

**Haniel Finance Deutschland GmbH**  
**Annual Financial Statements**  
**2015**

# Haniel Finance Deutschland GmbH

## Statement of financial position

ASSETS				
EUR million	Note	31 Dec. 2015	31 Dec. 2014	1 Jan. 2015*
Fixed assets				
Financial assets	1			
Shares in affiliated companies		0.0	58.0	0.0
Investments		2,346.8	1,774.3	2,874.9
Loans to affiliated companies		8.9	71.4	0.0
Long-term securities		637.9	162.4	162.4
Other loans		25.3	25.0	25.0
		3,018.9	2,091.1	3,062.3
Current assets				
Accounts receivable and other assets				
Receivables from affiliated companies	2	94.3	571.5	65.0
Other assets	4	19.4	4.9	6.9
Securities	5	231.1	378.5	378.5
Cash in hand, bank balances		280.3	16.7	30.4
		625.1	971.6	480.8
Prepaid expenses	6	27.5	0.0	0.0
		3,671.5	3,062.7	3,543.1

\*To improve comparability, the balance sheet as at 31 December 2014 is presented after the merger of subsidiaries.

## EQUITY AND LIABILITIES

EUR million	Note	31 Dec. 2015	31 Dec. 2014	1 Jan. 2015*
Equity	7	835.4	2,385.4	2,859.5
Provisions				
Provisions	8	5.3	0.1	6.2
Liabilities	9			
Bonds		500.0	0.0	0.0
Trade payables		0.1	0.0	0.1
Liabilities to shareholders		2,285.2	0.0	0.0
Liabilities to affiliated companies		0.3	677.2	677.3
Other liabilities		45.2	0.0	0.0
		2,830.8	677.2	677.4
		3,671.5	3,062.7	3,543.1

\*To improve comparability, the balance sheet as at 31 December 2014 is presented after the merger of subsidiaries

# Haniel Finance Deutschland GmbH

## Income statement

FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 DECEMBER 2015

EUR million	Note	2015	2014
Other operating income	10	0.7	0.1
Other operating expenses	11	39.4	0.5
		-38.7	-0.4
Net investment result	12	87.5	-19.1
Other net financial income	13	-4.3	15.4
Result from ordinary operations		44.5	-4.1
Extraordinary income		474.1	0.0
Extraordinary expenses		0.0	0.0
Extraordinary result	14	474.1	0.0
Income taxes		0.0	-0.1
Net income/net loss for the financial year before profit and loss transfer		518.6	-4.2
Profit and loss transfer		-518.6	4.2
Net income/net loss for the financial year after profit and loss transfer		0.0	0.0

# Haniel Finance Deutschland GmbH

## Statement of cash flows

FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 DECEMBER 2015

EUR million	2015	2014*
Net income (+) /net loss (-) for the financial year before profit and loss transfer	518.6	-4.2
Depreciation / amortisation (+)/write-ups (-) of fixed assets	13.6	2.8
Increase (+)/decrease (-) in provisions	-0.8	0.1
Other non-cash income (-) and expenses (+)	-470.0	-0.1
Reclassification of income (-) / expenses (+) from the disposal of fixed assets	35.1	0.0
Increase (-)/decrease (+) in other receivables and other current assets	-12.7	4.6
Increase (+)/decrease (-) in other current liabilities	0.0	-0.6
Cash inflow (+)/outflow (-) from operating activities	83.8	2.6
Increase (-)/decrease (+) in receivables from and liabilities to affiliated companies and investments	-755.5	-13.1
Inflows (+) from the disposal of long-term financial assets and from the investment of cash funds for short-term cash management	1,436.7	736.0
Outflows (-) from additions to long-term financial assets and for the investment of cash funds for short-term cash management	-1,294.7	-1,304.9
Cash inflow (+)/outflow (-) from investing activities	-613.5	-582.0
Profit/loss transfer to parent company	-518.6	4.2
Increase (+)/decrease (-) in equity	-1,550.0	1,300.0
Increase (-)/decrease (+) in receivables from and liabilities to shareholders	2,334.4	-710.1
Cash proceeds (+) from the issuance of financial liabilities	513.8	0.0
Cash repayments (-) of financial liabilities	0.0	-2.5
Cash inflow (+)/outflow (-) from financing activities	779.6	591.6
Change in cash and cash equivalents	249.9	12.2
Increase in cash and cash equivalents from merger	13.7	0.0
Cash and cash equivalents at beginning of the period	16.7	4.5
Cash and cash equivalents at the end of the period	280.3	16.7

The cash flow from operating activities includes interest income totalling EUR 6.3 million (previous year: EUR 13.6 million) and interest payments of EUR 3.1 million (previous year: EUR 17.4 million). As in the previous year, the Company paid no taxes.

\*Adjusted by reclassification of the profit and loss distribution to the parent company from cash inflow/outflow from operating activities to the cash inflow/outflow from financing activities and reclassification of the increase/decrease in receivables and liabilities to shareholders from the inflow/outflow from investing activities to the cash inflow/outflow from financing activities

# Notes

## General disclosures and accounting policies

### General disclosures and other explanatory information on the annual financial statements

The annual financial statements of our Company have been prepared in accordance with the accounting standards of the German Commercial Code (Handelsgesetzbuch, "HGB") and the German Limited Liability Companies Act (Gesetz betreffend die Gesellschaften mit beschränkter Haftung, "GmbHG").

Haniel Finance Deutschland GmbH, Duisburg, is a small corporation pursuant to § 267 (1) HGB.

### Accounting policies

Shares in affiliated companies and other long-term equity investments are recognised at cost or the lower fair value if an impairment is expected to be permanent. Long-term securities are recognised at cost and loans at the nominal amount. If an impairment is expected to be permanent, they are recognised at the lower fair value. If the reasons for an impairment no longer exist in whole or in part, the impairment loss is reversed up to a maximum of the cost or principal amount.

Receivables and other assets are generally recognised at the principal amount less any required valuation allowances. Receivables from corporate income tax credits are recognised at their present value. Marketable securities are recognised at cost or the lower quoted or market price as of the reporting date.

Cash and cash equivalents are recognised using the nominal amount.

Cash in hand and bank balances as well as receivables and liabilities denominated in foreign currency are posted at historical exchange rates and measured at the applicable average spot rate on the balance sheet date. Receivables and liabilities denominated in foreign currency with a remaining term of more than one year are measured in accordance with the imparity principle, under which unrealised valuation gains are not recognised. Unrealised valuation gains are recognised for items with a remaining term of less than one year.

Differences between the settlement amount and the lower issue amount of liabilities are recognised as prepaid expenses and expensed periodically over the term of the liabilities.

Provisions cover all identifiable risks and uncertain obligations. They are recognised at the settlement amount as dictated by prudent business judgement. Future price and cost increases are considered. Provisions with a remaining term of more than one year are discounted in accordance with their remaining term. Provisions for expected losses recognised in connection with derivative financial instruments are charged to the net financial result.

Liabilities are recognised at their settlement amounts. Discounts on the issue amount of liabilities are capitalised and amortised over the term of the liabilities.

Deferred taxes are recognised for all temporary differences between the carrying amounts and tax bases for assets, liabilities, prepaid expenses and deferred income. Since Haniel Finance Deutschland GmbH is a member of the consolidated tax group of Franz Haniel & Cie. GmbH, the deferred taxes of the consolidated tax group subsidiaries are accounted for at the parent, Franz Haniel & Cie. GmbH. Deferred tax assets on tax loss carryforwards are recognised only if there is reasonable assurance that they will be realised within five years. Deferred taxes are generally presented on a net basis. A tax burden is recognised on the balance sheet as a deferred tax liability. In the event of a tax benefit, the Company does not exercise the corresponding option to recognise this under § 274 (1) sentence 2 HGB.

Deferred taxes are determined based on the combined income tax rate of the consolidated tax group of Franz Haniel & Cie. GmbH. The combined income tax rate consists of corporate income tax, municipal business income tax and the solidarity surcharge, and is calculated based on the currently applicable statutory tax rates (current financial year: 30.7 per cent; previous year: 30.7 per cent).

# Notes to the statement of financial position

## 1 Financial assets

Changes in financial assets are presented in the statement of changes in fixed assets. Disclosures relating to the shareholdings of Haniel Finance Deutschland GmbH are provided in note 16 below.

EUR million	Cost					As at 31 Dec. 2015
	As at 1 Jan. 2015	Merger	Additions	Disposals	Currency adjustment	
Financial assets						
Shares in affiliated companies	58.0	-58.0				0.0
Investments	2,708.3	1,100.5		-806.1		3,002.7
Loans to affiliated companies	71.4	-71.4	8.9			8.9
Long-term securities	165.2		562.7	-75.8	-0.2	651.9
Other loans	25.0		0.3			25.3
	3,027.9	971.1	571.9	-881.9	-0.2	3,688.8

The decline in shares in affiliated companies and loans to affiliated companies resulted entirely from the merger of subsidiaries with the Company.

The change in investments resulted from the addition of further ordinary shares of Metro AG in connection with the merger and the disposal of 16.25 million ordinary shares of Metro AG in the financial year. The company reduced its interest in voting shares of Metro AG.

The addition to long-term securities resulted from the acquisition of interest-bearing bonds. The disposal related to the scheduled maturity and the realisation of such securities. The impairment losses recognised in respect of this item were related to the acquisition of these securities at a premium.

The other loans item concerns promissory note loans and insurance policies.



Accumulated depreciation					Carrying amount	
As at 1 Jan. 2015	Extraord. Depreciation	Write-Ups	Disposals	As at 31 Dec. 2015	As at 31 Dec. 2015	As at 31 Dec. 2014
0.0					0.0	58.0
-934.0			278.1	-655.9	2,346.8	1,774.3
0.0					8.9	71.4
-2.8	-14.3	0.7	2.4	-14.0	637.9	162.4
0.0					25.3	25.0
-936.8	-14.3	0.7	280.5	-669.9	3,018.9	2,091.1

## 2 Receivables from affiliated companies

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The receivables from affiliated companies include receivables for the internal financing of Group companies.

## 3 Other assets

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Other assets include interest receivables in the amount of EUR 13.5 million (previous year: EUR 4.2 million) and receivables from taxes of EUR 4.1 million (previous year: EUR 0.6 million).

## 4 Securities

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The securities are short-term financial investments in investment funds, commercial paper, bonds and other securities.

## 5 Prepaid expenses

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Prepaid expenses include the discount of the exchangeable bond linked to ordinary shares of Metro AG issued in the 2015 financial year.

## 6 Equity

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There is no distribution restriction pursuant to § 268 (8) HGB as at the balance sheet date. Haniel Finance Deutschland GmbH's net income for the financial year is transferred in full by Franz Haniel & Cie. GmbH based on the existing profit and loss distribution agreement. The equity is composed of the subscribed capital in the amount of EUR 25,000 (previous year: EUR 25,000) and the capital reserves, which were decreased by EUR 1,550 million in the current fiscal year.

## 7 Provisions

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The table below presents a break-down of provisions:

EUR million	31 Dec. 2015	31 Dec. 2014
Provisions for taxes	3.4	0.1
Other provisions	1.9	0.0
	5.3	0.1

The increase in provisions was due to the merger of subsidiaries with the Company during the financial year.

## 8 Liabilities

All obligations of Haniel Finance Deutschland GmbH existing as of the balance sheet date are presented under liabilities. The various types and remaining maturities of the liabilities as at 31 December 2015 are presented in the following table:

EUR million	31 Dec. 2015				31 Dec. 2014			
	Up to 1 year	1 to 5 years	More than 5 years	Total	Up to 1 year	1 to 5 years	More than 5 years	Total
Bonds	500.0			500.0				0.0
Trade payables	0.1			0.1				0.0
Liabilities to affiliated companies	0.3			0.3	677.2			677.2
Liabilities to shareholders	2,285.2			2,285.2				0.0
Other liabilities	45.2			45.2				0.0
Thereof for taxes	0.0			0.0				0.0
	2,830.8	0.0	0.0	2,830.8	677.2	0.0	0.0	677.2

In financial year 2015, the Company issued an exchangeable bond linked to ordinary shares in Metro AG with a nominal volume of EUR 500.0 million and a 5-year term. It was reported as a short-term liability in light of the bondholders' conversion rights. The EUR 45.2 million option premium received was reported under other current liabilities due to the obligation to deliver ordinary shares upon conversion.

Liabilities to affiliated companies include liabilities from the current internal financing of Group companies.

The increase in liabilities to shareholders resulted from the decrease in the capital reserve in the current financial year and from the profit and loss transfer to Franz Haniel & Cie. GmbH.

The Company has not provided its own collateral for the liabilities. The bonds are fully backed by a guarantee from the parent company.

## 9 Contingent liabilities

There were no contingent liabilities as at the balance sheet date.

# Income statement disclosures

The income statement was prepared using the classification pursuant to § 275 (2) HGB (nature of expense method).

## 10 Other operating income

As in the previous year, other operating income includes service fees from affiliated companies. In addition, this item also includes EUR 0.5 million in refunds of other operating taxes.

## 11 Other operating expenses

Other operating expenses of EUR 39.4 million (previous year: EUR 0.5 million) include a loss of EUR 35.1 million based on the disposal of ordinary shares in Metro AG and EUR 3.8 million in transaction costs in connection with the issue of the exchangeable bond linked to ordinary shares of Metro AG. Furthermore, other operating expenses also include custodial fees, accounting and audit fees.

## 12 Net investment result

EUR million	2015	2014
Income from investments	87.5	0.0
Expenses from investments	0.0	-19.1
	87.5	-19.1

The investment result is attributable solely to Metro investments.

## 13 Other net financial income

EUR million	2015	2014
Income from other securities and long-term loans	16.5	9.9
Thereof from affiliated companies	0.1	0.0
Other interest and similar income	0.5	27.2
Thereof from affiliated companies	0.4	10.4
Write-ups and -downs of financial assets and securities classified as current assets	-13.9	-3.7
Interest and similar expenses	-7.4	-18.0
Thereof to affiliated companies	-2.9	-7.9
Thereof interest cost on provisions	0.0	0.0
	-4.3	15.4

Of the income from securities, EUR 15.7 million (previous year: EUR 6.7 million) is attributable to financial fixed assets.

The item Other net financial income includes expenses from currency translation totalling EUR 0.3 million (previous year: EUR 0.0 million).

## 14 Extraordinary result

The extraordinary results for the financial year amounts to EUR 474.1 million and consists solely of income in connection with the merger of affiliated companies with the Company.

## 15 Derivative financial instruments

Haniel Finance Deutschland GmbH is exposed to currency and interest rate risks as part of its business. Derivative financial instruments, such as currency forwards, swaps and options, are generally used to hedge these risks.

Derivative financial instruments are used wherever possible and expedient to hedge against interest rates risks and exchange rate risks in relation to financial receivables and liabilities. To that end, interest rate swaps (including combined cross currency interest rate swaps), forward rate agreements, caps and floors, and currency forwards are generally used.

The hedges are entered into only with top rated banks. The underlying transactions and the (micro) hedges are combined into a valuation unit, if volume and maturity of the instruments match. If the cash flows net to zero, the derivative financial instruments are not recognised separately, but are aggregated using the net hedge presentation method.

At the balance sheet date no valuation units from derivative financial instruments and related hedged items were formed.

Euro million	Notional value		Fair value		Book value	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Foreign exchange instruments						
Derivatives with affiliated companies	19.6		0.1		-0.1	
Derivatives with third parties						

At the balance sheet date, a EUR 0.1 million provision for expected losses was recognised for negative fair values of derivative financial instruments which had not been combined to form valuation units. The provision for expected losses was recognised under other provisions. Under the imparity principle, positive unrealised fair values are generally subject to a prohibition on recognition.

The fair values and the derivatives are determined by discounting the expected future cash flows. Discounting is based on arm's-length interest rates over the remaining term of the instruments. If the hedges become ineffective, the dollar offset method is normally used to determine the ineffectiveness by comparing the fair values of the hedged item and the hedging instrument.

The remaining term of the notional value of derivatives is as follows:

EUR million	Remaining terms			Notional value	
	Up to 1 year	1 to 5 years	More than 5 years	31 Dec. 2015	31 Dec. 2014
Foreign exchange instruments					
Derivatives with affiliated companies	19.6			19.6	
Derivatives with third parties					

## 16 Disclosures on shareholdings

The following list contains the companies in which Haniel Finance Deutschland GmbH has an equity interest.

	Share	Equity		Result	
		Total	Percentage	2015	
	%	EUR thousand	EUR thousand	EUR thousand	
Metro Immobilien Gesellschaft mbH & Co. KG, Düsseldorf	33.00	3,000	1,000	0	
Metro Immobilien Verwaltungs GmbH, Düsseldorf	33.00	30	10	3	
METRO AG, Düsseldorf (German Commercial Code (HGB) financial statements as at 30 Sept. 2015)	24.79	6,437,000	1,595,732	360,000	

## 17 Events after the reporting date

No reportable events took place after the reporting date.

## 18 Other disclosures

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### Managing directors

The managing directors of the Company are:

Ulrich Dickel, Moers

Dr Axel Gros, Marl

Uta Stein, Wesel

### Remuneration of the managing directors

The managing directors do not receive any remuneration from the Company.

### Number of employees

The Company does not have any employees.

### Parent company

The Company is a subsidiary of Franz Haniel & Cie. GmbH, Duisburg. Franz Haniel & Cie. GmbH, Duisburg, prepares consolidated financial statements in which Haniel Finance Deutschland GmbH, Duisburg, is included. These consolidated financial statements are submitted to the Electronic Federal Gazette.

Duisburg, 4 March 2016

The Management

Ulrich Dickel



Dr Axel Gros



Uta Stein



[haniel.com](http://haniel.com)