Interim Financial report

Period 1 January 2010 – 30 June 2010

Celesio Finance B.V.

Amsterdam

Contents

Annual report of the directors

The board of Directors are pleased to present the interim report and financial statements of the Company for the period January 1 to June 30, 2010.

The interim financial statements for the 6 months period ending 30 June 2010 have been reviewed.

Overview of Activities
Celesio Finance was founded in July 2003 and is responsible for the mid to long-term financing of Celesio Group companies via the issue of Inter-company loans. Celesio Finance is refinanced via long-term multi-currency bank loans, bonds, promissory notes, and inter-company loans.

On 16 April 2010 Celesio Finance issued a 500 Mio, 4,5% fixed rate Euro bond with a term of 7 years listed on the Luxembourg Stock Exchange. The bond was a success with a substantially oversubscription compared to the initial allotment. The issue of this bond, which was the second capital market transaction for Celesio Finance in the last 12 months, has further helped Celesio Finance to diversify its financing portfolio by reducing its bank liabilities in favour of capital market financing and has also helped further optimize its maturity profile.

Due to the requirements in relation to the new listed bond Celesio Finance now prepares interim financial reports.

In March 2010, Celesio Finance repaid 16.9 Mio GBP on the 6 year second Promissory Note issued in March 2004 which is now fully repaid. In June, Celesio Finance made an early repayment of 60 Mio GBP on the variable interest part of the fourth Promissory Note issued in December 2005. In June, Celesio Finance also made an early repayment of 25 Mio GBP on the Promissory Note issued in December 2009.

Apart from its financing activities Celesio Finance has successfully implemented SAP as its new accounting and treasury software.

Audit Committee
Due to the issue of the listed bond Celesio Finance B.V. is now classified as a public-interest entity (Organisatie van Openbaar Belang). Based on the Dutch decree (*Besluit*) of 26 July 2008 in connection with the implementation of Article 41 of the European Directive of 17 May 2006 no. 2006/43/EC, each public-interest entity should have an audit committee.

However, Celesio Finance has opted for the possibility to make use of the parent company audit committee in compliance with the conditions within the decree.

Results
In the first 6 months of 2010 Celesio Finance realised a net result of 1,1 Mio EUR compared to 1,3 Mio EUR in 2009. The interest result remained on the same level, the decline in the net profit is the result of the cost for the preparation of the listed bond.

Risk Management
Risk management of the company is based on the policy that almost all interest liabilities and currency risks are hedged.

The exception is an intercompany loan with a fixed rate, which is funded by variable rate bond but which is sufficiently hedged by an interest rate cap. The new issued listed bond which has a fixed rate is on lent at variable rates. Fluctuations in the variable levels of market interest rates can effect the Company’s financial position and cashflow but is mitigated by the cost based transfer price model.

The credit risks are covered by a guarantee issued by Celesio AG.

Future Developments
The nature of the business activities have not significantly changed in 2010 and the company intends to continue its operations as an inter group finance company. No substantial changes are expected for the foreseeable future.

Rehousing
On 16 June Celesio AG and Phoenix Pharmahandel announced that they will merge their activities in the Dutch pharmaceutical market. Celesio AG will transfer its 100 per cent stake in Lloyds Nederland B.V. to Brocacef Holding N.V. In turn, Celesio AG receives a 45 per cent stake in the Brocacef Holding N.V., under whose umbrella Lloyds Nederland will be merged with Brocacef subsidiary Escura Apotheken B.V. The merger now needs to be approved, amongst others, by the anti-trust authorities.

Celesio Finance B.V. is sharing its office with Lloyds Apotheken B.V., Pending the approval of the anti-trust authorities , Celesio Finance B.V. will no longer share the office with Lloyds Apotheken B.V. but will be moving its office to a new location.

Responsibility Statement

The report contains the condensed company interim financial information for the six-month period ended 30 June 2010 of Celesio Finance B.V., Amsterdam, which comprises the condensed balance sheet as at 30 June 2010, the condensed profit and loss account, the condensed statement of changes in equity, the condensed cash flow statement and the related notes. The principles activities of the company are included in the annual report and Note 1.1.

The condensed company interim financial information does not include all the information and disclosures required in the annual financial statements and should be read on conjunction with the Company's Dutch GAAP financial statements for the year ended 31 December 2009.

To the best of our knowledge and in accordance with the applicable reporting standards for interim financial reporting, the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the interim director's report of the Company includes a fair review of the Information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act (Wet op de Financieel toezicht) including development and performance of the business and the position of the Company as of June 30, 2010, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Interim Financial statements for the period 1 January 2010 – 30 June 2010

Balance sheet as at 30 June 2010

(Before proposed appropriation of result)

	Notes		30 June 2010		31 December 2009
		x 1000 EUR	x 1000 EUR	x 1000 EUR	x 1000 EUR
Fixed assets					
Tangible fixed assets	5.1				
Machinery and equipment		3		3	
			3		3
Financial fixed assets	5.2				
Amounts due from group companies		1,797,494		1,573 ,323	
			1,797,494		1,573,323
Current assets					
Receivables					
Corporate tax		-		30	
Other receivables		-		-	
			-		30
Deferred Expenses	5.3		2,023		3,198
Cash at banks and in hand	5.4		18		14
Total assets			**1,799,538**		**1,576,568**

	Notes		30 June 2010		31 December 2009
		x 1000 EUR	x 1000 EUR	x 1000 EUR	x 1000 EUR
Shareholders' equity	5.5				
Paid-in and called-up share capital		2,000		2,000	
Profit for the period		1,081		2,901	
			3,081		4,901
Long-term liabilities	5.6				
Loans from credit institutions		263,200		451,433	
Other bond loans and private loans		1,164,963		702,610	
Convertible Bond		311,152		307,342	
			1,739,315		1,461,385
Current liabilities	5.7				
Loans from credit institutions		770		1,100	
Other bond loans and private loans		30,001		89,231	
Convertible bond coupon interest to be paid		8,809		2,301	
Payables to suppliers		2		28	
Payables to group companies		16,510		17,484	
Taxes and social security costs		7		8	
Other liabilities		1,043		130	
			57,142		110,282
Total equity and liabilities			**1,799,538**		**1,576,568**

Profit and loss account for the period 1 January 2010 – 30 June 2010

	Notes		1 January 2010 30 June 2010		1 January 2009 30 June 2009
		x 1000 EUR	x 1000 EUR	x 1000 EUR	x 1000 EUR
Interest income	6.1	31,256		27,819	
Interest expenses	6.2	29,316		25,929	
			1,940		1,890
Personnel and other operating costs:					
Wages and salaries	6.3	41		37	
Social security costs	6.3	7		7	
Other expenses	6.4	441		85	
			489		129
Result before taxation			1,451		1,761
Taxation on result	6.5		370		449
Net result			1,081		1,312

Cash Flow Statement for the period 1 January 2010 – 30 June 2010

	1 January 2010 - 30 June 2010	1 January 2009 - 30 June 2009
	x 1000 EUR	x 1000 EUR
Profit before tax	**1,451**	**1,761**
Fixed assets depreciation	0	0
Amortization finance fee	627	566
Cash flow	**2,078**	**2,327**
Changes in short-term liabilities and accruals	-88	-282
Income tax paid	-283	-169
Net cash flow from operations	**1,707**	**1,876**
Net cash flow from investment activities	**0**	**0**
Changes in short-term financing	-52,312	14,466
Dividends paid	-2,901	-689
Changes in financial fixed assets	-224,171	-69,777
Movement in long-term liabilities	285,364	54,456
Movement in intercompany funding	-798	-172
Fees paid	-6,885	-159
Net cash flow from financing activities	**-1,703**	**-1,875**
Net cash flow	**4**	**1**
Change in funds	**4**	**1**
Funds on 01/01	14	41
Funds on 30 June	**18**	**42**

Notes to the balance sheet and profit and loss account

1 General

1.1 Activities

Celesio Finance B.V. has been incorporated in 2003. The activities of Celesio Finance B.V. concern the financing of Group companies of Celesio AG, Stuttgart.

Celesio Finance B.V. is classified as a ‘Organisatie van Openbaar Belang (OOB) since the company issued a bond which is listed on the Regulated official market of the Luxembourg Stock Exchange as at 16 April 2010 (refer to section 5.6).

1.2 Group structure

Celesio Finance B.V. belongs to the Celesio AG group in Stuttgart, whose majority shareholder is Franz Haniel & Cie. GmbH, Duisburg. The annual and interim accounts of Celesio Finance B.V. are included in the consolidated annual and interim accounts of Celesio AG and Franz Haniel & Cie GmbH. Copies of the consolidated annual and interim accounts of Celesio AG are available via the group head office in Stuttgart. Copies of the consolidated annual and interim accounts of Franz Haniel & Cie. GmbH are available via the group head office in Duisburg.

1.3 Prior-year comparison

The accounting policies have been consistently applied to all the years presented.

1.4 Notes to the cash flow statement

The cash flow statement has been prepared applying the indirect method. The cash and cash equivalents in the cash flow statement comprise the balance sheet items cash at banks.

Cash flows in foreign currencies have been translated at the appropriate exchange rate. Dividends paid have been included in the cash flow from financing activities. Income tax paid and received are included in the cash flow from operation activities. Interest received and interest paid have been included in the cash flow from financing activities.

1.5 Related-party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the company are considered a related party. In addition, statutory directors and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required for to provide the true and fair view.

1.6 Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

2 Principles of valuation of assets and liabilities

2.1 General

The interim accounts have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The annual and interim accounts are prepared in Euro. In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and profit and loss account include references to the notes.

2.2 Foreign currencies

Balance sheet items relating to monetary assets and liabilities denominated in currencies other than the euro are translated at the rate of exchange prevailing on balance sheet date, except insofar as the exchange risk has been hedged. In those cases valuation occurs at the forward rates agreed upon. Transactions in foreign currency during the reporting period have been incorporated in the annual and interim accounts at the rate of settlement, except insofar as the exchange rate risk has been hedged.

2.3 Tangible fixed assets

Other fixed assets are valued at acquisition cost less straight-line depreciation over the estimated useful economic life, or lower market value.

2.4 Financial fixed assets

Other receivables disclosed under financial assets include issued loans and debentures that will be held to their maturity date. These receivables are initially measured at fair value, and subsequently carried at amortised cost. If debentures are acquired or loans are issued at a discount or premium, the discount or premium is recognised through profit or loss over the maturities of the debentures or loans using the effective interest method. Also transaction costs are included in the initial valuation and recognised in profit or loss as part of the effective interest method. Impairment losses are deducted from amortised cost and expensed in the income statement.

2.5 Impairment of fixed assets and its recognition

On balance sheet date, the company tests whether there are any indications of an asset, which could be subject to impairment. If there are such indications, the company estimates the recoverable amount of the asset concerned. If this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs, is identified.
An asset is subject to impairment if its book value is higher than its recoverable value; the recoverable value is the highest of the realizable value and the present value. Impairment is recognized as an expense in the profit and loss account immediately, unless the asset is carried at the revalued amount; in that case, the impairment is treated as a revaluation decrease.

2.6 Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

2.7 Deferred Expenses

Deferred expenses are valued at cost and amortized on a straight-line basis over the period to which they relate.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

2.9 Derivative financial instruments

The Company applies hedge accounting on a few derivative financial instruments. The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items. The Company also tests its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. Derivative financial instruments including currency swaps, currency forwards, interest rate swaps and caps are initially recognised and subsequently measured in the balance sheet at cost, based on the application of cost price hedge accounting.

The gain or loss relating to the ineffective portion is directly recognised in the income statement within finance costs.

2.9 Long term liabilities

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount less transaction costs.

Any difference between the proceeds (net of transactions costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Celesio Finance uses the exception of Guideline 290 which stipulates that, in determining amortised cost, straight-line amortisation is allowed provided that this does not result in significant discrepancies with the effective interest method. Relating to the convertible bond and new listed bond as mentioned in section 5.6 , the effective interest method is used.

3 Principles of determination of result

3.1 General

The result represents the difference between the value of the services rendered and the costs and other charges for the year. The results on transactions are recognised in the year they are realised; losses are taken as soon as they are foreseeable.

3.2 Exchange rate differences

Exchange rate differences arising upon the settlement of monetary items are recognised in the profit and loss account in the period that they arise.

3.3 Interest Income and Expense

Interest Income and Expense are recognised on an accrual basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

3.4 Employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to the employee.

3.5 Costs

Costs are recognised at the historical cost convention and are allocated to the reporting year to which they relate.

3.6 Depreciation

Depreciation is calculated using the straight-line method over the estimated useful economic life.

3.7 Taxation

Tax on result is calculated by applying the current rate to the result for the financial year in the profit and loss account taking into account any tax-exempt items and non-deductible expenses.

4 Financial instruments

4.1 Currency risk

Celesio Finance B.V. is active in Europe. The currency risk relates to positions and future transactions in British pounds, Czech koruna, Norwegian krone, Swedish krone, and Danish krone. Based on a risk analysis, the Boards of Directors of Celesio Finance B.V. determined that currency risks need to be hedged.

4.2 Interest rate risk

Celesio Finance B.V. is exposed to interest rate risk on the interest-bearing receivables (mainly taken up in financial fixed assets, securities and cash at bank and in hand) and interest-bearing long-term and current liabilities (including loans from credit institutions).

Celesio Finance B.V. is exposed to the consequences of variable interest rates on receivables and liabilities. In relation to fixed interest receivables and liabilities, it is exposed to market values.

Celesio Finance B.V. has not entered into any derivative contracts to hedge the interest risk on receivables.

Furthermore, Celesio Finance B.V. is hedged through caps.

4.3 Credit risk

We refer to paragraph 5.2 regarding the guarantee of Celesio AG. Celesio Finance B.V. clients are group companies of Celesio AG, Stuttgart.

5 Notes to the balance sheet

5.1 Tangible fixed assets

	Machinery and equipment 30 June 2010	31 December 2009
	x 1000 EUR	x 1000 EUR
1 January		
At cost	10	10
Accumulated decreases in value and depreciation	-7	-7
Book value	3	3
Movements		
Depreciation	-0	-0
	-0	-0
End of period		
At cost	10	10
Accumulated decreases in value and depreciation	-7	-7
Book value	3	3
Depreciation rates	20-33%	

5.2 Financial fixed assets

	Other receivables	Other receivables
	30 June 2010	**31 December 2009**
	x 1000 EUR	x 1000 EUR
1 January		
Book value	1,573,323	1,278,036
Movements		
Additions	500,000	430,225
Repayments	-275,829	-134,938
	224,171	298,287
End of period		
Book value	1,797,494	1,573,323

The Financial Fixed Assets include loans given to Group companies in Germany, the UK, Belgium, Italy, Sweden, France, Ireland, Denmark and the Czech Republic. Loans given in GBP, SEK and DKK have (if applicable) been hedged with currency Swaps. The fair value of these loans does not significantly differ from the carrying value given the fact that they bear variable interest rates.

Celesio AG has provided a guarantee to the loan providers of Celesio Finance. In case of default of the intercompany loans Celesio AG has agreed under a limitation of recourse agreement between Celesio Finance and Celesio AG that the right of recourse of Celesio AG is limited in so far that the economic risk of Celesio Finance B.V. is effectively limited to EUR 2 Mio. This is in order for Celesio Finance to meet the Art. 8c paragraph 2 VpB (Corporate Income Tax law) requirements.

Refer also to section 5.6 for information regarding the intercompany loan receivable concluded in 2009 (EUR 311 million) related to the convertible. The addition of EUR 500 million relates to the bond issue of 16 April 2010 (refer to section 5.6).

5.3 Deferred Expenses

	30 June 2010	31 December 2009
	x 1000 EUR	x 1000 EUR
Discount on the promissory notes	0	1,150
Bank Provisions	0	2,668
Interest Cap	2,193	5,552
Amortisation	-170	-6,172
	2,023	3,198

5.4 Cash at banks and in hand

	30 June 2010	31 December 2009
	x 1000 EUR	x 1000 EUR
Bank	18	14
	18	14

Cash is at the free disposal of the company.

5.5 Shareholders' equity

The authorised share capital of Celesio Finance B.V. as at 30 June 2010 amounts to EUR 10.000.000 and consists of 10.000.000 ordinary shares of EUR 1 each. Issued and paid share capital amounts to EUR 2.000.000 and consists of 2.000.000 shares. The contribution on all the 2.000.000 shares issued in 2003 was made in cash with no share premium created.

Profit for the year

	30 June 2010	31 December 2009
	x 1000 EUR	x 1000 EUR
Balance as at 1 January	2,901	689
Dividend distribution	-2,901	-689
Profit for the period	1,081	2,901
Balance as at end of period	1,081	2,901

5.6 Long-term liabilities

			30 June 2010	31 Dec 2009
	Term 1 – 5 years	**Term > 5 years**	**Total**	**Total**
	x 1000 EUR	x 1000 EUR	x 1000 EUR	x 1000 EUR
Loans from credit institutions	263,200	-	263,200	451,433
Other bond loans and private loans	646,740	518,223	1,164,963	702,610
Convertible bond	311,152	-	311,152	307,342
	1,222,092	518,223	1,739,315	1,461,385

Celesio Finance is being charged with market conditions based on the duration of the loans. The interest rate varies between 1 % and 6 %.

Loans from credit institutions
The Loans from credit institutions are Multi Currency Loans that can also be drawn in other currencies than EURO. Parts of these Loans are at year end drawn in GBP, DKK and CZK. The fair value of these loans does not significantly differ from the carrying value given the fact that all these loans are drawn short-term with interest rates based on the respective market reference interest rates, these loans can be extended every time with a duration exceeding one year; therefore classified as long term.

The parent company Celesio AG, Stuttgart has guaranteed these Loan facilities.

Other bond loans and private loans

This item includes Promissory Notes issued in March and September 2004 amounting in total to 181,9 Mio EUR. In December 2005 new Promissory Notes were issued for a total amount of 130 Mio GBP. The Promissory notes from December 2005 are partly equipped with fixed interest rate remuneration and partly with a variable interest rate based on respectively Euribor and Libor remuneration.

In June 2007 new Promissory Notes were issued for an amount of 250 Mio EUR and 80 Mio GBP and are partly equipped with a fixed interest rate remuneration and partly with a variable interest rate based on respectively Euribor and Libor remuneration. The company makes use of an Interest Cap to hedge the Interest risk of the variable interest part of the new Promissory Notes.

In March 2008, the company repaid the 4 year part of the Promissory Notes issued in March 2004. In March 2008 a new Promissory Note was issued for a total amount of 60 Mio GBP, this was followed by an issue in December 2008 for a total amount of 105,5 Mio EUR.

In September 2009, Celesio Finance repaid 111.5 Mio EUR on the five year part of the third Promissory Note. This Promissory Note was partly replaced by three small Promissory Notes in March for a total amount of 55 Mio EUR and a fourth note in September for an amount of 5 Mio EUR. In December a fifth Promissory Note was issued for an amount of 25 Mio GBP.

In March 2010, Celesio Finance repaid 16.9 Mio GBP on the 6 year second Promissory Note issued March 2004 which is now fully repaid. In June, Celesio Finance repaid early 60 Mio GBP which is the variable interest part of the fourth Promissory Note issued in December 2005. In June, Celesio Finance also fully repaid early the Promissory Note issued in December 2009.

Listed bond (included in Other bond loans and private loans)
With the aim of diversifying the group financing, Celesio Finance B.V. placed the first ever Celesio Corporate bond with private and institutional investors in Germany and other countries on 16 April 2010. The bond has a nominal volume of 500 Mio EUR and a term of seven years; interest is charged at a fixed coupon rate of 4,5% p.a.. In addition to extending our financing base, the issue of the bond also contributes to reducing our bank liabilities in favour of stronger capital market financing as well as optimising the maturity profile of our liabilities. The bond is listed on the Regulated official market of the Luxembourg Stock Exchange.

The parent company Celesio AG, Stuttgart has guaranteed for the Promissory notes.

Convertible bond loan
At 29 October 2009 Celesio Finance B.V. issued a convertible bond loan of 350 Mio EUR (via BNP Paribas Securities Services S.A.). The convertible bond is listed on the Regulated unofficial market of the Frankfurt Stock Exchange.

The convertible bond loan has a duration of 5 years, a fixed interest rate of 3.75% p.a. and includes a conversion option (to convert into shares of Celesio AG). Celesio AG guarantees the right of the Holder of the convertible bond to convert the bond into shares of Celesio AG. Based on the applicable accounting treatment, the bond is recognised at fair value being 311 Mio EUR.

Intercompany loan receivable
The receipts of the above mentioned convertible bond have been used by Celesio Finance B.V. to provide an intercompany loan to Celesio AG for the whole nominal amount of 350 Mio EUR. This intercompany loan has a duration of 5 years and a fixed interest rate of 3.803%. Consistent to the accounting treatment of the convertible bond, this intercompany loan is recognised at fair value being 311 Mio EUR (included in the financial fixed assets; refer to note 5.2).

5.7 Current liabilities

Taxation and social security costs

	30 June 2010	31 Dec 2009
	x 1000 EUR	x 1000 EUR
Wage tax	3	4
Social security costs	4	4
	7	8

Other liabilities

	30 June 2010	31 Dec 2009
	x 1000 EUR	x 1000 EUR
Vacation pay and days	1	4
Bonus	4	6
Other	1,038	120
	1,043	130

The current liabilities have a remaining term of less than one year.

Contingencies and commitments

Long-term financial obligations
The annual commitment in respect of a lease contract entered into amounts to EUR 5.472. This contract expires in June 2010.

6 Notes to the profit and loss account

6.1 Interest income

	2010	2009
	x 1000 EUR	x 1000 EUR
Interest from Group companies	31,256	27,707
Interest from banks	-	112
	31,256	27,819

6.2 Interest expenses

	2010	2009
	x 1000 EUR	x 1000 EUR
Interest to Group companies	2,199	2,205
Interest to third parties	27,093	23,705
Bank charges	24	19
	29,316	25,929

6.3 *Wages, salaries and social security costs*

	2010	**2009**
	x 1000 EUR	x 1000 EUR
Wages and salaries	41	37
Pension costs	2	2
Other social security costs	5	5
	48	44

During 2010 an average of 1 employee (2009:1) was employed by the company.

6.4 *Other operating expenses*

	2010	**2009**
	x 1000 EUR	x 1000 EUR
Other personnel expenses	9	4
Housing expenses	11	11
Office expenses	2	1
General expenses	419	68
	441	85

6.5 *Taxation on result*

	2010	**2009**
	x 1000 EUR	x 1000 EUR
Taxable amount	1,451	1,761
Income tax expense	370	449
Effective tax rate	25.5%	25.5%
Applicable tax rate	25.5%	25.5%

Financial instruments

a) Celesio Finance uses the following currency Forwards to hedge the currency risk on its intercompany loans.

Currency Forward:		**30 June 2010**
	GBP	EUR
Nominal Amount	137,106,967	163,515,151
Fair value		-4,203,831

Currency Forward:		
	DKK	EUR
Nominal Amount	236,659,096	31,810,096
Fair value		65,694

Currency Forward:		
	SEK	EUR
Nominal Amount	112,365,867	11,710,771
Fair value		-84,906

Currency Forward:		
	CZK	EUR
Nominal Amount	5,692,500	220,579
Fair value		-760

Please note that the nominal EUR amounts are based on the forward rates of the contracts, the fair values are provided by banks.

b) In addition Celesio Finance uses the following Interest Caps to manage the interest risk on the Promissory notes issued in 2007:

Interest Cap:

	30 Jun 2010	**31 Dec 2009**
		EUR
Nominal Amount	120,000,000	270,000,000
Premium	2,193,700	3,906,053
Fair Value	407,515	999,000
Maturity	15/06/2014	15/06/2014

The fair values of the Interest Caps described above are based on the balance sheet date. The fair value valuation is based on quotes by the respective banking institutions that issued these Caps.

Baarn, 31 August 2010

Board of Directors,

I.M. Martinot T. Frings

Celesio Finance B.V.
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Other information

Review report

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To: the General Meeting of Shareholders of Celesio Finance B.V.

Review report

Introduction

We have reviewed the accompanying condensed company interim financial information for the six-month period ended 30 June 2010 of Celesio Finance B.V., Amsterdam, which comprises the condensed balance sheet as at 30 June 2010, the condensed profit and loss account, the condensed cash flow statement and the related notes. The management board is responsible for the preparation and presentation of this (condensed) interim financial information in accordance with the Dutch Guideline for Annual Reporting 394, Interim Reports. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the company. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed company interim financial information as at 30 June 2010 is not prepared, in all material respects, in accordance with the Dutch Guideline for Annual Reporting 394, Interim Reports.

Utrecht, 31 August 2010
PricewaterhouseCoopers Accountants N.V.

Original has been signed by drs. B.A.A. Verhoeven RA