VOLTA FINANCE LIMITED

ANNUAL REPORT AND ACCOUNTS 2008

VOLTA FINANCE LIMITED IS A CLOSED-ENDED LIMITED LIABILITY INVESTMENT COMPANY THAT PURSUES A MULTI-ASSET CLASS INVESTMENT STRATEGY

HIGHLIGHTS 2008

- NET ASSET VALUE OF €165.5 MILLION (€5.57 PER SHARE) AT 31 JULY 2008
- A RECOMMENDED DIVIDEND OF €0.25 PER SHARE FOR THE SEMI-ANNUAL PERIOD FROM 1 FEBRUARY 2008 TO 31 JULY 2008
- DISTRIBUTION INCOME OF THE COMPANY FOR THE ANNUAL PERIOD WAS NEGATIVE €57.9 MILLION, OR NEGATIVE €1.93 PER SHARE
- NET LOSS OF THE COMPANY FOR THE ANNUAL PERIOD WAS €70.6 MILLION, OR €2.35 PER SHARE, TAKING INTO ACCOUNT THE RECOGNITION OF AN IMPAIRMENT UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS ACCOUNTING FOR SIX UK NON-CONFORMING ASSET BACKED SECURITIES, THE LOSSES REALISED FOLLOWING THE LIQUIDATION OF THE TOTAL RETURN SWAP AND THE UNREALISED MARK-TO-MARKET LOSSES OF ASSETS HELD FOR TRADING AND DERIVATIVE FINANCIAL INSTRUMENTS
- AS OF THE END OF THE FINANCIAL YEAR, VOLTA FINANCE WAS INVESTED IN THREE UNDERLYING ASSET CLASSES (COLLATERALISED DEBT OBLIGATIONS, CORPORATE CREDIT, ASSET BACKED SECURITIES) FOLLOWING THE LIQUIDATION OF THE LEVERAGED LOAN TOTAL RETURN SWAP OVER THE COURSE OF THE ANNUAL PERIOD
- THE INVESTMENTS HELD BY THE COMPANY GENERATED €37.2 MILLION OF CASH OVER THE ANNUAL PERIOD. THE CASH HOLDING WAS €23.4 MILLION AT FINANCIAL YEAR END
- FOLLOWING THE INCREASE IN DISCOUNT MARGINS, THE COMPANY ENLARGED ITS INVESTMENT HORIZON TO ASSETS THAT COULD BENEFIT FROM LARGER SUBORDINATION AND/OR LOWER LEVERAGE AND/OR HAVE EXPOSURE TO PORTFOLIOS WITH BETTER CHARACTERISTICS SUCH AS A HIGHER AVERAGE RATING FACTOR
- OPERATING EXPENSES AS A PERCENTAGE OF AVERAGE NET ASSET VALUE FOR THE YEAR ENDED 31 JULY 2008 WERE 2.26% (2.21% FOR THE PERIOD ENDED 31 JULY 2007)

Contents

Corporate Statement **IFC**
Highlights 2008 **01**
Corporate Summary **02**
Chairman's Statement **04**
Investment Manager's Report **06**
Portfolio Valuation **14**
Board of Directors **16**
Management, Administration and Advisors **17**
Report of the Directors **18**
Corporate Governance Report **19**
Directors' Remuneration Report **21**
Statement of Directors' Responsibilities **22**
Independent Auditors' Report **23**
Income Statement **24**
Balance Sheet **25**
Statement of Changes in Shareholders' Equity **26**
Cash Flow Statement **27**
Notes to the Financial Statements **28**
Distribution Income Calculation **44**
Notice of Meeting **46**

CORPORATE SUMMARY FOR THE YEAR ENDED 31 JULY 2008

THE COMPANY

Volta Finance Limited (the "Company" or "Volta Finance" or "Volta") is a closed-ended limited liability company registered in Guernsey under the Companies (Guernsey) Law 2008.

INVESTMENT OBJECTIVE

Subject to the risk factors that were described in the Company's IPO Prospectus and the risk factors that are described in note 22, the Company's investment objectives are to seek to preserve capital and to provide a stream of income to its shareholders through dividends that it expects to distribute on a semi-annual basis. It seeks to attain its investment objectives by pursuing a multi-asset class investment strategy. The strategy focuses on direct and indirect investments in and exposures to a variety of assets selected for the purpose of generating overall stable DQGSUHGLFWDEOHFDVKÁRZVIRUWKH&RPSDQ\7KHDVVHWVWDUJHWHG for direct and indirect investments consist of corporate credits, sovereign and quasi-sovereign debt, residential mortgage loans, automobile loans, student loans, credit card receivables, leases and debt and equity instruments in infrastructure products (the "Primary Underlying Assets"). There can be no assurance that the Company will achieve its investment objectives.

The Company's approach to investments in these Primary Underlying Assets is through vehicles and arrangements that essentially provide leveraged exposure to portfolios of Primary Underlying Assets. In this regard, the Company has instructed AXA Investment Managers Paris (the "Investment Manager" or "AXA IM") to pursue the Company's investment strategy by concentrating RQÀYHSULQFLSDOWDUJHWDVVHWVFODVVHVWKH3ULPDU\7DUJHW$VVHW Classes"), each of which is supported principally if not entirely E\FDVKÁRZVJHQHUDWHGE\3ULPDU\8QGHUO\LQJ$VVHWVLQFOXGLQJ corporate credits, Collateralised Debt Obligations ("CDOs"), asset-backed securities, leveraged loans and infrastructure assets.

THE INVESTMENT MANAGER

The Investment Manager is authorised by the Autorité des Marchés Financiers as an investment management company and its activities are governed by article L. 532-9 of the French Code Monétaire et Financier. AXA IM is an Investment Manager with a WHDPRIH[SHUWVFRQFHQWUDWLQJRQWKHVWUXFWXUHGÀQDQFHPDUNH

THE INVESTMENT MANAGEMENT AGREEMENT

The Company and the Investment Manager entered into an Investment Management Agreement in December 2006. The Investment Manager's appointment under that agreement may be terminated by the Company without cause on two years' advance written notice (or with less than two years' notice if payment to compensate the Investment Manager is made), but any such notice may only be delivered after the third anniversary of the effective date of the Investment Management Agreement. As a result, in the absence of termination for cause, termination by mutual agreement, the Investment Manager's resignation, automatic termination or (in the case of termination without cause) the payment of compensation, the Investment Manager's term RIDSSRLQWPHQWLVHIIHFWLYHO\IRUÀYH\HDUV

ASSET VALUES

At 31 July 2008, the Company's Net Asset Value ("NAV" and "Net Asset Value") was €165,532,020, with the NAV per share amounting to €5.57. The Company publishes its NAV on a semi-annual basis and its Gross Asset Value ("GAV" and "Gross Asset Value") monthly.

NAV is an expression of the total value of the Company which takes into account the current fair value of the Company's investments, accruals for debtors and creditors and the amount of the Company's liabilities. The Company's NAV at 31 July 2008 can be seen in the Balance Sheet on page 25 (Total shareholder's equity line).

GAV is an expression of the Company's value, which only takes into account the fair value of the Company's assets. GAV, which is published by the Company on a more frequent basis than NAV, may be a useful point of reference in light of the relatively small amount of the Company's liabilities.

DURATION
The Company has a perpetual life.

WEBSITE
The Company's website address is: **www.voltafinance.com**

LISTING INFORMATION
The Company's ordinary shares are listed on Euronext Amsterdam by NYSE Euronext ("Euronext Amsterdam") (website: www.euronext.com).

The ISIN number of the Company's listed shares is GG00B1GHHH78.

The closing price of the Company's listed shares quoted on Euronext Amsterdam at 31 July 2008 was €2.00 per share.

The average closing price of the Company's listed shares quoted on Euronext Amsterdam over the year to 31 July 2008 was €5.10 per share.

PROVISIONAL FINANCIAL CALENDAR

31 October 2008	Announcement of results for the year ended 31 July 2008 and publication of the 2008 annual report
20 November 2008	Annual General Meeting
24 November 2008	Ex-dividend date
26 November 2008	Record date
3 December 2008	Dividend payment date

CHAIRMAN'S STATEMENT

INTRODUCTION

7KH JOREDO ÀQDQFLDO FULVLV KDV IXUWKHU UHGXFHG WKH YDOXH RI WKH &RPSDQ\ DVVHWV GXULQJ WKH VHFRQG ÀQDQFLDO \HDU RI WKH &RPSDQ

7KH 1\$9 KDV VLJQLÀFDQWO\ GHFOLQHG RYHU WKH SHULRG IURP PLOOLRQ as of 31 July 2007 to €165.5 million as of 31 July 2008.

7KLV DQQXDO SHULRG ZDV PDUNHG E\ VLJQLÀFDQW HYHQWV WKDW KDYH affected the value of the Company. In addition to the impairment DQQRXQFHG RQ WKH 8. QRQ FRQIRUPLQJ \$VVHW %DFNHG 6HFXULWLHV ("ABS") residuals in the last semi-annual report, which was then followed by the liquidation of the Leveraged Loan Total Return Swap ("TRS"), further write-downs have been recognised on all of the Company's six UK non-conforming ABS residuals following D UHYLHZ RI WKH H[SHFWHG FDVK ÁRZV RI WKHVH DVVHWV DV RI WKH end of July 2008.

Consequently, there was a loss of €70.6 million (or €2.35 per share) IRU WKH ÀQDQFLDO \HDU HQGHG -XO\ FRPSDUHG WR D ORVV RI PLOOLRQ RU SHU VKDUH IRU WKH SUHYLRXV ÀQDQFLDO \HDU

7KH 'LVWULEXWLRQ ,QFRPH IRU WKH ÀQDQFLDO \HDU HQGHG -XO\ was negative €57.9 million (or negative €1.93 per share), with two consecutive semi-annual periods featuring negative Distribution Income. This compares to a positive Distribution ,QFRPH RI PLOOLRQ RU SHU VKDUH IRU WKH ÀQDQFLDO SHULRG HQGHG -XO\ DQG UHÁHFWV SULPDULO\ WKH ORVVHV LQFXUUHG following the liquidation of the TRS and the impairments taken on all of the Company's UK non-conforming ABS residuals.

However, in spite of the sharp reduction in the value of the Company's DVVHWV ERWK LQ PDUN WR PDUNHW DQG H[SHFWHG FDVK ÁRZ WHUPV our assets have continued to generate cash, resulting in PLOOLRQ KHOG LQ FDVK DW WKH ÀQDQFLDO \HDU HQG

DIVIDEND

The Board of Directors of Volta Finance Limited recommends a dividend of €0.25 per share for the semi-annual period ended 31 July 2008, amounting to €7.5 million. This dividend will be paid out of the Company's distributable reserves. Its level corresponds to the originally anticipated net return on the Company's assets of approximately 10% applied to the Company's performing asset base as at 7 October 2008, the date of the Company's last Board meeting.

OUTLOOK

The results presented in this annual report, which covers the year from 1 August 2007 to 31 July 2008, do not take into account subsequent market events, among which is the bankruptcy of Lehman Brothers Holding Inc. ("LBHI"). These subsequent events have further negatively affected the value of the Company's assets.

The impact of these events, which have sent credit spreads to higher levels, has been felt throughout the credit markets. For the most part, the impact has been on the Company's three Corporate Credit assets, all of which are junior CDO tranches referencing investment grade names, among which is LBHI. Following this HYHQWVLJQLÀFDQWORVVHVZLOOEHUHFRJQLVHGRQWKHVHWKUHHDVVHWVLQ the results for the semi-annual period ending 31 January 2009. As of end of September 2008, following LBHI's bankruptcy, the unaudited value of these assets has declined to €23.0 million, from €69.3 million at end of July 2008. The end of September mark-to-market value of these three assets already priced in the probability of further defaults in the underlying portfolios.

As reported at the end of August, and prior to LBHI's default, the GAV of the Company had declined to €159 million. As of end of September 2008, after LBHI's default, the GAV of the Company was €111.7 million (€3.72 per share).

At the time of writing, and after the payment of the dividend and taking into account other commitments, the Company is expected to have nearly €10 million in cash available. As for the previous semi-annual period, considering that the present volatility and price declines could last for several months, and taking into account the Investment Manager's advice, the Company will aim to take time to deploy capital in order to take advantage of stressed market conditions.

The Company is fully committed to managing the situation in the best interests of its shareholders in these extremely challenging conditions.

ANNUAL GENERAL MEETING

7KH $QQXDO *HQHUDO 0HHWLQJ IRU WKH ÀQDQFLDO \HDU HQGHG -XO\ ZLOO EH KHOG DW WKH UHJLVWHUHG RIÀFH RI WKH &RPSDQ in Guernsey on 20 November 2008. The notice of the meeting can be found on pages 46 to 48 of the annual report.

Peter C. Crook.

PETER CROOK
CHAIRMAN
18 OCTOBER 2008

In the current annual period the Company is expected to be able to take advantage of some investment opportunities in a particularly volatile market.

2. FINANCIAL YEAR INVESTMENTS

Volta seeks to attain its investment objectives by pursuing a multi-asset class investment strategy that has initially focused on four asset classes: Corporate Credit, CDO, ABS and Leveraged Loans.

As announced at launch, the general emphasis of the Company's strategy is on the rigorous selection and structuring of investment SRVLWLRQV WKDW DUH WKHQ KHOG RU UHWXUQHG EDVHG RQ FDVK ÁRZV Subject to the Company's investment guidelines, the Investment Manager may trade portfolio positions and reallocate the portfolio within and amongst asset classes, on a discretionary basis.

Including the amount of €14.2 million that had been committed in WKH SUHYLRXV ÀQDQFLDO \HDU WKH &RPSDQ\ VHWWOHG GXULQJ WKH ÀQDQFLDO year €54.6 million of investments in four different types of assets over the course of the annual period:

- €8.9 million was used to purchase a UK non-conforming residual that had been earmarked for investment in the SUHYLRXV ÀQDQFLDO \HDU HQGHG -XO\
- €6.8 million was invested in two equity tranches of a CLO (of this, €5.3 million were tap amounts following a previous $15 million commitment in the Tennenbaum Opportunities Fund V);
- €13.9 million was invested in mezzanine tranches of CLOs (BB rated or equivalent); and
- €25 million was invested in a 0%–3% attachment/detachment bespoke tranche of Corporate Credit CDO with a 0.6% cash reserve.

At the time of the publication of this report, a residual commitment of $4.5 million related to the Tennenbaum Opportunities Fund V is expected to be drawn in the coming quarters.

In addition to the effect of reinvestments realised by the Investment Manager, the important differences in the relative performance of different asset classes have affected the &RPSDQ\V DVVHW DOORFDWLRQ VLQFH ÀQDQFLDO -XO\

TABLE 1 – VOLTA FINANCE ASSET ALLOCATION BASED ON MARK-TO-MARKET PRICES (BASED ON GAV)*

ASSET CLASSES		AT 31 JULY 2008 (%)	AT 31 JULY 2007 (%)
CORPORATE CREDIT		41.7	21.4
CDO	RESIDUAL TRANCHES OF CLO	22.3	19.1
	MEZZANINE TRANCHES OF CLO	8.6	—
ABS		13.3	24.0
LEVERAGED LOANS TRS		—	23.3
CASH		14.2**	12.0

* GAV of €166 million as of 31 July 2008 and GAV of €264 million as of 31 July 2007. The valuation of each asset class takes into account the valuation of the individual assets and of the derivatives hedging the asset class. Does not add up to 100% due to rounding.

** Including 0.2% of Volta's GAV corresponded to further payments owed to Volta following the liquidation of the TRS.

TABLE 2 – LIST OF CDO RESIDUAL HOLDINGS AS OF 31 JULY 2008

ISSUER	% GAV	DESCRIPTION OF INVESTMENT	DESCRIPTION OF UNDERLYING ASSET	MANAGER/ SERVICER	PRINCIPAL GEOGRAPHICAL EXPOSURE	ISIN	ARRANGING INSTITUTION
TENNENBAUM OPPORTUNITIES FUND V	3.60	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	TENNENBAUM	USA	N/A	WACHOVIA BANK
NORTHWOODS CAPITAL LIMITED	2.26	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	ANGELO GORDON	USA	USG6666RAB18	JP MORGAN
WASATCH CLO LTD	1.78	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	INVESCO	USA	USG94608AB57	JP MORGAN
LIGHTPOINT PAN EUROPEAN CLO PLC	1.70	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	LIGHTPOINT	EUROPE	XS0282169803	CREDIT SUISSE
OCEAN TRAILS CLO I LLC	1.69	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	WG HORIZONS	USA	USG66999AA46	UBS
BATALLION CLO LT-EQUITY	1.44	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	BRIGADE CAPITAL MANAGEMENT	USA	XS0282169803	CREDIT SUISSE
SANDS POINT FUNDING LTD	1.31	RESIDUAL OF CLO	MIDDLE MARKET LOANS	GUGGENHEIM	USA	USG7800DAA93	DEUTSCHE BANK
OAK HILL EUROPEAN CREDIT PARTNERS PLC	1.23	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	OAK HILL	EUROPE	XS0300349700	DEUTSCHE BANK
LIGHTPOINT CLO V, LTD	1.09	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	LIGHTPOINT	USA	USG5487GAG31	CREDIT SUISSE
GOLDEN TREE LOAN OPPORTUNITIES	1.05	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	GOLDEN TREE	USA	USG39607AC37	DEUTSCHE BANK
KINGSLAND IV LTD	1.04	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	KINGSLAND CAPITAL MANAGEMENT	USA	USG52702AB68	WACHOVIA BANK N.A.
CARLYLE HY PART IX	0.92	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	CARLYLE MANAGEMENT	USA	KYG1908R1048	LEHMAN BROTHERS*
GALAXY VII CLO LTD	0.78	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	AIG	USA	USG25796AB20	MORGAN STANLEY

* See Section 5 for consequences of LBHI's default.

INVESTMENT MANAGER'S REPORT CONTINUED

2. FINANCIAL YEAR INVESTMENTS (CONTINUED)

While Volta had so far focused on investments at the residual OHYHO WKHLJQLÀFDQWZLGHQLQJRI WKHGLVFRXQWPDUJLQRI %%%RU BB-equivalent CLO tranches has permitted the Company to include such assets in its portfolio.

XULQJWKHÀQDQFLDOHDUHQGHG-XOWKH&RPSDQUHFHLYHG FDVKÁRZVIURPLWVLQYHVWPHQWVWRWDOOLQJPLOOLRQFRPSDUHG to €13.1 million for the previous shortened annual period from December 2006 to July 2007.

Due to ongoing interest payments, prepayments and asset amortisation, the portfolio is expected to continue to generate cash on a rolling basis, which will be available to the Company for reinvestment, dividend payments and other purposes. Our approach to future reinvestment is detailed further in Section 6 below.

3. INVESTMENT PORTFOLIO

As of 31 July 2008, Volta held 29 settled assets in its portfolio divided amongst three asset classes: CDOs (all of which are exposed to leveraged loans) Corporate Credit and ABS.

LEVERAGED LOANS TRS

A large part of the exposure to European leveraged loans was IRUPHUOREWDLQHGWKURXJKWKH756 $IWHUDÀUVWURXQGRI GHOHYHUDJLQJ in August 2007, Volta responded to the consequences of the crisis in the loan market by restructuring some of the terms of the TRS DQGEIXUWKHUGHOHYHUDJLQJVHOOLQJDVLJQLÀFDQWSRUWLRQRIWKH underlying portfolio in January 2008 and again in February 2008. In anticipation of a further deterioration, the decision was made in March 2008 to liquidate the remainder of the portfolio instead of assigning more capital to this market price sensitive investment vehicle. The decision was also made to favour the reinvestment of the liquidation proceeds into assets whose leverage is not sensitive to mark-to-market prices. At the time of writing this report, considering the low levels of leveraged loan prices reached following the failure of LBHI, maintaining this structure would have resulted in forced sales and further losses.

CDO

The Company invests in residual tranches of managed CDOs selected by the Investment Manager. As of 31 July 2008, the Company had invested in 13 residual tranches of CDOs. Eleven of the thirteen tranches are backed by US leveraged loans and two by European leveraged loans. The Company has not invested in any CDOs of ABS.

$OORI WKHVH&'2 SRVLWLRQVFDQEHH[SHFWHGWREHQHÀWIURP UHLQYHVWPHQWVWKHPDNHRYHUDSHULRGRIÀYHHDUVRUPRUH as their cost of funding has been locked in at the low levels prevailing before the crisis. On the other hand, these assets UHPDLQH[SRVHGWRDVLJQLÀFDQWLQFUHDVHLQGHIDXOWUDWHVDQGRU VLJQLÀFDQWPLJUDWLRQRIWKHUDWLQJRIWKHLUXQGHUOLQJDVVHWVEH CCC. As, for most of these structures, payments to the residual holder are sensitive to the weight of CCC or lower rated assets in the underlying portfolio, as well as to actual losses.

As of the end of July 2008 and still at the time of writing this report, the Investment Manager expected, in Europe and especially in the US, the default rate of the market and of the underlying assets of these CDOs to increase. All in all, the Investment Manager expects WKHKLJKHUWKDQRULJLQDOODVVXPHGFDVKÁRZV WKDWKDYHEHHQ generated so far by those assets to be followed by lower expected FDVKÁRZVLQWKHIXWXUH7KHWLPLQJDQGWKHPDJQLWXGHRIGHIDXOWV as well as the recovery rates, will be critical in assessing the impact on those investments. The Investment Manager will continue to monitor closely those assets and will communicate any material developments through the Company's monthly report.

TABLE 3 – LIST OF CDO MEZZANINE HOLDINGS AS OF 31 JULY 2008

ISSUER	% GAV	DESCRIPTION OF INVESTMENT	INITIAL RATING	DESCRIPTION OF UNDERLYING ASSET	MANAGER/ SERVICER	PRINCIPAL GEOGRAPHICAL EXPOSURE	ISIN	ARRANGING INSTITUTION
PUMCL 2008-1X E – MEZZ DEBT	3.52	MEZZANINE DEBT OF CLO	BB	BROADLY SYNDICATED LOANS	M&G INVESTMENT MANAGEMENT LTD	EUROPE	XS0368831896	RBS
MCDONNELL LOAN OPPORTUNITY LTD – MEZZ DEBT	2.04	MEZZANINE DEBT OF CLO	UNRATED	BROADLY SYNDICATED LOANS	MCDONNELL INVESTMENT MGT LLC	USA	USG6016MAA11	DEUTSCHE BANK
ALPSTAR CLO 2 PLC – MEZZ DEBT	0.96	MEZZANINE DEBT OF CLO	BB	BROADLY SYNDICATED LOANS	ALPSTAR MANAGEMENT	EUROPE	XS0291723079	BANK OF AMERICA
BATALLION CLO LTD – MEZZ DEBT	0.90	MEZZANINE DEBT OF CLO	BB	BROADLY SYNDICATED LOANS	BRIGADE CAPITAL MANAGEMENT	USA	USG08889AF79	DEUTSCHE BANK
EURO GALAXY CLO BV – MEZZ DEBT	0.82	MEZZANINE DEBT OF CLO	BB	BROADLY SYNDICATED LOANS	AIG GLOBAL INVESTMENTS	EUROPE	US29871UAG31	MORGAN STANLEY
ADAGIO III CLO – MEZZ DEBT	0.61	MEZZANINE DEBT OF CLO	BB	BROADLY SYNDICATED LOANS	AXA INVESTMENT MANAGERS PARIS	EUROPE	XS0262683971	LEHMAN BROTHERS*

* See Section 5 for consequences of LBHI's default.

3. INVESTMENT PORTFOLIO (CONTINUED)

MEZZANINE TRANCHES OF CDOS

Between March 2008 and July 2008, the Company took the opportunity to invest based on the significant widening of discount margins in the structured credit markets to start investing in mezzanine tranches of CLOs. Six investments were made for a total of €14.5 million ($7.2 million and €9.8 million). Five of these deals were initially rated BB or BB- by S&P and one of them is unrated but could be considered equivalent to a BB-rated tranche, taking into account its level of subordination. As of the end of July 2008, BB-rated tranches or unrated BB-equivalent tranches of CLOs accounted for 8.6% of Volta's GAV.

As for the residual holdings, most of these positions have cash flows that are sensitive to the level of defaults. Nevertheless, these tranches are expected to be able to absorb a higher rise in defaults in the loan market than residual holdings given their second loss position.

ABS

As of 31 July 2008, the Company was exposed to seven residual income positions of ABS. Six of these ABS are backed by UK non-conforming mortgage loans and one by German Small and Medium Enterprise ("SME") loans. The Company has no exposure to US residential sub-prime mortgages.

At the end of January 2008 and again at the end of July 2008, the Investment Manager considered that the decrease in the mark-to-market of those assets corresponded to a downward revision of expected cash flows for its UK non-conforming ABS residuals, which therefore leads to an impairment in the net income. This revision was the direct consequence of several events: 1) the continuing negative prepayment situation featuring very low prepayments with penalties and a high level of prepayments without penalties, 2) the continuing disruption of money markets characterised by an unusually large spread between UK Bank Base Rate and GBP Libor, 3) the fact that average home prices in the UK have been continuously decreasing since November 2007 and that most structures truncated significantly the early portion of future Home Price Appreciation ("HPA"); and 4) the fact that non-conforming lending in the UK almost disappeared during the first half of [illegible] making refinancing for troubled borrowers extremely difficult.

Based on this information, the Board of Directors concurred with an increase in loss assumptions that materially diminished expected cash flows.

Five of the UK non-conforming residuals held by the Company were priced at the end of July 2007 for €51.6 million and the sixth one, [illegible] investment in the previous financial year was settled in October 2007 for €8.9 million. As of the end of July 2008, the six UK non-conforming residuals represented 5.9% of the GAV (€9.7 million).

Due to the mark-to-market adjustment, the relative mark-to-market value of the Promise Mobility asset increased to more than 50% of the ABS total as of the end of the financial period.

CORPORATE CREDIT

The Company focuses on acquiring or creating the equivalent of first loss or junior second loss investments with exposure to diversified portfolios of investment grade and sub-investment grade Corporate Credits. As of 31 July 2008, the exposure to Corporate Credits was obtained through three investments in CDOs managed by AXA IM: ARIA II, ARIA III and Jazz III.

ARIA II is a bespoke CDO tranche backed by an actively managed portfolio of credit default swaps of mainly investment grade corporate issuers. ARIA II suffered one default during the annual period (Quebecor World Inc.). The impact of this default was to lower the attachment point of the tranche owned by the Company

TABLE 4 – LIST OF ABS HOLDINGS AS OF 31 JULY 2008

ISSUER	% GAV	DESCRIPTION OF INVESTMENT	DESCRIPTION OF UNDERLYING ASSET	MANAGER/ SERVICER	PRINCIPAL GEOGRAPHICAL EXPOSURE	ARRANGING INSTITUTION
PROMISE MOBILITY 2006–1	5.98	RESIDUAL OF ABS	GERMAN SME LOANS	IKB	EUROPE NON-UK	DEUTSCHE BANK
ALBA 2006–2 PLC	1.33	RESIDUAL OF ABS	UK NON-CONFORMING RESIDENTIAL MORTGAGE LOANS	OAKWOOD HOME LOANS	UNITED KINGDOM	CREDIT SUISSE
ALBA 2007–1 PLC	1.29	RESIDUAL OF ABS	UK NON-CONFORMING RESIDENTIAL MORTGAGE LOANS	OAKWOOD HOME LOANS	UNITED KINGDOM	CREDIT SUISSE
RMAC 2007–NS1	1.24	RESIDUAL OF ABS	UK NON-CONFORMING RESIDENTIAL MORTGAGE LOANS	GMAC-RFC	UNITED KINGDOM	HSBC–RBS
EUROSAIL 2006–1 PLC	0.96	RESIDUAL OF ABS	UK NON-CONFORMING RESIDENTIAL MORTGAGE LOANS	CAPSTONE	UNITED KINGDOM	LEHMAN BROTHERS*
NEWGATE FUNDING PLC 2006–2	0.79	RESIDUAL OF ABS	UK NON-CONFORMING RESIDENTIAL MORTGAGE LOANS	MORTGAGE PLC	UNITED KINGDOM	MERRILL LYNCH INTERNATIONAL
ALBA 2006–1 PLC	0.28	RESIDUAL OF ABS	UK NON-CONFORMING RESIDENTIAL MORTGAGE LOANS	OAKWOOD HOME LOANS	UNITED KINGDOM	CREDIT SUISSE

* See Section 5 for consequences of LBHI's default.

INVESTMENT MANAGER'S REPORT CONTINUED

3. INVESTMENT PORTFOLIO (CONTINUED)

CORPORATE CREDIT (CONTINUED)

by 0.10% or 0.09% after taking into account gains of one basis SRLQWJHQHUDWHGGXULQJWKH¿QDQFLDO\HDU $V RI WKHHQGRI -XO\ Volta's ARIA II is a 1.52%–2.52% attachment/detachment tranche compared to a 1.61%–2.61% tranche a year earlier.

TABLE 6 – ARIA II CDO: TECHNICAL SPECIFICATIONS

	AT 31 JULY 2008	AT 31 JULY 2007
NOMINAL SIZE	€69 MILLION	€69 MILLION
WARF (S&P)	504	405
NUMBER OF NAMES	178	208
ATTACHMENT/DETACHMENT POINTS	1.52%–2.52%	1.61%–2.61%

ARIA III is a bespoke CDO tranche backed by an actively managed portfolio of credit default swaps of mainly investment grade corporate issuers. ARIA III was acquired on 2 July 2008 taking advantage of the spread widening in the CDS market at the time of execution. It has been structured as a larger tranche than ARIA II, being a 0%–3% attachment/detachment tranche with a reserve cash balance representing 20% of the tranche giving it a principal SURWHFWLRQRIIURPWKH¿UVWGHIDXOWV

TABLE 7 – ARIA III CDO: TECHNICAL SPECIFICATIONS

	AT 31 JULY 2008
NOMINAL SIZE	€25 MILLION
WARF (S&P)	252
NUMBER OF NAMES	153
ATTACHMENT/DETACHMENT POINTS	0%–3%
RESERVE BALANCE	0.6%

The third corporate credit investment is in the subordinated debt tranche of Jazz III, a CDO backed by an actively managed cash and synthetic corporate credit portfolio, mainly investment grade.

TABLE 8 – JAZZ III CDO: TECHNICAL SPECIFICATIONS

		AT 31 JULY 2008	AT 31 JULY 2007
NOMINAL SIZE	EURO-DENOMINATED TRANCHE	€8.58 MILLION	€8.58 MILLION
	USD-DENOMINATED TRANCHE	USD 2.01 MILLION	USD 2.01 MILLION
NUMBER OF NAMES		309	249
ATTACHMENT/DETACHMENT POINTS		0%–5.75%	0%–5.75%

V RI -XO\ FDVK RZV UHFHLYHGDQGH[SHFWHGIURP WKHVH three assets were in line with initial expectations. However, as H[SODLQHGLQ6HFWLRQEHORZWKHVHDVVHWVKDYHVXIIHUHGVLJQL¿FDQWO\ following the sudden default of LBHI, both in terms of their expected FDVKÀRZV DQGWKHLUPDUNWRPDUNYDOXH

TABLE 5 – LIST OF CORPORATE CREDIT HOLDINGS AS OF 31 JULY 2008

ISSUER	% GAV	DESCRIPTION OF INVESTMENT	DESCRIPTION OF UNDERLYING ASSET	MANAGER	PRINCIPAL GEOGRAPHICAL EXPOSURE	ISIN	ARRANGING INSTITUTION
ARIA CDO II (IRELAND) PLC	21.36	BESPOKE CDO TRANCHE	MAJORITY INVESTMENT GRADE CORPORATE CREDIT	AXA INVESTMENT MANAGERS PARIS	USA	XS0293091673	JP MORGAN
ARIA CDO III (IRELAND) PLC	13.21	BESPOKE CDO TRANCHE	MAJORITY INVESTMENT GRADE CORPORATE CREDIT	AXA INVESTMENT MANAGERS PARIS	USA	XS0375442307	JP MORGAN
JAZZ III CDO (IRELAND) PLC	4.82	RESIDUAL OF CORPORATE CDO	MAJORITY INVESTMENT GRADE CORPORATE CREDIT	AXA INVESTMENT MANAGERS PARIS	USA	XS0263617374 XS0263615675	MERRILL LYNCH INTERNATIONAL

4. FUNDING

The Company continues to be exposed to underlying assets that are internally leveraged investments such as residual income positions in securitisation structures (e.g. residual interests or mezzanine tranches of CDOs and ABS). The Company does not, at present, have any direct borrowings.

5. RECENT DEVELOPMENTS

6LQFHWKHHQGRIWKHODVWÀQDQFLDOHDUHQGHG-XO\ FUHGLWPDUNHWVKDYHEHHQVKDNHQVWURQJQHJDWLYHRXWÁRZV DQVLJQLÀFDQW FUHGLWGHWHULRUDWLRQPRVWRI WKHDUHDV

Many leveraged investors have continued to be forced to deleverage and further widening in discount margin occurred. In particular, the asset classes targeted by the Company have continued to be drawn by the downward mark-to-market spiral.

CORPORATE CREDIT

7KHIDLOXUHRI/%+,PLG6HSWHPEHUKDGDVLJQLÀFDQWDQGGLUHFW impact on three assets of the Company (ARIA II, ARIA III and Jazz III) constituting 39% of the Company's end of August 2008 GAV. These three assets had direct exposure to the senior debt of LBHI and the mark-to-market value of those assets fell from €62.7 million as of the end of August 2008 to €22.8 million as of the end of September 2008.

7DNLQJLQWRDFFRXQWWKHÀQDOUHFRYHU\RQ/%+, IRU Euro-denominated Senior CDS), the situation of these three assets as of 15 October 2008 was as follows:

- ARIA II, which was a 1.53/2.53% attachment/detachment tranche at the end of August 2008, has lost 29% of its future coupons and principal, and is now a 0/0.71% tranche.
- ARIA III, which was a 0/3% attachment/detachment tranche with a 0.6% internal reserve at the end of August 2008 has lost its reserve, 40% of its future coupons and principal, and is now a 0/1.80% tranche.
- The Jazz III Euro and USD tranches, accounting respectively for 85% and 15% of the initial Jazz III investments, were both 0/5.75% tranches at the end of August 2008 and are expected to lose a little less than 20% of their expected quarterly payments, and respectively 41% and 43% of their principal. The Euro tranche is now a 0/3.41% tranche and the USD tranche a 0/3.27% tranche.

Following the multiple government interventions in October in developed countries, the recent tightening of CDS spreads LQÀQDQFLDOVHFWRUFRPSDQLHVUHÁHFWLQJWKHPDUNHWVSHUFHSW RIUHGXFHGEDQNUXSWF\ULVNIRUVLJQLÀFDQWÀQDQFLDOLQVWLWXWL VKRXOGEHQHÀWWKHVHWKUHHDVVHWVDVWKHLUXQGHUO\LQJSRUWI DUHVLJQLÀFDQWO\RYHUZHLJKWRQÀQDQFLDOVHFWRUFRPSDQLHV Nevertheless, these investments remain exposed to the broader ULVNRIDVLJQLÀFDQWGHWHULRUDWLRQRIWKHHFRQRPLFF\FOHWKDW DOVRDIIHFWQRQÀQDQFLDOVHFWRUFRPSDQLHV

INVESTMENT MANAGER'S REPORT CONTINUED

5. RECENT DEVELOPMENTS (CONTINUED)

ABS

As regards the Company's exposure to ABS residual positions, one of the UK non-conforming residual owned by Volta, Eurosail 2006-1, is directly affected by the failure of LBHI: 1) through its servicer Capstone, a subsidiary of LBHI that stands outside the bankruptcy perimeter, and 2) through swap agreements concluded with Lehman Brothers Special Financing Inc. ("LBSF"), a subsidiary of LBHI that is also in default.

Even if the servicer is left untouched by the bankruptcy of LBHI, Eurosail 2006-1 will have to substitute LBSF as the counterparty of most of the swaps that are in place inside the structure. The costs of substitution may have an impact that could be material RQWKHFDVKÁRZVWKDWDUHGXHWR9ROWD

CDO

As regards the Company's positions in residual tranches of CDOs, WKHUHLVQRGLUHFWVLJQLÀFDQWLPSDFWIURPWKH/%+,IDLOXUH1ROYHQWKDW to market changes or rating changes for example) these assets have no direct exposure to the defaulting company. However, there might be some indirect effects: 1) One deal (Lightpoint) was managed by a LBHI subsidiary that is currently out of the bankruptcy perimeter. This manager is expected to be purchased by another experienced loan manager, with only a minor impact on the Company's positions, and; 2) The Company received ongoing pricing data with respect to three deals head by Volta (Adagio III, Lightpoint and Carlyle). At the time of writing this report, another counterparty has agreed to provide monthly prices on the securities issued by those deals.

As outlined above, following the LBHI default and the consequences RIWKHÀQDQFLDOFULVLVWRWKHRYHUDOOHFRQRP\GHIDXOWUDWHVVKRX LQFUHDVHVLJQLÀFDQWO\7KLVFRXOGLQWXUQDGYHUVHO\DIIHFWWKH Company's investments. However, considering the determination of the G7 countries to tackle this crisis, such a scenario could be mitigated. The Investment Manager will monitor the situation and the impact on the Company's investments.

6. INVESTMENT STRATEGY

The overall investment strategy of the Company has evolved along the market environment in order to remain in line with the Company's objectives. While at the time of the IPO most of Volta's SRVLWLRQVZHUHHLWKHUÀUVWORVVRUUHVLGXDOSRVLWLRQVWKHVLJQLÀ widening of discount margins in the structured credit markets has placed second loss or mezzanine positions within the Company's investment horizon. As a matter of fact, the general spread widening can be used by the Company to buy assets which have more robust structural features (larger subordination, lesser sensitivity to market changes or rating changes for example) and/or which have underlying portfolios with better credit quality (higher average rating factor for example).

In line with this approach, BB-rated mezzanine tranches of CLOs were DFTXLUHG XQWLO WKH HQG RI WKH ÀQDQFLDO \HDU DQG %%% UDWHG WUDQFKHV were acquired in October 2008. Purchase opportunities in BBB or even A-rated tranches of CLOs could continue to be considered. Opportunities in low leverage loan programmes, as well as in leveraged exposure to senior ABS assets are also being reviewed.

$OWKRXJKWKH&RPSDQ\UHWDLQVWKHSRVVLELOLW\WREX\ÀUVWORVV or residual positions, for so long as the market conditions permit to do so given the Company's target investment returns, it is likely to continue to focus on structurally more robust positions.

7. OUTLOOK

The significant difficulties that most banks are facing in developed countries will continue to bring a lot of uncertainties as these difficulties now spread to the rest of the economy. The economic weakness expected for the coming quarters will affect most of industries to various degrees. Default rates are expected to increase and the uncertainty as to the level at which corporate default rates will culminate in the coming years creates uncertainty on the different structured markets, affecting assets both in terms of the market to market value and expected cash flows.

However, given the determination of the G7 authorities to tackle this crisis, such a challenging environment may provide investment opportunities specifically for a company such as Volta Finance. The fact that Volta does not face refinancing issues due to the excess of sellers over buyers in some market segments and for certain type of assets, part of the increase in discount margin can be considered as having overshot the increase in risk premium based on objective credit fundamentals. Liquidity issues, as well as uncertainty about maturity or rating methodology, are now much more priced in than they were a few quarters ago.

The Investment Manager will continue to closely monitor the impact of the current crisis on the Company's investments. Considering that the volatility in the structured finance as well as in credit markets is likely to last, the Company prefers maintaining cash in its portfolio and waiting for more visibility before selecting investment opportunities as they arise in the midst of such turbulent market conditions.

AXA INVESTMENT MANAGERS PARIS
18 OCTOBER 2008*

* The Company's last monthly report was published for the month of September 2008.

PORTFOLIO VALUATION

The Company publishes its GAV on a monthly basis and its NAV on a semi-annual basis.

The calculation of the GAV and the NAV of the Company may be suspended in situations where the underlying data needed to value the investments cannot readily, or without undue expenditure, be obtained by the Company. Details of any suspension in making such calculations would be announced in a manner that complies with the rules of Euronext Amsterdam.

Currently, for the majority of investments targeted by the Company, the secondary trading market is generally illiquid. As a result, there are no regularly reported market prices for these investments. Moreover, there may not be an agreed industry standard methodology for valuing the investments (e.g. in the case of residual income positions of asset-backed securitisations).

The Company's policy is to derive its NAV and GAV totals on an ongoing basis in the following manner:

- from a third party in a liquid market are valued monthly on the basis of quoted bid prices. In this regard, for liquid assets, an external market pricing service may be the source of price quotations.
- Case B: in the case of investments where the fair value of the investment can be readily ascertained by reference to the market values of liquid underlying assets (as was the case for the TSR), the counterparty or sponsor generally provides the valuation of the investment position, using the mark-to-market valuation of the underlying assets (minus, where applicable, the investment's internal funding or other liability). In the case of the TRS) or other similar arrangements, the Investment Manager agreed in the Investment Management Agreement to report semi-annually to the Company on how the valuations used by the counterparty on underlying loans from time to time compare to valuations from an external third-party pricing service.
- depends upon the nature of the asset.
- provides valuations on a monthly basis together with its related main valuation assumptions (as may, for example, be the case with a cash CDO), the valuations are sourced from such arranging bank. In many cases, the arranging bank determines a valuation based upon pricing models which may or may not produce values that correspond to the prices that the Company could obtain if it sought to liquidate the positions. Such pricing models generally involve a number of valuation assumptions, many of which are based on subjective judgements. The Investment Manager has agreed in the Investment Management Agreement to review the main assumptions of the arranging banks semi-annually to evaluate whether

CASE C (CONTINUED)

they appear, in the judgements of the Investment Manager, fair and reasonable and to report its conclusions in this regard to the Portfolio Administrator and the Company. The Investment Manager has reviewed those main assumptions as of 31 July 2008 and has concluded that the assumptions of the arranging banks appear, in its judgement, fair and reasonable. The work done by the Investment Manager does not, however, represent a "fairness'' or similar opinion and should not be regarded as such. When and where required, the Portfolio Administrator may approach the relevant banks IRUFODULÀDWLRQVRUDGMXVWPHQWV

- The Company uses reasonable endeavours to engage independent third parties to review semi-annually the main assumptions employed by the arranging banks and to report on the fairness and reasonableness of those assumptions and of the valuations to the Portfolio Administrator and the Company. Third parties have reviewed those main assumptions and valuations as of 31 July 2008 and have concluded that they were fair and reasonable. Where a third party challenges an arranging bank's valuations on this basis, the Company will consider engaging the third party (or one or more other third parties, such as, for example, an investment bank or the seller of the underlying assets) to provide a valuation, or will adopt some other method of valuing the position.

- bank (as, for example, with infrastructure assets), or if an arranging bank is unwilling to provide valuations and related main valuation assumptions on a monthly basis (as may, for example, be the case with some asset-backed securities' residual positions), the Investment Manager has agreed in the Investment Management Agreement that it will provide a monthly valuation based on a pricing model. In the case of infrastructure assets, however, the Investment Manager's valuation will be provided on a quarterly basis. In valuing LQIUDVWUXFWXUHDVVHWVDGLVFRXQWHGFDVKÁRZPHWKRGZLOO XVHG7KHFDVKÁRZSURMHFWLRQVIRUWKHUHOHYDQWSURMHFWVZ be reviewed by the Investment Manager and the discount rate to be applied will depend on a market premium (considering, to the extent practicable, the same type of transactions launched recently and market publications). With regard to any such valuations provided by the Investment Manager, the Company will use reasonable endeavours to engage an independent third party to review semi-annually the main valuation assumptions employed by the Investment Manager and to report on the fairness and reasonableness of those assumptions and the valuations to the Portfolio Administrator and the Company. When and where required, third parties have reviewed these assumptions and valuations as of 31 July 2008 and have concluded that they were fair and reasonable. If the third party challenges the Investment Manager's valuations on this basis, the Company will consider engaging the third party (or one or more other third parties, such as, for example, an investment bank or the seller of the underlying assets) to provide a valuation, or will adopt some other method of valuing the position.

01 03

02 04

BOARD OF DIRECTORS

05

01. PETER CROOK

CHAIRMAN AND INDEPENDENT DIRECTOR

Mr Crook worked for 26 years in the Bank of England in all key areas of the Bank, including a two year period as a private secretary to the Governor of the Bank. He was involved in the introduction of the UK Banking Acts and in 1986 was seconded to the International Monetary Fund where he worked under its auspices in the Cayman Islands as Inspector of Banks and Trust Companies. He retired from the Bank and joined the Guernsey Financial Services Commission in 1989 as Director of Banking and in March 1997 was appointed Director HQHUDORIWKH&RPPLVVLRQUHVSRQVLEOHIRUWKHUHJXODWLRQRIDOOÀQDQFLDOVHUYLFHV in Guernsey. Mr Crook was a member of the Offshore Group of Banking Supervisors from 1986 to 2001 and is a fellow of the Chartered Institute of Bankers. Mr Crook retired at the end of April 2001. Mr Crook was educated in England followed by three years in the British Army.

02. CHRISTOPHE DEMAIN

CLASS B DIRECTOR

0UHPDLQLVWKH&KLHI(HFXWLYH2IÀFHURI$ULYDWH0DQDJHPHQWWKHSULYDWH EDQNLQJZHDOWKPDQDJHPHQWVXEVLGLDURI%HOJLXPZKLFKLVDQDIÀOLDWH RI the Investment Manager. Mr Demain began his employment at AXA Belgium as Head of Asset Allocation and Treasury in 1999. Prior to that, he was a trader in interest rate derivatives at Bank IPPA from 1994 to 1999 and a money market trader at Bank Crédit Général from 1992 to 1993. He is a member of the board of several AXA related funds and companies, including AXA Private Management, AXA Open Fund Management, AXA Private Selection, AXA L Fund and AXA B Fund. Mr Demain was educated in Belgium and has received a masters degree in applied economics from University College London and a special post graduate diploma in risk management from Saint Louis University.

03. CHRISTIAN JIMENEZ

SENIOR INDEPENDENT DIRECTOR

0U-LPHQHLV)RXQGHUDQG&KLHI(HFXWLYH2IÀFHURI,PHQ,QYHVWPHQW3DUWQHUV DQLQYHVWPHQWPDQDJHPHQW DGYLVRUÀUP 0U -LPHQH] ZDV &KLHI)LQDQFLDO 2IÀFHU of Ecureuil Vie, the insurance company subsidiary of the Caisse d'Epargne Group IURP WR 3ULRUWRWKDWKHZDV &KLHI)LQDQFLDODQG5LVN2IÀFHU RI Compagnie Financière EULIA from 2002 to 2003. Mr Jimenez was Chief Executive 2IÀFHU RI 685$6685 WKHUHLQVXUDQFHFRPSDQ\ VXEVLGLDURIWKH&DLVVHG(SDUJQH Group from 1995 to 2002, part of which time (2000 to 2001) he was also Chief ,QYHVWPHQW2IÀFHURI&DLVVH1DWLRQDOHGH&DLVVHVG(SDUJQHHWGH3UpYR\DQFH 3ULRUWRZKLFKKHZDVHSXW\&KLHI)LQDQFLDO2IÀFHURI&DLVVHG(SDUJQH*URXS from 1994 to 1999 and held other positions at Banque Nationale de Paris and Banque de France. He was also a professor of Economics from 1979 to 1984. Mr Jimenez is also Honorary Chairman of AFGAP (Association Française des Gestionnaires d'Actif-Passif), having been a member of AFGAP since 1991, &KDLUPDQRI$)*$3IURPWRDQG&KDLUPDQRILWV6FLHQWLÀF&RPPLWWHH from 1999 to 2002 and Regional Director for France and Member of the Board of PRMIA (Professional Risk Managers' International Association).

04. JOAN MUSSELBROOK

INDEPENDENT DIRECTOR

Ms Musselbrook was most recently Managing Director at MBIA UK Insurance /LPLWHGDOHDGLQJÀQDQFLDOJXDUDQWRUDQGSURYLGHURIVSHFLDOLVHGÀQDQFLDO services. She began her career at Natwest International Division as a graduate trainee in September 1985 and remained with the Natwest Group until August 2000, at which time she was a Director of the Asset Securitisation Group at Greenwich Natwest. She joined MBIA Assurance S.A. as a Director in October 2000 and was Managing Director of MBIA UK Insurance Limited from February 2004 to April 2006. Ms Musselbrook holds a degree from Oxford University.

05. PAUL VAROTSIS

INDEPENDENT DIRECTOR

Mr Varotsis is a partner at Reoch Credit Partners LLP, where he works as a FRQVXOWDQWWRÀQDQFLDOLQVWLWXWLRQVDQGYLVHVLQYHVWRUVDVVHWPDQDJHUV intermediaries and software vendors on structured credit solutions. Mr Varotsis was Director of CDOs at Barclays Capital from 2002 to 2004. Prior to that, he was Executive Director, Structured Credit Trading, at Lehman Brothers from 2000 to 2002 and spent approximately ten years (1991 to 2000) at Chase Manhattan Bank and its predecessors; his last position at Chase was head of Credit and Capital Management (Europe Africa Middle East). He was European Chairman of the ISDA committee that participated in the drafting of the 2003 Credit Derivatives HÀQLWLRQVDQGDGYLVHGWKH%DQNRI(QJODQGDQGRWKHUUHJXODWRUVRQWKH appropriate framework for the market's development. Mr Varotsis holds an MBA from the Stanford Graduate School of Business, a diplôme from the Institut d'Études Politiques de Paris and a diplôme from the Institut Supérieur de Gestion.

MANAGEMENT, ADMINISTRATION AND ADVISORS

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Company registration number 45747 (Guernsey, Channel Islands)

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HPDLOYROWDÀQDQFH#PRXUDQWFRP
ZHEVLWHZZZYROWDÀQDQFHFRP

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COMPANY SECRETARY, ADMINISTRATOR AND REGISTRAR
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France

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United Kingdom

LISTING AGENT AND PAYING AGENT
ING Bank N.V.
Van Heenvlietlaan 220
1083 CN Amsterdam
The Netherlands

REPORT OF THE DIRECTORS

The Directors SUHVHQWWKHLUUHSRUW

INCORPORATION

7KH&RPSDQ\ZDVUHJLVWHUHGLQ*XHUQVH\&KDQQHO,VODQGVRQ2FWREHUXQGHUWKH&RPSDQLHV*XHUQVH\/DZVWR DVDPHQGHGWKH2OG/DZZLWKUHJLVWHUHGQXPEHU7KH2OG/DZKDVQRZEHHQVXSHUFHGHGEWKH&RPSDQLHV*XHUQVH\/DZ WKH1HZ/DZ,QGHUWUDQVLWLRQDOSURYLVLRQVSHUPLWWHGEWKH1HZ/DZWKH&RPSDQ\KDVSUHSDUHGWKHVHILQDQFLDOVWDWHPHQWV LQFRPSOLDQFHZLWKWKH2OG/DZ)XWXUHILQDQFLDOVWDWHPHQWVZLOOEHSUHSDUHGLQFRPSOLDQFHZLWKWKH1HZ/DZ

ACTIVITIES

7KH&RPSDQ\LVDFORVHGHQGHGLQYHVWPHQWFRPSDQ\ZLWKWKHREMHFWLYHRILQYHVWLQJLQFRUSRUDWHFUHGLWV&DQGDVVHWEDFNHG VHFXULWLHVOHYHUDJHGORDQVDQGLQIUDVWUXFWXUHDVVHWV

RESULTS AND DIVIDENDS

7KH,QWHUQDWLRQDO)LQDQFLDO5HSRUWLQJ6WDQGDUGV,)56QHWORVVIRUWKH\HDUDPRXQWHGWR

7KH'LUHFWRUVFRQVLGHUUHFRPPHQGDWLRQRIDGLYLGHQGRQDVHPLDQQXDOEDVLVKDYLQJUHJDUGWRYDULRXVHOHPHQWVLQFOXGLQJWKHILQDQFLDOSRVLWLRQ DQGWKH'LVWULEXWLRQ,QFRPHRIWKH&RPSDQ\DVGHILQHGLQWKH&RPSDQ\V,323URVSHFWXV

'LVWULEXWLRQ,QFRPHIRUWKH\HDUZDVDQHJDWLYHDJJUHJDWHDPRXQWRIWKHFDOFXODWLRQRI'LVWULEXWLRQ,QFRPHLVVKRZQRQSDJH

2Q1RYHPEHUWKH&RPSDQ\DGRSWHGDUHVROXWLRQFDQFHOOLQJWKHDPRXQWVWDQGLQJWRWKHVKDUHSUHPLXPDFFRXQWLPPHGLDWHO\ IROORZLQJFORVLQJRIWKH,32DQGFUHGLWLQJVXFKDPRXQWWRGLVWULEXWDEOHUHVHUYHV7KHUHIRUHGHVSLWHWKH&RPSDQ\UHFRUGLQJDQ,)56QHWORVV IRUWKHILQDQFLDO\HDUHQGHG-XO\VXIILFLHQWGLVWULEXWDEOHUHVHUYHVUHPDLQDYDLODEOHWRDOORZWKHGHFODUDWLRQDQGSD\PHQWRIDGLYLGHQG

7KH'LUHFWRUVUHFRPPHQGWKHSD\PHQWRIDILQDORUGLQDU\GLYLGHQGIRUWKH\HDURISHUVKDUHWRWKRVHVKDUHKROGHUVRQWKHUHJLVWHU DW1RYHPEHU

GOING CONCERN

7KH'LUHFWRUVKDYHFRQVLGHUHGWKHLPSDFWRIWKHPDUNHWFRQGLWLRQVDWWKH\HDUHQGGDWHDQGVXEVHTXHQWO\:KLOVWWKHIDLUYDOXHVRIWKH &RPSDQ\VDVVHWVKDYHIDOOHQEDVLQJLQILQDQWDPRXQWWKH&RPSDQ\KDVQRGHEWDQGWKH'LUHFWRUVDUHWKHUHIRUHRIWKHRSLQLRQWKDWWKH &RPSDQ\LVDJRLQJFRQFHUQDQGWKHDFFRXQWVKDYHEHHQSUHSDUHGRQWKLVEDVLV

DIRECTORS

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7KH'LUHFWRUV'LQWHUHVWVLQWKHVKDUHFDSLWDODVDWWKHILQDQFLDO\HDUHQGZHUH

	31 July 2008 Number of shares	-XO\ 1XPEHURIVKDUHV
3&URRN	**8,015**	
.&DLQ	**8,506**	
&LPHQH]	**8,506**	
-0XVVHOEURRN	**8,506**	
39DURWVLV	**8,506**	

ROTATION PROVISIONS

0U&URRNZDVDSSRLQWHGWRWKH%RDUGDV&KDLUPDQLQ1RYHPEHUIRUDQLQLWLDOSHULRGRIWKUHH\HDUV7KHRWKHU'LUHFWRUVZHUH DSSRLQWHGWRWKH%RDUGLQ1RYHPEHUIRUDQLQLWLDOSHULRGRIWZR\HDUVDQGWKHUHIRUHZLOOVWDQGIRUUHHOHFWLRQDWWKHIRUWKFRPLQJ $QQXDO*HQHUDO0HHWLQJRQ1RYHPEHU$IWHUWKHILUVWWZR\HDUVWKHURWDWLRQSURYLVLRQVVHWRXWLQWKH&RPSDQ\ V0HPRUDQGXP DQG$UWLFOHVRI,QFRUSRUDWLRQDQG,323URVSHFWXVGDWHGHFHPEHUUHTXLUHWKDWWKHWHUPVRIDSSRLQWPHQWIRUWKH'LUHFWRUVZLOO EHFRPHVWDJJHUHGZLWKRQH'LUHFWRUVKLSFDQGLGDWHVWDQGLQJIRUHOHFWLRQRUUHHOHFWLRQIRUDRQH\HDUWHUPRQHVWDQGLQJIRUHOHFWLRQ RUUHHOHFWLRQIRUDWZR\HDUWHUPDQGWZRVWDQGLQJIRUHOHFWLRQRUUHHOHFWLRQIRUDWKUHH\HDUWHUP7KHUHDIWHUWKH&KDLUPDQDQGHDFK RIWKH'LUHFWRUVZLOOVWDQGIRUHOHFWLRQRUUHHOHFWLRQIRUWKUHH\HDUWHUPVLQWKH\HDUVLQZKLFKWKHLUWHUPVH[SLUH

AUDITORS

.30*&KDQQHO,VODQGV/LPLWHGVHUYHGDV$XGLWRUVGXULQJWKHSHULRGDQGKDYHH[SUHVVHGWKHLUZLOOLQJQHVVWRFRQWLQXHLQRIILFH$UHVROXWLRQ WRUHDSSRLQW.30*&KDQQHO,VODQGV/LPLWHGDV$XGLWRUVZLOOEHSXWWRWKHIRUWKFRPLQJ$QQXDO*HQHUDO0HHWLQJRQ1RYHPEHU

COMPANY SECRETARY

7KH&RPSDQ\6HFUHWDU\LV0RXUDQW*XHUQVH\/LPLWHGRI)LUVW)ORRU/H%XUW\$PLUDO3DUN6W3HWHU3RUW*XHUQVH\&KDQQHO,VODQGV

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$XWKRULVHG6LJQDWRU\
MOURANT GUERNSEY LIMITED
COMPANY SECRETARY
30 OCTOBER 2008

CORPORATE GOVERNANCE REPORT

STATEMENT OF COMPLIANCE

7KURXJKRXWWKHHDUHQGHG-XOWKH&RPSDQKDVEHHQLQFRPSOLDQFHZLWKWKHSURYLVLRQVVHWRXWLQ6HFWLRQRIWKH&RPELQHG&RGH
HFHSWDVDOUHDG\H[SODLQHGLQWKH&RPSDQ\V,323URVSHFWXVRUDVVHWRXWEHORZ

THE BOARD

7KH%RDUGLVUHVSRQVLEOHIRUWKHGHWHUPLQDWLRQRIWKH&RPSDQ\VLQYHVWPHQWREMHFWLYHLQYHVWPHQWJXLGHOLQHVDQGGLYLGHQGSROLF\
DQGKDVRYHUDOOUHVSRQVLELOLW\IRURYHUVHHLQJWKH&RPSDQ\VDFWLYLWLHV0U&RRNDFWVDV&KDLUPDQRIWKH%RDUG0U-LPHQH]DFWVDVWKH
6HQLRU,QGHSHQGHQW'LUHFWRU0U&RRN0U-LPHQH]0V0XVVHOEURRNDQG0U9DUWDVVLVDUHLQGHSHQGHQWIURPWKH,QYHVWPHQW0DQDJHU
DQGVDWLVI\WKHLQGHSHQGHQFHFULWHULDHVWDEOLVKHGEWKH%RDUGDQGVHWRXWLQWKH&RPSDQ\V,323URVSHFWXVZKHUHDV0U5HPDLQ
LVDQHPSOR\HHRIDQDIILOLDWHRIWKH,QYHVWPHQW0DQDJHUDQGGRHVQRWPHHWWKHLQGHSHQGHQFHFULWHULD7KHFRPSRVLWLRQRIWKH%RDUG
LQWKLVUHVSHFWLVLQDFFRUGDQFHZLWKWKHSROLF\DGRSWHGEWKH%RDUGDQGSXEOLVKHGLQWKH&RPSDQ\V,323URVSHFWXV7KHLQGLYLGXDO
LQGHSHQGHQFHVWDWXVRIWKHLUHFWRUVZDVODVWUHYLHZHGDQGFRQILUPHGEWKH%RDUGRQ2FWREHU

$OORIWKHLUHFWRUVDUH1RQ([HFXWLYHDQGWKH&RPSDQ\VGD\WRGD\DFWLYLWLHVDUHGHOHJDWHGWRWKLUGSDUWLHVLQFOXGLQJWKH$GPLQLVWUDWRU
WKH,QYHVWPHQW0DQDJHUDQGWKH3RUWIROLR$GPLQLVWUDWRU7KH&RPSDQ\KDVHQWHUHGLQWRDQ,QYHVWPHQW0DQDJHPHQW$JUHHPHQWZLWKWKH
,QYHVWPHQW0DQDJHUXQGHUZKLFKWKH,QYHVWPHQW0DQDJHULVUHVSRQVLEOHIRUWKHPDQDJHPHQWRIWKH&RPSDQ\VLQYHVWPHQWSRUWIROLR
VXEMHFWWRWKH&RPSDQ\VLQYHVWPHQWJXLGHOLQHVDQGWKHRYHUDOOVXSHUYLVLRQRIWKH%RDUG

COMMITTEES OF THE BOARD

QXGLW1RPLQDWLRQDQG5HPXQHUDWLRQ&RPPLWWHHKDYHEHHQHVWDEOLVKHGEWKH%RDUGDQGHDFKFRPPLWWHHKDVIRUPDOO\GHOHJDWHG
GXWLHVUHVSRQVLELOLWLHVDQGWHUPVRIUHIHUHQFH0U-LPHQH]ZDVDSSRLQWHGDV&KDLUPDQRIWKH$XGLWDQG5HPXQHUDWLRQ&RPPLWWHHV
ZKLOVW0U&RRNZDVDSSRLQWHGDV&KDLUPDQRIWKH1RPLQDWLRQ&RPPLWWHH

7KH$XGLW&RPPLWWHHFRPSULVHV0U&RRN0U-LPHQH]0V0XVVHOEURRNDQG0U9 DUWDVVLV2QO\LQGHSHQGHQWLUHFWRUVVHUYHRQWKH
$XGLW&RPPLWWHHDQGPHPEHUVRIWKH&RPPLWWHHKDYHQRlLQNVZLWKWKH&RPSDQ\ V$XGLWRUV7KH$XGLW&RPPLWWHHPHHWVDWOHDVW
WZLFHHDFK\HDUDQGPHHWVWKH$XGLWRUVDWOHDVWRQFHHDFK\HDU7KH$XGLW&RPPLWWHHDUHUHVSRQVLEOHIRUPDNLQJUHFRPPHQGDWLRQV
WRWKH%RDUGRQWKHDSSRLQWPHQWUHDSSRLQWPHQWRUUHPRYDORIWKH$XGLWRUVDQGWKHLUUHPXQHUDWLRQ7KH&RPPLWWHHFRQVLGHUVWKH
LQGHSHQGHQFHDQGREMHFWLYLW\RIWKH$XGLWRUVDQGUHYLHZDQQRQDXGLWVHUYLFHVWKDWDUHWREHSURYLGHGEWKH$XGLWRUV,WUHFHLYHV
DQGUHYLHZVWKH&RPSDQ\VILQDQFLDOVWDWHPHQWVDQGWKHUHSRUWVRIWKH,QYHVWPHQW0DQDJHUDQGWKH$XGLWRUV7KH&RPPLWWHHIRFXVHV
RQHQVXULQJWKDWHIIHFWLYHV\VWHPVRILQWHUQDOILQDQFLDODQGQRQILQDQFLDOFRQWURODUHPDLQWDLQHGDQGZRUNVFORVHO\ZLWKWKH&RPSDQ\
WKLUGSDUWVHUYLFHSURYLGHUVLQWKLVUHJDUG$VWKH&RPSDQ\VDFFRXQWLQJIXQFWLRQVDUHGHOHJDWHGWRWKLUGSDUWLHVWKH&RPSDQ\GRHVQRW
KDYHDQLQWHUQDODXGLWIXQFWLRQ7KHLQWHUQDOFRQWUROHQYLURQPHQWRIWKH&RPSDQ\LVWKHSURGXFWRIFRQWUROVVWHPVRSHUDWHGELWVWKLU
SDUWVHUYLFHSURYLGHUVWRJHWKHUZLWKRYHUVLJKWH[HUFLVHGEWKH$XGLW&RPPLWWHH,WDOVRIDOOVWRWKHH[LVWHQFHDQGHIILFDF\
RIPDWHULDOFRQWUROVDIIHFWLQJWKH&RPSDQ\WKH&RPPLWWHHKDVVRXJKWFHUWDLQFRPIRUWDQGH[SODQDWLRQVIURPWKLUGSDUWVHUYLFH
SURYLGHUV1RQRQDXGLWVHUYLFHVKDYHEHHQSURYLGHGWRWKH&RPSDQ\EWKH$XGLWRUVGXULQJWKH\HDU

7KH1RPLQDWLRQ&RPPLWWHHFRPSULVHV0U&RRN0U-LPHQH]0V0XVVHOEURRNDQG0U9DUWDVVLV2QO\LQGHSHQGHQWLUHFWRUVZLOO
VHUYHRQWKH1RPLQDWLRQ&RPPLWWHH7KH&RPPLWWHHPHHWVWZLFHHDFK\HDUDQGFRQVLGHUVWKHVL]HVWUXFWXUHDQGFRPSRVLWLRQRIWKH
%RDUG7KH&RPPLWWHHFRQVLGHUVUHWLUHPHQWVUHDSSRLQWPHQWVDQGDSSRLQWPHQWVRIDGGLWLRQDORUUHSODFHPHQWLUHFWRUVDQGPDN
UHFRPPHQGDWLRQVWRWKH%RDUGLQWKLVUHVSHFW7KHLQLWLDOWHUPVRIDSSRLQWPHQWIRUHDFKRIWKHLUHFWRUVZHUHWZR\HDUVH[FHSWIRU
WKH&KDLUPDQZKRKDVEHHQDSSRLQWHGIRUDQLQLWLDOWHUPRIWKUHH\HDUV

7KH1RPLQDWLRQV&RPPLWWHHPHHWLQJKHOGRQ2FWREHUUHFRPPHQGHGWKDWWKH%RDUGSXWIRUZDUGWKHFXUUHQWLUHFWRUVIRU
UHHOHFWLRQDWWKHIRUWKFRPLQJ$*0IRUWKHIROORZLQJWHUPVRIDSSRLQWPHQWLQDFFRUGDQFHZLWKWKHURWDWLRQSURYLVLRQVVHWRXWLQWKH
&RPSDQ\V,323URVSHFWXVDQG0HPRUDQGXPDQG$UWLFOHVRI$VVRFLDWLRQ

	Term of appointment (years)
&DPLQ	
&PHQH]	
-0XVVHOEURRN	
39DUWDVVLV	

7KH5HPXQHUDWLRQ&RPPLWWHHFRPSULVHV0U&RRN0U-LPHQH]0V0XVVHOEURRNDQG0U9DUWDVVLV2QO\LQGHSHQGHQWLUHFWRUVVHUYH
RQWKH5HPXQHUDWLRQ&RPPLWWHH7KH&RPPLWWHHPHHWVWZLFHHDFK\HDUWRUHYLHZWKHUHPXQHUDWLRQRIWKHLUHFWRUVDQGDQ\HPSOR\HHV
RIWKH&RPSDQ\DQGPDNHUHFRPPHQGDWLRQVWRWKH%RDUGLQWKLVUHVSHFW7KHUHPXQHUDWLRQRIWKHLUHFWRUVZDVODVWUHYLHZHGEWKH
&RPPLWWHHRQ2FWREHUDQGQRFKDQJHVZHUHUHFRPPHQGHGWRWKH%RDUG7KHDSSURYDORIWKH&RPSDQ\ VVKDUHKROGHUVZLOOEH
VRXJKWLQUHVSHFWRIDQ\SURSRVHGFKDQJHVWRWKHUHPXQHUDWLRQRIWKHLUHFWRU

7KHFRPSRVLWLRQRIWKHDERYH&RPPLWWHHVDQGWKHLUWHUPVRIUHIHUHQFHDUHVXEMHFWWRXQGHUSHULRGLFUHYLHZ

CORPORATE GOVERNANCE REPORT CONTINUED

ATTENDANCE

7KHUHZHUHHLJKWRDUGPHHWLQJVKHOGGXULQJWKHHDUIURP-XOWR-XO7KHDWWHQGDQFHUHFRUGRIHDFKRIWKHLUHFWRUV ZDVDVIROORZV

	1XPEHURIDWWHQGDQFHV
3&RRN	
&DPLQ	
&PHQH]	
-0XVVHOEURRN	
39DURWVLV	

PERFORMANCE

7KH&KDLUPDQKDVUHYLHZHGWKHSHUIRUPDQFHRIHDFKRIWKHLUHFWRUVDQGWKHRDUGDVDZKROHEFRQGXFWLQJLQGLYLGXDOSHUIRUPDQFH UHYLHZPHHWLQJVDQGSUHVHQWLQJDUHSRUWRIKLVILQGLQJVWRWKHRDUG7KLVSHUIRUPDQFHUHYLHZZDVODVWFRQGXFWHGRQ2FWREHU 7KH &KDLUPDQVUHSRUWIRXQGWKHSHUIRUPDQFHRIWKHLQGLYLGXDOLUHFWRUVDQGWKHRDUGDVDZKROHRYHUWKHUHYLHZSHULRGWREHVDWLVIDFWRU\

7KHLUHFWRUVRWKHUWKDQWKH&KDLUPDQOHGEWKH6HQLRU,QGHSHQGHQWLUHFWRUKDYHUHYLHZHGWKHSHUIRUPDQFHRIWKH&KDLUPDQE\ JURXSDSSUDLVDODQGVXEVHTXHQWSUHVHQWDWLRQRIDUHSRUWWRWKHRDUG7KLVSHUIRUPDQFHUHYLHZZDVODVWFRQGXFWHGRQ2FWREHU 7KH6HQLRU,QGHSHQGHQWLUHFWRUVUHSRUWIRXQGWKHSHUIRUPDQFHRIWKH&KDLUPDQRYHUWKHUHYLHZSHULRGWREHVDWLVIDFWRU\

INVESTOR RELATIONS

7KHRDUGUHOLHVSULQFLSDOORQWKH,QYHVWPHQW0DQDJHUWRJHWKHUZLWK&LWLJURXSDQGRGPDQ6DFKVZKRDFWHGDVMRLQWJOREDOFRRUGLQDWRUV RIWKH&RPSDQ\V,32WRNHHSLWLQIRUPHGRIVKDUHKROGHUVHQWLPHQWDQGDQDOVWVYLHZV7KH&RPSDQ\DOVRKROGVSHULRGLFLQYHVWRUFDOOVLQ ZKLFKPHPEHUVRIWKHRDUGSDUWLFLSDWHDQGZKLFKWKHRDUGVXEVHTXHQWOGLVFXVVHVDWLWVRDUGPHHWLQJV6KDUHKROGHUVDUHDOVRDEOHWR FRQWDFWWKH&RPSDQ\GLUHFWOWKURXJKLWVGHGLFDWHGHPDLODGGUHVVRUEFRUUHVSRQGHQFHVHQWWRWKH&RPSDQ\6HFUHWDU\

DIRECTORS' REMUNERATION REPORT

W/			
&			
&Q			
R			
B			
9W/			
Total Directors' remuneration	**378,047**	**162,020**	**540,067**

7KHVKUHHOHPHQWRIWKHLUHFWRUVUHPXQHUDWLRQDPRXQWLQJWRDVLVVXHGDVIROORZV

	6KUHV	6KUHV	
W/	W/	Q/	WO
&			
&Q			
R			
B			
9W/			
Total	**27,721**	**6,429**	**34,150**

7KLUHFWRUVFRQWLQXHWRKROGWKHVHVKUHVDQGQRGLVSRVDOVRIVKUHVKYHEHHQPDGHEWKLUHFWRUVWRGDWH

$OUHPXQHUDWLRQRIWKLUHFWRUVDVLQWKHIRUPRIIHHV7KUHDVQRSHUIRUPDQFHUHODWHGFRPSHQVDWLRQ

1RQHRIWKLUHFWRUVKVDQSHUVRQDOLQWHUHVWLQDQRIWKHFRPSDQLHVWPHQWV

PETER CROOK
CHAIRMAN
30 OCTOBER 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VOLTA FINANCE LIMITED

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

7KHLUHFWRUVDUHUHVSRQVLEOHIRUSUHSDULQJWKHLUHFWRUV5HSRUWDQGWKHQDQFLDOVWDWHPHQWVLQDFFRUGDQFHZLWKDSSOLFDEOH*XHUQVH\ DZDQG,QWHUQDWLRQDO)LQDQFLDO5HSRUWLQJ6WDQGDUGVDVVHWRXWLQWKH6WDWHPHQWRILUHFWRUV5HVSRQVLELOLWLHVRQSDJH

2XUUHVSRQVLELOLWLVWRDXGLWWKHQDQFLDOVWDWHPHQWVLQDFFRUGDQFHZLWKUHOHYDQWOHJDODQGUHJXODWRUUHTXLUHPHQWVDQG,QWHUQDWLRQD 6WDQGDUGVRQ\$GLWLQJ8.DQG,UHODQG

:HUHSRUWWRRXRXURSLQLRQDVWRZKHWKHUWKHQDQFLDOVWDWHPHQWVJLYHDWUXHDQGIDLUYLHZDQGDUHSURSHUOSUHSDUHGLQDFFRUGDQFH ZLWK7KH&RPSDQLHV*XHUQVHDZ:HDOVRUHSRUWWRRXLILQRXURSLQLRQWKH&RPSDQKDVQRWNHSWSURSHUDFFRXQWLQJ UHFRUGVRULIZHKDYHQRWUHFHLYHGDOOWKHLQIRUPDWLRQDQGHSODQDWLRQVZHUHTXLUHIRURXUDXGLW

:HUHDGWKH5HSRUWRIWKHLUHFWRUVDQGFRQVLGHUWKHLPSOLFDWLRQVIRURXUUHSRUWLIZHEHFRPHDZDUHRIDQDSSDUHQWPLVVWDWHPHQWV ZLWKLQLW

:HUHDGWKHRWKHULQIRUPDWLRQDFFRPSDQLQJWKHQDQFLDOVWDWHPHQWVDQGFRQVLGHUZKHWKHULWLVFRQVLVWHQWZLWKWKRVHVWDWHPHQWV :HFRQVLGHUWKHLPSOLFDWLRQVIRURXUUHSRUWLIZHEHFRPHDZDUHRIDQDSSDUHQWPLVVWDWHPHQWVRUPDWHULDOLQFRQVLVWHQFLHVZLWKWKH QDQFLDOVWDWHPHQWV

BASIS OF AUDIT OPINION

:HFRQGXFWHGRXUDXGLWLQDFFRUGDQFHZLWK,QWHUQDWLRQDO6WDQGDUGVRQ\$GLWLQJ8.DQG,UHODQGLVVXHGEWKH\$GLWLQJ3UDFWLFHV %RDUGQDXGLWLQFOXGHVHDPLQDWLRQRQDWHVWEDVLVRIHYLGHQFHUHOHYDQWWRWKHDPRXQWVDQGGLVFORVXUHVLQWKHQDQFLDOVWDWHPHQWV ,WDOVRLQFOXGHVDQDVVHVVPHQWRIWKHVLJQLILFDQWHVWLPDWHVDQGMXGJHPHQWVPDGHEWKHLUHFWRUVLQWKHSUHSDUDWLRQRIWKHQDQFLDO VWDWHPHQWVDQGRIZKHWKHUWKHDFFRXQWLQJSROLFLHVDUHDSSURSULDWHWRWKH&RPSDQ\VFLUFXPVWDQFHVFRQVLVWHQWODSSOLHGDQG DGHTXDWHOGLVFORVHG

:HSODQQHGDQGSHUIRUPHGRXUDXGLWVRDVWRREWDLQDOOWKHLQIRUPDWLRQDQGHSODQDWLRQVZKLFKZHFRQVLGHUHGQHFHVVDULQRUGHUWR SURYLGHXVZLWKVXIILFLHQWHYLGHQFHWRJLYHUHDVRQDEOHDVVXUDQFHWKDWWKHQDQFLDOVWDWHPHQWVDUHIUHHIURPPDWHULDOPLVVWDWHPHQW ZKHWKHUFDXVHGEIUDXGRURWKHULUUHJXODULWRUHUURU,QIRUPLQJRXURSLQLRQZHDOVRHYDOXDWHGWKHRYHUDOODGHTXDFRIWKHSUHVHQWDWLRQ RILQIRUPDWLRQLQWKHQDQFLDOVWDWHPHQWV

OPINION

,QRXURSLQLRQWKHQDQFLDOVWDWHPHQWV

›

›

EMPHASIS OF MATTER – CURRENT MARKET CONDITIONS

,QIRUPLQJRXURSLQLRQZKLFKLVQRWTXDOLILHGZHKDYHFRQVLGHUHGWKHDGHTXDFRIWKHGLVFORVXUHVLQQRWHFRQFHUQLQJWKHLPSDFW RIWKHFXUUHQWPDUNHWFRQGLWLRQVRQWKH&RPSDQ\

7KHFRQWLQXLQJVLJQLILFDQWHYHQWVLQZRUOGHFRQRPLFDQGFUHGLWPDUNHWVKDYHOHGWRDSURQRXQFHGLQFUHDVHLQWKHOLTXLGLWFUHGLWDQG FRXQWHUSDUWULVNIDFHGEWKH&RPSDQ\

7KH,PSDFWRIWKHVHKHLJKWHQHGULVNVRQWKHIXWXUHYDOXDWLRQDQGUHDOLVDWLRQSURVSHFWVRIWKH&RPSDQ\VLQYHVWPHQWVLVVXEMHFWWRDKLJK GHJUHHRIXQFHUWDLQW7KHUHLVWKHUHIRUHDPDWHULDOULVNWKDWWKH&RPSDQ\VLQYHVWPHQWVPDQRWEHUHDOLVHGLQIXWXUHDWWKHLUIDLUYDOX DVLQFOXGHGLQWKH&RPSDQ\VQDQFLDOVWDWHPHQWVQRUDWWKHSRVWEDODQFHVKHHWYDOXHVLQGLFDWHGLQQRWHDQGWKDWLQFRPHGHULYHG IURPWKRVHLQYHVWPHQWVPDEHOHVVWKDQWKDWSUHGLFWHG

KPMG CHANNEL ISLANDS LIMITED
CHARTERED ACCOUNTANTS
GUERNSEY
30 OCTOBER 2008

INCOME STATEMENT

FOR THE YEAR ENDED 31 JULY 2008

	[illegible]	1 August 2007 to 31 July 2008 €	2FWREHU WR-XO\
OPERATING INCOME:			
[illegible]		3,692,373	
(IIHFWLYHLQWHUHVWLQFRPHRQDYDLODEOHIRUVDOHVHFXULWLHVDQG [illegible]		27,908,122	
,QFRPHIURP7RWDO5HWXUQ6ZDS		2,436,558	
1HWLQFRPHRQVHWWOHPHQWRIIRUZDUGIRUHLJQH[FKDQJHFRQWUDFWV		4,900,253	—
		38,937,306	
OPERATING EXPENDITURE:			
[illegible]		(419,668)	
$XGLWIHHV		(286,841)	
,QYHVWPHQWPDQDJHPHQWIHHV		(2,872,594)	
&XVWRGLDQIHHV		17,105	
3RUWIROLRYDOXDWLRQDQGDGPLQLVWUDWLRQIHHV		(194,616)	
&RPSDQ\VHFUHWDULDODGPLQLVWUDWLRQDQGDFFRXQWDQF\IHHV		(341,592)	
'LUHFWRUVUHPXQHUDWLRQ		(552,134)	
,QVXUDQFH		(41,919)	
2WKHURSHUDWLQJH[SHQVHV		(141,944)	
		(4,834,203)	
OPERATING PROFIT		34,103,103	
REALISED AND UNREALISED PROFITS/LOSSES:			
[illegible]		(44,112,228)	
8QUHDOLVHGJDLQRQIRUZDUGIRUHLJQH[FKDQJHFRQWUDFWV		7,825,807	
8QUHDOLVHGORVVRQILQDQFLDODVVHWVDWIDLUYDOXHWKURXJKSURILWRUORVV		(9,430,675)	
8QUHDOLVHGIRUHLJQH[FKDQJHORVVJDLQRQDYDLODEOHIRUVDOHGHEWVHFXULWLHV		(16,069,678)	
3URYLVLRQIRULPSDLUPHQWVRQDYDLODEOHIRUVDOHGHEWVHFXULWLHV		(41,813,016)	—
[illegible]		(1,080,064)	
		(104,679,854)	
FINANCE EXPENSES:			
[illegible]		(22,750)	—
		(22,750)	—
LOSS FOR THE YEAR		(70,599,501)	
Loss per ordinary share			
[illegible]		(2.3519)	
'LOXWHG		(2.3519)	

	1XPEHU [illegible]
Weighted average ordinary shares outstanding	
[illegible]	30,017,762
'LOXWHG	30,017,762

7KHQRWHVRQSDJHVWRIRUPSDUWRIWKHVHILQDQFLDOVWDWHPHQWV

BALANCE SHEET

AS AT 31 JULY 2008

	W/	31 July 2008 €	-XO\
ASSETS			
$DEW		**70,806,963**	
)LQDQFLDODVVHWVDWIDLUYDOXHWKURXJKSURILWRUORVV		**61,527,343**	
2SHQIRUZDUGIRUHLJQH[FKDQJHFRQWUDFWV		**8,348,917**	
,QYHVWPHQWLQ7RWDO5HWXUQ6ZDS		**—**	
7UDGHDQGRWKHUUHFHLYDEOHV		**3,344,620**	
&DVKDQGFDVKHTXLYDOHQWV		**23,359,657**	
TOTAL ASSETS		**167,387,500**	
EQUITY AND LIABILITIES			
Capital and reserves			
2UGLQDU\VKDUHFDSLWDO		**—**	—
6KDUH		**267,990**	
:DUUDQWV		**1,410,000**	
2WKHUGLVWULEXWDEOHUHVHUYHV		**272,993,894**	
1HWXQUHDOLVHGIDLUYDOXHPRYHPHQWVRQDYDLODEOHIRUVDOHVHFXULWLHV		**(21,602,114)**	
$FFXPXODWHGORVV		**(87,537,750)**	
TOTAL SHAREHOLDERS' EQUITY		**165,532,020**	
LIABILITIES			
Current liabilities			
7UDGHSD\DEOHV		**1,855,480**	
TOTAL EQUITY AND LIABILITIES		**167,387,500**	
Net asset value per ordinary share outstanding			
%DVLF		**€5.5718**	
LOXWHG		**€5.5718**	

7KHVHÀQDQFLDOVWDWHPHQWVRQSDJHVWRZHUHDSSURYHGEWKH%RDUGRIGLUHFWRUVRQ2FWREHUDQGZHUHVLJQHGRQLWV EHKDOIE

PETER CROOK
CHAIRMAN

CHRISTIAN JIMENEZ
SENIOR INDEPENDENT DIRECTOR

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 JULY 2008

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	3	3	3	3	3	3	3
[illegible]	3	3	3	3	3		
[illegible]	3	3	3	3	3		
[illegible]	3	3	3	3		3	
[illegible]	3	3	3	3			
[illegible]	3		3	3	3	3	
[illegible]	3		3	3	3	3	
[illegible]	3		3	3	3	3	
[illegible]	3		3	3	3	3	
[illegible]	3	3		3	3	3	
[illegible]	3		3	3	3	3	
[illegible]	3		3		3	3	3
[illegible]	3		3	3	3	3	
[illegible]	3						
[illegible]	3	3	3	3	3		
[illegible]	3	3	3	3	3		
Total income and expense recognised directly in equity	**—**	**—**	**—**	**—**	**—**	**(12,166,575)**	**(12,166,575)**
1HWORVVIRUWKHHDU	3	3	3	3		3	
Total recognised income and expense	**—**	**—**	**—**	**—**	**(70,599,501)**	**(12,166,575)**	**(82,766,076)**
,VVXHRIRUGLQDUVKDUHV [illegible]	3		3	3	3	3	
[illegible]	3	3	3		3	3	
Balance at 31 July 2008	**—**	**267,990**	**1,410,000**	**272,993,894**	**(87,537,750)**	**(21,602,114)**	**165,532,020**

7KHQRWHVRQSDJHVWRIRUPSDUWRIWKHVHILQDQFLDOVWDWHPHQWV

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2008

	W/	1 August 2007 to 31 July 2008 €	2FWREHU WR-XO\
Cash flows from operating activities			
W/		(70,599,501)	
$GMXVWPHQWVIRU			
(IIHFWLYHLQWHUHVWLQFRPH		(27,908,122)	
/RVVRQ756		44,112,228	
8QUHDOLVHGJDLQRQIRUZDUGIRUHLJQHFKDQJHFRQWUDFWV		(7,825,807)	
8QUHDOLVHGORVVRQILQDQFLDODVVHWVDWIDLUYDOXHWKURXJKSURILWRUORVV		9,430,675	
&XSRQVUHFHLYHG		37,187,547	
8QUHDOLVHGIRUHLJQHFKDQJHORVVJDLQRQDYDLODEOHIRUVDOHVHFXULWLHV		16,069,678	
3URYLVLRQIRULPSDLUPHQWVRQDYDLODEOHIRUVDOHGHEWVHFXULWLHV		41,813,016	—
EDQNLQWHUHVW		110,711	
HFUHDVHLQFUHDVHLQWUDGHDQGRWKHUSD\DEOHV		(1,223,554)	
LUHFWRUVIHHVSDLGLQWKHIRUPRIVKDUHV		180,067	
Cash flows generated from operating activities		41,346,938	
Cash flows used in investing activities			
&XUW		(54,610,332)	
&ROODWHUDOUHWXUQHGGHSRVLWHGXQGHUWKH756		16,960,991	
Net cash used in investing activities		(37,649,341)	
Cash flows (used in)/derived from financing activities			
HQWXU		—	
,32LVVXHFRVWV		—	
LYLGHQGSDLG		(12,007,280)	—
Net cash (used in)/derived from financing activities		(12,007,280)	
Net (decrease)/increase in cash and cash equivalents		(8,309,683)	
&DVKDQGFDVKHTXLYDOHQWVDWEHJLQQLQJRIWKH\HDU		31,669,340	—
Cash and cash equivalents at end of the year		23,359,657	

CASH GENERATED FROM OPERATIONS

&DVKJHQHUDWHGIURPRSHUDWLRQVIRUWKH\HDULQFOXGHVWKHIROORZLQJLQWHUHVWUHFHLSWV

	1 August 2007 to 31 July 2008 €	2FWREHU WR-XO\
Deposit interest	2,038,885	
&ROODWHUDOLQWHUHVW	1,847,897	

7KHQRWHVRQSDJHVWRIRUPSDUWRIWKHVHILQDQFLDOVWDWHPHQWV

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

1. REPORTING ENTITY
7KH&RPSDQ\LVDFORVHGHQGHGOLPLWHGOLDELOLW\FRPSDQ\UHJLVWHUHGXQGHUWKH&RPSDQLHV*XHUQVH\/DZZLWKUHJLVWHUHG QXPEHU 8QGHUWUDQVLWLRQDOSURYLVLRQVSHUPLWWHGE\WKH1HZ/DZWKH&RPSDQ\KDVSUHSDUHGWKHVHILQDQFLDOVWDWHPHQWVLQ FRPSOLDQFHZLWKWKH2OG/DZ)XWXUHILQDQFLDOVWDWHPHQWVZLOOEHSUHSDUHGLQFRPSOLDQFHZLWKWKH1HZ/DZ7KH&RPSDQ\V,32 FORVHGRQHFHPEHUDQGLWVVKDUHVDUHOLVWHGRQ(XURQH[W$PVWHUGDP7KHUHJLVWHUHGRIILFHRIWKH&RPSDQ\LVRUHW&RXUW &DPLOOH3DUN6W3HWHU3RUW*XHUQVH\&KDQQHO,VODQGV

$VRI-XO\WKHSULQFLSDODFWLYLW\RIWKH&RPSDQ\ZDVLQYHVWPHQWLQDGLYHUVLILHGSRUWIROLRRIPRUWJDJHEDFNHGDQGRWKHU DVVHWEDFNHGVHFXULWLHVORDQVDQGHTXLW\LQVWUXPHQWV6XEMHFWWRWKHULVNIDFWRUVWKDWZHUHGHVFULEHGLQWKH&RPSDQ\V,323URVSHFWXV DQGWKHULVNIDFWRUVWKDWDUHGHVFULEHGLQQRWHWKH&RPSDQ\VLQYHVWPHQWREMHFWLYHVDUHWRVHHNWRSUHVHUYHFDSLWDODQGWRSURYLGH DVWUHDPRILQFRPHWRVKDUHKROGHUVWKURXJKGLYLGHQGVWKDWLWH[SHFWVWRGLVWULEXWHRQDVHPLDQQXDOEDVLVEDVHGRQDPXOWLDVVHWFODVV LQYHVWPHQWVWUDWHJ\7KHUHFDQEHQRDVVXUDQFHWKDWWKH&RPSDQ\ZLOODFKLHYHLWVLQYHVWPHQWREMHFWLYHV7KHVWUDWHJ\LVIRFXVHVRQGLUHFW DQGLQGLUHFWLQYHVWPHQWLQDQGH[SRVXUHVWRDYDULHW\RIDVVHWVVHOHFWHGIRUWKHSXUSRVHRIJHQHUDWLQJFDVKIORZVIRUWKH&RPSDQ\ 7KH&RPSDQ\VEDVLFDSSURDFKWRLQYHVWPHQWLQWKH3ULPDU\8QGHUO\LQJ$VVHWVDVGHILQHGLQWKH&RPSDQ\V,323URVSHFWXVLVWR LQYHVWLQYHKLFOHVDQGDUUDQJHPHQWVWKDWHVVHQWLDOO\SURYLGHOHYHUDJHGH[SRVXUHWRSRUWIROLRVRIXQGHUO\LQJ$VVHWV

7KHLUHFWRUVRIWKH&RPSDQ\KDYHFKRVHQQRWWRSUHVHQWTXDUWHUO\ILQDQFLDOVWDWHPHQWV6HPLDQQXDOQDXGLWHGFRQGHQVHGILQDQFLDO VWDWHPHQWVDUHSUHSDUHGLQDGGLWLRQWRDQQXDODXGLWHGILQDQFLDOVWDWHPHQWV

2. BASIS OF PREPARATION
A) STATEMENT OF COMPLIANCE
7KHVHILQDQFLDOVWDWHPHQWVKDYHEHHQSUHSDUHGLQDFFRUGDQFHZLWK,)56DGRSWHGE\WKH,QWHUQDWLRQDO$FFRXQWLQJ6WDQGDUGV%RDUG ,$6%DQGLQWHUSUHWDWLRQVLVVXHGE\WKH,QWHUQDWLRQDO)LQDQFLDO5HSRUWLQJ,QWHUSUHWDWLRQV&RPPLWWHH

Applicable new standards and interpretations

[illegible]

[illegible]

[illegible]

B) BASIS OF MEASUREMENT
7KHVHILQDQFLDOVWDWHPHQWVKDYHEHHQSUHSDUHGRQDKLVWRULFDOFRVWEDVLVH[FHSWIRUWKHIROORZLQJ

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C) FUNCTIONAL AND PRESENTATION CURRENCY
7KHVHILQDQFLDOVWDWHPHQWVDUHSUHVHQWHGLQ(XURVURXQGHGWRWKHQHDUHVWZKROH(XURZKLFKLVWKH&RPSDQ\VIXQFWLRQDODQG SUHVHQWDWLRQFXUUHQF\

2. BASIS OF PREPARATION (CONTINUED)

D) USE OF ESTIMATES AND JUDGEMENTS

7KHSUHSDUDWLRQRIÀQDQFLDOVWDWHPHQWVLQDFFRUGDQFHZLWK,)56UHTXLUHVWKH%RDUGWRPDNHMXGJHPHQWVHVWLPDWHVDQGDVVXPSWLRQV WKDWDIIHFWWKHDSSOLFDWLRQRISROLFLHVDQGWKHUHSRUWHGDPRXQWVRIDVVHWVDQGOLDELOLWLHVLQFRPHDQGH[SHQVH7KHHVWLPDWHVDQG DVVRFLDWHGDVVXPSWLRQVDUHEDVHGRQKLVWRULFDOH[SHULHQFHDQGYDULRXVRWKHUIDFWRUVWKDWDUHEHOLHYHGWREHUHDVRQDEOHXQGHUWKH FLUFXPVWDQFHVWKHUHVXOWVRIZKLFKIRUPWKHEDVLVRIPDNLQJWKHMXGJHPHQWVDERXWFDUULQJYDOXHVRIDVVHWVDQGOLDELOLWLHVWKDWDUH QRWUHDGLODSSDUHQWIURPRWKHUVRXUFHV$FWXDOUHVXOWVPDGLIIHUIURPWKHVHHVWLPDWHV

7KHHVWLPDWHVDQGXQGHUOLQJDVVXPSWLRQVDUHUHYLHZHGRQDVHPLDQQXDOEDVLV5HYLVLRQVWRDFFRXQWLQJHVWLPDWHVDUHUHFRJQLVHG LQWKHSHULRGLQZKLFKWKHHVWLPDWHLVUHYLVHGLIWKHUHYLVLRQDIIHFWVRQOWKDWSHULRGRULQWKHSHULRGRIWKHUHYLVLRQDQGIXWXUHSHULRGV LIWKHUHYLVLRQDIIHFWVERWKFXUUHQWDQGIXWXUHSHULRGV

,QSDUWLFXODULQIRUPDWLRQDERXWVLJQLÀFDQWDUHDVRIHVWLPDWLRQXQFHUWDLQWDQGFULWLFDOMXGJHPHQWVLQDSSOLQJDFFRXQWLQJSROLFLHV KDYHWKHPRVWVLJQLÀFDQWHIIHFWRQWKHDPRXQWVUHFRJQLVHGLQWKHÀQDQFLDOVWDWHPHQWVDUHLQFOXGHGLQWKHIROORZLQJ

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3. SIGNIFICANT ACCOUNTING POLICIES

7KHDFFRXQWLQJSROLFLHVVHWRXWEHORZKDYHEHHQDSSOLHGFRQVLVWHQWOWRDOOSHULRGVSUHVHQWHGLQWKHVHÀQDQFLDOVWDWHPHQWV

A) FOREIGN CURRENCIES

7UDQVDFWLRQVLQIRUHLJQFXUUHQFLHVDUHWUDQVODWHGDWWKHIRUHLJQFXUUHQFHH[FKDQJHUDWHUXOLQJDWWKHGDWHRIWKHWUDQVDFWLRQ0R DVVHWVDQGOLDELOLWLHVGHQRPLQDWHGLQIRUHLJQFXUUHQFLHVDUHWUDQVODWHGWR(XURDWWKHIRUHLJQFXUUHQFFORVLQJH[FKDQJHUDWHUXOL DWWKHEDODQFHVKHHWGDWH)RUHLJQFXUUHQFH[FKDQJHGLIIHUHQFHVDULVLQJRQWUDQVODWLRQDQGUHDOLVHGJDLQVDQGORVVHVRQGLVSRVDOVRU VHWWOHPHQWVRIPRQHWDUDVVHWVDQGOLDELOLWLHVDUHUHFRJQLVHGLQWKH,QFRPH6WDWHPHQW1RQPRQHWDUDVVHWVDQGOLDELOLWLHVGHQRPL LQIRUHLJQFXUUHQFLHVWKDWDUHPHDVXUHGDWIDLUYDOXHDUHWUDQVODWHGWR(XURDWWKHIRUHLJQFXUUHQFH[FKDQJHUDWHVUXOLQJDWWKHGDW WKHYDOXHVZHUHGHWHUPLQHG)RUHLJQFXUUHQFGLIIHUHQFHVDULVLQJRQUHWUDQVODWLRQDUHUHFRJQLVHGLQWKH,QFRPH6WDWHPHQW

B) FINANCIAL INSTRUMENTS

Recognition

[illegible]

[illegible]

Derecognition

[illegible]

Classification and measurement

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Cash comprises cash balances and call deposits with banks. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Available-for-sale financial assets

The Company's investments in equity and certain debt securities are classified as available-for-sale financial assets. Available-for-sale financial assets are measured initially at fair value plus transaction costs that are directly attributable to the acquisition of the asset. Subsequent to initial recognition they are measured at fair value and changes therein, other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the host contract contains one or more embedded derivatives as permitted by IAS 39 "Financial Instruments: Recognition and Measurement". Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2008

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B) FINANCIAL INSTRUMENTS (CONTINUED)

Classification and measurement (continued)

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses.

(ii) Derivative financial instruments

The Company holds derivative financial instruments to minimise its exposure to foreign exchange, interest rate and market risks as well as for economic leveraging. Derivatives are initially recognised at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognised in the Income Statement.

The fair value of the Forward Exchange Contracts is measured as their quoted market price at the balance sheet date, being the present value of their quoted forward price. The fair value of the TRS was provided by the Swap Counterparty (Bank of America, NA), using the mark-to-market valuations of the underlying assets.

(iii) Embedded derivatives

Embedded derivatives in financial instruments and other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contracts are not carried at fair value with unrealised gains and losses reported in the Income Statement.

C) SHARE CAPITAL

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction in equity, net of any tax effects. The initial set up costs of the Company and the expenses directly relating to the IPO have been charged to the share premium account.

D) IMPAIRMENT

ÀDQFLDODVVHWLVDVVHVVHGRQDVHPLDQQXDOEDVLVWRGHWHUPLQHZKHWKHUWKHUHLVDQREMHFWLYHHYLGHQFHWKDWLWLVLPSDLUHGÀDQFLDO DVVHWLVFRQVLGHUHGWREHLPSDLUHGLIREMHFWLYHHYLGHQFHLQGLFDWHVWKDWRQHRUPRUHHYHQWVKDYHKDGDQHJDWLYHHIIHFWRQWKHHVWLPDWHG IXWXUHFDVKÁRZVRIWKDWDVVHW6XFKHYLGHQFHWKDWDÀDQFLDODVVHWLVLPSDLUHGLQFOXGHVREVHUYDEOHGDWDWKDWFRPHVWRWKHDWWHQWLRQ RIWKH&RPSDQ\DERXWDQ\RIWKHIROORZLQJORVVHYHQWV

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E) PROVISIONS

$SURYLVLRQLVUHFRJQLVHGLIDVDUHVXOWRIDSDVWHYHQWWKH&RPSDQ\KDVDOHJDORUFRQVWUXFWLYHREOLJDWLRQWKDWFDQEHUHOLDEO\HVWLPDWHG DQGLWLVSUREDEOHWKDWDQRXWÁRZRIHFRQRPLFEHQHÀWVZLOOEHUHTXLUHGWRVHWWOHWKHREOLJDWLRQ3URYLVLRQVDUHGHWHUPLQHGE\GLVFRXQWLQJ WKHH[SHFWHGIXWXUHFDVKÁRZVDWDSUHWD[UDWHWKDWUHÁHFWVFXUUHQWPDUNHWDVVHVVPHQWVRIWKHWLPHYDOXHRIPRQH\DQGWKHULVNV VSHFLÀFWRWKDWOLDELOLW\

F) REVENUE AND EXPENSES

5HYHQXHLVUHFRJQLVHGWRWKHH[WHQWWKDWLWLVSUREDEOHWKDWHFRQRPLFEHQHÀWVZLOOÁRZWRWKH&RPSDQ\DQGWKHUHYHQXHFDQEHUHOLDEO\ PHDVXUHG([SHQVHVDUHDFFRXQWHGIRURQDQDFFUXDOVEDVLV

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G) FINANCE INCOME AND EXPENSES

)LQDQFHLQFRPHFRPSULVHVLQWHUHVWLQFRPHRQIXQGVLQYHVWHGLQFOXGLQJDYDLODEOHIRUVDOHȴQDQFLDODVVHWVGLYLGHQGLQFRPHJDLQVRQWKH GLVSRVDORIDYDLODEOHIRUVDOHȴQDQFLDODVVHWVDQGFKDQJHVLQWKHIDLUYDOXHRIȴQDQFLDODVVHWVDWIDLUYDOXHWKURXJKSURȴWRUORVV,QWHUHV LQFRPHLVUHFRJQLVHGDVLWDFFUXHVLQSURȴWRUORVVXVLQJWKHHIIHFWLYHLQWHUHVWUDWHPHWKRGLYLGHQGLQFRPHLVUHFRJQLVHGLQWKH ,QFRPH6WDWHPHQWRQWKHGDWHWKH&RPSDQ\VULJKWWRUHFHLYHSD\PHQWLVHVWDEOLVKHGZKLFKLVXVXDOO\WKHH[GLYLGHQGGDWH

)LQDQFHH[SHQVHVFRPSULVHLQWHUHVWH[SHQVHRQERUURZLQJVXQZLQGLQJRIGLVFRXQWVRQSURYLVLRQVFKDQJHVLQWKHIDLUYDOXHRIȴQDQFLDO DVVHWVKHOGDWIDLUYDOXHWKURXJKSURȴWRUORVVUHDOLVHGORVVHVRQGLVSRVDORIDYDLODEOHIRUVDOHVHFXULWLHVDQGȴQDQFLDODVVHWVKHOGDWIDLU YDOXHWKURXJKSURȴWRUORVVDQGLPSDLUPHQWORVVHVUHFRJQLVHGRQȴQDQFLDODVVHWV

)RUHLJQFXUUHQF\JDLQVDQGORVVHVDUHUHSRUWHGLQWKH,QFRPH6WDWHPHQWRQDQHWEDVLV

H) EARNINGS PER SHARE

7KH&RPSDQ\SUHVHQWVEDVLFDQGGLOXWHGHDUQLQJVSHUVKDUH(36GDWDIRULWVRUGLQDU\VKDUHV%DVLF(36LVFDOFXODWHGE\GLYLGLQJWKH SURȴWRUORVVDWWULEXWDEOHWRRUGLQDU\VKDUHKROGHUVE\WKHZHLJKWHGDYHUDJHQXPEHURIRUGLQDU\VKDUHVRXWVWDQGLQJGXULQJWKHSHULRG 7KHGLOXWHG(36LVFDOFXODWHGE\DGMXVWLQJWKHSURȴWRUORVVDWWULEXWDEOHWRRUGLQDU\VKDUHKROGHUVIRUWKHHIIHFWVRIDOOGLOXWLYHSRW RUGLQDU\VKDUHVZKLFKFRPSULVHWKHZDUUDQWVLVVXHGWRWKH,QYHVWPHQW0DQDJHU)XUWKHUGHWDLOVSOHDVHVHHQRWH

I) TRANSACTION COSTS

([SHQVHVLQFXUUHGE\WKH&RPSDQ\WKDWZHUHGLUHFWO\DWWULEXWDEOHWRLWV,QLWLDO3XEOLF2IIHULQJ,32ZHUHFKDUJHGGLUHFWO\WRWKHVKDUH SUHPLXPDFFRXQW6KDUHRSWLRQVJUDQWHGDWIRUPDWLRQWRWKH,QYHVWPHQW0DQDJHUZHUHWUHDWHGDVDQH[SHQVHRQWKHEDVLVWKDWWKH\ ZHUHJUDQWHGDVDIHHIRUVHUYLFHVSHUIRUPHGE\WKH,QYHVWPHQW0DQDJHULQWKHFRXUVHRIWKHRIIHUSURFHVV

J) TAXATION

7KH&RPSDQ\LVFODVVLȴHGDVH[HPSWIRUWD[DWLRQSXUSRVHVXQGHUWKH,QFRPH7 D[(H[HPSW%RGLHV*XHUQVH\2UGLQDQFHDQG DVVXFKLQFXUVDQDQQXDOIHHSUHVHQWO\SHUDQQXP1RRWKHUWD[HVDUHLQFXUUHGLQ*XHUQVH\

K) DIVIDENDS PAYABLE

LYLGHQGVSD\DEOHRQRUGLQDU\VKDUHVDUHUHFRJQLVHGLQWKH6WDWHPHQWRI&KDQJHVLQ6KDUHKROGHUV(TXLW\ZKHQDSSURYHGE\ WKHVKDUHKROGHUV

LYLGHQGVDUHSD\DEOHRXWRIWKH&RPSDQ\VGLVWULEXWDEOHUHVHUYHVDYDLODEOHLQDFFRUGDQFHZLWKWKH&RPSDQLHV*XHUQVH\/DZV WRDVDPHQGHG,QFHQWLYHIHHVDUHFDOFXODWHGZLWKUHIHUHQFHWRLVWULEXWLRQ,QFRPH

2Q1RYHPEHUWKH&RPSDQ\DGRSWHGDUHVROXWLRQFDQFHOOLQJWKHDPRXQWVWDQGLQJWRWKHVKDUHSUHPLXPDFFRXQWLPPHGLDWHO\ IROORZLQJFORVLQJRIWKH,32DQGFUHGLWLQJVXFKDPRXQWWRGLVWULEXWDEOHUHVHUYHV

7KHLUHFWRUVGHWHUPLQHGLYLGHQGRQDVHPLDQQXDOEDVLVKDYLQJUHJDUGWRYDULRXVHOHPHQWVLQFOXGLQJWKHȴQDQFLDOSRVLWLRQDQGWKH LVWULEXWLRQ,QFRPHRIWKH&RPSDQ\

L) DISTRIBUTION INCOME

7KHIXOOGHȴQLWLRQRILVWULEXWLRQ,QFRPHPD\EHIRXQGLQWKH&RPSDQ\ V,323URVSHFWXVDQGLVUHSURGXFHGRQSDJHVDQG 7KHFDOFXODWLRQRILVWULEXWLRQ,QFRPHIRUWKH\HDUFDQEHIRXQGRQSDJH

M) OFFSETTING

)LQDQFLDODVVHWVDQGOLDELOLWLHVDUHRIIVHWDQGWKHQHWDPRXQWLVUHSRUWHGZLWKLQDVVHWVDQGOLDELOLWLHVZKHUHWKHUHLVDOHJDOO\HQIRUF WRVHWRIIWKHUHFRJQLVHGDPRXQWVDQGWKHUHLVDQLQWHQWLRQWRVHWWOHRQDQHWEDVLVRUUHDOLVHWKHDVVHWDQGVHWWOHWKHOLDELOLW\VLPXOW

4. DETERMINATION OF FAIR VALUES

$QXPEHURIWKH&RPSDQ\VDFFRXQWLQJSROLFLHVDQGGLVFORVXUHVUHTXLUHWKHGHWHUPLQDWLRQRIIDLUYDOXHVIRUȴQDQFLDODVVHWVDQG OLDELOLWLHV)DLUYDOXHVKDYHEHHQGHWHUPLQHGEDVHGRQWKHIROORZLQJPHWKRGV:KHQDSSOLFDEOHIXUWKHULQIRUPDWLRQDERXWWKH DVVXPSWLRQVPDGHLQGHWHUPLQLQJIDLUYDOXHVLVGLVFORVHGLQWKHQRWHVVSHFLȴFWRWKDWDVVHWRUOLDELOLW\7KH&RPSDQ\VSROLF\ RQSRUWIROLRYDOXDWLRQLVVHWRXWRQSDJHVDQG

)LQDQFLDODVVHWVIRUZKLFKTXRWHGSULFHVDUHDYDLODEOHIURPDWKLUGSDUW\LQDQLOOLTXLGPDUNHWDUHYDOXHGPRQWKO\RQWKHEDVLVRITXRWHG PDUNHWSULFHV,QWKLVUHJDUGDQH[WHUQDOSULFLQJVHUYLFHPD\EHWKHVRXUFHRIWKHSULFHTXRWDWLRQV

,QWKHFDVHRILQYHVWPHQWVZKHUHWKHIDLUYDOXHRIWKHLQYHVWPHQWFDQEHUHDGLO\DVFHUWDLQHGZLWKUHIHUHQFHWRWKHIDLUYDOXHRI OLTXLGXQGHUO\LQJDVVHWVDVIRUWKH756WKHFRXQWHUSDUW\RUVSRQVRUZLOOSURYLGHWKHYDOXDWLRQRIWKHLQYHVWPHQWSRVLWLRQXVLQJWKH PDUNWRPDUNHWYDOXDWLRQVRIWKHXQGHUO\LQJDVVHWVPLQXVZKHUHDSSOLFDEOHWKHLQYHVWPHQWVLQWHUQDOIXQGLQJRURWKHUOLDELOLWLHV

,QWKHDEVHQFHRIDQDFWLYHPDUNHWIRUDQLQYHVWPHQWDPDUNWRPRGHODSSURDFKKDVEHHQDGRSWHGWRGHWHUPLQHWKHYDOXDWLRQ 6XFKSULFLQJPRGHOVJHQHUDOO\LQYROYHDQXPEHURIYDOXDWLRQDVVXPSWLRQVPDQ\RIZKLFKDUHEDVHGRQVXEMHFWLYHMXGJHPHQWV .H\PRGHOLQSXWVLQFOXGHDVVHWVSUHDGVH[SHFWHGGHIDXOWVDQGH[SHFWHGUHFRYHU\UDWHV7KHVHLQSXWVDUHGHULYHGE\UHIHUHQFH WRDYDULHW\RIPDUNHWVRXUFHV7KHPHWKRGRIYDOXDWLRQGHSHQGVRQWKHQDWXUHRIWKHDVVHW

:KHUHDȴQDQFLDODVVHWLQYROYHVDQDUUDQJLQJEDQNWKDWSURYLGHVYDOXDWLRQVRQDPRQWKO\EDVLVWRJHWKHUZLWKLWVUHODWHGPDLQYDOXDW DVVXPSWLRQVWKHYDOXDWLRQLVVRXUFHGIURPVXFKDUUDQJLQJEDQN,QPDQ\FDVHVWKHDUUDQJLQJEDQNGHWHUPLQHVWKHYDOXDWLRQEDVHGRQSULFLQJ PRGHOVZKLFKPD\RUPD\QRWSURGXFHYDOXHVWKDWFRUUHVSRQGWRWKHSULFHWKDWWKH&RPSDQ\FRXOGREWDLQLILWVRXJKWWROLTXLGDWHVXFKSRVLWLRQV

:KHUHDȴQDQFLDODVVHWGRHVQRWLQYROYHDQDUUDQJLQJEDQNRULIDQDUUDQJLQJEDQNLVXQZLOOLQJWRSURYLGHYDOXDWLRQVDQGUHODWHGPDLQ YDOXDWLRQDVVXPSWLRQVRQDPRQWKO\EDVLVWKH,QYHVWPHQW0DQDJHUZLOOSURYLGHDPRQWKO\YDOXDWLRQEDVHGRQDSULFLQJPRGHO,QWKH FDVHRILQIUDVWUXFWXUHDVVHWVDGLVFRXQWHGFDVKȵRZPHWKRGZLOOEHXVHG

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2008

4. DETERMINATION OF FAIR VALUES (CONTINUED)

:KHQDQGZKHUHUHTXLUHGWKLUGSDUWLHVKDYHUHYLHZHGWKHVHDVVXPSWLRQVDQGYDOXDWLRQVDVRI-XOLDQGKDYHFRQFOXGHGWKDW WKHZHUHIDLUDQGUHDVRQDEOH

7KHIDLUYDOXHRIQRQGHULYDWLYHILQDQFLDOOLDELOLWLHVLVFDOFXODWHGEDVHGRQWKHSUHVHQWYDOXHRIIXWXUHSULQFLSDODQGLQWHUHVWFDVKIORZV GLVFRXQWHGDWWKHPDUNHWUDWHRILQWHUHVWDWWKHEDODQFHVKHHWGDWH

7KHIDLUYDOXHFDOFXODWLRQVIRUWKHHTXLWWUDQFKHLQYHVWPHQWVLQVHFXULWLVDWLRQYHKLFOHVDUHVHQVLWLYHWRWKHNHPRGHOLQSXWVLQSDUWLFXODU WRGHIDXOWVDQGUHFRYHUUDWHV7KHLQLWLDOPRGHODVVXPSWLRQVDUHUHYLHZHGRQDUHJXODUEDVLVZLWKUHIHUHQFHWRERWKFXUUHQWDQGSURMHFWHG GDWD,QWKHFDVHRIDPDWHULDOFKDQJHLQWKHDFWXDOUDWHVIURPWKHKLVWRULFDOUDWHVWKHQWKHPRGHODVVXPSWLRQVZLOOEHDGMXVWHGDFFRUGLQJO\

,IRYHUWKHOLIHWLPHRIDQLQGLYLGXDOGHDOGHIDXOWVDQGUHFRYHULHVGLYHUJHIURPWKHLUORQJWHUPKLVWRULFDOQRUPVWKHQWKHDFWXDOUHWXUQVPD\ GLIIHUIURPWKHFXUUHQWOHYHOVSURMHFWHGEWKHPRGHOZKLFKZRXOGLPSDFWXSRQWKHQHWDVVHWVRIWKH&RPSDQDQGLWVGLVWULEXWDEOHLQFRPH

7KHUHLVQROLTXLGPDUNHWIRUWKH&RPSDQ\VLQYHVWPHQWV&RQVHTXHQWOQRTXRWHGPDUNHWSULFHVH[LVWIRUWKHVHDVVHWV7KHUHIRUH9ROWDV LQYHVWPHQWVIDLUYDOXHVKDYHEHHQGHWHUPLQHGDVGHVFULEHGDERYH7KHVSOLWEHWZHHQWKHGLIIHUHQWPHWKRGRORJLHVLVDVIROORZV

	31 July 2008		-XO\	
	€m	% NAV	P	1$
&DVH%	—	0.0%		
Case C	110.7	68.9%		
Case D	18.2	11.0%		

)XUWKHUGHWDLORIWKHYDOXDWLRQPHWKRGRORJLVJLYHQRQSDJHVDQG

5. PROVISIONS FOR IMPAIRMENT AND THE EFFECT ON THE DISTRIBUTION INCOME CALCULATION

AVAILABLE-FOR-SALE DEBT SECURITIES

,Q-DQXDUWKHGHFUHDVHLQ8.KRXVLQJSULFHVFRPELQHGZLWKVLJQLÀFDQWFKDQJHVLQWKHSUHSDPHQWUDWHIRU8.QRQ FRQIRUPLQJ PRUWJDJHSRROVWRJHWKHUZLWKGHWHULRUDWLQJFRQGLWLRQVLQWKHOHYHUDJHGORDQPDUNHWOHGWKH&RPSDQEDVHGRQWKH,QYHVWPHQW 0DQDJHUVDGYLFHWRUHYLVHGRZQZDUGVWKHHSHFWHGFDVKÁRZVRIÀYHRIWKHVL[8.QRQFRQIRUPLQJ5HVLGXDOVDQGDOVRWKH756

\$WKH8.QRQFRQIRUPLQJ5HVLGXDOVDUHFODVVLÀHGDVDYDLODEOHIRUVDOHVHFXULWLHVXQGHU,)56WKHLULPSDLUPHQWDVGHVFULEHGDERYH QHJDWLYHOIIHFWHGWKH,QFRPH6WDWHPHQWRIWKH&RPSDQ\EPLOOLRQDQDPRXQWHTXDOWRWKHGLIIHUHQFHEHWZHHQWKHLUERRNYDOXH DQGWKHLUPDUNHWWRPDUNHWYDOXHDVRIWKHHQGRI-DQXDU6LQFHWKHHQGRI-DQXDUVLJQLÀFDQWIXUWKHUGHFOLQHVKDYHRFFXUUHGLQWKH PDUNWRPDUNHWYDOXHRIDOOVL[RIWKH8.QRQFRQIRUPLQJ5HVLGXDOVDQGDUHUHÁHFWHGLQDIXUWKHUUHGXFWLRQLQHSHFWHGFDVKÁRZV IURPWKRVHDVVHWV\$FFRUGLQJOIXUWKHULPSDLUPHQWVWRWDOOLQJPLOOLRQKDYHEHHQUHFRJQLVHGLQWKH,QFRPH6WDWHPHQWUHVXOWLQJ LQDJJUHJDWHLPSDLUPHQWVRIPLOOLRQEHLQJUHFRJQLVHGLQWKH,QFRPH6WDWHPHQWGXULQJWKHHDUHQGHG-XO\

TOTAL RETURN SWAP

8QGHU,)56WKHIDOOLQWKHPDUNWRPDUNHWYDOXHRIGHULYDWLYHDQGHPEHGGHGGHULYDWLYHÀQDQFLDOLQVWUXPHQWVDVVHWVKHOGIRUWUDGLQJ RUDVVHWVGHVLJQDWHGDVÀQDQFLDODVVHWVDWIDLUYDOXHWKURXJKSURÀWRUORVVQHJDWLYHOIIHFWWKH,)561HW,QFRPHUHJDUGOHVVRI ZKHWKHURUQRWVXFKDIDOOLVLQGLFDWLYHRIDGURSLQWKHHSHFWHGFDVKÁRZVIURPWKHVHDVVHWV&RQVHTXHQWOQRLPSDLUPHQWRIWKH 756ZDVUHFRJQLVHGLQWKHSUHFHGLQJSHULRGV;QFRPH6WDWHPHQWDVWKHXQUHDOLVHGORVVRQUHYDOXDWLRQRIWKH756KDGDOUHDGEHHQ UHFRJQLVHGLQWKH,QFRPH6WDWHPHQW

EFFECT ON THE DISTRIBUTION INCOME CALCULATION

7KHVHUHYLVLRQVWRWKHHSHFWHGFDVKÁRZVQHJDWLYHOIIHFWHGWKHLVWULEXWLRQ,QFRPHIRUWKHVHPLDQQXDOSHULRGHQGHG-DQXDU\ LQDPRXQWVHTXDOWRWKHGLVFRXQWHGYDOXHRIWKHGLIIHUHQFHEHWZHHQWKHSUHYLRXVDQGWKHFXUUHQWVHULHVRIHSHFWHGFDVKÁRZVIRUHDFK DVVHWFODVVQDPHOQHJDWLYHPLOOLRQIRUÀYHRIWKHVL[8.QRQ FRQIRUPLQJ5HVLGXDOVDQGQHJDWLYHPLOOLRQIRUWKH756 7KHIXUWKHUUHYLVLRQVWRWKHHSHFWHGFDVKÁRZVIRUDOOVL[RIWKH8.QRQ FRQIRUPLQJ5HVLGXDOVDQGWKHUHDOLVDWLRQRIIXUWKHUORVVHV RQWKHXQZLQGLQJRIWKH756QHJDWLYHOIIHFWHGWKHLVWULEXWLRQ,QFRPHIRUWKHVHPLDQQXDOSHULRGHQGHG-XOLQDPRXQWV HTXDOWRWKHGLVFRXQWHGYDOXHRIWKHGLIIHUHQFHEHWZHHQWKHSUHYLRXVDQGWKHFXUUHQWVHULHVRIHSHFWHGFDVKÁRZVIRUHDFKDVVHWFODVV QDPHOQHJDWLYHPLOOLRQIRUWKHVL[8.QRQFRQIRUPLQJ5HVLGXDOVDQGQHJDWLYHPLOOLRQIRUWKH7567KHDJJUHJDWHLPSDFW IRUWKHHDUHQGHG-XOZDVQHJDWLYHPLOOLRQIRUWKHVL[8.QRQ FRQIRUPLQJ5HVLGXDOVDQGQHJDWLYHPLOOLRQIRU WKH756

6. FINANCE INCOME AND EXPENSE

RECOGNISED IN PROFIT OR LOSS

	31 July 2008 €	-XO\
HSRVLWLQWHUHVWLQFRPH	3,692,373	
(IIHFWLYHLQWHUHVWLQFRPHRQDYDLODEOHIRUVDOHVHFXULWLHVDQGLQYHVWPHQWV [illegible]	27,908,122	
,QFRPHIURP756	2,436,558	
1HWLQFRPHRQVHWWOHPHQWRIIRUZDUGIRUHLJQH[FKDQJHFRQWUDFWV	4,900,253	—
[illegible]	7,825,807	
8QUHDOLVHGIRUHLJQH[FKDQJHJDLQRQDYDLODEOHIRUVDOHGHEWVHFXULWLHV	—	
1HWIRUHLJQH[FKDQJHJDLQRQRWKHUDVVHWV	—	
Finance income	**46,763,113**	
/RVVRQ756	(44,112,228)	
8QUHDOLVHGORVVRQÀQDQFLDODVVHWVDWIDLUYDOXHWKURXJKSURÀWRUORVV	(9,430,675)	
8QUHDOLVHGIRUHLJQH[FKDQJHORVVRQDYDLODEOHIRUVDOHGHEWVHFXULWLHV	(16,069,678)	—
[illegible]	(1,080,064)	—
[illegible]	(41,813,016)	—
[illegible]	(22,750)	—
Finance expense	**(112,528,412)**	
Net fnance expense recognised in profit or loss	**(65,765,299)**	

RECOGNISED DIRECTLY IN EQUITY

[illegible]	(12,166,575)	
Net fnance expense recognised directly in equity	**(12,166,575)**	

7. COMPANY SECRETARIAL, ADMINISTRATION AND ACCOUNTANCY FEES

0RXUDQW7XUQHUVH\LPLWHGDFWVDV&RPSDQ\6HFUHWDU\$GPLQLVWUDWRUDQG5HJLVWUDU&RPSDQ\VHFUHWDULDODGPLQLVWUDWLRQDQGDFFRXQWDQF\ IHHVDUHLQFXUUHGDQGELOOHGRQDWLPHFRVWEDVLVLQDFFRUGDQFHZLWK0RXUDQW7XUQHUVH\LPLWHGVVWDQGDUGIHHVFDOHVVXEMHFWWRDQDQQXDO FDSRI%ZLWKUHVSHFWWRWKHDFWLYLWLHVDQGUHVSRQVLELOLWLHVDVVHWRXWLQWKH$GPLQLVWUDWLRQ5HJLVWUDUDQG6HFUHWDULDO\$JUHHPHQW

8. DIRECTORS' REMUNERATION

	31 July 2008 €	-XO\
LUHFWRUVIHHVFDVKVHWWOHPHQW	378,047	
LUHFWRUVIHHVHTXLWVHWWOHPHQWVHWWOHGGXULQJWKHSHULRG	144,020	
LUHFWRUVIHHVHTXLWVHWWOHPHQWVHWWOHGDIWHUWKHSHULRGHQG	18,000	
LUHFWRUVH[SHQVHV	12,067	
	552,134	

1RQHRIWKHLUHFWRUVKDYHDQ\SHUVRQDOÀQDQFLDOLQWHUHVWLQDQ\RIWKHLQYHVWPHQWV

9. DIVIDENDS

7KHIROORZLQJGLYLGHQGVKDYHEHHQSURSRVHGDQGRUSDLGGXULQJWKH\HDUHQGHG-XO\DQGGXULQJWKHSHULRGHQGHG-XO\

	LYLGHQGSHUVKDUH
Dividend for the semi-annual period ended 31 July 2008 (proposed)	**0.25**
Dividend for the semi-annual period ended 31 January 2008	**—**
LYLGHQGIRUWKHSHULRGHQGHG-XO\SDLG	

10. LOSS PER SHARE

7KHFDOFXODWLRQRIWKHEDVLFDQGGLOXWHGORVVSHUVKDUHLVEDVHGRQWKHIROORZLQJLQIRUPDWLRQ

	31 July 2008 €	-XO\
Loss for the purposes of basic loss per share being net loss attributable to equity holders	**(70,599,501)**	

	31 July 2008 Number	-XO\ 1XPEHU
:HLJKWHGDYHUDJHQXPEHURIRUGLQDU\VKDUHVIRUWKHSXUSRVHVRIEDVLFORVVSHUVKDUH	30,017,762	
LOXWLYHHIIHFWRIRUGLQDU\VKDUHVVXEMHFWWR		
:DUUDQWVH[HUFLVDEOHDWSHUVKDUH	—	—
Weighted average number of ordinary shares for the purposes of diluted loss per share	**30,017,762**	

7KHDYHUDJHPDUNHWSULFHEDVHGRQFORVLQJSULFHVTXRWHGRQ(XURQH[W$PVWHUGDPIRURQHRUGLQDU\VKDUHGXULQJWKH\HDUHQGHG DVGXULQJWKHSHULRGWR-XO

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2008

11. AVAILABLE-FOR-SALE SECURITIES

	31 July 2008 Amortised cost €	31 July 2008 Unrealised losses €	31 July 2008 Fair value €
Available-for-sale debt securities (amortised cost basis)			
Corporate credits	8,837,717	(1,484,049)	7,353,668
&ROODWHUDOLVHGGHEWREOLJDWLRQDVVHWV2µ	56,639,368	(16,940,646)	39,698,722
$VVHWEDFNHGVHFXULWLHVDVVHWV$%6µ	20,197,292	(1,990,415)	18,206,877
	85,674,377	(20,415,110)	65,259,267
Available-for-sale equity securities (cost)			
(TXLWLHV	6,734,700	(1,187,004)	5,547,696
Total available-for-sale securities	**92,409,076**	**(21,602,114)**	**70,806,963**

	-XO\	-XO\	
$YDLODEOHIRUVDOH...			
&RUSRUDWHFUHGLWV			
&ROODWHUDOLVHG...			
$VVHWEDFNHG...			
$YDLODEOHIRUVDOH...			
(TXLWLHV			
7RWDODYDLODEOH...			

7KHXQUHDOLVHG...

(TXLW\VHFXULWLHV...

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

$VQRWHGDERYHILQDQFLDOLQVWUXPHQWVDUHGHVLJQDWHGDWIDLUYDOXHWKURXJKSURILWRUORVVLIWKHKRVWFRQWUDFWFRQWDLQVRQHRUPRUH HPEHGGHGGHULYDWLYHVDVSHUPLWWHGE\,$6)LQDQFLDO,QVWUXPHQWV5HFRJQLWLRQDQG0HDVXUHPHQW)LQDQFLDOLQVWUXPHQWVDW IDLUYDOXHWKURXJKSURILWRUORVVDUHPHDVXUHGDWIDLUYDOXHDQGFKDQJHVWKHUHLQDUHUHFRJQLVHGLQSURILWRUORVV

Financial assets at fair value through profit or loss	31 July 2008 €	-XO\
)DLUYDOXHEURXJKWIRUZDUGSXUFKDVHSULFH	46,920,000	
3XUFKDVHGGXULQJWKH\HDU	25,000,000	—
6DOHV	(12,584,832)	
,QWHUHVWLQFRPH	11,622,850	
8QUHDOLVHGPRYHPHQWLQIDLUYDOXH	(9,430,675)	
)DLUYDOXHFDUULHGIRUZDUG	61,527,343	

7KHUHKDYHEHHQQRGLVSRVDOVRIILQDQFLDODVVHWVDWIDLUYDOXHWKURXJKSURILWRUORVVGXULQJWKH\HDU

13. OPEN FORWARD FOREIGN EXCHANGE CONTRACTS

)RUZDUGIRUHLJQH[FKDQJHFRQWUDFWVDUHKHOGWRHFRQRPLFDOO\KHGJHHVWLPDWHGIXWXUHIRUHLJQH[FKDQJHFDVKIORZVH[SHFWHGIURPWKH &RPSDQ\¶VLQYHVWPHQWV

14. INVESTMENT IN TOTAL RETURN SWAP

	31 July 2008 €	-XO\
&ROODWHUDOSRVWHGZLWK'HXWVFKH%DQN	—	
&ROODWHUDOSRVWHGZLWK%DQNRI$PHULFD	—	
)DLUYDOXHRIWKH756	—	
	—	

14. INVESTMENT IN TOTAL RETURN SWAP (CONTINUED)

7KH&RPSDQ\SODFHGRQGHSRVLWZLWKHXWVFKH%DQNDQG%DQNRI$PHULFDWKH6ZDS&RXQWHUSDUW\ DVFROODWHUDO7KHIDLU YDOXHRIWKH756ZDVQHWWHGRIIWKHFROODWHUDOEDODQFHDVWKH&RPSDQ\ZDVERXQGZKHQDPRXQWVZHUHGXHDQGSD\DEOHE\DOHJDOO\ HQIRUFHDEOHULJKWWRVHWRIIWKHUHFRJQLVHGDPRXQWVXQGHUWKH756FRQ¿UPDWLRQWHUPVDJUHHPHQWDQGWKH&RPSDQ\KDGDQ LQWHQWLRQWRVHWWOHRQDQHWEDVLVDQGUHDOLVHWKHDVVHWDQGVHWWOHWKHOLDELOLW\VLPXOWDQHRXVO\

7KHSXUSRVHRIWKH756ZDVWRSURYLGHH[SRVXUHRQDOHYHUDJHGEDVLVWRDGLYHUVL¿HGSRRORIOHYHUDJHGORDQVLQFOXGLQJVHQLRUVHFXUHG VHFRQGOLHQDQGPH]]DQLQHORDQVVHOHFWHGEWKH,QYHVWPHQW0DQDJHU7KHDPRXQWRIFROODWHUDOSRVWHGXQGHUWKH756ZDVGHSHQGHQW RQWKHVL]HRIWKHSRUWIROLRDQGWKHSURSRUWLRQRIVHQLRUVHFXUHGVHFRQGOLHQDQGPH]]DQLQHORDQVPDNLQJXSWKHSRUWIROLR

2QHDFK756SD\PHQWGDWHWKH6ZDS&RXQWHUSDUW\SDLGWKH&RPSDQ\DQDPRXQWUHSUHVHQWLQJWKHUHWXUQRQWKHUHIHUHQFHGORDQV XQGHUO\LQJWKH756UHDOLVHGFDSLWDODSSUHFLDWLRQDULVLQJIURPWKHVDOHRIDQ\XQGHUO\LQJDVVHWVDQGWKHUHSD\PHQWRUSUHSD\PHQWRI XQGHUO\LQJORDQV7KH&RPSDQ\SDLGWKH6ZDS&RXQWHUSDUW\DQDPRXQWFRPSULVLQJWKH¿DWLQJUDWHLQWHUHVWFDOFXODWHGEWUHIHUHQFH WRWKHDJJUHJDWHQRWLRQDODPRXQWRIWKHUHIHUHQFHGORDQVDQ\IHHVDQGH[SHQVHVLQFXUUHGEWKH6ZDS&RXQWHUSDUW\LQUHVSHFWRIWKH WUDQVDFWLRQGHIHUUHGSD\PHQWVDQGDQ\UHDOLVHGFDSLWDOGHSUHFLDWLRQ2QOWKHQHWDPRXQWGXHEHWZHHQWKH&RPSDQ\DQGWKH6ZDS &RXQWHUSDUW\ZDVSD\DEOHRUDFFUXHGRQHDFKSD\PHQWGDWH

Leverage	31 July 2008	-XO\
0DUNHWYDOXHRIWKHLQYHVWPHQWVXQGHUWKH756	—	
0DUNHWYDOXHRIWKH756	—	
/HYHUDJH	—	WLPHV

'XULQJWKHVHFRQGKDOIRIWKH\HDUWKH756ZDVIXOO\XQZRXQGUHVXOWLQJLQDQDJJUHJDWHUHDOLVHGORVVRIPLOOLRQEHLQJUHFRJQLVHG LQWKH,QFRPH6WDWHPHQWRIWKH&RPSDQ\PLOOLRQRIWKLVEHHQUHFRJQLVHGLQWKH\HDUHQGHG-XO\DQGPLOOLRQ RIWKLVSUHYLRXVO\UHFRJQLVHGDVDQXQUHDOLVHGORVVLQWKHSHULRGHQGHG-XO\

15. TRADE AND OTHER RECEIVABLES

	31 July 2008 €	-XO\
$FFUXHGLQWHUHVWUHFHLYDEOH	—	
$FFUXHGHIIHFWLYHLQWHUHVWUHFHLYDEOH	2,435,094	
$FFUXHGLQFRPHUHFHLYDEOHRQ756VHWWOHGVXEVHTXHQWWRWKH\HDUHQG	909,526	
	3,344,620	

16. CASH AND CASH EQUIVALENTS

	31 July 2008 €	-XO\
Deposit accounts	23,359,657	

&DVKDQGFDVKHTXLYDOHQWVDUHUHSUHVHQWHGDVDVLQJOHFODVVRIDVVHWRQWKHIDFHRIWKHEDODQFHVKHHWFRPSULVHFDVKEDODQFHVDQG RWKHUVKRUWWHUPKLJKO\OLTXLGLQYHVWPHQWVZLWKPDWXULWLHVRIWKUHHPRQWKVRUOHVV

17. TRADE AND OTHER PAYABLES

	31 July 2008 €	-XO\
,QYHVWPHQWPDQDJHPHQWIHHV	1,241,278	
'LUHFWRUVIHHVFDVKSD\DEOH	42,000	
'LUHFWRUVIHHVVKDUHVSD\DEOH	18,000	
'LUHFWRUVH[SHQVHV	—	
$FFUXHGH[SHQVHVDQGRWKHUSD\DEOHV	554,202	
	1,855,480	

18. LIQUIDITY FACILITY

2Q-DQXDU\WKH&RPSDQ\FRQFOXGHGDPLOOLRQGUDZQUHYROYLQJ)DFLOLW\\$JUHHPHQWZLWK%DQN1DWLRQDOH'LQFKLQ RUGHUWRPD[LPLVHWKH&RPSDQ\V¿QDQFLDOPDQDJHPHQWÀH[LELOLW\XQGHUWKLVOLTXLGLW\IDFLOLW\VXEMHFWWRFHUWDLQFRQGLWLRQVDVVSHFL¿HG LQWKH)DFLOLW\\$JUHHPHQWWKH&RPSDQ\PD\GUDZXSWRPLOOLRQ7KLVIDFLOLW\EHDUVDFRPPLWPHQWIHHFDOFXODWHGDWSDRQ DQ\XQGUDZQDPRXQWV\$W-XO\DQGXSWRWKHGDWHRIDSSURYDORIWKHVH¿QDQFLDOVWDWHPHQWVQRGUDZGRZQVKDYHEHHQPDGH XQGHUWKLVIDFLOLW\7KH&RPSDQ\LVFXUUHQWO\XQDEOHWRXVHWKLVIDFLOLW\GXHWRWKH1\$9RIWKH&RPSDQ\FXUUHQWO\EHLQJEHORZWKH WKUHVKROGVSHFL¿HGLQWKH)DFLOLW\\$JUHHPHQW

19. SHARE CAPITAL

AUTHORISED:

	31 July 2008 Number of shares	-XO\ 1XPEHURIVKDUHV
2UGLQDU\VKDUHVRIQRSDUYDOXHHDFK	Unlimited	8QOLPLWHG
&ODVV%FRQYHUWLEOHRUGLQDU\VKDUHRIQRSDUYDOXH	1	
&ODVV&QRQYRWLQJFRQYHUWLEOHRUGLQDU\VKDUHVRIQRSDUYDOXHHDFK	Unlimited	8QOLPLWHG

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2008

19. SHARE CAPITAL (CONTINUED)

7KHDXWKRULVHGVKDUHFDSLWDORIWKH&RPSDQ\FRPSULVHVDQXQOLPLWHGQXPEHURIYRWLQJQRQFRQYHUWLEOHRUGLQDU\VKDUHVZLWKQRSDUYDOXHHDFK DVLQJOHYRWLQJFRQYHUWLEOH&ODVV%VKDUHRIQRSDUYDOXHDQGDQXQOLPLWHGQXPEHURIQRQYRWLQJFRQYHUWLEOH&ODVV&VKDUHVRIQRSDUYDOXHHDFK

:LWKUHVSHFWWRYRWLQJULJKWVDWJHQHUDOPHHWLQJVRIWKH&RPSDQ\WKHRUGLQDU\VKDUHVDQG&ODVV%VKDUHFRQIHURQWKHKROGHURIVXFKVKDUHV WKHULJKWWRRQHYRWHIRUHDFKVKDUHKHOGZKLOVWWKHKROGHUVRI&ODVV&VKDUHVGRQRWKDYHWKHULJKWWRYRWH

7KH&ODVV%VKDUHLVLGHQWLFDOLQDOOUHVSHFWVWRWKH&RPSDQ\VRWKHUVKDUHVH[FHSWWKDWLWZLOOHQWLWOHWKHKROGHURIWKH&ODVV%VKDUH DQDIILOLDWHRI$[DWRHOHFWDVLQJOHLUHFWRUWRWKH&RPSDQ\V%RDUGRILUHFWRUV$VVXFKWLPHDVWKHKROGLQJVRIWKH$[DURXS LQYHVWRUVGHFOLQHWROHVVWKDQRIWKH&RPSDQ\VHTXLW\FDSLWDOLVDWLRQZLWKWKH&ODVV%VKDUHDQGWKHRWKHULVVXHGDQGRXWVWDQGLQJ RUGLQDU\VKDUHVWDNHQWRJHWKHUWKH&ODVV%VKDUHVKDOOEHFRQYHUWHGWRDQRUGLQDU\VKDUH

7KH&ODVV&VKDUHVDUHQRQYRWLQJVKDUHVEXWLQDOORWKHUUHVSHFWVKDYHWKHVDPHULJKWVDQGHQWLWOHPHQWVDVWKHRUGLQDU\VKDUHV

(DFKFODVVRIVKDUHUDQNVSDULSDVVXZLWKHDFKRWKHUZLWKUHVSHFWWRSDUWLFLSDWLRQLQWKHSURILWVDQGORVVHVRIWKH&RPSDQ\LUHFWRUV FRQVLGHUUHFRPPHQGDWLRQRIDGLYLGHQGRQDVHPLDQQXDOEDVLVKDYLQJUHJDUGWRYDULRXVHOHPHQWVLQFOXGLQJWKHILQDQFLDOSRVLWLRQDQG WKHLVWULEXWLRQ,QFRPHRIWKH&RPSDQ\7KH&RPSDQ\PD\GHFODUHDQLQWHULPGLYLGHQGE\RUGLQDU\UHVROXWLRQRIWKHLUHFWRUVDQGPD\ GHFODUHDILQDOGLYLGHQGE\RUGLQDU\UHVROXWLRQRIWKHVKDUHKROGHUVDWDJHQHUDOPHHWLQJRGLYLGHQGVKDOOH[FHHGWKHDPRXQW UHFRPPHQGHGE\WKH%RDUGRILUHFWRUV

ISSUED AND FULLY PAID:

	2UGLQDU\	%VKDUH	&VKDUHV	:DUUDQWV
[illegible]		3	3	3
[illegible]			3	
[illegible]		3	3	3
[illegible]		3	3	3
[illegible]			3	
[illegible]		3	3	3
Balance at 31 July 2008	**30,042,039**	**1**	**—**	**30,000,000**

7KHLQLWLDOSXEOLFRIIHULQJRIRUGLQDU\VKDUHVRQHFHPEHUZDVSULFHGDWSHUVKDUH6KDUHVKDYHVXEVHTXHQWO\EHHQLVVXHG WRWKHLUHFWRUVRQDTXDUWHUO\EDVLVLQUHVSHFWRIWKHLUIHHVDVGHVFULEHGLQWKHLUHFWRUV5HSRUWDWWKHIROORZLQJ SULFHVSHUVKDUHDQG

20. SHARE PREMIUM ACCOUNT AND WARRANTS

SHARE PREMIUM ACCOUNT:

	2UGLQDU\	%VKDUH	&VKDUHV	:DUUDQWV
[illegible]		3	3	3
[illegible]			3	
[illegible]		3	3	3
[illegible]		3	3	3
[illegible]		3	3	3
[illegible]			3	3
[illegible]		3	3	
[illegible]		3	3	3
Balance at 31 July 2008	**267,990**	**—**	**—**	**1,410,000**

7KHEDODQFHRQWKHVKDUHSUHPLXPDFFRXQWZDVWUDQVIHUUHGWRGLVWULEXWDEOHUHVHUYHVRQ-DQXDU\IROORZLQJDSSURYDOEWKH *XHUQVH\5R\DO&RXUW7KLVUHVHUYHLVDYDLODEOHDVDVRXUFHRIIXQGVIRUGLYLGHQGV

WARRANTS:

	2008	
1XPEHURIZDUUDQWVLVVXHGDW,32H[HUFLVDEOHIRU&VKDUHV	**30,000,000**	
9DOXHRIZDUUDQWVDW,32	**€1,410,000**	
([HUFLVHSULFH	**€10**	
([HUFLVHSHULRGVWDUWGDWH	**01/12/2008**	
([HUFLVHSHULRGHQGGDWH	**31/12/2016**	
&ORVLQJSULFHRIRUGLQDU\VKDUHVDW\HDUSHULRGHQG	**€2.00**	
7KHRUHWLFDOYDOXHSHUZDUUDQWLIH[HUFLVHGDWSHULRGHQG	**—**	—
[illegible]	**—**	—

[illegible]

DDQ

[illegible]

21. RESERVES

		2WKHU	
	3		3
	3	3	
		3	3
	3	3	
	3		3
As at 31 July 2008	**(87,537,750)**	**272,993,894**	**(21,602,114)**

22. FINANCIAL RISK MANAGEMENT

7KH%RDUGRIGLUHFWRUVKDVRYHUDOOUHVSRQVLELOLW\IRUWKHHVWDEOLVKPHQWDQGRYHUVLJKWRIWKH&RPSDQ\VULVNPDQDJHPHQWIUDPHZRUN 7KH&RPSDQ\VULVNPDQDJHPHQWSROLFLHVDUHHVWDEOLVKHGWRLGHQWLI\DQGDQDO\VHWKHULVNVIDFHGE\WKH&RPSDQ\WRVHWDSSURSULDWHULVN OLPLWVDQGFRQWUROVDQGWRPRQLWRUULVNVDQGDGKHUHQFHWROLPLWV5LVNPDQDJHPHQWSROLFLHVDUHUHYLHZHGUHJXODUO\WRUHIOHFWFKDQJHVLQ PDUNHWFRQGLWLRQVDQGWKH&RPSDQ\VDFWLYLWLHV7KHIROORZLQJLVQRWDQH[KDXVWLYHVXPPDU\RIWKHULVNVWKDWWKH&RPSDQ\LVH[SRVHGWRDVD UHVXOWRILWVXVHRIILQDQFLDOLQVWUXPHQWV

MARKET RISK

0DUNHWULVNLVWKHULVNRIFKDQJHVLQPDUNHWSULFHVDIIHFWLQJWKH&RPSDQ\VLQFRPHDQGRUWKHYDOXHRILWVKROGLQJVLQILQDQFLDO LQVWUXPHQWVDQGLQFOXGHVLQWHUHVWUDWHULVNFXUUHQF\ULVNDQGYDOXDWLRQULVN

7KH&RPSDQ\VH[SRVXUHWRPDUNHWULVNFRPHVPDLQO\IURPPRYHPHQWVLQWKHYDOXHRILWVLQYHVWPHQWV&KDQJHVLQFUHGLWVSUHDGVPD\ DIIHFWWKH&RPSDQ\VQHWHTXLW\RUQHWLQFRPHGLUHFWO\WKURXJKWKHLULPSDFWRQXQUHDOLVHGJDLQVRUORVVHVRQLQYHVWPHQWVZLWKLQWKH SRUWIROLRDQGWKHUHIRUHWKH&RPSDQ\VDELOLW\WRPDNHJDLQVRQVXFKLQYHVWPHQWVRULQGLUHFWO\WKURXJKWKHLULPSDFWRQWKH&RPSDQ\V DELOLW\WRERUURZDQGDFFHVVFDSLWDODQGLWVFRVWRIFDSLWDO

INTEREST RATE RISK

7RWKHH[WHQWWKH&RPSDQ\LQFXUVLQGHEWHGQHVVFKDQJHVLQLQWHUHVWUDWHVFDQDIIHFWWKH&RPSDQ\VQHWLQWHUHVWLQFRPHZKLFKLVWKH GLIIHUHQFHEHWZHHQWKHLQWHUHVWLQFRPHHDUQHGRQLQWHUHVWHDUQLQJLQYHVWPHQWVDQGWKHLQWHUHVWH[SHQVHLQFXUUHGRQLQWHUHVWEHDULQJ OLDELOLWLHV&KDQJHVLQWKHOHYHORILQWHUHVWUDWHVFDQDOVRDIIHFWDPRQJRWKHUWKLQJVWKH&RPSDQ\VDELOLW\WRDFTXLUHORDQVDQG LQYHVWPHQWVWKHYDOXHRILWVLQYHVWPHQWVDQGWKH&RPSDQ\VDELOLW\WRUHDOLVHJDLQVIURPWKHVHWWOHPHQWRIVXFKDVVHWV

7KH&RPSDQ\PD\HQWHULQWRKHGJLQJWUDQVDFWLRQVIRUWKHSXUSRVHVRIHIILFLHQWSRUWIROLRPDQDJHPHQWZKHUHDSSURSULDWHWRSURWHFW LWVLQYHVWPHQWSRUWIROLRIURPLQWHUHVWUDWHIOXFWXDWLRQV7KHVHLQVWUXPHQWVPD\EHXVHGWRKHGJHDVPXFKRIWKHLQWHUHVWUDWHULVNDV ,QYHVWPHQW0DQDJHUGHWHUPLQHVLVLQWKHEHVWLQWHUHVWVRIWKH&RPSDQ\LQWKHFRVWRIVXFKKHGJHV7KH&RPSDQ\PD\EHDUDOHYHO RILQWHUHVWUDWHULVNWKDWFRXOGRWKHUZLVHEHKHGJHGZKHQWKH,QYHVWPHQW0DQDJHUEHOLHYHVEDVHGRQDOOUHOHYDQWIDFWVWKDWEHDULQJ VXFKULVNLVDGYLVDEOH

7KHWDEOHVEHORZVXPPDULVHWKHHIIHFWLYHLQWHUHVWUDWHVDSSOLFDEOHWRWKH&RPSDQ\VLQWHUHVWEHDULQJILQDQFLDODVVHWVDQGILQDQFLDOOLDELOLWLHV

Interest rate profle as at 31 July 2008

	Interest charging	Effective interest rate %	Amount €
Financial assets:			
&DVKDQGFDVKHTXLYDOHQWV			
(XURGHSRVLWDFFRXQWV	**)ORDWLQJ**	**(RQLDES**	
86'GHSRVLWDFFRXQWV	**)ORDWLQJ**	**/LERU862YHUQLJKWES**	
%3GHSRVLWDFFRXQWV	**)ORDWLQJ**	**621,$YHUQLJKWES**	
			23,359,657
$YDLODEOHIRUVDOHVHFXULWLHV			
$6GHQRPLQDWHGLQ(XUR	**)L[HG**		
$6GHQRPLQDWHGLQ86'	**)L[HG**		
$6GHQRPLQDWHGLQ%3	**)L[HG**		
			70,806,963
)LQDQFLDODVVHWVDWIDLUYDOXHWKURXJK			
	)ORDWV	(XRV	
7UDQFKH	)ORDWLQ		QD
HTXLW\	)ORDWLQ		QD
			73,220,880
Financial liabilities:			
7UDGHDQGRWKHUSD\DEOHV	**1RQLQWHUHVWEHDULQJ**	**QD**	
			(1,855,480)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2008

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

INTEREST RATE RISK (CONTINUED)

Interest rate profile as at 31 July 2007

			Effective interest rate	Amount
	WHUP			
Financial assets				
&DVKDQGFDVK				
WHUPV		IORDWV		RQ5
WHUPV		IORDWV	WV	
WHUPV		IORDWV	WV	
5DWHV				
RQHV		]		
RQHV		]		
RQHV		]		
DQDOLDVVHWV				
W		IORDWV	WV	
RWKHU		IORDWV		Q
W		]		
7UDGHGDEOH	WHUP			Q
UHFHLYV	WHUP			Q
Financial liabilities				
7UDGHSDDEOH	WHUP			Q

CURRENCY RISK

7KH&RPSDQ\VDFFRXQWVDUHGHQRPLQDWHGLQ(XURZKLOHLQYHVWPHQWVDUHPDGHDQGUHDOLVHGLQERWK(XURDQGRWKHUFXUUHQFLHV &KDQJHVLQUDWHVRIH[FKDQJHPD\KDYHDQDGYHUVHHIIHFWRQWKHYDOXHSULFHRULQFRPHRIWKHLQYHVWPHQWV&KDQJHLQIRUHLJQFXUUHQF\ H[FKDQJHUDWHVPD\DGYHUVHO\LPSDFWUHWXUQVRQWKH&RPSDQ\VQRQ(XURGHQRPLQDWHGLQYHVWPHQWV7KH&RPSDQ\VSULQFLSDOQRQ(XUR FXUUHQF\H[SRVXUHVDUHH[SHFWHGWREHWKH86'ROODUDQGSRXQG6WHUOLQJEXWWKLVPD\FKDQJHRYHUWLPH

7KH&RPSDQ\VSROLF\LVWRKHGJHFXUUHQF\ULVNRQDQDVVHWE\DVVHWEDVLVDQGDOVRZKHUHWKH,QYHVWPHQW0DQDJHUFRQVLGHUV DSSURSULDWHRQDQRYHUDOOSRUWIROLREDVLV7KH&RPSDQ\PD\EHDUDOHYHORIFXUUHQF\ULVNWKDWFRXOGRWKHUZLVHEHKHGJHGZKHUHWKH ,QYHVWPHQW0DQDJHUFRQVLGHUVWKDWEHDULQJVXFKULVNLVDGYLVDEOH7KH,QYHVWPHQW0DQDJHUKDVSXWLQSODFHDUUDQJHPHQWVWRKHGJH LQWR(XURFHUWDLQ86'ROODUDQGSRXQG6WHUOLQJH[SRVXUHVDVVRFLDWHGZLWKWKH86'ROODUGHQRPLQDWHG&ORUHVLGXDOLQWHUHVWVDQGSRXQG 6WHUOLQJGHQRPLQDWHGUHVLGXDORIDVVHWEDFNHGVHFXULWLHV

CURRENCY RISK PROFILE AS AT 31 JULY 2008

	Denominated in Euro €	Denominated in USD €	Denominated in GBP €
Investments:			
$YDLODEOHIRUVDOHGHEWVHFXULWLHV			
)LQDQFLDODVVHWVDWIDLUYDOXHWKURXJKSURILWRUORVV		³	³
$YDLODEOHIRUVDOHHTXLWVHFXULWLHV	³		³
	91,735,990	**31,596,647**	**9,001,669**
&DVKDQGFDVKHTXLYDOHQWV			
7UDGHDQGRWKHUUHFHLYDEOHV			
7UDGHDQGRWKHUSD\DEOHV			
(IIHFWRIIRUZDUGFXUUHQF\FRQWUDFWV			
	222,712,713	**(23,968,575)**	**(33,212,118)**

7KHIRUZDUGIRUHLJQH[FKDQJHFRQWUDFWVZHUHHQWHUHGLQWRWRKHGJHWKHDSSUR[LPDWHIXWXUHIRUHLJQFXUUHQF\FDVKIORZVH[SHFWHGIURP WKH&RPSDQ\VLQYHVWPHQWVDWWKHUWKDQWKHIDLUYDOXHRIWKH&RPSDQ\VLQYHVWPHQWV$WWKHWLPHRIRSHQLQJRIWKHIRUZDUGIRUHLJQ H[FKDQJHSRVLWLRQVVXFKSRVLWLRQVZHUHFDOFXODWHGWRDSSUR[LPDWHWKHIXWXUHFDVKIORZVH[SHFWHGDWWKDWWLPHIURPWKH&RPSDQ\ LQYHVWPHQWV$WWKHEDODQFHVKHHWGDWHWKHDSSUR[LPDWHIXWXUHFDVKIORZVH[SHFWHGH[FHHGWKHIDLUYDOXHRIWKH&RPSDQ\VLQYHVWPHQWV

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

CURRENCY RISK PROFILE AS AT 31 JULY 2008 (CONTINUED)

7KHIROORZLQJIRUHLJQHFKDQJHIRUZDUGFRQWUDFWVZHUHXQVHWWOHGDVDW-XO\

	Amount bought €	Amount sold currency	Number of positions	Unrealised gain €
	59,168,721	USD 81,419,732	12	5,407,864
	48,349,145	GBP 35,988,154	7	2,941,053
				8,348,917

CURRENCY RISK PROFILE AS AT 31 JULY 2007

	HQRPLQDWHG [illegible]	HQRPLQDWHG [illegible]	HQRPLQDWHG [illegible]
Investments			
[illegible]			
[illegible]		3	3
[illegible]	3		3
[illegible]			
[illegible]		3	3
[illegible]			
[illegible]		3	
[illegible]			

[illegible]

	[illegible]	[illegible]	[illegible]	[illegible]
		8		
		%		
		&		
		6		

VALUATION RISK

7KHPDUNHWVIRUPDQ\RIWKH&RPSDQ\VLQYHVWPHQWVLQFOXGLQJUHVLGXDOLQFRPHSRVLWLRQVDUHLOOLTXLG$FFRUGLQJO\PDQ\RIWKH &RPSDQ\VLQYHVWPHQWVDUHRUZLOOEHLOOLTXLG,QSHULRGVRIPDUNHWXQFHUWDLQW\RUGLVWUHVVWKHPDUNHWVIRUWKH&RPSDQ\VLQYHVWPHQWV PD\EHFRPHLQFUHDVLQJO\LOOLTXLGRUHYHQFHDVHWRIXQFWLRQHIIHFWLYHO\IRUDSHULRGRIWLPH,QDGGLWLRQLQYHVWPHQWVWKDWWKH&RPSDQ\ PD\SXUFKDVHLQSULYDWHO\QHJRWLDWHGDOVRFDOOHGRYHUWKHFRXQWHURU27&WUDQVDFWLRQVPD\QRWEHUHJLVWHUHGXQGHUUHOHYDQW VHFXULWLHVODZVRURWKHUZLVHPD\QRWEHIUHHOWUDGDEOHUHQGHULQJWKHPOHVVOLTXLGWKDQRWKHULQYHVWPHQWV7D[RURWKHUDWWULEXWH VHFXULWLHVRUORDQVLQZKLFKWKH&RPSDQ\LQYHVWVPD\PDNHWKHPDWWUDFWLYHWRRQO\DOLPLWHGUDQJHRILQYHVWRUV7KHUHPD\DOVREH FRQWUDFWXDORURWKHUUHVWULFWLRQVRQWUDQVIHUVRIWKH&RPSDQ\VLQYHVWPHQWV$VDUHVXOWRIWKHVHDQGRWKHUIDFWRUVWKH&RPSDQ\VDELOLW WRYDULWVSRUWIROLRLQDWLPHOIDVKLRQDQGWRUHFHLYHDIDLUSULFHLQUHVSRQVHWRFKDQJHVLQHFRQRPLFDQGRWKHUFRQGLWLRQVPDEHOLPLWHG DQGWKH&RPSDQ\PDEHIRUFHGWRKROGLQYHVWPHQWVIRUDQLQGHILQLWHSHULRGRIWLPHRUXQWLOWKHPDWXULWRUHDUOUHGHPSWLRQWKHUHRI

)XUWKHUPRUHZKHUHWKH&RPSDQ\DFTXLUHVLQYHVWPHQWVIRUZKLFKWKHUHLVQRWDUHDGLODYDLODEOHPDUNHWWKH&RPSDQ\VDELOLWWRREWDLQ UHOLDEOHLQIRUPDWLRQDERXWWKHUHVDOHYDOXHRIVXFKLQYHVWPHQWRUULVNVWRZKLFKVXFKLQYHVWPHQWLVH[SRVHGPDEHOLPLWHG,OOLTXLGLW\ FRQWULEXWHVWRXQFHUWDLQWDERXWWKHYDOXHVDVFULEHGWRLQYHVWPHQWVZKHQQHWDVVHWYDOXHGHWHUPLQDWLRQVDUHPDGHZKLFKFDQFDXV WKRVHGHWHUPLQDWLRQVWRYDUIURPDPRXQWVWKDWFRXOGEHUHDOLVHGLIWKH&RPSDQ\ZHUHWRVHHNWROLTXLGDWHLWVLQYHVWPHQWV7KH&RPSDQ\ FRXOGDOVRIDFHVRPHGLIILFXOWLHVZKHQFROOHFWLQJUHOLDEOHLQIRUPDWLRQDERXWWKHYDOXHRILWVDVVHWVLIDOORUSDUWRIWKHFRQWULEXWRUVIRUV LQIRUPDWLRQZKHUHWRH[SHULHQFHVLJQLILFDQWEXVLQHVVGLIILFXOWLHVRUZHUHWRVXVSHQGUHODWLYHPDUNHWDFWLYLWLHV7KLVFRXOGDIIHFWWKHWLPLQJ DQGGHWHUPLQDWLRQSURFHVVZKHQDVVHVVLQJWKHYDOXHRIWKH&RPSDQ\VLQYHVWPHQW

$OWKRXJKWKH&RPSDQ\DQGLWVDJHQWVDUHDEOHWRUHIHUWRUHSRUWHGRYHUWKHFRXQWHUWUDGLQJSULFHVDQGELGRIIHUSULFHVIURPEURNHUV ZKHQYDOXLQJLWVPRUHOLTXLGLQYHVWPHQWVVXFKDVZLGHOKHOGLQYHVWPHQWJUDGHGHEWIRUWKHULQYHVWPHQWVVXFKDVUHVLGXDOLQWHUHVWV LQ&'2VDQGRWKHUDVVHWEDFNHGVHFXULWLHVWKH&RPSDQ\VSULFLQJVRXUFHVIUHTXHQWOQHHGWRUHORQILQDQFLDOSULFLQJPRGHOVEDVHG RQDVVXPSWLRQVFRQFHUQLQJDQXPEHURIYDULDEOHVVRPHRIZKLFKLQYROYHVXEMHFWLYHMXGJHPHQWVDQGPDQRWEHXQLIRUP

7KH&RPSDQ\KDVFRQVLVWHQWODSSOLHGLWVYDOXDWLRQWHFKQLTXHVVLQFHLQFHSWLRQ

CREDIT RISK (INCLUDING COUNTERPARTY RISK)

&UHGLWULVNLVWKHULVNRIILQDQFLDOORVVWRWKH&RPSDQLIDFRXQWHUSDUWWRDILQDQFLDOLQVWUXPHQWIDLOVWRPHHWLWVFRQWUDFWXDOREOLJDWLR

7KHFDUULQJDPRXQWVRIILQDQFLDODVVHWVEHVWUHSUHVHQWWKHPD[LPXPFUHGLWULVNH[SRVXUHDWWKHEDODQFHVKHHWGDWH7KLVUHODWHVDOVRWR ILQDQFLDODVVHWVFDUULHGDWDPRUWLVHGFRVWDVWKHKDYHDVKRUWWHUPWRPDWXULW\

$WWKHUHSRUWLQJGDWHWKH&RPSDQ\VILQDQFLDODVVHWVH[SRVHGWRFUHGLWULVNDUHDYDLODEOHIRUVDOHVHFXULWLHVILQDQFLDODVVHWVDWIDLUYDOX WKURXJKSURILWRUORVVRSHQ);FRQWUDFWVDQGFDVKDQGFDVKHTXLYDOHQWV

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2008

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

CREDIT RISK (INCLUDING COUNTERPARTY RISK) (CONTINUED)

7KH&RPSDQ\LVVXEMHFWWRFUHGLWULVNZLWKUHVSHFWWRLWVLQYHVWPHQWV7KH&RPSDQ\DQGLWV,QYHVWPHQW0DQDJHUVHHNVWRPLWLJDWHFUHGLW ULVNE\DFWLYHO\PRQLWRULQJWKH&RPSDQ\VSRUWIROLRRILQYHVWPHQWVDQGWKHXQGHUO\LQJFUHGLWTXDOLW\RILWVKROGLQJV7KH&RPSDQ\V PXOWLDVVHWFODVVLQYHVWPHQWVWUDWHJ\LVIRXQGHGRQGLYHUVLI\LQJFUHGLWULVNE\SXUVXLQJ7DUJHW$VVHW&ODVVHVWKDWJHQHUDWHFDVK IORZVIURPXQGHUO\LQJSRUWIROLRVKDYLQJLQWKHDJJUHJDWHGLYHUVHFKDUDFWHULVWLFVOLNHORZKLVWRULFDOGHIDXOWUDWHDQGRUKLJKH[SHFWHG UHFRYHU\UDWHVLQWKHHYHQWRIGHIDXOWDQGRUVLJQLILFDQWJUDQXODULW\

7KH&RPSDQ\LQYHVWVLQWRWDOUHWXUQVZDSVFUHGLWGHIDXOWVZDSVDQGRWKHUGHULYDWLYHVZLWKYDULRXVILQDQFLDOLQVWLWXWLRQFRXQWHUSDUWLHV IRUSXUSRVHVRIVHFXULQJLQYHVWPHQWH[SRVXUHWRSRUWIROLRVRIGLYHUVHXQGHUO\LQJUHIHUHQFHREOLJDWLRQV7KH&RPSDQ\LVH[SRVHGWR FRXQWHUSDUW\FUHGLWULVNLQUHVSHFWRIWKHVHWUDQVDFWLRQVDQGWKH,QYHVWPHQW0DQDJHUHPSOR\VYDULRXVWHFKQLTXHVWROLPLWDFWXDO FRXQWHUSDUW\FUHGLWULVN

7KH&RPSDQ\PD\KDYHPRUHWKDQRILWVJURVVDVVHWVLQYHVWHGLQWKHLQVWUXPHQWVRIRQHRUPRUHVSHFLDOSXUSRVHYHKLFOHV 7KH&RPSDQ\VLQYHVWPHQWJXLGHOLQHVHVWDEOLVKFULWHULDIRUVLJQLILFDQWHWLFDUUDQJHPHQWVHQWHUHGLQWREWKH&RPSDQ\DQGUHTXLUHVSHFLILF ERDUGDSSURYDOIRULQYHVWPHQWVLQH[FHVVRIFHUWDLQOLPLWV7KRVHFULWHULDDQGERDUGDSSURYDOIRUVLJQLILFDQWDUUDQJHPHQWVDUHLQWHQGHG WROLPLWWKHLQYHVWPHQWULVNRIWKH&RPSDQ\6KDUHKROGHUVVKRXOGKRZHYHUEHSUHSDUHGWREHDUWKHULVNVRIGLUHFWDQGLQGLUHFWLQYHVWPHQW LQVSHFLDOSXUSRVHYHKLFOHVDQGDUUDQJHPHQWVZKLFKRIWHQLQYROYHUHOLDQFHRQWHFKQLTXHVLQWHQGHGWRDFKLHYH EDQNUXSWF\UHPRWHQHVVDQGSURWHFWLRQWKURXJKVHFXULW\DUUDQJHPHQWVWKDWPD\QRWIXQFWLRQDVLQWHQGHGLQXQH[SHFWHGVFHQDULRV

6XEVWDQWLDOO\DOORIWKHFDVKKHOGE\WKH&RPSDQ\LVKHOGE\WKHEDQN$ RQGRQ%UDQFKHWKHEDQN%DQNUXSWF\RU LQVROYHQF\RIWKHEDQNPD\FDXVHWKH&RPSDQ\VULJKWVZLWKUHVSHFWWRWKHFDVKKHOGE\WKHEDQNWREHGHOD\HGRUOLPLWHG 7KH&RPSDQ\PRQLWRUVLWVULVNE\PRQLWRULQJWKHFUHGLWUDWLQJRIWKHEDQNDVUHSRUWHGE\6WDQGDUGDQG3RRUV0RRG\VRU)LWFK DQGDQDO\VHVDQ\LQIRUPDWLRQWKDWFRXOGLPSO\GHWHULRUDWLRQLQWKHEDQNVILQDQFLDOSRVLWLRQ

2WKHUFRXQWHUSDUWLHVWRWKH&RPSDQ\VLQYHVWPHQWVDUHDVSUHVHQWHGLQWDEOHVDQGZLWKLQWKH,QYHVWPHQW0DQDJHUVUHSRUWZLWK VSHFLILFUHIHUHQFHWRWKHUHOHYDQFHRIWKRVHVHFXULWLHVGHWDLOHGLQVHFWLRQRIWKDWUHSRUWDQGQRWHRIWKHDFFRXQWV

RISK RELATING TO DERIVATIVES

7KH&RPSDQ\VWUDQVDFWLRQVXVLQJGHULYDWLYHLQVWUXPHQWVDQGDQ\FUHGLWGHIDXOWRUWRWDOUHWXUQVZDSDUUDQJHPHQWVRUWKHUVLQWKHWLF LQYHVWPHQWVHQWHUHGLQWREWKH&RPSDQ\RUDQ\RILWVIXQGLQJYHKLFOHVPD\LQYROYHFHUWDLQDGGLWLRQDOULVNVLQFOXGLQJFRXQWHUSDUW\ FUHGLWULVN0RUHRYHUDVUHIHUUHGWRLQWKHSUHFHGLQJSDUDJUDSKWKH&RPSDQ\KDVHVWDEOLVKHGFULWHULDIRUVLJQLILFDQWDUUDQJHPHQWVWKDW DUHLQWHQGHGWROLPLWLWVLQYHVWPHQWULVN&HUWDLQGHULYDWLYHWUDQVDFWLRQVLQWRZKLFKWKH&RPSDQ\PD\HQWHUPD\EHVRSKLVWLFDWHGDQG LQQRYDWLYHDQGDVDFRQVHTXHQFHPD\LQYROYHWD[RUWKHUULVNVWKDWPD\EHPLVMXGJHG

CONCENTRATION RISK

7KH&RPSDQ\PD\EHH[SRVHGWDQ\JLYHQWLPHWRDQ\RQHLQGXVWU\ UHJLRQFRXQWU\RUDQ\GULYHQVHUYLFHVRUDVVHWPDQDJHULQDGGLWLRQ WRWKH,QYHVWPHQW0DQDJHUDQGPD\WKHUHIRUHEHH[SRVHGWRDGHJUHHRIFRQFHQWUDWLRQULVN7KH&RPSDQ\PRQLWRUVWKHFRQFHQWUDWLRQ RILWVSRUWIROLRDQGIURPWLPHWRWLPHDVORQJDVPDUNHWOLTXLGLW\SHUPLWVWRGRVRPLJKWUHEDODQFHLWVLQYHVWPHQWSRUWIROLRDFFRUGLQJO\ DOWKRXJKWKHUHFDQEHQRDVVXUDQFHWKDWLWZLOOVXFFHHG\$VQRWHGDERYHWKH&RPSDQ\IDFHVFRXQWHUSDUW\FRQFHQWUDWLRQULVNIURP VLQWKHWLFDUUDQJHPHQWV

7KHFRPSRVLWLRQRIWKH&RPSDQ\VSRUWIROLRFRXOGFKDQJHGXHWRLPSRUWDQWFKDQJHVLQWKHUHODWLYHYDOXHRILWVDVVHWVLQVXFKDZD\WKDW LWLQFUHDVHVWKHFRQFHQWUDWLRQULVN,QVXFKDVWUHVVHGVLWXDWLRQFKDUDFWHULVHGE\KLJKYRODWLOLW\LQWKHYDOXHRIWKH&RPSDQ\VDVVHWVDQGRU VLJQLILFDQWFKDQJHVLQWKHPDUNHWH[SHFWDWLRQRIGHIDXOWUDWHVWKHDELOLW\RIWKH&RPSDQ\WRPLWLJDWHLWVFRQFHQWUDWLRQULVNFRXOGEH VLJQLILFDQWO\DIIHFWHGIRUOLTXLGLW\UHDVRQV

REINVESTMENT RISK

6RPHRIWKH&RPSDQ\VLQYHVWPHQWVHJ&/2LQFOXGLQJPRUWJDJHEDFNHGVHFXULWLHVDQGOHYHUDJHGORDQVPD\EHSDUWLFXODUO\VHQVLWLYH WRWKHLQWHUHVWUDWHHQYLURQPHQWZLWKDJHQHUDOGHFOLQHLQSUHYDLOLQJUDWHVRILQWHUHVWWHQGLQJWRSURPRWHIDVWHUUDWHVRIUHSD\PHQW RIXQGHUO\LQJREOLJDWLRQV8QH[SHFWHGDFFHOHUDWLRQVLQWKHUDWHRIUHSD\PHQWVFDQFDXVHWKHYDOXHRIVXFKLQYHVWPHQWVWRGHFOLQHDQGPD\ OHDYHWKH&RPSDQ\ZLWKH[FHVVFDVKWRUHLQYHVWLQDORZLQWHUHVWUDWHHQYLURQPHQW2QHYLUWXHRIKDYLQJDPXOWLDVVHWFODVVVWUDWHJ\LV WKDWWKHIOH[LELOLW\H[LVWVWRUHDOORFDWHDPRQJDVVHWFODVVHVLQVXFKFDVHV

LIQUIDITY RISK

/LTXLGLW\ULVNLVWKHULVNWKDWWKH&RPSDQ\ZLOOQRWEHDEOHWRPHHWLWVILQDQFLDOREOLJDWLRQVDVWKH\IDOOGXH

7KH&RPSDQ\PD\IDFHOLTXLGLW\ULVNV0RVWRIWKHDVVHWVLQZKLFKWKH&RPSDQ\LQYHVWVDUHLOOLTXLG&KDQJHVLQPDUNHWVHQWLPHQWPD\ PDNHVLJQLILFDQWSRUWLRQVRIWKH&RPSDQ\VLQYHVWPHQWSRUWIROLRUDSLGO\PRUHLOOLTXLGSDUWLFXODUO\ZLWKUHJDUGWR7DUJHW$VVHW&ODVVHVIRU ZKLFKWKHUHLVQRWDEURDGZHOOHVWDEOLVKHGWUDGLQJPDUNHWRUIRUZKLFKVXFKDPDUNHWLVLOOLTXLGRUDIIHFWHGE\DIHZQXPEHURIPDUNHWSDUWLFLSDQWV 3RUWIROLRLVVXHUVDQGERUURZHUVPD\H[SHULHQFHFKDQJHVLQFLUFXPVWDQFHWKDWDGYHUVHO\DIIHFWWKHLUOLTXLGLW\OHDGLQJWRLQWHUUXSWLRQVLQ FDVKIORZV7KH&RPSDQ\FDQVHHNWRPDQDJHOLTXLGLW\QHHGVE\ERUURZLQJ EXWWKHUHLVLQPDUNHWVHQWLPHQWPD\PDNHFUHGLWH[SHQVLYHRU XQDYDLODEOHLOOLTXLGLW\PD\DOVREHDGGUHVVHGE\VHOOLQJDVVHWVLQWKH&RPSDQ\ VSRUWIROLREXWVHOOLQJDVVHWVPD\LQVRPHFLUFXPVWDQFHV EHVLJQLILFDQWO\GLVDGYDQWDJHRXVIRUWKH&RPSDQ\RUHYHQDOPRVWLPSRVVLEOHLILOOLTXLGLW\ZHUHWRGLVDSSHDUIRUWKH&RPSDQ\VDVVHWV

MATURITY PROFILE

7KHWDEOHEHORZVKRZWKHPDWXULW\RIWKHFXUUHQWERUURZLQJVXQGHUWKHIDFLOLWLHVUDWKHUWKDQWKHPDWXULW\RYHUWKHZKROHOLIHRIWKH IDFLOLWLHVDQGWKHH[SHFWHGPDWXULW\RIWKHVHFXULWLHVUDWKHUWKDQWKHOHJDOPDWXULW\GDWH

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2008

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

SENSITIVITY ANALYSIS (CONTINUED)

CDO assets

[illegible]

[illegible]

23. RELATED PARTY DISCLOSURE

TRANSACTIONS WITH DIRECTORS AND THE INVESTMENT MANAGER

)RUGLVFORVXUHRILUHFWRUVUHPXQHUDWLRQSOHDVHVHHQRWHDQGWKHLUHFWRUV5HPXQHUDWLRQ5HSRUW$WWKHSHULRGHQGLUHFWRUV·
IHHVWREHSDLGLQFDVKRIKDGEHHQDFFUXHGEXWQRWSDLGLUHFWRUVIHHVWREHSDLGLQVKDUHVRI
KDGEHHQDFFUXHGEXWQRWSDLGDQGLUHFWRUVH[SHQVHVRI1LOKDGEHHQDFFUXHGEXWQRWSDLG

$WDW-XOWKHLUHFWRUVRIWKH&RPSDQ\FRQWUROOHGRIWKHYRWLQJVKDUHVRIWKH&RPSDQ\ QXPEHURI
WKHNH\PDQDJHPHQWSHUVRQQHORUWKHLUUHODWHGSDUWLHVKROGSRVLWLRQVLQRWKHUHQWLWLHVWKDWUHVXOWLQWKHPKDYLQJFRQWURORUVLJQLI
LQIOXHQFHRYHUWKHILQDQFLDORURSHUDWLQJSROLFLHVRIWKHVHHQWLWLHV

7KHWHUPVDQGFRQGLWLRQVRIDOOWUDQVDFWLRQVZLWKNH\PDQDJHPHQWSHUVRQQHODQGWKHLUUHODWHGSDUWLHVDUHQRPRUHIDYRXUDEOHWKDQ
WKRVHDYDLODEOHRUZKLFKPLJKWUHDVRQDEO\EHH[SHFWHGWREHDYDLODEOHRQVLPLODUWUDQVDFWLRQVWRQRQNH\PDQDJHPHQWSHUVRQQHO
UHODWHGHQWLWLHVRQDQDUPVOHQJWKEDVLV

8QGHUWKH,QYHVWPHQW0DQDJHPHQW$JUHHPHQWWKH,QYHVWPHQW0DQDJHULVHQWLWOHGWRUHFHLYHDPDQDJHPHQWIHHIURPWKH&RPSDQ\
DWDUDWHRISHUDQQXPRIWKHSRUWLRQRIWKH&RPSDQ\·V1$9WKDWLVOHVVWKDQDQGSHUDQQXPRQWKHSRUWLRQRI
WKH1$9WKDWLVJUHDWHURUHTXDOWRFDOFXODWHGIRUHDFKVL[PRQWKSHULRGHQGLQJRQ-XODQG-DQXDU\HDFKRQWKH
EDVLVRIWKH&RPSDQ\·V1$9DWWKHHQGRIWKHSUHFHGLQJSHULRGDQGSD\DEOHVHPLDQQXDOO\LQDUUHDUV)RUWKHSHULRGWR-XOWKH
UHOHYDQW1$9ZDVWDNHQDVWKH,32SURFHHGV

'XULQJWKHSHULRGWKHPDQDJHPHQWIHHVDFFUXHGZHUH) HHVDFFUXHGDQGRXWVWDQGLQJDVDW-XO\
ZHUH-XO\

8QGHUWKHWHUPVRIWKH,QYHVWPHQW0DQDJHPHQW$JUHHPHQWWKH,QYHVWPHQW0DQDJHULVDOVRHQWLWOHGWRDQLQFHQWLYHIHHZKLFK
LVSD\DEOHLQDUUHDUVLQUHVSHFWRIHDFKVHPLDQQXDOSHULRGHQGLQJ-XODQG-DQXDU\ 7KHLQFHQWLYHIHHLVGHSHQGHQWRQWKH
&RPSDQ\·VSHUIRUPDQFH'XULQJWKHSHULRGWKHUHZHUHQRLQFHQWLYHIHHVDFFUXHG

$VVWDWHGLQWKH,QYHVWPHQW0DQDJHU·V5HSRUWWKH,QYHVWPHQW0DQDJHUDOVRDFWVDV,QYHVWPHQW0DQDJHUIRUIRXURIWKH&RPSDQ\·VLQYHVWPHQWV
5$,,,$,,$,,DQG$[DJLR,,,HDUQLQJ,QYHVWPHQW0DQDJHPHQWIHHVIRUVRGRLQJGLUHFWO\IURPWKHVHLQYHVWPHQWYHKLFOHV

+RZHYHUZLWKUHVSHFWWR5$,,,$,,$,,DQG$[D,,,WKHUHLVQRGRXEOHFKDUJLQJRI,QYHVWPHQW0DQDJHPHQWIHHVDVDGMXVWPHQWIRUWKHVH
LQYHVWPHQWVLVPDGHLQWKHFDOFXODWLRQRIWKH,QYHVWPHQW0DQDJHPHQWIHHVSD\DEOHE\WKH&RPSDQ\

7KHLQYHVWPHQWLQ$[DJLR,,,ZDVPDGHE\ZD\RIDVHFRQGDU\PDUNHW [illegible] HWSXUFKDVHRQDERQDILGHDUPVOHQJWKEDVLVIURPDSDUW\XQDIILOLDWHG
ZLWKWKH,QYHVWPHQW0DQDJHU7KHUHIRUHWKH&RPSDQ\SD\V,QYHVWPHQW0DQDJHPHQWIHHVZLWKUHVSHFWWRWKLVLQYHVWPHQWFDOFXODWHGLQ
WKHVDPHZD\DVLIWKH,QYHVWPHQW0DQDJHURI$[DJLR,,,ZDVDQLQGHSHQGHQWWKLUGSDUW\

24. NON-CONSOLIDATION

7KHVHILQDQFLDOVWDWHPHQWVKDYHEHHQSUHVHQWHGLQXQFRQVROLGDWHGIRUPDW,Q6HSWHPEHUWKH&RPSDQ\SXUFKDVHGDQLQYHVWPHQW
LQ5060VHFXULWLHV1R3&6HULHV1616·LQWKHRSLQLRQRIWKHLUHFWRUVWKH&RPSDQ\GRHVQRWFRQWURO16
DVGHILQHGE\,6&RQVROLGDWHGDQG6HSDUDWH)LQDQFLDO6WDWHPHQWVDQG6,&RQVROLGDWLRQ6SHFLDO3XUSRVH(QWLWLHVDVLW
LVQRWHQWLWOHGWRUHFHLYHWKHPDMRULW\RIWKHUHZDUGVRFFXUULQJLQ16QRULVLWH[SRVHGWRWKHPDMRULW\RIWKHULVNVDVVRFLDWHGZLWK
16$FFRUGLQJO\WKH&RPSDQ\LVUHTXLUHGWRDFFRXQWIRULWVLQYHVWPHQWLQ16XQGHU,$6)LQDQFLDO,QVWUXPHQWV5HFRJQLWLRQ
DQG0HDVXUHPHQW·

$WWKHGDWHRISUHSDUDWLRQRIWKH&RPSDQ\·VLQWHULPILQDQFLDOVWDWHPHQWVZKLFKZHUHDOVRSUHVHQWHGLQXQFRQVROLGDWHGIRUPDW
LWZDVEHOLHYHGWKDWWKH&RPSDQ\ZRXOGEHUHTXLUHGWRSUHVHQWLWVDQQXDOILQDQFLDOVWDWHPHQWVWR-XOLQFRQVROLGDWHGIRUPDW
+RZHYHUVXEVHTXHQWDQDO\VLVRIWKHUHOHYDQWIHDWXUHVXQGHUWKHPDUNHWFRQGLWLRQVH[LVWLQJDVDWWKHSXUFKDVHGDWHGHWHUPLQHGWKDW
WKH&RPSDQ\LVUHTXLUHGWRSUHVHQWLWVDQQXDOILQDQFLDOVWDWHPHQWVWR-XOLQXQFRQVROLGDWHGIRUPDW

7KHUHDUHQRRWKHU63(VZLWKZKLFKWKH&RPSDQ\LVDVVRFLDWHGWKDWZRXOGUHTXLUHFRQVROLGDWLRQDQGWKHLUHFWRUVDUHQRWDZDUHRIDQ\
RIIEDODQFHVKHHWH[SRVXUHVUHODWHGWRWKH&RPSDQ\·VDVVRFLDWLRQZLWK63(V

25. COMMITMENTS

7KH&RPSDQ\KDVHQWHUHGLQWRD6XEVFULSWLRQ$JUHHPHQWZLWK7HQQHQEDXP2SSRUWXQLWLHV)XQG97HQQHQEDXP8QGHUWKH6XEVFULSWLRQ
$JUHHPHQWWKH&RPSDQ\KDVDJUHHGWRSXUFKDVH86RIWKH3DUWQHUVKLSLQWHUHVWVSULRUWR$XJXVWWKH6XEVFULSWLRQ3HULRGDQG
KDVDJUHHGWRPDNHFDSLWDOFRQWULEXWLRQVDVVSHFLILHGE\7HQQHQEDXPIURPWLPHWRWLPHRQFHXWLOLVHGRUGUDZGRZQGDWHV$WDW-XO\
WKH&RPSDQ\KDGPDGHFDSLWDOFRQWULEXWLRQVRI86DQGWKHUHIRUHWKHUHZDVDFRPPLWPHQWDWWKDWGDWH WRPDNHIXUWKHUFDSLWDO
FRQWULEXWLRQVRI86EHIRUH$XJXVW

26. POST BALANCE SHEET EVENTS

6LQFHWKHHQGRIWKHODVWÀQDQFLDOHDUHQGHG-XOFUHGLWPDUN HWVKDYHEHHQVKDNHQEVWURQJQHJDWLYHRXWÁRZVDQGVLJQLÀFDQW FUHGLWGHWHULRUDWLRQLQPRVWRIWKHDUHDVRI0DQ'OHYHUDJHGLQYHVWRUVKDYHFRQWLQXHGWREHIRUFHGWRGHOHYHUDJHDQGIXUWKHUZLGHQLQJ GLVFRXQWPDUJLQRFFXUUHG,QSDUWLFXODUWKHDVVHWFODVVHVWDUJHWHGEWKH&RPSDQKDYHFRQWLQXHGWREHGUDZQEWKHGRZQZDUG PDUNWRPDUNHWVSLUDO

CORPORATE CREDIT

7KHIDLOXUHRI%,6SHFLDOWHPEHUKDGDVLJQLÀFDQWDQGGLUHFWLPSDFWRQWKUHHDVVHWVRIWKH&RPSDQ$,$$,$,DQG-D],, FRQVWLWXWLQJRIWKH&RPSDQ\VHQGRI$XJXVW7KHVHWKUHHDVVHWVKDGGLUHFWHSRVXUHWRWKHVHQLRUGHEWRI%DQGWKH PDUNWRPDUNHWYDOXHRIWKRVHDVVHWVIHOOIURPPLOOLRQDVRIWKHHQGRI$XJXVWWRPLOOLRQDVRIWKHHQGRI6HSWHPEHU

7DNLQJLQWRDFFRXQWWKHÀQDOUHFRYHUL%,(XURGHQRPLQDWHG6HQLRU8QWKHVLWXDWLRQRIWKHVHWKUHHDVVHWVDVRI 2FWREHUZDVDVIROORZV

-
-
-

ABS

\$UHJDUGVWKH&RPSDQ\VHSRVXUHWR8.UHVLGXDOSRVLWLRQVRQHRIWKH8.QRQFRQIRUPLQJUHVLGXDORZQHGE9ROWD(XURVDLO LVGLUHFWOIDIIHFWHGEWKHIDLOXUHRI%WKURXJKLWVVHUYLFHU&DSVWRQHDVXEVLGLDURI%WKDWVWDQGVRXWVLGHWKHEDQNUXSWF SHULPHWHUDQGWKURXJKVZDSDJUHHPHQWVFRQFOXGHGZLWK/HKPDQ%URWKHUV6SHFLDO)LQDQFLQJ,QF%DVXEVLGLDURI%WKDW LVDOVRLQGHIDXOW

(YHQLIWKHVHUYLFHULVQRWLWVHOIWRXFKHGEWKHEDQNUXSWFRI%(XURVDLOZLOOKDYHWRVXEVWLWXWH%DVWKHFRXQWHUSDUWRIPRVW RIWKHVZDSVWKDWDUHLQSODFHLQVLGHWKHVWUXFWXUH7KHFRVWVRIVXEVWLWXWLRQPDKDYHDQLPSDFWWKDWFRXOGEHPDWHULDORQWKHFDVKÁZV WKDWDUHGXHWR9ROWD

CDO

\$UHJDUGVWKH&RPSDQ\VSRVLWLRQVLQUHVLGXDOWUDQFKHVRI&'2VWKHUHLVQRGLUHFWVLJQLÀFDQWLPSDFWIURPWKH%IDLOXUHJLYHQWKDW WKHVHDVVHWVKDYHQRGLUHFWHSRVXUHWRWKHGHIDXOWLQJFRPSDQ\+RZHYHUWKHUHPLJKWEHVRPHLQGLUHFWHIIHFWV2QHGHDOLJKWSRLQW ZDVPDQDJHGE\%%VXEVLGLDUWKDWLVFXUUHQWORXWRIWKHEDQNUXSWFSHULPHWHU7KLVPDQDJHULVHSHFWHGWREHSXUFKDVHGE DQRWKHUHSHULHQFHGORDQPDQDJHUZLWKRQOPLQRULPSDFWRQWKH&RPSDQ\VSRVLWLRQVDQG7KH&RPSDQUHFHLYHGRQJRLQJ SULFLQJGDWDZLWKUHVSHFWWRWKUHHGHDOVKHOGE9ROWD\$DJLR,,,/LJKWSRLQWDQG%UXOO\$WKHWLPHRIZULWLQJWKLVUHSRUWDQRWKHU FRXQWHUSDUWKDVDJUHHGWRSURYLGHPRQWKOSULFHVRQWKHVHFXULWLHVLVVXHGEWKRVHGHDOV

\$RXWOLQHGDERYHIROORZLQJWKH%GHIDXOWDQGWKHFRQVHTXHQFHVRIWKHÀQDQFLDOFULVLVWRWKHRYHUDOOHFRQRPGHIDXOWUDWHVVKRXOG LQFUHDVHVLJQLÀFDQWO7KLVFRXOGLQWXUQGYHUVHOIDIIHFWWKH&RPSDQ\VLQYHVWPHQWV+RZHYHUFRQVLGHULQJWKHGHWHUPLQDWLRQRIWKH FRXQWULHVWRDFNQRZOHGJHWKLVFULVLVVXFKDVFHQDULRFRXOGEHPLWLJDWHG7KH,QYHVWPHQW0DQDJHUZLOOPRQLWRUWKHVLWXDWLRQDQGWKHLPSDFW RQWKH&RPSDQ\VLQYHVWPHQWV

OPEN FORWARD FOREIGN EXCHANGE CONTRACTS

)ROORZLQJWKHUHFHQWDSSUHFLDWLRQRIWKH86'ROODUDJDLQVWWKH(XURWKH&RPSDQKDVSRVWHGDWRWDORIPLOOLRQRIFROODWHUDOWRWKH FRXQWHUSDUWZLWKZKLFKWKH&RPSDQKDVHQWHUHGLQWRFXUUHQFVZDSVIRUWKHSXUSRVHRIKHGJLQJWKHFXUUHQFULVNRILWV86'ROODULQYHVWPHQWV

CURRENT OUTLOOK

7KHVLJQLÀFDQWGLIÀFXOWLHVWKDWPRVWEDQNVDUHIDFLQJLQGHYHORSHGFRXQWULHVZLOOFRQWLQXHWREULQJDORWRIXQFHUWDLQWLHVDVWKH GLIILFXOWLHVQRZVSUHDGWRWKHUHVWRIWKHHFRQRP7KHHFRQRPLFZHDNQHVVHSHFWHGIRUWKHFRPLQJTXDUWHUVZLOODIIHFWPRVW RILQGXVWULHVWRYDULRXVGHJUHHVHIDXOWUDWHVDUHHSHFWHGWRLQFUHDVHDQGWKHXQFHUWDLQWDVWRWKHOHYHODWZKLFKFRUSRUDWHGHIDX UDWHVZLOOFXOPLQDWHLQWKHFRPLQJHDUVFUHDWHVXQFHUWDLQWRQWKHGLIIHUHQWVWUXFWXUHGFUHGLWPDUNHWVWUDGLQJDVVHWVEHWKLQWHUPVRIWKH PDUNWRPDUNHWYDOXHDQGHSHFWHGFDVKÁZV

+RZHYHUJLYHQWKHGHWHUPLQDWLRQRIWKHDXWKRULWLHVWRDFNQRZOHGJHWKLVFULVLVVXFKDFKDOOHQJLQJHQYLURQPHQWPDSURYLGHLQYHVWPHQW RSSRUWXQLWLHVVSHFLÀFDOOIRUDFRPSDQVXFKDV9ROWD)LQDQFHWKDWGRHVQRWIDFHUHÀQDQFLQJULVNGXHWRWKHHFHVVRIVHOOHUVRYHU EXHUVLQVRPHPDUNHWVHJPHQWVDQGIRUFHUWDLQWSHRIDVVHWVSDUWRIWKHLQFUHDVHLQGLVFRXQWPDUJLQFDQEHFRQVLGHUHGDVKDYLQJ RYHUVKRWWKHLQFUHDVHLQULVNSUHPLXPEDVHGRQREMHFWLYHFUHGLWIXQGDPHQWDOV/LTXLGLWLVVXHVDVZHOODVXQFHUWDLQWDERXWPDWXULW\ RUUDWLQJPHWKRGRORJDUHQRZPXFKPRUHSULFHGLQWKDQWKHZHUHDIHZTXDUWHUVDJR

7KH,QYHVWPHQW0DQDJHUZLOOFRQWLQXHWRFORVHOPRQLWRUWKHLPSDFWRIWKHFXUUHQWFULVLVRQWKH&RPSDQ\VLQYHVWPHQWVFRQVLGHULQJWKDWWKH YRODWLOLWLQWKHVWUXFWXUHGÀQDQFHPDUNHWVDVZHOODVLQFUHGLWPDUNHWVLVOLNHOWRODVW7KH&RPSDQSUHIHUVPDLQWDLQLQJFDVKLQLWVSRUWIROLR DQGZDLWLQJIRUPRUHYLVLELOLWEHIRUHVHOHFWLQJLQYHVWPHQWRSSRUWXQLWLHVDVWKHIDLUYDOXHLQWKHPLGVWRIVXFKWXUEXOHQWPDUNHWFRQGLWLRQV

DISTRIBUTION INCOME CALCULATION (UNAUDITED)

FOR THE YEAR ENDED 31 JULY 2008

CALCULATION

	31 July 2008 €	-XO\
Net IFRS loss per the Income Statement	**(70,599,501)**	
$GGLPSDLUPHQWORVVHVRQDYDLODEOHIRUVDOHVHFXULWLHVSHUWKH,QFRPH6WDWHPHQW	**41,813,016**	—
[illegible]		
[illegible]	**(37,338,688)**	—
[illegible]	**44,112,228**	
/HVVLPSDLUPHQWORVVHVRQWKH,)56IRUWKHSXUSRVHRIGHWHUPLQLQJWKHGLVWULEXWLRQ,QFRPH	**(56,955,070)**	—
[illegible]	**(2,436,558)**	
$GGHIIHFWLYHLQFRPHRQWKH,)56IRUWKHSXUSRVHRIGHWHUPLQLQJWKHGLVWULEXWLRQ,QFRPH	**4,434,637**	
$GGQHWXQUHDOLVHGORVVRQILQDQFLDODVVHWVDWIDLUYDOXHWKURXJKSURILWRUORVV	**9,430,675**	
$GGOHVVIRUHLJQH[FKDQJHJDLQVORVVHVQHWRIKHGJLQJJDLQVORVVHV	**9,323,936**	
Distribution Income	**(57,915,325)**	

OBJECTIVES

7KHQHWLQFRPHRIWKH&RPSDQ\HVWDEOLVKHGXQGHU,)56DPRQJVWRWKHULWHPVWDNHVLQWRDFFRXQWJDLQVDQGORVVHVDULVLQJRQWKH GLVSRVDORILQYHVWPHQWVJDLQVDQGORVVHVDULVLQJRQWKHUHYDOXDWLRQRILQYHVWPHQWVFODVVLILHGDVEHLQJKHOGDWIDLUYDOXHWKURXJKWKH ,QFRPH6WDWHPHQWLQFOXGLQJGHULYDWLYHILQDQFLDOLQVWUXPHQWVDQGORVVHVGXHWRWKHLPSDLUPHQWRILQYHVWPHQWV,WDOVRLQFOXGHVIRUHLJQ H[FKDQJHJDLQVDQGORVVHVLQUHVSHFWRIWKHVHLWHPV7KH&RPSDQ\REWDLQVLWVH[SRVXUHWRFHUWDLQFODVVHVRILQYHVWPHQWVWKURXJKWKH XVHRIGHULYDWLYHILQDQFLDOLQVWUXPHQWV,QDFFRUGDQFHZLWK,)56FKDQJHVLQWKHIDLUYDOXHRIVXFKLQVWUXPHQWVDUHLQFOXGHGLQWKH &RPSDQ\V,QFRPH6WDWHPHQW

*LYHQWKHQDWXUHRIWKH&RPSDQ\VLQYHVWPHQWVDQGLWVLQYHVWPHQWREMHFWLYHVWKH%RDUGKDVFRQFOXGHGWKDWLQGHWHUPLQLQJWKHDPRXQW RIGLVWULEXWDEOHLQFRPHLQUHVSHFWRIWKHVHLWHPVLWVKRXOGWDNHLQWRDFFRXQWFKDQJHVLQWKHIDLUYDOXHRIGHULYDWLYHSRVLWLRQVWKDW LWGHWHUPLQHVVKRXOGEHFKDUDFWHULVHGDVLQWHUHVWLQFRPHDQGLWLVQRWDSSURSULDWHWRLQFOXGHJDLQVDQGORVVHVGXHWRWKHGLVSRVDORILQYHVWPHQWVDQGEXWUHDOLVHGORVVHV DQGLPSDLUPHQWORVVHVEXWRQO\WRWKHH[WHQWWKDWVXFKORVVHVDUHLQWKH%RDUGVYLHZUHSUHVHQWDWLYHRIDGHFUHDVHLQWKHFDVKIORZV H[SHFWHGWREHUHFHLYHGIURPWKHLQYHVWPHQWDQGQRWIRUH[DPSOHDWWULEXWDEOHWRLQFUHDVHVLQPDUNHWUDWHVDQGGLIIHUDVVHWV ZKHUHWKHFDVKIORZVDUHKHGJHGDQGVRUWLRQRIJDLQRUORVVUHDOLVHGRUXQUHDOLVHGRQWKHUHODWHGKHGJLQJLQVWUXPHQWLQVRIDUDVVXFK JDLQRUORVVUHODWHVWRLQWHUHVWLQFRPHRUDQLPSDLUPHQWORVVRQWKHDVVHW

DEFINITION

LVWULEXWLRQ,QFRPHZLOOEHIRUDQUHOHYDQWFDOFXODWLRQSHULRGEDVHGRQWKHQHWLQFRPHUHSRUWHGLQWKH&RPSDQ\V,QFRPH6WDWHPHQW SUHSDUHGLQDFFRUGDQFHZLWK,)56EXWZLOOH[FOXGH

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DEFINITION (CONTINUED)

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REPORTING

,QDGGLWLRQWRWKHGLVFORVXUHVUHTXLUHGE))56WKH&RPSDQ\ZLOOGLVFORVHLQLWVVHPLDQQXDODQGDQQXDOÀQDQFLDOVWDWHPHQWVDFDOFXODWLRQRI LVWULEXWLRQ,QFRPHLQFOXGLQJDDQDQDOVLVRIWKHQHWJDLQVRUORVVHVRQGHULYDWLYHÀQDQFLDOLQVWUXPHQWVGLVWLQJXLVKLQJEHWZHHQLQWHUHV LLDQGORVVHVDWWULEXWDEOHWRWKHLPSDLUPHQWRIUHIHUHQFHDVVHWVDQGLLLRWKHUJDLQVDQGORVVHVEDQDQDOVLVRIDQLPSDLUPHQWORVVHV FDOFXODWHGRQDIDLUYDOXHEDVLVDQGRQDQDPRUWLVHGFRVWEDVLVDQGFDQDQDOVLVRILQFRPHIURPLPSDLUHGDVVHWVLQH[FHVVRIWKHDPRXQW ZKLFKZRXOGEHFDOFXODWHGRQDQDPRUWLVHGFRVWEDVLV

IMPAIRMENT

,QDVVHVVLQJLPSDLUPHQWIRUWKHSXUSRVHVRIGHWHUPLQLQJLVWULEXWLRQ,QFRPHWKH&RPSDQ\ZLOOUHYLHZRUFDXVHWKH,QYHVWPHQW 0DQDJHUWRUHYLHZRQDVHPLDQQXDOEDVLVDVHWRIDVVXPSWLRQVHJ GHIDXOWUDWHVSUHSD\PHQWUDWHVUHFRYHU\UDWHVIRUHDFKDVVHW ZKLFKDVVXPSWLRQVWKH3URMHFWHG&DVK)ORZ$VVXPSWLRQVDUHXVHGWRGHWHUPLQHWKHH[SHFWHGFDVKÁRZVIURPVXFKDVVHWDQG FRPSDUHWKRVHDVVXPSWLRQVZLWKWKHDVVXPSWLRQVWKDWZHUHXVHGWRGHWHUPLQHWKHHIIHFWLYHLQWHUHVWUDWHRIWKHDVVHWDWWKHWLP SXUFKDVH)RUWKHDYRLGDQFHRIGRXEWWKHGLVFRXQWUDWHZLOOEHWKHHIIHFWLYHLQWHUHVWUDWHRIWKHDVVHWDWWKHWLPHRISXUFKDVHRIDQ\DVVHW7KHVHDVVXPSWLRQV ZLOOEHRUZLOOKDYHEHHQJHQHUDWHGEWKH,QYHVWPHQW0DQDJHU

7KH&RPSDQ\ZLOOXVHUHDVRQDEOHHQGHDYRXUVWRREWDLQRQDVHPLDQQXDOEDVLVDFRQÀUPDWLRQIURPDQLQGHSHQGHQWWKLUGSDUWWKDWWKH 3URMHFWHG&DVK)ORZ$VVXPSWLRQVIRUHDFKDVVHWDUHUHDVRQDEOH7KH,QYHVWPHQW0DQDJHUKDVDJUHHGLQWKH,QYHVWPHQW0DQDJHPHQW $JUHHPHQWWKDWZKHUHWKHLQGHSHQGHQWWKLUGSDUW\KDVDYLHZWKDWGLIIHUVIURPWKDWRIWKH,QYHVWPHQW0DQDJHUWKH,QYHVWPHQW0DQDJHU ZLOOFRQVXOWZLWKWKDWSDUWWRGHWHUPLQHWKHVRXUFHRIWKHGLVDJUHHPHQWDQGZLOOWKHQGHWHUPLQHZKHWKHUVXFKGLIIHUHQFHVFDQEH UHVROYHGDQGUHSRUWLWVÀQGLQJVWRWKH&RPSDQ\:KHQDQGZKHUHUHTXLUHGWKH&RPSDQ\KDVUHFHLYHGFRQÀUPDWLRQIURPDQLQGHSHQGHQW WKLUGSDUWWKDWDVRI-XOWKH3URMHFWHG&DVK)ORZ$VVXPSWLRQVIRUHDFKDVVHWDUHUHDVRQDEOH:KHUHWKH&RPSDQ\LVQRWDEOH WRDWWDLQVXFKWKLUGSDUWFRQÀUPDWLRQLWZLOOGLVFORVHWKDWIDFWLQLWVQH[WVHPLDQQXDOUHSRUW

NOTICE OF MEETING

VOLTA FINANCE LIMITED

$FORVHGHQGHGOLPLWHGOLDELOLW\FRPSDQ\LQFRUSRUDWHGLQ*XHUQVH\RQ2FWREHUXQGHUWKH&RPSDQLHV*XHUQVH\/DZ ZLWKUHJLVWHUHGQXPEHUDQGUHJLVWHUHGZLWKWKH'XWFK$XWKRULW\IRUWKH)LQDQFLDO0DUNHWVWKH&RPSDQ\µ

NOTICE OF THE SECOND ANNUAL GENERAL MEETING OF THE COMPANY

,QDFFRUGDQFHZLWKWKH&RPSDQ\V\$UWLFOHVRI,QFRUSRUDWLRQQRWLFHLVKHUHE\JLYHQWKDWWKHVHFRQG\$QQXDO*HQHUDO0HHWLQJRIWKH &RPSDQ\ZLOOEHKHOGDWWKH&RPSDQ\VUHJLVWHUHGRIILFH)LUVW)ORRU\RUH&RXUW\$PLUDO3DUN6W3HWHU3RUW*XHUQVH* &KDQQHO,VODQGVDWDPRQGRQWLPHRQ1RYHPEHU

AGENDA

ORDINARY BUSINESS:

7RDGRSWWKHDXGLWHGILQDQFLDOVWDWHPHQWVRIWKH&RPSDQ\IRUWKH\HDUHQGHG-XO\LQFOXGLQJWKHUHSRUWVRIWKH'LUHFWRUVDQG WKH\$XGLWRUVWKH\$FFRXQWVµ

7RUHDSSRLQW.30*&KDQQHO,VODQGV/LPLWHGRI1HZ6WUHHW6W3HWHU3RUW*XHUQVH\DVWKH&RPSDQ\V\$XGLWRUVWRKROGRIILFHXQWLO WKHFRQFOXVLRQRIWKHQH[W\$QQXDO*HQHUDO0HHWLQJ

7RUHHOHFW-RDQ0XVVHOEURRNDVDQ,QGHSHQGHQW'LUHFWRURIWKH&RPSDQ\IRUDWHUPRIRQH\HDU

7RUHHOHFW&KULVWLDQ-LPHQH]DVDQ,QGHSHQGHQW'LUHFWRURIWKH&RPSDQ\IRUDWHUPRIWKUHH\HDUV

7RUHHOHFW&KULVWRSKHPDLQDVD&ODVV%'LUHFWRURIWKH&RPSDQ\IRUDWHUPRIWKUHH\HDUV7KHKROGHURIWKH&ODVV%6KDUH LVHQWLWOHGWRHOHFWDVLQJOH'LUHFWRUWRWKH&RPSDQ\V%RDUGRI'LUHFWRUV3OHDVHUHIHUWRQRWHEHORZ

7RUHHOHFW3DXO9DURWVLVDVDQ,QGHSHQGHQW'LUHFWRURIWKH&RPSDQ\IRUDWHUPRIWZR\HDUV

7RIL[WKHUHPXQHUDWLRQRIWKH'LUHFWRUVRIWKH&RPSDQ\XQWLOWKHFRQFOXVLRQRIWKHQH[W\$QQXDO*HQHUDO0HHWLQJDVIROORZV VXFKUHPXQHUDWLRQEHLQJXQFKDQJHGIURPWKHOHYHOVHWRXWLQWKH&RPSDQ\V,323URVSHFWXVRI'HFHPEHUDVDPHQGHGE\ WKH3URVSHFWXV6XSSOHPHQWRI'HFHPEHU

7KH&KDLUPDQLVWRUHFHLYHDQDQQXDOIHHRI(DFKRIWKHRWKHU'LUHFWRUVWRUHFHLYHDQDQQXDOIHHRILQHDFKFDVH SD\DEOHTXDUWHUO\LQHTXDOLQVWDOPHQWVLQDUUHDUVSOXVLQHDFKFDVHDQDGGLWLRQDOIHHRISHUPHHWLQJIRUHDFKRIWKHILUVW IRXUPHHWLQJVRIWKH%RDUGDWWHQGHGLQSHUVRQE\VXFK'LUHFWRULQDQ\ILQDQFLDO\HDU (DFK'LUHFWRULVWRUHFHLYHRIKLVRUKHU 'LUHFWRUVIHHLQUHVSHFWRIDQ\HDULQWKHIRUPRIQHZO\LVVXHGRUGLQDU\VKDUHVDWDVKDUHSULFHHTXDOWRWKHDYHUDJHSHUVKDUH FORVLQJSULFHRIWKH&RPSDQ\VRUGLQDU\VKDUHVRQ(XURQH[W\$PVWHUGDPRYHUWKHFRQVHFXWLYH(XURQH[W\$PVWHUGDPWUDGLQJGD\V SUHFHGLQJWKHGDWHRILVVXDQFHRIWKHUHOHYDQWVKDUHV7KH'LUHFWRUVDUHREOLJHGWRUHWDLQWKRVHVKDUHVIRUDSHULRGRIQROHVVWKDQ VL[PRQWKVIURPWKHUHVSHFWLYHGDWHRILVVXDQFH

7RDSSURYHWKHUHPXQHUDWLRQRIWKH\$XGLWRUVRIWKH&RPSDQ\LQUHVSHFWRIWKH&RPSDQ\VILQDQFLDO\HDUHQGHG-XO\RI SOXVGLVEXUVHPHQWVDQGWRDXWKRULVHWKH%RDUGWRQHJRWLDWHDQGIL[WKHUHPXQHUDWLRQRIWKH\$XGLWRUVLQUHVSHFWRIWKH \HDUHQGLQJ-XO\

7RDSSURYHDILQDOGLYLGHQGIRUWKHSHULRGHQGHG-XO\LQUHVSHFWRIWKH&RPSDQ\VRUGLQDU\VKDUHVRISHUVKDUH DVGHFODUHGE\WKH%RDUGRQ2FWREHUDQGWRDSSURYHWKHGLYLGHQGSD\PHQWGDWHRI'HFHPEHU

SPECIAL BUSINESS:

7RDSSURYHWKDWWKH0HPRUDQGXPDQG\$UWLFOHVRI,QFRUSRUDWLRQRIWKH&RPSDQ\EHDPHQGHGDVIROORZV

L \$OOUHIHUHQFHLQWKH0HPRUDQGXPDQG\$UWLFOHVRI,QFRUSRUDWLRQWR

WKH0HPRUDQGXPRI\$VVRFLDWLRQVKDOOEHGHHPHGWREHDUHIHUHQFHWRWKH0HPRUDQGXPRI,QFRUSRUDWLRQµ

WKH\$UWLFOHVRI\$VVRFLDWLRQVKDOOEHGHHPHGWREHDUHIHUHQFHWRWKH\$UWLFOHVRI,QFRUSRUDWLRQµ

7KH&RPSDQLHV*XHUQVH\/DZVWR\$UH7KH&RPSDQLHV)LQDQFLDO\$VVLVWDQFHIRUWKH\$FTXLVLWLRQRI2ZQ6KDUHV 2UGLQDQFHVKDOOEHGHHPHGWREHDUHIHUHQFHWR7KH&RPSDQLHV*XHUQVH\/DZµ

DVSHFLILFVHFWLRQRUVHFWLRQVRI7KH&RPSDQLHV*XHUQVH\/DZVKDOOEHGHHPHGWREHDUHIHUHQFHWRWKH FRUUHVSRQGLQJVHFWLRQRUVHFWLRQVRI7KH&RPSDQLHV*XHUQVH\/DZ

LL 7KH0HPRUDQGXPRI,QFRUSRUDWLRQEHDPHQGHGE\

GHOHWLQJWKHH[LVWLQJFODXVHVDQG

LQVHUWLQJDQHZFODXVHDVIROORZV

7KH&RPSDQ\LVDQRQFHOOXODUFRPSDQ\ZLWKLQWKHPHDQLQJRI6HFWLRQRI7KH&RPSDQLHV*XHUQVH\/DZµ

LQVHUWLQJDQHZFODXVHDVIROORZV

7KH&RPSDQ\PD\PDNHRUDOWHU

DQ\SURYLVLRQLQWKH0HPRUDQGXPUHODWLQJWRDQ\PDWWHUPHQWLRQHGLQ6HFWLRQRI7KH&RPSDQLHV*XHUQVH\/DZ E\VSHFLDOUHVROXWLRQDQG

DQ\RWKHUSURYLVLRQLQWKH0HPRUDQGXPLQWKHPDQQHUSUHVFULEHGE\WKH/DZµ

NOTICE OF MEETING CONTINUED

NOTES

7KH&RPSDQ\VDQQXDOUHSRUWDQGDFFRXQWVZLOOEHSXEOLVKHGRQ2FWREHU

&RSLHVRIWKH&RPSDQ\V0HPRUDQGXPDQG$UWLFOHVRI$VVRFLDWLRQDQGLWVDQQXDOUHSRUWDUHDYDLODEOHIRULQVSHFWLRQDWWKH &RPSDQ\VUHJLVWHUHGRIILFHGXULQJQRUPDOEXVLQHVVKRXUVDQGDUHDYDLODEOHRQUHTXHVWIUHHRIFKDUJHIURPWKH&RPSDQ\6HFUHWDU\ 0RXUDQW*XHUQVH\/LPLWHG)LUVW)ORRU0RUH\+RXVH$PLUDO3DUN6W3HWHU3RUW*XHUQVH\(PDLOYROWD#PRXUDQWFRP DQGIURPWKH/LVWLQJ$JHQW,1*%DQN19DQ+HHQYOLHWODDQ$PVWHUGDP7KH1HWKHUODQGVRUIURPWKH&RPSDQ\V ZHEVLWHZZZYROWDILQDQFHFRP

,QYHVWRUVKROGLQJVKDUHVYLDDQDGPLWWHGLQVWLWXWLRQRI(XURFOHDU1HGHUODQGZKRZLVKWRDWWHQGRUWRH[HUFLVHWKHYRWLQJULJKWV DWWDFKHGWRWKHVKDUHVDWWKH\$QQXDO*HQHUDO0HHWLQJVKRXOGFRQWDFWWKHLUDGPLWWHGLQVWLWXWLRQDVVRRQDVSRVVLEOH 2QO\WKRVHLQYHVWRUVKROGLQJVKDUHVYLDDQDGPLWWHGLQVWLWXWLRQRI(XURFOHDU1HGHUODQGDVDWSPRQGRQWLPHRQ 1RYHPEHUVKDOOEHHQWLWOHGWRDWWHQGRUH[HUFLVHWKHLUYRWLQJULJKWVDWWDFKHGWRVXFKVKDUHVDWWKH\$

7KHTXRUXPUHTXLUHPHQWVIRUWKHFRQGXFWRI2UGLQDU\%XVLQHVVDUHVHWRXWXQGHU\$UWLFOHRIWKH&RPSDQ\V\$UWLFOHVRI\$VVRFLDWLRQ DQGWKHTXRUXPUHTXLUHPHQWVIRUWKHFRQGXFWRI6SHFLDO%XVLQHVVDUHVHWRXWXQGHU\$UWLFOHV7KHFRQVLGHUDWLRQRI6SHFLDO %XVLQHVVUHTXLUHVDODUJHUTXRUXPWKDQIRU2UGLQDU\%XVLQHVV,QWKHHYHQWWKDWWKHUHH[LVWVDWWKHFRPPHQFHPHQWRIWKH\$ DTXRUXPIRU2UGLQDU\%XVLQHVVEXWQRTXRUXPIRU6SHFLDO%XVLQHVVWKLVVLWXDWLRQVKDOOQRWLPSHGHWKH\$IURPSURFHHGLQJWR FRQVLGHUWKH2UGLQDU\%XVLQHVVRQLWVRZQDQGSDVVLQJVXFKUHVROXWLRQVDULVLQJWKHUHIURP7KHSURJUHVVLRQRI6SHFLDO%XVLQHVV WKHUHDIWHUVKDOOEHGHDOWZLWKRQLWVRZQDQGLQDFFRUGDQFHZLWK\$UWLFOHV²

7KH&ODVV%6KDUHLVLGHQWLFDOWRWKH&RPSDQ\VRWKHURUGLQDU\YRWLQJVKDUHVH[FHSWWKDWWKH\$UWLFOHVRI\$VVRFLDWLRQRIWKH&RPSDQ\ FRQIHURQWKHKROGHURIWKH&ODVV%6KDUHWKHULJKWWRHOHFWRQHPHPEHUWRWKH&RPSDQ\V%RDUGRIGLUHFWRUVDQGWKHDIILUPDWLYHYRWH RIWKH&ODVV%6KDUHKROGHUZLOOEHUHTXLUHGWRDPHQGWKH\$UWLFOHVRI\$VVRFLDWLRQRIWKH&RPSDQ\WRUHPRYHRUPRGLI\WKLVVSHFLDO ULJKW0HPEHUVKLSLQZLOOEHWUHDWHGIRUWKLVSXUSRVHDVVHOHFWHGE\WKH&ODVV%6KDUHKROGHU

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MOURANT GUERNSEY LIMITED
COMPANY SECRETARY
29 OCTOBER 2008

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the design portfolio marketing services.
www.design-portfolio.co.uk

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