

METRO Finance B.V.

Financial Statements

As at June 30, 2012

Contents

Financial Report

Report of the Board of Supervisory Directors	2
Report of the Board of Managing Directors	3

Financial Statements

Balance sheet as at 30 June 2012	5
Statement of income for the half year 2012	8
Statement of recognized income and expense for the half year 2012	9
Statement of changes in equity as at 30 June 2012	10
Cash flow statement for the half year 2012	11
Notes to the half year 2012 financial statements	12

Other Information

Provisions in the Articles of Association governing the appropriation of profit	38
Proposal for profit appropriation	38
Report on the financial statement	38

Report of the Board of Supervisory Directors

Pursuant to the Articles of Association we are pleased to submit the financial statements for the half year 2012 as drawn up by the Board of Managing Directors for your adoption.

We recommend you to adopt the financial statements.

Venlo (the Netherlands), 31 August 2012

The Board of Supervisory Directors,

O. Koch

T. Grad

H. Sachs

Report of the Board of Managing Directors

The Board of Managing Directors of the company hereby presents its financial statements for the first financial half year ended on 30 June 2012.

Overview

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

With effect 24. December 2011 the sister company of METRO Finance B.V., METRO Euro-Finance B.V., was merged onto METRO Finance B.V. This merger has a retroactive effect for operative, accounting and Dutch tax purposes as per 1. January 2011. From an operational point of view the so far practised separation of cash pooling and short term lending activities from mid to long term lending in two legal entities was not required any longer. The similarity of business activities makes it possible to operate all this business in only one company. With the merger METRO Finance B.V. becomes the legal successor of METRO Euro-Finance B.V. and entered into the existing deposit, credit and facility agreements.

The main activities of Metro Finance B.V. focus on providing short term financial services (up to one year), in particular by granting loans to and accepting deposits from METRO Group companies as well as granting loans for mid an long-term funding of Metro Group companies as well as hedging of related interest rate and currency risks. Besides accepting deposits from METRO Group companies refinancing is done via the capital markets.

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 2012 with total assets amounting to EUR 3,764 billion.

The net interest margin amounted to EUR 2,923 million leading into a net result after operating expenses and taxes of EUR 1,616 million at mid-year. No dividends were paid during 2012.

To refinance expiring bonds due in January, March and May 2012, two bonds of total EUR 175 mln were issued by METRO AG under the Debt Issuance Program and have been transferred to METRO Finance B.V. The maturities of the bonds are January 2016 and January 2020.

As a financial service company, METRO Finance B.V. faces financial risks. These include in particular 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 with banks 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.

METRO Finance B.V.

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.

At June, 30 2012 METRO Finance B.V. employed 10 persons on average in the financial year. Measured in full time equivalents, the company employed 8,7 FTE on average in the current financial year.

Statement of responsibility

Further to the requirements set out in Article 5:525c sub 2c of the “Wet Financieel Toezicht (Wft)”, the members of the Board of Managing Directors of the Company hereby state that, to our best knowledge:

- the half-yearly financial statements (period January, 1st 2012 till June, 30th 2012) give a true and fair view of the assets, liabilities, financial position of and the result generated by the Company;
- the report of the Board of Managing Directors 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 Board of Managing Directors includes a description of the substantial risks the issuer is facing.

Outlook

For 2012 the management expects a stable development of METRO Finance B.V.’s business volume. Since the beginning of the financial crisis in 2008 the markets have calmed down but will be monitored closely. Especially the development in the Euro-zone will be observed. Maturing obligations will be refinanced on the capital markets depending on market conditions and the development of the loan portfolio. The net interest margin will be primarily influenced by new credit allocation to METRO subsidiaries, alterations of the short and long term interest rates and the margins of capital market instruments.

Concerning the operative processes there will be further efforts for optimisation especially in the way of enhance automatisaton.

The personnel is expected to remain stable with 10 employees (8,7 FTE) on average during the current financial year.

Venlo (The Netherlands), 31 August 2012

The Board of Managing Directors,

H. Laaks

O. Kruse

H.-D. Hinker

J.E. van de Laar

Balance sheet as of 30 June 2012

(Before profit appropriation)

		June 30, 2012		December 31, 2011	
		EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Non current assets					
Tangible assets	2	23		23	
Financial assets	3	1,759,579		2,042,531	
			1,759,602		2,042,558
Current assets					
Deferred tax assets		-		121	
Income taxes					
Loans and receivables	4	1,997,060		3,595,832	
Other Assets	5	7,037		3,135	
Cash and cash equivalents	6	496		4	
			2,004,593		3,599,092
			3,764,195		5,641,650

Due to the merger of Metro Finance B.V. and Metro EURO-Finance B.V. Pro Forma comparative figures are presented in the balance sheet and income statement. Pro Forma figures include the combined half year 2011 figures of Metro Finance B.V. and Metro EURO Finance B.V.

		Pro Forma June 30, 2011		June 30, 2011	
		EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
		EUR 1,000	EUR 1,000		
Non current assets					
Tangible assets		31		31	
Financial assets		1,574,202		1,574,202	
			1,574,233		1,574,233
Current assets					
Deferred tax assets		46		46	
Income taxes		603		603	
Loans and receivables	1	3,087,454		1,036,237	
Other Assets	1	6,593		1,645	
Cash and cash equivalents	1	5,472		73	
			3,100,169		1,038,604
			4,674,402		2,612,837

METRO Finance B.V.

		June 30, 2012		December 31, 2011	
		EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Shareholders' equity	7				
Share capital		453		453	
Share premium		6,369		6,369	
Retained earnings		80,662		78,311	
Net result for the year		1,616		2,351	
			89,100		87,484
Noncurrent liabilities					
Bonds	8	1,420,919		1,246,613	
Promissory note loans	9	0		149,940	
Deferred tax liabilities		-		8	
			1,420,919		1,396,553
Current liabilities					
Deferred tax liabilities	10	250		-	
Loans from Metro Group companies	11	2,018,354		3,013,482	
Bonds	12	66,809		569,842	
Promissory note loans	13	151,726		558,629	
Income taxes		2,912		245	
Debt to credit institutions		-		226	
Other liabilities	14	14,125		15,189	
			2,254,176		4,157,613
			3,764,195		5,641,650

The notes on page 10 to 32 are an integral part of these financial statement

METRO Finance B.V.

Pro Forma Figures:

Due to the merger of Metro Finance B.V. and Metro EURO-Finance B.V. Pro Forma comparative figures are presented in the balance sheet and income statement. Pro Forma figures include the combined half-year 2011 figures of Metro Finance B.V. and Metro EURO Finance B.V.

	Pro Forma June 30, 2011		June 30, 2011	
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Shareholders' equity /				
Share capital	453		453	
Share premium	6,369		6,324	
Retained earnings	78,311		29,024	
Net result for the year	9,995		1,557	
		95,128		37,358
Noncurrent liabilities				
Bonds	1,269,654		1,269,654	
Promissory note loans	149,913		149,913	
Deferred tax liabilities	0		0	
		1,419,567		1,419,567
Current liabilities				
Deferred tax liabilities	-		-	
Loans from Metro /	2,052,615		59,027	
Group companies				
Bonds	543,125		543,125	
Promissory note loans	553,702		553,702	
Income taxes /	5,211		-	
Other liabilities /	5,054		58	
		3,159,707		1,155,912
		4,674,402		2,612,837

The notes on page 12 to 37 are an integral part of these financial statement

Statement of income for the half year 2012

		June 30, 2012		December 31, 2011		Pro Forma June 30, 2011	
		EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Financial income	15	93,637		192,170		123,746	
Financial expenses	16	90,714		187,240		109,878	
Net financial income			2,923		4,930		13,868
Other income	17	253		496		258	
Operating expenses							
Amortisation and depreciation charges	2	5		10		6	
Wages and salaries	18	391		753		453	
Other expenses	19	372		1,535		635	
			768		2,298		1,075
Result before taxation			2,155		3,128		13,050
Income tax	20		539		777		3,056
Net result for the year			1,616		2,351		9,995
Attributable to:							
• Shareholders of the company			1,616		2,351		9,995
• Minority interest			–		–		–
Net result for the year			1,616		2,351		9,995

The notes on page 12 to 37 are an integral part of these financial statements

Pro Forma Figures:

Due to the merger of Metro Finance B.V. and Metro EURO-Finance B.V. Pro Forma comparative figures are presented in the balance sheet and income statement. Pro Forma figures include the combined half-year 2011 figures of Metro Finance B.V. and Metro EURO Finance B.V.

Statement of recognized income and expense for the half year 2012

	2012 EUR 1,000	2011 EUR 1,000
Other comprehensive income directly recognised in equity	–	–
Net result for the year	1,616	2,351
Total comprehensive income for the year	1,616	2,351
Comprehensive income attributable to:		
- Shareholders of the company	1,616	2,351
- Minority interest	–	–
Total comprehensive income for the year	1,616	2,351

The notes on page 12 to 37 are an integral part of these financial statements

Statement of changes in equity as of June 30, 2012

	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 January 2011	453	6,324	25,211	3,812	35,800
Appropriation of the net results for the year ended 31 December 2010			3,812	(3,812)	
Trasferred Equity merger METRO-Euro Finance B.V.		45	49,288	(3,812)	49,333
Net result for the year	–	–	–	2,351	2,351
31 December 2011	453	6,369	78,311	2,351	87,484
Appropriation of the net results for the year ended 31 December 2011			2,351	(2,351)	
Net result for the half year	–	–	–	1,616	1,616
30 June 2012	453	6,369	80,662	1,616	89,100

The notes on page 12 to 37 are an integral part of these financial statements

Cash flow statement for the half year 2012

		2012, June 30		2011	
		EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Result before taxation ¹⁾		2,155		3128	
Adjustments for:					
• Depreciation	2	5		10	
		<u>2,160</u>		<u>3,138</u>	
Change in other working capital		(35,451)		21,932	
		<u>(33,291)</u>		<u>25,070</u>	
Cash generated from operations					
Corporate income tax paid/received		2,500		(7,129)	
		<u>2,500</u>		<u>(7,129)</u>	
Cash flow from operating activities			(30,791)		17,941
Investments in tangible assets	2	(1)		(3)	
Disposals of tangible assets		–		–	
Raising of financial assets / prolongations					
Metro Group companies	3	(18,500)		(802,390)	
Redemption of financial assets Metro Group companies	3	81,488		146,897	
Deposits	4/12	774,646		629,530	
Raising of financial assets / prolongations third parties	3	–		–	
Redemption of financial assets third parties	3	2,440		7,803	
		<u>2,440</u>		<u>7,803</u>	
Cash flow from investing activities			840,073		(18,163)
Raising of financial liabilities		240,000		750,000	
Redemption of financial liabilities		(1,050,000)		(750,000)	
		<u>(810,000)</u>		<u>(0)</u>	
Cash flow from financing activities			(810,000)		–
Changes in cash & cash equivalents			718		(286)
Cash & cash equivalents January 1			(222)		64
			<u>496</u>		<u>(222)</u>
Cash & cash equivalents December 31			<u>496</u>		<u>(222)</u>

The notes on page 12 to 37 are an integral part of these financial statements¹⁾ The result before taxation contains the following cash items, interest paid EUR 82,199 (2011: EUR 168,550) and interest received EUR 48,701 (2011: EUR 157,560)

Notes to the half year 2012 financial statements

Summary of significant accounting policies

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 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 for the year ended 31 December 2011.

Activities

METRO Finance B.V. operates as a finance company within the METRO Group. Its main activities consist of attracting loans for funding of METRO Group companies as well as hedging of related interest rate and currency risks. With retroactive effect as of 1 January 2011 Metro Euro-Finance B.V. was merged onto Metro Finance B.V. Metro Finance obtained the assets and liabilities of Metro EURO-Finance B.V. As a consequence Metro Finance B.V. activities were extended with providing short-term financial services for METRO Group companies, such as cash management.

Accounting principles

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and with Part 9 of Book 2 of the Netherlands Civil Code.

The financial statements were authorized for issue by the board of Managing Directors on 31 August 2012. The accounting principles as set out below have been applied in preparing the financial statements for the half year ended June 30, 2012 and the comparative information presented in these financial statements.

These financial statements have been based on the historical cost convention, except for the financial instruments that are recognised at fair value. The financial statements have been prepared in Euros. All amounts are stated in thousands of euros. The accounting principles used as a basis for the financial statements have been described in the following paragraphs.

Going concern

There are no indications 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.

Currency translation

Transactions denominated in currencies other than euro (functional currency) are translated at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in currencies other than euro 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 statement of income.

The following currency exchange rates were applied in the translation of the key currencies to euro:

	Average 2012, June 30	Average December 31, 2011	30 June 2012	December 31, 2011
Romanian Leu (RON)	4.39031	4.23824	4.4513	4.3233
Great Britain Pounds(GBP)	0.82264	0.86803	0.80680	0.83530
Hungarian Forint (HUF)	295.49868	279.32945	287.77	314.58
Czech Kroner (CZK)	25.16469	24.59169	25.64	25.787
Polnisch Zloty (PLN)	4.24382	4.12026	4.2488	4.458

Balance sheet**Non current assets*****Tangible assets***

Tangible fixed assets used in operations for a period that exceeds one year are recognised at cost less scheduled depreciations. Tangible assets are depreciated solely on a straight line basis, taking into account the following useful lives:

- Computer system : 3-5 years
- Cars : 5 years
- Computer license : 6 years
- Office equipment : 5-8 years

Assets are impaired in case the recoverable amount is below the book value.

Financial Assets

Financial assets held by the Company are recognised in accordance with IAS 39 (Financial instruments: Recognition and Measurement). Financial assets are initially recognised at fair value.. Subsequently financial assets are measured at either amortised cost or fair value, depending on the applicable categorisation in accordance with IAS 39. The Company applies value date accounting.

Derivative financial instruments are measured at fair value with fair value movements in the statement of income.

Income and deferred tax

Income taxes concern direct taxes on income.

Deferred taxes are determined in accordance with IAS 12, based on which future tax benefits and liabilities are recognised in case these are related to temporary difference between the commercial and fiscal base of recognition. Anticipated future tax savings due to compensating fiscal loss carry forwards, that are expected to be realised in the foreseeable future, are capitalised.

Deferred tax assets and liabilities are netted if these relate to an identical (group of) topics and subjects that are jointly assessed for income tax purposes by the same tax authority.

Current Assets

Loans and receivables

Loans and receivable held by the Company are recognised in accordance with IAS 39 (Financial instruments: Recognition and Measurement). Loans and receivables are initially recognised at fair value and using value date accounting. Subsequently loans and receivables are measured at amortised cost, using the effective interest method.

Cash and Cash equivalents

Cash and cash equivalents comprise bank deposits and monetary assets with a remaining time to maturity of 3 months and are measured at amortised cost, which equals nominal values unless stated otherwise.

Other assets

"Other assets" include deferred expense, as well as derivative financial instruments with a time to maturity that does not exceed 12 months. Derivative financial instruments are measured at fair value with fair value movements recognised in the statement of income.

Impairment or disposal of assets

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit and loss and reflected in an allowance account against loans and advances. Interest on impaired assets continues to be recognized through unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

Liabilities

Non current liabilities

Noncurrent liabilities are either "loans and borrowings" or derivative financial instruments with a time to maturity that exceeds 12 months, that are recognised in accordance with IAS 39 (Financial instruments: Recognition and Measurement).

Loans and borrowings consist of bonds, promissory note loans and bank loans that are initially recognised at fair value. Subsequently "loans and borrowings" are measured at amortised cost using the effective interest method in accordance with IAS 39.

Derivative financial instruments are measured at fair value with fair value movements recognised in the statement of income.

Current liabilities

Current liabilities include (parts of the) loans and borrowings with times to maturity that do not exceed 12 months, income tax liabilities and "other liabilities". Loans and borrowings are initially valued at fair value, subsequently they are valued at amortised cost using the effective interest method.

"Other liabilities" include deferred income, accrued expenses and derivative financial instruments measured at fair value or amortised cost, for which the period to maturity does not exceed 12 months. Deferred income and accrued expenses are valued at cost. Derivative financial instruments are valued at fair value.

Contingent liabilities

Contingent liabilities are, on one hand, potential obligations arising from past events whose existence is confirmed only by occurrence or non-occurrence of uncertain future events that are not entirely under the Company's control. On the other hand, contingent liabilities represent current obligations arising from past events for which, however, an outflow of resources is not considered probable or whose size cannot be determined with reasonable certainty. According to IAS 37 (provisions, contingent liabilities and contingent assets), such liabilities are not recognised but commented upon in the notes.

Accounting for derivative financial instruments / hedge accounting

Derivative financial instruments are used exclusively to reduce risks in accordance with the respective group guidelines. Usage is limited to foreign exchange spot and forward transactions, interest rate swaps and cross currency swaps.

In accordance with IAS 39, all derivative financial instruments are recognised at fair value and presented under "current assets" or "current liabilities" or "other assets" or "other liabilities" in case the remaining period to maturity does not exceed twelve months. Fair value changes are recognised directly in the statement of income. The Company does not apply cash flow hedge accounting.

In case (interest rate) fair value hedge accounting is applied, the hedged item is adjusted to reflect the effective part of the fair value change of the hedging instrument with an offsetting amount to be included in the statement of income. Both at the hedge inception and at each reporting date, we assess whether the derivatives used are highly effective in offsetting changes in fair values or cash flows of hedged items. When a derivative is not highly effective, we discontinue hedge accounting prospectively. In case the fair value hedge is de-designated, the remaining fair value adjustment on the hedged item is amortised over the remaining time to maturity using the effective interest rate at date of de-designation.

Acquisitions

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or business ultimately are controlled by the same party or parties both before and after the combination, and that control is not transitory.

Common control transactions are accounted using book value accounting on the basis that the entities are part of a larger economic group, and that the figures from that larger group are the relevant ones. In applying book value accounting, no entries are recognised in profit or loss; instead, the result of the transaction is recognised in equity as arising from a transaction with shareholders. The relevant book value is the carrying amount of the investee in the separate financial statements of the transferor. In the notes to the financial statements the book value of the merged accounts are disclosed.

Use of assumptions and estimates

In general financial statements are prepared using assumptions and estimates that had an effect on the value and presentation of the reported assets, liabilities, income and expense as well as contingent liabilities. In the context of the Company financial statements, estimates and assumptions mainly relate to contingent liabilities, provisions, fair value assessments and impairments.

A yearly analysis of impairment triggers for financial assets is performed based on information available within the Group and external market data.

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 statement of income as financial income or expense.

Statement of income

Recognition of income and expense

Financial income and expense

Financial income and expense is composed of interest income and expense, fair value changes of derivative financial instruments as well as currency revaluation gains and gains and losses on monetary assets and liabilities. 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.

Other income

Other income relates to revenue from management services rendered to the affiliated companies. For which service level agreements are in place. Revenues are recognised in the period they relate to.

Operating expenses

Operating expenses are recognised in the period they relate to.

Segment reporting

Segment information is not separately reported because the primary activity of the Company is financing the parent company Metro AG (Germany) and Metro Group companies within Continental Europe (2012: 71.9 %; 2011: 82.2 %), Metro Group Companies within Central Eastern Europe (2012: 21.1 %; 2011: 15.0 %), Metro Group Companies in Asia (2012: 5.9 %; 2011: 2.1 %), as well as Metro Group Companies in Africa (2012: 1.2 %, 2011: 0.7 %) The interest income relates to Continental Europe (2012: 63.1 %; 2011: 64.7%), to Central Eastern Europe (2012: 30.4 %; 2011: 30.4 %), to Asia (2012: 5.2 %; 2011: 3.9 %) and to Africa (2012: 1.3 %; 2011: 1.0 %).

New standards and interpretations

Several new accounting pronouncements were issued. We assessed whether our consolidated financial statements for 2012 and beyond may be affected.

IFRS 9, "Financial Instruments" (replacement of IAS 39) will become effective as from 2015, with earlier adoption permitted. IFRS 9 introduced new requirements for classifying and measuring financial assets and liabilities. This standard encompasses an overall change of accounting principles for financial instruments and will eventually replace IAS 39 – the current standard on financial instruments. As its scope will be further expanded during the next year(s), we will review the effects of a comprehensive standard on financial instruments and consider adoption when appropriate.

The main change resulting from the amendment to IAS 1, "Financial Statement Presentation" is a requirement to group items presented in other comprehensive income on the basis of potential reclassification to profit or loss. The amendments as such do not address which items are presented in other comprehensive income. This change is effective for our 2013 financial statements. We do not expect that this will have a material impact.

IFRS 10, "Consolidated Financial Statements" introduces a single control model for consolidation of investees. This standard will be effective as from 2013. We do not expect that this will have an impact.

IFRS 11, "Joint Arrangements" focuses on the rights and obligations of joint arrangements and eliminates proportionate consolidation. As we do not apply this method, there is no impact on our consolidated financial statements. IFRS 12, "Disclosure of Interests in Other Entities" contains the disclosure requirements for interests in subsidiaries, joint ventures, associates and other unconsolidated entities. This standard will be effective as from 2013. We do not expect that this will have an impact.

IFRS 13, "Fair Value Measurement" replaces the fair value measurement guidance contained in existing IFRS with a single source of fair value measurement guidance. This standard, which is effective as from 2013, is not expected to materially impact our consolidated financial statements.

The amendment to IAS 19, "Employee Benefits" will become effective in 2013. It includes the requirement that actuarial gains and losses are recognized immediately in other comprehensive income, thus removing the corridor method which we currently apply. In addition, expected return

on plan assets recognized in the statement of income is calculated based on the rate used to discount the defined benefit obligation. We do not expect that this will have an impact.

The amendment to IAS 27, “Separate Financial Statements” carries forward the existing accounting and disclosure requirements for separate financial statements. We do not expect that this will have an impact.

The amendment to IAS 28, “Investments in Associates and Joint Ventures” addresses the criteria and measurement of associates and joint ventures that qualify as held for sale. This amendment, effective as from 2013. We do not expect that this will have an impact.

Cash flow statement

The cash flow statement has been prepared applying the indirect method.

Cash flows in foreign currencies have been translated at the weighted average exchange rates.

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

Determination of fair value of financial assets and liabilities

The estimated fair value of financial instruments as included in the either or both the balance sheet and disclosure notes has been determined by the Company using acknowledged measurement methodology, using market data as money market and swap curves and foreign exchange rates present as at balance sheet date. Specific counterparty related credit risk is assessed by using the credit default swap spreads for the parties involved.

The fair values disclosed for financial liabilities outstanding under the DIP and EMTN programmes operated via listings on (regulated) exchanges in Frankfurt and Luxembourg are based on market data.

The fair values presented are not necessarily indicative of the amounts that will ultimately be realized by the Company upon maturity or disposal. The use of different market assumptions and/or estimation methods may have a material effect on the estimated fair value amounts.

IFRS 7 specifies a fair value hierarchy that identifies the following hierarchy levels:

- Level 1: Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair values measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Fair values measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the financial instruments included at fair value in the Company financial statements are classified as level 2 according to the before mentioned fair value hierarchy referred to in IFRS 7.

Where applicable detailed information concerning the principles for determination of the fair values has been included in the section that specifically relates to the relevant financial asset or liability.

1 Merger Metro Finance B.V. and Metro EURO-Finance B.V.

On 24 December 2011 METRO Euro-Finance B.V. was merged onto METRO Finance B.V. This merger has a retroactive effect as of 1 January 2011 for operative, accounting and Dutch tax purposes. Metro Finance obtained the assets and liabilities of Metro EURO Finance B.V. The acquisition is classified as a common control transaction. Both companies are 100% subsidiary of Metro AG. The obtained assets and liabilities are recognized book value in Metro Finance at date of merger, no goodwill is recognized.

For comparability purposes Pro Forma comparative figures are presented in the balance sheet and statement of income. Pro Forma figures include the combined figures Metro Finance B.V. and Metro EURO Finance B.V. as of June 30, 2011.

The activities of the merged company Metro Finance B.V. contain attracting long- and short-term loans for funding of METRO AG and METRO Group companies as well as hedging of related interest rate and currency risks.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of merger. All assets and liabilities are transferred at their book value.

Consideration transferred

	June 30, 2011 EUR 1,000
Loan to group companies	2,051,217
Derivatives	4,949
Cash	5,399
Deferred tax liability	0
Loan and borrowings Metro Group companies	(1,993,588)
Income tax	(5,211)
Derivatives	(4,973)
Other payables	(24)
	<hr/>
Net Asset Value	57,769
	<hr/>

2 Tangible assets

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

	June 30, 2012	2011
	EUR 1,000	EUR 1,000
Balance as per January 1		
• At cost	107	104
• Accumulated depreciation	(80)	(69)
	<hr/>	<hr/>
Book value	27	35
Movements:		
• Addition	1	3
• Disposals	-	-
- Cost		
- Cumulative depreciation		
• Depreciation	(5)	(11)
	<hr/>	<hr/>
	(23)	(8)
	<hr/>	<hr/>
Balance as per June 30		
• At cost	108	107
• Accumulated depreciation	(85)	(80)
	<hr/>	<hr/>
Total book value	23	27
	<hr/>	<hr/>

Tangible fixed assets relate to office and computer equipment mainly. Impairment adjustments were not deemed necessary.

3 Financial assets

	Loans to third parties	Loans to METRO Group companies	Total
	EUR 1,000	EUR 1,000	EUR 1,000
Balance as at January 1, 2011	75,266	1,378,781	1,454,047
Additions	—	802,390	802,390
Repayments	7,803	146,897	154,700
Reclass from external to internal loans	14,837	14,837	—
Transfers to short term	35,114	24,092	59,206
Balance as at December 31, 2011	<u>17,512</u>	<u>2,025,019</u>	<u>2,042,531</u>
Balance as at January 1, 2012	17,512	2,025,019	2,042,531
Additions	—	18,500	18,500
Repayments	2,440	81,488	83,928
Reclass from external to internal loans			—
Transfers to short term		217,524	217,524
Balance as at June 30, 2012	<u>15,072</u>	<u>1,744,507</u>	<u>1,759,579</u>

The interest rates on fixed interest rate loans vary between 2.594 % and 6.69 % (2011: 2.594% and 6.69%), depending on the lifetime and interest periods of the respective loans. The interest rate on the floating interest rate loans is Euribor + 1.70%.

The expiration dates of the loans are between 2013 and 2024 (2011: 2012 and 2024). Impairments adjustments were not deemed necessary.

4 Loans and receivables

	June 30, 2012	2011
	EUR 1,000	EUR 1,000
Loans to Metro Group companies	1,902,633	3,529,275
Loans to third parties	35,046	35,114
Interest receivable Metro Group companies	58,729	31,359
Other receivables	652	84
	<hr/>	<hr/>
Balance as at 30 June 2012	1,997,060	3,595,832
	<hr/>	<hr/>

The loans to METRO AG and Metro Group companies, as well as to third parties will be due payable within one year from balance sheet date. In the balance is a current account position of EUR 126 Mio Euro with METRO AG.

The interest rates on fixed interest rate loans vary between 1.0% and 11.75% (2011 1.0% and 11.75%), depending on the original lifetime and interest periods of the respective loans. The interest rates on the floating interest rate loans vary between Euribor + 0.45% and Euribor + 1.00%. Impairment adjustments have not been deemed necessary.

The fair value of the collateral exceeds the carrying amounts of the loans provided.

5 Other assets

	June 30, 2012	December 31, 2011
	EUR 1,000	EUR 1,000
Derivatives: Foreign exchange contracts	7,037	3,135
	<hr/>	<hr/>
	7,037	3,135
	<hr/>	<hr/>

The change in derivatives during the year can be specified as follows:

	June 30, 2012	December 31, 2011
	EUR 1,000	EUR 1,000
Balance as at 1 January	3,135	—
Change in fair value	3,902	3,135
	<hr/>	<hr/>
Balance as at 30 June	7,037	3,135
	<hr/>	<hr/>

The derivatives per 30 June 2012 reflect the fair value of forward contract used to hedge the future foreign exchange loan redemptions and related interest cash flows.

6 Cash and cash equivalents

Cash and cash equivalents include bank balances held with commercial banks, that are due within three months after balance sheet date and which are at the free disposal of the company.

The cash and cash equivalents contain receivable EUR 496. Total per cash flow statement is EUR 496 receivable.

7 Shareholder's equity

The authorised share capital of the company as at June 30, 2012 consists of 700 ordinary shares of EUR 1 thousand each. The issued and fully paid-up share capital consists of 453 shares.

The proposal for appropriation of net results over 2011 has been adopted at the Shareholders Meeting. The 2011 net result has been added to the retained earnings.

Reference is made to the statement of changes in equity as included in the financial statements.

8 Bonds

	Maturity	Fixed interest	Effective interest	Carrying amount June 30, 2012	Principal amount June 30, 2012	Carrying amount December 31, 2011	Principal amount December 31, 2011
				EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Maturity more than 1 years:							
EMTN Notes	2013	9.38%	9.5%	499,159	500,000	498,890	500,000
EMTN Note	2016	3.10%	4.85%	49,951	50,000	–	–
EMTN Note	2017	4.25%	4.48%	747,922	750,000	747,723	750,000
EMTN Notes	2020	4.05%	4.04979%	123,887	125,000	-	-
Total				1,420,919	1,425,000	1,246,613	1,250,000

All instruments have been issued under the EMTN and DIP programs. The notes are denominated in EUR,, 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 am Main and Luxembourg. For an overview of fair values reference is made to the note on financial risk management.

9 Promissory note loans

	Weighted Interest	Effective Interest	Carrying amount June 30, 2012 EUR 1,000	Principal amount June 30, 2012 EUR 1,000	Carrying amount December 31, 2011 EUR 1,000	Principal amount December 31, 2011 EUR 1,000
<i>Maturity between</i>						
<i>1 and 5 years:</i>						
Promissory note loans	4.32 %	4.34 %	0	0	99,953	100,000
Promissory note loans	Floating		0	0	49,987	50,000
Total promissory note loans			0	0	149,940	150,000

The promissory loan notes are denominated in EUR. The floating interest rates on bank loans amount to EURIBOR -- % (2011: + 0.50%). For an overview of fair values reference is made to the note on financial risk management. No promissory note loans as of 30 June 2012.

10 Deferred tax assets and liabilities

At 30 June 2012 EUR 250 deferred tax receivables exist (2011: EUR 121 liabilities).

Deferred tax assets and liabilities relate to the difference in measurement basis for IFRS and fiscal reporting purposes with regards to derivative financial instruments. For Dutch fiscal purposes these are valued at cost or lower market value rule while under IFRS fair value accounting is applied. The measurement difference is temporary in nature.

11 Loans from Metro group companies

	June 30, 2012 EUR 1,000	December 31, 2011 EUR 1,000
Loans from Metro Group companies	1,240,082	2,092,078
Current account balances with regards to Metro Group companies	776,555	917,949
Interest payables	1,717	3,455
Balance as at 30 June 2012	2,018,354	3,013,482

The interests are based on EURIBOR flat or – in special cases – plus a margin of 0.45%. (Metro FIM Italia 3.62% based on METRO AG's CDS plus related Swap rates on the Euro Money Market). The interest rates for loans which are denominated in other currencies are set when a derivative contract is entered into on the loan.

12 Bonds (current part)

	Fixed interest	Effective interest	June 30, 2012 EUR 1,000	December 31, 2011 EUR 1,000
EMTN Note			-	499,795
EMTN Note (RON 150 million)	11.55%	11.55%	22,461	23,095
Bonds			-	-
Accrued interest			44,348	46,952
Total bonds			66,809	569,842

The Bonds (current part) contains the interest accruals related to the Bonds, presented as non-current liabilities. Promissory note loans (current part)

13 Promissory note loans (current part)

	June 30, 2012 EUR 1,000	December 31, 2011 EUR 1,000
Promissory loans fixed rate	99,975	112,984
Promissory loans floating interest rate	49,992	436,945
Accrued interest	1,759	8,700
Total Promissory note loans	151,726	558,629

For an overview of fair values reference is made to the note on financial risk management.

The interest rate on the fixed interest rate promissory note loan vary between 3.75% and 3.945 (2011: 4.32 %). The interest rates on the floating interest rate promissory note loan amounts to Euribor + 0.50 %.

The expiration dates of the promissory note loans are within the business year 2012.

14 Other liabilities and accrued expenses

	June 30, 2012	December 31, 2011
	EUR 1,000	EUR 1,000
Derivatives	13,928	14,783
Other	196	406
	14,125	15,189

The change in derivatives during the year can be specified as follows:

	December 31, 2011	December 31, 2011
	EUR 1,000	EUR 1,000
Balance as at 1 January	14,783	1,480
Disposal of derivatives	-	-
Change in fair value	(855)-	13,303
Balance as at 30 June	13,928	14,783

The derivatives per 30 June 2012 reflect the book value of forward contract to hedge the future foreign exchange loan redemptions and related interest cash flows.

15 Financial income

	June 30, 2012	2011
	EUR 1,000	EUR 1,000
Interest income from loans and receivable (Held to maturity)		
Thereof financial instruments of the IAS 39 measurement categories and related classes of financial instruments:		
• Loans and receivables –external counterparties	670	1,437
• Loans and receivables –Metro Group companies	75,516	164,206
	<hr/>	<hr/>
Sub total interest income	76,186	165,643
 Currency translation gains		
Currency translation gains loans and receivables	10,943	25,055
Fair value changes on derivatives - external counterparties	6,507	–
Fair value changes on derivatives - internal counterparties	1	1,472
	<hr/>	<hr/>
Subtotal foreign exchange income	17,451	26,527
	<hr/>	<hr/>
Financial income	93,637	192,170
	<hr/>	<hr/>

16 Financial expense

	June 30, 2012 EUR 1,000	2011 EUR 1,000
Interest expense from loans and receivable (Held to maturity)		
Thereof financial instruments of the IAS 39 measurement categories and related classes of financial instruments:		
• Loans and receivables –external counterparties	59,085	127,447
• Loans and receivables –Metro Group companies	15,194	32,866
	<hr/>	<hr/>
Sub total interest expense	74,279	160,313
Currency translation losses		
Currency translation losses loans and receivables	16,435	12,152
Fair value changes on Derivatives – internal counterparties	-	-
Fair value changes on Derivatives - external counterparties	-	14,775
	<hr/>	<hr/>
Subtotal foreign exchange losses	16,435	26,927
	<hr/>	<hr/>
Financial expense	<hr/> 90,714 <hr/>	<hr/> 187,240 <hr/>

17 Other income

The other income consists of general expenses and services fees which were cross charged by METRO Finance B.V. to METRO Group companies relating to expenses incurred and services rendered. The cross charges have been based on documented policies.

18 Wages and salaries

	June 30, 2012 EUR 1,000	2011 EUR 1,000
Wages and salaries	370	723
Social security charges and pension contributions	21	30
	<hr/>	<hr/>
	391	753
	<hr/>	<hr/>

For an overview of staff members and remuneration of Board of Managing and Supervisory Directors, reference is made to note 24 and 25.

19 Other expenses

Other expenses relate to general and administrative expenses.

20 Income tax

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

	June 30, 2012	2011
	EUR 1,000	EUR 1,000
Result from ordinary activities before taxation	2,155	3,128
Taxation on result from ordinary activities	539	777
Effective tax rate	25.0%	25.0%
Nominal tax rate	25.0%	25.0%

The nominal tax rate is 25.0% (2011: 25.0%). The tax liability in the profit and loss account over the first half year 2012 amounts to EUR 539 (2011: EUR 777) or 25.0% of the result before taxes (2011: 25.0%).

No permanent differences between fiscal and commercial tax base were identified.

21 Financial risk management

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk.
- Liquidity risk.
- Market risk including interest rate and currency risk.

This note presents information about the exposure of the Company to each of the above risks, the Company's objectives, policies and processes for managing and measuring these risks, and the Company's approach to capital management.

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 counterparties fail to meet payment obligations to the company, the resulting losses in principle 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

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables. Due to activities and agreements within the METRO Group the credit risk is very limited.

In the course of the risk management of monetary investments and financial derivatives, minimum creditworthiness requirements and maximum exposure limits have been defined for all business partners of METRO Group. This is based on a system of limits laid down in the treasury guidelines applied within the METRO Group.

The Company reviews the creditworthiness internally as part of the Company risk management procedures. This risk has not materialised and no allowance for impairment for incurred losses in respect of receivables is recognised.

Approximately 99 % (2011: 99 %) of the receivables of the company are held with related parties, for definition see below to related party transactions. Approximately 41 % (2011: 22%) 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 50 million (2011: EUR 52 million). We refer to note 3 and 4 for further information. These receivables are secured by the following.

- Guarantee of Metro AG;
- Mortgage agreement, and.
- Obligation to take over rental payments.

In general management of the Company tend to assess and review credit risk for counterparties within the Group. If considered necessary receivables will be secured by adequate warranty instruments.

Liquidity risk

Due to guarantees of METRO AG, METRO Finance B.V. has access to sufficient liquidity reserves so that liquidity risk is limited.

The following table provides a maturity overview of contractual cash flows. The amounts disclosed in the table are the contractual undiscounted amounts.

Maturity of liabilities and cash outflows (contractual cash flows)	Less than 1 year	Between 1 and 5 years	Over 5 years
At December 31, 2011			
Borrowings	1,073,130	650,000	750,000
Interest on borrowings	109,019	205,049	52,125
Deposits	3,013,482		
Interest on deposits	111,574		
Other payables	406	—	—
Derivatives	1,233,289	—	—
Total	5,540,900	855,049	802,125
At June 30, 2012			
Borrowings	172,465	1,300,000	125,000
Interest on borrowings	6,726	259,235	40,500
Deposits	2,018,354		
Interest on deposits	4,078		
Other payables	96	—	—
Derivatives	1,277,984	—	—
Total	685,387	1,420,593	770,896

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 Group interest rate policy aims to reduce the financing costs as much as possible. Derivative financial instruments are not used for speculative purposes.

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

Sensitivity analysis

At June 30, 2012, if EURIBOR interest rates had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been EUR 0,7 million higher/lower (2011: EUR 0.5 million lower/higher), because of the existing service agreement with METRO AG, according to which a stable interest income is guaranteed. The change in interest rates would have had no impact on equity.

Currency risk

The company is exposed to foreign exchange risk on loans receivables and payable denominated in a currency other than 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. The derivative financial instruments are not collateralized and are not used for speculative purposes.

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 2012 about 129 foreign exchange forward contracts (EUR against CHF, CZK, DKK, GBP, HUF, JPY, PLN RON, RUB, SEK, TRY, USD) were outstanding to hedge the foreign exchange currency risk of the future foreign exchange interest margin relating to the foreign exchange deals with METRO Group companies and banks. The deals consist of loans and receivables with METRO Group companies and one RON denominated Note. We refer to the paragraph on "interest rate risk".

Sensitivity analysis

We perform foreign currency sensitivity analysis by applying an adjustment to the spot rates prevailing at second quarter end. This adjustment is based on observed changes in the exchange rate in the past and management expectation for possible future movements. We then apply the expected possible volatility to revalue all monetary assets and liabilities (including derivative financial instruments) in a currency other than the functional currency of the subsidiary in its balance sheet at June 30, 2012.

At June 30, 2012, if the Euro had weakened/strengthened by 10 percent against the RON with all other variables held constant, post-tax profit for the first half year would have been EUR 0.082/0.123 million (2011: EUR 0.194 million) higher/lower, because the RON positions are naturally hedged. The change in exchange rate has no impact on equity.

At June 30, 2012, if the euro had weakened/strengthened by 10 percent against the PLN with all other variables held constant, post-tax profit for the first half year would have been EUR 0.054/0.081 million (2011: EUR 0.202 million) higher/lower, because the PLN positions are naturally hedged. The change in exchange rate has no impact on equity.

At June 30, 2012, if the Euro had weakened/strengthened by 10 percent against the HUF with all other variables held constant, post-tax profit for the first half year would have been EUR

0.059/0.088 million (2011: EUR 0.05 million) lower/higher, because the HUF positions are naturally hedged. The change in exchange rate has no impact on equity.

At June 30, 2012, if the Euro had weakened/strengthened by 10 percent against the USD with all other variables held constant, post-tax profit for the first half year would have been EUR 0.082/0.123 million (2011: EUR 0.123 million) higher/lower, because the USD positions are naturally hedged. The change in exchange rate has no impact on equity.

Fair value

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

	Note	Fair value	Book value	Fair value	Book value
	Ref.	June 30, 2012	June 30, 2012	2011	2011
		EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Financial assets	3				
Loans to third parties		15,587	15,072	17,985	17,512
Loans to Metro Group companies		1,925,178	1,744,507	2,190,010	2,025,019
Loans and receivables	4				
Loans to third parties		35,230	35,046	35,454	35,114
Loans to Metro Group companies		1,936,513	1,902,634	3,542,173	3,529,275
Other assets	5	7,037	7,037	3,135	3,135
Noncurrent liabilities					
Bond	8	1,650,875	1,420,919	1,448,290	1,246,613
Promissory loan notes	9	0	0	155,945	149,940
Current liabilities					
Loans from Metro Group companies	11	2,026,699	2,018,354	3,012,894	3,013,482
Bonds	12	24,985	66,810	544,857	569,842
Promissory note loans	13	153,618	151,726	556,438	558,629
Bank loans				-	-
Other liabilities-derivatives	14	13,928	13,928	14,783	14,783

We refer to notes mentioned to facilitate reconciliation to the face of the balance sheet. The fair values represent the clean fair value excluding of interest accruals. All, except derivatives, assets and liabilities categorized as loans and receivables and valued accordingly at amortized cost. Derivatives are categorized at fair value through profit and loss and valued and accounted for accordingly.

22 Related party transactions

Metro Finance B.V. has business relationships with Metro AG, the sole shareholder, and several Metro Group companies.

The main activities of Metro Finance B.V. focus on providing short term financial services (up to one year), in particular by granting loans to and accepting deposits from METRO Group companies as well as granting loans for mid and long-term funding of Metro Group companies as well as hedging of related interest rate and currency risks. Besides accepting deposits from METRO Group companies refinancing is done via the capital markets. The pricings for transactions with affiliated companies are based on arms length interest rates.

The balance outstanding with and interest revenues and expenses related to Metro AG and the overall balance Metro Group companies have been separately disclosed in balance sheet and statement of income.

For an overview of all Metro Group companies we refer to the consolidated financial statements of Metro AG.

Business relationships with related parties are based on contractual agreements providing for arms length prices. During the first half year 2012, an amount of EUR 0 million regarding interim dividend was paid to METRO AG (2011: EUR 0 million).

Metro Finance B.V. has no business relations with related natural persons during the financial year.

23 Contingent obligations

The company has a cancellable (12 month cancellable period) rent agreement for its office building, with a total obligation of EUR 150 (2011: EUR 30) for the remaining contractual period until May 31, 2017. EUR 31 were due in the first financial half year 2012 (2011: EUR 61). No other off balance sheet liabilities, guarantees or long term financial obligations are applicable.

24 Personnel

The company employed 10 persons (2011: 10) on average in the financial year. Measured in full time equivalents, the company employed 8,7 FTE on average during the financial year (2011: 8,5).

25 Remuneration of the Boards of Managing and Supervisory Directors

The Board of Managing Directors consisted of 4 persons during the first year (2011: 4).

The Board of Supervisory Directors consisted of 3 persons during the first year (2011: 4).

The remuneration for the Managing Directors amounted to EUR 189 (2011: EUR 258).
The remuneration for the Supervisory Board for the financial half year 2012 amounted to EUR .0 (2011: EUR 8).

Venlo, 31. August 2012

The Board of Managing Directors,

The Board of Supervisory Directors,

O. Kruse

O. Koch

H.-D. Hinker

T. Grad

H. Laaks

H. Sachs

J.E. 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 2011 net result after tax, amounting to EUR 2,351 to the other reserves.

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

Report on the financial statement

Following Directive 394.3, article 303 regarding interim financial statements, we herewith state that this financial statement was not subject to audit as mentioned in article 2:293 BW.