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Haniel Finance B.V.  
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Report on the  
annual accounts 2007

4 July 2008

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### **Annual accounts 2007**

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## **Management board's report**

The management board of Haniel Finance B.V. (hereinafter also referred to as 'the company') presents the management board's report and the company's financial statements for the financial year ended 31 December 2007.

The company's main activity is the financing of the companies belonging to the Haniel Group.

### **Highlights of the 2007 financial year**

From May to August 2007 Haniel Finance B.V. purchased Metro AG shares worth EUR 3,598,778,805 which were financed mainly through intercompany loans from Haniel Finance Deutschland GmbH. The purchased Metro AG shares plus some additional Metro AG shares already in possession (representing 0.4% of all Metro AG shares) were sold on in the months following the purchases, generating revenues of EUR 3,710,578,608. All-in-all this transaction generated a gain of EUR 53,621,031 and lowered the participation in Metro AG from 5.4% to a bit above 5.0%.

The book value of the remaining participation in Metro AG was EUR 942,016,000 as per 31 December 2007.

As the stock market price of the Metro AG share increased per 31 December 2007 to EUR 57.44 (31 December 2006 EUR 48.31), an increase in share value amounting to EUR 155,709,595 has been recognised in 2007 according to the Dutch accounting principles.

All shares of Haniel-Beteiligung GmbH have been sold during the course of 2007.

### **Financial position**

The company's balance sheet total increased by EUR 298,758,332 from EUR 1,237,881,915 to EUR 1,536,640,247. This increase is attributable to a large part to the increase in receivables from group companies rising by EUR 190.1 million and to a smaller part to the increase in the value of participations held. The latter results mainly from the revaluation of Metro Shares described above.

These two major changes are reflected in retained earnings raising by EUR 202.8 million and liabilities rising by EUR 96.0 million. The decrease in long-term liabilities is caused by bonds in the volume of EUR 150 million maturing in 2008, thus increasing short-term liabilities in the same amount as of 31 December 2007. The residual increase in short-term liabilities stems from new bank financing in the amount of EUR 54.2 million and additional internal group financing amounting to EUR 40.6 million.

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### **Earnings position**

In 2007, a profit before taxes of EUR 195,754,140 was achieved (2006: EUR 153,373,149). The increase in the result is to the largest part the net effect of a higher recognition of unrealised gains from the valuation of the investment in Metro AG (plus EUR 24.4 million) plus gains on the sale of Metro AG shares in the amount of EUR 53.6 million minus higher interest expenses of EUR 35.5 million.

The decrease of Haniel Finance B.V.'s net interest from EUR 5,115,440 income to EUR 30,447,206 expense is attributable to the intermediate financing of the Metro AG shares bought and sold later on during the year 2007.

### **Policy towards risks**

It is corporate policy to exclude or limit interest rate and foreign exchange risks by concluding hedging transactions. All hedges are fundamentally tied to an underlying transaction and are only transacted with banks with a first-class credit rating. No derivatives are concluded for speculative purposes.

Haniel Finance B.V. could face contracting party default risks amounting to the positive market value of the derivatives concluded. However, since money market transactions and financial instruments are only transacted with banks with a first-class rating, these risks are to be classed as low. A concentration of default risks arising from business relations with individual debtors or groups of debtors has not been identified.

It is predominantly forward exchange business, generally with short-term time horizons not exceeding one year that is concluded to hedge the foreign exchange risk.

In the interest rate area, derivative financial instruments are used to manage fixed interest periods of loans and to limit the interest rate fluctuation risk. Interest swap transactions (including combined interest rate currency swaps), Forward Rate Agreements as well as Caps and Floors, can be concluded for this purpose.

The other derivative financial instruments essentially include derivatives (options) split off from structured financial products.

### **Derivatives transactions as per 31 December 2007**

The overall derivative financial instruments position is explained in greater detail below (excluding EURO STOXX certificates) in connection with the hedging strategy pursued by Haniel Finance B.V. (all amounts in millions of euros):

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	Nominal volumes		Market values	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Interest rate instruments	0.0	0.0	0.0	0.0
Foreign exchange instruments	111.4	136.2	0.9	2.5
	<u>111.4</u>	<u>136.2</u>	<u>0.9</u>	<u>2.5</u>

The derivatives market values are determined using capital market data on the balance sheet date and suitable valuation methods. If interest rates are needed to determine them, the market interest rates prevailing for the respective residual term of the derivatives are used.

The residual term of the derivative financial instruments' nominal volumes is broken down as follows (all amounts in millions of euros):

	Residual term			Nominal volumes	
	<1 year	1-5 years	> 5 years	31.12.2007	31.12.2006
Interest rate instruments	0.0	0.0	0.0	0.0	0.0
Foreign exchange instruments	102.9	8.5	0.0	111.4	136.2
	<u>102.9</u>	<u>8.5</u>	<u>0.0</u>	<u>111.4</u>	<u>136.2</u>

### Projections for 2008

In 2008, Haniel Finance B.V. will continue to perform the Group Treasury Activities for the Haniel Group companies domiciled outside Germany. The volume of these activities will decrease as Xella group companies will be serviced from Xella International GmbH and no longer use financing services from Haniel Finance B.V. After the exceptional trading activities in 2007, we expect the 2008 financial year to be more in line with previous years' results, than with those of 2007.

Therefore we expect a net profit before tax (excluding valuation adjustments of the Metro shares due to changes in the stock market price) of around EUR 21 million, consisting of interest income of EUR 3 million and the result from dividends around EUR 18 million).

Venlo, 4 July 2008

The management board:

Jürgen Barten

Georg W. Mehring-Schlegel

Dr. Axel Gros

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### **Financial statements**

- Balance sheet
- Profit and loss account
- Notes to the financial statements

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**Balance sheet as per 31 December 2007**

(after profit appropriation)	31.12.2007		31.12.2006	
	EUR		EUR	
<b>Assets</b>				
<b>Fixed assets</b>				
Tangible fixed assets (1)	11,413		49	
Financial fixed assets (2)	<u>998,077,956</u>	998,089,369	<u>893,628,334</u>	893,628,383
<b>Current assets</b>				
Receivables and prepaid expenses (3)	532,277,376		342,202,309	
Cash at banks	<u>6,273,502</u>	538,550,878	<u>2,051,223</u>	344,253,532
		<u>1,536,640,247</u>		<u>1,237,881,915</u>



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**Balance sheet as per 31 December 2007, continued**

	<u>31.12.2007</u>		<u>31.12.2006</u>	
	EUR		EUR	
<b>Shareholder's equity and liabilities</b>				
<b>Shareholder's equity (4)</b>				
Share capital paid-up and called-up	25,000,000		25,000,000	
Share premium	241,371,780		241,371,780	
Retained earnings	<u>869,951,147</u>	1,136,322,927	<u>667,159,252</u>	933,531,032
<b>Long-term liabilities (5)</b>		64,761,060		213,822,400
<b>Short-term liabilities and accrued expenses (6)</b>		<u>335,556,260</u>		<u>90,528,483</u>
		<u>1,536,640,247</u>		<u>1,237,881,915</u>

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### Profit and loss account for 2007

	<u>2007</u>		<u>2006</u>
	EUR		EUR
Income from participations and securities (8)	227,160,782		149,116,067
Interest income less interest expense (9)	(30,447,206)		5,021,548
Income from other securities (10)	(32,810)		381,136
Other income	0		12,500
Exchange differences	<u>(386,564)</u>	196,294,202	<u>(309,418)</u> 154,221,833
Wages and salaries (11)	34,092		40,069
Social securities	228		239
Depreciation	741		4,898
Other operating expenses	<u>505,001</u>	<u>(540,062)</u>	<u>803,478</u> (848,684)
<b>Profit before tax</b>		195,754,140	153,373,149
Tax (12)		<u>7,037,755</u>	<u>(1,132,066)</u>
<b>Profit after tax</b>		<u><u>202,791,895</u></u>	<u><u>152,241,083</u></u>

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**Cash flow statement for 2007**

	<u>2007</u>	<u>2006</u>
	EUR	EUR
Profit before tax	195,754,140	153,373,149
Adjustments with respect to:		
▪ Depreciation tangible fixed assets	741	4,898
▪ Unrealised valuation adjustments	(155,676,785)	(131,285,911)
▪ Changes in current assets and other short-term liabilities <sup>1</sup>	(148,136,305)	163,541,293
	<u>(108,058,209)</u>	<u>185,633,429</u>
Tax	(999,018)	28,107
<b>Cash flow from operating activities</b>	<u>(109,057,227)</u>	<u>185,661,536</u>
Investments in tangible fixed assets	(12,105)	(4,876)
Disposals financial fixed assets	59,050,823	9,175,038
<b>Cash flow from investment activities</b>	<u>59,038,718</u>	<u>9,170,162</u>
Repayments long-term liabilities	0	(185,492,357)
Movement current account banks	54,240,788	(8,834,966)
<b>Cash flow from financing activities</b>	<u>54,240,788</u>	<u>(194,327,323)</u>
Movement in cash	<u>4,222,279</u>	<u>504,375</u>
Cash as per 1 January	2,051,223	1,546,848
Cash as per 31 December	<u>6,273,502</u>	<u>2,051,223</u>

<sup>1</sup> not including tax and bank debts

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## **Notes to the financial statements**

### **General accounting principles for the preparation of the financial statements**

Haniel Finance B.V., Hakkesstraat 23a, Venlo, is a holding and finance company, and performs the Group Treasury Activities for the Haniel Group companies domiciled outside Germany.

The financial statements of Haniel Finance B.V. have been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date.

Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

Financial instruments be both primary financial instruments, such as receivables and payables, and financial derivatives. For the principles of primary financial instruments, reference is made to the treatment per balance sheet item. Financial derivatives are recognised at cost.

Pursuant to article 2:408 of the Netherlands Civil Code no consolidated financial statements have been prepared. The financial information of the investments is included in the consolidated financial statements of Franz Haniel & Cie. GmbH, Duisburg, Germany.

For greater clarity, classification of certain items of the profit and loss account and the cash flow statement has been adjusted to the nature of the activities of Haniel Finance B.V.

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## **Accounting principles for the valuation of assets and liabilities and for the determination of the result**

### **Tangible fixed assets**

Tangible fixed assets are presented at cost less accumulated depreciation. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost.

### **Financial fixed assets**

In connection with article 2:408 of the Netherlands Civil Code, participations are valued at cost and if applicable less impairments in value. With the valuation of participations any impairment in value is taken into account.

Securities included in financial fixed assets (per fund) are valued at market value at balance sheet date.

Deferred tax assets are stated under the financial fixed assets if and to the extent it is probable that the tax claim can be realized in due course. The deferred tax assets are valued at nominal value and have a predominantly long-term character. In assessing the realizability of deferred tax assets, management considers the projected future taxable income and the maximum period during which the tax claim should be realized.

### **Profit and loss account**

Income and expenditure are taken to the profit and loss account for the financial year to which they relate.

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and taking into account that deferred tax assets are not valued if and so far as their realization is not probable.

### **Principles for preparation of the cash flow statement**

The cash flow statement is prepared according to the indirect method.

The funds in the cash flow statement consist of cash. Corporate income taxes, interest received and interest paid are presented under the cash flow from operating activities. Dividends paid are presented under the cash flow from financing activities.

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## Notes to specific items in the balance sheet

### 1. Tangible fixed assets

The movements in the tangible fixed assets in 2007 can be specified as follows:

	2007	2006
	EUR	EUR
Book value as per 1 January	49	73
Additions and disposals	12,105	4,874
Depreciation	(741)	(4,898)
Book value as per 31 December	<u>11,413</u>	<u>49</u>
Accumulated depreciation as per 31 December	<u>2,510</u>	<u>1,769</u>

### 2. Financial fixed assets

	31.12.2007	31.12.2006
	EUR	EUR
Participations in group companies	1,632,566	1,657,566
Interest in Metro AG	942,016,000	844,485,177
Loans to group companies	8,496,051	9,343,102
Other loans	25,564,594	25,564,594
Other securities	13,483,745	12,577,895
Deferred tax	6,885,000	0
	<u>998,077,956</u>	<u>893,628,334</u>

Movements during the year:

	Participations	Interest in Metro AG	Loans	Other securities	Deferred tax
	EUR	EUR	EUR	EUR	EUR
Book value 1 January 2007	1,657,566	844,485,177	34,907,696	12,577,895	0
Purchases	0	3,598,778,805	0	0	0
Addition	0	0	0	0	6,885,000
Sales (at cost)	(25,000)	(3,656,957,577)	0	0	0
Redemptions	0	0	(847,051)	0	0
Valuation adjustment	0	155,709,595	0	905,850	0
Book value 31 December 2007	<u>1,632,566</u>	<u>942,016,000</u>	<u>34,060,645</u>	<u>13,483,745</u>	<u>6,885,000</u>

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	Share	Acquisition cost	Value adjustment	Book value 31.12.2007
	%	EUR	EUR	EUR
De Kreel Beheer B.V, Venlo	100.0	3,129,021	(2,299,333)	829,688
Heborag Zug AG, Zug	33.3	802,878	0	802,878
		3,931,899	(2,299,333)	1,632,566
Metro AG	5.0	883,009,017	59,006,983	942,016,000
		886,940,916	56,707,650	943,648,566

The participation in Heborag Zug AG is stated at cost. According to the latest approved financial statements, net equity of this participation amounts to CHF 5,570,452 as per 31 December 2006 and net results 2006 amounts to CHF 3,465,021.

The shares in Haniel-Beteiligung GmbH have been sold in 2007.

The investment in Metro AG has been valued at the year-end stock market price (2007 EUR 57.44 and 2006 EUR 48.31). In 2007 a realised gain on the sale of part of the shares amounting to EUR 53,621,031 and an unrealised gain amounting to EUR 155,709,595 have been recognised in the profit and loss account (2006 an unrealised gain of EUR 131,278,901).

#### Loans to group companies

Loans to group companies amounting to EUR 8,496,051 as per 31 December 2007 have a remaining term between 1 and 4.5 years. The average interest rates as per 31 December 2007 were 4.4% and 8.9%.

#### Other loans

The other loan amounting to EUR 25,564,594 is due to expire on 31 December 2012. The interest rate is 6.1%. In case of a repayment of this loan, this loan is subordinated up to EUR 5,000,000 to other bank loans of the borrower.

#### Securities

This item consists of 33,550 Index participation certificates Dow Jones EURO STOXX 50<sup>SM</sup> Index (equivalent to 30,500 Index certificates 1999/2009).

The Index participation certificates Dow Jones EURO STOXX 50<sup>SM</sup> Index are purchased to hedge against the issued Dow Jones EURO STOXX 50<sup>SM</sup> Index certificates stock price risk (reference is made to the liabilities position), and are valued at its market value as per year-end due to the hedge position. The issued Dow Jones EURO STOXX 50<sup>SM</sup> Index certificates are also valued at their market value as per year-end.

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Deferred tax

It is expected that from this amount EUR 765,000 will be realised within one year.

**3. Receivables and prepaid expenses**

	<u>31.12.2007</u>	<u>31.12.2006</u>
	EUR	EUR
Receivables from group companies	523,981,110	333,917,880
Discount items	171,982	458,717
Corporate income tax	6,524,483	5,372,710
Interest	1,548,672	2,400,782
Miscellaneous	51,129	52,220
	<u>532,277,376</u>	<u>342,202,309</u>

Discount items relating to the EMTN Programme (31 December 2007: EUR 26,250) and the Dow Jones EURO STOXX 50<sup>SM</sup> Index certificates (31 December 2007: EUR 145,732) are stated in the balance sheet as accrued income and are charged to the profit and loss account during the life of the related items (2008: EUR 142,837 and 2009 EUR 29,145).

**4. Shareholder's equity**

Movements:

	<u>Issued share capital</u>	<u>Share premium</u>	<u>Retained earnings</u>
	EUR	EUR	EUR
Balance as per 31 December 2006	25,000,000	241,371,780	667,159,252
Profit 2007	0	0	202,791,895
Balance as per 31 December 2007	<u>25,000,000</u>	<u>241,371,780</u>	<u>869,951,147</u>

The issued capital totals EUR 25,000,000 and is divided into 2,500,000 shares with a par value of EUR 10 each. The share premium is made up of paid-in surplus (regarded as paid-up capital for tax purposes).



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## 5. Long-term liabilities

	<u>31.12.2007</u>	<u>31.12.2006</u>
	EUR	EUR
Bonds	50,000,000	200,000,000
Dow Jones EURO STOXX 50 <sup>SM</sup> Index certificates 1999/2009	<u>14,761,060</u>	<u>13,822,400</u>
	<u>64,761,060</u>	<u>213,822,400</u>

Haniel Finance B.V. and Franz Haniel & Cie. GmbH are jointly and severally liable for repayment of the long-term loans.

The average interest rate at 31 December 2007 was 4.8% (31 December 2006: 4.7%). Repayment in years 2 to 5 comes to EUR 64,761,060 and to nil after more than five years.

### Bonds

The bonds issued under the Multi-Currency-Euro-Medium Term Note Programme (EMTNP) have been guaranteed by Franz Haniel & Cie. GmbH and can be specified as follows:

Aggregate par value	EUR 50,000,000	EUR 100,000,000	EUR 50,000,000
Final maturity date	7 March 2012	28 January 2008	1 July 2008
Interest rate	Fixed, 6%	4.125%	6-Months Euribor + 0.70%

Repayments within one year amounting to EUR 150,000,000 are included in the short-term liabilities.

### EURO STOXX 50<sup>SM</sup> Index certificates 1999/2009

In 1999 Haniel Finance B.V. issued 40,000 subordinated Dow Jones EURO STOXX 50<sup>SM</sup> Index certificates under an unconditional and irrevocable subordinated guarantee given by Franz Haniel & Cie. GmbH. The certificates are due for repayment on 31 July 2009. The issue price per certificate was EUR 364.33 - based on the underlying Dow Jones EURO STOXX 50<sup>SM</sup> price quoted at the close of business on 21 April 1999. The settlement price per certificate is equal to one tenth of the Dow Jones EURO STOXX 50<sup>SM</sup> Index multiplied by a factor of 1.1.

In 2006 early redemption of 9,500 certificates took place.

An appropriate number of Index participation certificates Dow Jones EURO STOXX 50<sup>SM</sup> Index was purchased at a price equal to the issuance volume, multiplied by a factor of 1.1, to hedge against price risks (market value as per 31 December 2007 EUR 13,483,745, reference is made to Securities under Assets).

The liabilities are valued at their market value as per 31 December 2007 amounting to EUR 14,761,060 including 10% repayment. The 10% difference originally amounting to EUR 1,457,320 (31 December 2007: EUR 145,732) is shown as a discount in the balance sheet.

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## 6. Short-term liabilities and accrued expenses

	<u>31.12.2007</u>	<u>31.12.2006</u>
	EUR	EUR
Short-term portion of long-term liabilities	150,000,000	0
Current liabilities to banks	61,872,266	7,631,478
Liabilities to group companies	116,999,864	76,355,619
Interest	6,519,127	6,509,426
Other liabilities and accruals and deferred income	165,003	31,960
	<u>335,556,260</u>	<u>90,528,483</u>

## 7. Contingent liabilities and other financial obligations

### Financial instruments

Forward exchange deals, interest rate and currency swaps were entered into with banks to hedge against interest and exchange rate risks. All the derivatives deals transacted with banks mirror intra-group transactions with the various divisions of the Haniel Group. Regular updates on the open positions are given every four weeks at the Issue Meeting.

Details of current derivatives transactions with counterparties outside the group at balance sheet date:

	<u>Nominal volume</u>	<u>Market values<sup>1</sup></u>
	EURmillion	EURmillion
Forward exchange deals:		
▪ < 1 year	102.9	1.0
▪ 1 - 5 years	8.5	(0.1)
Total at 31 December 2007	<u>111.4</u>	<u>0.9</u>
Total at 31 December 2006	<u>136.2</u>	<u>2.5</u>

<sup>1</sup> The market values differ from the face value and relate to the repurchase value of the financial derivatives at balance sheet date.

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Other

Following a tax audit, the Dutch tax authorities have announced that they intend to adjust the 2002 taxable amount. The proposed adjustment amounts to approximately EUR 25,000,000 which could lead to additional tax expenses amounting to approximately EUR 8,600,000 plus interest.

The Company does not agree with the proposed adjustment and believes that the outcome of the tax audit will not have a material impact on net equity and net results.

As there is no definite tax assessment and the proposed adjustment is still under discussion, no provision has been recorded as per 31 December 2007.

**Notes to specific items in the profit and loss account**

**8. Income from participations and securities**

	<u>2007</u>	<u>2006</u>
	EUR	EUR
Valuation adjustments Metro shares	155,709,595	131,278,901
Gain on sale of Metro shares	53,621,031	0
Gross dividend distribution Metro	17,830,156	17,830,156
Share in result of De Kreef Beheer B.V.	0	7,010
	<u>227,160,782</u>	<u>149,116,067</u>

**9. Interest income less interest expense**

	<u>2007</u>		<u>2006</u>	
	Income	Expense	Income	Expense
	EUR	EUR	EUR	EUR
Group companies	23,290,623	44,245,083	25,311,867	6,641,834
Miscellaneous	1,801,886	11,294,632	3,664,453	17,312,938
	<u>25,092,509</u>	<u>55,539,715</u>	<u>28,976,320</u>	<u>23,954,772</u>

Income from receivables forming part of the fixed assets amounts to EUR 2,268,000 (2006: EUR 2,360,000) and is included in the interest income stated above.

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#### 10. Income from securities

	<u>2007</u>	<u>2006</u>
	EUR	EUR
Dow Jones EURO STOXX 50 <sup>SM</sup> certificates:		
▪ Changes in value (on balance)	(32,810)	93,892
▪ Gain on sale and repurchase	0	343,226
Sale of other securities	0	(55,982)
	<u>(32,810)</u>	<u>381,136</u>

#### 11. Personnel

The Company had three employees on its payroll in the financial year. Remuneration of directors of the company amounts to EUR 34,000 in 2007 as well in 2006.

#### 12. Tax

	<u>2007</u>	<u>2006</u>
	EUR 000	EUR 000
Profit before tax	<u>195,754</u>	<u>153,373</u>
Tax income/(expense) based on local tax rate (25.5%/29.6%)	(49,917)	(45,398)
Effect of tax-exempt items and unused tax losses for the year	56,802	44,139
Adjustments prior years	153	148
Other taxes	0	(21)
Tax income/(expense) according to the profit and loss account	<u>7,038</u>	<u>(1,132)</u>

#### 13. General

Haniel Finance B.V. forms part of the Haniel Group, based in Duisburg, Germany, and is included in the consolidated financial statements of Franz Haniel & Cie. GmbH, Duisburg, Germany. These consolidated financial statements are kept for public inspection at the office of Franz Haniel & Cie. GmbH.

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**Signing of the financial statements**

Venlo, 4 July 2008

The management board

Jürgen Barten

Georg W. Mehring-Schlegel

Dr. Axel Gros

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## **Other information**

### **Auditor's report**

Reference is made to the auditors' opinion hereinafter.

### **Profit appropriation**

Pursuant to Article 15 of the company's articles of association the profit is at the disposal of the general meeting.

Pursuant to a resolution passed by the general meeting, the profit of the financial year 2006 amounting to EUR 152,241,083 and the profit brought forward of EUR 514,918,169 were carried forward to the financial year 2007.

This proposal was already recognised in the financial statements for 2006.

The company proposes to carry forward the profit for the financial year 2007 amounting to EUR 202,791,895 and the profit brought forward of EUR 667,159,252 to the financial year 2008. This proposal has already been recognised in the financial statements for 2007.

The shareholders of  
Haniel Finance B.V.  
Venlo

Date  
4 July 2008

From  
J. Penon

Reference  
OML/3100084713/bc9995/avd

## Auditor's report

### Report on the financial statements

We have audited the financial statements 2007 of Haniel Finance B.V., Venlo, which comprise the balance sheet as per 31 December 2007, the profit and loss account for the year then ended and the notes.

### Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board's report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Haniel Finance B.V. as per 31 December 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

## **Report on other legal and regulatory requirements**

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board's report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Deloitte Accountants B.V.

was signed  
J. Penon