

Haniel Finance B.V.
Venlo

Half-Year Financial Report 2009

13 August 2009

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Half-year management board's report

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

Highlights of the six months period ended 30 June 2009

The book value of the participation in Metro AG, representing 5.06% of Metro's over-all share capital, was EUR 557,928,000 as per 30 June 2009 against EUR 468,548,000 as per 31 December 2008.

As the stock market price of the Metro AG share increased per 30 June 2009 to EUR 34.02 (31 December 2008 EUR 28.57), the share value has increased by EUR 89,380,000. This unrealised gain has been recognised in accordance with Dutch accounting principles.

Financial position

The balance sheet total increased by EUR 121,342,871 from EUR 814,527,740 to EUR 935,870,611. This increase is attributable to a large part to the increase in the value of the Metro Share stated above. Including the result of various other effects, receivables and prepaid expenses increased by EUR 32,346,743.

The increase in the value of the Metro share was the main driver of the increase of retained earnings from EUR 411,479,224 as per 31 December 2008 to EUR 521,103,897 as per 30 June 2009.

The amount of long-term liabilities shown remained fairly stable.

Earnings position

The six months period ended 30 June 2009 shows a net profit amounting to EUR 109,624,673 (corresponding period 2008 a loss of EUR 254,691,171). The increase in the result is to the largest part the net effect of the unrealised gains and losses (+ EUR 366.5 million) following the valuation of the investment in Metro AG at stock market price.

The interest result (interest income less interest expenses) decreased as a result of the repayment of all receivables due from Xella group companies in 2008 following the sale of the shares in Xella International GmbH by the Company's parent company.

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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, are concluded for this purpose.

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

Derivatives transactions as per 30 June 2009

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):

	Nominal volumes		Market values	
	30.06.2009	31.12.2008	30.06.2009	31.12.2008
Foreign exchange instruments	<u>85.4</u>	<u>191.6</u>	<u>(0.2)</u>	<u>(7.3)</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.

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Projections for 2009

Haniel Finance B.V. will continue to perform the Group Treasury Activities for the Haniel Group companies domiciled outside Germany. Investments in fixed assets are not expected.

The net interest result will be affected by the developments in credit spreads. We expect 2009 to be characterised by a high degree of uncertainty, resulting in continuously high volatility on all financial markets. Therefore we are not able to make any predictions concerning the Metro share price, the main driver of the Company's result. Excluding effects from stock market valuations, we expect 2009 financial year to be without substantial exceptional items. 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 28 million (interest income of EUR 10 million and the result from dividends around EUR 18 million).

Directors' statement

We confirm to the best of our knowledge that

- the interim financial statements as per 30 June 2009 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company;
- the half-year management board's report gives a true and fair view of the company's position as of 30 June 2009 and of the development and performance of the business for the six months period ended 30 June 2009;
- the half-year management board's report includes a description of the principal risks and uncertainties that the Company faces and in particular pays attention to the investments and circumstances that influence the development of the business and the earning capacity.

Venlo, 13 August 2009

The management board

Jürgen Barten

Maximilian Teichner

Dr. Axel Gros

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Interim financial statements 2009

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Balance sheet

	30.06.2009		31.12.2008	
	EUR		EUR	
Assets				
Fixed assets				
Tangible fixed assets	10,154		10,572	
Financial fixed assets	565,414,566	565,424,720	476,214,566	476,225,138
Current assets				
Receivables and prepaid expenses	361,646,877		329,300,134	
Securities	8,052,000		7,894,315	
Cash at banks	747,014	370,445,891	1,108,153	338,302,602
		<u>935,870,611</u>		<u>814,527,740</u>
Shareholder's equity, provisions and liabilities				
Shareholder's equity				
Share capital paid-up and called-up	25,000,000		25,000,000	
Share premium	241,371,780		241,371,780	
Retained earnings	521,103,897	787,475,677	411,479,224	677,851,004
Provisions		6,000,000		6,000,000
Long-term liabilities		70,212,877		69,334,636
Short-term liabilities and accrued expenses		<u>72,182,057</u>		<u>61,342,100</u>
		<u>935,870,611</u>		<u>814,527,740</u>

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Profit and loss account

	First half-year 2009	First half-year 2008
	EUR	EUR
Income from participations and securities	108,732,000	(258,792,000)
Interest income less interest expense	1,085,661	3,368,601
Income from other securities	324,730	663,987
Other income	0	19,471
Exchange differences	324,177	1,284,958
	<u>110,466,568</u>	<u>(253,454,983)</u>
Wages and salaries	33,199	12,785
Social securities	1,124	109
Depreciation	418	421
Other operating expenses	635,001	596,310
	<u>669,742</u>	<u>609,625</u>
Profit/(loss) before tax	<u>109,796,826</u>	<u>(254,064,608)</u>
Tax	(172,153)	(626,563)
Profit/(loss) after tax	<u><u>109,624,673</u></u>	<u><u>(254,691,171)</u></u>

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Cash flow statement

	First half-year 2009	First half-year 2008
	EUR	EUR
Profit/(loss) after tax	109,624,673	(254,691,171)
Adjustments with respect to:		
▪ Depreciation tangible fixed assets	418	421
▪ Unrealised valuation adjustments	(89,704,730)	276,496,013
▪ Non-cash expenses	1,058,241	429,585
▪ Decrease/(increase) current assets	(32,346,743)	110,688,157
▪ (Decrease)/increase short-term liabilities ¹	16,270,590	(47,871,554)
Cash flow from operating activities	<u>4,902,449</u>	<u>85,051,451</u>
Investments in tangible fixed assets	0	
Disposals financial fixed assets	0	25,564,594
Cash flow from investment activities	<u>0</u>	<u>25,564,594</u>
Repayments of long-term liabilities	0	(100,000,000)
Movement current account banks	(5,263,588)	(6,964,179)
Cash flow from financing activities	<u>(5,263,588)</u>	<u>(106,964,179)</u>
Movement in cash	<u>(361,139)</u>	<u>3,651,866</u>
Cash as per 1 January	<u>1,108,153</u>	<u>6,273,502</u>
Cash as per 30 June	<u><u>747,014</u></u>	<u><u>9,925,368</u></u>

¹ not including bank debts

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Notes to the interim financial statements

General accounting principles for the preparation of the interim 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 accounting and valuation principles and principles for the determination of the result are consistent with those applied to the financial statements for the year ended 31 December 2008. For further information on the individual principles applied, we refer to the financial statements for the year ended 31 December 2008.

Given the nature of the company's activities, the net results are not impacted by seasonal fluctuations.

These interim financial statements have been neither audited nor reviewed by an auditor.

Notes to specific items

Financial fixed assets

	<u>30.06.2009</u>	<u>31.12.2008</u>
	EUR	EUR
Participations in group companies	1,632,566	1,632,566
Interest in Metro AG	557,928,000	468,548,000
Deferred tax	5,854,000	6,034,000
	<u>565,414,566</u>	<u>476,214,566</u>

The investment in Metro AG has been valued at the year-end stock market price (30 June 2009 EUR 34.02 and 31 December 2008 EUR 28.57). In the first six months of 2009 an unrealised gain amounting to EUR 89,380,000 has been recognised in the profit and loss account (in the first six months of 2008 an unrealised loss amounting to EUR 277,160,000).

The deferred tax asset relates to unused tax losses carried-forward and has been computed by multiplying the loss amount by the tax rate that is expected to apply in the period when the asset will be realised. In assessing the realisation of the tax deferral, management considers the projected future taxable income and the maximum period during which the tax claim should be realised.

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Shareholder's equity

Movements:

	<u>Issued share capital</u> EUR	<u>Share premium</u> EUR	<u>Retained earnings</u> EUR
Balance as per 31 December 2008	25,000,000	241,371,780	411,479,224
Profit first half-year 2009	<u>0</u>	<u>0</u>	<u>109,624,673</u>
Balance as per 30 June 2009	<u><u>25,000,000</u></u>	<u><u>241,371,780</u></u>	<u><u>521,103,897</u></u>

Long-term liabilities

	<u>30.06.2009</u> EUR	<u>31.12.2008</u> EUR
Bonds	50,000,000	50,000,000
Hybrid bonds	<u>20,212,877</u>	<u>19,334,636</u>
	<u><u>70,212,877</u></u>	<u><u>69,334,636</u></u>

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

Bonds

The bonds issued under the Debt Issuance Programme have been guaranteed by Franz Haniel & Cie. GmbH and can be specified as follows:

Aggregate par value	EUR 50,000,000
Final maturity date	7 March 2012
Interest rate	Fixed, 6%

Hybrid bonds

In December 2008 the Company has issued Subordinated Zero Coupon to Floating Rate Bonds. The bonds are valued at amortised costs, computed as the issue price less the advisor's transaction fee plus interest up to and including the date of reporting. The issue price was EUR 19,520,000, being 61% of the original principle amount of these bonds.

The main conditions are as follows:

- There will be no periodic interest payments till 11 December 2013 (the zero coupon period). Thereafter, unless previously redeemed, the bonds will bear interest at a rate of the 3M-EURIBOR plus a margin of 6.83%. Under certain conditions the Company may elect to suspend any interest payment;

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- During the zero coupon period the Company is entitled to reduce the principal amount by a certain reduction percentage as stated in the prospectus;
- If prior to 11 December 2013 a special event as described in the prospectus occurs, the Company may call and redeem the bonds in whole at a percentage of the principal amount. This yearly increasing percentage is described in the prospectus and varies from 67.3 % prior to 11 December 2009 to 100% prior to 11 December 2013;
- Unless redeemed earlier, the bonds will be redeemed on 11 December 2063.

Income from participations and securities

	First half-year 2009	First half-year 2008
	EUR	EUR
Valuation adjustments Metro shares	89,380,000	(277,160,000)
Gross dividend distribution Metro	19,352,000	18,368,000
	<u>108,732,000</u>	<u>(258,792,000)</u>

Interest income less interest expense

	First half-year 2009		First half-year 2008	
	Income	Expense	Income	Expense
	EUR	EUR	EUR	EUR
Group companies	4,484,822	786,941	15,481,706	7,494,818
Miscellaneous	77,650	2,689,870	1,136,288	5,754,575
	<u>4,562,472</u>	<u>3,476,811</u>	<u>16,617,994</u>	<u>13,249,393</u>

Venlo, 13 August 2009

The management board

Jürgen Barten

Maximilian Teichner

Dr. Axel Gros