METRO Finance B.V.

Financial Report
As of
30 June 2009

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Directors' report

Management of the company hereby presents its financial statements for the financial first half year ended on 30 June 2009.

Overview

METRO Finance B.V. operates as a finance company within the METRO AG Group. The ultimate parent company of this group is METRO AG which is incorporated in Düsseldorf, Germany which is also the sole shareholder of the company.

Its main activities consist of attracting loans for long-term funding of METRO AG Group companies and hedging of related interest rate and currency risks.

The operating business of the company developed in line with the expectations of management. METRO Finance B.V.'s. activities are strongly focused on the financial needs of METRO subsidiaries worldwide. The company faces a stable development in the first half year of 2009 with a slight decrease in the total assets by EUR 10 million to EUR 2,532 million (0,4% decrease) compared to December 31, 2008.

Compared with June 30, 2008, the shareholder's equity increased from EUR 26,4 million to EUR 30,2 million. The net interest margin decreased slightly by 0.6 % down to EUR 2,7 million which led to a more or less stable net result of EUR 1,9 million for the financial first half year ended at 30 June 2009 (Euro 1,9 million for the first half year ended at 30 June 2008). No dividends were declared or paid during the first half year of 2009.

As a financial service company, METRO Finance B.V. faces financial risks. These include in particular market (price) risks, liquidity risks and cash flow risks. Price risks result from the impact of changes in market interest rates or exchange rates on the fair value of financial instruments. Interest and currency risks are substantially managed and hedged to the required risk profile, as described in the principles laid down in the internal treasury guidelines of the METRO Group. Like in previous years, foreign exchange exposure has been completely hedged into EUR via derivatives. Since the company is obliged to follow the financial strategic objectives of METRO AG, potential interest risk positions are covered contractually by METRO AG.

Due to guarantees of METRO AG, METRO Finance B.V. has access to sufficient liquidity reserves so that there is no danger of liquidity risk even if an unexpected event has a negative financial impact on the company's liquidity situation. A future change in interest rates may cause cash flows from variable interest rate asset and debt items to fluctuate.

The finance department of METRO AG accounts for these risks by defining a benchmark for the relationship between variable and fixed-interest on a METRO Group level. Potential risk positions are covered through the service agreement with METRO AG where a certain interest spread is guaranteed.

Statement of responsibility

Further to the requirements set out in Article 5:525c sub 2c of the "Wet Financieel Toezicht (Wft)", the member of the Management Board of the Company hereby state that, to our best knowledge,:

- the financial statements for the half year ending 30 June 2009 give a true and fair view of the assets, liabilities, financial position of and the result generated by the Company;

- the report of the Management Board gives a true and fair view of the status of the Company as per the balance sheet date and the state of affairs during the financial year to which the report relates; and

- the report of the Management Board includes a description of the substantial risks the issuer is facing.

Outlook

For the second half of 2009 the company is preparing to issue a new Bond of RON 100 million on the Romanian market under the Debt Issuance Program. This Bond should help to cover the financing needs of the Group's Romanian subsidiaries. Furtheron the management still expects the following month to be effected by the ongoing crisis on the financial and banking markets.

Venlo (The Netherlands), 14 August 2009

The Board of Managing Directors,

H. Laaks O. Kruse H.-D. Hinker E.J. van de Laar

Balance sheet as at 30 June 2009

(Before profit appropriation)

		2009		December 31, 2008	
		EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Fixed assets					
Tangible fixed assets	*1*	**10**		35	
Financial fixed assets	*2*	**374,340**		551,528	
			374,350		551,563
Current assets					
Loans and receivables	*3*	**2,156,831**		1,989,807	
Cash and cash equivalents	*4*	**18**		2	
Income taxes		**533**		0	
			2,157,382		1,989,809
			2,531,732		2,541,372

		2009		2008	
		EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Shareholders' equity	*5*				
Share capital		**453**		453	
Share premium		**6,324**		6,324	
Retained earnings		**21,510**		17,744	
Net result for the year		**1,881**		3,766	
			30,168		28,287
Long term liabilities					
Bonds	*6*	**1,744,603**		1,743,759	
Bank loans	*7*	**698,914**		698,738	
			2,443,517		2,442,497
Current liabilities					
Bonds	*8*	**–**		–	
Bank loans	*9*	**20,523**		20,826	
Metro AG Group companies	*10*	**0**		59	
Income taxes		**0**		102	
Other liabilities and accrued expenses	*11*	**37,524**		49,601	
			58,047		70,588
			2,531,732		2,541,372

Profit and loss account for the first half year 2009

		2009		June 30, 2008	
		EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Interest and similar income	*12*	**68,234**		64,340	
Interest and similar expenses	*13*	**65,539**		61,662	
Net interest margin			**2,695**		2,678
Other income	*14*		**348**		188
Operating expenses					
Amortisation and depreciation charges		**7**		7	
Wages and salaries	*15*	**301**		191	
Other expenses		**225**		173	
			533		371
Result before taxation			**2,510**		2,495
Taxation	*16*		**629**		636
Net result after taxation			**1,881**		1,859

Cash flow statement for the first half year 2009

		June 30, 2009		June 30, 2008
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Net cash flow from operating activities				
Operating result before interest and tax	(185)		(183)	
Adjustment for depreciation and amortization	7		7	
Net cash flow from ordinary activities		(178)		(176)
Interest margin	2,695		2,678	
Corporate income tax paid	(1,264)		0	
Net cash flow from operating activities		1,431		(2,678)
Net cash flow from investing activities				
Additions to tangible fixed assets	(2)		(2)	
Disposals of tangible fixed assets	20		–	
Net cash flow from investing activities		18		(2)
Net cash flow from financing activities				
De-/(increase) current assets	(167,024)		(99,730)	
In-/(decrease) current liabilities	(12,439)		(392,903)	
		(179,463)		(492,633)
In-/(decrease) long term liabilities	1,020		500,264	
(In-)/decrease financial fixed assets	177,188		(10,135)	
		178,208		490,129
Net cash flow from financing activities		(1,255)		(2,504)
Changes in cash & cash equivalents		16		(4)
Cash & cash equivalents January 1		2		8
Cash & cash equivalents June 30		18		4

Notes to the financial statements

General

METRO Finance B.V. ("the company"), domiciled in Venlo, was incorporated on October 3, 1984 as a Dutch company with limited liability ("B.V. = Besloten Vennootschap"). The financial year equals the calendar year.

Group structure

METRO Finance B.V. belongs to the METRO AG Group. The ultimate parent company of this group is METRO AG which is incorporated in Düsseldorf, Germany which is also the sole shareholder of the company. The financial statements of Metro Finance B.V. have been included in the consolidated financial statements of Metro AG.

Activities

METRO Finance B.V. operates as a finance company within the METRO AG Group. Its main activities consist of attracting loans for funding of METRO AG and METRO AG Group companies As well as hedging of related interest rate and currency risks.

Principles of valuation of assets and liabilities

General

The financial statements have been prepared in accordance with Part 9, Book 2, of the Netherlands Civil Code (BW) and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving). The financial statements have been prepared in euros, which also is the functional currency of the legal entity. If not specifically stated otherwise, assets and liabilities are stated at the amounts at which they were acquired or incurred.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be reliably measured. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and/or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable or cannot be measured with sufficient reliability.

Going concern

There are no reasons to doubt the continuity of either the Company or the sole shareholder Metro AG. Therefore the going concern assumption was applied during the preparation of these financial statements.

Comparison with prior year

The Directive 290 "Financial Instruments" has been implemented as from 1 January 2008.

Due to the choice to apply for the historic cost convention (in combination with cost price hedge accounting within the borders of Directive 290, the principles of valuation and determination of result remained unchanged compared to the prior year.

Comparative figures in the balance sheet and notes have been reclassified to facilitate consistent presentation of monetary assets and liabilities at amortised cost. In previous years the monetary items were presented at their face value. Differences between face value and the amortized cost base were presented separately.

Principles for translation of foreign currencies

Transactions denominated in currencies other than the Euro (functional currency) are translated at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in currencies other than the Euro (functional currency) are translated at the rate of exchange prevailing on balance sheet date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rates on the transaction date. The resulting exchange rate differences are credited or charged to the profit and loss account.

Financial instruments

Financial instruments generally include, loans and (other) receivables, cash items, bonds, loans and other financing commitments.

Financial instruments also include derivative financial instruments (derivatives) embedded in contracts. These derivatives shall be separated from the host contract and accounted for as a separate financial instrument if:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the combined instrument is not measured at fair value with changes in fair value recognised in profit or loss.

If derivatives embedded in contracts are not separated from the host contract they are recognised in accordance with the host contract.

Financial instruments, including stand alone derivatives as well as derivatives separated from the host contracts, are initially recognised at fair value.

After initial recognition, financial instruments are valued in the manner described below.

Loans and receivables

Loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. The loans and receivables with a remaining time to maturity that exceeds 12 months are presented as financial fixed assets. Interest income and expense, based on the effective interest method are accounted for in the net interest margin within the income statement.

Derivatives

Derivative financial instruments include forward exchange contracts, interest rate swaps and cross currency interest rate swaps.

Forward exchange contracts are revalued at the currency spot rate at year end are presented under prepaid expenses and accrued income, or other liabilities and accrued expenses. Currency translation results within the period are recognised in the profit and loss account. If applicable, forward points are accrued proportionally over the lifetime of the forward exchange contract.

In case forward exchange contracts are used to hedge future interest cash flows, cost price hedge accounting is applied. The treatment of currency translation effects on forward exchange contracts under the application of cost price hedge accounting is described below.

Interest accruals on interest derivatives are included in presented under prepaid expenses and accrued income, or other liabilities and accrued expenses. Interest income and expense is realized in the period they belong to. The cost price or lower market value rule is applied unless cost price hedge accounting is applied.

Cross currency interest rate swaps combine characteristics of interest- and a forward foreign exchange contract and are accounted for accordingly.

Bonds, loans and other financial commitments

Bonds, loans and other financial commitments are carried at amortised cost using the effective interest rate method. The bonds and loans with a remaining time to maturity that exceeds 12 months are presented as financial fixed assets or long term liabilities. Interest income and expense, based on the effective interest method, are accounted for under the net interest margin within the income statement.

Hedge accounting

Forward exchange contracts

The company uses forward exchange contracts to hedge exchange rate risks resulting from future interest flows related to loans and bonds denominated in non-functional currencies. The company applies cost price hedge accounting in order to simultaneously recognise both the results from changes in the spot to spot-revaluation of the forward foreign exchange contract and the hedged interest flows from bonds and loans in the profit and loss account.

The application of cost price hedge accounting leads to the following exception to the above-mentioned accounting principles for financial instruments.

As long as the forward foreign exchange contract concerns an expected or committed future transaction, the forward exchange contract will not be revalued. As soon as the hedged position of the expected transaction leads to the recognition of a financial asset or financial liability, the profits or losses associated with the forward foreign exchange contract are recognised in the profit or loss account in the same period in which the asset or liability affects the profit or loss.

The results from the non-effective part of the hedge relationship are included in the profit and loss account.

If a forward exchange contract no longer qualifies for hedge accounting, expires or is sold, the hedging relationship is terminated. The cumulative gain or loss previously not recognized in the profit or loss account is recognized in the balance sheet as deferred income/liability until the transaction has taken place. When it is expected that the transaction will not take place anymore, the cumulative gain or loss is reclassified to profit or loss.

Interest rate swaps

The company uses interest rate swaps to hedge interest rate transaction risks on monetary assets and liabilities. The company applies cost price hedge accounting in order to simultaneously recognise both the interest results on the interest rate swap and the hedged receivable or payable in the profit and loss account. Further if cost price hedge accounting is applied, the lower of cost or market value rule is not applied.

Tangible fixed assets

Fixed assets are valued at acquisition cost less straight-line depreciation over the estimated useful economic life. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets.

Financial fixed assets

The principles for the valuation of financial fixed assets are described under the heading 'financial instruments' (bonds, loans and other financial commitments).

Impairment or disposal of fixed assets

The company states tangible and financial fixed assets in accordance with accounting principles generally accepted for financial reporting in the Netherlands. Pursuant to these principles, assets with a long life should be reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the assets' recoverable amount is estimated. The recoverable amount is calculated as the present value of estimated future cash flows, discounted at the effective interest rate.

If the book value of an asset exceeds the recoverable amount, an impairment is charged to the result equal to the difference between the carrying amount and the recoverable amount. Assets for sale are stated at the carrying amount or lower market value, less selling costs.

Loans and receivables

The principles for the valuation of loans and receivables are described under the heading 'financial instruments' (bonds, loans and other financial commitments).

Prepaid expenses and accrued income

Prepaid expenses are valued at cost less provisions for impairment where necessary.

Cash and cash equivalents

The principles for the valuation of cash and cash equivalents are described under the heading 'financial instruments'. Cash and cash equivalents consist of cash at banks and cash in hand.

Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

Provisions

A provision is recognized if

- the company has a legal or constructive obligation, arising from a past event; and
- if there is a probable outflow of resources; and
- the amount can be estimated reliably.

Long term liabilities

The valuation of long-term debt is explained under the heading 'financial instruments' (bonds, loans and other financial commitments).

Principles for the determination of results

General

Profit is determined as the difference between income generated as a result from financing activities, and the costs and other charges for the year.

The income and expenses are accounted for in the period to which they relate. Revenue is recognised when the company has transferred to the buyer the significant risks and rewards of ownership of the goods or the contract.

Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the underlying agreement to provide services at the reporting date.

Interest income and expense

Interest income and expense are time apportioned, based on the effective interest rate for the relating assets and liabilities that includes the effects of directly related transaction costs.

Costs

Costs are recognized based on the historical cost convention and are allocated to the reporting year to which they relate.

Personnel remuneration

Salaries, wages and social security costs are charged to the profit and loss account in the period they relate to, and in accordance with employment contracts and obligations.

Corporate income tax

Corporate income tax expense comprises current and deferred tax. Corporate income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary (timing) differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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 and in hand.

Cash flows in foreign currencies are translated at the weighted average exchange rates. Until 30 June 2009 there have not been cash flows in foreign currencies.

Receipts and payments of interest, dividends received and corporate income tax are included in the cash flow from operating activities.

Determination of fair value

A number of accounting principles and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. For measurement and disclosure purposes, the fair value is determined.

The fair value of financial fixed assets is estimated on the basis of the expected and/or contractual cash flows. These cash flows are discounted at the market interest rates as at balance sheet date, including a margin representing the relevant risks involved.

Where applicable, detailed information concerning the principles for determining the fair value are included in the section that specifically relates to the relevant asset or liability.

1 Tangible fixed assets

The movements of the tangible fixed assets can be shown as follows:

	Other fixed assets EUR 1,000
Balance as per January 1, 2009:	
• At cost	85
• Accumulated depreciation	(50)
Book value	35
Movements:	
• Addition	2
• Disposals	20
- Cost	22
- Cumulative depreciation	(22)
• Depreciation	(7)
	10
Balance as per June 30, 2009:	
• At cost	32
• Accumulated depreciation	(22)
Total book value	10

Tangible fixed assets relate to office and computer equipment mainly. Tangible fixed assets are depreciated on a straight line basis with the depreciation percentages specified below:

- Computer system : 33.33%
- Computer license : 16.66%
- Alarm system : 12.5%

2 Financial fixed assets

	Loans to third parties	Loans to METRO AG Group companies	Total
	EUR 1,000	EUR 1,000	EUR 1,000
Balance as at January 1, 2009	42,066	509,462	551,528
Additions	14,537	1,890	16,427
Repayments	(57)	(26,030)	(26,087)
Transfers to short term	0	(167,528)	(167,528)
Reclassification	5,022	(5,022)	0
Balance as of June 30, 2009	61,568	312,772	374,340

The interest rates on fixed interest rate loans vary between 2.287% and 6.27% (2008: 3.43% and 6.27%), depending on the lifetime and interest periods of the respective loans. interest rate

The expiration dates of the loans are between 2010 and 2024 (2008: 2009 and 2024). The loans to third parties have been guaranteed by METRO AG.

3 Loans and receivables

	June 30, 2009 EUR 1,000	December 31, 2008 EUR 1,000
Loans to METRO AG and other Metro group companies	2,097,029	1,945,406
Loans to third parties	0	0
Interest receivable METRO AG and other Metro group companies	59,160	44,401
Interest receivable third parties	642	0
Other receivables	0	0
Balance as of June 30, 3009	2,156,831	1,989,807

The loans to METRO AG and other Metro Group companies as well as to third parties will be due and/or payable within 1 year. The loans to third parties are guaranteed by METRO AG.

The interest rates on fixed interest rate loans vary between 2.709% and 5.16% (2008: 4.81% and 5.16%), depending on the original lifetime and interest periods of the respective loans. The interest rate on the floating interest rate loan amounts to Euribor + 0.65%.

4 Cash and cash equivalents

Cash and cash equivalents include balances with the banks and deposits, which are at the free disposal of the company.

5 Shareholder's equity

The authorised share capital of the company as of June 30, 2009 consists of 700 ordinary shares of EUR 1,000 each. The issued and fully paid-up share capital consists of 453 shares of EUR 1,000 each.

The movement in shareholder's equity are as follows:

	Share capital EUR 1,000	Share premium EUR 1,000	Retained earnings EUR 1,000	Net result for the year EUR 1,000	Total EUR 1,000
1 July 2008	**453**	**6,324**	**17,744**	**1,859**	**26,380**
Appropriation of the net results for the semi year ended 30 June 2008	–	–	**1,859**	**(1,859)**	–
Net result for the second half year	–			**1,907**	**1,907**
31 December 2008	**453**	**6,324**	**19,603**	**1,907**	**28,287**
Appropriation of the net results for the year ended 31 December 2008	–	–	**1,907**	**(1,907)**	–
Net result for the year	–	–	–	**1,881**	**1,881**
30 June 2009	**453**	**6,324**	**21,510**	**1,881**	**30,168**

The results over 2008 have been adopted at the Shareholders Meeting. The result has been added to the retained earnings.

6 Bonds

	Maturity	Fixed interest	Carrying amount June 30, 2009	Principal amount June 30, 2009	Carrying amount December 31, 2008	Principal amount December 31, 2008
			EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Maturity between 1 and 5 years:						
DIP Notes in EUR	2011	4.63%	**748,255**	**750,000**	747,826	750,000
EMTN Notes in EUR	2012	4.75%	**498,631**	**500,000**	498,416	500,000
EMTN Notes in EUR	2013	9.64%	**497,717**	**500,000**	497,517	500,000
Total			**1,744,603**	**1,750,000**	1,743,759	1,750,000

All instruments have been issued under the EMTN and DIP programmes under the guarantee of METRO AG. The notes are denominated in euros and bear interest depending on the lifetime and interest periods of the respective loans.

The DIP and EMTN programmes are operated via listings on (regulated) exchanges in Frankfurt and Luxembourg.

7 Bank loans

	Interest	**Carrying amount June 30, 2009 EUR 1,000**	**Principal amount June 30, 2009 EUR 1,000**	Carrying amount December 31, 2008 EUR 1,000	Principal amount December 31, 2008 EUR 1,000
Maturity between 1 and 5 years:					
Bank loans	Fixed	**212,651**	**213,000**	**212,598**	**213,000**
Bank loans	Floating	**486, 263**	**487,000**	**486,140**	**487,000**
Subtotal		**698,914**	**700,000**	**698,738**	**700,000**
Maturity over 5 years:					
Bank loans	Fixed	-	-	-	-
Bank loans	Floating	-	-	-	-
Subtotal		-	-	-	-
Total bank loans		**698,914**	**700,000**	**698,738**	**700,000**

The loans are denominated in euros and are guaranteed by METRO AG.

The fixed interest rates vary between 3.75 and 4.74% (2008: 3.75% and 3.945%) depending on the lifetime and interest periods of the respective loans.

The floating interest rates on bank loans vary between EURIBOR +0.30% and EURIBOR +0.80%.

8 Bonds (current part)

	Interest rate	June 30, 2009 EUR 1,000	December 31. 2008 EUR 1,000
Maturity within 1 year:			
EMTN Notes in CZK	Floating	–	–
EMTN Notes in JPY	Floating	–	–
Total bonds		–	–

The current parts of the EMTN notes outstanding as per 31 December 2007 were denominated in currencies other than the functional currency of the entity. The currency risk had been hedged completely with cross currency interest rate swaps. Both the EMTN Notes as well as the cross currency interest rate swaps matured in July 2008.

9 Bank loans (current part)

	Interest	June 30, 2009 EUR 1,000	December 31, 2008 EUR 1,000
Bank loan	Fixed	–	–
Bank loan	Fixed	**20,523**	**20,826**
Total Bank loans		**20,523**	**20,826**

All loans bear fixed interest rates that vary between 4.71% and 4.82% (2008: 4.71% and 4,82%), depending on the lifetime and interest periods of the respective loans.

All bank loans are taken up under the guarantee of METRO AG.

In order to refinance part of its' debt obligations, METRO Finance B.V., guaranteed by METRO AG , entered into a EUR 1,000,000,000 multi-currency revolving credit facility with a number of international banks. As of 30 June 2009 nothing had been drawn on this facility (2008: EUR 0 million). The contracts of the multi-currency revolving credit facility contain financial covenants which are monitored closely within the Group.

10 Group companies

	June 30, 2009 EUR 1,000	December 31, 2008 EUR 1,000
Short term (part of) loans from METRO AG and other Metro group companies	-	-
Current account balances with regards to METRO AG and other Metro group companies	0	59
	0	59

All loans and current accounts regarding Metro AG Group companies bear interest rates at EURIBOR. The interest rates for loans are set when a derivative foreign exchange contract is entered into on the loan. The interest rates are based on EURIBOR flat or plus a margin.

11 Other liabilities and accrued expenses

	June 30, 2009 EUR 1,000	December 31, 2008 EUR 1,000
Interest payable	37,476	49,556
Derivatives	-	-
Other	48	45
	37,524	49,601

Interest payable relates to external parties completely as of 30 June 2009 and 31 December 2008.

12 Interest receivable and similar income

	June 30, 2009 EUR 1,000	June 30, 2008 EUR 1,000
Interest income from METRO AG Group companies	53,290	61,291
Interest income from METRO AG	13,365	1,247
Interest income from third parties	1,579	1,802
	68,234	64,340

13 Interest payable and similar expenses

	June 30, 2009 EUR 1,000	June 30, 2008 EUR 1,000
Interest expenses to METRO AG Group companies	260	12,458
Interest expenses to third parties	65,279	49,204
	65,539	61,662

14 Other income

The balance consists of income related to general expenses which have been cross charged by METRO Finance B.V. to METRO Euro-Finance B.V.

15 Wages and salaries

	June 30, 2009 EUR 1,000	June 30, 2008 EUR 1,000
Wages and salaries	285	175
Social security	16	16
	301	191

16 Taxation

The taxation on the result from ordinary activities can be specified as follows:

	June 30, 20098 EUR 1,000	June 30, 2008 EUR 1,000
Result from ordinary activities before taxation	2,510	2,496
Taxation on result from ordinary activities	629	636
Effective tax rate of € 200	20.00%	
Effective tax rate of € 2,310	25.5%	
Effective tax rate		25.5%
Nominal tax rate		25.5%
Nominal tax rate		25.5%

The nominal tax rate as of 1 January 2009 is splitted into 20% of the first € 200.000,00 income result, and 25,5% of the remaining income result (2008: 25,5%). The tax liability in the profit and loss account as of 30 June 2009 amounts to EUR 629.061,44.

Personnel

The company employed 10 persons (2008: 9) on average in the financial year. Measured in full time equivalents, the company employed 9 FTE on average during the financial year (2008: 8).

Directors

The Board of Managing Directors consisted of 4 persons during the year (2008: 4).

The Board of Supervisory Directors consisted of 3 persons during the year (2008: 3).

The remuneration for the Managing Directors amounted to EUR 125,000 (2008: EUR 136,000). The remuneration for the Supervisory Board for the financial year 2009 amounts to EUR 8,000 and will be paid in December 2009 (amounted to EUR 8,000 in 2008).

Financial instruments

General

During the normal course of business, the company uses various financial instruments that expose the company to market, credit and liquidity risks. The company is exposed to these risks given the portfolio of interest-bearing receivables (mainly taken up in financial fixed assets and cash at bank and in hand), interest-bearing long term and current liabilities (including bonds and bank loans) as well as derivative financial instruments.

The company does not trade these financial derivatives and follows procedures and lines of conduct to limit the size of the credit risk with each counterparty and market. If a counterparty fails to meet its payment obligations to the company, the resulting losses are limited to the fair value of the instruments in question. The contract value or principal amounts of the financial instruments serve only as an indication of the extent to which such financial instruments are used, and not of the value of the credit or market risks.

Credit risk

Approximately 98% (2008: 98%) or EUR of the receivables of the company are held with related parties, for definition see below to related party transactions. Approximately 63% (2008: 52%) of the receivables is concentrated with METRO Cash and Carry International Holding B.V., The Netherlands.

The receivables outstanding with third parties amount to EUR 61 million (2008: EUR 42 million). We refer to note 2, for further information. The third parties involved consists mainly of real estate companies located in Luxembourg. The receivables arose due to the sale of real estate by Metro AG (Group Companies) during 2007. Metro AG has issued a guarantee that covers any future loss on the underlying receivables involved.

In general management of the Company tend to assess and review credit risk for counterparties within the Group. As part of the service level agreement between the Company and its' sole parent, Metro AG issued a guarantee that covers any future loss on the underlying receivable to Metro AG Group Companies.

Interest rate risk

The company is exposed to interest rate cash flow risk regarding floating interest rates on receivables and liabilities. In relation to fixed rate interest bearing receivables and liabilities, the company is exposed to fair value interest rate risk.

Derivative financial instruments may be used by the entity to hedge interest rate risks if deemed necessary.

Interest rate derivative financial instruments may be used to adjust the fixed or floating nature of the external loans obtained to the desired profile. The METRO AG Group interest rate policy aims to reduce the financing costs as much as possible. Derivative financial instruments are not used for speculative purposes.

As per 31 December 2007, two cross currency interest swaps were outstanding that to hedge the interest rate cash flow risk. The derivatives represented a book value of EUR 17.3 million. The fair value amounted to approximately EUR 17.8 million. Both derivatives have matured during July 2008.

The estimated market value indicates the amount payable or receivable in exchange for termination of the contracts as at year-end without further obligations.

As per 31 December 2008, no other derivative contracts were outstanding to hedge the interest risk.

The duration mismatch between interest bearing assets and liabilities that appears from the balance sheet as at 30 June 2009, is due to:

- the proceeds of the bond issue (EUR 500 million maturing in 2013) that have been lent to Metro AG via the current account;

- Bank loans (EUR 500 million) with a time to maturity that exceeds 6 months after balance sheet date.

The fair value effects resulting form the duration effects are covered under the "liquidity risk" paragraph.

Currency risk

The company is exposed to foreign exchange risk on loans and receivable denominated in a currency other that the euro. Foreign currency derivative financial instruments, mainly currency forwards and swaps may be used to reduce the foreign currency risk arising on financing and funding transactions in foreign currencies. Forward exchange contracts and currency swap contracts are entered into to adjust the currency of the payables and receivables to the desired currency. Derivative financial instruments are not used for speculative purposes.

The income statement does not include any currency results (2008: net amount of nil).

As per 30 June 2009, the Company has no derivative contracts outstanding to hedge currency risks since assets and liabilities are denominated in the functional currency being the euro.

The estimated market value indicates the amount payable or receivable in exchange for termination of the contracts as at year-end without further obligations.

As per 30 June 2009 no derivatives were outstanding. As per 30 June 2009, two cross currency interest rate swaps were outstanding to hedge the interest and currency risk on the loan notes denominated in non functional currencies. We refer to the paragraph on "interest rate risk".

Liquidity risk

Due to guarantees of METRO AG, METRO Finance B.V. has access to sufficient liquidity reserves so that there is no danger of liquidity risk even if an unexpected event has a negative financial impact on the company's liquidity situation.

The finance department of METRO AG accounts for these risks by defining a benchmark for the relationship between variable and fixed-interest on a METRO Group level. Potential risk positions are covered through the service agreement with METRO AG where a certain interest spread is guaranteed.

Fair value

The fair value of the financial instruments stated on the balance sheet can be specified as follows:

	Note Ref.	**Fair value June 30, 2009 EUR 1,000**	**Book value June 30, 2009 EUR 1,000**	Fair value December 31, 2008 EUR 1,000	Book value December 31,2008 EUR 1,000
Financial fixed assets	2				
Loans to third parties		65,430	61,568	45,708	42,066
Loans to Metro AG group companies		327,389	312,772	521,592	509,462
Loans and receivables	3				
Loans to third parties		-	-	-	-
Loans to Metro AG group companies		2,108,490	2,097,029	2,012,842	1,945,406
Long term liabilities					
Bond	6	1,962,127	1,744,603	1,947,530	1,743,759
Bank loans	7	722,027	698,914	719,820	698,738
Current liabilities					
Bonds	8	-	-	-	-
Bank loans	9	20,557	20,523	20,673	20,826

We refer to notes mentioned to facilitate a reconciliation to the face of the balance sheet. The fair values represent the clean fair value excluding of interest accruals.

The fair value of financial instruments other than the ones stated in the above table is close to the carrying amount.

As per 30 June 2009, no derivative financial instruments were outstanding. As per 31 December 2007, two cross currency interest swaps were outstanding that represented a book value of EUR 17.3 million. The fair value amounted to approximately EUR 17.8 million. Both derivatives have matured during July 2008.

Related party transactions

All companies belonging to the METRO AG Group qualify as related parties.

The main activity of the Company is attracting loans for funding of companies belonging to the METRO AG Group. The balances outstanding to group companies have been separately disclosed in the notes to the balance sheet. The inter-company interest income and inter-company expenses have also been separately disclosed in the notes to the profit and loss account.

The Company has a service agreement with METRO AG. For delivering the financing services the Company receives a guaranteed margin of 20% of the interest spread before any write off of its receivables. The difference between the actual margin and the guaranteed write off of its receivables. The difference between the actual margin and the guaranteed margin is included in the line interest income from METRO AG. As a result the Company realised a stable margin.

Contingent obligations

The company has a non-cancellable rent agreement for its office building, which will expire on May 31, 2012 with a total obligation of EUR 229,000 for the remaining contractual period, of which EUR 58.000 is due in financial year 2009. No other off balance sheet liabilities, guarantees or long term financial obligations are applicable.

Venlo, 14 August 2009

The Board of Managing Directors,	The Board of Supervisory Directors,
O. Kruse	T. Unger
H.-D. Hinker	T. Grad
H. Laaks	Dr. R. Giebeler
E.J. van de Laar	

Other information

Provisions in the Articles of Association governing the appropriation of profit

According to article 15.1 of the company's Articles of Association, the profit is at the disposal of the General Meeting of Shareholders, which can allocate the profit wholly or partly to the general or specific reserve funds.

The company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity exceeds the paid-up and called-up part of the capital plus the legally required reserves.

Proposal for profit appropriation

The General Meeting of Shareholders will be proposed to add the first half year 2009 profit after tax (EUR 1,880,984.84) to the other reserves.

The proposed appropriation of the net result for the year has not been effectuated yett