

HANIEL

**2013 ANNUAL FINANCIAL STATEMENTS OF
HANIEL FINANCE DEUTSCHLAND GMBH**

Haniel Finance Deutschland GmbH, Duisburg

Balance Sheet as of 31 December 2013

Assets

Euro thousand	31.12.2013	31.12.2012
Fixed assets		
Financial assets	1.903.229	1.842.129
	1.903.229	1.842.129
Current assets		
Receivables from affiliated companies	298	2.290
Receivables from companies in which the Company has a participating interest	506.849	498.698
Other assets	9.949	54
Cash on hand, bank balances	4.474	18.578
	521.570	519.620
	2.424.799	2.361.749

Balance Sheet as of 31 December 2013**Equity and liabilities**

Euro thousand	31.12.2013	31.12.2012
Equity		
Subscribed capital	25	25
Capital reserve	1.085.412	1.085.412
	1.085.437	1.085.437
Provisions	11	15.020
Liabilities		
Liabilities due to banks	2.530	4.298
Trade liabilities	0	3
Liabilities to affiliated companies	675.346	401.871
Liabilities to shareholders	660.849	853.406
Other liabilities	626	1.714
	1.339.351	1.261.292
	2.424.799	2.361.749

**Income Statement for the period from
1 January to 31 December 2013**

Euro thousand	2013	2012
Other operating income	418	1.271
Other operating expenses	496	210
	-78	1.061
Net investment result	78.806	-831.096
Net financial result	14.290	-7.543
Results from ordinary operations	93.018	-837.578
Income taxes	0	0
Net income / Net loss	93.018	-837.578
Profit / loss transferred as a result of a profit transfer agreement	-93.018	837.578
Retained earnings	0	0

**Cash Flow Statement for the period from
1 January to 31 December 2013**

EUR thousand	2013	2012
Net income (+) / net loss (-) before profit transfers / loss absorption	93.018	-837.578
Non-cash-effective income (+) or expense (-) from profit transfer to parent company	-93.018	837.578
Depreciation (+) write-ups (-) of fixed assets	0	933.953
Increase (+) / decrease (-) in provisions	-15.009	14.997
Other non-cash income (-) and expenses (+)	-32.709	-16.560
Increase (-) / decrease (+) in other receivables and other current assets	-9.896	-9
Increase (+) / decrease (-) in other short-term liabilities	-1.090	720
Cash inflow (+) / outflow (-) from operating activities	-58.704	933.101
Change in receivables from and liabilities to affiliated companies and equity investments	107.468	-894.284
Outflow (-) from the acquisition of financial assets	-61.100	0
Cash inflow (+) / outflow (-) from investing activities	46.368	894.284
Inflows (+) from the raising of debt from external parties	1.326	1
Outflow (-) due to the repayment of debt to third parties	-3.094	-20.240
Cash inflow (+) / outflow (-) from financing activities	-1.768	-20.239
Change in cash and cash equivalents	-14.104	18.578
Cash and cash equivalents at the beginning of the period	18.578	0
Cash and cash equivalents at the end of the period	4.474	18.578

The cash flow from operating activities includes interest income totalling EUR 21,5 million (previous year: EUR 22,3 million) and interest payments of EUR 9,9 million (previous year: EUR 32,8 million). As in the previous year, the Company paid no taxes.

Notes to the 2013 Annual Financial Statements

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. 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. **Loans issued** are recognised at the 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.

Discounts on the issue amount of liabilities are capitalised and amortised over the term of the liabilities.

Provisions cover all identifiable risks and uncertain liabilities. 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.

Cash in hand and bank balances and receivables and liabilities **denominated in foreign currency** are recognised at historical cost and measured at the middle spot exchange 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.

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).

BALANCE SHEET DISCLOSURES**(1) Fixed 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 12 below.

Cost				
EUR million	As at 1 Jan. 2013	Additions	Disposals	As at 31. Dec. 2013
Financial assets				
Investments	2.704,7	61,1	0,0	2.765,8
Loans to companies in which the Company has a participating interest	71,4	0,0	0,0	71,4
	2.776,1	61,1	0,0	2.837,2
Fixed assets	2.776,1	61,1	0,0	2.837,2

The addition to investments resulted from the acquisition of 2,7 million common shares in Metro AG from a company belonging to the Haniel Group.

Accumulated depreciation				Net carrying amounts	
As at 1 Jan. 2013	Annual depreciation	Disposals	As at 31. Dec. 2013	As at 31. Dec. 2013	As at 31. Dec. 2012
934,0	0,0	0,0	934,0	1.831,8	1.770,7
0,0	0,0	0,0	0,0	71,4	71,4
934,0	0,0	0,0	934,0	1.903,2	1.842,1
934,0	0,0	0,0	934,0	1.903,2	1.842,1

(2) Receivables from investments

The Receivables from companies in which the Company has a participating interest resulted from METRO Vermögensverwaltung GmbH & Co. KG and Metro Immobilien Gesellschaft mbH & Co. KG, of which amounts totalling EUR 484,5 million (previous year: EUR 476,4 million) are due in more than one year.

(3) Other assets

Other assets included EUR 9,9 million in cash collateral for derivatives (previous year: EUR 0,0 million).

(4) Equity

There is no distribution restriction pursuant to § 268 (8) HGB with regard to the net retained earnings as at the balance sheet date. Haniel Finance Deutschland GmbH's net income for the financial year will be transferred in full to Franz Haniel & Cie. GmbH based on the existing profit and loss distribution agreement.

(5) Provisions

Provisions related to audit fees. In the previous year, this item also included provisions for expected losses from the negative fair values of derivatives (note 11).

(6) Liabilities

All obligations of Haniel Finance Deutschland GmbH existing as of the balance sheet date are presented under liabilities. The various types and maturities of the other liabilities as at 31 December 2013 are presented in the following table:

EUR million	31 Dec. 2013				31 Dec. 2012			
	up to 1 year	1 to 5 years	over 5 years	Total	up to 1 year	1 bis 5 years	over 5 years	Total
Liabilities due to banks	2,5			2,5	2,1	2,2		4,3
Liabilities to affiliated companies	675,4			675,4	401,9			401,9
Liabilities to shareholders	660,9			660,9	853,4			853,4
Other liabilities	0,6			0,6	1,7			1,7
thereof for taxes	0			0	0			0
	1.339,4			1.339,4	1.259,1	2,2		1.261,3

The Company has not provided its own collateral for the liabilities.

(7) 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).

(8) Other operating income and expenses

Other operating income amounted to EUR 0,4 million (previous year: EUR 1,3 million).

Other operating expenses of EUR 0,5 million (previous year: EUR 0,2 million) pertain primarily to custodial, accounting and audit fees.

(9) Net investment result

EUR million	31.12.2013	31.12.2012
Income from equity investments	78,8	102,9
Write-downs of equity investments	0,0	-934,0
	78,8	-831,1

Net investment income/expense includes income from Metro's investments (see note 1). In the previous year, net investment result included an impairment loss on the equity interest in Metro AG.

(10) Net financial result

EUR million	31.12.2013	31.12.2012
Income from other securities and long-term loans	2,8	2,9
thereof to affiliated companies	0,0	0,0
Other interest and similar income	22,4	23,2
thereof to affiliated companies	3,3	4,2
Interest and similar expenses	10,9	33,6
thereof to affiliated companies	8,0	6,4
	14,3	-7,5

(11) 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 entered into wherever possible and reasonable to hedge interest-bearing financial liabilities and limit the interest rate risk. To that end, interest rate swaps (including combined cross currency interest rate swaps), forward rate agreements, as well as caps and floors are generally used.

The hedges are contracted 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.

	Notional value		Fair value		Book value	
	31 Dec. 2013	31 Dec. 2012	31 Dec. 2013	31 Dec. 2012	31 Dec. 2013	31 Dec. 2012
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Interest swaps						
Internal group derivatives (underlying)	50,0	100,0	9,5	13,3	0,6	0,9
External derivatives	50,0	525,0	-9,5	-28,3	-0,6	-1,8
thereof for affiliated companies	50,0	100,0	-9,5	-13,3	-0,6	-0,9
thereof for own interest	0,0	425,0	0,0	-15,0	0,0	-0,9

In financial year 2012, due to the discontinuation of hedged items, portfolio hedge accounting was discontinued for some valuation units and provisions for expected losses for negative fair values amounting to EUR 15,0 million were recognised. The provision for expected losses was utilised in 2013 in connection with the unwinding of derivatives.

Given that portfolio hedge accounting continued for the remaining valuation units and cash flows will be netted in the future, no provisions for expected losses had to be recognised for negative fair values of EUR 8,9 million (previous year: EUR 11,5 million). Under the imparity principle, positive unrealised fair values are generally subject to a prohibition on recognition.

The fair values of 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 amounts of external derivatives is as follows:

	Remaining terms			Notional value	
	up to 1 year EUR million	1-5 years EUR million	over 5 years EUR million	31 Dec. 2013 EUR million	31 Dec. 2012 EUR million
Interest swaps	0,0	50,0	0,0	50,0	525,0

(12) Disclosures on shareholdings pursuant to § 285 no. 11 HGB

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

	Share of capital	Equity		Results	
		Total	Share	2013	2012
	%	EUR thou.	EUR thou.	EUR thou.	EUR thou.
Metro Vermögensverwaltungs KG, Düsseldorf	50,0	115.907	57.954	42.115	64.809
Metro Vermögensverwaltung GmbH, Düsseldorf	50,0	31	16	4	4
Metro Immobilien Gesellschaft mbH & Co.KG, Dusseldorf	33,3	3.000	1.000	2	1.209
Metro Immobilien Verwaltungs GmbH, Dusseldorf	33,3	30	10	3	2

(13) Events after the reporting date

No reportable events took place after the reporting date.

(14) Other disclosures

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, 7 March 2014

The Management



Ulrich Dickel



Dr. Axel Gros



Uta Stein