   |
| Fritz Aupperle  | Businessman and member of the Management Board of REWE Süd/Südwest eG, Fellbach   |
| Klaus Dohle<br>(RZAG only)                            | Managing partner of Dohle Handelsgruppe Holding GmbH & Co. KG, Siegburg   |
| Michael Fricke  | Businessman and member of the Management Board of REWE Handels eG Hungen, Hungen  |
| Dr. Christian Hornbach<br>(RZAG only)                 | Managing director of Hornbach Baustoff Union GmbH, Neustadt/Weinstraße  |
| Jürgen Lang   | Businessman and member of the Management Board of REWE Süd/Südwest eG, Fellbach   |
| Stefan Lenk   | Businessman and Chairman of the Supervisory Board of REWE DORTMUND Großhandel eG, Dortmund  |
| Bruno Naumann<br>(until 24 June 2018)                 | Businessman and Chairman of the Supervisory Board of REWE Handels eG Hungen, Hungen   |
| Matthias Peikert                                      | Businessman and member of the Management Board of REWE Nord-Ost eG, Teltow  |
| Heinz-Werner Satter<br>(RZAG; RZF until 24 June 2018) | Managing Director of SCHWÄLBCHEN Frischdienst GmbH, Mainz, and Chairman of the Supervisory Board of FÜR SIE Handelsgenossenschaft eG Food – Non Food, Cologne |
| Robert Schäfer  | Businessman and member of the Management Board of REWE West eG, Hürth   |
| Sven Schäfer<br>(RZF only, from 24 June 2018)         | Businessman and Deputy Chairman of the Supervisory Board of REWE Handels eG Hungen, Hungen  |
| Andreas Schmidt<br>(until 24 June 2018)               | Chairman of the Management Board of REWE DORTMUND Großhandel eG, Dortmund   |
| René Schneider<br>(from 24 June 2018)                 | Businessman and Chairman of the Supervisory Board of REWE Nord-Ost eG, Teltow   |
| Christoph Steverding<br>(from 24 June 2018)           | Businessman and member of the Supervisory Board of REWE DORTMUND Großhandel eG, Dortmund, and of DOEGO Fruchthandel und Import eG, Dortmund                   |



***The members of the Supervisory Board of RZAG and of RZF also included the following employee representatives in the period under review:***

|   |   |
|---|---|
| Michael Adlhoch<br>(RZF only, from 24 June 2018)          | Works Council chairman exempted from regular duties, REWE Markt GmbH, Central 2 region, Logistics and Administration, Rosbach   |
| Bernhard Brettschneider<br>(RZF only, until 24 June 2018) | Works Council member exempted from regular duties, REWE Markt GmbH, Central region, Rosbach   |
| Christos Chliapas<br>(RZF only, until 24 June 2018)       | Works Council deputy chairman exempted from regular duties, Glockenbrot Bäckerei GmbH & Co. oHG, Frankfurt  |
| Josef Czok<br>(RZF; RZAG from 24 June 2018)               | Works Council chairman exempted from regular duties, REWE Markt GmbH, West II region, Hürth   |
| Alfred Daubenmerkl<br>(RZF only)                          | Works Council chairman exempted from regular duties, REWE Markt GmbH, South region, Eching  |
| Berndfried Dornseifer<br>(RZF only, until 24 June 2018)   | Head of Holding Human Resources/Group Human Resources Development, REWE Deutscher Supermarkt AG & Co. KGaA, Cologne   |
| Maik Esser<br>(RZAG only)                                 | Deputy Chairman, RZAG, (until 24 June 2018)<br>Works Council member exempted from regular duties, REWE Systems GmbH, Cologne  |
| Bernhard Franke<br>(RZF only, from 24 June 2018)          | Secretary at the ver.di union, Stuttgart  |
| Maic Gerhards<br>(RZAG only, until 24 June 2018)          | Head of vehicle fleet management, REWE-ZENTRALFINANZ eG, Cologne  |
| Roland Gerstenberg<br>(RZF only, from 24 June 2018)       | Works Council chairman exempted from regular duties, REWE Markt GmbH, West I region, Hürth  |
| Bernd Goerissen<br>(RZAG only, until 24 June 2018)        | Works Council member exempted from regular duties, REWE - Zentral-Aktiengesellschaft, Cologne   |
| Helmut Göttmann<br>(RZF only)                             | Deputy Chairman of RZF from 14 March 2018,<br>Works Council member exempted from regular duties, REWE Deutscher Supermarkt AG & Co. KGaA, Cologne,<br>Works Council Chairman, REWE Markt GmbH/Penny-Markt GmbH, Cologne |
| Daniel Janssen<br>(RZAG only, from 24 June 2018)          | Head of Department, Operations, at REWE - Zentral-Aktiengesellschaft, Cologne   |
| Toni Kiel<br>(RZAG only)                                  | Senior Category Buyer, REWE Group Buying GmbH, Cologne  |
| Horst Margner<br>(RZF only, until 24 June 2018)           | Secretary at the ver.di union, Works Council, Berlin  |
| Bettina Mink<br>(RZAG only, until 24 June 2018)           | Works Council member exempted from regular duties, REWE - Zentral-Aktiengesellschaft, Cologne   |
| Jutta Mirtezani<br>(RZF only)                             | Works Council chairwoman exempted from regular duties, REWE Markt GmbH, North region, Norderstedt   |

|   |   |
|---|---|
| Stefanie Nutzenberger<br>(RZF only, until 24 June 2018) | Member of the national executive board of the ver.di union  |
| Vivien Schmitt<br>(RZF only, from 24 June 2018)         | Head of Executive Development, REWE-ZENTRALFINANZ eG, Cologne   |
| Monika Stach<br>(RZAG only)                             | Business administration employee, Health & Innovation, REWE-ZENTRALFINANZ eG, Cologne   |
| Lutz Staude<br>(RZF only, from 24 June 2018)            | Works Council chairman exempted from regular duties,<br>REWE Markt GmbH, North region, Lehrte<br>Works Council Deputy Chairman, REWE Markt GmbH/Penny-Markt GmbH, Cologne                         |
| Angelika Winter<br>(RZF; RZAG from 24 June 2018)        | Deputy Chairwoman of REWE - Zentral-Aktiengesellschaft, Cologne<br>(from 24 June 2018)<br>Works Council Deputy Chairwoman exempted from regular duties,<br>REWE Markt GmbH, West II region, Hürth |

The preparation of these Combined Financial Statements was concluded on 26 March 2019.

Cologne, 26 March 2019

The Management Board

Sören Hartmann

Jan Kunath

Dr. Christian Mielsch

Lionel Souque

## Overview of the Shareholdings of the Group Companies and Other Long-term Investees and Investors as at 31 December 2018

### a) Consolidated Companies

| No. | Company name and registered office  | Country        | Percentage share  |                   |
|-----|---|----------------|-------------------|-------------------|
|     |   |                | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 1.  | ACS Reisen AG, Zurich   | Switzerland    | 100.0             | 100.0             |
| 2.  | AD Clubreisen Gesellschaft mit beschränkter Haftung, Munich                                     | Germany        | 51.1              | 51.1              |
| 3.  | Adeg-Invest Zentrale Realitätenverwertung Gesellschaft mit beschränkter Haftung, Wiener Neudorf | Austria        | 100.0             | 100.0             |
| 4.  | ADEG Logistik GmbH, Wiener Neudorf  | Austria        | 100.0             | 100.0             |
| 5.  | ADEG Markt GmbH, Wiener Neudorf   | Austria        | 100.0             | 100.0             |
| 6.  | Adeg Österreich Handelsaktiengesellschaft, Wiener Neudorf                                       | Austria        | 100.0             | 100.0             |
| 7.  | ADEG Verbrauchermärkte GmbH, Wiener Neudorf   | Austria        | 100.0             | 100.0             |
| 8.  | Ademus Grundstücksverwaltungsgesellschaft mbH & Co. KG, Cologne                                 | Germany        | 100.0             | 100.0             |
| 9.  | Adventure Specialists B.V., Amsterdam   | Netherlands    | 100.0             | 100.0             |
| 10. | Adventure Specialists BVBA, Ghent   | Belgium        | 100.0             | 100.0             |
| 11. | Adventure Specialists GmbH, Oberhausen  | Germany        | 100.0             | 100.0             |
| 12. | AK Diskont Beteiligungs-GmbH, Dortmund  | Germany        | 100.0             | 100.0             |
| 13. | Akzenta AK Diskont Markt GmbH, Dortmund   | Germany        | 100.0             | 100.0             |
| 14. | akzenta GmbH & Co. KG, Wuppertal  | Germany        | 100.0             | 100.0             |
| 15. | akzenta Immobilien GmbH, Cologne  | Germany        | 100.0             | 100.0             |
| 16. | akzenta Verwaltungs GmbH, Wuppertal   | Germany        | 100.0             | 100.0             |
| 17. | Amero Grundstücksverwaltungsgesellschaft mbH & Co. KG, Cologne                                  | Germany        | 100.0             | 100.0             |
| 18. | Amtliches Allgäuer Reisebüro, Gesellschaft mit beschränkter Haftung, Stuttgart                  | Germany        | 100.0             | 100.0             |
| 19. | A+R s.r.o., Jirny   | Czech Republic | 100.0             | 100.0             |
| 20. | ATLAS REISEN GmbH, Berlin   | Germany        | 100.0             | 100.0             |
| 21. | ATLASREISEN GmbH, Wiener Neudorf  | Austria        | 100.0             | 100.0             |
| 22. | ATLAS/RVS Reisebüro Verwaltungs Service GmbH, Berlin  | Germany        | 100.0             | 100.0             |
| 23. | Avigo GmbH, Cologne   | Germany        | 100.0             | 100.0             |
| 24. | AVM Holding GmbH, Wiener Neudorf  | Austria        | 100.0             | 100.0             |
| 25. | AVM Immobilien GmbH, Wiener Neudorf   | Austria        | 100.0             | 100.0             |
| 26. | Bäckerei & Konditorei Rothermel GmbH, Östringen   | Germany        | 100.0             | 100.0             |
| 27. | BALDU Verwaltungsgesellschaft mbH, Cologne  | Germany        | 100.0             | 100.0             |
| 28. | Becker Projektierungsgesellschaft mbH, Cologne  | Germany        | 100.0             | 100.0             |
| 29. | bestkauf SB Warenhäuser GmbH, Cologne   | Germany        | 100.0             | 100.0             |
| 30. | Billa Aktiengesellschaft, Wiener Neudorf  | Austria        | 100.0             | 100.0             |
| 31. | BILLA Bulgaria EOOD, Sofia  | Bulgaria       | 100.0             | 100.0             |
| 32. | BILLA Immobilien GmbH, Wiener Neudorf   | Austria        | 100.0             | 100.0             |
| 33. | BILLA Import EOOD, Sofia  | Bulgaria       | 100.0             | 100.0             |
| 34. | BILLA Nedvizhimosti EOOD, Sofia   | Bulgaria       | 100.0             | 100.0             |
| 35. | Billa Realitäten GmbH, Wiener Neudorf   | Austria        | 100.0             | 100.0             |
| 36. | BILLA REALITY SLOVENSKO spol.s.r.o., Bratislava   | Slovakia       | 100.0             | 100.0             |
| 37. | Billa Reality spol. s r.o., Ricany u Prahy  | Czech Republic | 100.0             | 100.0             |
| 38. | BILLA Russia GmbH, Wiener Neudorf   | Austria        | 100.0             | 100.0             |
| 39. | BILLA Service EOOD, Sofia   | Bulgaria       | 100.0             | 100.0             |
| 40. | BILLA, spol. s r. o., Ricany u Prahy  | Czech Republic | 100.0             | 100.0             |
| 41. | BILLA s.r.o., Bratislava  | Slovakia       | 100.0             | 100.0             |
| 42. | BILLA Ukraine Gesellschaft mit 100% ausländischen Anteilen, Kiev                                | Ukraine        | 100.0             | 100.0             |
| 43. | BIPA d.o.o., Zagreb   | Croatia        | 100.0             | 100.0             |
| 44. | BIPA Parfumerien Gesellschaft m.b.H., Wiener Neudorf  | Austria        | 100.0             | 100.0             |

| No. | Company name and registered office  | Country        | Percentage share  |                    |
|-----|---|----------------|-------------------|--------------------|
|     |   |                | 31 Dec. 2018<br>% | 31 Dec. 2017<br>%  |
| 45. | Blautal-Center Ulm Verwaltungs-GmbH, Cologne  | Germany        | 100.0             | 100.0              |
| 46. | BML-REWE Einkaufsgesellschaft m.b.H., Wiener Neudorf                                    | Austria        | 100.0             | 100.0              |
| 47. | Campina Verde Deutschland GmbH, Cologne   | Germany        | 100.0             | 100.0              |
| 48. | Campina Verde Ecosol, S.L., Cordoba   | Spain          | 100.0             | 100.0              |
| 49. | CAMPINA VERDE ITALIA S.R.L., Verona   | Italy          | 100.0             | 100.0              |
| 50. | Carrier Limited, Cheadle  | United Kingdom | 100.0             | 100.0              |
| 51. | Carrier Transport Limited, Cheadle  | United Kingdom | 100.0             | 100.0              |
| 52. | C & C Abholgroßmärkte Gesellschaft m.b.H., Wiener Neudorf                               | Austria        | 100.0             | 100.0              |
| 53. | Centor-Warenhandels-GmbH, Cologne   | Germany        | 100.0             | 100.0              |
| 54. | clevertours.com GmbH, Cologne   | Germany        | 100.0             | 100.0              |
| 55. | Club Calimera Fuerteventura Playa S.L.U., Palma de Mallorca                             | Spain          | 100.0             | 100.0              |
| 56. | commercetools B.V., Amsterdam   | Netherlands    | 100.0             | -                  |
| 57. | commercetools GmbH, Munich  | Germany        | 100.0             | 100.0              |
| 58. | commercetools Inc., New York  | USA            | 100.0             | 100.0              |
| 59. | coop Logistik GmbH, Kiel  | Germany        | 100.0             | 100.0 <sup>1</sup> |
| 60. | Corfu Villas Limited, Dorking   | United Kingdom | 100.0             | 100.0              |
| 61. | "Cosmetica" Parfumeriewaren-Handels- und Erzeugungs-Gesellschaft m.b.H., Wiener Neudorf | Austria        | 100.0             | 100.0              |
| 62. | C+R Projekt spol. s r.o., Prague  | Czech Republic | 100.0             | 100.0              |
| 63. | CV Villas Transport Ltd, Dorking  | United Kingdom | 100.0             | 100.0              |
| 64. | DEGOR Grundbesitzverwaltung GmbH & Co. KG, Pullach i. Isartal                           | Germany        | 94.0              | 94.0               |
| 65. | "Delikatessa" Lebensmittel-Handels- und Erzeugungs-Gesellschaft m.b.H., Wiener Neudorf  | Austria        | 100.0             | 100.0              |
| 66. | DELUS GmbH & Co. Objekt Frankfurt KG, Pullach i. Isartal                                | Germany        | 94.0              | 94.0               |
| 67. | DELUS Verwaltung GmbH & Co. Objekt Buttenheim KG, Pullach i. Isartal                    | Germany        | 100.0             | 100.0              |
| 68. | DELUS Verwaltung GmbH & Co. Objekt Dreieich KG, Pullach i. Isartal                      | Germany        | 100.0             | 100.0              |
| 69. | DELUS Verwaltung GmbH & Co. Objekte Dietzenbach KG, Pullach i. Isartal                  | Germany        | 100.0             | 100.0              |
| 70. | DELUS Verwaltung GmbH & Co. Objekt Gießen KG, Pullach i. Isartal                        | Germany        | 100.0             | 100.0              |
| 71. | DELUS Verwaltung GmbH & Co. Objekt Großbeeren KG, Pullach i. Isartal                    | Germany        | 100.0             | 100.0              |
| 72. | DELUS Verwaltung GmbH & Co. Objekt Köln-Langel KG, Pullach i. Isartal                   | Germany        | 98.5              | 98.5               |
| 73. | DELUS Verwaltung GmbH & Co. Objekt Neuhausen KG, Pullach i. Isartal                     | Germany        | 100.0             | 100.0              |
| 74. | DELUS Verwaltung GmbH & Co. Objekt Norderstedt oHG, Pullach i. Isartal                  | Germany        | 99.0              | 99.0               |
| 75. | DELUS Verwaltung GmbH & Co. Objekt Rosbach oHG, Pullach i. Isartal                      | Germany        | 99.0              | 99.0               |
| 76. | DELUS Verwaltung GmbH & Co. Objekt Rüsseina KG, Pullach i. Isartal                      | Germany        | 100.0             | 100.0              |
| 77. | DELUS Verwaltung GmbH & Co. Objekt Stelle KG, Pullach i. Isartal                        | Germany        | 100.0             | 100.0              |
| 78. | DELUS Verwaltung GmbH & Co. Objekt Wiesloch KG, Pullach i. Isartal                      | Germany        | 100.0             | 100.0              |
| 79. | DELUS Verwaltung GmbH & Co. Vermietungs-KG, Pullach i. Isartal                          | Germany        | 100.0             | 100.0              |
| 80. | DER ASIA TOURS CO., LTD., Bangkok   | Thailand       | 49.0              | 49.0               |
| 81. | DER Deutsches Reisebüro GmbH & Co. OHG, Frankfurt am Main                               | Germany        | 100.0             | 100.0              |
| 82. | DERPART Reisebüro Service GmbH, Frankfurt am Main                                       | Germany        | 100.0             | 100.0              |
| 83. | DERPART Reisevertrieb GmbH, Frankfurt am Main   | Germany        | 50.0              | 50.0               |
| 84. | DER Reisebüro Beteiligungs GmbH, Frankfurt am Main                                      | Germany        | 100.0             | 100.0              |
| 85. | DER Reisebüro Göbel GmbH, Schweinfurt   | Germany        | 66.0              | 66.0               |
| 86. | DER Reisebüro OTTO GmbH, Hof  | Germany        | 100.0             | 100.0              |
| 87. | DER Reisebüro Service GmbH, Cologne   | Germany        | 100.0             | 100.0              |
| 88. | DERTOUR America Inc., Miami   | USA            | 100.0             | 100.0              |
| 89. | DERTOUR Austria GmbH, Salzburg  | Austria        | 100.0             | 100.0              |
| 90. | DERTOUR BULGARIA OOD, Sofia   | Bulgaria       | 75.0              | 75.0               |
| 91. | DERTOUR Cesko s. r. o., Prague  | Czech Republic | 100.0             | 100.0              |
| 92. | DERTOUR d.o.o., Belgrade  | Serbia         | 75.0              | 75.0               |
| 93. | DERTOUR Hungária Kft., Budapest   | Hungary        | 75.0              | 75.0               |
| 94. | DER Touristik Airport Services GmbH, Düsseldorf   | Germany        | 100.0             | 100.0              |
| 95. | DER Touristik Central Europe GmbH, Cologne  | Germany        | 100.0             | 100.0              |

| No.  | Company name and registered office  | Country        | Percentage share  |                   |
|------|---|----------------|-------------------|-------------------|
|      |   |                | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 96.  | DER Touristik Destination Service AG, Wilen                                       | Switzerland    | 100.0             | 100.0             |
| 97.  | DER Touristik Deutschland GmbH, Cologne   | Germany        | 100.0             | 100.0             |
| 98.  | DER Touristik DMC GmbH, Cologne   | Germany        | 100.0             | 100.0             |
| 99.  | DER Touristik Group GmbH, Cologne   | Germany        | 100.0             | 100.0             |
| 100. | DER Touristik Hotel & Investment Hellas AE, Rhodos                                | Greece         | 100.0             | 100.0             |
| 101. | DER Touristik Hotels & Resorts GmbH, Cologne                                      | Germany        | 100.0             | 100.0             |
| 102. | DER Touristik Hotels Spain S.L., Palma de Mallorca                                | Spain          | 100.0             | 100.0             |
| 103. | DER Touristik Immobilien GmbH, Cologne  | Germany        | 100.0             | 100.0             |
| 104. | DER Touristik Nordic AB, Stockholm  | Sweden         | 100.0             | 100.0             |
| 105. | DER Touristik Online GmbH, Frankfurt/Main   | Germany        | 100.0             | 100.0             |
| 106. | DER Touristik Partner-Service Verwaltungs GmbH, Cologne                           | Germany        | 100.0             | 100.0             |
| 107. | DER Touristik Services, S.L.U., Palma de Mallorca                                 | Spain          | 100.0             | 100.0             |
| 108. | DER Touristik Suisse AG, Zürich   | Switzerland    | 100.0             | 100.0             |
| 109. | DER Touristik Suisse Airportservice AG, Volketswil                                | Switzerland    | 100.0             | 100.0             |
| 110. | DER Touristik Transport UK Limited, Dorking                                       | United Kingdom | 100.0             | 100.0             |
| 111. | DER Touristik Tunisie S.A.R.L., Tunis   | Tunisia        | 99.0              | -                 |
| 112. | DER Touristik UK Limited, Dorking   | United Kingdom | 100.0             | 100.0             |
| 113. | DERTOUR Polska Sp.z.o.o., Warsaw  | Poland         | 75.0              | 75.0              |
| 114. | DERTOUR Romania S.R.L, Bucharest  | Romania        | 75.0              | 75.0              |
| 115. | DERTOUR Slovakia s.r.o., Bratislava   | Slovakia       | 75.0              | 75.0              |
| 116. | Destination Touristic Services OOD, Varna   | Bulgaria       | 90.0              | 90.0              |
| 117. | Destination Touristic Services S.A.R.L., Tunis                                    | Tunisia        | 50.0              | 50.0              |
| 118. | Destination Touristik Service S.A.E., Hurghada                                    | Egypt          | 60.0              | 60.0              |
| 119. | Destination Touristik Services d.o.o., Pula                                       | Croatia        | 100.0             | -                 |
| 120. | Destination Turistik Hizmetleri Ticaret Limited Sirketi, Muratpasa                | Turkey         | 100.0             | 100.0             |
| 121. | Deutsches Reisebüro S.r.l., Rome  | Italy          | 100.0             | 100.0             |
| 122. | Dienstleistungszentrum Südmarkt GmbH & Co. oHG, Starbach                          | Germany        | 100.0             | 100.0             |
| 123. | Dr. Holiday AG, Sinzing   | Germany        | 100.0             | 100.0             |
| 124. | DTS Destination Touristic Services Incoming GmbH, Salzburg                        | Austria        | 100.0             | 100.0             |
| 125. | DTS INCOMING HELLAS TOURISTIC SERVICES SOCIETE ANONYME, Heraklion                 | Greece         | 70.0              | 70.0              |
| 126. | EHA Austria Energie-Handels-gesellschaft mbH, Wiener Neudorf                      | Austria        | 100.0             | 100.0             |
| 127. | -EHA- Energie-Handels-Geschäftsführungs-Gesellschaft mbH, Hamburg                 | Germany        | 90.0              | 90.0              |
| 128. | -EHA- Energie-Handels-Gesellschaft mbH & Co. KG, Hamburg                          | Germany        | 100.0             | 100.0             |
| 129. | Emileon AB, Stockholm   | Sweden         | 100.0             | 100.0             |
| 130. | Entsorgungsgesellschaft Handel "Pro Umwelt" mbH, Cologne                          | Germany        | 100.0             | 100.0             |
| 131. | Eurogroup Deutschland GmbH, Langenfeld  | Germany        | 100.0             | 100.0             |
| 132. | "EUROGROUP" Ein- und Ausfuhrhandel Gesellschaft mit beschränkter Haftung, Cologne | Germany        | 100.0             | 100.0             |
| 133. | Eurogroup Espana F&V S.A.U., Valencia   | Spain          | 100.0             | 100.0             |
| 134. | EUROGROUP ITALIA S.R.L., Verona   | Italy          | 100.0             | 100.0             |
| 135. | E U R O G R O U P S.A., Brussels  | Belgium        | 100.0             | 100.0             |
| 136. | EXIM HOLDING a.s., Prague   | Czech Republic | 100.0             | 100.0             |
| 137. | EXIM S.A., Warsaw   | Poland         | 100.0             | 100.0             |
| 138. | EXIM TOURS a.s., Prague   | Czech Republic | 100.0             | 100.0             |
| 139. | Ferd. Rückforth Nachfolger Aktiengesellschaft, Cologne                            | Germany        | 100.0             | 100.0             |
| 140. | FT Aviation AB, Stockholm   | Sweden         | 100.0             | 100.0             |
| 141. | GBI Gesellschaft für Beteiligungs- und Immobilienverwaltung mbH, Cologne          | Germany        | 100.0             | 100.0             |
| 142. | Gebrüder Mayer Produktions- und Vertriebs GmbH, Wahrenholz                        | Germany        | 100.0             | 100.0             |
| 143. | Globus Immobilien GmbH, Cologne   | Germany        | 100.0             | 100.0             |
| 144. | Glockenbrot Bäckerei GmbH & Co. Immobilien KG, Pullach i. Isartal                 | Germany        | 100.0             | 100.0             |
| 145. | Glockenbrot Bäckerei GmbH & Co. oHG, Cologne                                      | Germany        | 100.0             | 100.0             |
| 146. | Glockenbrot Bäckerei Verwaltungs GmbH, Cologne                                    | Germany        | 100.0             | 100.0             |
| 147. | Glockenbrot Immobilien 1 GmbH & Co. KG, Cologne                                   | Germany        | 100.0             | -                 |

| No.  | Company name and registered office   | Country            | Percentage share  |                   |
|------|--|--------------------|-------------------|-------------------|
|      |  |                    | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 148. | GO CARIBIC, S.R.L., Puerto Plata   | Dominican Republic | 100.0             | 100.0             |
| 149. | Golf Plaisir Resebyrå Aktiebolag, Stockholm  | Sweden             | 100.0             | 100.0             |
| 150. | GO!Reisen GmbH, Bremen   | Germany            | 60.1              | 60.1              |
| 151. | GO VACATION AFRICA (PTY) LTD, Gauteng  | South Africa       | 65.0              | 65.0 <sup>2</sup> |
| 152. | GO VACATION SPAIN SL, Palma de Mallorca  | Spain              | 100.0             | 100.0             |
| 153. | GPS Reisen GmbH, Frankfurt am Main   | Germany            | 100.0             | 100.0             |
| 154. | Grundstücksgesellschaft Herborn mbH, Cologne                                       | Germany            | 100.0             | 100.0             |
| 155. | Grundstücksverwertungs-Gesellschaft Schwerte-Ost mit beschränkter Haftung, Cologne | Germany            | 100.0             | 100.0             |
| 156. | GVS-Grundstücksverwaltungs-Gesellschaft Stolberger Str.mbH., Cologne               | Germany            | 100.0             | 100.0             |
| 157. | Hanseat Reisebüro GmbH, Berlin   | Germany            | 100.0             | 100.0             |
| 158. | HD Handelsdienstleistungs GmbH, Cologne  | Germany            | 100.0             | 100.0             |
| 159. | Heiliger & Kleutgens Gesellschaft mit beschränkter Haftung, Cologne                | Germany            | 100.0             | 75.0              |
| 160. | Heimo Handelsgesellschaft mbH, Cologne   | Germany            | 100.0             | 100.0             |
| 161. | Heinr. Hill Gesellschaft mit beschränkter Haftung, Cologne                         | Germany            | 100.0             | 100.0             |
| 162. | Heinz Wille Fleischwarenfabrik Verwaltungs GmbH, Cologne                           | Germany            | 100.0             | 100.0             |
| 163. | HLS Handel und Lager Service Gesellschaft mbH, Cologne                             | Germany            | 100.0             | 100.0             |
| 164. | IMPULS Grundstücksverwaltungsgesellschaft Objekte Nord mbH, Cologne                | Germany            | 100.0             | 100.0             |
| 165. | IMPULS Grundstücksverwaltungsgesellschaft Objekte Süd mbH, Cologne                 | Germany            | 100.0             | 100.0             |
| 166. | Intubit AG, Zug  | Switzerland        | 100.0             | 100.0             |
| 167. | I+R Projektentwicklung Kft., Alsónémedi  | Hungary            | 100.0             | 100.0             |
| 168. | ITS BILLA TRAVEL s.r.o., Prague  | Czech Republic     | 100.0             | 100.0             |
| 169. | ITS Reisen GmbH, Cologne   | Germany            | 100.0             | 100.0             |
| 170. | IVONA Property Omega GmbH, Wiener Neudorf  | Austria            | 100.0             | 100.0             |
| 171. | IVP-Bau Hungaria Ipari és Szolgáltató Kft., Alsónémedi                             | Hungary            | 100.0             | 100.0             |
| 172. | ja-Lebensmittelvertriebsgesellschaft mbH, Cologne                                  | Germany            | 100.0             | 100.0             |
| 173. | "JA! NATÜRLICH" Naturprodukte Gesellschaft m.b.H., Wiener Neudorf                  | Austria            | 100.0             | 100.0             |
| 174. | Journey Latin America Limited, London  | United Kingdom     | 100.0             | -                 |
| 175. | Journeys of Distinction Limited, Cheadle   | United Kingdom     | 100.0             | 100.0             |
| 176. | Jules Verne Ltd, London  | United Kingdom     | 100.0             | 100.0             |
| 177. | Jules Verne Transport Limited, Cheadle   | United Kingdom     | 100.0             | 100.0             |
| 178. | KARTAGO TOURS a.s., Bratislava   | Slovakia           | 100.0             | 100.0             |
| 179. | KARTAGO TOURS Zrt., Budapest   | Hungary            | 100.0             | 100.0             |
| 180. | Kirker Travel Limited, London  | United Kingdom     | 100.0             | 100.0             |
| 181. | Kirker Travel Services Limited, London   | United Kingdom     | 100.0             | 100.0             |
| 182. | KLEE-Garten-Fachmarkt GmbH, Cologne  | Germany            | 100.0             | 100.0             |
| 183. | Koban Grundbesitzverwaltung GmbH & Co. Objekt Egelsbach KG, Cologne                | Germany            | 94.0              | 94.0              |
| 184. | KOBAN Grundbesitzverwaltung GmbH & Co. Vermietungs KG, Cologne                     | Germany            | 94.0              | 94.0              |
| 185. | Kontra Warenhaus-Einkaufs- und Verwaltungs GmbH, Cologne                           | Germany            | 100.0             | 100.0             |
| 186. | K+R Projekt s.r.o., Prague   | Czech Republic     | 100.0             | 100.0             |
| 187. | KS Holding Danmark AS, Copenhagen  | Denmark            | 100.0             | 100.0             |
| 188. | Latscha Filialbetriebe Gesellschaft mit beschränkter Haftung, Cologne              | Germany            | 100.0             | 100.0             |
| 189. | Lime Travel AB, Stockholm  | Sweden             | 100.0             | 100.0             |
| 190. | Iti Kaiserfels Hotelbetriebs GmbH, St. Johann                                      | Austria            | 51.0              | 51.0              |
| 191. | LUPOS GmbH & Co. KG, Cologne   | Germany            | 100.0             | 100.0             |
| 192. | MAREAL Immobilienverwaltungs GmbH, Wiener Neudorf                                  | Austria            | 100.0             | 100.0             |
| 193. | Marian & Co. Gesellschaft m.b.H., Wiener Neudorf                                   | Austria            | 100.0             | 100.0             |
| 194. | Masters for Hotels and Touristic Services S.A.E., Hurghada                         | Egypt              | 60.0              | 60.0              |
| 195. | Masters Transport Service S.A.E., Hurghada   | Egypt              | 60.0              | 60.0              |
| 196. | Masters Travel Service S.A.E., Hurghada  | Egypt              | 60.0              | 60.0              |
| 197. | max digital GmbH, Wiener Neudorf   | Austria            | 100.0             | 100.0             |
| 198. | Merkur Warenhandels-Aktiengesellschaft, Wiener Neudorf                             | Austria            | 100.0             | 100.0             |

| No.  | Company name and registered office                                | Country              | Percentage share  |                   |
|------|---|----------------------|-------------------|-------------------|
|      |   |                      | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 199. | Miracle Tourism LLC, Dubai  | United Arab Emirates | 60.0              | 60.0              |
| 200. | Motorhome Bookers Limited, Devon                                  | United Kingdom       | 100.0             | 100.0             |
| 201. | NeuMarkt Lebensmittel GmbH, Cologne                               | Germany              | 100.0             | 100.0             |
| 202. | NeuMarkt Lebensmittel-Vertriebsgesellschaft mbH & Co. KG, Cologne | Germany              | 100.0             | 100.0             |
| 203. | NORIL Verwaltung GmbH & Co. Vermietungs-KG, Pullach i. Isartal    | Germany              | 98.0              | 98.0              |
| 204. | Nova Airlines AB, Stockholm                                       | Sweden               | 100.0             | 100.0             |
| 205. | Novair AS, Oslo   | Norway               | 100.0             | 100.0             |
| 206. | NWT New World Travel Inc., New York                               | USA                  | 100.0             | 100.0             |
| 207. | OOO BILLA, Moscow   | Russia               | 100.0             | 100.0             |
| 208. | OOO BILLA Realty, Moscow  | Russia               | 100.0             | 100.0             |
| 209. | OVO Vertriebs GmbH, Cologne                                       | Germany              | 100.0             | 100.0             |
| 210. | Penny Dienstleistung GmbH, Cologne                                | Germany              | 100.0             | 100.0             |
| 211. | Penny GmbH, Wiener Neudorf  | Austria              | 100.0             | 100.0             |
| 212. | Penny Immobilien EINS GmbH, Cologne                               | Germany              | 100.0             | 100.0             |
| 213. | Penny Market Bulgaria EOOD, Stolnik                               | Bulgaria             | 100.0             | 100.0             |
| 214. | Penny-Market Kft, Budapest  | Hungary              | 100.0             | 100.0             |
| 215. | PENNY MARKET S.R.L., Milan  | Italy                | 100.0             | 100.0             |
| 216. | Penny Market s.r.o., Radonice                                     | Czech Republic       | 100.0             | 100.0             |
| 217. | Penny-Markt Gesellschaft mit beschränkter Haftung, Cologne        | Germany              | 100.0             | 100.0             |
| 218. | Penny Spedition GmbH, Cologne                                     | Germany              | 100.0             | 100.0             |
| 219. | PRONTO Energieberatung GmbH & Co. KG, Wiener Neudorf              | Austria              | 100.0             | 100.0             |
| 220. | Pronto Projektentwicklung GmbH, Wiener Neudorf                    | Austria              | 100.0             | 100.0             |
| 221. | Pro Tours GmbH, Cologne   | Germany              | 100.0             | 100.0             |
| 222. | Radio Max GmbH, Wiener Neudorf                                    | Austria              | 100.0             | 100.0             |
| 223. | Radio Max Romania S.R.L., Bucharest                               | Romania              | 100.0             | 100.0             |
| 224. | Railtour (Suisse) SA, Bern  | Switzerland          | 93.4              | 93.4              |
| 225. | RCE Reisebüro-Centraleinkauf GmbH, Cologne                        | Germany              | 100.0             | 100.0             |
| 226. | REISEBÜRO RADE GMBH, Offenburg                                    | Germany              | 100.0             | -                 |
| 227. | Reisebüro Rominger Bodenseereisebüro GmbH, Konstanz               | Germany              | 62.5              | 62.5              |
| 228. | Reisebüro ROMINGER SÜDLAND GmbH, Biberach an der Riß              | Germany              | 68.0              | 68.0              |
| 229. | REISEWELT GmbH, Frankfurt am Main                                 | Germany              | 100.0             | 100.0             |
| 230. | Rema Beteiligungs-GmbH, Dortmund                                  | Germany              | 100.0             | 100.0             |
| 231. | REMUS Grundbesitzverwaltung GmbH & Co. KG, Pullach i. Isartal     | Germany              | 94.0              | 94.0              |
| 232. | Repros S.r.l., Milan  | Italy                | 100.0             | 100.0             |
| 233. | REWE - Aktiengesellschaft, Cologne                                | Germany              | 80.0              | 80.0              |
| 234. | Rewe Austria Fleischwaren GmbH, Wiener Neudorf                    | Austria              | 100.0             | 100.0             |
| 235. | REWE Austria Touristik GmbH, Wiener Neudorf                       | Austria              | 100.0             | 100.0             |
| 236. | REWE Berlin Logistik GmbH, Cologne                                | Germany              | 100.0             | 100.0             |
| 237. | REWE Beteiligungs-Holding Aktiengesellschaft, Cologne             | Germany              | 100.0             | 100.0             |
| 238. | REWE-Beteiligungs-Holding International GmbH, Cologne             | Germany              | 100.0             | 100.0             |
| 239. | REWE-Beteiligungs-Holding National GmbH, Cologne                  | Germany              | 100.0             | 100.0             |
| 240. | REWE-Beteiligungs-Verwaltungs-GmbH, Cologne                       | Germany              | 100.0             | 100.0             |
| 241. | Rewe Buying Group s.r.o., Jirny                                   | Czech Republic       | 100.0             | 100.0             |
| 242. | REWE Card GmbH, Cologne   | Germany              | 100.0             | 100.0             |
| 243. | REWE-Centermanagement und Verwaltungs GmbH, Cologne               | Germany              | 100.0             | 100.0             |
| 244. | REWE-Computer Vertriebs GmbH, Cologne                             | Germany              | 100.0             | 100.0             |
| 245. | REWE Deutscher Supermarkt AG & Co. KGaA, Cologne                  | Germany              | 100.0             | 100.0             |
| 246. | REWE Digital Fulfilment Services GmbH, Cologne                    | Germany              | 100.0             | 100.0             |
| 247. | REWE Digital GmbH, Cologne  | Germany              | 100.0             | 100.0             |
| 248. | REWE Dortmund SE & Co. KG, Dortmund                               | Germany              | 20.0              | 20.0              |
| 249. | REWE DORTMUND Vertriebsgesellschaft mbH, Dortmund                 | Germany              | 100.0             | 100.0             |
| 250. | REWE Dortmund Verwaltung SE, Dortmund                             | Germany              | 20.0              | 20.0              |



| No.  | Company name and registered office  | Country     | Percentage share  |                   |
|------|---|-------------|-------------------|-------------------|
|      |   |             | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 251. | REWE Far East Limited, Hong Kong  | China       | 99.9              | 99.9              |
| 252. | REWE Finanz-Kontor GmbH, Cologne  | Germany     | 100.0             | 100.0             |
| 253. | REWE-Finanz-Service GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 254. | REWE Großflächengesellschaft mbH, Cologne                                       | Germany     | 100.0             | 100.0             |
| 255. | REWE Group Buying GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 256. | REWE Group Buying Italy S.r.l., Vallese di Oppeano                              | Italy       | 100.0             | 100.0             |
| 257. | REWE Group Card Service GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 258. | REWE Group Fruchtlogistik GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 259. | REWE Group Marketing GmbH, Cologne  | Germany     | 100.0             | 100.0             |
| 260. | REWE Grundstücks-Verwaltungsgesellschaft mbH, Cologne                           | Germany     | 100.0             | 100.0             |
| 261. | REWE Handelsgesellschaft Weser-Harz mbH, Cologne                                | Germany     | 100.0             | 100.0             |
| 262. | REWE-HANDELSGRUPPE GmbH, Cologne  | Germany     | 80.0              | 80.0              |
| 263. | REWE Immobilien 1 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 264. | REWE Immobilien 2 GmbH & Co. KG, Cologne  | Germany     | 100.0             | -                 |
| 265. | REWE Immobilien 3 GmbH & Co. KG, Cologne  | Germany     | 100.0             | -                 |
| 266. | REWE Immobilien Beteiligungs GmbH, Cologne                                      | Germany     | 100.0             | -                 |
| 267. | REWE-Immobilien-Beteiligungs-Verwaltungs GmbH, Cologne                          | Germany     | 100.0             | 100.0             |
| 268. | REWE International AG, Wiener Neudorf   | Austria     | 100.0             | 100.0             |
| 269. | REWE International Dienstleistungsgesellschaft m.b.H., Wiener Neudorf           | Austria     | 100.0             | 100.0             |
| 270. | REWE Internationale Beteiligungs Gesellschaft mit beschränkter Haftung, Cologne | Germany     | 100.0             | 100.0             |
| 271. | REWE International Finance B.V., Venlo  | Netherlands | 100.0             | 100.0             |
| 272. | REWE International Lager- und Transportgesellschaft m.b.H., Wiener Neudorf      | Austria     | 100.0             | 100.0             |
| 273. | REWE International Warenhandels GmbH, Cologne                                   | Germany     | 100.0             | 100.0             |
| 274. | REWE LOG 1 GmbH, Cologne  | Germany     | 100.0             | 100.0             |
| 275. | REWE LOG 3 GmbH, Cologne  | Germany     | 100.0             | 100.0             |
| 276. | REWE LOG 4 GmbH, Cologne  | Germany     | 100.0             | 100.0             |
| 277. | REWE LOG 5 GmbH, Cologne  | Germany     | 100.0             | 100.0             |
| 278. | REWE LOG 6 GmbH, Cologne  | Germany     | 100.0             | 100.0             |
| 279. | REWE LOG 7 GmbH, Cologne  | Germany     | 100.0             | 100.0             |
| 280. | REWE LOG 9 GmbH, Cologne  | Germany     | 100.0             | 100.0             |
| 281. | REWE LOG 10 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 282. | REWE LOG 11 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 283. | REWE LOG 12 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 284. | REWE LOG 13 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 285. | REWE LOG 14 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 286. | REWE LOG 30 GmbH, Cologne   | Germany     | 100.0             | -                 |
| 287. | REWE LOG 31 GmbH, Cologne   | Germany     | 100.0             | -                 |
| 288. | REWE LOG 32 GmbH, Cologne   | Germany     | 100.0             | -                 |
| 289. | REWE LOG 50 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 290. | REWE LOG 52 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 291. | REWE LOG 60 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 292. | REWE LOG 62 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 293. | REWE LOG 63 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 294. | REWE LOG 64 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 295. | REWE Märkte 1 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 296. | REWE Märkte 2 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 297. | REWE Märkte 3 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 298. | REWE Märkte 4 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 299. | REWE Märkte 5 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 300. | REWE Märkte 6 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 301. | REWE Märkte 7 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 302. | REWE Märkte 8 GmbH, Cologne   | Germany     | 100.0             | 100.0             |
| 303. | REWE Märkte 9 GmbH, Cologne   | Germany     | 100.0             | 100.0             |

| No.  | Company name and registered office                         | Country | Percentage share  |                   |
|------|--|---------|-------------------|-------------------|
|      |  |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 304. | REWE Märkte 10 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 305. | REWE Märkte 11 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 306. | REWE Märkte 12 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 307. | REWE Märkte 13 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 308. | REWE Märkte 14 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 309. | REWE Märkte 15 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 310. | REWE Märkte 16 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 311. | REWE Märkte 17 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 312. | REWE Märkte 18 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 313. | REWE Märkte 19 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 314. | REWE Märkte 21 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 315. | REWE Märkte 22 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 316. | REWE Märkte 24 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 317. | REWE Märkte 30 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 318. | REWE Märkte 32 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 319. | REWE Märkte 33 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 320. | REWE Märkte 34 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 321. | REWE Märkte 35 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 322. | REWE Märkte 36 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 323. | REWE Märkte 38 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 324. | REWE Märkte 39 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 325. | REWE Märkte 40 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 326. | REWE Märkte 41 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 327. | REWE Märkte 42 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 328. | REWE Märkte 43 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 329. | REWE Märkte 44 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 330. | REWE Märkte 45 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 331. | REWE Märkte 46 GmbH, Cologne                               | Germany | 100.0             | -                 |
| 332. | REWE Märkte 47 GmbH, Cologne                               | Germany | 100.0             | -                 |
| 333. | REWE Märkte 51 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 334. | REWE Märkte 52 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 335. | REWE Märkte 53 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 336. | REWE Märkte 54 GmbH, Cologne                               | Germany | 100.0             | -                 |
| 337. | REWE Märkte 55 GmbH, Cologne                               | Germany | 100.0             | -                 |
| 338. | REWE Märkte 56 GmbH, Cologne                               | Germany | 100.0             | -                 |
| 339. | REWE Märkte 57 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 340. | REWE Märkte 58 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 341. | REWE Märkte 59 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 342. | REWE Märkte 70 GmbH, Cologne                               | Germany | 100.0             | 100.0             |
| 343. | REWE Markt GmbH, Cologne                                   | Germany | 100.0             | 100.0             |
| 344. | REWENTA Immobilien Verwaltung GmbH, Cologne                | Germany | 100.0             | 100.0             |
| 345. | REWE Partner GmbH, Cologne                                 | Germany | 100.0             | 100.0             |
| 346. | REWE-Projektentwicklung GmbH, Cologne                      | Germany | 100.0             | 100.0             |
| 347. | REWE Projektentwicklung Kft., Budapest                     | Hungary | 100.0             | 100.0             |
| 348. | REWE PROJEKTENTWICKLUNG ROMANIA S.R.L., Stefanestii de Jos | Romania | 100.0             | 100.0             |
| 349. | REWE Regiemarkt GmbH, Cologne                              | Germany | 100.0             | 100.0             |
| 350. | REWE Romania SRL, Stefanestii de jos                       | Romania | 100.0             | 100.0             |
| 351. | REWE RZ GmbH, Cologne                                      | Germany | 100.0             | 100.0             |
| 352. | REWE Services Shanghai Co., Ltd., Shanghai                 | China   | 100.0             | 100.0             |
| 353. | REWE Spedition und Logistik GmbH, Koblenz                  | Germany | 100.0             | 100.0             |
| 354. | REWE Südmarkt GmbH, Cologne                                | Germany | 100.0             | 100.0             |
| 355. | REWE Systems Austria GmbH, Premstätten                     | Austria | 100.0             | -                 |
| 356. | REWE Systems GmbH, Cologne                                 | Germany | 100.0             | 100.0             |

| No.  | Company name and registered office  | Country   | Percentage share  |                   |
|------|---|-----------|-------------------|-------------------|
|      |   |           | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 357. | REWE Systems Spain S.L., Málaga   | Spain     | 100.0             | -                 |
| 358. | REWE Verkaufsgesellschaft mit beschränkter Haftung, Cologne                                 | Germany   | 100.0             | 100.0             |
| 359. | Rewe-Verlag Gesellschaft mit beschränkter Haftung, Cologne                                  | Germany   | 100.0             | 100.0             |
| 360. | REWE-Versicherungsdienst-Gesellschaft mit beschränkter Haftung, Cologne                     | Germany   | 100.0             | 100.0             |
| 361. | REWE Verwaltungs- und Vertriebs GmbH, Hürth   | Germany   | 50.1              | 50.1              |
| 362. | REWE Warenhandelsgesellschaft mbH, Cologne  | Germany   | 100.0             | 100.0             |
| 363. | REWE Wein online GmbH, Cologne  | Germany   | 100.0             | 100.0             |
| 364. | REWE Zentrale - Business Organisation GmbH, Cologne   | Germany   | 100.0             | 100.0             |
| 365. | REWE-Zentrale-Dienstleistungsgesellschaft mbH, Cologne                                      | Germany   | 100.0             | 100.0             |
| 366. | REWE-Zentralfinanz Beteiligungsgesellschaft mbH, Cologne                                    | Germany   | 100.0             | 100.0             |
| 367. | REWE-ZENTRALFINANZ eG und REWE-Zentral AG GbR, Cologne                                      | Germany   | 100.0             | 100.0             |
| 368. | REWE-Zentral-Handelsgesellschaft mit beschränkter Haftung, Cologne                          | Germany   | 100.0             | 100.0             |
| 369. | RG Verlag GmbH, Wiener Neudorf  | Austria   | 100.0             | 100.0             |
| 370. | Rheika Lebensmittel Alois Sans GmbH & Co., Cologne  | Germany   | 100.0             | 100.0             |
| 371. | R-Kauf-Märkte-Gesellschaft mit beschränkter Haftung, Cologne                                | Germany   | 100.0             | 100.0             |
| 372. | Roll-Container-Shuttle GmbH, Lehrte   | Germany   | 100.0             | 100.0             |
| 373. | SANS-Verwaltungs-GmbH & Co. KG, Cologne   | Germany   | 94.0              | 94.0              |
| 374. | Sapor Beteiligungsverwaltungs GmbH, Vienna  | Austria   | 100.0             | 0.0               |
| 375. | Sapor Polen Beteiligungen Ges.m.b.H., Wiener Neudorf  | Austria   | 100.0             | 100.0             |
| 376. | Schmidt & Co. GmbH, Cologne   | Germany   | 100.0             | 100.0             |
| 377. | Schwarzwald Reisebüro Freiburg, Gesellschaft mit beschränkter Haftung, Freiburg im Breisgau | Germany   | 81.8              | 81.8              |
| 378. | SEKANS Grundstücks-Gesellschaft mit beschränkter Haftung, Cologne                           | Germany   | 100.0             | 100.0             |
| 379. | Smart People GmbH, Cologne  | Germany   | 100.0             | 100.0             |
| 380. | Sotavento S.A.U., Fuerteventura   | Spain     | 100.0             | 100.0             |
| 381. | S+R Projektentwicklung Kft., Alsónémedi   | Hungary   | 100.0             | 100.0             |
| 382. | SÜDEMA Grundbesitz GmbH & Co. KG, Pullach i. Isartal  | Germany   | 0.0               | 0.0               |
| 383. | Südmarkt Olching GmbH & Co.oHG, Cologne   | Germany   | 100.0             | 100.0             |
| 384. | Südmarkt Olching Verwaltungs GmbH, Cologne  | Germany   | 100.0             | 100.0             |
| 385. | Supermärkte Nord Vertriebs GmbH & Co. KG, Kiel  | Germany   | 70.0              | 73.9              |
| 386. | Supermärkte Nord Verwaltungs GmbH, Kiel   | Germany   | 70.0              | 55.0              |
| 387. | TCI-Go Vacation India Private Limited, Gurgaon  | India     | 51.0              | 51.0              |
| 388. | toom Baumarkt Beteiligungsgesellschaft mbH, Cologne   | Germany   | 100.0             | 100.0             |
| 389. | toom Baumarkt GmbH, Cologne   | Germany   | 100.0             | 100.0             |
| 390. | toom Baustoff-Fachhandel GmbH, Cologne  | Germany   | 100.0             | 100.0             |
| 391. | "toom"-Markt Gesellschaft mit beschränkter Haftung, Cologne                                 | Germany   | 100.0             | 100.0             |
| 392. | TourContact Reisebüro Cooperation Verwaltung GmbH, Cologne                                  | Germany   | 100.0             | 100.0             |
| 393. | Travel LAB SAS, St. Ouen  | France    | 100.0             | -                 |
| 394. | T+R Projektentwicklung Kft., Alsónémedi   | Hungary   | 100.0             | 100.0             |
| 395. | UAB Palink, Vilnius   | Lithuania | 93.8              | 44.4              |
| 396. | Unser Ö-Bonus Club GmbH, Wiener Neudorf   | Austria   | 100.0             | 100.0             |
| 397. | VOBA-Reisebüro Rominger GmbH, Aalen   | Germany   | 60.0              | 60.0              |
| 398. | Wegenstein Gesellschaft m.b.H., Wiener Neudorf  | Austria   | 100.0             | 100.0             |
| 399. | Wilhelm Brandenburg GmbH & Co. oHG, Cologne   | Germany   | 100.0             | 100.0             |
| 400. | Wilhelm Brandenburg Immobilien 1 GmbH, Cologne  | Germany   | 100.0             | 100.0             |
| 401. | Wilhelm Brandenburg Immobilien 2 GmbH & Co. KG, Cologne                                     | Germany   | 100.0             | -                 |
| 402. | Wilhelm Brandenburg Immobilien 3 GmbH & Co. KG, Cologne                                     | Germany   | 100.0             | -                 |
| 403. | Wilhelm Brandenburg Verwaltungs GmbH, Cologne   | Germany   | 100.0             | 100.0             |
| 404. | Willi Gleichmann GmbH. & Co. KG., Koblenz   | Germany   | 100.0             | 100.0             |
| 405. | WISUS Beteiligungs GmbH & Co. Sechste Vermietungs-KG, Pullach i. Isartal                    | Germany   | 0.0               | 0.0               |
| 406. | WISUS Beteiligungs GmbH & Co. Vierte Vermietungs-KG, Pullach i. Isartal                     | Germany   | 0.0               | 0.0               |
| 407. | WISUS Beteiligungs GmbH & Co. Zweite Vermietungs-KG, Pullach i. Isartal                     | Germany   | 94.9              | 0.0               |
| 408. | WISUS Objekt Wangen GmbH & Co. KG, Pullach i. Isartal                                       | Germany   | 0.0               | 0.0               |

| No.  | Company name and registered office                                     | Country | Percentage share  |                   |
|------|--|---------|-------------------|-------------------|
|      |  |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 409. | WTS Grundstücksverwaltung GmbH & Co Vermietungs KG, Pullach i. Isartal | Germany | 0.0               | 0.0               |
| 410. | Württ. Reisebüro Otto Schmid GmbH & Co. KG., Ulm                       | Germany | 60.0              | 60.0              |
| 411. | Xtravel AB, Stockholm  | Sweden  | 100.0             | - <sup>3</sup>    |
| 412. | ZooRoyal GmbH, Cologne   | Germany | 100.0             | 100.0             |

<sup>1</sup> In liquidation

<sup>2</sup> Financial year ends on 31 August 2017

<sup>3</sup> Financial year ends on 30 June 2017

## b) Joint ventures

| No. | Company name and registered office                             | Country     | Percentage share  |                   |
|-----|--|-------------|-------------------|-------------------|
|     |  |             | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 1.  | COOP-ITS-TRAVEL AG, Volketswil                                 | Switzerland | 50.0              | 50.0              |
| 2.  | DIY Union GmbH, Cologne  | Germany     | 50.0              | 100.0             |
| 3.  | EURELEC TRADING SCRL, Brussels                                 | Belgium     | 50.0              | 50.0              |
| 4.  | GO VACATION VIETNAM COMPANY LIMITED, Hanoi                     | Vietnam     | 49.0              | 49.0              |
| 5.  | PETZ REWE GmbH, Wissen   | Germany     | 50.0              | 50.0              |
| 6.  | Reisebüro Rominger actionade GmbH, Baden-Baden                 | Germany     | 51.0              | 51.0              |
| 7.  | SELEGGT GmbH, Cologne  | Germany     | 50.0              | 50.0              |
| 8.  | Wasgau Food Beteiligungsgesellschaft mbH, Annweiler am Trifels | Germany     | 51.0              | 51.0              |

## c) Associates

| No. | Company name and registered office  | Country   | Percentage share  |                   |
|-----|---|-----------|-------------------|-------------------|
|     |   |           | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 1.  | ACCON-RVS Accounting & Consulting GmbH, Berlin  | Germany   | 50.0              | 50.0              |
| 2.  | ADEG Zell am See GmbH, Maishofen  | Austria   | 33.4              | 33.4              |
| 3.  | DER Reisecenter TUI GmbH, Berlin  | Germany   | 50.0              | 50.0              |
| 4.  | DER Touristik Partner-Service GmbH & Co. KG, Cologne  | Germany   | 42.9              | 50.0              |
| 5.  | EKF Finanz Frankfurt GmbH, Hofheim am Taunus  | Germany   | 24.9              | 24.9 <sup>1</sup> |
| 6.  | EKZ-HERMSDORF Objektverwaltungs GmbH & Co. Beteiligungs KG, Cologne   | Germany   | 49.0              | 49.0 <sup>1</sup> |
| 7.  | EKZ-HERMSDORF Objektverwaltungs GmbH, Cologne   | Germany   | 49.0              | 49.0 <sup>1</sup> |
| 8.  | EMIL e-Mobility Sharing GmbH, Salzburg  | Austria   | 25.1              | 25.1              |
| 9.  | Go Vacation Lanka Co (Pvt) Ltd, Colombo   | Sri Lanka | 40.0              | 40.0 <sup>1</sup> |
| 10. | HÜTER Einkaufszentrum GmbH & Co. KG, Wirges   | Germany   | 25.3              | 25.3              |
| 11. | Karstadt Feinkost GmbH & Co. KG, Cologne  | Germany   | 25.1              | 25.1 <sup>1</sup> |
| 12. | Karstadt Feinkost Verwaltungs GmbH, Cologne   | Germany   | 25.2              | 25.2 <sup>1</sup> |
| 13. | Klee Gartenfachmarkt Andrea Froese OHG, Göttingen   | Germany   | 20.0              | 20.0              |
| 14. | Klee Gartenfachmarkt Christian Kempkes OHG, Chemnitz  | Germany   | 20.0              | 20.0              |
| 15. | Klee Garten Fachmarkt Martin Podorf oHG, Düsseldorf   | Germany   | 19.9              | 19.9              |
| 16. | Klee Gartenfachmarkt Petra Gentsch OHG, Jena  | Germany   | 20.0              | 20.0              |
| 17. | Klee Gartenfachmarkt Thomas Gemein OHG, Peißen  | Germany   | 20.0              | 20.0              |
| 18. | Kontra Goffart GmbH & Co. KG, Stolberg  | Germany   | 62.5              | 62.5              |
| 19. | KONTRA-Markt Lindenlauf GmbH & Co. KG, Würselen-Bardenberg  | Germany   | 60.0              | 60.0              |
| 20. | MEDITERRANEAN TRAVEL SERVICES - INCOMING PORTUGAL S.A., Faro  | Portugal  | 35.0              | 35.0              |
| 21. | Michael Brücken GmbH, Hagen   | Germany   | 20.0              | 20.0 <sup>1</sup> |
| 22. | Münchener Stadtrundfahrten oHG Arbeitsgemeinschaft der Firmen DER Deutsches Reisebüro GmbH & Co. OHG. Automobilgesellschaft Rudolf Schönecker GmbH. Math. | Germany   | 25.0              | 25.0              |

| No. | Company name and registered office   | Country        | Percentage share  |                     |
|-----|--|----------------|-------------------|---------------------|
|     |  |                | 31 Dec. 2018<br>% | 31 Dec. 2017<br>%   |
|     | Holzmaier & Söhne, GmbH. Taxi München eG Genossenschaft der Münchner Taxiunternehmen, Munich |                |                   |                     |
| 23. | Park Hotel SNC, Levallois Perret   | France         | 50.0              | 50.0 <sup>1,2</sup> |
| 24. | Prei\$tour s.r.o., Prague  | Czech Republic | 50.0              | 50.0 <sup>1</sup>   |
| 25. | Prijsvrij Holding B.V., 's-Hertogenbosch   | Netherlands    | 50.0              | 50.0 <sup>1</sup>   |
| 26. | PT Pergi Berlibur Indonesia Ltd., Bali   | Indonesia      | 49.0              | 49.0 <sup>1</sup>   |
| 27. | REWE Abdelkasem Al Maimouni oHG, Raunheim  | Germany        | 20.0              | -                   |
| 28. | REWE Acar oHG, Salzgitter  | Germany        | 20.0              | 20.0                |
| 29. | REWE Achenbach oHG, Bammental  | Germany        | 20.0              | 20.0                |
| 30. | REWE Achim Blumentritt oHG, Pulheim  | Germany        | 20.0              | 20.0                |
| 31. | REWE Achim Huss oHG, Hanover   | Germany        | 20.0              | 20.0                |
| 32. | REWE Adam oHG, Stromberg   | Germany        | 20.0              | 20.0                |
| 33. | REWE Adnan Mayhoub oHG, Weyhe  | Germany        | 20.0              | 20.0                |
| 34. | REWE Adrian OHG, Bonn  | Germany        | 20.0              | 20.0                |
| 35. | REWE Adrian Sperlich oHG, Willingen  | Germany        | 20.0              | 20.0                |
| 36. | REWE Ahmet Akay oHG, Frankfurt   | Germany        | 20.0              | 20.0                |
| 37. | REWE Aleksander Trivanovic oHG, Munich   | Germany        | 20.0              | 20.0                |
| 38. | REWE Alexander Borngräber oHG, Dahlwitz-Hoppegarten  | Germany        | 20.0              | 20.0                |
| 39. | REWE Alexander Goßmann oHG, Schmiedefeld   | Germany        | 20.0              | 20.0                |
| 40. | REWE Alexander Heiden oHG, Königs Wusterhausen   | Germany        | 20.0              | 20.0                |
| 41. | REWE Alexander Kern oHG, Hattersheim-Okriftel  | Germany        | 20.0              | -                   |
| 42. | REWE Alexander Kersten oHG, Fürstenfeldbruck   | Germany        | 20.0              | 20.0                |
| 43. | REWE Alexander Klaus oHG, Bad Fallingbostal  | Germany        | 20.0              | -                   |
| 44. | REWE Alexander Krüger oHG, Bad Kreuznach   | Germany        | 20.0              | 20.0                |
| 45. | REWE Alexander Marchel oHG, Linden   | Germany        | 20.0              | 20.0                |
| 46. | REWE Alexander Mudrack oHG, Bad Tennstedt  | Germany        | 20.0              | -                   |
| 47. | REWE Alexander Petzold oHG, Breitengüßbach   | Germany        | 20.0              | -                   |
| 48. | REWE Alexander Sangel oHG, Berlin  | Germany        | 20.0              | 20.0                |
| 49. | REWE Alexander Sept oHG, Bergisch Gladbach   | Germany        | 20.0              | -                   |
| 50. | REWE Alexander Tutlewski oHG, Schwarzenbek   | Germany        | 20.0              | 20.0                |
| 51. | REWE Alexander Vogt oHG, Velburg   | Germany        | 20.0              | -                   |
| 52. | REWE Alexander Weigelt oHG, Sachsenheim  | Germany        | 20.0              | 20.0                |
| 53. | REWE Alexander Wutke oHG, Bad Heilbrunn  | Germany        | 20.0              | -                   |
| 54. | REWE Alexandra Frankenbach oHG, Oberndorf  | Germany        | 20.0              | 20.0                |
| 55. | REWE Alex Schmid oHG, Erbach   | Germany        | 20.0              | -                   |
| 56. | REWE Ali Sahin oHG, Frankfurt/Main   | Germany        | 20.0              | 20.0                |
| 57. | REWE Ana-Maria Klisch oHG, Diemelstadt   | Germany        | 20.0              | -                   |
| 58. | REWE Andrea Ahrendt oHG, Teterow   | Germany        | 20.0              | 20.0                |
| 59. | REWE Andrea Flammuth oHG, Cologne  | Germany        | 20.0              | 20.0                |
| 60. | REWE Andrea Fritz oHG, Lorch   | Germany        | 20.0              | 20.0                |
| 61. | REWE Andrea Genz oHG, Riesa  | Germany        | 20.0              | 20.0                |
| 62. | REWE Andreas Bortar oHG, Cham  | Germany        | 20.0              | 20.0                |
| 63. | REWE Andreas Friesen oHG, Hanover  | Germany        | 20.0              | 20.0                |
| 64. | REWE Andreas Heilek oHG, Hamburg   | Germany        | 20.0              | 20.0                |
| 65. | REWE Andreas Kindermann oHG, Pfarrkirchen  | Germany        | 20.0              | 20.0                |
| 66. | REWE Andreas Klautke oHG, Hanover  | Germany        | 20.0              | 20.0                |
| 67. | REWE Andreas Kühnast oHG, Nahe   | Germany        | 20.0              | 20.0                |
| 68. | REWE Andreas Kurz oHG, Abtsgmünd   | Germany        | 20.0              | 20.0                |
| 69. | REWE Andreas Scherf oHG, Goslar  | Germany        | 20.0              | -                   |
| 70. | REWE Andreas Schmid oHG, Burglengenfeld  | Germany        | 20.0              | 20.0                |
| 71. | REWE Andreas Spangl oHG, Hamburg   | Germany        | 20.0              | 20.0                |
| 72. | REWE Andreas Straub oHG, Illingen  | Germany        | 20.0              | -                   |
| 73. | REWE Andreas Ziegler oHG, Rabenau-Londorf  | Germany        | 20.0              | -                   |

| No.  | Company name and registered office                         | Country | Percentage share  |                   |
|------|--|---------|-------------------|-------------------|
|      |  |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 74.  | REWE Andy Linde oHG, Zeuthen                               | Germany | 20.0              | 20.0              |
| 75.  | REWE Angelika Ber oHG, Ottersweier                         | Germany | 20.0              | 20.0              |
| 76.  | REWE Anika Scherf oHG, Goslar                              | Germany | 20.0              | 20.0              |
| 77.  | REWE Anja Jeschke oHG, Jengen                              | Germany | 20.0              | 20.0              |
| 78.  | REWE Anja Schaller oHG, Vohenstrauß                        | Germany | 20.0              | 20.0              |
| 79.  | REWE Anja Sug oHG, Hildburghausen                          | Germany | 20.0              | 20.0              |
| 80.  | REWE Anne Erdmann oHG, Dresden                             | Germany | 20.0              | 20.0              |
| 81.  | REWE Annika Enders oHG, Rothenburg                         | Germany | 20.0              | 20.0              |
| 82.  | REWE Antje Eismann oHG, Jena                               | Germany | 20.0              | 20.0              |
| 83.  | REWE Antje Fack oHG, Arnstadt                              | Germany | 20.0              | 20.0              |
| 84.  | REWE Anton Krieger oHG, Weitnau                            | Germany | 20.0              | 20.0              |
| 85.  | REWE Anton Wiebe oHG, Herzebrock-Clarholz                  | Germany | 20.0              | 20.0              |
| 86.  | REWE Arina Fester oHG, Berlin                              | Germany | 20.0              | 20.0              |
| 87.  | REWE Arkadius Jodlowiec oHG, Langenhagen                   | Germany | 20.0              | 20.0              |
| 88.  | REWE Arndt oHG, Wegberg                                    | Germany | 20.0              | 20.0              |
| 89.  | REWE Arthur Badt oHG, Marsberg                             | Germany | 20.0              | 20.0              |
| 90.  | REWE Arthur Becker oHG, Paderborn                          | Germany | 20.0              | 20.0              |
| 91.  | REWE Arthur Boos oHG, Niederkassel-Mondorf                 | Germany | 20.0              | 20.0              |
| 92.  | REWE Arthur Sattler oHG, Ebersberg                         | Germany | 20.0              | 20.0              |
| 93.  | REWE Aupperle OHG, Fellbach                                | Germany | 20.0              | 20.0              |
| 94.  | REWE Axel Flentje oHG, Hamburg                             | Germany | 20.0              | 20.0              |
| 95.  | REWE Azhari OHG, Mülheim-Kärlich                           | Germany | 20.0              | 20.0              |
| 96.  | REWE Baisch OHG, Bodelshausen                              | Germany | 20.0              | 20.0              |
| 97.  | REWE Bartholomaeus OHG, Neuwied                            | Germany | 20.0              | 20.0              |
| 98.  | REWE Bastian Hummel oHG, Beilngries                        | Germany | 20.0              | -                 |
| 99.  | REWE Beate Sader oHG, Cottbus                              | Germany | 20.0              | 20.0              |
| 100. | REWE Beatrix Heynckes OHG, Tönisvorst                      | Germany | 20.0              | 20.0              |
| 101. | REWE Becker oHG, Karlsdorf-Neuthard                        | Germany | 20.0              | 20.0              |
| 102. | REWE Bellinger OHG, Schelklingen                           | Germany | 20.0              | 20.0              |
| 103. | REWE Bell oHG, Blankenheim                                 | Germany | 20.0              | 20.0              |
| 104. | REWE Benedikt Kirschner oHG, Lenting                       | Germany | 20.0              | 20.0              |
| 105. | REWE Benedikt Theile oHG, Bamberg                          | Germany | 20.0              | -                 |
| 106. | REWE Benjamin Adam oHG, Werther                            | Germany | 20.0              | 20.0              |
| 107. | REWE Benjamin Albert oHG, Hauneck-Unterhaun                | Germany | 20.0              | 20.0              |
| 108. | REWE Benjamin Rubach oHG, Sondershausen                    | Germany | 20.0              | 20.0              |
| 109. | REWE Benjamin Schober oHG, Berlin                          | Germany | 20.0              | 20.0              |
| 110. | REWE Benjamin Wiese oHG, Velten                            | Germany | 20.0              | -                 |
| 111. | REWE Berndnik OHG, Munich                                  | Germany | 20.0              | 20.0              |
| 112. | REWE Bernd Huber oHG, Neckartenzlingen                     | Germany | 20.0              | 20.0              |
| 113. | REWE Bernd-Josef Hoffmann OHG, Höhr-Grenzhausen            | Germany | 20.0              | 20.0              |
| 114. | REWE Bernd Kaffenberger oHG, Bad Vilbel                    | Germany | 20.0              | 20.0              |
| 115. | REWE Bernd Schöneck oHG, Berlin                            | Germany | 20.0              | 20.0              |
| 116. | REWE Bernd Sorgalla oHG, Stade                             | Germany | 20.0              | 20.0              |
| 117. | REWE Bernd Stummer oHG, Augsburg                           | Germany | 20.0              | 20.0              |
| 118. | REWE Bernd Uderhardt oHG, Dormagen                         | Germany | 20.0              | 20.0              |
| 119. | REWE Bernhard Scheller oHG, Dassendorf                     | Germany | 20.0              | 20.0              |
| 120. | REWE Bernhard Weis oHG, Cologne                            | Germany | 20.0              | 20.0              |
| 121. | REWE Bert Heinrich oHG, Neuenhagen bei Berlin              | Germany | 20.0              | 20.0              |
| 122. | REWE Bertram Pestinger oHG, Bad Buchau                     | Germany | 20.0              | 20.0              |
| 123. | REWE Beu oHG, Sittensen                                    | Germany | 20.0              | 20.0              |
| 124. | REWE B + F Lindenlauf GmbH & Co. oHG, Hückelhoven-Hilfarth | Germany | 20.0              | 20.0              |
| 125. | REWE Binnemann oHG, Harzgerode                             | Germany | 20.0              | 20.0              |
| 126. | REWE Birgitt Ziems oHG, Schönebeck                         | Germany | 20.0              | 20.0              |

| No.  | Company name and registered office              | Country | Percentage share  |                   |
|------|---|---------|-------------------|-------------------|
|      |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 127. | REWE Björn Keyser oHG, Radebeul                 | Germany | 20.0              | 20.0              |
| 128. | REWE Björn Rohe OHG, Cologne                    | Germany | 20.0              | 20.0              |
| 129. | REWE Bleh oHG, Dudenhofen                       | Germany | 20.0              | 20.0              |
| 130. | REWE Bluhm oHG, Walsrode                        | Germany | 20.0              | 20.0              |
| 131. | REWE Böckler OHG, Waldfeucht                    | Germany | 20.0              | 20.0              |
| 132. | REWE Bock OHG, Königswinter                     | Germany | 20.0              | 20.0              |
| 133. | REWE Bock OHG, Schwegenheim                     | Germany | 20.0              | 20.0              |
| 134. | REWE Bödicker oHG, Ratekau                      | Germany | 20.0              | 20.0              |
| 135. | REWE Boie oHG, Harsefeld                        | Germany | 20.0              | 20.0              |
| 136. | REWE Bojkow oHG, Guetersloh                     | Germany | 20.0              | 20.0              |
| 137. | REWE Bolte oHG, Langenhagen                     | Germany | 20.0              | 20.0              |
| 138. | REWE Bombe oHG, Neuerburg                       | Germany | 20.0              | 20.0              |
| 139. | REWE Boris Safonov oHG, Hainburg                | Germany | 20.0              | 20.0              |
| 140. | REWE Bornemann oHG, Isenbüttel                  | Germany | 20.0              | 20.0              |
| 141. | REWE Borowicz OHG, Bötzingen                    | Germany | 20.0              | 20.0              |
| 142. | REWE Brehmer OHG, Essingen                      | Germany | 20.0              | 20.0              |
| 143. | REWE Buchhauer OHG, Oberau                      | Germany | 20.0              | 20.0              |
| 144. | REWE Buhlmann OHG, Hahnstätten                  | Germany | 20.0              | 20.0              |
| 145. | REWE Buhrandt OHG, Cologne                      | Germany | 20.0              | 20.0              |
| 146. | REWE Burmeister oHG, Rosengarten/Klecken        | Germany | 20.0              | 20.0              |
| 147. | REWE Cammann OHG, Harsum                        | Germany | 20.0              | 20.0              |
| 148. | REWE Carmelina Papa oHG, Gottmadingen           | Germany | 20.0              | 20.0              |
| 149. | REWE Carmen Pollner oHG, Munich                 | Germany | 20.0              | 20.0              |
| 150. | REWE Carsten Krage oHG, Hamburg                 | Germany | 20.0              | -                 |
| 151. | REWE Carsten Reincke oHG, Augsburg              | Germany | 20.0              | 20.0              |
| 152. | REWE Celal Erdem oHG, Niederaula                | Germany | 20.0              | 20.0              |
| 153. | REWE Cemal Harite oHG, Nersingen                | Germany | 20.0              | -                 |
| 154. | REWE-Center Höfling OHG, Duderstadt             | Germany | 20.0              | 20.0              |
| 155. | REWE-Center Rothamel OHG, Schmalkalden          | Germany | 20.0              | 40.0              |
| 156. | REWE Cevahir oHG, Bad Mergentheim               | Germany | 20.0              | 20.0              |
| 157. | REWE Cezary Szpula oHG, Bremervörde             | Germany | 20.0              | 20.0              |
| 158. | REWE Christian Beushausen oHG, Hamburg          | Germany | 20.0              | -                 |
| 159. | REWE Christian Dadt oHG, Neuberg-Ravolzhausen   | Germany | 20.0              | 20.0              |
| 160. | REWE Christian Eggert oHG, Isernhagen           | Germany | 20.0              | 20.0              |
| 161. | REWE Christian Krüger oHG, Teltow               | Germany | 20.0              | 20.0              |
| 162. | REWE Christian Märker oHG, Ginsheim-Gustavsburg | Germany | 20.0              | 20.0              |
| 163. | REWE Christian Meyer oHG, Nienburg              | Germany | 20.0              | 20.0              |
| 164. | REWE Christian Prell oHG, Espenau               | Germany | 20.0              | -                 |
| 165. | REWE Christian Schmidt oHG, Hoyerswerda         | Germany | 20.0              | 20.0              |
| 166. | REWE Christian Schuster OHG, Daaden             | Germany | 20.0              | 20.0              |
| 167. | REWE Christian Seidel oHG, Oyten                | Germany | 20.0              | 20.0              |
| 168. | REWE Christian Springer oHG, Zwiesel            | Germany | 20.0              | 20.0              |
| 169. | REWE Christian Stecher oHG, Gau-Odernheim       | Germany | 20.0              | 20.0              |
| 170. | REWE Christian Stelzer oHG, Reichenbach         | Germany | 20.0              | 20.0              |
| 171. | REWE Christian Werner oHG, Cologne              | Germany | 20.0              | 20.0              |
| 172. | REWE Christian Wincierz oHG, Ebeleben           | Germany | 20.0              | 20.0              |
| 173. | REWE Christina Graep oHG, Eberswalde            | Germany | 20.0              | 20.0              |
| 174. | REWE Christina Zauske oHG, Wittingen            | Germany | 20.0              | 20.0              |
| 175. | REWE Christine Horst oHG, Detmold               | Germany | 20.0              | -                 |
| 176. | REWE Christof Wenglorz oHG, Kassel              | Germany | 20.0              | 20.0              |
| 177. | REWE Christoph Albrecht oHG, Schöppenstedt      | Germany | 20.0              | 20.0              |
| 178. | REWE Christoph Bechter oHG, Babenhausen         | Germany | 20.0              | 20.0              |
| 179. | REWE Christopher Lannert oHG, Karlsruhe         | Germany | 20.0              | 20.0              |

| No.  | Company name and registered office                | Country | Percentage share  |                   |
|------|---|---------|-------------------|-------------------|
|      |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 180. | REWE Christopher Pickel oHG, Nuremberg            | Germany | 20.0              | 20.0              |
| 181. | REWE Christoph Gosewisch oHG, Hamburg             | Germany | 20.0              | -                 |
| 182. | REWE Christoph Kluwe oHG, Bestensee               | Germany | 20.0              | -                 |
| 183. | REWE Cindy Wilgotzki oHG, Magdeburg               | Germany | 20.0              | 20.0              |
| 184. | REWE Constanze Huppert oHG, Heilbad Heiligenstadt | Germany | 20.0              | 20.0              |
| 185. | REWE Craemer OHG, Euskirchen                      | Germany | 20.0              | 20.0              |
| 186. | REWE Daehnhardt oHG, Hanover                      | Germany | 20.0              | 20.0              |
| 187. | REWE Daniela Fischer oHG, Berstedt                | Germany | 20.0              | 20.0              |
| 188. | REWE Daniela Paeplow oHG, Falkensee               | Germany | 20.0              | 20.0              |
| 189. | REWE Daniela Rietzschel oHG, Augsburg             | Germany | 20.0              | -                 |
| 190. | REWE Daniel Bänsch oHG, Kassel                    | Germany | 20.0              | 20.0              |
| 191. | REWE Daniel Bunzeck oHG, Burg                     | Germany | 20.0              | 20.0              |
| 192. | REWE Daniel Dugandzic oHG, Swisttal-Heimerzheim   | Germany | 20.0              | 20.0              |
| 193. | REWE Daniel Freund oHG, Blankenhain               | Germany | 20.0              | 20.0              |
| 194. | REWE Daniel Gebremedhin oHG, Frankfurt am Main    | Germany | 20.0              | -                 |
| 195. | REWE Daniel Gehweiler oHG, Riedenburg             | Germany | 20.0              | 20.0              |
| 196. | REWE Daniel Harting oHG, Giesen                   | Germany | 20.0              | 20.0              |
| 197. | REWE Daniel Kühn oHG, Berlin                      | Germany | 20.0              | 20.0              |
| 198. | REWE Daniel Kunkel oHG, Hamburg                   | Germany | 20.0              | 20.0              |
| 199. | REWE Daniel Petrat oHG, Bremen                    | Germany | 20.0              | 20.0              |
| 200. | REWE Daniel Rössing oHG, Willebadessen            | Germany | 20.0              | 20.0              |
| 201. | REWE Daniel Sturm oHG, Reichelsheim               | Germany | 20.0              | 20.0              |
| 202. | REWE Danny Kögler oHG, Selbitz                    | Germany | 20.0              | 20.0              |
| 203. | REWE Danny Söllner oHG, Heldrungen                | Germany | 20.0              | 20.0              |
| 204. | REWE David Hegemann oHG, Düsseldorf               | Germany | 20.0              | -                 |
| 205. | REWE David Irmischer oHG, Ebersbach               | Germany | 20.0              | 20.0              |
| 206. | REWE David Latta oHG, Schauenburg-Hoof            | Germany | 20.0              | 20.0              |
| 207. | REWE David Pohle oHG, Schwielowsee                | Germany | 20.0              | 20.0              |
| 208. | REWE David Stigler oHG, Munich                    | Germany | 20.0              | 20.0              |
| 209. | REWE Davut Erdem oHG, Neuried                     | Germany | 20.0              | 20.0              |
| 210. | REWE Deininger OHG, Diedorf                       | Germany | 20.0              | 20.0              |
| 211. | REWE Dell oHG, Munich                             | Germany | 20.0              | 20.0              |
| 212. | REWE Denise Kappenberger oHG, Roedental           | Germany | 20.0              | 20.0              |
| 213. | REWE Dennis Dorkowski oHG, Hessisch-Oldendorf     | Germany | 20.0              | -                 |
| 214. | REWE Dennis Maul oHG, Hameln                      | Germany | 20.0              | 20.0              |
| 215. | REWE Dennis Steinbeck oHG, Reutlingen             | Germany | 20.0              | 20.0              |
| 216. | REWE Detlef Nieth oHG, Burgkirchen                | Germany | 20.0              | 20.0              |
| 217. | REWE Dettling OHG, Bad Schussenried               | Germany | 20.0              | 20.0              |
| 218. | REWE Deussen OHG, St. Goarshausen                 | Germany | 20.0              | 20.0              |
| 219. | REWE De Witt OHG, Mönchengladbach                 | Germany | 20.0              | 20.0              |
| 220. | REWE Diana Michalik oHG, Lonsee                   | Germany | 20.0              | 20.0              |
| 221. | REWE Diedrichs oHG, Neustadt                      | Germany | 20.0              | 20.0              |
| 222. | REWE Dieter Schneider OHG, Denzlingen             | Germany | 20.0              | 20.0              |
| 223. | REWE Dietrich Wenzel oHG, Vlotho                  | Germany | 20.0              | 20.0              |
| 224. | REWE Dimitrij Herhold oHG, Hanover                | Germany | 20.0              | 20.0              |
| 225. | REWE Di Prospero oHG, Grafenau                    | Germany | 20.0              | 20.0              |
| 226. | REWE Dirk Haberlick oHG, Ockenheim                | Germany | 20.0              | 20.0              |
| 227. | REWE Dirk Pflieger oHG, St. Augustin              | Germany | 20.0              | 20.0              |
| 228. | REWE Dirr OHG, Dettingen unter Teck               | Germany | 20.0              | 20.0              |
| 229. | REWE Dominic Mayer oHG, Gräfenberg                | Germany | 20.0              | 20.0              |
| 230. | REWE Dominik Bachmeier oHG, Wiesentheid           | Germany | 20.0              | -                 |
| 231. | REWE Dominik Stahl oHG, Nuremberg                 | Germany | 20.0              | -                 |
| 232. | REWE Dominique Müller oHG, Dresden                | Germany | 20.0              | 20.0              |



| No.  | Company name and registered office                | Country | Percentage share  |                   |
|------|---|---------|-------------------|-------------------|
|      |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 233. | REWE Douglas Toll oHG, Berlin                     | Germany | 20.0              | 20.0              |
| 234. | REWE Dreschmann OHG, Langenfeld                   | Germany | 20.0              | 20.0              |
| 235. | REWE Dreyse GmbH & Co. KG, Wilnsdorf              | Germany | 28.6              | 28.6              |
| 236. | REWE Drietchen oHG, Bad Sooden-Allendorf          | Germany | 20.0              | 20.0              |
| 237. | REWE Dustin Hofmann oHG, Bad Langensalza          | Germany | 20.0              | 20.0              |
| 238. | REWE Eberhardt oHG, Pfullendorf                   | Germany | 20.0              | 20.0              |
| 239. | REWE Eckert OHG, Vaihingen an der Enz             | Germany | 20.0              | 20.0              |
| 240. | REWE Eddie Buder oHG, Weimar                      | Germany | 20.0              | 20.0              |
| 241. | REWE Ederer oHG, Roding                           | Germany | 20.0              | 20.0              |
| 242. | REWE Eduard Schulz oHG, Lemgo                     | Germany | 20.0              | 20.0              |
| 243. | REWE Efkan Özkan oHG, Schwäbisch Gmünd            | Germany | 20.0              | 20.0              |
| 244. | REWE Ehlert oHG, Ulm                              | Germany | 20.0              | 20.0              |
| 245. | REWE EinsA GmbH & Co. oHG, Herborn                | Germany | 20.0              | 20.0              |
| 246. | REWE Elisabeth Ott oHG, Hameln                    | Germany | 20.0              | 20.0              |
| 247. | REWE Elmar Engel oHG, Biberach an der Riß         | Germany | 20.0              | 20.0              |
| 248. | REWE Enrico Kaden oHG, Freiberg                   | Germany | 20.0              | -                 |
| 249. | REWE Ercan oHG, Höchst im Odenwald                | Germany | 20.0              | 20.0              |
| 250. | REWE Eroglu OHG, Bonn                             | Germany | 20.0              | 20.0              |
| 251. | REWE Ervin Helac oHG, Singen                      | Germany | 20.0              | 20.0              |
| 252. | REWE Eugen Heinrich oHG, Mayen                    | Germany | 20.0              | -                 |
| 253. | REWE Eugen Wolf oHG, Biedenkopf                   | Germany | 20.0              | 20.0              |
| 254. | REWE Eveline Duck oHG, Pforzen                    | Germany | 20.0              | 20.0              |
| 255. | REWE Ewgeni Heinz oHG, Seevetal                   | Germany | 20.0              | 20.0              |
| 256. | REWE Ewgenij Balagun oHG, Munich                  | Germany | 20.0              | 20.0              |
| 257. | REWE Fabian Dengscherz oHG, Neunburg vorm Wald    | Germany | 20.0              | 20.0              |
| 258. | REWE Fabio Motta oHG, Leutkirch                   | Germany | 20.0              | -                 |
| 259. | REWE Fatih Turkut oHG, Frankfurt am Main          | Germany | 20.0              | 20.0              |
| 260. | REWE Faust OHG, Eichstetten                       | Germany | 20.0              | 20.0              |
| 261. | REWE F. Buhlmann OHG, Cologne                     | Germany | 20.0              | 20.0              |
| 262. | REWE Fenzile Temin-Kiy oHG, Herford               | Germany | 20.0              | -                 |
| 263. | REWE Feselmayer oHG, Kümmersbruck                 | Germany | 20.0              | 20.0              |
| 264. | REWE Fickeis oHG, Königswinter                    | Germany | 20.0              | 20.0              |
| 265. | REWE Fili oHG, Waiblingen                         | Germany | 20.0              | 20.0              |
| 266. | REWE Fischer oHG, Bous                            | Germany | 20.0              | 20.0              |
| 267. | REWE Fischer OHG, Übach-Palenberg                 | Germany | 20.0              | 20.0              |
| 268. | REWE Flemke oHG, Barmstedt                        | Germany | 20.0              | 20.0              |
| 269. | REWE Florian Gerke oHG, Bremen                    | Germany | 20.0              | 20.0              |
| 270. | REWE Florian Grifitz oHG, Rednitzhembach          | Germany | 20.0              | -                 |
| 271. | REWE Florian Kunkel oHG, Augsburg                 | Germany | 20.0              | 20.0              |
| 272. | REWE Florian Schill oHG, Grimma                   | Germany | 20.0              | -                 |
| 273. | REWE-Fördergesellschaft Nord-Ost mbH, Teltow      | Germany | 20.0              | - <sup>1</sup>    |
| 274. | REWE-Fördergesellschaft Rhein-Lahn mbH, Hürth     | Germany | 50.0              | 50.0              |
| 275. | REWE-Fördergesellschaft Rhein-Sieg mbH, Hürth     | Germany | 33.6              | 33.6              |
| 276. | REWE-Fördergesellschaft Süd/Südwest mbH, Fellbach | Germany | 20.0              | - <sup>1</sup>    |
| 277. | REWE-Fördergesellschaft West mbH, Hürth           | Germany | 20.0              | 20.0              |
| 278. | REWE Franco Battistin oHG, Nandlstadt             | Germany | 20.0              | 20.0              |
| 279. | REWE Frank Burkhardt oHG, Asperg                  | Germany | 20.0              | 20.0              |
| 280. | REWE Frank Fritsch oHG, Hanover                   | Germany | 20.0              | 20.0              |
| 281. | REWE Frank Lindenlauf OHG, Heinsberg              | Germany | 20.0              | 20.0              |
| 282. | REWE Frank Mohaupt oHG, Bad Herrenalb             | Germany | 20.0              | 20.0              |
| 283. | REWE Frank Ortlepp oHG, Arnstadt                  | Germany | 20.0              | 20.0              |
| 284. | REWE Frank Schneider oHG, Johannegeorgenstadt     | Germany | 20.0              | 20.0              |
| 285. | REWE Frank Tätzner oHG, Leipzig                   | Germany | 20.0              | 20.0              |

| No.  | Company name and registered office            | Country | Percentage share  |                   |
|------|---|---------|-------------------|-------------------|
|      |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 286. | REWE Fuchs OHG, Prüm                          | Germany | 20.0              | 20.0              |
| 287. | REWE Funk OHG, Runkel                         | Germany | 20.0              | 20.0              |
| 288. | REWE-FÜR SIE Eigengeschäft GmbH, Cologne      | Germany | 80.0              | 80.0              |
| 289. | REWE Gabriel Kwoczalla oHG, Aying             | Germany | 20.0              | -                 |
| 290. | REWE Garry Simshäuser oHG, Guxhagen           | Germany | 20.0              | 20.0              |
| 291. | REWE Gärtner oHG, Bergisch Gladbach           | Germany | 20.0              | 20.0              |
| 292. | REWE Gayer oHG, Feldafing                     | Germany | 20.0              | 20.0              |
| 293. | REWE Geissler OHG, Wolfschlugen               | Germany | 20.0              | 20.0              |
| 294. | REWE Genschel oHG, Ibbenbüren                 | Germany | 20.0              | 20.0              |
| 295. | REWE Georg Szedlak oHG, Gehrden               | Germany | 20.0              | 20.0              |
| 296. | REWE Gerhards OHG, Windeck-Dattenfeld         | Germany | 20.0              | 20.0              |
| 297. | REWE Gesell oHG, Augsburg                     | Germany | 20.0              | 20.0              |
| 298. | REWE Gesine Hiekel oHG, Dresden               | Germany | 20.0              | 20.0              |
| 299. | REWE Gierke oHG, Buxtehude                    | Germany | 20.0              | 20.0              |
| 300. | REWE Giese oHG, Springe-Eldagsen              | Germany | 20.0              | 20.0              |
| 301. | REWE Gnädig oHG, Lügde                        | Germany | 20.0              | 20.0              |
| 302. | REWE Goce Jandreoski oHG, Gütersloh           | Germany | 20.0              | 20.0              |
| 303. | REWE GrafI oHG, Ulm Wiblingen                 | Germany | 20.0              | 20.0              |
| 304. | REWE Greuloch OHG, Kirn                       | Germany | 20.0              | 20.0              |
| 305. | REWE Gritzner OHG, Cologne                    | Germany | 20.0              | 20.0              |
| 306. | REWE-Gruber oHG, Aßling                       | Germany | 20.0              | 20.0              |
| 307. | REWE Grünh oHG, Lübeck                        | Germany | 20.0              | 20.0              |
| 308. | REWE Guido Hörle oHG, Vallendar               | Germany | 20.0              | 20.0              |
| 309. | REWE Guido Hörschemeyer oHG, Holdorf          | Germany | 20.0              | 20.0              |
| 310. | REWE Gülke oHG, Salzhemmendorf                | Germany | 20.0              | 20.0              |
| 311. | REWE Günay oHG, Bad Saulgau                   | Germany | 20.0              | 20.0              |
| 312. | REWE Güntner OHG, Filderstadt                 | Germany | 20.0              | 20.0              |
| 313. | REWE Gutzelnig oHG, Tegernheim                | Germany | 20.0              | 20.0              |
| 314. | REWE Haberkorn OHG, Mainburg                  | Germany | 20.0              | 20.0              |
| 315. | REWE Hakan Özgüc oHG, Bremen                  | Germany | 20.0              | 20.0              |
| 316. | REWE Halbich oHG, Emmering                    | Germany | 20.0              | 20.0              |
| 317. | REWE Hansen oHG, Flensburg                    | Germany | 20.0              | 20.0              |
| 318. | REWE Hans-Jürgen Schnitzer oHG, Oberstdorf    | Germany | 20.0              | 20.0              |
| 319. | REWE Hartges OHG, Mönchengladbach             | Germany | 20.0              | 20.0              |
| 320. | REWE Hasenöhr OHG, Sindelfingen               | Germany | 20.0              | 20.0              |
| 321. | REWE Hauber oHG, Wiesloch                     | Germany | 20.0              | 20.0              |
| 322. | REWE Hegedüs oHG, Hamburg                     | Germany | 20.0              | 20.0              |
| 323. | REWE Heide Drotleff oHG, Straubing            | Germany | 20.0              | 20.0              |
| 324. | REWE Heike Knappe oHG, Fredersdorf-Vogelsdorf | Germany | 20.0              | 20.0              |
| 325. | REWE Heiko Onusseit oHG, Bad Kreuznach        | Germany | 20.0              | 20.0              |
| 326. | REWE Heinz Schmitz oHG, Gangelt-Birgden       | Germany | 20.0              | 20.0              |
| 327. | REWE Hendryk Kania oHG, Berlin                | Germany | 20.0              | 20.0              |
| 328. | REWE Hennigs oHG, Hildesheim                  | Germany | 20.0              | 20.0              |
| 329. | REWE Herbel OHG, Rommerskirchen               | Germany | 20.0              | 20.0              |
| 330. | REWE Heribert Alschbach oHG, Viersen          | Germany | 20.0              | 20.0              |
| 331. | REWE Heynckes oHG, Mönchengladbach            | Germany | 20.0              | 20.0              |
| 332. | REWE Höcker OHG, Herrsching                   | Germany | 20.0              | 20.0              |
| 333. | REWE Hodyra oHG, Kreuzau                      | Germany | 20.0              | 20.0              |
| 334. | REWE Hofheinz oHG, Nideggen                   | Germany | 20.0              | 20.0              |
| 335. | REWE Holger Bertram oHG, Cologne              | Germany | 20.0              | 20.0              |
| 336. | REWE Holger Gaul oHG, Berlin/Schmöckwitz      | Germany | 20.0              | 20.0              |
| 337. | REWE Holger Rohe OHG, Cologne                 | Germany | 20.0              | 20.0              |
| 338. | REWE Holy oHG, Ulm                            | Germany | 20.0              | 20.0              |

| No.  | Company name and registered office              | Country | Percentage share  |                   |
|------|---|---------|-------------------|-------------------|
|      |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 339. | REWE Homes oHG, Braunschweig                    | Germany | 20.0              | 20.0              |
| 340. | REWE Höne oHG, Bad Fallingbostel                | Germany | 20.0              | 20.0              |
| 341. | REWE Huber oHG, Horneburg                       | Germany | 20.0              | 20.0              |
| 342. | REWE Hufnagl OHG, Fürstenzell                   | Germany | 20.0              | 20.0              |
| 343. | REWE Ilka Schilling oHG, Berlin                 | Germany | 20.0              | 20.0              |
| 344. | REWE Ilona El Beshawi oHG, Gersthofen           | Germany | 20.0              | 20.0              |
| 345. | REWE Ina Rappsilber oHG, Halle (Saale)          | Germany | 20.0              | 20.0              |
| 346. | REWE Ines Hoppe oHG, Meissen                    | Germany | 20.0              | 20.0              |
| 347. | REWE Ines Wolf oHG, Falkenberg                  | Germany | 20.0              | 20.0              |
| 348. | REWE Ioannis Mouratidis oHG, Munich             | Germany | 20.0              | 20.0              |
| 349. | REWE Irfan Sinanovic oHG, Giebelstadt           | Germany | 20.0              | 20.0              |
| 350. | REWE Ivan Jerkovic oHG, Munich                  | Germany | 20.0              | -                 |
| 351. | REWE Ivica Pobic oHG, Hamburg                   | Germany | 20.0              | 20.0              |
| 352. | REWE Izzet Türköz oHG, Altusried                | Germany | 20.0              | 20.0              |
| 353. | REWE Jacqueline Keller oHG, Hardheim            | Germany | 20.0              | 20.0              |
| 354. | REWE Jacqueline Orschel oHG, Großgotttern       | Germany | 20.0              | 20.0              |
| 355. | REWE Jahn oHG, Hilders                          | Germany | 20.0              | 20.0              |
| 356. | REWE Jakubek OHG, Bergisch Gladbach             | Germany | 20.0              | 20.0              |
| 357. | REWE Jana Gießler oHG, Bad Berka                | Germany | 20.0              | 20.0              |
| 358. | REWE Jana Hoch oHG, Hohenmölsen                 | Germany | 20.0              | 20.0              |
| 359. | REWE Janet Pomian oHG, Guben                    | Germany | 20.0              | 20.0              |
| 360. | REWE Janine Kirkamm oHG, Ulm                    | Germany | 20.0              | -                 |
| 361. | REWE Janine Matthes oHG, Berlin                 | Germany | 20.0              | 20.0              |
| 362. | REWE Jan Kaiser oHG, Uslar                      | Germany | 20.0              | 20.0              |
| 363. | REWE Jan Müller oHG, Bitburg                    | Germany | 20.0              | 20.0              |
| 364. | REWE Janssen oHG, Nordenham                     | Germany | 20.0              | 20.0              |
| 365. | REWE Janzen oHG, Oldenburg                      | Germany | 20.0              | 20.0              |
| 366. | REWE Jasmin Wahl oHG, Burghaun                  | Germany | 20.0              | 20.0              |
| 367. | REWE Jennifer Biniek oHG, Hanover               | Germany | 20.0              | 20.0              |
| 368. | REWE Jens Föllner oHG, Halberstadt              | Germany | 20.0              | 20.0              |
| 369. | REWE Jens Heimbrod oHG, Dallgow-Doeberitz       | Germany | 20.0              | 20.0              |
| 370. | REWE Jens Ullmann oHG, Bruchsal                 | Germany | 20.0              | -                 |
| 371. | REWE Joachim Silberzahn oHG, Wedemark           | Germany | 20.0              | 20.0              |
| 372. | REWE Jochen Widmann oHG, Ehingen                | Germany | 20.0              | 20.0              |
| 373. | REWE Jochen Ziegler GmbH & Co. OHG, Cologne     | Germany | 20.0              | 20.0              |
| 374. | REWE Jörg Randebrock oHG, Wesseling             | Germany | 20.0              | 20.0              |
| 375. | REWE Jörg Schäfer oHG, Bad Neuenahr-Ahrweiler   | Germany | 20.0              | 20.0              |
| 376. | REWE Josephine Weigl oHG, Erfurt/Rieth          | Germany | 20.0              | 20.0              |
| 377. | REWE Jürgen Cernota oHG, Passau                 | Germany | 20.0              | 20.0              |
| 378. | REWE Jürgen Czernoch oHG, Spardorf              | Germany | 20.0              | -                 |
| 379. | REWE Jürgen Maziejewski oHG, Cologne-Braunsfeld | Germany | 20.0              | 20.0              |
| 380. | REWE Jürgen Mück oHG, Haßfurt                   | Germany | 20.0              | 20.0              |
| 381. | REWE Jürgen Müller oHG, Röttenbach              | Germany | 20.0              | 20.0              |
| 382. | REWE Jürgen Petersamer oHG, Deggendorf          | Germany | 20.0              | 20.0              |
| 383. | REWE Jürgen Pouwels oHG, Lingen                 | Germany | 20.0              | 20.0              |
| 384. | REWE Juri Judow oHG, Calberlah                  | Germany | 20.0              | 20.0              |
| 385. | REWE Käfer OHG, Wüstenrot                       | Germany | 20.0              | 20.0              |
| 386. | REWE Kaiser oHG, Auerbach                       | Germany | 20.0              | 20.0              |
| 387. | REWE Kai Uwe Grasmück oHG, Fulda                | Germany | 20.0              | 20.0              |
| 388. | REWE Kai Windmüller oHG, Hoppegarten            | Germany | 20.0              | 20.0              |
| 389. | REWE Karaaslan oHG, Heidelberg                  | Germany | 20.0              | 20.0              |
| 390. | REWE Katharina Schell oHG, Hanover              | Germany | 20.0              | 20.0              |
| 391. | REWE Kathrin Balcke oHG, Kaufungen              | Germany | 20.0              | 20.0              |

| No.  | Company name and registered office         | Country | Percentage share  |                   |
|------|--|---------|-------------------|-------------------|
|      |  |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 392. | REWE Kathrin Schiffmann oHG, Wurzen        | Germany | 20.0              | 20.0              |
| 393. | REWE Katja Ißleib oHG, Eisenach            | Germany | 20.0              | 20.0              |
| 394. | REWE Katja Nehlert oHG, Roßleben           | Germany | 20.0              | 20.0              |
| 395. | REWE Katrin May oHG, Lauterbach            | Germany | 20.0              | 20.0              |
| 396. | REWE Keckstein oHG, Arnstein               | Germany | 20.0              | 20.0              |
| 397. | REWE Kelterbaum oHG, Troisdorf             | Germany | 20.0              | 20.0              |
| 398. | REWE Kerstin Bradtke oHG, Gmund            | Germany | 20.0              | 20.0              |
| 399. | REWE Kerstin Dreißig oHG, Ohrdruf          | Germany | 20.0              | 20.0              |
| 400. | REWE K. Esser GmbH & Co. oHG, Aachen-Brand | Germany | 20.0              | 20.0              |
| 401. | REWE Kessler OHG, Eberbach                 | Germany | 20.0              | 20.0              |
| 402. | REWE Kevin Lemme oHG, Berlin               | Germany | 20.0              | 20.0              |
| 403. | REWE Kiezko oHG, Hildesheim                | Germany | 20.0              | 20.0              |
| 404. | REWE Kim Ide oHG, Elmshorn                 | Germany | 20.0              | 20.0              |
| 405. | REWE Kirsten Hausmann oHG, Buttenwiesen    | Germany | 20.0              | -                 |
| 406. | REWE Klaus-Dieter Scholz oHG, Hanover      | Germany | 20.0              | 20.0              |
| 407. | REWE Klaus Eßwein oHG, Hagenbach           | Germany | 20.0              | 20.0              |
| 408. | REWE Klaus Scheider oHG, Wiesbaden         | Germany | 20.0              | 20.0              |
| 409. | REWE Klein oHG, Erlangen                   | Germany | 20.0              | 20.0              |
| 410. | REWE Kleinschmidt OHG, Lindlar             | Germany | 20.0              | 20.0              |
| 411. | REWE Kleudgen OHG, Adelsheim               | Germany | 20.0              | 20.0              |
| 412. | REWE Klingenberg oHG, Gaggenau             | Germany | 20.0              | 20.0              |
| 413. | REWE Klings oHG, Helmstedt                 | Germany | 20.0              | 20.0              |
| 414. | REWE Knichel oHG, Morbach                  | Germany | 20.0              | 20.0              |
| 415. | REWE Knoepffler oHG, Magdeburg             | Germany | 20.0              | 20.0              |
| 416. | REWE Koc oHG, Eching am Ammersee           | Germany | 20.0              | 20.0              |
| 417. | REWE Koll OHG, Kürten                      | Germany | 20.0              | 20.0              |
| 418. | REWE Kornelius Golbik oHG, Mömbris         | Germany | 20.0              | 20.0              |
| 419. | REWE Körner oHG, Cremlingen                | Germany | 20.0              | 20.0              |
| 420. | REWE Kortmann oHG, Nienburg                | Germany | 20.0              | 20.0              |
| 421. | REWE Köstermann oHG, Gnarrenburg           | Germany | 20.0              | 20.0              |
| 422. | REWE Kost OHG, Spraitbach                  | Germany | 20.0              | 20.0              |
| 423. | REWE Krause oHG, Lüneburg                  | Germany | 20.0              | 20.0              |
| 424. | REWE Kriegel oHG, Erolzheim                | Germany | 20.0              | 20.0              |
| 425. | REWE Kubicki oHG, Weilheim an der Teck     | Germany | 20.0              | 20.0              |
| 426. | REWE Kubinski oHG, Hanover                 | Germany | 20.0              | 20.0              |
| 427. | REWE Kühme OHG, Extertal                   | Germany | 20.0              | 20.0              |
| 428. | REWE Kunkel oHG, Kempten                   | Germany | 20.0              | 20.0              |
| 429. | REWE Kurz OHG, Aalen                       | Germany | 20.0              | 20.0              |
| 430. | REWE Labinot Asllani oHG, Lichtenstein     | Germany | 20.0              | 20.0              |
| 431. | REWE Lamm OHG, Siegen-Weidenau             | Germany | 20.0              | 20.0              |
| 432. | REWE Lang OHG, Korb                        | Germany | 20.0              | 20.0              |
| 433. | REWE Lankenau oHG, Bremen                  | Germany | 20.0              | 20.0              |
| 434. | REWE Lars Markus oHG, Bad Driburg          | Germany | 20.0              | 20.0              |
| 435. | REWE Lars Meyer oHG, Bremen                | Germany | 20.0              | 20.0              |
| 436. | REWE Last oHG, Edewecht                    | Germany | 20.0              | 20.0              |
| 437. | REWE Laugs OHG, Selfkant                   | Germany | 20.0              | 20.0              |
| 438. | REWE Laute oHG, Brandenburg                | Germany | 20.0              | 20.0              |
| 439. | REWE Legner OHG, Bretten                   | Germany | 20.0              | 20.0              |
| 440. | REWE Leitenstorfer OHG, Markt Indersdorf   | Germany | 20.0              | 20.0              |
| 441. | REWE Lienert OHG, Backnang                 | Germany | 20.0              | 20.0              |
| 442. | REWE Lindenlauf oHG, Hückelhoven-Ratheim   | Germany | 20.0              | 20.0              |
| 443. | REWE Luisa Bühl oHG, Hirschaid             | Germany | 20.0              | 20.0              |
| 444. | REWE Lukas Nonn oHG, Hadamar               | Germany | 20.0              | 20.0              |

| No.  | Company name and registered office              | Country | Percentage share  |                   |
|------|---|---------|-------------------|-------------------|
|      |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 445. | REWE Lukas OHG, Stephanskirchen                 | Germany | 20.0              | 20.0              |
| 446. | REWE Lutterbach oHG, Paderborn                  | Germany | 20.0              | 20.0              |
| 447. | REWE Lutz Ahlers oHG, Pattensen                 | Germany | 20.0              | 20.0              |
| 448. | REWE Lutz OHG, Sinsheim                         | Germany | 20.0              | 20.0              |
| 449. | REWE Maik Bahr oHG, Berlin / Buckow             | Germany | 20.0              | 20.0              |
| 450. | REWE Majorow oHG, Hanover                       | Germany | 20.0              | 20.0              |
| 451. | REWE Mändle oHG, Neu-Ulm-Pfuhl                  | Germany | 20.0              | 20.0              |
| 452. | REWE Mandy Bronsert oHG, Leipzig                | Germany | 20.0              | 20.0              |
| 453. | REWE Mandy Kanter oHG, Magdeburg                | Germany | 20.0              | -                 |
| 454. | REWE Mandy Moeller oHG, Schleusingen            | Germany | 20.0              | 20.0              |
| 455. | REWE Manja Baer oHG, Schkeuditz                 | Germany | 20.0              | 20.0              |
| 456. | REWE Manuela Greger oHG, Chemnitz               | Germany | 20.0              | 20.0              |
| 457. | REWE Manuela Kimes oHG, Wöllstadt               | Germany | 20.0              | -                 |
| 458. | REWE Manuela Renic oHG, Meßkirch                | Germany | 20.0              | 20.0              |
| 459. | REWE Manuel Gallauch oHG, Langweid-Stettenhofen | Germany | 20.0              | 20.0              |
| 460. | REWE Manuel Kaiser oHG, Dautphetal              | Germany | 20.0              | 20.0              |
| 461. | REWE Manuel Pfeffer oHG, Merkendorf             | Germany | 20.0              | 20.0              |
| 462. | REWE Manuel Studer oHG, Bad Endbach             | Germany | 20.0              | -                 |
| 463. | REWE Manuel Wieber oHG, Wetzlar-Nauborn         | Germany | 20.0              | 20.0              |
| 464. | REWE Marc Adams oHG, Nonnweiler-Otzenhausen     | Germany | 20.0              | 20.0              |
| 465. | REWE Marc Assmann oHG, Leun                     | Germany | 20.0              | -                 |
| 466. | REWE Marcel Claus oHG, Chemnitz                 | Germany | 20.0              | 20.0              |
| 467. | REWE Marcel Doeveling oHG, Paderborn            | Germany | 20.0              | 20.0              |
| 468. | REWE Marcel Fiebig oHG, Nordhausen              | Germany | 20.0              | 20.0              |
| 469. | REWE Marcel Peters oHG, Isernhagen              | Germany | 20.0              | 20.0              |
| 470. | REWE Marcel Scheibe oHG, Pößneck                | Germany | 20.0              | 20.0              |
| 471. | REWE Marcos Schiersch oHG, Tostedt              | Germany | 20.0              | 20.0              |
| 472. | REWE Marco Startari oHG, Wennigsen              | Germany | 20.0              | -                 |
| 473. | REWE Marco Sterna oHG, Berlin                   | Germany | 20.0              | 20.0              |
| 474. | REWE Marco Weiß oHG, Bremen                     | Germany | 20.0              | 20.0              |
| 475. | REWE Marc Strelow oHG, Lauffen am Neckar        | Germany | 20.0              | 20.0              |
| 476. | REWE Marcus Morrone oHG, Aschaffenburg          | Germany | 20.0              | 20.0              |
| 477. | REWE Marén Hünecke oHG, Bad Nenndorf            | Germany | 20.0              | 20.0              |
| 478. | REWE Marina Schuster oHG, Katzenelnbogen        | Germany | 20.0              | -                 |
| 479. | REWE Mario Kachel oHG, Tambach-Dietharz         | Germany | 20.0              | 20.0              |
| 480. | REWE Mario Karlstedt oHG, Creuzburg             | Germany | 20.0              | 20.0              |
| 481. | REWE Marion Mehrl oHG, Schwarzenfeld            | Germany | 20.0              | 20.0              |
| 482. | REWE-Markt Adolph OHG, Katlenburg               | Germany | 20.0              | 20.0              |
| 483. | REWE-Markt Alberts oHG, Harsewinkel             | Germany | 20.0              | 20.0              |
| 484. | REWE-Markt Alexander Beinecke oHG, Erfurt       | Germany | 20.0              | 20.0              |
| 485. | REWE Markt Alexander Pohl oHG, Leipzig          | Germany | 20.0              | 20.0              |
| 486. | REWE-Markt Altergott OHG, Bevern                | Germany | 20.0              | 20.0              |
| 487. | REWE-Markt Amrell OHG, Suhl                     | Germany | 20.0              | 20.0              |
| 488. | REWE-Markt Anderlik OHG, Neustadt b. Coburg     | Germany | 20.0              | 20.0              |
| 489. | REWE-Markt Andrea Hasenau OHG, Großenlöder      | Germany | 20.0              | 20.0              |
| 490. | REWE Markt Andrea Retzler oHG, Bad Liebenwerda  | Germany | 20.0              | 20.0              |
| 491. | REWE Markt Andreas Fleischer oHG, Wustermark    | Germany | 20.0              | 20.0              |
| 492. | REWE Markt Andreas Gommlich oHG, Heidenau       | Germany | 20.0              | 20.0              |
| 493. | REWE Markt Andreas Lück oHG, Oranienburg        | Germany | 20.0              | 20.0              |
| 494. | REWE Markt Angela Krauße oHG, Erfurt            | Germany | 20.0              | 20.0              |
| 495. | REWE Markt Anja Wirker oHG, Dresden             | Germany | 20.0              | 20.0              |
| 496. | REWE Markt Anke Baumeister oHG, Zehdenick       | Germany | 20.0              | 20.0              |
| 497. | REWE Markt Annett Drieschner oHG, Oelsnitz      | Germany | 20.0              | 20.0              |

| No.  | Company name and registered office                    | Country | Percentage share  |                   |
|------|---|---------|-------------------|-------------------|
|      |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 498. | REWE Markt Annett Peuser oHG, Halle (Saale)           | Germany | 20.0              | 20.0              |
| 499. | REWE-Markt Bakalla OHG, Olsberg                       | Germany | 20.0              | 20.0              |
| 500. | REWE-Markt Bauer oHG, Wilhelmsthal-Steinberg          | Germany | 20.0              | 20.0              |
| 501. | REWE-Markt Baum oHG, Ilmenau                          | Germany | 20.0              | 20.0              |
| 502. | REWE-Markt Becker oHG, Bad Rodach                     | Germany | 20.0              | 20.0              |
| 503. | REWE-Markt Becker OHG, Paderborn                      | Germany | 20.0              | 20.0              |
| 504. | REWE Markt Beinecke OHG, Erfurt                       | Germany | 20.0              | 20.0              |
| 505. | REWE-Markt Bergmann oHG, Großbreitenbach              | Germany | 20.0              | 20.0              |
| 506. | REWE Markt Berszinski OHG, Kassel                     | Germany | 20.0              | 20.0              |
| 507. | REWE-Markt Beume OHG, Kassel                          | Germany | 20.0              | 20.0              |
| 508. | REWE Markt Bianka Hesse oHG, Schwarzheide             | Germany | 20.0              | 20.0              |
| 509. | REWE Markt Bierwirth OHG, Schöllkrippen               | Germany | 20.0              | 20.0              |
| 510. | REWE-Markt Bierwirth OHG, Seesen                      | Germany | 20.0              | 20.0              |
| 511. | REWE-Markt Binder OHG, Hersbruck                      | Germany | 20.0              | 20.0              |
| 512. | REWE-Markt Bleifuß OHG, Kleinheubach                  | Germany | 20.0              | 20.0              |
| 513. | REWE - Markt Bobsien OHG, Zarentin                    | Germany | 20.0              | 20.0              |
| 514. | REWE-Markt Borkmann oHG, Kaltennordheim               | Germany | 20.0              | 20.0              |
| 515. | REWE-Markt Bosen oHG, Brühl                           | Germany | 20.0              | 20.0              |
| 516. | REWE-Markt Brähler OHG, Eiterfeld                     | Germany | 20.0              | 20.0              |
| 517. | REWE-Markt Brendel oHG, Kronach                       | Germany | 20.0              | 20.0              |
| 518. | REWE-Markt Bruch OHG, Breidenbach                     | Germany | 20.0              | 20.0              |
| 519. | REWE-Markt Brückner oHG, Mücke                        | Germany | 20.0              | 20.0              |
| 520. | REWE-Markt Bunke OHG, Apolda                          | Germany | 20.0              | 20.0              |
| 521. | REWE-Markt Burkard OHG, Hirschaid-Sassanfahrt         | Germany | 20.0              | 20.0              |
| 522. | REWE-Markt Burkhardt OHG, Niedersorschel              | Germany | 20.0              | 20.0              |
| 523. | REWE-Markt Busche OHG, Einbeck                        | Germany | 20.0              | 20.0              |
| 524. | REWE Markt Carmen Jänisch OHG, Berlin                 | Germany | 20.0              | 20.0              |
| 525. | REWE Markt Carola Rautenberg oHG, Freital             | Germany | 20.0              | 20.0              |
| 526. | REWE Markt Christina Kühne oHG, Leipzig               | Germany | 20.0              | 20.0              |
| 527. | REWE-Markt Christine Arnold oHG, Sangerhausen         | Germany | 20.0              | 20.0              |
| 528. | REWE Markt Christine Kutrieb oHG, Templin             | Germany | 20.0              | 20.0              |
| 529. | REWE Markt Claudia Fischer oHG, Nuthetal              | Germany | 20.0              | 20.0              |
| 530. | REWE Markt Cornelia Awischus oHG, Leipzig/Lausen      | Germany | 20.0              | 20.0              |
| 531. | REWE Markt Daniela Ketzscher oHG, Dresden             | Germany | 20.0              | 20.0              |
| 532. | REWE Markt Daniel Reiche oHG, Leipzig                 | Germany | 20.0              | 20.0              |
| 533. | REWE-Markt Dathe oHG, Bad Blankenburg                 | Germany | 20.0              | 20.0              |
| 534. | REWE-Markt Dennis Henke oHG, Brieselang               | Germany | 20.0              | 20.0              |
| 535. | REWE Markt Detlef Schumacher oHG, Görlitz             | Germany | 20.0              | 20.0              |
| 536. | REWE Markt Diana Martens oHG, Grimmen                 | Germany | 20.0              | 20.0              |
| 537. | REWE-Markt Dicke oHG, Bad Wünnenberg                  | Germany | 20.0              | 20.0              |
| 538. | REWE Markt Dietmar Palm oHG, Neuhausen                | Germany | 20.0              | 20.0              |
| 539. | REWE-Markt Dönch oHG, Allendorf (Eder)-Battenfeld     | Germany | 20.0              | 20.0              |
| 540. | REWE Markt Doreen Urban oHG, Forst                    | Germany | 20.0              | 20.0              |
| 541. | REWE Markt Doris Nerlich OHG, Cottbus                 | Germany | 20.0              | 20.0              |
| 542. | REWE-Markt Eckart OHG, Biebergemünd                   | Germany | 20.0              | 20.0              |
| 543. | REWE-Markt Ehlert OHG, Fulda-Rothwesten               | Germany | 20.0              | 20.0              |
| 544. | REWE-Markt Ehlert OHG, Grebenstein                    | Germany | 20.0              | 20.0              |
| 545. | REWE-Markt Eisenhuth OHG, Künzell                     | Germany | 20.0              | 20.0              |
| 546. | REWE Markt Elke Holzer oHG, Hoppegarten               | Germany | 20.0              | 20.0              |
| 547. | REWE Markt Elvira Richter oHG, Bad Döben              | Germany | 20.0              | 20.0              |
| 548. | REWE-Markt Elvira Walter oHG, Neusorg                 | Germany | 20.0              | 20.0              |
| 549. | REWE - Markt Engelhaupt oHG, Memmelsdorf-Lichteneiche | Germany | 20.0              | 20.0              |
| 550. | REWE Markt Eric Wildenhain oHG, Dessau-Roßlau         | Germany | 20.0              | 20.0              |

| No.  | Company name and registered office            | Country | Percentage share  |                   |
|------|---|---------|-------------------|-------------------|
|      |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 551. | REWE-Markt Esser OHG, Rheinbach               | Germany | 20.0              | 20.0              |
| 552. | REWE-Markt Fackelmann OHG, Sömmerda           | Germany | 20.0              | 20.0              |
| 553. | REWE-Markt Faulhammer oHG, Herborn            | Germany | 20.0              | 20.0              |
| 554. | REWE-Markt Fix oHG, Neunkirchen am Sand       | Germany | 20.0              | 20.0              |
| 555. | REWE-Markt Förster OHG, Mücheln               | Germany | 20.0              | 20.0              |
| 556. | REWE Markt Frank Jähnel oHG, Jessen           | Germany | 20.0              | 20.0              |
| 557. | REWE Markt Frank Scharschuh OHG, Radebeul     | Germany | 20.0              | 20.0              |
| 558. | REWE Markt Frank Zander oHG, Leipzig          | Germany | 20.0              | 20.0              |
| 559. | REWE-Markt Fricke OHG, Homberg (Ohm)          | Germany | 20.0              | 20.0              |
| 560. | REWE-Markt Fröhlich OHG, Nuremberg            | Germany | 20.0              | 20.0              |
| 561. | REWE-Markt Fröhlich-Wehner OHG, Maßbach       | Germany | 20.0              | 20.0              |
| 562. | REWE-Markt Fuchs OHG, Karben                  | Germany | 20.0              | 20.0              |
| 563. | REWE-Markt Fürst oHG, Wiesau                  | Germany | 20.0              | 20.0              |
| 564. | REWE Markt Gabriele Pfeiffer OHG, Halle       | Germany | 20.0              | 20.0              |
| 565. | REWE-Markt Gerd Carl oHG, Plech               | Germany | 20.0              | 20.0              |
| 566. | REWE-Markt Gert oHG, Paderborn                | Germany | 20.0              | 20.0              |
| 567. | REWE-Markt Gilsoul oHG, Dörentrup             | Germany | 20.0              | 20.0              |
| 568. | REWE-Markt Gippert GmbH & Co. oHG, Moringen   | Germany | 20.0              | 20.0              |
| 569. | REWE-Markt Glemser oHG, Würzburg              | Germany | 20.0              | 20.0              |
| 570. | REWE-Markt Glock GmbH & Co. OHG, Suhl         | Germany | 20.0              | 20.0              |
| 571. | REWE-Markt Glück OHG, Rudolstadt              | Germany | 20.0              | 20.0              |
| 572. | REWE-Markt Göbel GmbH & Co. OHG, Teistungen   | Germany | 20.0              | 20.0              |
| 573. | REWE-Markt Götzelmann oHG, Gerolzhofen        | Germany | 20.0              | 20.0              |
| 574. | REWE-Markt Graf OHG, Markt Erlbach            | Germany | 20.0              | 20.0              |
| 575. | REWE Markt Grit Melka oHG, Bergen             | Germany | 20.0              | 20.0              |
| 576. | REWE-Markt Groß oHG, Kassel                   | Germany | 20.0              | 20.0              |
| 577. | REWE Markt Gudrun Richter oHG, Leipzig        | Germany | 20.0              | 20.0              |
| 578. | REWE-Markt Gürntke oHG, Bad Lausick           | Germany | 20.0              | 20.0              |
| 579. | REWE-Markt Häber oHG, Röthenbach a.d. Pegnitz | Germany | 20.0              | 20.0              |
| 580. | REWE-Markt Hagemeyer OHG, Bad Arolsen         | Germany | 20.0              | 20.0              |
| 581. | REWE Markt Hans-Georg Möller oHG, Borsdorf    | Germany | 20.0              | 20.0              |
| 582. | REWE-Markt Harbig OHG, Nabburg                | Germany | 20.0              | 20.0              |
| 583. | REWE-Markt Hauke OHG, Wildflecken             | Germany | 20.0              | 20.0              |
| 584. | REWE-Markt Heidrich OHG, Erndtebrück          | Germany | 20.0              | 20.0              |
| 585. | REWE Markt Heike Kockejei oHG, Großräschen    | Germany | 20.0              | 20.0              |
| 586. | REWE Markt Heike Winter oHG, Leipzig          | Germany | 20.0              | 20.0              |
| 587. | REWE-Markt Heimann OHG, Waischenfeld          | Germany | 20.0              | 20.0              |
| 588. | REWE-Markt Heinisch oHG, Himmelkron           | Germany | 20.0              | 20.0              |
| 589. | REWE - Markt Heinze OHG, Edermünde            | Germany | 20.0              | 20.0              |
| 590. | REWE-Markt Helmreich OHG, Ebelsbach           | Germany | 20.0              | 20.0              |
| 591. | REWE-Markt Hempel GmbH & Co oHG, Erfurt       | Germany | 20.0              | 20.0              |
| 592. | REWE Markt Henkel OHG, Gründau                | Germany | 20.0              | 20.0              |
| 593. | REWE-Markt Hennrich OHG, Wächtersbach         | Germany | 20.0              | 20.0              |
| 594. | REWE-Markt Hensel oHG, Niestetal              | Germany | 20.0              | 20.0              |
| 595. | REWE-Markt Hentzel OHG, Georgensgmünd         | Germany | 20.0              | 20.0              |
| 596. | REWE-Markt Herrmann OHG, Heinersreuth         | Germany | 20.0              | 20.0              |
| 597. | REWE-Markt Herröder oHG, Freigericht          | Germany | 20.0              | 20.0              |
| 598. | REWE-Markt Herzing oHG, Gedern                | Germany | 20.0              | 20.0              |
| 599. | REWE-Markt Hess oHG, Fuldabrück               | Germany | 20.0              | 20.0              |
| 600. | REWE - Markt Hetzer oHG, Leuna                | Germany | 20.0              | 20.0              |
| 601. | REWE-Markt Hinderer OHG, Hünfeld              | Germany | 20.0              | 20.0              |
| 602. | REWE-Markt Hinz OHG, Kölleda                  | Germany | 20.0              | 20.0              |
| 603. | REWE-Markt Hofmann oHG, Ebensfeld             | Germany | 20.0              | 20.0              |

| No.  | Company name and registered office                   | Country | Percentage share  |                   |
|------|--|---------|-------------------|-------------------|
|      |  |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 604. | REWE-Markt Hofmann oHG, Gera                         | Germany | 20.0              | 20.0              |
| 605. | REWE-Markt Hofmann oHG, Linsengericht                | Germany | 20.0              | 20.0              |
| 606. | REWE-Markt Hofmann OHG, Ochsenfurt                   | Germany | 20.0              | 20.0              |
| 607. | REWE-Markt Höhne OHG, Nordhausen                     | Germany | 20.0              | 20.0              |
| 608. | REWE-Markt Hoh oHG, Scheßlitz                        | Germany | 20.0              | 20.0              |
| 609. | REWE-Markt Hollweg oHG, Helmbrechts                  | Germany | 20.0              | 20.0              |
| 610. | REWE-Markt Höppner oHG, Küps                         | Germany | 20.0              | 20.0              |
| 611. | REWE Markt Immo Grollmisch oHG, Quedlinburg          | Germany | 20.0              | 20.0              |
| 612. | REWE Markt Ines Sackel oHG, Brandenburg an der Havel | Germany | 20.0              | 20.0              |
| 613. | REWE Markt Ingrid Stein oHG, Penig                   | Germany | 20.0              | 20.0              |
| 614. | REWE Markt Iris Schmidt oHG, Berlin                  | Germany | 20.0              | 20.0              |
| 615. | REWE Markt Jana Büttner oHG, Schwerin                | Germany | 20.0              | 20.0              |
| 616. | REWE Markt Jan Radke OHG, Lübbenau                   | Germany | 20.0              | 20.0              |
| 617. | REWE-Markt Jaqueline Podschun oHG, Braunsbedra       | Germany | 20.0              | 20.0              |
| 618. | REWE Markt Jens Geidel oHG, Delitzsch                | Germany | 20.0              | 20.0              |
| 619. | REWE-Markt Johannes Hösch OHG, Freudenberg           | Germany | 20.0              | 20.0              |
| 620. | REWE-Markt Judas oHG, Maxhütte-Haidhof               | Germany | 20.0              | 20.0              |
| 621. | REWE Markt Juliane Hoff oHG, Berlin                  | Germany | 20.0              | 20.0              |
| 622. | REWE-Markt Jürgens oHG, Willingen                    | Germany | 20.0              | 20.0              |
| 623. | REWE Markt Jutta Reiher oHG, Lutherstadt Wittenberg  | Germany | 20.0              | 20.0              |
| 624. | REWE-Markt Kahle OHG, Friedland Groß-Schneen         | Germany | 20.0              | 20.0              |
| 625. | REWE-Markt Kaiser OHG, Fronhausen                    | Germany | 20.0              | 20.0              |
| 626. | REWE-Markt Kalbhenn OHG, Uder                        | Germany | 20.0              | 20.0              |
| 627. | REWE-Markt Kanne oHG, Steinheim                      | Germany | 20.0              | 20.0              |
| 628. | REWE-Markt Karsubke OHG, Göttingen                   | Germany | 20.0              | 20.0              |
| 629. | REWE-Markt Kehr OHG, Bad Zwesten                     | Germany | 20.0              | 20.0              |
| 630. | REWE-Markt Kellner oHG, Speichersdorf                | Germany | 20.0              | 20.0              |
| 631. | REWE-Markt Kelm OHG, Kassel                          | Germany | 20.0              | 20.0              |
| 632. | REWE-Markt Kerkau OHG, Lauenförde                    | Germany | 20.0              | 20.0              |
| 633. | REWE-Markt Kerschensteiner oHG, Langenzenn           | Germany | 20.0              | 20.0              |
| 634. | REWE Markt Kerstin Daedelow oHG, Berlin              | Germany | 20.0              | 20.0              |
| 635. | REWE Markt Kerstin Holz oHG, Neubrandenburg          | Germany | 20.0              | 20.0              |
| 636. | REWE Markt Kerstin Radke oHG, Senftenberg            | Germany | 20.0              | 20.0              |
| 637. | REWE Markt Kerstin Schumacher oHG, Cottbus           | Germany | 20.0              | 20.0              |
| 638. | REWE Markt Kerstin Vogel oHG, Cottbus                | Germany | 20.0              | 20.0              |
| 639. | REWE-Markt Kieffer GmbH & Co. oHG, Camburg           | Germany | 20.0              | 20.0              |
| 640. | REWE-Markt Kirsch OHG, Geisa                         | Germany | 20.0              | 20.0              |
| 641. | REWE-Markt Kiwitt oHG, Detmold                       | Germany | 20.0              | 20.0              |
| 642. | REWE-Markt Klatt oHG, Marktrodach                    | Germany | 20.0              | 20.0              |
| 643. | REWE-Markt Klocke oHG, Lage                          | Germany | 20.0              | 20.0              |
| 644. | REWE-Markt Knapp OHG, Frielendorf                    | Germany | 20.0              | 20.0              |
| 645. | REWE Markt Knapp OHG, Neukirchen                     | Germany | 20.0              | 20.0              |
| 646. | REWE-Markt Koch OHG, Vacha                           | Germany | 20.0              | 20.0              |
| 647. | REWE-Markt Köhler oHG, Hildesheim                    | Germany | 19.9              | 19.9              |
| 648. | REWE-Markt Kohl OHG, Fernwald                        | Germany | 20.0              | 20.0              |
| 649. | REWE-Markt König OHG, Kassel                         | Germany | 20.0              | 20.0              |
| 650. | REWE-Markt Köppl oHG, Bamberg-Gaustadt               | Germany | 20.0              | 20.0              |
| 651. | REWE-Markt Krämer oHG, Eschenburg-Wissenbach         | Germany | 20.0              | 20.0              |
| 652. | REWE-Markt Kramer OHG, Löhnberg                      | Germany | 20.0              | 20.0              |
| 653. | REWE-Markt Kranich OHG, Wetter                       | Germany | 20.0              | 20.0              |
| 654. | REWE-Markt Krause OHG, Herzogenaurach                | Germany | 20.0              | 20.0              |
| 655. | REWE-Markt Krause OHG, Stadtoldendorf                | Germany | 20.0              | 20.0              |
| 656. | REWE-Markt Kraußé OHG, Erfurt                        | Germany | 20.0              | 20.0              |



| No.  | Company name and registered office                           | Country | Percentage share  |                   |
|------|--|---------|-------------------|-------------------|
|      |  |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 657. | REWE-Markt Kraußer OHG, Apolda                               | Germany | 20.0              | 20.0              |
| 658. | REWE Markt Kristina Feibig oHG, Berlin                       | Germany | 20.0              | 20.0              |
| 659. | REWE-Markt Krodel OHG, Pressath                              | Germany | 20.0              | 20.0              |
| 660. | REWE-Markt Krumbach OHG, Augustdorf                          | Germany | 20.0              | 20.0              |
| 661. | REWE-Markt Krüper oHG, Reinhardshagen                        | Germany | 20.0              | 20.0              |
| 662. | REWE-Markt Kubitzka oHG, Leopoldshöhe                        | Germany | 20.0              | 20.0              |
| 663. | REWE-Markt Leifholz OHG, Lügde                               | Germany | 20.0              | 20.0              |
| 664. | REWE-Markt Lemp OHG, Heuchelheim                             | Germany | 20.0              | 20.0              |
| 665. | REWE-Markt Lichtenberg GmbH & Co. OHG, Heilbad Heiligenstadt | Germany | 20.0              | 20.0              |
| 666. | REWE Markt Linß oHG, Steinach                                | Germany | 20.0              | -                 |
| 667. | REWE-Markt Löhner oHG, Schwarzenbach/Wald                    | Germany | 20.0              | 20.0              |
| 668. | Rewe-Markt Lütge oHG, Lamspringe                             | Germany | 19.9              | 19.9              |
| 669. | REWE-Markt Lüttmann OHG, Rauschenberg                        | Germany | 20.0              | 20.0              |
| 670. | REWE Markt Lutz Hovest oHG, Berlin                           | Germany | 20.0              | 20.0              |
| 671. | REWE-Markt Lutz oHG, Würzburg                                | Germany | 20.0              | 20.0              |
| 672. | REWE - Markt Maenz oHG, Herleshausen                         | Germany | 20.0              | 20.0              |
| 673. | REWE Markt Maik Böttger oHG, Dresden                         | Germany | 20.0              | 20.0              |
| 674. | REWE Markt Manuela Böhme OHG, Leipzig                        | Germany | 20.0              | 20.0              |
| 675. | REWE-Markt Manuela Busche oHG, Einbeck                       | Germany | 20.0              | 20.0              |
| 676. | REWE Markt Marcel Bartsch oHG, Berlin                        | Germany | 20.0              | 20.0              |
| 677. | REWE Markt Marcel Engels oHG, Berlin                         | Germany | 20.0              | 20.0              |
| 678. | REWE Markt Marcin Paczek oHG, Berlin                         | Germany | 20.0              | 20.0              |
| 679. | REWE Markt Marion Ludwig oHG, Ballenstedt                    | Germany | 20.0              | 20.0              |
| 680. | REWE Markt Marko Krämer oHG, Hettstedt                       | Germany | 20.0              | 20.0              |
| 681. | REWE Markt Marlene Kramer oHG, Berlin                        | Germany | 20.0              | 20.0              |
| 682. | REWE-Markt Martin OHG, Flieden                               | Germany | 20.0              | 20.0              |
| 683. | REWE Markt Mathias Lehmann oHG, Neubrandenburg               | Germany | 20.0              | 20.0              |
| 684. | Rewe Markt Matthias Becker oHG, Prenzlau                     | Germany | 20.0              | 20.0              |
| 685. | REWE Markt Matthias Görlitz oHG, Berlin                      | Germany | 20.0              | 20.0              |
| 686. | REWE-Markt Matthias Jacobs OHG, Rosdorf                      | Germany | 20.0              | 20.0              |
| 687. | REWE Markt Matthias Peikert oHG, Dresden                     | Germany | 20.0              | 20.0              |
| 688. | REWE-Markt Matthias Schneider oHG, Bischofsheim              | Germany | 20.0              | 20.0              |
| 689. | REWE - Markt Mayer oHG, Ebermannstadt                        | Germany | 20.0              | 20.0              |
| 690. | REWE-Markt Meserjakov OHG, Altstadt-Oberau                   | Germany | 20.0              | 20.0              |
| 691. | REWE-Markt Messerschmidt OHG, Kirchheim                      | Germany | 20.0              | 20.0              |
| 692. | Rewe-Markt Meyer OHG, Bad Kreuznach                          | Germany | 20.0              | 20.0              |
| 693. | REWE Markt Michael Batz oHG, Potsdam                         | Germany | 20.0              | 20.0              |
| 694. | REWE Markt Michael Günther oHG, Dresden                      | Germany | 20.0              | 20.0              |
| 695. | REWE Markt Michael Siebert oHG, Basdorf                      | Germany | 20.0              | 20.0              |
| 696. | REWE Markt Michael Wörner oHG, Berlin                        | Germany | 20.0              | 20.0              |
| 697. | REWE Markt Mike Gabrich oHG, Leegebruch                      | Germany | 20.0              | 20.0              |
| 698. | REWE-Markt Mischke oHG, Bad Staffelstein                     | Germany | 20.0              | 20.0              |
| 699. | REWE-Markt Möhring OHG, Elze                                 | Germany | 20.0              | 20.0              |
| 700. | REWE-Markt Mohr OHG, Homburg/Efze                            | Germany | 20.0              | 20.0              |
| 701. | REWE-Markt Mörl oHG, Saalfeld/Saale                          | Germany | 20.0              | 20.0              |
| 702. | REWE-Markt Möwes OHG, Göttingen                              | Germany | 20.0              | 20.0              |
| 703. | REWE-Markt Müller OHG, Neustadt an der Orla                  | Germany | 20.0              | 20.0              |
| 704. | REWE-Markt Müller OHG, Stadtsteinach                         | Germany | 20.0              | 20.0              |
| 705. | REWE-Markt Mumme OHG, Bielefeld                              | Germany | 20.0              | 20.0              |
| 706. | REWE-Markt Nagler OHG, Greifenstein                          | Germany | 20.0              | 20.0              |
| 707. | REWE-Markt Naumann GmbH & Co. OHG, Cölbe                     | Germany | 20.0              | 20.0              |
| 708. | REWE-Markt Neitzel OHG, Bestwig                              | Germany | 20.0              | 20.0              |
| 709. | REWE-Markt Neubauer OHG, Eisfeld                             | Germany | 20.0              | 20.0              |

| No.  | Company name and registered office                         | Country | Percentage share  |                   |
|------|--|---------|-------------------|-------------------|
|      |  |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 710. | REWE-Markt Nicolas Heiderich oHG, Anröchte                 | Germany | 20.0              | 20.0              |
| 711. | REWE-Markt Nies OHG, Hungen                                | Germany | 20.0              | 20.0              |
| 712. | REWE-Markt Peetz OHG, Fürth                                | Germany | 20.0              | 20.0              |
| 713. | REWE Markt Peter Koppenhagen oHG, Brandenburg an der Havel | Germany | 20.0              | 20.0              |
| 714. | REWE Markt Peter Lehmann oHG, Potsdam                      | Germany | 20.0              | 20.0              |
| 715. | REWE Markt Petra Götz oHG, Greifswald                      | Germany | 20.0              | 20.0              |
| 716. | REWE Markt Petra Luda oHG, Brandenburg                     | Germany | 20.0              | 20.0              |
| 717. | REWE-Markt Pfenning oHG, Felsberg                          | Germany | 20.0              | 20.0              |
| 718. | REWE-Markt Pippel OHG, Medebach                            | Germany | 20.0              | 20.0              |
| 719. | REWE-Markt Plank OHG, Erlangen                             | Germany | 20.0              | 20.0              |
| 720. | REWE-Markt Plötz OHG, Weilburg                             | Germany | 20.0              | 20.0              |
| 721. | REWE-Markt Popplow oHG, Florstadt                          | Germany | 20.0              | 20.0              |
| 722. | REWE-Markt Preisner OHG, Hardegsen                         | Germany | 20.0              | 20.0              |
| 723. | REWE-Markt Prieto-Pacheco oHG, Volkach                     | Germany | 20.0              | 20.0              |
| 724. | REWE-Markt Rademacher OHG, Warburg                         | Germany | 20.0              | 20.0              |
| 725. | REWE-Markt Rainer Lapp oHG, Büdingen                       | Germany | 20.0              | 20.0              |
| 726. | REWE Markt Ramona Reiche oHG, Berlin                       | Germany | 20.0              | 20.0              |
| 727. | REWE-Markt Rauhe OHG, Bleicherode                          | Germany | 20.0              | 20.0              |
| 728. | REWE Markt Regina Keller oHG, Naunhof                      | Germany | 20.0              | 20.0              |
| 729. | REWE-Markt Remmert-Bobe oHG, Steinheim                     | Germany | 20.0              | 20.0              |
| 730. | REWE Markt René Schneider oHG, Bernau bei Berlin           | Germany | 20.0              | 20.0              |
| 731. | REWE-Markt Renger OHG, Bayreuth                            | Germany | 20.0              | 20.0              |
| 732. | REWE Markt Ricardo Steinbrück oHG, Berlin                  | Germany | 20.0              | 20.0              |
| 733. | REWE - Markt Richter oHG, Burgebrach                       | Germany | 20.0              | 20.0              |
| 734. | REWE Markt Rico Rappmann oHG, Könnern                      | Germany | 20.0              | 20.0              |
| 735. | REWE Markt Ridders OHG, Cologne                            | Germany | 20.0              | 20.0              |
| 736. | REWE Markt Rocco Bräsemann oHG, Berlin                     | Germany | 20.0              | 20.0              |
| 737. | REWE-Markt Röher oHG, Eckersdorf                           | Germany | 20.0              | 20.0              |
| 738. | REWE Markt Ronny Jarius oHG, Berlin                        | Germany | 20.0              | 20.0              |
| 739. | REWE-Markt Roppelt OHG, Kitzingen                          | Germany | 20.0              | 20.0              |
| 740. | REWE-Markt Rösel oHG, Kleinostheim                         | Germany | 20.0              | 20.0              |
| 741. | REWE-Markt Rößling OHG, Warburg-Scherfede                  | Germany | 20.0              | 20.0              |
| 742. | REWE-Markt Roth oHG, Veitshöchheim                         | Germany | 20.0              | 20.0              |
| 743. | REWE Markt Rouven Sadlowski oHG, Wismar                    | Germany | 20.0              | 20.0              |
| 744. | REWE-Markt Rudel OHG, Bamberg                              | Germany | 20.0              | 20.0              |
| 745. | REWE-Markt Rudelsberger OHG, Herrieden                     | Germany | 20.0              | 20.0              |
| 746. | REWE-Markt Rüthing OHG, Büren-Steinhausen                  | Germany | 20.0              | 20.0              |
| 747. | REWE-Markt Saal OHG, Paderborn                             | Germany | 20.0              | 20.0              |
| 748. | REWE Markt Sabine Ratz oHG, Markranstädt                   | Germany | 20.0              | 20.0              |
| 749. | REWE Markt Sabine Schürer oHG, Werdau                      | Germany | 20.0              | 20.0              |
| 750. | REWE Markt Sandra Lehmann oHG, Berlin                      | Germany | 20.0              | 20.0              |
| 751. | REWE-Markt Schäfer GmbH & Co. OHG, Hofgeismar              | Germany | 20.0              | 20.0              |
| 752. | REWE Markt Scharmann OHG, Romrod                           | Germany | 20.0              | 20.0              |
| 753. | REWE-Markt Schelper OHG, Dransfeld                         | Germany | 20.0              | 20.0              |
| 754. | REWE-Markt Schmidt oHG, Lage-Müssen                        | Germany | 20.0              | 20.0              |
| 755. | REWE-Markt Schmidt OHG, Lich                               | Germany | 20.0              | 20.0              |
| 756. | REWE-Markt Schmidt OHG, Waldkappel                         | Germany | 20.0              | 20.0              |
| 757. | REWE-Markt Schöttler OHG, Schlagen                         | Germany | 20.0              | 20.0              |
| 758. | REWE-Markt Schott oHG, Langenwolschendorf                  | Germany | 20.0              | 20.0              |
| 759. | REWE-Markt Schrempf OHG, Ebern                             | Germany | 20.0              | 20.0              |
| 760. | REWE-Markt Schünke oHG, Heringen (Werra)                   | Germany | 20.0              | 20.0              |
| 761. | REWE-Markt Schwalb oHG, Adelsdorf                          | Germany | 20.0              | 20.0              |
| 762. | REWE-Markt Schwamberger oHG, Hammelburg                    | Germany | 20.0              | 20.0              |

| No.  | Company name and registered office                      | Country | Percentage share  |                   |
|------|---|---------|-------------------|-------------------|
|      |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 763. | REWE Markt Sebastian Schubert oHG, Zwickau              | Germany | 20.0              | 20.0              |
| 764. | REWE-Markt Seidler OHG, Goldbach                        | Germany | 20.0              | 20.0              |
| 765. | REWE-Markt Siegel oHG, Dassel-Markoldendorf             | Germany | 20.0              | 20.0              |
| 766. | REWE Markt Siegfried Grube oHG, Potsdam                 | Germany | 20.0              | 20.0              |
| 767. | REWE Markt Silke Wiese oHG, Parchim                     | Germany | 20.0              | 20.0              |
| 768. | REWE-Markt Simon OHG, Staufenberg                       | Germany | 20.0              | 20.0              |
| 769. | REWE-Markt Siveke OHG, Bodenwerder                      | Germany | 20.0              | 20.0              |
| 770. | REWE Markt Stefan Köckeritz oHG, Dresden                | Germany | 20.0              | 20.0              |
| 771. | REWE-Markt Stefan Stahl oHG, Schwetzingen               | Germany | 20.0              | 20.0              |
| 772. | REWE-Markt Steinbach OHG, Breuna                        | Germany | 20.0              | 20.0              |
| 773. | REWE-Markt Steiner oHG, Pressig-Rothenkirchen           | Germany | 20.0              | 20.0              |
| 774. | REWE-Markt Stein oHG, Wildeck                           | Germany | 20.0              | 20.0              |
| 775. | REWE-Markt Stephan Fink oHG, Korbach                    | Germany | 20.0              | 20.0              |
| 776. | REWE-Markt Sternberger OHG, Fladungen                   | Germany | 20.0              | 20.0              |
| 777. | REWE-Markt Stoll GmbH & Co oHG, Langenselbold           | Germany | 20.0              | 20.0              |
| 778. | REWE-Markt Stoll OHG, Lahntal-Sterzhausen               | Germany | 20.0              | 20.0              |
| 779. | REWE-Markt Stoll OHG, Schwabach                         | Germany | 20.0              | 20.0              |
| 780. | REWE-Markt Stolpowski OHG, Heilsbronn                   | Germany | 20.0              | 20.0              |
| 781. | REWE-Markt Stotko oHG, Pohlheim-Garbenteich             | Germany | 20.0              | 20.0              |
| 782. | REWE-Markt Streng oHG, Ebersdorf b. Coburg              | Germany | 20.0              | 20.0              |
| 783. | REWE-Markt Ströer OHG, Gotha                            | Germany | 20.0              | 20.0              |
| 784. | REWE - Markt Susemichel OHG, Schlitz                    | Germany | 20.0              | 20.0              |
| 785. | REWE Markt Sven Böttcher oHG, Chemnitz                  | Germany | 20.0              | 20.0              |
| 786. | REWE Markt Sylvia Sauer OHG, Strausberg                 | Germany | 20.0              | 20.0              |
| 787. | REWE-Markt Tanz OHG, Gotha                              | Germany | 20.0              | 20.0              |
| 788. | REWE-Markt Tätzner oHG, Schweinfurt                     | Germany | 20.0              | 20.0              |
| 789. | REWE-Markt T. Dunker oHG, Einbeck                       | Germany | 20.0              | 20.0              |
| 790. | REWE-Markt Theiss oHG, Hallenberg                       | Germany | 20.0              | 20.0              |
| 791. | REWE Markt Thomas Asmussen oHG, Berlin                  | Germany | 20.0              | 20.0              |
| 792. | REWE Markt Thomas Berges oHG, Cottbus                   | Germany | 20.0              | 20.0              |
| 793. | REWE-Markt Thomas Höfling oHG, Gleichen                 | Germany | 20.0              | 20.0              |
| 794. | REWE Markt Thomas Höppner oHG, Berlin                   | Germany | 20.0              | 20.0              |
| 795. | REWE-Markt Thomas Kassel GmbH & Co. OHG, Obermichelbach | Germany | 20.0              | 20.0              |
| 796. | REWE Markt Thomas Pausch oHG, Berlin                    | Germany | 20.0              | 20.0              |
| 797. | REWE Markt Thomas Wietasch oHG, Halle                   | Germany | 20.0              | 20.0              |
| 798. | REWE-Markt Tietz OHG, Kassel                            | Germany | 20.0              | 20.0              |
| 799. | REWE Markt Tino Renner oHG, Chemnitz                    | Germany | 20.0              | 20.0              |
| 800. | REWE-Markt Tino Stützer oHG, Jena                       | Germany | 20.0              | 20.0              |
| 801. | REWE-Markt Tobias Krause oHG, Forchheim                 | Germany | 20.0              | 20.0              |
| 802. | REWE-Markt Torben Dunker oHG, Dassel                    | Germany | 20.0              | 20.0              |
| 803. | REWE-Markt Träger oHG, Fulda                            | Germany | 20.0              | 20.0              |
| 804. | REWE-Markt Travaci oHG, Langgöns                        | Germany | 20.0              | 20.0              |
| 805. | REWE Markt Treude OHG, Bad Berleburg                    | Germany | 20.0              | 20.0              |
| 806. | REWE-Markt Treutlein OHG, Euerdorf                      | Germany | 20.0              | 20.0              |
| 807. | REWE-Markt Udo Natusch oHG, Berlin                      | Germany | 20.0              | 20.0              |
| 808. | REWE Markt Undine Handke oHG, Golßen                    | Germany | 20.0              | 20.0              |
| 809. | REWE-Markt Uras oHG, Buseck                             | Germany | 20.0              | 20.0              |
| 810. | REWE Markt Ute Pahnke oHG, Greifswald                   | Germany | 20.0              | 20.0              |
| 811. | REWE Markt Uwe Andreß oHG, Zwenkau                      | Germany | 20.0              | 20.0              |
| 812. | REWE Markt Uwe Zschorn oHG, Leipzig                     | Germany | 20.0              | 20.0              |
| 813. | Rewe Markt Viertel oHG, Lichtenau                       | Germany | 20.0              | 20.0              |
| 814. | REWE-Markt Vogt OHG, Bad Frankenhausen                  | Germany | 20.0              | 20.0              |
| 815. | REWE Markt Volker Brand oHG, Magdeburg                  | Germany | 20.0              | 20.0              |

| No.  | Company name and registered office                  | Country | Percentage share  |                   |
|------|---|---------|-------------------|-------------------|
|      |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 816. | REWE-Markt Wakup OHG, Nieheim                       | Germany | 20.0              | 20.0              |
| 817. | REWE-Markt Weh GmbH & Co oHG, Erfurt                | Germany | 20.0              | 20.0              |
| 818. | REWE-Markt Weich oHG, Bamberg                       | Germany | 20.0              | 20.0              |
| 819. | REWE-Markt Weidling oHG, Nidda-Eichelsdorf          | Germany | 20.0              | 20.0              |
| 820. | REWE-Markt Weigel oHG, Gebesee                      | Germany | 20.0              | 20.0              |
| 821. | REWE-Markt Weiß oHG, Weilrod                        | Germany | 20.0              | 20.0              |
| 822. | REWE-Markt Weitzel OHG, Bad Lauterberg im Harz      | Germany | 20.0              | 20.0              |
| 823. | REWE-Markt Wenning OHG, Bischoffen-Niederweidbach   | Germany | 20.0              | 20.0              |
| 824. | REWE - Markt Wenzel oHG, Wanfried                   | Germany | 20.0              | 20.0              |
| 825. | REWE-Markt Wieber OHG, Petersberg                   | Germany | 20.0              | 20.0              |
| 826. | REWE-Markt Wild oHG, Wertheim                       | Germany | 20.0              | 20.0              |
| 827. | REWE-Markt Wilhelm OHG, Waldbrunn                   | Germany | 20.0              | 20.0              |
| 828. | REWE-Markt Wilkens OHG, Habichtswald-Ehlen          | Germany | 20.0              | 20.0              |
| 829. | REWE-Markt Winkler oHG, Hof                         | Germany | 20.0              | 20.0              |
| 830. | REWE- Markt Wittl oHG, Kammerstein                  | Germany | 20.0              | 20.0              |
| 831. | REWE-Markt Wittmann oHG, Neunkirchen am Brand       | Germany | 20.0              | 20.0              |
| 832. | REWE-Markt Worofsky OHG, Uttenreuth                 | Germany | 20.0              | 20.0              |
| 833. | REWE-Markt Wutzler OHG, Weida                       | Germany | 20.0              | 20.0              |
| 834. | REWE Markt Yvonne Berkefeld oHG, Zwickau            | Germany | 20.0              | 20.0              |
| 835. | REWE-Markt Zahovsky OHG, Auerbach                   | Germany | 20.0              | 20.0              |
| 836. | REWE-Markt Zieten oHG, Dillenburg                   | Germany | 20.0              | 20.0              |
| 837. | REWE-Markt Zipfel oHG, Hermsdorf                    | Germany | 20.0              | 20.0              |
| 838. | REWE-Markt Zwingel OHG, Bubenreuth                  | Germany | 20.0              | 20.0              |
| 839. | REWE Markus Brzezina oHG, Ingelheim                 | Germany | 20.0              | 20.0              |
| 840. | REWE Markus Hauptig oHG, Bremen                     | Germany | 20.0              | -                 |
| 841. | REWE Markus Lischka oHG, Landsberg                  | Germany | 20.0              | 20.0              |
| 842. | REWE Markus Martin oHG, Buttenheim                  | Germany | 20.0              | 20.0              |
| 843. | REWE Markus Meyer OHG, Ransbach-Baumbach            | Germany | 20.0              | 20.0              |
| 844. | REWE Markus von Lieres und Wilkau oHG, Bad Oldesloe | Germany | 20.0              | -                 |
| 845. | REWE Martina Büchner oHG, Bürgel                    | Germany | 20.0              | 20.0              |
| 846. | REWE Martin Altenburg oHG, Kiel                     | Germany | 20.0              | 20.0              |
| 847. | REWE Martin Bornemann oHG, Meine                    | Germany | 20.0              | 20.0              |
| 848. | REWE Martin Eideloth oHG, Mistelgau                 | Germany | 20.0              | 20.0              |
| 849. | REWE Martin Kolbe oHG, Altenkunstadt                | Germany | 20.0              | 20.0              |
| 850. | REWE Martin Maicher oHG, Düsseldorf                 | Germany | 20.0              | 20.0              |
| 851. | REWE Matthes oHG, Alfeld (Leine)                    | Germany | 20.0              | 20.0              |
| 852. | REWE Matthias Böker oHG, Luckenwalde                | Germany | 20.0              | 20.0              |
| 853. | REWE Matthias Fröhlich oHG, Bamberg                 | Germany | 20.0              | 20.0              |
| 854. | REWE Matthias Hinz oHG, Weimar                      | Germany | 20.0              | 20.0              |
| 855. | REWE Matthias Schäm oHG, Gardelegen                 | Germany | 20.0              | 20.0              |
| 856. | REWE Max Schubert oHG, Bremen                       | Germany | 20.0              | -                 |
| 857. | REWE Meczurat oHG, Langenhagen                      | Germany | 20.0              | 20.0              |
| 858. | REWE Mehmet Kaysal oHG, Lengede                     | Germany | 20.0              | -                 |
| 859. | REWE Melanie Tolk-Spaar oHG, Berlin                 | Germany | 20.0              | 20.0              |
| 860. | REWE Metin Kanbur oHG, Waibstadt                    | Germany | 20.0              | 20.0              |
| 861. | REWE Michael Alscher oHG, Leisnig                   | Germany | 20.0              | 20.0              |
| 862. | REWE Michael Birnbreier oHG, Laupheim               | Germany | 20.0              | 20.0              |
| 863. | REWE Michael Ermer OHG, Jüchen                      | Germany | 20.0              | 20.0              |
| 864. | REWE Michael Glathe oHG, Burgstädt                  | Germany | 20.0              | -                 |
| 865. | REWE Michael Holmer oHG, Türkheim                   | Germany | 20.0              | -                 |
| 866. | REWE Michael Kuhnke oHG, Goldberg                   | Germany | 20.0              | 20.0              |
| 867. | REWE Michael Lohnert oHG, Sand am Main              | Germany | 20.0              | 20.0              |
| 868. | REWE Michael Mayr oHG, Königsbrunn                  | Germany | 20.0              | -                 |

| No.  | Company name and registered office                | Country | Percentage share  |                   |
|------|---|---------|-------------------|-------------------|
|      |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 869. | REWE Michael Meige oHG, Echzell                   | Germany | 20.0              | 20.0              |
| 870. | REWE Michael Müller oHG, Germersheim              | Germany | 20.0              | -                 |
| 871. | REWE Michael Reinartz oHG, Aachen                 | Germany | 20.0              | 20.0              |
| 872. | REWE Michael Reising oHG, Erlensee                | Germany | 20.0              | 20.0              |
| 873. | REWE Michael Roth oHG, Stuttgart                  | Germany | 20.0              | -                 |
| 874. | REWE Michael Schmatloch oHG, Großkrotzenburg      | Germany | 20.0              | 20.0              |
| 875. | REWE Michael Simon oHG, Schotten                  | Germany | 20.0              | -                 |
| 876. | REWE Michael Weisbrod oHG, Darmstadt-Griesheim    | Germany | 20.0              | 20.0              |
| 877. | REWE Michael Wolf oHG, Dippoldiswalde             | Germany | 20.0              | 20.0              |
| 878. | REWE Michalik OHG, Blaustein                      | Germany | 20.0              | 20.0              |
| 879. | REWE Michel Fritzsche oHG, Weißenfels             | Germany | 20.0              | 20.0              |
| 880. | REWE Michel Reimer oHG, Radebeul                  | Germany | 20.0              | 20.0              |
| 881. | REWE Mihael Stojkovic oHG, Ketsch                 | Germany | 20.0              | 20.0              |
| 882. | REWE Mike Baer oHG, Berlin                        | Germany | 20.0              | 20.0              |
| 883. | REWE Mike Hüttenrauch oHG, Wolfsburg              | Germany | 20.0              | 20.0              |
| 884. | REWE Mike Schneider oHG, Waldkirch                | Germany | 20.0              | 20.0              |
| 885. | REWE Minet oHG, Rülzheim                          | Germany | 20.0              | 20.0              |
| 886. | REWE Mirco Bieber oHG, Piding                     | Germany | 20.0              | 20.0              |
| 887. | REWE Mirco Weisenborn oHG, Ober-Mörlen            | Germany | 20.0              | 20.0              |
| 888. | REWE Mockenhaupt GmbH & Co. oHG, Mudersbach       | Germany | 20.0              | 20.0              |
| 889. | REWE Mölders oHG, Neuffen                         | Germany | 20.0              | 20.0              |
| 890. | REWE Müller oHG, Nußloch                          | Germany | 20.0              | 20.0              |
| 891. | REWE Murat Aslim oHG, Cologne                     | Germany | 20.0              | 20.0              |
| 892. | REWE Nancy Wetzstein oHG, Waltershausen           | Germany | 20.0              | 20.0              |
| 893. | REWE Neda Musura oHG, Berlin                      | Germany | 20.0              | 20.0              |
| 894. | REWE Nehring OHG, Gechingen                       | Germany | 20.0              | 20.0              |
| 895. | REWE Nepomuck GmbH & Co. KG, Alsdorf              | Germany | 50.0              | 50.0              |
| 896. | REWE Neuroth GmbH & Co.OHG, Wallmerod             | Germany | 20.0              | 20.0              |
| 897. | REWE Nick Michalik oHG, Dornstadt                 | Germany | 20.0              | -                 |
| 898. | REWE Nico Grunert oHG, Andernach                  | Germany | 20.0              | -                 |
| 899. | REWE Nicolai Kauferstein oHG, Elz                 | Germany | 20.0              | 20.0              |
| 900. | REWE Nicolaos Pagoulatos oHG, Munich              | Germany | 20.0              | 20.0              |
| 901. | REWE Nicolas Heinisch oHG, Haßloch                | Germany | 20.0              | -                 |
| 902. | REWE Nicole Amling oHG, Lübeck                    | Germany | 20.0              | 20.0              |
| 903. | REWE Nicole Köhler oHG, Blankenfelde-Mahlow       | Germany | 20.0              | 20.0              |
| 904. | REWE Nicole Labudde oHG, Dresden                  | Germany | 20.0              | 20.0              |
| 905. | REWE Nico Radloff oHG, Mihla                      | Germany | 20.0              | -                 |
| 906. | REWE Nieß oHG, Gundelfingen a.d. Donau            | Germany | 20.0              | 20.0              |
| 907. | REWE Nieth OHG, Bad Waldsee                       | Germany | 20.0              | 20.0              |
| 908. | REWE Niklas Riebel oHG, Hamburg                   | Germany | 20.0              | -                 |
| 909. | REWE Nikolaus Materna oHG, Hohenkammer            | Germany | 20.0              | 20.0              |
| 910. | REWE Nord-Ost Immobilien GmbH, Teltow             | Germany | 26.0              | 26.0 <sup>1</sup> |
| 911. | REWE Norma Zych oHG, Sprendlingen                 | Germany | 20.0              | 20.0              |
| 912. | REWENTA Immobilien Verwaltung Fonds 4 KG, Cologne | Germany | 40.8              | 40.8 <sup>1</sup> |
| 913. | REWENTA Immobilien Verwaltung Fonds 5 KG, Cologne | Germany | 39.0              | 39.0 <sup>1</sup> |
| 914. | REWENTA Immobilien Verwaltung Fonds 6 KG, Cologne | Germany | 54.6              | 54.6 <sup>1</sup> |
| 915. | REWE Oberle oHG, Stockach                         | Germany | 20.0              | 20.0              |
| 916. | REWE Oelgeschläger oHG, Nordstemmen               | Germany | 20.0              | 20.0              |
| 917. | REWE Oel OHG, Nistertal                           | Germany | 20.0              | 20.0              |
| 918. | REWE Oliver Frank oHG, Cologne                    | Germany | 20.0              | 20.0              |
| 919. | REWE Oliver Heinzel oHG, Teltow                   | Germany | 20.0              | 20.0              |
| 920. | REWE Oliver Scherff oHG, Cologne                  | Germany | 20.0              | -                 |
| 921. | REWE Oliver Wehling oHG, Osnabrück                | Germany | 20.0              | -                 |

| No.  | Company name and registered office              | Country | Percentage share  |                   |
|------|---|---------|-------------------|-------------------|
|      |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 922. | REWE Ömer Demirhan oHG, Kornwestheim            | Germany | 20.0              | 20.0              |
| 923. | REWE Övünc Bekar oHG, Großwallstadt             | Germany | 20.0              | 20.0              |
| 924. | REWE Özgür Ögünc oHG, Lauenburg                 | Germany | 20.0              | 20.0              |
| 925. | REWE Pascal Kneuer oHG, Nuremberg               | Germany | 20.0              | 20.0              |
| 926. | REWE Pascal Valentin oHG, Solms                 | Germany | 20.0              | 20.0              |
| 927. | REWE Patricia Grütmacher oHG, Kiel              | Germany | 20.0              | 20.0              |
| 928. | REWE Patrick Dolata oHG, Bad Zwischenahn        | Germany | 20.0              | -                 |
| 929. | REWE Patrick Franz oHG, Bad Soden-Salmünster    | Germany | 20.0              | -                 |
| 930. | REWE Patrick Kroppen oHG, Grefrath              | Germany | 20.0              | 20.0              |
| 931. | REWE Patrick Lukowsky oHG, Munich               | Germany | 20.0              | 20.0              |
| 932. | REWE Patrick Wilfert oHG, Schieder-Schwalenberg | Germany | 20.0              | -                 |
| 933. | REWE Paul Golly oHG, Berlin                     | Germany | 20.0              | -                 |
| 934. | REWE Pauling OHG, Mayen                         | Germany | 20.0              | 20.0              |
| 935. | REWE Peggy Jahn oHG, Leipzig                    | Germany | 20.0              | -                 |
| 936. | REWE Peter Arnold oHG, Mosbach                  | Germany | 20.0              | 20.0              |
| 937. | REWE Peter Erichsen oHG, Klein Nordende         | Germany | 20.0              | 20.0              |
| 938. | REWE Peter Kehrer oHG, Scheidegg                | Germany | 20.0              | 20.0              |
| 939. | REWE Peter Knakowski oHG, Cologne               | Germany | 20.0              | 20.0              |
| 940. | REWE Peter Kotlarski oHG, Meerbusch-Osterath    | Germany | 20.0              | 20.0              |
| 941. | REWE Peter Schüller oHG, Eschweiler             | Germany | 20.0              | 20.0              |
| 942. | REWE Peter Ziegler oHG, Bonn-Beuel              | Germany | 20.0              | 20.0              |
| 943. | REWE Petra Landes oHG, Rain am Lech             | Germany | 20.0              | 20.0              |
| 944. | REWE Pfeffel oHG, Neuss                         | Germany | 20.0              | 20.0              |
| 945. | REWE Philipp Dreisvogt oHG, Bad Hersfeld        | Germany | 20.0              | 20.0              |
| 946. | REWE Philipp Fischer oHG, Werder                | Germany | 20.0              | 20.0              |
| 947. | REWE Philipp Smith oHG, Baunach                 | Germany | 20.0              | 20.0              |
| 948. | REWE Ponzer oHG, Karlsruhe                      | Germany | 20.0              | 20.0              |
| 949. | REWE Porombka oHG, Bad Sachsa                   | Germany | 20.0              | 20.0              |
| 950. | REWE Post oHG, Kaarst                           | Germany | 20.0              | 20.0              |
| 951. | REWE Rafael Döring oHG, Nordhorn                | Germany | 20.0              | 20.0              |
| 952. | REWE Rahmati OHG, Cologne                       | Germany | 20.0              | 20.0              |
| 953. | REWE Raik Groth oHG, Alling                     | Germany | 20.0              | 20.0              |
| 954. | REWE Raimund Wieselhuber oHG, Rohrbach          | Germany | 20.0              | -                 |
| 955. | REWE Rainer Czerlinski oHG, Stuttgart           | Germany | 20.0              | 20.0              |
| 956. | REWE Rainer Hahn oHG, Baienfurt                 | Germany | 20.0              | 20.0              |
| 957. | REWE Rainer Nuvoli oHG, Stuttgart               | Germany | 20.0              | 20.0              |
| 958. | REWE Rainer Quermann oHG, Bielefeld             | Germany | 20.0              | 20.0              |
| 959. | REWE Ralf Hermann oHG, Cologne-Dellbrück        | Germany | 20.0              | 20.0              |
| 960. | REWE Ralf Lorenz oHG, Buchholz                  | Germany | 20.0              | 20.0              |
| 961. | REWE Ralf Peters oHG, Düren                     | Germany | 20.0              | 20.0              |
| 962. | REWE Ralf Rieger oHG, Süderbrarup               | Germany | 20.0              | 20.0              |
| 963. | REWE Ramazan Zor oHG, Wiesbaden                 | Germany | 20.0              | 20.0              |
| 964. | REWE Ramona Roscher oHG, Jena                   | Germany | 20.0              | 20.0              |
| 965. | REWE Regina Karge oHG, Barth                    | Germany | 20.0              | 20.0              |
| 966. | REWE Regina Widmer oHG, Paderborn-Sennelager    | Germany | 20.0              | 20.0              |
| 967. | REWE Reinartz OHG, Aachen                       | Germany | 20.0              | 20.0              |
| 968. | REWE Rene Giese oHG, Pulheim                    | Germany | 20.0              | 20.0              |
| 969. | REWE Rene Scholz oHG, Gera                      | Germany | 20.0              | 20.0              |
| 970. | REWE Riccardo Mann oHG, Halle                   | Germany | 20.0              | 20.0              |
| 971. | REWE Richber oHG, Neustadt                      | Germany | 20.0              | 20.0              |
| 972. | REWE Rico Adolph oHG, Fürstenwalde              | Germany | 20.0              | 20.0              |
| 973. | REWE Riethmüller oHG, Goettingen                | Germany | 20.0              | 20.0              |
| 974. | REWE Rimmler oHG, Reilingen                     | Germany | 20.0              | 20.0              |

| No.   | Company name and registered office                     | Country | Percentage share  |                   |
|-------|--|---------|-------------------|-------------------|
|       |  |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 975.  | REWE Ritterescu oHG, Sulzbach/Rosenberg                | Germany | 20.0              | 20.0              |
| 976.  | REWE Rizzi OHG, Winnenden                              | Germany | 20.0              | 20.0              |
| 977.  | REWE Rizzo oHG, Munich                                 | Germany | 20.0              | 20.0              |
| 978.  | REWE Robby Heggenstaller oHG, Thalheim (Ore Mountains) | Germany | 20.0              | -                 |
| 979.  | REWE Robert Freund oHG, Kerpen                         | Germany | 20.0              | 20.0              |
| 980.  | REWE Robert Heß oHG, Dornburg-Camburg                  | Germany | 20.0              | 20.0              |
| 981.  | REWE Robert Mack oHG, Burgthann                        | Germany | 20.0              | 20.0              |
| 982.  | REWE Robert Ortlepp oHG, Waltershausen                 | Germany | 20.0              | 20.0              |
| 983.  | REWE Rodríguez OHG, Worms                              | Germany | 20.0              | 20.0              |
| 984.  | REWE Roland Farnhammer oHG, Tittling                   | Germany | 20.0              | 20.0              |
| 985.  | REWE Rolf Weiland oHG, Vechta                          | Germany | 20.0              | 20.0              |
| 986.  | REWE Roman Kesselring oHG, Herbertingen                | Germany | 20.0              | 20.0              |
| 987.  | REWE Roman Kulakov oHG, Mainz-Gonsenheim               | Germany | 20.0              | 20.0              |
| 988.  | REWE Romy Kühn oHG, Lauchhammer                        | Germany | 20.0              | 20.0              |
| 989.  | REWE Röttcher oHG, Kaarst                              | Germany | 20.0              | 20.0              |
| 990.  | REWE Rudat oHG, Algermissen                            | Germany | 20.0              | 20.0              |
| 991.  | REWE Rudolf Fahn oHG, Rehburg-Loccum                   | Germany | 20.0              | -                 |
| 992.  | REWE Ruf oHG, Rheinhausen                              | Germany | 20.0              | 20.0              |
| 993.  | REWE Sabine Hess oHG, Peiting                          | Germany | 20.0              | 20.0              |
| 994.  | REWE Sabine Klitsch oHG, Gräfenhainichen               | Germany | 20.0              | 20.0              |
| 995.  | REWE Sabrina Fischer oHG, Berlin                       | Germany | 20.0              | 20.0              |
| 996.  | REWE Sabrina Kling oHG, Stuhr-Brinkum                  | Germany | 20.0              | 20.0              |
| 997.  | REWE Salvatore Bitto oHG, Müntertal                    | Germany | 20.0              | 20.0              |
| 998.  | REWE Salvatore Minacapilli oHG, Saarbrücken-Scheidt    | Germany | 20.0              | -                 |
| 999.  | REWE Samuel Schönele oHG, Isny                         | Germany | 20.0              | 20.0              |
| 1000. | REWE Sander oHG, Gronau                                | Germany | 20.0              | 20.0              |
| 1001. | REWE Sandra Burkhardt oHG, Dahlen                      | Germany | 20.0              | 20.0              |
| 1002. | REWE Sandra Dietrich oHG, Frankfurt/Oder               | Germany | 20.0              | 20.0              |
| 1003. | REWE Sandra Müller oHG, Gera                           | Germany | 20.0              | 20.0              |
| 1004. | REWE Sarina Steinicke oHG, Dillingen                   | Germany | 20.0              | 20.0              |
| 1005. | REWE Sasa Surdanovic oHG, Hamburg                      | Germany | 20.0              | -                 |
| 1006. | REWE Sascha Georg oHG, Wetzlar-Niedergirmes            | Germany | 20.0              | 20.0              |
| 1007. | REWE Sascha Horn oHG, Iphofen                          | Germany | 20.0              | -                 |
| 1008. | REWE Sascha Ullah oHG, Sehnde                          | Germany | 20.0              | 20.0              |
| 1009. | REWE Sauerbach OHG, Rösraith                           | Germany | 20.0              | 20.0              |
| 1010. | REWE Sbkowski oHG, Freiburg im Breisgau                | Germany | 20.0              | 20.0              |
| 1011. | REWE Schäfer OHG, Niederkassel- Lülisdorf              | Germany | 20.0              | 20.0              |
| 1012. | REWE Schauer oHG, Euskirchen                           | Germany | 20.0              | 20.0              |
| 1013. | REWE Schenkelberg OHG, Waldbreitbach                   | Germany | 20.0              | 20.0              |
| 1014. | REWE Schimpf OHG, Nattheim                             | Germany | 20.0              | 20.0              |
| 1015. | REWE Schmailzl OHG, Berching                           | Germany | 20.0              | 20.0              |
| 1016. | REWE Schmitt OHG, Idar-Oberstein                       | Germany | 40.0              | 40.0              |
| 1017. | REWE Schneeberger OHG, Sulzbach an der Murr            | Germany | 20.0              | 20.0              |
| 1018. | REWE Schnell oHG, Speicher                             | Germany | 20.0              | 20.0              |
| 1019. | REWE Schön oHG, Wernberg-Köblitz                       | Germany | 20.0              | 20.0              |
| 1020. | REWE-Schönwälder oHG, Schönau a. Königssee             | Germany | 20.0              | 20.0              |
| 1021. | REWE Schork oHG, Weinheim                              | Germany | 20.0              | 20.0              |
| 1022. | REWE Schorn oHG, Bergheim - Niederaußem                | Germany | 20.0              | 20.0              |
| 1023. | REWE Schuck OHG, Herzogenrath-Merkstein                | Germany | 20.0              | 20.0              |
| 1024. | REWE Schulz OHG, Cologne                               | Germany | 20.0              | 20.0              |
| 1025. | REWE Schütt oHG, Laatzen                               | Germany | 20.0              | 20.0              |
| 1026. | REWE Scosceria oHG, Koblenz                            | Germany | 20.0              | 20.0              |
| 1027. | REWE Sebastian Dittmers oHG, Adendorf                  | Germany | 20.0              | 20.0              |

| No.   | Company name and registered office                  | Country | Percentage share  |                   |
|-------|---|---------|-------------------|-------------------|
|       |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 1028. | REWE Sebastian Sommer oHG, Schöffengrund-Schwalbach | Germany | 20.0              | 20.0              |
| 1029. | REWE Sedat Tekin oHG, Heusenstamm                   | Germany | 20.0              | 20.0              |
| 1030. | REWE Selcuk Sallabas oHG, Eschborn                  | Germany | 20.0              | 20.0              |
| 1031. | REWE Semai Akale oHG, Mainz                         | Germany | 20.0              | -                 |
| 1032. | REWE Sercan Övüc oHG, Bad Salzdetfurth              | Germany | 20.0              | 20.0              |
| 1033. | REWE Serdar Kayacan oHG, Munich                     | Germany | 20.0              | -                 |
| 1034. | REWE Serkan Ergül oHG, Hargesheim                   | Germany | 20.0              | 20.0              |
| 1035. | REWE Sevdaim Terzija oHG, Munich                    | Germany | 20.0              | 20.0              |
| 1036. | REWE Sievering OHG, Plochingen                      | Germany | 20.0              | 20.0              |
| 1037. | REWE Sigrun Ulrich oHG, Schlossvippach              | Germany | 20.0              | 20.0              |
| 1038. | REWE Silke Hürten oHG, Cologne                      | Germany | 20.0              | 20.0              |
| 1039. | REWE Silke Ullrich oHG, Leipzig                     | Germany | 20.0              | 20.0              |
| 1040. | REWE Simone Dietzler oHG, Lahnstein                 | Germany | 20.0              | 20.0              |
| 1041. | REWE Simone Lehmann oHG, Berlin-Charlottenburg      | Germany | 20.0              | 20.0              |
| 1042. | REWE Simone Nieß oHG, Schönebeck (Elbe)             | Germany | 20.0              | 20.0              |
| 1043. | REWE Simon Kashanna oHG, Memmingen                  | Germany | 20.0              | 20.0              |
| 1044. | REWE Skowronnek OHG, Cologne                        | Germany | 20.0              | 20.0              |
| 1045. | REWE S. Krämer OHG, Düsseldorf                      | Germany | 20.0              | 20.0              |
| 1046. | REWE Smajli OHG, Mössingen                          | Germany | 20.0              | 20.0              |
| 1047. | REWE Sommer oHG, Magdeburg                          | Germany | 20.0              | 20.0              |
| 1048. | REWE Sophie Kluwe oHG, Trebbin                      | Germany | 20.0              | 20.0              |
| 1049. | REWE Sören Prokop oHG, Beverungen                   | Germany | 20.0              | 20.0              |
| 1050. | REWE Sören Schmidt oHG, Jork                        | Germany | 20.0              | 20.0              |
| 1051. | REWE Spodat oHG, Stadtkyll                          | Germany | 20.0              | 20.0              |
| 1052. | REWE Spreen oHG, Bremen                             | Germany | 20.0              | 20.0              |
| 1053. | REWE Stanistic OHG, Freising                        | Germany | 20.0              | 20.0              |
| 1054. | REWE Stanislawski & Laas GmbH & Co. oHG, Hamburg    | Germany | 20.0              | 20.0              |
| 1055. | REWE Stefan Fritz oHG, Böblingen                    | Germany | 20.0              | 20.0              |
| 1056. | REWE Stefan Guggenmos oHG, Neuburg                  | Germany | 20.0              | 20.0              |
| 1057. | REWE Stefanie Voigt oHG, Brandenburg an der Havel   | Germany | 20.0              | 20.0              |
| 1058. | REWE Stefan Klotz oHG, Marktbreit                   | Germany | 20.0              | 20.0              |
| 1059. | REWE Stefan Lamke oHG, Dresden                      | Germany | 20.0              | -                 |
| 1060. | REWE Stefan Link oHG, Munich                        | Germany | 20.0              | 20.0              |
| 1061. | REWE Stefan Miggisch oHG, Waldkirchen               | Germany | 20.0              | 20.0              |
| 1062. | REWE Stefan Riedl oHG, Freyung                      | Germany | 20.0              | 20.0              |
| 1063. | REWE Stefan Rösch oHG, Glauburg                     | Germany | 20.0              | 20.0              |
| 1064. | REWE Stefan Sachsenweger oHG, Leipzig               | Germany | 20.0              | -                 |
| 1065. | REWE Stefan Schneider oHG, Gera                     | Germany | 20.0              | 20.0              |
| 1066. | REWE Stefan Strube oHG, Ludwigsau                   | Germany | 20.0              | 20.0              |
| 1067. | REWE Stefan Weber oHG, Bad Homburg v.d.H.           | Germany | 20.0              | 20.0              |
| 1068. | REWE Stefan Weinrowsky oHG, Drochtersen             | Germany | 20.0              | 20.0              |
| 1069. | REWE Stefan Woye oHG, Nauen                         | Germany | 20.0              | 20.0              |
| 1070. | REWE Steffen Krickow oHG, Ottersberg                | Germany | 20.0              | 20.0              |
| 1071. | REWE Steffi Trinkl oHG, Stadtroda                   | Germany | 20.0              | 20.0              |
| 1072. | REWE Steininger OHG, Wassenberg                     | Germany | 20.0              | 20.0              |
| 1073. | REWE Stenger OHG, Bornheim                          | Germany | 20.0              | 20.0              |
| 1074. | REWE Stephan Dathe oHG, Weimar                      | Germany | 20.0              | 20.0              |
| 1075. | REWE Stephan Hilmes oHG, Hausham                    | Germany | 20.0              | 20.0              |
| 1076. | REWE Stephanie Güntner oHG, Stuttgart               | Germany | 20.0              | 20.0              |
| 1077. | REWE Stephan Kansy oHG, Winkelhaid                  | Germany | 20.0              | 20.0              |
| 1078. | REWE Stephan Matthies oHG, Lütjenburg               | Germany | 20.0              | 20.0              |
| 1079. | REWE Stephan Nadler oHG, Meckenbeuren               | Germany | 20.0              | 20.0              |
| 1080. | REWE Stephan Nowak oHG, Denkendorf                  | Germany | 20.0              | -                 |



| No.   | Company name and registered office         | Country | Percentage share  |                   |
|-------|--|---------|-------------------|-------------------|
|       |  |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 1081. | REWE Steven Neumann oHG, Bremen            | Germany | 20.0              | 20.0              |
| 1082. | REWE Stockhausen OHG, Erkrath              | Germany | 20.0              | 20.0              |
| 1083. | REWE Ströhmann oHG, Sulzfeld               | Germany | 20.0              | 20.0              |
| 1084. | REWE Strud OHG, Weilerswist                | Germany | 20.0              | 20.0              |
| 1085. | REWE Stücken OHG, Brüggen                  | Germany | 20.0              | 20.0              |
| 1086. | REWE-Supermarkt Goffart oHG, Eschweiler    | Germany | 20.0              | 20.0              |
| 1087. | REWE-Supermarkt Grundhöfer OHG, Elsdorf    | Germany | 20.0              | 20.0              |
| 1088. | REWE-Supermarkt Hamacher OHG, Bornheim     | Germany | 20.0              | 20.0              |
| 1089. | REWE-Supermarkt Hannen OHG, Geilenkirchen  | Germany | 20.0              | 20.0              |
| 1090. | REWE Supermarkt Rippers OHG, Grevenbroich  | Germany | 20.0              | 20.0              |
| 1091. | REWE-Supermarkt Steffens OHG, Erkelenz     | Germany | 20.0              | 20.0              |
| 1092. | REWE Susan Geißler oHG, Neuhaus a. Rennweg | Germany | 20.0              | 20.0              |
| 1093. | REWE Susann Daubitz oHG, Kemnath           | Germany | 20.0              | 20.0              |
| 1094. | REWE Susanne Bitterlich oHG, Walzbachtal   | Germany | 20.0              | -                 |
| 1095. | REWE Susanne Krainhöfner oHG, Naumburg     | Germany | 20.0              | 20.0              |
| 1096. | REWE Susann Gaspar oHG, Heringen           | Germany | 20.0              | 20.0              |
| 1097. | REWE Susann Hoßfeld oHG, Berka/Werra       | Germany | 20.0              | 20.0              |
| 1098. | REWE Susan Tscheschlog oHG, Schildow       | Germany | 20.0              | 20.0              |
| 1099. | REWE Sven Hornung oHG, Bünde               | Germany | 20.0              | 20.0              |
| 1100. | REWE Sven Kubus oHG, Aschheim-Dornach      | Germany | 20.0              | 20.0              |
| 1101. | REWE Sven Pilaske oHG, Potsdam             | Germany | 20.0              | 20.0              |
| 1102. | REWE Sven Sprenger oHG, Düsseldorf         | Germany | 20.0              | 20.0              |
| 1103. | REWE Sven Thietz oHG, Neu-Ulm              | Germany | 20.0              | 20.0              |
| 1104. | REWE Swen Passinger oHG, Günzburg          | Germany | 20.0              | -                 |
| 1105. | REWE Tanja Schiller oHG, Gefrees           | Germany | 20.0              | 20.0              |
| 1106. | REWE Tarek Anbari oHG, Altlußheim          | Germany | 20.0              | 20.0              |
| 1107. | REWE Tetzlaff OHG, Neustadt                | Germany | 20.0              | 20.0              |
| 1108. | REWE Theis GmbH & Co.KG, Wissen            | Germany | 44.4              | 44.4              |
| 1109. | REWE Thieme OHG, Frechen                   | Germany | 20.0              | 20.0              |
| 1110. | REWE Thieß Passon oHG, Ahrensburg          | Germany | 20.0              | -                 |
| 1111. | REWE Thilo Zorbach oHG, Nierstein          | Germany | 20.0              | 20.0              |
| 1112. | REWE Thomas Dau oHG, Mengen                | Germany | 20.0              | 20.0              |
| 1113. | REWE Thomas Frey oHG, Walldüren            | Germany | 20.0              | 20.0              |
| 1114. | REWE Thomas Kessler oHG, Gladenbach        | Germany | 20.0              | 20.0              |
| 1115. | REWE Thomas Lutz oHG, Dusslingen           | Germany | 20.0              | 20.0              |
| 1116. | REWE Thomas Narzynski OHG, Nettetal        | Germany | 20.0              | 20.0              |
| 1117. | REWE Thomas Schwenger oHG, Mainz           | Germany | 20.0              | 20.0              |
| 1118. | REWE Thomas Stahler oHG, Würzburg          | Germany | 20.0              | -                 |
| 1119. | REWE Thomas Viering oHG, Mannheim          | Germany | 20.0              | 20.0              |
| 1120. | REWE Thomas Vorhauer oHG, Ottobeuren       | Germany | 20.0              | 20.0              |
| 1121. | REWE Thomas Wolf oHG, Michelau             | Germany | 20.0              | 20.0              |
| 1122. | REWE Thorsten Jahn oHG, Bad Orb            | Germany | 20.0              | 20.0              |
| 1123. | REWE Thorsten Krause oHG, Barsinghausen    | Germany | 20.0              | 20.0              |
| 1124. | REWE Thorsten Marcordes oHG, Twistringen   | Germany | 20.0              | 20.0              |
| 1125. | REWE Thorsten Mölders oHG, Donzdorf        | Germany | 20.0              | 20.0              |
| 1126. | REWE Tim Hauspurg oHG, Wutha-Farnroda      | Germany | 20.0              | 20.0              |
| 1127. | REWE Tim Metlagel oHG, Limburg             | Germany | 20.0              | -                 |
| 1128. | REWE Tim Michalik oHG, Illertissen         | Germany | 20.0              | 20.0              |
| 1129. | REWE Tim Mohr oHG, Rotenburg               | Germany | 20.0              | 20.0              |
| 1130. | REWE Timo Pick oHG, Kell am See            | Germany | 20.0              | -                 |
| 1131. | REWE Tim Schirra oHG, Trier                | Germany | 20.0              | -                 |
| 1132. | REWE Tina Goebel oHG, Hessisch Lichtenau   | Germany | 20.0              | 20.0              |
| 1133. | REWE Tino Dinter oHG, Feldkirchen          | Germany | 20.0              | 20.0              |

| No.   | Company name and registered office          | Country | Percentage share  |                   |
|-------|---|---------|-------------------|-------------------|
|       |   |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 1134. | REWE Tino Geiling oHG, Düsseldorf           | Germany | 20.0              | 20.0              |
| 1135. | REWE Tino Reitmann oHG, Bernburg            | Germany | 20.0              | 20.0              |
| 1136. | REWE Tino Uhlstein oHG, Jena                | Germany | 20.0              | 20.0              |
| 1137. | REWE Tipit OHG, Leingarten                  | Germany | 20.0              | 20.0              |
| 1138. | REWE Tobias Buchner oHG, Landshut           | Germany | 20.0              | -                 |
| 1139. | REWE Tobias Faustmann oHG, Volkmarsen       | Germany | 20.0              | 20.0              |
| 1140. | REWE Tobias Kurbjuhn oHG, Bayreuth          | Germany | 20.0              | 20.0              |
| 1141. | REWE Tobias Mück oHG, Regenstauf            | Germany | 20.0              | 20.0              |
| 1142. | REWE Tobias Nölker oHG, Puchheim            | Germany | 20.0              | 20.0              |
| 1143. | REWE Tobias Popp oHG, Heubach               | Germany | 20.0              | 20.0              |
| 1144. | REWE Tobias Schwarz oHG, Stegaurach         | Germany | 20.0              | 20.0              |
| 1145. | REWE Tolksdorf oHG, Ulm                     | Germany | 20.0              | 20.0              |
| 1146. | REWE Toni Zach oHG, Potsdam                 | Germany | 20.0              | 20.0              |
| 1147. | REWE Tönnies OHG, Odenthal                  | Germany | 20.0              | 20.0              |
| 1148. | REWE Torben Osterode oHG, Lensahn           | Germany | 20.0              | 20.0              |
| 1149. | REWE Torsten Meyer oHG, Sulingen            | Germany | 20.0              | 20.0              |
| 1150. | REWE Torsten Stützer oHG, Magdeburg         | Germany | 20.0              | 20.0              |
| 1151. | REWE Uhrich OHG, Osterhofen                 | Germany | 20.0              | 20.0              |
| 1152. | REWE Ulrich Pebler oHG, Nassau              | Germany | 20.0              | 20.0              |
| 1153. | REWE Ulrike Igler oHG, Sonneberg            | Germany | 20.0              | 20.0              |
| 1154. | REWE Umut Ayaz oHG, Dornburg-Frickofen      | Germany | 20.0              | 20.0              |
| 1155. | REWE Ünal Eyüboğlu oHG, Simmern             | Germany | 20.0              | -                 |
| 1156. | REWE Uta Möller oHG, Noervenich             | Germany | 20.0              | 20.0              |
| 1157. | REWE Ute Kaufhold oHG, Sollstedt            | Germany | 20.0              | 20.0              |
| 1158. | REWE Ute Podschun oHG, Kranichfeld          | Germany | 20.0              | 20.0              |
| 1159. | REWE Utsch oHG, Cologne                     | Germany | 20.0              | 20.0              |
| 1160. | REWE Uwe Angl oHG, Füssen                   | Germany | 20.0              | 20.0              |
| 1161. | REWE Uwe Höhl oHG, Lugau                    | Germany | 20.0              | 20.0              |
| 1162. | REWE Uwe Lang oHG, Stühlingen               | Germany | 20.0              | 20.0              |
| 1163. | REWE Uwe Reisch oHG, Bad Abbach             | Germany | 20.0              | 20.0              |
| 1164. | REWE Uwe Schneider oHG, Heidenrod-Kemel     | Germany | 20.0              | 20.0              |
| 1165. | REWE Uwe Steidel oHG, Nittendorf            | Germany | 20.0              | -                 |
| 1166. | REWE Uwe Ströbel oHG, Heilbronn             | Germany | 20.0              | 20.0              |
| 1167. | REWE van Bürck oHG, Dinkelsbühl             | Germany | 20.0              | 20.0              |
| 1168. | REWE Veronika Stüwe oHG, Heidenau           | Germany | 20.0              | 20.0              |
| 1169. | REWE Viehmann OHG, Kassel                   | Germany | 20.0              | 20.0              |
| 1170. | REWE Viet Nguyen Duc oHG, Berlin            | Germany | 20.0              | -                 |
| 1171. | REWE Viktor Adler oHG, Osterholz-Scharmbeck | Germany | 20.0              | 20.0              |
| 1172. | REWE Viktor Likej oHG, Hainburg             | Germany | 20.0              | 20.0              |
| 1173. | REWE Vitali Wenzel oHG, Hilter              | Germany | 20.0              | 20.0              |
| 1174. | REWE Volker Jonuscheit oHG, Gifhorn         | Germany | 20.0              | 20.0              |
| 1175. | REWE Volker Weiß oHG, Wittstock             | Germany | 20.0              | 20.0              |
| 1176. | REWE Vuthaj OHG, Ilvesheim                  | Germany | 20.0              | 20.0              |
| 1177. | REWE Waldmann oHG, Stuttgart                | Germany | 20.0              | 20.0              |
| 1178. | REWE Weber OHG, Hohenlinden                 | Germany | 20.0              | 20.0              |
| 1179. | REWE Weber OHG, Münsingen                   | Germany | 20.0              | 20.0              |
| 1180. | REWE Weimper OHG, Weissenhorn               | Germany | 20.0              | 20.0              |
| 1181. | REWE Weller OHG, Bad Hönningen              | Germany | 20.0              | 20.0              |
| 1182. | REWE Wendt oHG, Leezen                      | Germany | 20.0              | 20.0              |
| 1183. | REWE Werner Burkhardt oHG, St. Georgen      | Germany | 20.0              | 20.0              |
| 1184. | REWE Wilbur OHG, Weikersheim                | Germany | 20.0              | 20.0              |
| 1185. | REWE Willi Schäfer oHG, Mönchengladbach     | Germany | 20.0              | 20.0              |
| 1186. | REWE Windl OHG, Urbach                      | Germany | 20.0              | 20.0              |

| No.   | Company name and registered office   | Country | Percentage share  |                   |
|-------|--|---------|-------------------|-------------------|
|       |  |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 1187. | REWE Wintgens OHG, Bergisch Gladbach   | Germany | 20.0              | 20.0              |
| 1188. | REWE Wladimir Pojanow oHG, Trier   | Germany | 20.0              | 20.0              |
| 1189. | REWE Wolfgang Leuzinger oHG, Eggenfelden   | Germany | 20.0              | 20.0              |
| 1190. | REWE Wüst OHG, Regen   | Germany | 20.0              | 20.0              |
| 1191. | REWE Xhevat Nrecaj oHG, Munich   | Germany | 20.0              | 20.0              |
| 1192. | REWE Yama Akbary oHG, Mainz  | Germany | 20.0              | 20.0              |
| 1193. | REWE Yanneck Bliesmer oHG, Schenefeld  | Germany | 20.0              | -                 |
| 1194. | REWE Yasar Yavuz oHG, Stadthagen   | Germany | 20.0              | 20.0              |
| 1195. | REWE Yassine Fakhouri oHG, Düsseldorf  | Germany | 20.0              | 20.0              |
| 1196. | REWE Yilmaz Tezcanli oHG, Kelheim  | Germany | 20.0              | 20.0              |
| 1197. | REWE Yunus Cifci oHG, Hanau  | Germany | 20.0              | 20.0              |
| 1198. | REWE Zec oHG, Altshausen   | Germany | 20.0              | 20.0              |
| 1199. | REWE Zielke oHG, Tönisvorst  | Germany | 20.0              | 20.0              |
| 1200. | R-Kauf Alois Völler GmbH & Co. KG, Hellenthal                                    | Germany | 50.0              | 50.0              |
| 1201. | R - Kauf - Märkte Gesellschaft mit beschränkter Haftung & Co.KG, Oestrich-Winkel | Germany | 50.0              | 50.0              |
| 1202. | R-Kauf Märkte GmbH & Co. KG, Gebhardshain  | Germany | 20.0              | 20.0              |
| 1203. | Sutterlüty Handels GmbH, Egg   | Austria | 24.9              | 24.9              |
| 1204. | toom Baumarkt Albert Soltziem OHG, Fürstenberg                                   | Germany | 20.0              | 20.0              |
| 1205. | toom Baumarkt Burglengenfeld GmbH & Co. OHG, Burglengenfeld                      | Germany | 20.0              | 20.0              |
| 1206. | toom Baumarkt Christian Kastner OHG, Öhringen                                    | Germany | 20.0              | 20.0              |
| 1207. | toom Baumarkt Christoph Sugg OHG, Schorndorf                                     | Germany | 20.0              | 20.0              |
| 1208. | toom Baumarkt Claus Stögbauer OHG, Bad Mergentheim                               | Germany | 20.0              | 20.0              |
| 1209. | toom Baumarkt Detlef Peter OHG, Weisswasser                                      | Germany | 20.0              | 20.0              |
| 1210. | toom Baumarkt Dirk Braatz OHG, Spremberg   | Germany | 20.0              | 20.0              |
| 1211. | toom Baumarkt Dirk Laske OHG, Anklam   | Germany | 20.0              | 20.0              |
| 1212. | toom Baumarkt Felix Heyer oHG, Wismar  | Germany | 20.0              | 20.0              |
| 1213. | toom Baumarkt Frank Mast OHG, Schleswig  | Germany | 20.0              | 20.0              |
| 1214. | toom Baumarkt Fürstenwalde GmbH & Co. OHG, Fürstenwalde/Spree                    | Germany | 20.0              | 20.0              |
| 1215. | toom Baumarkt Geesthacht GmbH & Co. OHG, Geesthacht                              | Germany | 20.0              | 20.0              |
| 1216. | toom Baumarkt Hartmut Trocha oHG, Brandenburg an der Havel                       | Germany | 20.0              | 20.0              |
| 1217. | toom Baumarkt Hendrik Papenroth OHG, Jüterbog                                    | Germany | 20.0              | 20.0              |
| 1218. | toom Baumarkt Hoyerswerda GmbH & Co. oHG, Hoyerswerda                            | Germany | 20.0              | 20.0              |
| 1219. | toom Baumarkt Iris Pschan OHG, Magdeburg   | Germany | 20.0              | 20.0              |
| 1220. | toom Baumarkt Jens Heimann oHG, Ehingen Donau                                    | Germany | 20.0              | 20.0              |
| 1221. | toom Baumarkt Karsten Krüger OHG, Bergen auf Rügen                               | Germany | 20.0              | 20.0              |
| 1222. | toom Baumarkt Maik Krüger OHG, Ribnitz-Damgarten                                 | Germany | 20.0              | 20.0              |
| 1223. | toom Baumarkt Marco Sicuro OHG, Stuttgart  | Germany | 20.0              | 20.0              |
| 1224. | toom Baumarkt Martin Düwell OHG, Remagen   | Germany | 20.0              | 20.0              |
| 1225. | toom Baumarkt Martin Skerwiderski oHG, Bernau bei Berlin                         | Germany | 20.0              | 20.0              |
| 1226. | toom Baumarkt Michael Hauth oHG, Bernkastel-Kues                                 | Germany | 20.0              | 20.0              |
| 1227. | toom Baumarkt Michael Thies OHG, Norden  | Germany | 20.0              | 20.0              |
| 1228. | toom Baumarkt Michelstadt GmbH & Co. OHG, Michelstadt                            | Germany | 20.0              | 20.0              |
| 1229. | toom Baumarkt Mike Helbig OHG, Radeberg  | Germany | 20.0              | 20.0              |
| 1230. | toom Baumarkt Mike Melzer OHG, Marienberg  | Germany | 20.0              | 20.0              |
| 1231. | toom Baumarkt Mirko Lessing OHG, Freital   | Germany | 20.0              | 20.0              |
| 1232. | toom Baumarkt Mirko Pschan OHG, Fürstenwalde                                     | Germany | 20.0              | 20.0              |
| 1233. | toom Baumarkt Öhringen GmbH & Co. OHG, Öhringen                                  | Germany | 20.0              | 20.0              |
| 1234. | toom Baumarkt Olaf de Waal OHG, Duisburg   | Germany | 20.0              | 20.0              |
| 1235. | toom Baumarkt Stefan Kampen oHG, Naumburg  | Germany | 20.0              | 20.0              |
| 1236. | toom Baumarkt Thomas Baran OHG, Ludwigslust                                      | Germany | 20.0              | 20.0              |
| 1237. | toom Baumarkt Thomas Mai OHG, Bad Saulgau  | Germany | 20.0              | 20.0              |
| 1238. | toom Baumarkt Tobias Bender OHG, Gelsenkirchen                                   | Germany | 20.0              | 20.0              |
| 1239. | toom Baumarkt Torsten Melzer OHG, Meißen   | Germany | 20.0              | 20.0              |

| No.   | Company name and registered office                       | Country | Percentage share  |                   |
|-------|--|---------|-------------------|-------------------|
|       |  |         | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 1240. | toom Baumarkt Ute Helbig OHG, Senftenberg                | Germany | 19.9              | 19.9              |
| 1241. | toom Baumarkt Werner Schlosser OHG, Ratingen             | Germany | 20.0              | 20.0              |
| 1242. | toom BM D. Laske oHG, Anklam                             | Germany | 20.0              | -                 |
| 1243. | toom BM M. Ebel oHG, Michelstadt                         | Germany | 20.0              | -                 |
| 1244. | TourContact Reisebüro Cooperation GmbH & Co. KG, Cologne | Germany | 0.0               | 0.0 <sup>1</sup>  |
| 1245. | WASGAU Produktions & Handels AG, Pirmasens               | Germany | 14.8              | 14.8 <sup>1</sup> |

<sup>1</sup> Not included in accordance with the equity method due to immateriality

<sup>2</sup> In liquidation

## d) Non-consolidated Affiliates

| No. | Company name and registered office  | Country  | Percentage share  |                   |
|-----|---|----------|-------------------|-------------------|
|     |   |          | 31 Dec. 2018<br>% | 31 Dec. 2017<br>% |
| 1.  | akzenta Beteiligungs-GmbH, Wuppertal  | Germany  | 100.0             | 100.0             |
| 2.  | B-B-B Verwaltungs- und Vertriebsgesellschaft für Lebensmittel und Non- Food mit beschränkter Haftung, Cologne | Germany  | 100.0             | 100.0             |
| 3.  | DERTOUR France Hotellerie Holding SARL, Suresnes  | France   | 100.0             | 100.0             |
| 4.  | DER Touristik Hotels Bulgaria EOOD, Sofia   | Bulgaria | 100.0             | 100.0             |
| 5.  | fd Großeinkauf Aktiengesellschaft Fleisch- und Lebensmittelgroßhandel, Cologne                                | Germany  | 99.9              | 99.9 <sup>1</sup> |
| 6.  | GFI-Gesellschaft für Industriebedarf mbH, Hürth   | Germany  | 100.0             | 100.0             |
| 7.  | GIM Betriebs- und Beteiligungsgesellschaft mbH, Cologne   | Germany  | 100.0             | 100.0             |
| 8.  | INSEL IMMOBILIENMANAGEMENT- UND INVESTMENTBERATUNGSGESELLSCHAFT MBH, Cologne                                  | Germany  | 100.0             | 100.0             |
| 9.  | LoMa III Aktiengesellschaft, Cologne  | Germany  | 100.0             | 100.0             |
| 10. | REWE Dorsten Händelstraße GmbH & Co. Einzelhandels KG, Dorsten  | Germany  | 100.0             | 100.0             |
| 11. | REWE Dortmund Alte Märsch GmbH & Co. Einzelhandels KG, Dortmund   | Germany  | 100.0             | 100.0             |
| 12. | REWE Dortmund Aplerbeck GmbH & Co. Einzelhandels KG, Dortmund   | Germany  | 100.0             | 100.0             |
| 13. | REWE Dortmund Borsigstraße GmbH & Co. Einzelhandels KG, Dortmund  | Germany  | 100.0             | 100.0             |
| 14. | REWE Dortmund Westenhellweg GmbH & Co. Einzelhandels KG, Dortmund   | Germany  | 100.0             | 100.0             |
| 15. | REWE Dortmund Wickeder Hellweg GmbH & Co. Einzelhandels KG, Dortmund  | Germany  | 100.0             | 100.0             |
| 16. | REWE Duisburg Eschenstraße GmbH & Co. Einzelhandels KG, Duisburg  | Germany  | 100.0             | 100.0             |
| 17. | REWE Duisburg Hamborn GmbH & Co. Einzelhandels KG, Duisburg   | Germany  | 100.0             | 100.0             |
| 18. | REWE Duisburg Sternbuschweg GmbH & Co. Einzelhandels KG, Duisburg   | Germany  | 100.0             | 100.0             |
| 19. | REWE Essen Karnap GmbH & Co. Einzelhandels KG, Essen  | Germany  | 100.0             | 100.0             |
| 20. | REWE Essen Limbecker Platz GmbH & Co. Einzelhandels KG, Essen   | Germany  | 100.0             | 100.0             |
| 21. | REWE-FÜR SIE Getränkevermarktungs- und Einkaufsgesellschaft mbH, Cologne                                      | Germany  | 51.0              | 51.0              |
| 22. | REWE Gelsenkirchen-Ückendorf GmbH & Co. Einzelhandels KG, Gelsenkirchen                                       | Germany  | 100.0             | 100.0             |
| 23. | REWE-Handelsgesellschaft Rhein-Schwarzwald mit beschränkter Haftung, Cologne                                  | Germany  | 100.0             | 100.0             |
| 24. | REWE Herne Hauptstraße GmbH & Co. Einzelhandels KG, Herne   | Germany  | 100.0             | 100.0             |
| 25. | REWE Hünxe am Marktplatz GmbH & Co. Einzelhandels KG, Hünxe   | Germany  | 100.0             | 100.0             |
| 26. | REWE IBERIA S.L., Barcelona   | Spain    | 100.0             | 100.0             |
| 27. | REWE Kamen Lünener Straße GmbH & Co. Einzelhandels KG, Kamen  | Germany  | 100.0             | 100.0             |
| 28. | REWE Kamen Neue Mitte GmbH & Co. Einzelhandels KG, Kamen  | Germany  | 100.0             | 100.0             |
| 29. | REWE Moers Repelen GmbH & Co. Einzelhandels KG, Moers   | Germany  | 100.0             | 100.0             |
| 30. | REWE Moers Uerdinger Straße GmbH & Co. Einzelhandels KG, Moers  | Germany  | 100.0             | 100.0             |
| 31. | REWE Mülheim Winkhausen GmbH & Co. Einzelhandels KG, Mülheim an der Ruhr                                      | Germany  | 100.0             | 100.0             |
| 32. | REWENTA Immobilien Verwaltung GmbH & Co. Fonds 7 KG, Cologne  | Germany  | 81.1              | 81.1              |
| 33. | REWE Recklinghausen Bochumer Straße GmbH & Co. Einzelhandels KG, Recklinghausen                               | Germany  | 100.0             | 100.0             |
| 34. | REWE Schwelm GmbH & Co. Einzelhandels KG, Schwelm   | Germany  | 100.0             | 100.0             |
| 35. | REWE Stukenbrock GmbH & Co. Einzelhandels KG, Schloß Holte-Stukenbrock  | Germany  | 100.0             | 100.0             |
| 36. | REWE Südlohn-Oeding Einzelhandels KG, Südlohn   | Germany  | 100.0             | 100.0             |
| 37. | REWE Warstein-Belecke GmbH & Co. Einzelhandels KG, Warstein   | Germany  | 100.0             | 100.0             |
| 38. | Société de Gestion de l'Hôtel Yati Beach S.a.r.l., Djerba   | Tunisia  | 98.0              | 98.0              |

<sup>1</sup> In liquidation

## INDEPENDENT AUDITOR'S REPORT

To REWE-ZENTRALFINANZ eG, Cologne, and REWE - Zentral-Aktiengesellschaft, Cologne

### *Audit Opinions*

We have audited the Combined Financial Statements of REWE-ZENTRALFINANZ eG, Cologne, and REWE - Zentral-Aktiengesellschaft, Cologne, which comprise the combined income statement, the combined statement of comprehensive income, the combined balance sheet as at December 31, 2018, the combined cash flow statement and the combined statement of changes in equity for the financial year from January 1 to December 31, 2018, and the notes to the Combined Financial Statements, including a summary of significant accounting policies for the group of consolidated companies listed in note 3 "Consolidation" of the notes to the Combined Financial Statements (the REWE Group). In addition, we have audited the Combined Management Report of the REWE Group for the financial year from January 1 to December 31, 2018.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying Combined Financial Statements comply, in all material respects, with the IFRSs as adopted by the EU and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the REWE Group as at December 31, 2018, and of its financial performance for the financial year from January 1 to December 31, 2018, and
- the accompanying Combined Management Report as a whole provides an appropriate view of the REWE Group's position. In all material respects, this Combined Management Report is consistent with the Combined Financial Statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the Combined Financial Statements and of the Combined Management Report.

### *Basis for the Audit Opinions*

We conducted our audit of the Combined Financial Statements and of the Combined Management Report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Combined Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities included in the Combined Financial Statements in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the Combined Financial Statements and on the Combined Management Report.

### *Reference to another matter*

We refer to the statements made by the executive directors in section 1 "Basic Principles" of the notes to the Combined Financial Statements and the section entitled "Group Structure" of the Combined Management Report, which present that the REWE Group comprises two independent combines with REWE-ZENTRALFINANZ eG, Cologne, (RZF) and REWE - Zentral-Aktiengesellschaft, Cologne, (RZAG) as the respective parent companies. The consolidated financial statements and group management reports of these two corporate groups as at December 31, 2018 have been combined on a voluntary basis into a single set of financial statements ("Combined Financial Statements") and management report ("Combined Management Report"). To that extent, the Combined Financial Statements and the Combined Management Report relate to the REWE Group as a whole and not to the individual combines with their respective parent entities and subsidiaries.

This does not affect our audit opinions on the Combined Financial Statements and the Combined Management Report.

### *Other Information*

The executive directors of REWE-ZENTRALFINANZ eG and REWE - Zentral-Aktiengesellschaft are jointly responsible for the other information.

The other information comprises further the remaining parts of the annual report obtained by us prior to the date of this audit opinion – excluding cross-references to external information – with the exception of the audited Combined Financial Statements, the audited Combined Management Report and our auditor's report.

Our audit opinions on the Combined Financial Statements and on the Combined Management Report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the Combined Financial Statements, with the Combined Management Report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

### *Responsibilities of the Executive Directors for the Combined Financial Statements and the Combined Management Report*

The executive directors of REWE-ZENTRALFINANZ eG and REWE - Zentral-Aktiengesellschaft are jointly responsible for the preparation of the Combined Financial Statements that comply, in all material respects, with IFRSs as adopted by the EU and that the Combined Financial Statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the REWE Group. In addition the executive directors of REWE-ZENTRALFINANZ eG and REWE - Zentral-Aktiengesellschaft are jointly responsible for such internal control as they have determined necessary to enable the

preparation of Combined Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Combined Financial Statements, the executive directors of REWE-ZENTRALFINANZ eG and REWE - Zentral-Aktiengesellschaft are jointly responsible for assessing the REWE Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the REWE Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors of REWE-ZENTRALFINANZ eG and REWE - Zentral-Aktiengesellschaft are jointly responsible for the preparation of the management report that as a whole provides an appropriate view of the REWE Group's position and is, in all material respects, consistent with the Combined Financial Statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors of REWE-ZENTRALFINANZ eG and REWE - Zentral-Aktiengesellschaft are jointly responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Combined Management Report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Combined Management Report.



*Auditor's Responsibilities for the Audit of the Combined Financial Statements and of the Combined Management Report*

Our objectives are to obtain reasonable assurance about whether the Combined Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Combined Management Report as a whole provides an appropriate view of the REWE Group's position and, in all material respects, is consistent with the Combined Financial Statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the Combined Financial Statements and on the Combined Management Report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Combined Financial Statements and this Combined Management Report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Combined Financial Statements and of the Combined Management Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the Combined Financial Statements and of arrangements and measures (systems) relevant to the audit of the Combined Management Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used jointly by the executive directors of REWE-ZENTRALFINANZ eG and REWE - Zentral-Aktiengesellschaft and the reasonableness of estimates made jointly by the executive directors of REWE-ZENTRALFINANZ eG and REWE - Zentral-Aktiengesellschaft and related disclosures.
- Conclude on the appropriateness of the executive directors of REWE-ZENTRALFINANZ eG and REWE - Zentral-Aktiengesellschaft use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the REWE Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Combined Financial Statements and in the Combined Management Report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the REWE Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Combined Financial Statements, including the disclosures, and whether the Combined Financial Statements present the underlying transactions and events in a manner that the Combined Financial Statements give a true and fair view of the assets, liabilities, financial position and financial performance of the REWE Group in compliance with IFRSs as adopted by the EU.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the REWE Group to express audit opinions on the Combined Financial Statements and on the Combined Management Report. We are responsible for the direction, supervision and performance of the audit of the REWE Group. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the Combined Management Report with the Combined Financial Statements, its conformity with German law, and the view of the REWE Group's position it provides.
- Perform audit procedures on the prospective information presented jointly by the executive directors of REWE-ZENTRALFINANZ eG and REWE - Zentral-Aktiengesellschaft in the Combined Management Report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used jointly by the executive directors of REWE-ZENTRALFINANZ eG and REWE - Zentral-Aktiengesellschaft as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Cologne, 7 May 2019

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Jörg Sechser  
Wirtschaftsprüfer  
(German Public Auditor)

Matthias Kirschke  
Wirtschaftsprüfer  
(German Public Auditor)