

TDR PARMA MIDCO LIMITED

(Company Registration Number: 06386851)

REPORT AND ACCOUNTS

For the 15 month period ended 31 December 2008

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Registered Office:

The Pearl Centre
Lynch Wood
Peterborough
PE2 6FY

Company Registration No: 06386851

BOARD OF DIRECTORS

M Dale
Director

S J Robertson
Director

B J Thompson
Alternate Director

Company Secretary

G A Watson

DIRECTORS' REPORT

The directors have pleasure in presenting the Report and Accounts of TDR Parma Midco Limited ("the Company") for the 15 month period ended 31 December 2008.

Principal activities and future developments

TDR Parma Midco Limited was incorporated on 1 October 2007.

The principal activity of the Company is that of an investment company. This will continue to be the principal activity for the foreseeable future.

Share capital

Details of movements in authorised and allocated share capital during the period are given in note 10.

Strategy

The strategy of the Company is to maximise the value of its investments whilst ensuring that all cash flow requirements are met.

Principal risks and uncertainties

The risk management objectives and policies of the Company are primarily to protect the Company's ability to meet its cash flow requirements. The main risks facing the Company are:

- interest rate risk, since the movement in interest rates will impact the value of interest payable by the Company;
- liquidity risk, arising from insufficient assets to meet payment obligations; and
- credit risk, arising from the default of the counterparty to a particular financial asset.

The Company's exposure to all these risks is monitored by the directors, who agree policies for managing each of these risks on an ongoing basis.

Business review

On 25 April 2008 the Company subscribed for 100% of the 5,000,000 ordinary £1 shares and 54,750,000 £1 preference shares in Hera Investments No. 2 Limited at par.

On 14 May 2008 the Company issued £154.5m of PIK notes to an external party. The proceeds from this issue were used by the Company to subscribe for PIK notes for the value of £154.5m in Hera Investments No. 2 Limited. Interest accrues at LIBOR plus a margin of 5.5% on both PIK notes with a final maturity date of 31 December 2017 and 10 October 2015 respectively.

Post balance sheet events

During the post balance sheet period, the shareholders of the Company's parent undertaking entered into an exclusivity agreement to exchange their interests in the Company's parent undertaking together with their other interests in the Pearl Group Limited Group for the issue of shares in Liberty Acquisitions Holdings (International) Company ("Liberty"). Liberty is an entity listed on the Euronext exchange. It is anticipated that the Liberty shareholders will vote on the acquisition of the Group in the second half of July and if approved, it is anticipated that the acquisition will become effective thereafter, subject to regulatory and other approvals.

Conditional upon the proposed acquisition, the Company has reached an agreement with its PIK note holders to make the following amendments:

- £50.0m of the PIK notes will be converted into £50.0m of new PIK notes accruing interest at LIBOR plus a margin of 2.0%; and
- The remaining £116.0m of the PIK notes outstanding at 31 December 2008 will be acquired by Liberty.

DIRECTORS' REPORT (continued)

Performance during 2008

The Company generated a loss after taxation for the 15 month period ended 31 December 2008 of £39.5m. Included within this result is an impairment of £39.5m in the carrying value of the Company's equity investment in Hera Investments No. 2 Limited.

Dividends

No dividends were paid in the 15 month period ended 31 December 2008.

Position as at 31 December 2008

The net assets of the Company at 31 December 2008 were £20.3m. The increase in the period reflects the issue of £59.8m of ordinary and preference share capital offset by the loss after taxation arising during the period of £39.5m.

Key Performance Indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Going concern

The financial statements of the Company have been prepared on the going concern basis. In adopting the going concern basis the following significant matters have been taken into consideration:

- The ability of the Company to meet its obligations to its existing PIK note holders is dependent on there continuing to be value associated with the Company's investment in its subsidiary undertaking, Hera Investments No. 2 Limited. The ability of Hera Investments No. 2 Limited to continue as a going concern and therefore deliver value to the Company is dependent on the renegotiation of the terms of its existing £2,260m facility agreement with a syndicate of lenders.
- As an integral part of the renegotiation of the £2,260m facility agreement, the shareholders of the Company's parent undertaking entered into an exclusivity agreement to exchange their interests in the Company's parent for shares to be issued in Liberty, a Euronext listed entity. Finalisation of the facility agreement heads of terms is contingent on the success of the Liberty share exchange.

The directors have concluded that the reliance of the Company on the completion of the acquisition by Liberty represents a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern. Nevertheless, after making enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the Company can continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the accounts.

Directors and their interests

The names of the directors as at the date of this report are set out on page 2. Additional information in relation to changes in directors is as follows:

M Dale	Appointed 1 October 2007
S J Robertson	Appointed 1 October 2007
B J Thompson	Appointed 8 February 2008 as an alternate director to M Dale
B J Thompson	Appointed 21 April 2008 as an alternate director to S J Robertson

DIRECTORS' REPORT (continued)

Audit information

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Directors



G A Watson
Secretary

27 June 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the annual report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TDR PARMA MIDCO LIMITED

We have audited the Company financial statements (the "financial statements") of TDR Parma Midco Limited for the 15 month period ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

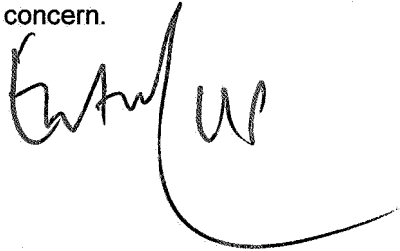
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of the Company's loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TDR PARMA MIDCO LIMITED (continued)

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in the Accounting Policies note on page 11 concerning the company's ability to continue as a going concern. The conditions described in the Accounting Policies note indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.

Ernst & Young LLP
Registered Auditor
London
27 June 2009

A large, stylized handwritten signature in black ink, likely belonging to a representative of Ernst & Young LLP, positioned to the right of the printed text.

PROFIT AND LOSS ACCOUNT

For the 15 month period ended 31 December 2008

	Notes	15 month period ended 31 Dec 08 £m
Interest receivable and similar income	2	11.5
Unrealised losses on investments	2	(39.5)
Interest payable and similar charges	3	(11.5)
Loss on ordinary activities before taxation		(39.5)
Tax on loss on ordinary activities	7	-
Loss on ordinary activities after taxation	11	(39.5)

All activities relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses for the period other than the loss on ordinary activities shown above.

TDR PARMA MIDCO LIMITED

BALANCE SHEET
At 31 December 2008

	Notes	31 Dec 08 £m
Fixed assets:		
Investment in subsidiary undertaking	8	20.3
Loan to subsidiary undertaking	8	166.0
		<hr/>
		186.3
Creditors: amounts falling due after more than one year	9	<hr/> (166.0)
Net assets		<hr/> <hr/> 20.3
Capital and reserves:		
Called up share capital	10.2	59.8
Profit and loss account	11	(39.5)
Shareholders' funds attributable to equity interests	11	<hr/> <hr/> 20.3

The accounts were approved by the Board of Directors on 27 June 2009 and signed on its behalf by:



Director

ACCOUNTING POLICIES

Basis of preparation

The accounts of TDR Parma Midco Limited ("the Company") have been prepared in accordance with applicable accounting standards and under the historical cost convention rules.

Going concern

The financial statements of the Company have been prepared on the going concern basis. In adopting the going concern basis the following significant matters have been taken into consideration:

- The ability of the Company to meet its obligations to its existing PIK note holders is dependent on there continuing to be value associated with the Company's investment in its subsidiary undertaking, Hera Investments No. 2 Limited. The ability of Hera Investments No. 2 Limited to continue as a going concern and therefore deliver value to the Company is dependent on the renegotiation of the terms of its existing £2,260m facility agreement with a syndicate of lenders.
- As an integral part of the renegotiation of the £2,260m facility agreement, the shareholders of the Company's parent undertaking have entered into an exclusivity agreement to exchange their interests in the Company's parent for shares to be issued in Liberty, a Euronext listed entity. Finalisation of the facility agreement heads of terms is contingent on the success of the Liberty share exchange.

The directors have concluded that the reliance of the Company on the completion of the acquisition by Liberty represents a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern. Nevertheless, after making enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the Company can continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the accounts.

Fixed asset investments

Fixed asset investments consist of investments in both shares in and loans to the subsidiary undertaking and are included in the balance sheet at cost less any provision for impairment where circumstances indicate that the carrying value may not be recoverable.

Investment income, realised and unrealised gains and losses on investments

Interest income is recognised as the interest accrues using the effective yield method.

Dividends are included as investment income on the date that the right to receive payment has been established.

Realised gains and losses on investments are calculated as the difference between the net sales proceeds and original cost. Unrealised gains and losses on investments represent the difference between the valuation of investments at the balance sheet date and their original cost, or if they have been previously revalued, the valuation at the last balance sheet date. The movement in unrealised gains and losses recognised in the period also includes the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

Borrowings

Borrowings are initially recognised at cost, being the fair value of the consideration received net of expenses, together with any unamortised discount and issue expenses at the balance sheet date. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

ACCOUNTING POLICIES (continued)

Cash flow statement

The Company has taken advantage of the exemption given by FRS 1 (revised 1996) to subsidiary undertakings where 90% or more of the voting rights are controlled within the group, by not preparing a cash flow statement. Details of the ultimate holding company are given in note 13 to the accounts.

NOTES TO THE ACCOUNTS

1. Auditors remuneration

Audit fees of £19,167 were borne by another group company for statutory audit services during the period.

2. Investment income

15 month
period ended
31 Dec 08
£m

Interest receivable on loans to subsidiary undertaking	11.5
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Unrealised losses on investments	(39.5)
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3. Interest payable and similar charges

15 month
period ended
31 Dec 08
£m

Interest payable on PIK notes from external party	11.5
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4. Employee information

The Company has no employees. Staff are provided by Pearl Group Services Limited.

5. Segmental analysis

The Company operates a single class of business which is undertaken solely in the United Kingdom.

6. Directors' emoluments

The directors receive no fees for their services as directors of the Company.

7. Taxation

7.1 Tax charge/(credit)

The total UK current tax charge is £NIL.

NOTES TO THE ACCOUNTS (continued)

7. Taxation (continued)

7.2 Factors affecting tax charge/(credit) for the year

The standard rate of tax has been determined by using the UK rate enacted for the year for which the profits will be taxed.

The tax assessed in the year is higher than the standard rate of corporation tax in the UK and the differences are explained below:

	15 month period ended 31 Dec 08 £m
Loss on ordinary activities before taxation	39.5
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%	11.1
Effects of: Non-taxable impairment of investment in subsidiary	(11.1)
Current taxation charge for the year	-

8. Fixed asset investments – subsidiary undertaking

	Shares £m	Loans £m	Total £m
Cost			
At 1 October 2007	-	-	-
Additions in the period	59.8	166.0	225.8
At 31 December 2008	59.8	166.0	225.8
Provision for impairment			
At 1 October 2007	-	-	-
Charge for the year	(39.5)	-	(39.5)
At 31 December 2008	(39.5)	-	(39.5)
Net book value			
At 1 October 2007	-	-	-
At 31 December 2008	20.3	166.0	186.3

The Company holds 100% of the £1 ordinary shares in Hera Investments No. 2 Limited, a company incorporated and with its principal place of operation in the UK, which it acquired for a consideration of £5.0m. It also holds 54,750,000 £1 preference shares in the company issued on 25 April 2008 at par.

NOTES TO THE ACCOUNTS (continued)

8. Fixed asset investments – subsidiary undertaking (continued)

The carrying value of the Company's investment in Hera Investments No. 2 Limited has been tested for impairment at the balance sheet date and an impairment of £39.5m has been recognised to write this fixed asset investment down to its carrying value at 31 December 2008. Value in use has been determined by reference to the net asset value of Hera Investments No. 2 Limited which has in turn valued its own investment in Impala Holdings Limited on a value in use basis.

During the period, the Company subscribed for PIK notes for the value of £154.5m in Hera Investments No. 2 Limited. Interest accrues at LIBOR plus a margin of 5.5% on this loan. The final maturity date on this loan is 10 October 2015. In June and December 2008, interest of £2.3m and £9.2m respectively was capitalised on this loan.

9. Creditors: amounts falling due after more than one year

	31 Dec 08
	£m
PIK notes from external party	166.0

On 14 May 2008 the Company issued PIK notes for the value of £154.5m to an external party. Interest accrues at LIBOR plus a margin of 5.5% on this loan. In June and December 2008, interest of £2.3m and £9.2m respectively was capitalised on this loan. The final maturity date on this loan is 31 December 2017.

9.1 Time period for payment

	31 Dec 08
	£m
Payable as follows:	
In five years or more	166.0

9.2 Nature of borrowings

	31 Dec 08
	£m
Floating rate borrowings	166.0

10. Share capital

10.1 Share capital authorised

	31 Dec 08
	£m
35,250,000 ordinary shares of £1 each	35.3
64,750,000 preference shares of £1 each	64.8

NOTES TO THE ACCOUNTS (continued)

10. Share capital (continued)

10.1 Share capital authorised (continued)

The holders of the ordinary shares are entitled to:

- Receive dividends, at the discretion of the directors out of the profits of the Company that are available for distribution and are in excess of the maximum preference dividends;
- On a return of capital, the assets of the Company available for distribution are applied to the preference shareholders in priority to any payment to the holders of the ordinary shares; and
- One vote and one poll vote for every share of which they are the holder.

The holders of the preference shares are entitled to:

- Receive dividends at the discretion of the directors of an amount not more than 15% of the issued price of each preference share;
- On a return of capital, the assets of the Company available for distribution shall be applied in paying to the preference shareholders first, the issued price per preference share and secondly any declared but unpaid dividends; and
- Receive notice of and attend general meetings but may not vote in respect of their holdings of preference shares.

10.2 Share capital allotted

	31 Dec 08
	£m
Allotted, called up and fully paid equity shares:	
5,000,001 ordinary shares of £1 each	5.0
54,750,000 preference shares of £1 each	<u>54.8</u>

On incorporation on 1 October 2007, the Company authorised 100,000,000 ordinary shares of £1 each of which 1 was issued at par on this date.

On 25 April 2008, the Company cancelled 64,750,000 authorised ordinary shares of £1 each and authorised 64,750,000 preference shares of £1 each. Also on this date the Company issued 5,000,000 £1 ordinary shares and 54,750,000 £1 preference shares at par.

11. Reserves and reconciliation of movement in shareholders' funds

	Share capital £m	Profit and loss account £m	Shareholders' funds £m
At 1 October 2007	-	-	-
Shares issued in the year	59.8	-	59.8
Loss for the 15 month period ended 31 December 2008	-	(39.5)	(39.5)
At 31 December 2008	<u>59.8</u>	<u>(39.5)</u>	<u>20.3</u>

NOTES TO THE ACCOUNTS (continued)

12. Related party transactions

The Company has taken advantage of the exemption given by FRS 8 to subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, by not disclosing information on related party transactions with entities that are part of the group, or investees of the Company qualifying as related parties.

During the year, TDR Capital LLP of whom M Dale and S J Robertson are designated members received £1,762,500 from Impala Holdings Limited as shareholder monitoring fees and investment management fees.

13. Parent undertakings

The Company's immediate and ultimate parent undertaking is TDR Parma Topco Limited, a copy of whose accounts can be obtained from its registered office The Pearl Centre, Lynch Wood, Peterborough, PE2 6FY.

14. Post balance sheet events

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