VOLTA FINANCE LIMITED

ANNUAL REPORT AND ACCOUNTS 2009

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

FORWARD-LOOKING STATEMENTS

This annual report includes statements that are, or may be considered, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “plans”, “expects”, “targets”, “aims”, “intends”, “may”, “will”, “can”, “can achieve”, “would” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this annual report, including in the Chairman’s Statement. They include statements regarding the intentions, beliefs or expectations of the Company or the Investment Manager concerning, among other things, the investment objectives and investment policies, financing strategies investment performance, results of operation, financial condition, liquidity prospects, dividend policy and targeted dividend levels of the Company, the development of its financing strategies, and the development of the markets in which it, directly and through special purpose vehicles, will invest in and issue securities and other instruments. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual investment performance, results of operations, financial condition, liquidity, dividend policy and dividend payments and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the investment performance, results of operations, financial condition, liquidity, dividend policy and dividend payments of the Company and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause differences include, but are not limited to, changes in economic conditions generally and in the structured finance and credit markets particularly; fluctuations in interest and currency exchange rates, as well as the degree of success of the Company’s hedging strategies in relation to such changes and fluctuations; changes in the liquidity or volatility of the markets for the Company’s investments; declines in the value or quality of the collateral supporting many of the Company’s investments; legislative and regulatory changes and judicial interpretations; changes in taxation; the Company’s continued ability to invest its cash in suitable investments on a timely basis; the availability and cost of capital for future investments; the availability of suitable financing; the continued provision of services by the Investment Manager and the Investment Manager’s ability to attract and retain suitably qualified personnel; and competition within the markets relevant to the Company.

These forward-looking statements speak only as at the date of this annual report. Subject to its legal and regulatory obligations (including under the rules of Euronext Amsterdam), the Company expressly disclaims any obligations to update or revise any forward-looking statement (whether attributed to it or any other person) contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

The Company qualifies all such forward-looking statements by these cautionary statements.

KEY POINTS 2009

- NET ASSET VALUE ("NAV") OF €58.4 MILLION (€1.93 PER SHARE) AT 31 JULY 2009
- A PROPOSED DIVIDEND OF €0.10 PER SHARE FOR THE HALF-YEAR PERIOD FROM 1 FEBRUARY 2009 TO 31 JULY 2009
- DISTRIBUTION INCOME OF THE COMPANY FOR THE FINANCIAL YEAR WAS NEGATIVE €125.5 MILLION, OR NEGATIVE €4.17 PER SHARE
- NET LOSS OF THE COMPANY FOR THE FINANCIAL YEAR WAS €97.7 MILLION, OR €3.25 LOSS PER SHARE, TAKING INTO ACCOUNT THE RECOGNITION OF IMPAIRMENTS ON FOURTEEN CLOs[1], THE FURTHER DECLINE IN VALUE OF THE SIX UK NON-CONFORMING ABS[2] AND THE MARK-TO-MARKET LOSSES OF ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS AND DERIVATIVE FINANCIAL INSTRUMENTS
- THE INVESTMENTS HELD BY THE COMPANY GENERATED €20.7 MILLION OF CASH OVER THE FINANCIAL YEAR
- OVER THE FINANCIAL YEAR, THE INVESTMENT STRATEGY WAS MAINLY TO RETAIN CASH IN THE COMPANY WHILE AWAITING FOR MARKET STABILISATION BEFORE RESUMING TO INVEST. AS A CONSEQUENCE, THE CASH HOLDING WAS €27.7 MILLION AT THE FINANCIAL YEAR END REPRESENTING 47.4% OF THE NAV OF THE PORTFOLIO
- DURING THE FINANCIAL YEAR, THE SETTLEMENT OF INVESTMENTS WAS LIMITED TO €7.4 MILLION
- AS OF 31 JULY 2009, THE COMPANY HELD INVESTMENTS IN THREE UNDERLYING ASSET CLASSES (CDOs[3], CORPORATE CREDITS[4] AND ABS)
- THE COMPANY INTENDS TO CONTINUE EXPANDING ITS INVESTMENT HORIZON TO ASSETS THAT BENEFIT FROM LARGER CUSHIONS OF SUBORDINATION AND/OR LOWER LEVERAGE WITHIN ITS TARGET ASSET CLASSES. THE COMPANY INTENDS TO CONTINUE BEING VERY SELECTIVE WHEN PURSUING ITS INVESTMENT STRATEGY
- OPERATING EXPENSES AS A PERCENTAGE OF AVERAGE NAV FOR THE FINANCIAL YEAR ENDED 31 JULY 2009 WERE 4.53%
- THE RESULTS FOR THE FINANCIAL YEAR REFLECT TWO VERY DIFFERENT HALF-YEAR PERIODS. THE COMPANY MADE A LOSS OF €101.7 MILLION FOR THE SIX MONTH PERIOD ENDED 31 JANUARY 2009 AND A PROFIT OF €4.0 MILLION FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2009. AN UNAUDITED INCOME STATEMENT PRESENTING BOTH HALF-YEAR PERIODS IS SHOWN ON PAGE 47.

Definitions:
1 Collateralised Loan Obligations ("CLOs")
2 Asset-Backed Securities ("ABS")
3 Collateralised Debt Obligations ("CDOs")
4 Collateralised Synthetic Obligations ("CSOs" or "Corporate Credits")

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CORPORATE SUMMARY FOR THE YEAR ENDED 31 JULY 2009

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.

The Company was granted consent on 4 December 2006 to raise funds through the issue of shares under the Control of Borrowing (Bailiwick of Guernsey) Ordinances 1959, as amended. Under new rules that came into effect in 2008, the Company has elected to remain recognised as an authorised closed-ended collective investment scheme, rather than change to being treated as a registered collective investment scheme.

INVESTMENT OBJECTIVE

The Company's investment objectives are to seek to preserve capital and to provide a stable stream of income to its shareholders through dividends that it expects to distribute on a semi-annual basis. Subject to the risk factors that were described in the Company's IPO prospectus and the risk factors that are described in Note 22, it seeks to attain its investment objectives by pursuing a multi-asset class investment strategy. The current investment strategy focuses on direct and indirect investments in, and exposures to, a variety of assets selected for the purpose of generating cash flows for the Company. Whilst the Company's investment objectives remain unchanged, as stated in the Chairman's Statement and the Investment Manager's Report, considering the discount to par at which most of these assets may be purchased, part of the expected return for most of the future investments may come from backloaded cash flows corresponding to principal payments in addition to ongoing cash flows. The assets that the Company may invest in either directly or indirectly include, but are not limited to: 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 exposure to portfolios of Primary Underlying Assets. In this regard, the Company instructed AXA Investment Managers Paris (the "Investment Manager" or "AXA IM") to pursue the Company's investment strategy by concentrating on five principal target asset classes (the "Primary Target Asset Classes"), each of which is supported principally if not entirely by cash flows generated by Primary Underlying Assets including: Collateralised Synthetic Obligations ("CSOs" or "Corporate Credits"); Collateralised Debt Obligations ("CDOs"); Asset-Backed Securities ("ABS"); leveraged loans; and infrastructure assets. As at the year end, the Company held assets in its portfolio divided amongst three Primary Target Asset Classes: Corporate Credits; CDOs (all of which are exposed to leveraged loans); and ABS.

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 team of experts concentrating on the structured finance markets.

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 faster depending on the Company's Board decision. The Investment Manager informed the Board,

in June 2009, that it has agreed to amend the Investment Management Agreement to reflect its decision to abandon its rights to compensation for termination of its mandate whatever the reason for termination.

ASSET VALUES

At 31 July 2009, the Company's NAV was €58.4 million with the NAV per share amounting to €1.93. 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 2009 can be seen in the Balance Sheet on page 27 (Total shareholders' 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 2009 was €0.92 per share.

The average closing price of the Company's listed shares quoted on Euronext Amsterdam over the year ended 31 July 2009 was €0.86 per share.

PROVISIONAL FINANCIAL CALENDAR

26 October 2009	Announcement of results for the year ended 31 July 2009 and publication of the 2009 annual report
20 November 2009	Annual General Meeting
24 November 2009	Ex-dividend date
26 November 2009	Record date
3 December 2009	Dividend payment date

CHAIRMAN'S STATEMENT

The global financial crisis further reduced the value of the Company's assets during its third financial year ended 31 July 2009. The NAV declined over the period from €165.5 million as at 31 July 2008 to €58.4 million as at 31 July 2009 (€56.4 million at the end of the interim period as at 31 January 2009).

This annual period was marked by significant events that adversely affected the value of the Company. Impairments were recognised on thirteen residuals of CLOs following a review of the expected cash flows from these assets as at the end of January 2009 and again as at the end of July 2009. Two Corporate Credit assets also saw their expected cash flows revised significantly downwards as well as one out of the ten positions in mezzanine tranches of CLOs. The other nine positions in mezzanine tranches of CLOs, one Corporate Credit asset and two ABS, representing a total of 23.0% of the GAV, did not suffer any significant revision in the present value of their expected cash flows.

There was a loss of €97.7 million (or €3.25 loss per share) for the financial year ended 31 July 2009, compared to a loss of €70.6 million (or €2.35 loss per share) for the previous financial year ended 31 July 2008. The Distribution Income for the financial year ended 31 July 2009 was negative at €125.5 million (or negative €4.17 per share). It should be noted that the second half of the annual period from 1 February 2009 to 31 July 2009 generated a net profit of €4.0 million, reflecting an upturn in the performance of Volta's assets.

The investments held by the Company continued to generate cash flows: €20.7 million for the financial year ended 31 July 2009, compared with €37.2 million for the previous financial year ended 31 July 2008.

During the period, the Company made a full review of its expenses and succeeded in decreasing by 37% certain fees that were amounting close to €0.9 million on an annual basis, including Directors remuneration, audit fees and certain portfolio valuation fees. The full effect of this will be felt in the next financial year.

During the period, the Company's investment strategy was mainly to maintain cash available and to start investing opportunistically when the behaviour of structured finance assets became clearer during the last months of the financial year. During the financial year €7.4 million was used for new investments and to settle existing commitments on previous investments. As a result, €27.7 million was held in cash at the financial period year (47.4% of the NAV, or €0.92 per share).

At the end of the period the Company had no commitments to invest additional cash in existing investments.

DIVIDEND

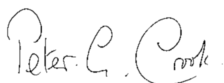
The Board of Directors of Volta Finance Limited has proposed a dividend of €0.10 per share which amounts to €3.0 million for the semi-annual period ended 31 July 2009. This is in addition to the €0.06 per share interim dividend paid in March 2009. The payment of any dividend by the Company is subject to the satisfaction of a solvency test as required by The Companies (Guernsey) Law, 2008.

OUTLOOK

At the time of writing, after the payment of the dividend and the payment of some other commitments, and after the purchase of various investments since 31 July 2009, the Company has nearly €15.0 million in cash available for investment. Considering the current economic situation and related lingering uncertainties, the Company will pursue its investment objectives through selective investments and will continue to adapt its investment strategy to the ongoing situation.

In accordance with the Investment Manager's advice, the Company intends to deploy its capital and is likely to favour assets that are expected to have ongoing stable cash flows in spite of the current economic situation. Whilst the Company's investment objectives remain unchanged, it might consider investments for which backloaded capital payments, are expected to form a significant portion of the anticipated total return.

The Company is fully committed to managing the situation in the best interests of its shareholders in these challenging conditions and, in the coming financial year, is hoping to achieve a portfolio of assets that could provide an improved return.



PETER CROOK
CHAIRMAN
19 OCTOBER 2009

INVESTMENT MANAGER'S REPORT

1. OVERVIEW

Volta Finance Limited closed the financial year ended 31 July 2009 with a NAV of €58.4 million, or €1.93 per share, down from €165.5 million, or €5.57 per share, for the previous annual period that ended on 31 July 2008. The end-of-period NAV increased slightly from the interim NAV of €56.4 million, or €1.87 per share, as of 31 January 2009.

The financial year can be broken down into two very different sub-periods: a first nine-month period during which prices decreased at the same time as fundamentals deteriorated and the second three-month period during which prices started, on average, to increase and credit fundamentals started to stabilise.

In June 2009, after having refrained from investing for an eight-month period, the Company resumed investing based on the consideration that the outlook for potential investments had sufficiently improved.

Overall, during the financial year, particularly harsh market conditions and a severe recession, characterised by a considerable increase in the number of household and corporate defaults, significantly affected the Company's assets both in mark-to-market value and in expected cash flow terms:

- Volta's Corporate Credit allocation has been impacted by three defaults (Lehman Brothers Holding Inc., Tribune Co. and Idearc Inc.); however consequences have widely varied from one asset to another;
- a majority of the 13 residual tranches of CLOs held by Volta have suffered partial or total diversion of cash flows due to an increase in default rates as well as an increase of the weight of CCC- or below-rated assets in the underlying loan portfolios; and
- the continuing deterioration in UK housing prices, combined with the fact that prepayment of probably the best underlying mortgages has already occurred, resulted in a downward revision of expected cash flows reflected by a decrease in the value of the six UK non-conforming residuals.

As at the end of July 2009, nine out of ten of the investments by the Company in mezzanine tranches of CLOs as well as one Corporate Credit asset and two ABS, representing 42.7% of the Company's end of July ex-cash GAV, continued to perform, despite highly discounted prices, and are currently expected to perform in line with what was expected at the time of purchase.

Taking into account the decreasing value of UK non-conforming residuals, the equity of CLOs and one of the mezzanine tranches of CLO, as well as the mark-to-market variation on other derivatives and embedded derivatives, the Company incurred a loss of €97.7 million (or €3.25 loss per share) for the financial year ended 31 July 2009. During the second half of the financial year the Company generated a net profit of €4.0 million.

Given the ongoing uncertainties in the markets and the prolonged downward spiral of structured finance asset prices that ended in April 2009, the Investment Manager decided:

- to overweight cash allocation throughout most of the period; and
- to limit re-investment to a small number of assets that could benefit from some level of subordination protection and that have exposure to diversified portfolios.

1. OVERVIEW (CONTINUED)

Over the period, the Company's investments generated €20.7 million of cash flows, and the Company purchased new investments for an aggregate cost of €4.0 million (excluding previous commitment). Since the end of the financial year the Company pursued its investment strategy in a period characterised by a better visibility and still satisfactory discounted yields.

The end of July 2009 prices reflected a difficult economic scenario. Despite the somewhat less uncertain economic environment, the value of Volta's assets is likely to continue being volatile, but the economic recovery that is taking place, if it continues, should allow the performance and the value of Volta's assets to improve.

An overview of the risks and uncertainties connected with the Company's business is available in Note 22 of the Notes to the Financial Statements.

2. INVESTMENTS

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

While Volta had initially focused on investments at the residual level, the significant widening of discount margins over the most recent quarters has enabled the Company to include in its investment perimeter assets benefiting from more subordination protection. In line with this development, the Company invested €4.0 million of cash in five assets over the course of the interim period ended 31 July 2009:

- €3.0 million was used in October 2008 to purchase two tranches of CLO initially rated BBB (Battalion CLO – Class D and Cheyne Credit Opportunity – Class IV);
- €0.8 million was used in June 2009 to purchase two tranches of CLOs, one initially rated AA- and one initially rated A (LFE – Series II and Adagio III – Class C);
- €0.2 million was used in April 2009 to buy a very short-term European ABS tranche (Abest) for cash management purposes.

In addition, €3.5 million was also used to settle commitments on Tennenbaum Opportunities Fund V. After the end of the annual period covered by this report there are no further funding commitments on previous investments.

It should be noted that, since the end of the financial year, and as of the time of writing this comment, the Company has invested €10.7 million in new assets.

In addition to re-investments effected by the Investment Manager, important variations in the relative performance of asset classes have significantly affected the Company's asset allocation since 31 July 2008. Although the Investment Manager pursues a diversified investment strategy, the relative market and credit performance of assets has led to a concentration of the Company's portfolio.

TABLE 2 – LIST OF CDO RESIDUAL HOLDINGS AS OF 31 JULY 2009

ISSUER	% GAV	DESCRIPTION OF INVESTMENT	DESCRIPTION OF UNDERLYING ASSET	MANAGER/ SERVICER	PRINCIPAL GEOGRAPHICAL EXPOSURE	ISIN	ARRANGING INSTITUTION
TENNENBAUM OPPORTUNITIES FUND V	12.24	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	TENNENBAUM	USA	N/A	WACHOVIA BANK
BATALLION CLO 2007-I LTD*	0.83	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	BRIGADE CAPITAL MANAGEMENT	USA	USG08887AA27	DEUTSCHE BANK
GOLDENTREE LOAN OPPORTUNITIES IV LTD*	0.65	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	GOLDEN TREE	USA	USG39607AC37	DEUTSCHE BANK
SANDS POINT FUNDING LTD*	0.57	RESIDUAL OF CLO	MIDDLE MARKET LOANS	GUGGENHEIM	USA	USG7800DAA93	DEUTSCHE BANK
OAK HILL EUROPEAN CREDIT PARTNERS II PLC*	0.25	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	OAK HILL	EUROPE	XS0300349700	DEUTSCHE BANK
CARLYLE HY PART IX*	0.24	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	CARLYLE MANAGEMENT	USA	KYG1908R1048	LEHMAN BROTHERS
LIGHTPOINT PAN-EUROPEAN CLO 2006 PLC*	0.20	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	LIGHTPOINT	EUROPE	XS0282169803	CREDIT SUISSE
GALAXY VII CLO LTD*	0.17	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	AIG	USA	USG25796AB20	MORGAN STANLEY
LIGHTPOINT CLO V, LTD*	0.15	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	LIGHTPOINT	USA	USG5487GAG31	CREDIT SUISSE
NORTHWOODS CAPITAL VIII LIMITED*	0.09	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	ANGELO GORDON	USA	USG6666RAB18	JP MORGAN
KINGSLAND III LTD*	0.07	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	KINGSLAND CAPITAL MANAGEMENT	USA	USG52702AB68	WACHOVIA BANK
WASATCH CLO LTD*	0.05	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	INVESCO	USA	USG94608AB57	JP MORGAN
OCEAN TRAILS CLO I*	0.05	RESIDUAL OF CLO	BROADLY SYNDICATED LOANS	WG HORIZONS	USA	USG66999AA46	UBS

* Subordinated notes.

INVESTMENT MANAGER'S REPORT CONTINUED

2. INVESTMENTS (CONTINUED)

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

ASSET CLASSES		AT 31 JULY 2009 (%)	AT 31 JULY 2008 (%)
CORPORATE CREDIT		14.7	41.7
CDO	RESIDUAL TRANCHES OF CLO	15.5	22.3
	MEZZANINE TRANCHES OF CLO	10.2	8.6
ABS		12.9	13.3
CASH		46.7	14.2**

* GAV of €167.4 million as of 31 July 2008 and GAV of €59.1 million as of 31 July 2009. The valuation of each asset class takes into account the valuation of the individual assets and of the derivatives hedging the asset class. Figures do not add up to 100% due to rounding.

** Including 0.2% of Volta's GAV corresponding to further payments owed to Volta following the liquidation of the Total Return Swap ("TRS") (See Note 14).

Due to the Company's decision to retain cash in order to be able to seize opportunities, cash accounted for the largest proportion of GAV as at the end of the annual period.

3. INVESTMENT PORTFOLIO

As at 31 July 2009, Volta held 34 settled assets in its portfolio divided amongst three asset classes: CDOs (all of which are exposed to leveraged loans); Corporate Credit; and ABS.

CDOs

The Company has invested in residual tranches of managed CDOs selected by the Investment Manager. As at 31 July 2009, eleven of the thirteen residual tranches of CDOs were backed by US leveraged loans and two by European leveraged loans. The Company has not invested in any CDOs of ABS.

These assets have been negatively affected by the increase in default rates and by the ongoing migration of the ratings of certain of their underlying assets to or below CCC. For most of these structures, payments to residual holders are sensitive to the weight and the price of CCC or lower-rated assets in the underlying portfolio, as well as to actual losses incurred through defaults or trading.

As at the end of July 2009, as a consequence of the sharp economic downturn, the majority of the residual tranches of CLOs had suffered at least a partial diversion of cash flows during the annual period, although the others continued to pay normally.

All in all, considering the ongoing challenging economic picture, the Investment Manager expects the defaults both in the US and European loan markets, as well as migrations to or below CCC to continue occurring in the short-term. Despite the possibility for most of these structures to see some improvement, if and when some positions rated CCC or below can be sold at reasonable price, this should continue to negatively affect Volta's residual positions. Hence, partial or full diversions of cash flows are expected to continue in the coming semester and in some cases in the coming years.

As at the end of July 2009, the average price of these thirteen positions of 14.6% of par reflects a stressed but realistic scenario. However this average price seems not to reflect the possibility that if economic recovery proves sustainable, default rates could at some point in time significantly decrease, resulting in much better performance in terms of cash flows. It also tends to ignore the fact that current recovery in the underlying loan market prices improves the ability of most of the CDO managers to actively manage their respective underlying portfolios in order to improve the situation of the residual position.

TABLE 3 – LIST OF CDO MEZZANINE HOLDINGS AS OF 31 JULY 2009

ISSUER	% GAV	DESCRIPTION OF INVESTMENT	INITIAL RATING	DESCRIPTION OF UNDERLYING ASSET	MANAGER/ SERVICER	PRINCIPAL GEOGRAPHICAL EXPOSURE	ISIN	ARRANGING INSTITUTION
MCDONNELL LOAN OPPORTUNITY MEZZANINE SPV LTD	4.80	MEZZANINE DEBT OF CLO	UNRATED	BROADLY SYNDICATED LOANS	MCDONNELL LLC INVESTMENT MGT	USA	USG6016MAA11	DEUTSCHE BANK
BATALLION CLO 2007-I LTD (CLASS E NOTES)	0.96	MEZZANINE DEBT OF CLO	BB	BROADLY SYNDICATED LOANS	BRIGADE CAPITAL MANAGEMENT	USA	USG08889AF79	DEUTSCHE BANK
CHEYNE CREDIT OPPORTUNITY CDO I B.V. (CLASS IV NOTES)	0.82	MEZZANINE DEBT OF CLO	BBB	BROADLY SYNDICATED LOANS	CHEYNE	EUROPE	XS0243225728	NOMURA
PUMA CLO I B.V. (CLASS E NOTES)	0.74	MEZZANINE DEBT OF CLO	BB-	BROADLY SYNDICATED LOANS	M&G INVESTMENT MANAGEMENT LTD	EUROPE	XS0368831896	RBS
BATALLION CLO 2007-I LTD (CLASS D NOTES)	0.72	MEZZANINE DEBT OF CLO	BBB	BROADLY SYNDICATED LOANS	BRIGADE CAPITAL MANAGEMENT	USA	USG071322AE14	DEUTSCHE BANK
LEVERAGE FIN CAP II (CLASS E NOTES)	0.69	MEZZANINE DEBT OF CLO	AA-	BROADLY SYNDICATED LOANS	BNP PARIBAS	EUROPE	XS0174376151	BNP PARIBAS
ADAGIO III CLO (CLASS C NOTES)	0.67	MEZZANINE DEBT OF CLO	A	BROADLY SYNDICATED LOANS	AXA INVESTMENT MANAGERS PARIS	EUROPE	XS0262682148	LEHMAN BROTHERS
ALPSTAR CLO 2 PLC (CLASS E NOTES)	0.46	MEZZANINE DEBT OF CLO	BB-	BROADLY SYNDICATED LOANS	ALPSTAR MANAGEMENT	EUROPE	XS0291723079	BANK OF AMERICA
ADAGIO III CLO PLC (CLASS E NOTES)	0.30	MEZZANINE DEBT OF CLO	BB-	BROADLY SYNDICATED LOANS	AXA INVESTMENT MANAGERS PARIS	EUROPE	XS0262683971	LEHMAN BROTHERS
EURO-GALAXY CLO B.V. (CLASS E NOTES)	0.09	MEZZANINE DEBT OF CLO	BB	BROADLY SYNDICATED LOANS	AIG GLOBAL INVESTMENTS	EUROPE	US29871UAG31	MORGAN STANLEY

3. INVESTMENT PORTFOLIO (CONTINUED)

CDOs (CONTINUED)

Tennenbaum Opportunities Fund V represents close to 80% of the mark-to-market value of the CDO residual holdings. The manager of this fund succeeded in significantly reducing the leverage of the fund (to a leverage ratio of below 1:1) and maintaining cash in order to be able to seize opportunities that should present themselves given the difficult financial and economic environment, through taking positions, as an example, in Debtor-In-Possession or Bankruptcy Exit loans or even through taking equity ownership when loans default.

MEZZANINE TRANCHES OF CDOs

As at the end of July 2009, the Company held ten positions in mezzanine tranches of CDOs accounting for 10.2% of Volta's end of period GAV:

- six investments were made in assets initially rated BB or BB- by S&P (including one investment that is unrated but could be considered equivalent to a tranche rated BB, taking into account its level of subordination);
- two are tranches initially rated BBB;
- one was initially rated A; and
- the last tranche was initially rated AA- by S&P.

These positions, as with the residual holdings, have cash flows that are sensitive to the level of defaults and the percentage of asset rated CCC or lower in the underlying loan portfolio. Nevertheless, these tranches are structured to be able to absorb a higher rise in defaults in the loan market than residual holdings, given their second, third and even higher loss rank.

Considering the current market and economic circumstances, some of these positions could suffer delays in their payments from time to time. However under a consensus-like scenario elaborated at the end of the financial year for defaults and rating migrations, payments are expected to be met, except for Alpstar II, Class E tranche that has been impaired at the end of July 2009 generating a loss of €1.3 million.

Considering their loss rank position, under very pessimistic scenarios these positions could suffer further significant losses. At the end of July 2009, such a scenario seems to be given a heavy weighting in the average price of these ten positions of 19.5% of par. In other words, this average price does not reflect the most probable scenario, that is, at the time of this report, that the vast majority of these assets should meet their expected payments.

Three of these positions (Adagio III, Alpstar II and Puma) have structural features that could generate some early payments of principal that should be viewed as beneficial, considering that these positions were bought significantly below par. As an example, one deal (Alpstar II) has benefited from a principal payment in May 2009.

ABS

As at 31 July 2009, the Company was exposed to seven residual income positions of ABS and to one senior debt tranche of European ABS backed by Italian auto loans. Six out of the seven residual positions are backed by UK non-conforming mortgage loans and the remaining one, Promise Mobility, is backed by German small and medium enterprise ("SME") loans. The Company has no exposure to US residential sub-prime mortgages.

TABLE 4 – LIST OF ABS HOLDINGS AS OF 31 JANUARY 2009

ISSUER	% GAV	DESCRIPTION OF INVESTMENT	DESCRIPTION OF UNDERLYING ASSET	MANAGER/ SERVICER	PRINCIPAL GEOGRAPHICAL EXPOSURE	ARRANGING INSTITUTION
PROMISE MOBILITY 2006–1 GMBH	12.48	RESIDUAL OF ABS	GERMAN SME LOANS	IKB	EUROPE NON-UK	DEUTSCHE BANK
ABEST 1	0.21	SENIOR DEBT OF ABS	ITALIAN AUTO LOANS	FIAT SAVA SPA	ITALY	ABN AMRO, UNICREDIT BANCA MOBILIARE
RMAC SECURITIES NO.1 PLC (SERIES 2007–NS1)	0.17	RESIDUAL OF ABS	UK NON-CONFORMING RESIDENTIAL MORTGAGE LOANS	GMAC-RFC	UK	HSBC–RBS
ALBA 2007–1 PLC	0.01	RESIDUAL OF ABS	UK NON-CONFORMING RESIDENTIAL MORTGAGE LOANS	OAKWOOD HOME LOANS	UK	CREDIT SUISSE
ALBA 2006–2 PLC	0.00	RESIDUAL OF ABS	UK NON-CONFORMING RESIDENTIAL MORTGAGE LOANS	OAKWOOD HOME LOANS	UK	CREDIT SUISSE
NEWGATE FUNDING PLC 2006–2	0.00	RESIDUAL OF ABS	UK NON-CONFORMING RESIDENTIAL MORTGAGE LOANS	MORTGAGE PLC	UK	MERRILL LYNCH INTERNATIONAL
EUROSAIL 2006–1 PLC	0.00	RESIDUAL OF ABS	UK NON-CONFORMING RESIDENTIAL MORTGAGE LOANS	CAPSTONE	UK	LEHMAN BROTHERS
ALBA 2006–1 PLC	0.00	RESIDUAL OF ABS	UK NON-CONFORMING RESIDENTIAL MORTGAGE LOANS	OAKWOOD HOME LOANS	UK	CREDIT SUISSE

INVESTMENT MANAGER'S REPORT CONTINUED

3. INVESTMENT PORTFOLIO (CONTINUED)

ABS (CONTINUED)

At the end of July 2009, the Investment Manager concluded that the decrease in the mark-to-market price of the UK non-conforming assets, during the financial year, corresponded to a downward revision of expected cash flows. This revision was the direct consequence of several events: 1) the fact that non-conforming lending in the UK was fairly rare since the beginning of 2008, making refinancing for troubled borrowers extremely difficult; 2) the fact that average home prices in the UK have declined since November 2007 at a rapid pace; and 3) the growing delinquencies and losses.

The six UK non-conforming residuals held by the Company were priced at the end of July 2009 at €0.1 million, representing 0.17% of the GAV, compared to €9.0 million at the end of July 2008.

Due to the mark-to-market adjustments, the relative mark-to-market value of the Promise Mobility asset increased to more than 99% of the ABS total. Promise Mobility is a first loss position on a highly diversified portfolio (1,385 positions according to the latest report) of loans made to German SMEs. Since inception, the portfolio has suffered only nine credit events, which is below expectation at purchase. The difficult German and global economic situations might increase the risk of more credit events in the coming quarters, eventually affecting the payments received from Promise Mobility.

The latest ABS purchase, Abest 1, is a very short-term asset which is expected to repay its full principal in the coming months, the was purchased to improve cash management.

CORPORATE CREDIT

The Company has focused on acquiring or creating the equivalent of first loss or junior second loss investment exposures to diversified portfolios of investment grade and sub-investment grade Corporate Credits. As of 31 July 2009, the exposure to Corporate Credits was obtained through three investments in CDOs ("bespoke CSOs") managed by AXA IM: ARIA II, ARIA III and Jazz III.

ARIA II, ARIA III and Jazz III suffered from the default of Lehman Brothers Holdings Incorporated ("LBHI") in September 2008. ARIA II also suffered the default of Tribune Company later in 2008. Then ARIA II and Jazz III, as commented upon in the 31 January 2009 semi-annual report, suffered the default of IDEARC Inc. in February 2009. As a consequence of these defaults, Volta's ARIA II investment has been written down to nil.

At the end of July 2009 the situation of the Corporate Credit asset was as follows:

TABLE 6 – ARIA III CDO: TECHNICAL SPECIFICATIONS

	AT 31 JULY 2009	AT 31 JULY 2008
NOMINAL SIZE	€25 MILLION	€25 MILLION
WARF (S&P)*	382	252
NUMBER OF NAMES	174	153
ATTACHMENT/DETACHMENT POINTS	0.00% – 1.82%	0% – 3%
RESERVE BALANCE	0%	0.6%

*a WARF at 260 corresponds to an average rating of BBB+, 360 for BBB rating.

TABLE 5 – LIST OF CORPORATE CREDIT HOLDINGS AS OF 31 JULY 2009

ISSUER	% GAV	DESCRIPTION OF INVESTMENT	DESCRIPTION OF UNDERLYING ASSET	MANAGER	PRINCIPAL GEOGRAPHICAL EXPOSURE	ISIN	ARRANGING INSTITUTION
ARIA CDO III (IRELAND) PLC	14.18	BESPOKE CDO TRANCHE	MAJORITY INVESTMENT GRADE CORPORATE CREDIT	AXA INVESTMENT MANAGERS PARIS	EUROPE AND USA	XS0375442307	JP MORGAN
JAZZ III CDO (IRELAND) PLC	0.51	RESIDUAL OF CORPORATE CDO	MAJORITY INVESTMENT GRADE CORPORATE CREDIT	AXA INVESTMENT MANAGERS PARIS	EUROPE AND USA	XS0263617374 XS0263615675	MERRILL LYNCH INTERNATIONAL

3. INVESTMENT PORTFOLIO (CONTINUED)

CORPORATE CREDIT (CONTINUED)

TABLE 7 – JAZZ III CDO: TECHNICAL SPECIFICATIONS

		AT 31 JULY 2008	AT 31 JULY 2007
EURO-DENOMINATED TRANCHE			
	NOMINAL SIZE	€8.6 MILLION	€8.6 MILLION
	NUMBER OF NAMES	356	309
USD-DENOMINATED TRANCHE			
	NOMINAL SIZE	USD 2.0 MILLION	USD 2.0 MILLION
	NUMBER OF NAMES	356	309

Regarding ARIA III and Jazz III, the Investment Manager had been able to pursue its strategy of diversifying the credit risk of the underlying portfolios by increasing the number of credits in the underlying portfolios. With regard to ARIA III, considering the loss of principal already incurred due to the LBHI default, and the possibility of further credit events in conjunction with the WARF of its underlying portfolio, only a portion of ARIA III's nominal is expected to be paid at maturity.

Through the trading in of higher yielding names, negative basis trades, as well as trading gains, the Investment Manager has been able to significantly increase the expected ongoing payments to the equity of Jazz III (excess spread on the portfolio that represents the coupon paid to the equity went respectively from 87 and 84 basis points ("bps") as at the end of July 2008 to 216 and 221bps as at the end of July 2009 for the Euro and the USD tranche). Despite a very low market value, Jazz III was considered, as at the end of July 2009, to be able to deliver expected cash flows that are not materially different, in terms of IRR, than the ones expected at the time of its purchase: on average, expected ongoing payments are expected to compensate for principal losses.

However, both ARIA III and Jazz III are first loss positions and their remaining principal and their coupons are sensitive to any credit events that could occur.

4. HEDGE ON THE CURRENCY RISK INCURRED ON NON-EURO INVESTMENTS

Since the IPO of the Company, non-euro investments had been partially hedged into euro via simple foreign exchange swaps. Over time, the nominal amounts of swaps have been adjusted in accordance with new investments as well as with revisions of expected cash flows, once made, for existing non-euro assets.

The significant appreciation of the US dollar during October 2008 and the ongoing cross-currency rates volatility exposed the Company to margin calls on its currency swap contracts. Consequently, and taking into account the increasing uncertainty over expected cash flows from most of its non-euro assets, the Company decided to adapt a hedging strategy, using currency options, in order to limit the amount that can be called in case of any further significant appreciation of the US dollar from its currency swaps. The potential margin call liability under the currency hedge strategy has been significantly reduced. The Company will tend to favour future investments denominated in euro without excluding some opportunistic USD investments. As a consequence of the changes in the currency hedge strategy, the hedge of the currency exposure generated by non-euro assets can be altered by gains or losses on the currency options, in case of important volatility of the euro/USD exchange rate.

INVESTMENT MANAGER'S REPORT CONTINUED

5. INVESTMENT STRATEGY

The overall investment strategy of the Company has continued to adjust along with the market environment in order to remain in line with the Company's objectives. Whilst at the time of the IPO most of Volta's positions were either first loss or residual positions, in June 2008 Volta began to invest in BB-rated or BB equivalent tranches of CLOs and then, near the end of the financial period, AA or A tranches of CLOs.

During the interim period the prolonged widening in discount margins and the uncertainty about expected cash flows for structured finance products has led the Investment Manager to maintain most of the time a high level of cash in the Company as well as to invest only €4.0 million in assets with more subordination protection to defaults than residual positions. As of the end of the annual period, thanks to the stabilisation of the economic situation, uncertainties about expected cash flows from most of structured finance products started to decrease and the Company resumed investing.

At the time of writing this report, the Investment Manager also observed a significant improvement in the liquidity in most areas of the structured finance market and expects to be able to invest most of the available year end cash in the coming months. Since the end of the financial year, the Company has invested €10.7 million in new assets.

Considering the current circumstances, at the time of writing this report, the Company's investment strategy is mainly to seek investments in what would be viewed, at the time of purchase, as structures producing ongoing cash flows (as an example, senior bespoke tranches of corporate credit portfolios could be considered, as well as short to medium-term maturity investments in the most senior part of the European ABS market). The Company is also considering using a smaller part of its investment resources to buy, at discount, less senior tranches of structured finance products (for example, AA, A or BBB-rated tranches of CDOs are considered).

Considering the significant discount to par at which most investments described above could be purchased, a significant portion of their expected rate of return should come from backloaded principal cash flows rather than from ongoing cash flows.

We expect the Company's strategy during the period, which has principally been to refrain from investing most of the cash generated by its assets whilst waiting for better opportunities and more clarity in expected behaviour of structured finance products, to be rewarded.

6. OUTLOOK

At the time of writing this report, our general outlook on the current economic and financial crisis is that the financial crises should now be considered over, even if the situation of some US regional banks remains critical, and that some large regional German banks may show signs of relative weakness. Most of the extreme scenarios that had driven some asset prices to extreme lows should be now weighted with a low probability. G7 economies should continue suffering, in the coming years, from the second round of household debt defaults and high unemployment rates. However, on average, we believe companies are in the process of adapting to such an environment, and that refinancing of corporate debt is back on the agenda. As a consequence, the pace of corporate default rates should start slowing in the coming quarters.

Economic and financial support from governments and central banks have produced their expected effects, and even if debates are taking place about so-called "exit strategies", it is worth noting that the nature of the debate has totally changed.

When considering the prices of Volta's assets at the end of the financial year, most of them reflect pessimistic expected cash flows discounted with high margin rates. These prices did not take into account the possibility of an improvement of corporate default rates, which is becoming more likely as time passes.

Despite the current difficulties, during the financial year ended 31 July 2009, the Company received cash flows from its investments totalling €20.7 million. Given the current situation of Volta's assets, the level of cash generated by the Company is expected to decrease again in the next financial year, but not to a point where this level would not be sufficient for the Company to pay from generated cash flows its ongoing expenses and a dividend on a regular basis.

Based on current market conditions the price of risky assets, including structured finance products, should continue to be volatile, reflecting a still significant level of uncertainty. However, we do not expect a return to the level of volatility seen during this last annual period.

Considering the current circumstances, as described in Section 5 (Investment Strategy), the Company will continue to invest in the coming months. The Company's cash surplus, its ability to adapt its investment strategy and the adjustment made to its cost structure, as well as its strategy of spreading investments across the different segments of structured finance markets should be considered as positive characteristics.

AXA INVESTMENT MANAGERS PARIS
19 OCTOBER 2009

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).

As described below, as a consequence of market practice changes by arranging banks when communicating valuations of CDO tranches, the Company has adapted its ongoing valuation policy from which it derives its NAV and GAV to be as follows:

- Case A: financial assets for which quoted prices are available 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, 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 this case 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.

For illiquid financial assets, the method of ongoing valuation depends upon the nature of the asset and the valuation information available with respect to each particular asset.

At the end of the previous annual period, the Company was able to obtain third party valuations, together with the related main valuation assumptions, for each of its bespoke CSO investments and CDO investments from either an arranging bank, or another market participant. As at the current year end date, the Company has been able to obtain valuations with the related main valuation assumptions for its bespoke CSO investments and has been able to obtain valuations for all of its CDO investments. However, the Company has been unable to obtain the related main valuation assumptions for its CDO investments, except for a small number of CDOs for which the associated valuation assumptions were either incomplete or inconsistent. Therefore, the valuation methodology previously described as "Case C" has now been split into two new categories: "Case C (i)", which is equivalent to the previous "Case C" category; and, "Case C (ii)", as described below.

- **Case C(i):** where a financial asset involves an arranging bank, or another market participant, that provides valuations on a monthly basis together with its related main valuation assumptions (as may, for example, be the case with bespoke CSOs), the valuations are sourced from such parties. In many cases, the valuation provider, 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 is able to adjust such valuations in order to make them closer to the average prices for comparable assets if it appears that the valuations differ materially from comparable asset prices. The Investment Manager has agreed in the Investment Management Agreement to review the main assumptions semi-annually to evaluate whether 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 2009 and has concluded that the assumptions 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 for clarifications or adjustments.

The Company uses reasonable endeavours to engage independent third parties to review semi-annually the main valuation assumptions 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 2009 and have concluded that they were fair and reasonable. Where a third party challenges one or more valuations on this basis, the Company will consider engaging the third party (or one or more third parties, such as, for example, an investment bank or seller of the underlying assets) to provide a valuation, or will adopt some other method of valuing the position.

- **Case C(ii):** for assets involving an arranging bank, or another market participant, for which the Company is able to collect on a monthly basis valuations from the arranging bank or from another bank or market participant, but not the assumptions underlying those valuations (as may be the case, as example, for cash CDOs), these valuations are used. In many cases, the valuation provider 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 is able to adjust such valuations in order to make them closer to the average prices for comparable assets if it appears that the valuations differ materially from comparable asset prices. 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 parties for clarifications or adjustments.

PORTFOLIO VALUATION CONTINUED

The Company uses reasonable endeavours to engage independent third parties to review semi-annually the valuations and to report on the fairness and reasonableness of those valuations to the Portfolio Administrator and the Company. **Third parties have reviewed those valuations as of 31 July 2009 and have concluded that they were fair and reasonable.** Where a third party so engaged challenges one or more 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.

- Case D: where a financial asset does not involve an arranging bank or any other market participant that is willing to provide valuations on a monthly basis, or if an arranging bank, or other market participant, is unwilling to provide valuations on a monthly basis (as may, for example, be the case with some ABS residual positions), the Investment Manager has agreed in the Investment Management Agreement that it will provide a monthly valuation based on a pricing model. 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 2009 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.

The Board of the Company periodically reviews the Company's ongoing valuation policy as it applies to each asset class in consultation with the Investment Manager, the Administrator and the Portfolio Administrator. The Board, from time to time, may make such changes in the policy as the Board deems in the best interest of shareholders.

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BOARD OF DIRECTORS

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 General of the Commission responsible for the regulation of all financial services 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.

02. CHRISTIAN JIMENEZ
SENIOR INDEPENDENT DIRECTOR

Mr Jimenez is Founder and Chief Executive Officer of Imene Investment Partners, an investment management advisory firm. Mr Jimenez was Chief Financial Officer of Ecureuil Vie, the insurance company subsidiary of the Caisse d'Epargne Group from 2004 to 2007. Prior to that, he was Chief Financial and Risk Officer of Compagnie Financière EULIA from 2002 to 2003. Mr Jimenez was Chief Executive Officer of SURASSUR, the reinsurance company subsidiary of the Caisse d'Epargne Group from 1995 to 2002, part of which time (2000 to 2001) he was also Chief Investment Officer of Caisse Nationale de Caisses d'Epargne et de Prévoyance. Prior to which, he was Deputy Chief Financial Officer of Caisse d'Epargne Group 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 Association Française des Gestionnaires d'Actif-Passif ("AFGAP"), having been a member of AFGAP since 1991, Chairman of AFGAP from 1997 to 1999 and Chairman of its Scientific Committee from 1999 to 2002 and Regional Director for France and Member of the Board of Professional Risk Managers' International Association ("PRMIA").

03. JOAN MUSSELBROOK
INDEPENDENT DIRECTOR

Ms Musselbrook was most recently Managing Director at MBIA UK Insurance Limited, a leading financial guarantor and provider of other specialised financial services. She began her career at NatWest International Division in 1985 and remained with the NatWest Group in various positions until 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 2000 and was Managing Director of MBIA UK Insurance Limited from 2004 to 2006. Ms Musselbrook holds a degree from Oxford University.

04. PAUL VAROTSIS
INDEPENDENT DIRECTOR

Mr Varotsis is a partner at Reoch Credit Partners LLP, where he works as a consultant for financial institutions and advises investors, asset managers, 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 Definitions and advised the Bank of England and other regulators on the 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.

05. CHRISTOPHE DEMAIN
CLASS B DIRECTOR

Mr Demain resigned from the Company's Board of Directors with effect from 22 June 2009 at which time the Class B Shareholder decided not to appoint a representative to the Board to replace Mr Demain.

MANAGEMENT, ADMINISTRATION AND ADVISORS

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Company registration number 45747 (Guernsey, Channel Islands)

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Channel Islands

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The Netherlands

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements for the financial year ended 31 July 2009.

INCORPORATION

The Company was registered in Guernsey, Channel Islands on 31 October 2006 under the Companies (Guernsey) Laws 1994 to 1996 (as amended) (the "Old Law") with registered number 45747. The Old Law has now been superseded by the Companies (Guernsey) Law 2008 (the "New Law"). The Company has prepared these financial statements in compliance with the New Law.

ACTIVITIES

The Company is a closed-ended investment company with the objective of investing in Corporate Credits, CDOs and ABS, leveraged loans and infrastructure assets.

RESULTS AND DIVIDENDS

The International Financial Reporting Standards ("IFRS") net [loss] for the year amounted to €97,713,636.

The Directors consider recommendation of a dividend on a semi-annual basis, having regard to various elements including the financial position and the Distribution Income of the Company (as defined in the Company's IPO Prospectus).

Distribution Income for the year was a negative aggregate amount of €125,528,571. The calculation of Distribution Income is shown on page 45.

The Directors recommend the payment of a final ordinary dividend for the financial year of €0.10 per share to those shareholders on the register at 26 November 2009.

GOING CONCERN

The Directors have considered the impact of the market conditions at the year end date and subsequently. Whilst the fair values of the Company's assets have fallen by a significant amount, the Company has no debt and the Directors are therefore of the opinion that the Company is a going concern and the accounts have been prepared on this basis.

DIRECTORS

The Directors who held office during the period and subsequently were:

P Crook
C Jimenez
J Musselbrook
P Varotsis
C Demain (resigned 22 June 2009)

The Directors' interests in the share capital as at the financial year end were:

	31 July 2009 Number of shares	31 July 2008 Number of shares
P Crook	**51,017**	8,015
C Jimenez	**43,269**	8,506
J Musselbrook	**43,922**	8,506
P Varotsis	**43,922**	8,506

ROTATION PROVISIONS

Mr Crook was appointed as Chairman in November 2006 for an initial period of three-years. The other Directors were appointed to the Board in November 2006 for an initial period of two-years.

In accordance with the rotation provisions set out in the Company's Memorandum and Articles of Incorporation and IPO Prospectus dated 4 December 2006, upon expiry of these initial periods of appointment, the Directors are required to stand for election or re-election to the Board with the terms of appointment becoming staggered, with one directorship candidate standing for election or re-election for a one-year term, one standing for election or re-election for a two-year term, and two standing for election or re-election for a three-year term. Thereafter, in the years in which their terms expire, the Chairman and each of the Directors are required to stand for election or re-election for a three-year term.

On 20 November 2008 Mr Jimenez, Ms Musselbrook, Mr Varotsis and Mr Demain stood for re-election at the Company's second Annual General Meeting. At this meeting it was resolved to re-elect Mr Jimenez and Mr Demain for a further three-year period, Mr Varotsis for a further two-year period and Ms Musselbrook for a further year.

On 22 June 2009, Mr Demain resigned from his role as a Director of the Company. On 23 June 2009, the Board resolved not to replace him with the agreement of the owner of the Class B share. Mr Demain was the Board member representing the owner of the sole Class B Share.

Ms Musselbrook and Mr Crook's current terms of appointment will therefore expire in November 2009 and as such, on the recommendation of the Board both will be standing for re-election for three-year terms at the forthcoming third Annual General Meeting scheduled on 20 November 2009. However Mr Crook has indicated that due to his age he may not serve this term in its entirety and therefore the Nomination Committee has initiated appropriate succession planning.

REPORT OF THE DIRECTORS CONTINUED

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

KPMG Channel Islands Limited served as auditors during the period and have expressed their willingness to continue in office. A resolution to reappoint KPMG Channel Islands Limited as auditors will be put to the forthcoming Annual General Meeting ("AGM") on 20 November 2009.

COMPANY SECRETARY

The Company Secretary is Mourant Guernsey Limited of First Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 6HJ, Channel Islands.

By order of the Board

Authorised Signatory

MOURANT GUERNSEY LIMITED
COMPANY SECRETARY
19 OCTOBER 2009

CORPORATE GOVERNANCE REPORT

As a Guernsey limited liability company with shares listed on Euronext Amsterdam, the Company is not subject to the UK Combined Code on corporate governance (as revised June 2008) (the "Combined Code"). The Directors have nonetheless determined that the Company should voluntarily apply the Combined Code, with certain exceptions as described in the Company's IPO Prospectus. The Dutch Corporate Governance Code does not apply to the Company and there is no formal corporate governance code applicable to Guernsey companies under Guernsey law.

STATEMENT OF COMPLIANCE

Throughout the year financial ended 31 July 2009 the Company has been in compliance with the provisions set out in Section 1 of the Combined Code, except as already explained in the Company's IPO Prospectus or as set out below.

THE BOARD

The Board is responsible for the determination of the Company's investment objective, investment guidelines and dividend policy and has overall responsibility for overseeing the Company's activities. Mr Crook acts as Chairman of the Board. Mr Jimenez acts as the Senior Independent Director. Mr Crook, Mr Jimenez, Ms Musselbrook and Mr Varotsis are independent from the Investment Manager and satisfy the independence criteria established by the Board and set out in the Company's IPO Prospectus, whereas Mr Demain was an employee of an affiliate of the Investment Manager and did not meet the independence criteria. The composition of the Board in this respect is in accordance with the policy adopted by the Board and published in the Company's IPO Prospectus. The individual independence status of the Directors was last reviewed and confirmed by the Board on 19 October 2009.

All of the Directors are Non-executive and the Company's day-to-day activities are delegated to third parties, including the Administrator, the Investment Manager and the Portfolio Administrator. The Company has entered into an Investment Management Agreement with the Investment Manager under which the Investment Manager is responsible for the management of the Company's investment portfolio subject to the Company's investment guidelines and the overall supervision of the Board.

COMMITTEES OF THE BOARD

Audit, Nomination, and Remuneration Committees have been established by the Board and each committee has formally delegated duties, responsibilities and terms of reference which are available upon request from the Company Secretary although are not currently available on the Company's website. Mr Jimenez was appointed as Chairman of the Audit and Remuneration Committees whilst Mr Crook was appointed as Chairman of the Nomination Committee.

The Audit Committee comprises Mr Crook, Mr Jimenez, Ms Musselbrook and Mr Varotsis. Only independent Directors serve on the Audit Committee and members of the Committee have no links with the Company's Auditors. The Audit Committee meet at least twice each year and meet the Auditors at least once each year. The Audit Committee is responsible for making recommendations to the Board on the appointment, reappointment or removal of the Auditors and their remuneration. The Committee considers the independence and objectivity of the Auditors and reviews any non-audit services that are to be provided by the Auditors. It receives and reviews the Company's financial statements and the reports of the Investment Manager and the Auditors. The Committee focuses on ensuring that effective systems of internal financial and non-financial control are maintained and works closely with the Company's third party service providers in this regard. As the Company's accounting functions are delegated to third parties, the Company does not have an internal audit function. The internal control environment of the Company is the product of control systems operated by its third party service providers, together with oversight exercised by the Audit Committee. To satisfy itself as to the existence and efficacy of material controls affecting the Company the Committee has sought certain comfort and explanations from key third party service providers. Other than the Interim Review completed at a fee of €51,230, no other non-audit services have been provided to the Company by the Auditors during the financial year.

The Nomination Committee comprises Mr Crook, Mr Jimenez, Ms Musselbrook and Mr Varotsis. Only independent Directors will serve on the Nomination Committee. The Committee meets twice each year and considers the size, structure and composition of the Board. The Committee considers retirements, reappointments and appointments of additional or replacement Directors and makes recommendations to the Board in this respect with particular consideration to the rotation provisions set out in the Company's Memorandum and Articles of Incorporation and IPO Prospectus dated 4 December 2006.

The Nomination Committee meeting held on 19 October 2009 recommended that the Board put forward both Ms Musselbrook and Mr Crook for re-election at the forthcoming AGM for three-year terms.

The Remuneration Committee comprises Mr Crook, Mr Jimenez, Ms Musselbrook and Mr Varotsis. Only independent Directors serve on the Remuneration Committee. The Committee meets twice each year to review the remuneration of the Directors and any employees of the Company and make recommendations to the Board in this respect. The remuneration of the Directors was last reviewed by the Committee on 19 October 2009 and it was proposed that the Board seek shareholder approval to apply a 20% cut to the Director's remuneration in order to adapt to the current circumstances of the Company.

The composition of the above Committees and their terms of reference are kept under periodic review. The terms of reference of the Committees require that appointments to the Committee shall be for a period of up to three-years, which may be extended for further three-year periods provided that the majority of the members remain independent.

CORPORATE GOVERNANCE REPORT CONTINUED

ATTENDANCE

There were eight Board meetings held during the financial year from 31 July 2008 to 31 July 2009. The attendance record of each of the Directors was as follows:

	Number of attendances
P Crook	8
C Demain	5
C Jimenez	6
J Musselbrook	8
P Varotsis	8

PERFORMANCE

The Chairman has reviewed the performance of each of the Directors and the Board as a whole, by conducting individual performance review meetings and presenting a report of his findings to the Board. This performance review was last conducted on 19 October 2009. The Chairman's report found the performance of the individual Directors and the Board as a whole over the review period to be satisfactory.

The Directors, other than the Chairman, led by the Senior Independent Director, have reviewed the performance of the Chairman by group appraisal and subsequent presentation of a report to the Board. This performance review was last conducted on 19 October 2009. The Senior Independent Director's report found the performance of the Chairman over the review period to be satisfactory.

INVESTOR RELATIONS

Shareholders are able to contact the Company directly through its dedicated e-mail address or by correspondence sent to the Company Secretary or to the Investment Manager. As a consequence, the Board received appropriate update from the Company Secretary and from the Investment Manager relative to such correspondence to keep it informed of shareholders sentiment or analysts' views. The Company also holds periodic investor calls in which members of the Board participate and which the Board subsequently discusses at its Board meetings.

DIRECTORS' REMUNERATION REPORT

Upon their original appointment each of the Directors signed a letter of appointment with the Company setting out the terms of their position. Under the terms of these letters the Chairman is entitled to receive an annual fee of €120,000. Each of the other Directors is entitled to receive an annual fee of €60,000, in each case payable quarterly in equal instalments in arrears, plus in the case of the other Directors an additional fee of €10,000 per meeting for each of the first four meetings of the Board attended in person by such Director in any calendar year.

The Board of Directors decided in June 2009 to recommend to the Shareholders a temporary 20% reduction to the Directors' remuneration in order to adapt their remuneration to the current circumstances of the Company. This will apply for one year from the AGM. The Chairman will receive an annual fee of €96,000 and each of the other Directors will receive an annual fee of €48,000 which will in each case remain payable quarterly in equal instalment in arrears, plus in the case of the other Directors an additional fee of €8,000 per meeting for each of the first four meetings of the Board attended in person by such Director in any calendar year.

All in all, this reduction plus the decision not to renew the Board member that resigned in June 2009, will result in a decrease of 35% in the Directors' remuneration for the coming year.

Each Director receives 30% of his or her Director's fee in respect of any year in the form of newly issued shares at a per share price equal to the average per share closing price of the shares on Euronext Amsterdam over the 60 consecutive Euronext Amsterdam trading days preceding the date of issuance. The Directors are obliged to retain those shares for a period of no less than six months from their respective dates of issuance.

In addition to these fees, the Company reimburses all reasonable travel and other incidental expenses incurred by the Directors in the performance of their duties.

The total amounts for the Directors' remuneration for the period from 31 July 2008 to 31 July 2009 were as follows:

Director	Cash €	Shares €	Total €
P Crook	84,000	36,000	120,000
C Demain	51,549	22,092	73,641
C Jimenez	70,000	30,000	100,000
J Musselbrook	77,000	33,000	110,000
P Varotsis	77,000	33,000	110,000
Total Directors' remuneration	**359,549**	**154,092**	**513,641**

*Please note that the above table represents Directors' remuneration for the financial year which may vary to the agreed remuneration in the calendar year due to the timing of when Directors attend meetings.

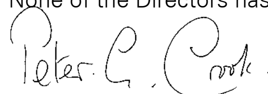
The share element of the Directors' remuneration, amounting to €154,092, was issued as follows:

Director	Shares issued during the period	Shares issued after the period end	Total
P Crook	43,002	10,714	53,716
C Demain	23,878	3,086	26,964
C Jimenez	34,763	8,929	43,692
J Musselbrook	35,416	8,929	44,345
P Varotsis	35,416	8,929	44,345
Total	**172,475**	**40,587**	**213,062**

The Directors continue to hold these shares and no disposals of shares have been made by the Directors to date.

All remuneration of the Directors was in the form of fees. There was no performance related compensation.

None of the Directors has any personal financial interest in any of the Company's investments.



PETER CROOK
CHAIRMAN
19 OCTOBER 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards and applicable law.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements and that to the best of their knowledge and belief:

(a) this annual report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that the Company faces; and

(b) the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and losses of the Company.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VOLTA FINANCE LIMITED

We have audited the financial statements (the "financial statements") of Volta Finance Limited (the "Company") for the year ended 31 July 2009 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement and the related Notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the financial statements which give a true and fair view and are in accordance with International Financial Reporting Standards and are in compliance with applicable Guernsey law are set out in the Statement of Directors' Responsibilities on page 24.

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

We report to you our opinion as to whether the financial statements give a true and fair view, are in accordance with International Financial Reporting Standards and comply with The Companies (Guernsey) Law, 2008. We also report to you if, in our opinion, the Company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2009 and of its loss for the year then ended;
- are in accordance with International Financial Reporting Standards; and
- comply with The Companies (Guernsey) Law, 2008.

EMPHASIS OF MATTER – CURRENT MARKET CONDITIONS

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures in Notes 4, 5 and 25 concerning the impact of the current market conditions on the Company.

The continuing significant events in world economic and credit markets have led to a pronounced increase in the liquidity, credit and counterparty risk faced by the Company.

The impact of these heightened risks on the future valuation and realisation prospects of the Company's investments is subject to a high degree of uncertainty. There is therefore a material risk that the Company's investments may not be realised in future at their fair values as included in the Company's financial statements nor at the post balance sheet values indicated in Note 25 and that income derived from those investments may be less than that predicted.

KPMG CHANNEL ISLANDS LIMITED
CHARTERED ACCOUNTANTS, GUERNSEY
22 OCTOBER 2009

a) The maintenance and integrity of the Volta Finance Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements or audit report since they were initially presented on the website.

b) Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INCOME STATEMENT

FOR THE YEAR ENDED 31 JULY 2009

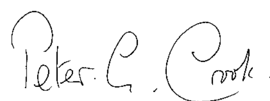
	Notes	1 August 2008 to 31 July 2009 €	1 August 2007 to 31 July 2008 €
OPERATING INCOME:			
Deposit interest income	6	**429,001**	3,692,373
Effective interest income on available-for-sale securities and investments at fair value through profit or loss	6	**17,197,637**	27,908,122
Income from Total Return Swap	6	**11,426**	2,436,558
Net income on settlement of forward foreign exchange contracts	6	**1,409,515**	4,900,253
		19,047,579	38,937,306
OPERATING EXPENDITURE:			
Legal fees		**(65,373)**	(419,668)
Audit fees		**(181,244)**	(286,841)
Investment management fees	23	**(1,329,830)**	(2,872,594)
Custodian fees		**(28,137)**	17,105
Portfolio valuation and administration fees		**(78,159)**	(194,616)
Company secretarial, administration and accountancy fees	7	**(253,810)**	(341,592)
Directors' remuneration	8	**(522,763)**	(552,134)
Insurance		**(104,709)**	(41,919)
Other operating expenses		**(81,590)**	(141,944)
		(2,645,615)	(4,834,203)
OPERATING PROFIT		**16,401,964**	34,103,103
REALISED AND UNREALISED PROFITS/LOSSES:			
Loss on Total Return Swap	6,14	**—**	(44,112,228)
Unrealised (loss)/gain on forward foreign exchange contracts	6	**(8,362,536)**	7,825,807
Unrealised loss on financial assets at fair value through profit or loss	6	**(55,602,010)**	(9,430,675)
Unrealised foreign exchange gain/(loss) on available-for-sale debt securities	6	**7,415,281**	(16,069,678)
Provision for impairments on available-for-sale debt securities	6	**(58,532,246)**	(41,813,016)
Net foreign exchange gain/(loss) on other assets	6	**900,024**	(1,080,064)
Realised gain on investments	6	**81,262**	—
		(114,100,225)	(104,679,854)
FINANCE EXPENSES:			
Liquidity facility fee	18	**(15,375)**	(22,750)
		(15,375)	(22,750)
LOSS FOR THE YEAR		**(97,713,636)**	(70,599,501)
Loss per ordinary share			
Basic	10	**€(3.2454)**	€(2.3519)
Diluted	10	**€ (3.2454)**	€(2.3519)
		Number of shares	
Weighted average ordinary shares outstanding			
Basic	10	**30,108,245**	30,017,762
Diluted	10	**30,108,245**	30,017,762

The notes on pages 30 to 44 form part of these financial statements.

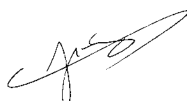
BALANCE SHEET
AS AT 31 JULY 2009

	Notes	31 July 2009 €	31 July 2008 €
ASSETS			
Available-for-sale securities	11	**22,220,347**	70,806,963
Financial assets at fair value through profit or loss	12	**6,975,253**	61,527,343
Open forward foreign exchange contracts	13	**—**	8,348,917
Trade and other receivables	15	**2,256,140**	3,344,620
Cash and cash equivalents	16	**27,672,532**	23,359,657
TOTAL ASSETS		**59,124,272**	167,387,500
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital	19	**—**	—
Share premium	20	**405,990**	267,990
Warrants	20	**1,410,000**	1,410,000
Other distributable reserves	21	**263,667,202**	272,993,894
Net unrealised fair value movements on available-for-sale securities	21	**(21,797,397)**	(21,602,114)
Accumulated loss	21	**(185,251,386)**	(87,537,750)
TOTAL SHAREHOLDERS' EQUITY		**58,434,409**	165,532,020
LIABILITIES			
Current liabilities			
Open forward foreign exchange contracts	13	**13,619**	—
Trade and other payables	17	**676,244**	1,855,480
TOTAL EQUITY AND LIABILITIES		**59,124,272**	167,387,500
Net asset value per ordinary share outstanding			
Basic		**€1.9340**	€5.5718
Diluted		**€1.9340**	€5.5718

These financial statements on pages 26 to 29 were approved by the Board of Directors on 19 October 2009 and were signed on its behalf by:



PETER CROOK
CHAIRMAN



CHRISTIAN JIMENEZ
SENIOR INDEPENDENT DIRECTOR

The notes on pages 30 to 44 form part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 JULY 2009

	Notes	Ordinary shares €	Share premium €	Warrants €	Other distributable reserves €	Accumulated loss €	Available-for-sale securities unrealised losses €	Total €
Balance at 31 July 2007		—	87,923	1,410,000	285,001,174	(16,938,249)	(9,435,539)	260,125,309
Net unrealised loss on available-for-sale securities recognised in the year	6	—	—	—	—	—	(15,139,360)	(15,139,360)
Impairment on available-for-sale securities previously recognised as an unrealised loss in the prior period	6	—	—	—	—	—	2,972,785	2,972,785
Total income and expense recognised directly in equity		**—**	**—**	**—**	**—**	**—**	**(12,166,575)**	**(12,166,575)**
Net loss for the year	21	—	—	—	—	(70,599,501)	—	(70,599,501)
Total recognised income and expense		**—**	**—**	**—**	**—**	**(70,599,501)**	**(12,166,575)**	**(82,766,076)**
Issue of ordinary shares to Directors	20	—	180,067	—	—	—	—	180,067
Dividends paid		—	—	—	(12,007,280)	—	—	(12,007,280)
Balance at 31 July 2008		**—**	**267,990**	**1,410,000**	**272,993,894**	**(87,537,750)**	**(21,602,114)**	**165,532,020**
Net unrealised loss on available-for-sale securities recognised in the year	6	—	—	—	—	—	(16,928,952)	(16,928,952)
Impairment on available-for-sale securities previously recognised as an unrealised loss in the prior period	6	—	—	—	—	—	16,733,669	16,733,669
Total income and expense recognised directly in equity		**—**	**—**	**—**	**—**	**—**	**(195,283)**	**(195,283)**
Net loss for the year	21	—	—	—	—	(97,713,636)	—	(97,713,636)
Total recognised income and expense		**—**	**—**	**—**	**—**	**(97,713,636)**	**(195,283)**	**(97,908,919)**
Issue of ordinary shares to Directors	20	—	138,000	—	—	—	—	138,000
Dividends paid		—	—	—	(9,326,692)	—	—	(9,326,692)
Balance at 31 July 2009		**—**	**405,990**	**1,410,000**	**263,667,202**	**(185,251,386)**	**(21,797,397)**	**58,434,409**

The notes on pages 30 to 44 form part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2009

	Note	1 August 2008 to 31 July 2009 €	1 August 2007 to 31 July 2008 €
Cash flows from operating activities			
Loss for the period		(97,713,636)	(70,599,501)
Adjustments for:			
Effective interest income		(17,197,637)	(27,908,122)
Loss on TRS		—	44,112,228
Unrealised loss/(gain) on forward foreign exchange contracts		8,362,536	(7,825,807)
Unrealised loss on financial assets at fair value through profit or loss		55,602,010	9,430,675
Coupons received		20,655,270	37,187,547
Unrealised foreign exchange loss/(gain) on cash and cash equivalents at year end		167,291	(432)
Unrealised foreign exchange (gain)/loss of available-for-sale securities		(7,415,281)	16,069,678
Provision for impairments on available-for-sale debt securities		58,532,246	41,813,016
Realised gain on sale of investment		(81,262)	—
Decrease in trade and other receivables		1,068,382	110,711
Decrease in trade and other payables		(1,179,236)	(1,223,554)
Directors' fees paid in the form of shares		154,092	180,067
Cash flows generated from operating activities		20,954,775	41,346,506
Cash flows from investing activities			
Purchase of investments		(7,402,090)	(54,610,332)
Redemption of investments		254,173	—
Collateral returned/deposited under the TRS		—	16,960,991
Net cash used in investing activities		(7,147,917)	(37,649,341)
Cash flows from financing activities			
Dividend paid		(9,326,692)	(12,007,280)
Net cash (used in) financing activities		(9,326,692)	(12,007,280)
Net decrease/(increase) in cash and cash equivalents		4,480,166	(8,310,115)
Effect of foreign exchange rate changes		(167,291)	432
Cash and cash equivalents at beginning of the year		23,359,657	31,669,340
Cash and cash equivalents at end of the year	16	27,672,532	23,359,657

CASH GENERATED FROM OPERATIONS

Cash generated from operations for the year of €20,787,484 includes the following interest receipts:

	1 August 2008 to 31 July 2009 €	1 August 2007 to 31 July 2008 €
Deposit interest	429,001	2,038,885
Collateral interest	—	1,847,897

The notes on pages 30 to 44 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2009

1. REPORTING ENTITY

The Company is a closed-ended limited liability company registered under The Companies (Guernsey) Law, 2008 with registered number 45747. The Company's IPO closed on 20 December 2006 and its shares are listed on Euronext Amsterdam. The registered office of the Company is Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 6HJ, Channel Islands.

As of 31 July 2009 the principal activity of the Company was investment in a diversified portfolio of mortgage-backed and other asset-backed securities, loans and equity instruments. The Company's investment objectives are to seek to preserve capital and to provide a stable stream of income to its shareholders through dividends that it expects to distribute on a semi-annual basis. Subject to the risk factors that were described in the Company's Initial Public Offering ("IPO") Prospectus and the risk factors that are described in Note 22, the Company's strategy focuses on direct and indirect investment in, and exposures to, a variety of assets selected for the purpose of generating cash flows for the Company. The Company's basic approach to investment in the Primary Underlying Assets, as defined in the Company's IPO Prospectus, is to invest in vehicles and arrangements that essentially provide exposure to portfolios of Primary Underlying Assets. There can be no assurance that the Company will achieve its investment objectives.

The Directors have chosen not to present quarterly financial statements. Semi-annual unaudited condensed financial statements are prepared in addition to annual audited financial statements. The Directors of the Company also publish an interim management statement covering the period between the beginning of each interim period and the date of publication of such interim management statement, in accordance with the Transparency Directive.

2. BASIS OF PREPARATION

A) STATEMENT OF COMPLIANCE

The financial statements, which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and are in compliance with The Companies (Guernsey) Law 2008.

Applicable new standards and interpretations issued but not yet effective

In November 2006, the IASB issued IFRS 8 – "Operating Segments" which is effective for annual periods beginning on or after 1 January 2009. The standard requires segment disclosure based on the components of the entity that management monitors in making decisions about operating matters. This "management approach" differs from IAS 14, which currently requires the disclosure of two sets of segments, business and geographical segments, based on a disaggregation of information contained in the financial statements. Under IFRS 8 operating segments become reportable based on threshold tests related to revenues, results and assets. The Company will apply IFRS 8 for its accounting period commencing 1 August 2009.

The Company has not applied IAS 1 revised (on 6 September 2007) in these financial statements. The revised standard mainly introduces the concept of "total comprehensive income". This is applicable for financial periods starting on or after 1 January 2009. The Company will apply IAS 1 for its accounting period commencing 1 August 2009.

In March 2009, the IASB issued amendments to IFRS 7 – "Financial statements Disclosure" which is effective for annual periods beginning on or after 1 January 2009. The standard requires disclosure about the level of fair value hierarchy in which fair value measurements are categorised for assets and liabilities measured in the statement of financial position. For each class of financial instrument, disclosure is required of the methods used and, when a valuation technique is used, the assumptions applied in determining fair value. The Company will apply amendments to IFRS 7 for its accounting period commencing 1 August 2009.

In the opinion of the Directors, there are no other new standards issued but not yet effective that are material to the Company's financial statements.

B) BASIS OF MEASUREMENT

These financial statements have been prepared on a historical cost basis except for the following:

- derivative financial instruments are measured at fair value, with movements in fair value being recognised in the Income Statement;
- available-for-sale financial assets are measured at fair value, with movements in fair value being taken directly to equity;
- financial instruments designated at fair value through profit or loss are measured at fair value and changes therein are recognised in the Income Statement; and
- the methods used to measure fair value are further disclosed in Note 4. All other financial instruments are measured at amortised cost.

C) FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in euros (rounded to the nearest whole euro), which is the Company's functional and presentation currency.

D) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires the Board to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a semi-annual basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. BASIS OF PREPARATION (CONTINUED)

D) USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following:

- Note 4 (Determination of fair values); and
- pages 14 and 16 (Portfolio Valuation).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

A) FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to euro at the foreign currency closing exchange rate ruling at the balance sheet date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the Income Statement. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to euro at the foreign currency exchange rates ruling at the dates that the values were determined. Foreign currency differences arising on retranslation are recognised in the Income Statement.

B) FINANCIAL INSTRUMENTS

Recognition

Financial assets and financial liabilities are initially recognised on the Company's Balance Sheet when the Company becomes party to the contractual provisions of a given instrument. Regular way purchases and sales of financial instruments are recognised on the trade date. Gains and losses are recognised from that date.

Derecognition

Financial assets are derecognised when the contractual rights to cash flows from the assets expire or the Company transfers the financial assets and substantially all of the risks and rewards of ownership have been transferred. Financial liabilities are derecognised when the liabilities are extinguished. The Company uses the weighted average method to determine realised gains and loses on derecognition.

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.

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 values of the foreign exchange swaps and options are measured as their quoted market prices at the balance sheet date.

(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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2009

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

A financial asset is assessed on a semi-annual basis to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Such evidence that a financial asset is impaired includes observable data that comes to the attention of the Company about any of the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy, administration or other analogous financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

If any such indication exists, an impairment loss in relation to an available-for-sale financial asset is recognised in the Income Statement as the difference between its amortised cost and its current fair value. The current fair values of the available-for-sale assets that are impaired as at the balance sheet date were determined as disclosed in Note 4.

An impairment loss in respect of a financial asset measured at amortised cost is recognised in the Income Statement, calculated as the difference between its carrying amount and the present value of the future estimated cash flows discounted at the original effective rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation, if no impairment loss had been recognised.

E) PROVISIONS

A provision is recognised if, as a result of a past event, the Company has a legal or constructive obligation that can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to that liability.

F) REVENUE AND EXPENSES

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Expenses are accounted for on an accruals basis.

G) FINANCE INCOME AND EXPENSES

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposals of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest rate method. Dividend income is recognised in the Income Statement on the date the Company's right to receive payments is established which is usually the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of discounts on provisions, changes in the fair value of financial assets held at fair value through profit or loss, realised losses on disposal of available-for-sale securities and financial assets held at fair value through profit or loss and impairment losses recognised on financial assets.

Foreign currency gains and losses are reported in the Income Statement on a net basis.

H) EARNINGS PER SHARE

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The diluted EPS is calculated by adjusting the profit or loss attributable to ordinary shareholders for the effects of all dilutive potential ordinary shares, which comprise the warrants issued to the Investment Manager. For further details please see Note 10.

I) TRANSACTION COSTS

Expenses incurred by the Company that were directly attributable to its IPO were charged directly to the share premium account. Share options granted at formation to the Investment Manager were treated as an expense on the basis that they were granted as a fee for services performed by the Investment Manager in the course of the offer process.

J) TAXATION

The Company is classified as exempt for taxation purposes under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and as such incurs a flat fee (presently £600 per annum). No other taxes are incurred in Guernsey.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K) DIVIDENDS PAYABLE

Dividends payable on ordinary shares are recognised in the Statement of Changes in Shareholders' Equity when approved by the shareholders.

The Directors determine a dividend on a semi-annual basis, having regard to various considerations, including the financial position and the Distribution Income of the Company.

The payment of any dividend by the Company is subject to the satisfaction of a solvency test as required by The Companies (Guernsey) Law, 2008.

L) DISTRIBUTION INCOME

The full definition of Distribution Income may be found in the Company's IPO Prospectus and is reproduced on pages 45 and 46. The calculation of Distribution Income for the year can be found on page 45.

M) OFFSETTING

Financial assets and liabilities are offset and the net amount is reported within assets and liabilities where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

4. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair values for financial assets and liabilities. Fair values have been determined based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. The Company's policy on portfolio valuation is set out on pages 14 and 16.

Financial assets for which quoted prices are available from a third party in a liquid market are valued monthly on the basis of quoted market prices. In this regard an external pricing service may be the source of the price quotations.

In the case of investments where the fair value of the investment can be readily ascertained with reference to the market values of liquid underlying assets (as was the case for the TRS), the counterparty or sponsor will provide the valuation of the investment position using the mark-to-market valuations of the underlying assets (minus where applicable, the investment's internal funding or other liabilities).

In the absence of an active market for an investment, a marktomodel approach has been adopted to determine the valuation. Such pricing models generally involve a number of valuation assumptions, many of which are based on subjective judgements. Key model inputs include: asset spreads; expected defaults; expected recovery rates; and the price of uncertainty or liquidity through the interest rate at which expected cash flows are discounted. These inputs are derived by reference to a variety of market sources. The method of valuation depends on the nature of the asset.

Where a financial asset involves an arranging bank, or another market participant, that provides valuations on a monthly basis, the valuation is sourced from such arranging bank. In many cases, the arranging bank determines the valuation based on pricing models, which may or may not produce values that correspond to the prices that the Company could obtain if it sought to liquidate such positions. Such valuations generally involve subjective judgements on key model inputs, particularly default and recovery rates, and may not be uniform. In the case of some of these assets, banks and other market participants are currently unwilling to disclose either the key model inputs or the discount rates that have been used to produce such valuations. In such circumstances, the valuation continues to be sourced from such arranging bank, or other market participant, despite the lack of valuation assumptions.

Where a financial asset does not involve an arranging bank, or if an arranging bank is unwilling to provide valuations, the Investment Manager will provide a monthly valuation based on a pricing model or through comparable asset prices.

When and where required, third parties have reviewed these valuations as at 31 July 2009, together with the related main valuation assumptions where available, and have concluded that they were fair and reasonable.

The fair value of non-derivative financial liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

The fair value calculations for the residual and debt tranche investments in securitisation vehicles are sensitive to the key model inputs, in particular to defaults and recovery rates. The initial model assumptions are reviewed on a regular basis with reference to both current and projected data. In the case of a material change in the actual key model inputs from the historical one, then the model assumptions will be adjusted accordingly as well as the discounted rate used when establishing the fair value.

If, over the lifetime of an individual deal, defaults and recoveries diverge from their long-term historical norms, then the actual returns may differ from the current levels projected by the model, which would impact upon the net assets of the Company and its distributable income.

There is no liquid market for the Company's investments. Consequently no quoted market prices exist for these assets. Therefore, the fair values of Volta's investments have been determined as described above. The split between the different methodologies is as follows:

	31 July 2009		31 July 2008	
	€m	% NAV	€m	% NAV
Case A	**0.1**	**—**	—	—
Case C (i)	**7.0**	**12.0%**	61.5	37.2%
Case C (ii)	**14.8**	**25.3%**	52.6	31.8%
Case D	**7.3**	**12.5%**	18.2	11.0%
	29.2	**49.8%**	132.3	80.0%

Further details on the valuation methodology are given on pages 14 and 16.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2009

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

AVAILABLE-FOR-SALE DEBT SECURITIES

The continued decrease in UK housing prices combined with continued adverse changes in the prepayment rate for UK non-conforming mortgage pools, led the Company, based on the Investment Manager's advice, to revise downwards the expected cash flows of all six of the UK non-conforming ABS residuals. These downward revisions to the expected future cash flows have been reflected in the relevant valuations as at 31 July 2009. Impairments had been previously recognised on each of these investments as at 31 July 2008. Consequently, as required by IAS 39, the decreases in value of these investments have each been recognised as a further impairment through the Income Statement.

As the UK non-conforming ABS residuals are classified as "available-for-sale securities" under IFRS, their impairment as described above negatively affected the Income Statement of the Company by €7.0 million (a cumulative amount equal to the difference between their book value and their mark-to-market value as of the end of July 2009 and January 2009).

During the period, the accumulation of credit events in the pools of assets underlying the Company's investments in CDOs combined with the continuation of downward revisions in the credit ratings of many of the remaining assets underlying the Company's investments in CDOs and with the significantly below par prices of assets rated CCC or below, led the Company, based on the Investment Manager's advice, to revise downwards the expected future cash flows for all of the Company's investments in subordinated notes (residual interests) of CDOs and for one out of ten of the mezzanine tranches of CDOs. These downward revisions to the expected future cash flows have been reflected in the relevant valuations as at 31 July 2009. As required by IAS 39, the decreases in value of these investments have each been recognised as an impairment.

As the subordinated notes of CDOs are classified as "available-for-sale securities" under IFRS, their impairment as described above negatively affected the Income Statement of the Company by €51.5 million (a cumulative amount equal to the difference between their book value and their mark-to-market value as of the end of July 2009 and January 2009).

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Under IFRS, the fall in the mark-to-market value of assets designated as "financial assets at fair value through profit or loss" negatively affects the income statement, regardless of whether or not such a fall is indicative of a drop in the expected cash flows from these assets. Consequently no separate impairments of the Company's investments classified as "financial assets at fair value through profit or loss" were recognised in either the current period's or prior periods' Income Statements as the unrealised losses on revaluation of such investments had already been recognised in such Income Statements.

EFFECT ON THE DISTRIBUTION INCOME CALCULATION

The Company's expectations of future cash flows for the two assets at fair value through profit or loss (ARIA II and ARIA III) had not materially changed until the current annual period, when the Company's expectations of future cash flows from those assets underwent significant downward adjustments. Consequently, an impairment has been recognised on these assets for the purpose of establishing the Distribution Income. It has a negative impact of €86.7 million for these assets, reflecting the difference in discounted value between the previous and the current series of expected cash flows.

As for the previous annual period, revisions to the expected cash flows from the six UK non-conforming assets negatively affected the Distribution Income for the annual period ended 31 July 2009 in amounts equal to the discounted value of the difference between the previous and the current series of expected cash flows, being negative €6.9 million for these assets.

For the first time, revisions to the expected cash flows from 14 CDOs negatively affected the Distribution Income for the annual period ended 31 July 2009 in amounts equal to the discounted value of the difference between the previous and the current series of expected cash flows, being negative €48.4 million for these assets.

6. FINANCE INCOME AND EXPENSE RECOGNISED IN PROFIT OR LOSS

	31 July 2009 €	31 July 2008 €
Deposit interest income	**429,001**	3,692,373
Effective interest income on available-for-sale securities and investments at fair value through profit or loss	**17,197,637**	27,908,122
Income from TRS	**11,426**	2,436,558
Net income on settlement of foreign exchange contracts	**1,409,515**	4,900,253
Unrealised gain on forward foreign exchange contracts	**—**	7,825,807
Unrealised foreign exchange gain on available-for-sale debt securities	**7,415,281**	—
Net foreign exchange gain on other assets	**900,024**	—
Realised gain on investments	**81,262**	—
Finance income	**27,444,146**	46,763,113
Loss on TRS	**—**	(44,112,228)
Unrealised loss on financial assets at fair value through profit or loss	**(55,602,010)**	(9,430,675)
Unrealised foreign exchange loss on available-for-sale debt securities	**—**	(16,069,678)
Unrealised loss on forward foreign exchange contracts	**(8,362,536)**	—
Net foreign exchange loss on other assets	**—**	(1,080,064)
Provision for impairments on available-for-sale debt securities	**(58,532,246)**	(41,813,016)
Liquidity facility fee	**(15,375)**	(22,750)
Finance expense	**(122,512,167)**	(112,528,411)
Net finance expense recognised in profit or loss	**(95,068,021)**	(65,765,299)
RECOGNISED DIRECTLY IN EQUITY		
Net change in fair value of available-for-sale financial assets	**(195,283)**	(12,166,575)
Net finance expense recognised directly in equity	**(195,283)**	(12,166,575)

7. COMPANY SECRETARIAL, ADMINISTRATION AND ACCOUNTANCY FEES

Mourant Guernsey Limited acts as Company Secretary, Administrator and Registrar. Company secretarial, administration and accountancy fees are incurred and billed on a time costs basis in accordance with Mourant Guernsey Limited's standard fee scales, subject to an annual cap of £220,000 with respect to the activities and responsibilities as set out in the Administration, Registrar and Secretarial Agreement.

8. DIRECTORS' REMUNERATION

	31 July 2009 €	31 July 2008 €
Directors' fees (cash element)	359,550	378,047
Directors' fees (equity element, settled during the period)	120,000	144,020
Directors' fees (equity element, settled after the period end)	34,092	18,000
Directors' expenses	9,121	12,067
	522,763	552,134

None of the Directors has any direct personal financial interest in any of the Company's investments other than indirectly through their shareholding in the Company.

9. DIVIDENDS

The following dividends have been proposed and/or paid during the year ended 31 July 2009 and during the prior period ended 31 July 2008:

	Dividend per share €
Dividend for the semi-annual period ended 31 July 2009 (proposed)	**0.10**
Dividend for the semi-annual period ended 31 January 2009 (paid 27 March 2009)	0.06
Dividend for the semi-annual period ended 31 July 2008 (paid 25 November 2008)	0.25
Dividend for the semi-annual period ended 31 January 2008	—
Dividend for the semi-annual ended 31 July 2007 (paid 26 November 2007)	0.40

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following information:

	31 July 2009 €	31 July 2008 €
Loss for the purposes of basic loss per share being net loss attributable to equity holders	**(97,178,636)**	(70,599,501)

	31 July 2009 Number	31 July 2008 Number
Weighted average number of ordinary shares for the purposes of basic loss per share	30,108,245	30,017,762
Dilutive effect of ordinary shares subject to:		
Warrants (exercisable at €10 per share)	—	—
Weighted average number of ordinary shares for the purposes of diluted loss per share	**30,108,245**	30,017,762

The average market price, based on closing prices quoted on Euronext Amsterdam, for one ordinary share during the financial year ended 31 July 2009 was €0.86 (€5.10 during the year to 31 July 2008).

11. AVAILABLE-FOR-SALE SECURITIES

	31 July 2009 Amortised cost €	31 July 2009 Unrealised gains/(losses) €	31 July 2009 Fair value €
Available-for-sale debt securities (amortised cost basis)			
Corporate credits	8,292,985	(8,292,985)	—
CDO assets	19,560,168	(11,941,476)	7,618,692
ABS assets	10,722,204	(3,378,266)	7,343,938
	38,575,357	(23,612,727)	14,962,630
Available-for-sale equity securities (cost)			
Equity instrument (CDO)	5,442,387	1,815,330	7,257,717
Total available-for-sale securities	**44,017,744**	**(21,797,397)**	**22,220,347**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2009

11. AVAILABLE-FOR-SALE SECURITIES (CONTINUED)

	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
CDO assets	56,639,368	(16,940,646)	39,698,722
ABS assets	20,197,292	(1,990,415)	18,206,877
	85,674,377	(20,415,110)	65,259,267
Available-for-sale equity securities (cost)			
Equity instrument (CDO)	6,734,700	(1,187,004)	5,547,696
Total available-for-sale securities	92,409,077	(21,602,114)	70,806,963

Amortised cost is calculated after deduction of impairment losses recognised. There have been no disposals of available-for-sale securities during the current period or in any prior period.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As noted above, 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". Financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

	31 July 2009 €	31 July 2008 €
Fair value brought forward	**61,527,343**	46,920,000
Purchase during the year	**—**	25,000,000
Coupons received	**(5,532,854)**	(12,584,832)
Interest income	**6,582,774**	11,622,850
Movement in fair value	**(55,602,010)**	(9,430,675)
Fair value carried forward	**6,975,253**	61,527,343

There have been no disposals of financial assets at fair value through profit or loss during either the current year or in any prior period.

13. OPEN FOREIGN EXCHANGE CONTRACTS

Foreign exchange swaps and options are held to hedge some of the currency exposure generated by non-euro assets held by the Company. The hedge has been put in place taking into account the fact that derivative positions, such as simple foreign exchange swaps, could cause the Company to require cash to fund margin calls on those positions. Considering this, the Company decided to use foreign exchange options to limit the liquidity risk that could be created in the event of significant margin calls. As a consequence of this limitation, there is no certitude that hedging some of the currency exposure generated by non-euro assets could continue to be performed in the future in case of high volatility in the USD/EUR cross rate.

14. INVESTMENT IN TOTAL RETURN SWAP

The following statements relative to the TRS have been maintained from the previous annual report. This position was unwound as of the end of July 2008, although final settlement of some cash payments were due and have been paid in the semi-annual period ended 31 January 2009.

The Company placed €71,250,000 on deposit with Deutsche Bank and Bank of America (the "Swap Counterparty") as collateral. The fair value of the TRS was netted off the collateral balance as the Company was bound, when amounts were due and payable, by a legally enforceable right to set off the recognised amounts under the TRS confirmation and the Company had an intention to settle on a net basis and realise the asset and settle the liability simultaneously.

The purpose of the TRS was to provide exposure on a leveraged basis to a diversified pool of leveraged loans (including senior secured, second lien and mezzanine loans) selected by the Investment Manager. The amount of collateral posted under the TRS was dependent on the size of the portfolio and the proportion of senior secured, second lien and mezzanine loans making up the portfolio.

On each TRS payment date, the Swap Counterparty paid the Company an amount representing the return on the referenced loans underlying the TRS, realised capital appreciation arising from the sale of any underlying assets and the repayment or prepayment of underlying loans. The Company paid the Swap Counterparty an amount comprising the floating rate interest calculated by reference to the aggregate notional amount of the referenced loans, any fees and expenses incurred by the Swap Counterparty in respect of the transaction, deferred payments and any realised capital depreciation. Only the net amount due between the Company and the Swap Counterparty was payable or accrued on each payment date.

During the first half of 2008 the TRS was fully unwound, resulting in an aggregate realised loss of €54.3 million being recognised in the Income Statement of the Company. The aggregate loss of €54.3 million was recognised in prior periods as follows: €21.6 million in the six months ended 31 July 2008; €22.5 million in the six months ended 31 January 2008; and €10.2 million in the period ended 31 July 2007.

15. TRADE AND OTHER RECEIVABLES

	31 July 2009 €	31 July 2008 €
Prepayments	**78,214**	—
Accrued effective interest receivable	**2,177,926**	2,435,094
Accrued income receivable on TRS	—	909,526
	2,256,140	3,344,620

16. CASH AND CASH EQUIVALENTS

	31 July 2009 €	31 July 2008 €
Deposit accounts	**27,672,532**	23,359,657

Cash and cash equivalents (which are presented as a single class of asset on the face of the balance sheet) comprise cash at bank and other short-term highly-liquid investments with a maturity of three months or less.

17. TRADE AND OTHER PAYABLES

	31 July 2009 €	31 July 2008 €
Investment management fees	**329,377**	1,241,278
Directors' fees (cash payable)	**79,549**	42,000
Directors' fees (shares payable)	**34,092**	18,000
Accrued expenses and other payables	**233,226**	554,202
	676,244	1,855,480

18. LIQUIDITY FACILITY

On 30 January 2008 the Company concluded a €30 million 364 day revolving Facility Agreement with Citibank N.A. London Branch in order to maximise the Company's financial management flexibility. However, this Facility Agreement was cancelled by the Company in November 2008 due to market changes that combined to make this facility unusable. This facility was not utilised. Under the liquidity facility, subject to certain conditions as specified in the Facility Agreement, the Company could have drawn up to €30 million. The facility bore a commitment fee calculated at 0.15% per annum on any undrawn amounts.

19. SHARE CAPITAL

AUTHORISED:

	31 July 2009 Number of shares	31 July 2008 Number of shares
Ordinary shares of no par value each	**Unlimited**	Unlimited
Class B convertible ordinary share of no par value	**1**	1
Class C non-voting convertible ordinary shares of no par value each	**Unlimited**	Unlimited

The authorised share capital of the Company comprises: an unlimited number of voting, non-convertible ordinary shares with no par value each; a single voting, convertible Class B share of no par value; and an unlimited number of non-voting convertible Class C shares of no par value each.

With respect to voting rights at general meetings of the Company, the ordinary shares and Class B share confer on the holder of such shares the right to one vote for each share held, whilst the holders of Class C shares do not have the right to vote.

The Class B share is identical in all respects to the Company's other shares, except that it will entitle the holder of the Class B share (an affiliate of AXA S.A.) to elect a single Director to the Company's Board of Directors. At such time as the holdings of the AXA Group investors decline to less than 5% of the Company's equity capitalisation (with the Class B share and the other issued and outstanding ordinary shares taken together), the Class B share shall be converted to an ordinary share.

The Class C shares are non-voting shares, but in all other respects have the same rights and entitlements as the ordinary shares.

Each class of share ranks pari-passu with each other with respect to participation in the profits and losses of the Company. The Directors consider recommendation of a dividend on a semi-annual basis, having regard to various elements including the financial position and the Distribution Income of the Company. The Company may declare an interim dividend by ordinary resolution of the Directors and may declare a final dividend by ordinary resolution of the shareholders at a general meeting, but no dividend shall exceed the amount recommended by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2009

19. SHARE CAPITAL (CONTINUED)

ISSUED AND FULLY PAID:

	Ordinary number of shares	B share number of shares	C shares number of shares	Warrants number of shares
Balance at 31 July 2007	**30,009,316**	**1**	**—**	**3,000,000**
Issued to Directors during the period	32,723	—	—	—
Balance at 31 July 2008	**30,042,039**	**1**	**—**	**3,000,000**
Issued to Directors during the period	172,475	—	—	—
Balance at 31 July 2009	**30,214,514**	**1**	**—**	**3,000,000**

The IPO of ordinary shares on 20 December 2006 was priced at €10 per share. Shares have subsequently been issued to the Directors on a quarterly basis in respect of 30% of their fees at the following prices per share: €9.49; €9.37; €7.80; €7.00; €6.32; €3.90; €2.80; €1.74; €0.52 and €0.52.

20. SHARE PREMIUM ACCOUNT

	Ordinary €	B share €	C shares €	Warrants €
Balance at 31 July 2007	**87,923**	**—**	**—**	**1,410,000**
Issued to Directors during the period	180,067	—	—	—
Balance at 31 July 2008	**267,990**	**—**	**—**	**1,410,000**
Issued to Directors during the period	138,000	—	—	—
Balance as 31 July 2009	**405,990**	**—**	**—**	**1,410,000**

WARRANTS:

	2009	2008
Number of warrants issued at IPO (1:1 exercisable for C shares)	**30,000,000**	30,000,000
Value of warrants at IPO	**€1,410,000**	€1,410,000
Exercise price	**€10**	€10
Exercise period – start date	**01/12/2008**	01/12/2008
Exercise period – end date	**31/12/2016**	31/12/2016
Closing price of ordinary shares at period end	**€0.92**	€2.00
Theoretical value per warrant if exercised at period end	**—**	—
Dilutive effect of warrants	**—**	—

The warrants were issued to the Investment Manager upon closing of the IPO. The warrants give the Investment Manager the right to acquire an amount of Class C shares equivalent to 10% of the number of shares in issue immediately following the closing, at an exercise price per share equal to the offer price of €10 per share.

The warrants became exercisable after 30 November 2008. They will cease to be exercisable after 31 December 2016.

21. RESERVES

	Accumulated loss €	Other distributable reserves €	Unrealised losses €
As at 31 July 2007	**(16,938,249)**	**285,001,174**	**(9,435,539)**
Loss for the year	(70,599,501)	—	—
Net unrealised fair value movement on available-for-sale securities	—	—	(12,166,575)
Dividend paid	—	(12,007,280)	—
As at 31 July 2008	**(87,537,750)**	**272,993,894**	**(21,602,114)**
Loss for the year	(97,713,636)	—	—
Net unrealised fair value movement on available-for-sale securities	—	—	(195,283)
Dividend paid	—	(9,326,692)	—
As at 31 July 2009	**(185,251,386)**	**263,667,202**	**(21,797,397)**

22. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. Below is a non exhaustive summary of the risks that the Company is exposed to as a result of its use of financial instruments:

MARKET RISK

Market risk is the risk of changes in market prices, such as foreign exchange rates and equity prices, affecting the Company's income and/or the value of its holdings in financial instruments.

The Company's exposure to market risk comes mainly from movements in the value of its investments. Changes in credit spreads may further affect the Company's net equity or net income directly through their impact on unrealised gains or losses on investments within the portfolio, and therefore the Company's ability to make gains on such investments, or indirectly through their impact on the Company's ability to borrow and access capital (and its cost of capital).

INTEREST RATE RISK

To the extent the Company incurs indebtedness, changes in interest rates can affect the Company's net interest income, which is the difference between the interest income earned on interest earning investments and the interest expense incurred on interest-bearing liabilities. Changes in the level of interest rates can also affect, among other things, the Company's ability to acquire loans and investments, the value of its investments and the Company's ability to realise gains from the settlement of such assets.

The Company may enter into hedging transactions for the purposes of efficient portfolio management, where appropriate, to protect its investment portfolio from interest rate fluctuations. These instruments may be used to hedge as much of the interest rate risk as the Investment Manager determines is in the best interests of the Company, given the cost of such hedges. The Company may bear a level of interest rate risk that could otherwise be hedged when the Investment Manager believes, based on all relevant facts, that bearing such risks is advisable.

The tables below summarise the effective interest rates applicable to the Company's interest bearing financial assets and financial liabilities as at the end of the period. The effective interest rates presented for the Company's investments have been determined from modelled expected future cash flows and should therefore not be considered to represent the actual coupon rates receivable.

Interest rate profile as at 31 July 2009

	Interest charging basis	Effective interest rate %	Amount €
Financial assets			
Cash and cash equivalents:			
Euro deposit accounts	Floating	Eonia – 25bp	24,993,627
USD deposit accounts	Floating	Libor USD Overnight – 25bp	1,580,679
GBP deposit accounts	Floating	SONIA Overnight – 40bp	1,098,226
			27,672,532
Available-for-sale securities:			
AFS (denominated in euro)	Fixed	14.40%	9,497,961
AFS (denominated in USD)	Fixed	18.75%	12,622,884
AFS (denominated in GBP)	Fixed	20.00%	99,502
			22,220,347
Financial assets at fair value through profit or loss (EUR)	Floating	Six month Euribor + 15.50%	6,975,253
Trade and other receivables	Non-interest bearing	n/a	2,256,140
Derivative contracts	Non-interest bearing	n/a	—
			9,231,393
			59,124,272
Financial liabilities			
Trade and other payables	Non-interest bearing	n/a	(676,244)
Derivative contracts	Non-interest bearing	n/a	(13,619)
			(689,863)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2009

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

INTEREST RATE RISK (CONTINUED)

Interest rate profile as at 31 July 2008

	Interest charging basis	Effective interest rate %	Amount €
Financial assets			
Cash and cash equivalents:			
Euro deposit accounts	Floating	Eonia – 25bp	14,676,907
USD deposit accounts	Floating	Libor USD Overnight – 25bp	3,053,139
GBP deposit accounts	Floating	SONIA Overnight – 40bp	5,629,611
			23,359,657
Available-for-sale securities:			
AFS (denominated in euro)	Fixed	13.29%	30,208,647
AFS (denominated in USD)	Fixed	13.89%	31,596,647
AFS (denominated in GBP)	Fixed	14.68%	9,001,669
			70,806,963
Financial assets at fair value through profit or loss (EUR)	Floating	Six month Euribor + 13.88%	61,527,343
Trade and other receivables	Non-interest bearing	n/a	3,344,620
Derivative contracts	Non-interest bearing	n/a	8,348,917
			73,220,880
			167,387,500
Financial liabilities			
Trade and other payables	Non-interest bearing	n/a	(1,855,480)
			(1,855,480)

CURRENCY RISK

The Company's accounts are denominated in euro while investments are made and realised in both euro and other currencies. Changes in rates of exchange may have an adverse effect on the value, price or income of the investments. A change in foreign currency exchange rates may adversely impact returns on the Company's non-euro-denominated investments. The Company's principal non-euro currency exposures are expected to be the US dollar and British pound sterling but this may change over time.

The Company's policy is to hedge currency risk on an asset by asset basis and also, where the Investment Manager considers appropriate, on an overall portfolio basis. The Company may bear a level of currency risk that could otherwise be hedged where the Investment Manager considers that bearing such risks is advisable or is in the best interest of the Company considering the liquidity risk that is attached to any derivative contracts that could be used (e.g. margin calls on those contracts). As at the end of January 2009, the Investment Manager has put in place arrangements to hedge into euro its US dollar exposure associated with the US dollar-denominated assets. In order to reduce the risk of having to post a potentially unlimited amount of cash with respect to forward EUR/USD foreign exchange swaps, the Investment Manager has capped and floored those amounts using short to mid-term options. Consequently, there is no guarantee that hedging the currency exposure generated by US dollar assets can continue to be performed in the future if volatility in the USD/EUR cross rate is very high.

The exposure associated with the British pound sterling denominated residuals of asset-backed securities is unhedged as at the end of January 2009 given the limited amount that is considered.

Currency risk profile as at 31 July 2009

	Denominated in euro €	Denominated in USD €	Denominated in GBP €
Investments			
Available-for-sale debt securities	9,497,961	5,365,167	99,502
Financial assets at fair value through profit or loss	6,975,253	—	—
Available-for-sale equity securities	—	7,257,717	—
	16,473,214	**12,622,884**	**99,502**
Cash and cash equivalents	24,993,627	1,580,679	1,098,226
Trade and other receivables	2,035,332	212,366	8,442
Trade and other payables	(580,450)	—	(95,794)
Derivative contracts	1,547,956	(1,561,575)	—
	44,469,679	**12,854,354**	**1,110,376**

The following foreign exchange swaps and options were unsettled as at 31 July 2009:

Amount bought €	Amount sold currency	Number of positions	Unrealised gain €
36,623,972	USD 51,500,000	19	(13,619)

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

CURRENCY RISK (CONTINUED)

Currency risk profile as at 31 July 2008

	Denominated in euro €	Denominated in USD €	Denominated in GBP €
Investments			
Available-for-sale debt securities	30,208,647	26,048,951	9,001,669
Financial assets at fair value through profit or loss	61,527,343	—	—
Available-for-sale equity securities	—	5,547,696	—
	91,735,990	31,596,647	9,001,669
Cash and cash equivalents	14,676,907	3,053,139	5,629,611
Trade and other receivables	2,073,052	555,171	716,397
Trade and other payables	(1,640,019)	(4,811)	(210,650)
Derivative contracts	115,866,783	(59,168,721)	(48,349,145)
	222,712,713	(23,968,575)	(33,212,118)

The following foreign exchange swaps and options were unsettled as at 31 July 2008:

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

VALUATION RISK

The markets for many of the Company's investments, including residual income positions, are illiquid. Accordingly, many of the Company's investments are or will be illiquid. In periods of market uncertainty or distress, the markets for the Company's investments may become increasingly illiquid or even cease to function effectively for a period of time. In addition, investments that the Company may purchase in privately negotiated (also called "over-the-counter" or "OTC") transactions may not be registered under relevant securities laws or otherwise may not be freely tradable, rendering them less liquid than other investments. Tax or other attributes of securities or loans in which the Company invests may make them attractive to only a limited range of investors. There may also be contractual or other restrictions on transfers of the Company's investments. As a result of these and other factors, the Company's ability to vary its portfolio in a timely fashion and to receive a fair price in response to changes in economic and other conditions may be limited and the Company may be forced to hold investments for an indefinite period of time or until the maturity or early redemption thereof.

Furthermore, where the Company acquires investments for which there is not a readily available market, the Company's ability to obtain reliable information about the resale value of such investment or risks to which such investment is exposed may be limited. Illiquidity contributes to uncertainty about the values ascribed to investments when net asset value determinations are made, which can cause those determinations to vary from amounts that could be realised if the Company were to seek to liquidate its investments. The Company could also face some difficulties when collecting reliable information about the value of its assets if all or part of the contributors for such information were to experience significant business difficulties or were to suspend relative market activities. This could affect the timing and determination process when assessing the value of the Company's investment.

Although the Company and its agents are able to refer to reported over-the-counter trading prices and prices from brokers when valuing its investments, for most investments the Company's pricing sources frequently need to rely on financial pricing models based on assumptions concerning a number of variables, some of which involve subjective judgements and may not be uniform.

CREDIT RISK (INCLUDING COUNTERPARTY RISK)

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date. This relates also to financial assets carried at amortised cost, as they have a short-term to maturity.

At the reporting date, the Company's financial assets exposed to credit risk are available for sale securities, financial assets at fair value through profit or loss, open foreign exchange contracts and cash and cash equivalents.

The Company is subject to credit risk with respect to its investments. The Company and its Investment Manager seek to mitigate credit risk by actively monitoring the Company's portfolio of investments and the underlying credit quality of its holdings. The Company's multi asset class investment strategy is founded on diversifying credit risk by pursuing investment on asset that are expected to generate cash flows from underlying portfolios having at the time of purchase, in aggregate, diverse characteristics like low historical default rates and/or high expected recovery rates in the event of default and/or significant granularity.

The Company may invest in total return swaps, credit default swaps and other derivatives with various financial institution counterparties for purposes of securing investment exposure to portfolios of diverse underlying reference obligations. The Company is exposed to counterparty credit risk in respect of these transactions and the Investment Manager employs various techniques to limit actual counterparty credit risk.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2009

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

CREDIT RISK (INCLUDING COUNTERPARTY RISK) (CONTINUED)

The Company may have more than 20% of its gross assets invested in the instruments of one or more special purpose vehicles. The Company's investment guidelines establish criteria for synthetic arrangements entered into by the Company and require specific Board approval for investments in excess of certain limits. Those criteria, and Board approval for synthetic arrangements, are intended to limit the investment risk of the Company. Shareholders should, however, be prepared to bear the risks of direct and indirect investment in special purpose structured finance vehicles and arrangements, which often involve reliance on techniques intended to achieve bankruptcy remoteness and protection through security arrangements that may not function as intended in unexpected scenarios.

Substantially all of the cash held by the Company is held by Deutsche Bank AG, London Branch ("Deutsche Bank"). Bankruptcy or insolvency by Deutsche Bank may cause the Company's rights with respect to the cash held by Deutsche Bank to be delayed or limited. The Company monitors its risk by monitoring the credit rating of Deutsche Bank, as reported by Standard and Poor's, Moody's or Fitch and analyses any information that could imply deterioration in Deutsche Bank's financial position.

Other counterparties to the Company's investments are as presented in tables 2, 3, 4 and 5 within the Investment Manager's report, with specific reference to the Lehman, Tribune and IDEARC exposures detailed in Section 3 of that report.

RISK RELATING TO DERIVATIVES

The Company's transactions using derivative instruments and any credit default or total return swap arrangements or other synthetic investments entered into by the Company or any of its funding vehicles may involve certain additional risks, including counterparty credit risk. Moreover, as referred to in the preceding paragraph, the Company has established criteria for synthetic arrangements that are intended to limit its investment risk. Certain derivative transactions into which the Company may enter may be sophisticated and innovative and as a consequence may involve tax or other risks that may be misjudged.

CONCENTRATION RISK

The Company may be exposed at any given time to any one industry, region, country or any given services or asset manager (in addition to the Investment Manager) and may therefore be exposed to a degree of concentration risk. The Company monitors the concentration of its portfolio and from time to time, as long as market liquidity permits to do so, might rebalance its investment portfolio accordingly, although there can be no assurance that it will succeed.

Indeed, considering the fact that assets are purchased in order to generate cash flows on a long-term horizon and that most of the Company's assets are significantly illiquid, the difference in market and credit performances of the various assets bought by the Company combined to increase the concentration of the portfolio.

In such a stressed situation, characterised by high volatility in the value of the Company's assets and/or significant changes in the market expectation of default rates, the ability of the Company to mitigate its concentration risk could be significantly affected for liquidity reasons.

REINVESTMENT RISK

Some of the Company's investments (e.g. ABS (including mortgage-backed securities) and leveraged loans) may be particularly sensitive to the interest rate environment, with a general decline in prevailing rates of interest tending to promote faster rates of repayment of fixed-rate obligations. Unexpected accelerations in the rate of repayments can cause the value of such investments to decline and may leave the Company with excess cash to reinvest in a low interest rate environment. One virtue of having a multi-asset class strategy is that the flexibility exists to reallocate among asset classes in such cases.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Most of the assets in which the Company invests are illiquid. Changes in market sentiment may make significant portions of the Company's investment portfolio rapidly more illiquid, particularly with regard to types of assets for which there is not a broad well-established trading market or for which such a market is linked to a fewer number of market participants. Portfolio issuers and borrowers may experience changes in circumstance that adversely affect their liquidity, leading to interruptions in cash flows. The Company can seek to manage liquidity needs by borrowing, but turns in market sentiment may make credit expensive or unavailable. Liquidity may also be addressed by selling assets in the Company's portfolio, but selling assets may in some circumstances, be significantly disadvantageous for the Company or even almost impossible if liquidity were to disappear for the Company's assets.

MATURITY PROFILE

The following tables show the maturity of the current borrowings under the facilities, rather than the maturity over the whole life of the facilities and the expected maturity of the securities, rather than the legal maturity date.

Maturity profile as at 31 July 2009

	Within one year €	One to five years €	Over five years €
Financial assets			
Cash and cash equivalents	27,672,532	—	—
Available-for-sale securities	2,851,718	—	19,368,629
Financial assets at fair value through profit and loss	—	6,975,253	—
Trade and other receivables	2,256,140	—	—
	32,780,390	6,975,253	19,368,629
Financial liabilities			
Derivative contracts	1,905,172	(1,918,791)	—
Trade and other payables	(676,244)	—	—
	1,228,928	(1,918,791)	—

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

MATURITY PROFILE (CONTINUED)

Maturity profile as at 31 July 2008

	Within one year €	One to five years €	Over five years €
Financial assets			
Cash and cash equivalents	23,359,657	—	—
Available-for-sale securities	—	3,142,860	67,664,103
Financial assets at fair value through profit and loss	—	—	61,527,343
Derivative contracts	1,137,319	7,211,598	—
Trade and other receivables	3,344,620	—	—
	27,841,596	10,354,458	129,191,446
Financial liabilities			
Trade and other payables	(1,855,480)	—	—
	(1,855,480)	—	—

RISKS RELATING TO LEVERAGED EXPOSURE

The Company's investment strategy involves a high degree of exposure to the risks of leverage. Investors in the shares must accept and be able to bear the risk of investment in a highly-leveraged investment portfolio. In some cases, the Company may be party to various loan, repurchase and other financing and investment agreements that contain representations, warranties and covenants of various kinds. The arrangements may also contain financial covenants that could, among other things, require the Company to maintain certain financial ratios. If the Company breaches covenants under financing or investment agreements, it could be forced to sell assets or experience other disadvantages.

CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Company. The Company's capital is represented by the ordinary shares, share premium account, other distributable reserves and accumulated loss reserve. The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objectives, both of which are detailed in the Investment Manager's Report and Corporate Summary Report. The Board of Directors also monitors the level of dividends to ordinary shareholders.

There were no changes in the Company's approach to capital management during the year.

SENSITIVITY ANALYSIS

In the opinion of the Directors, and as of 31 July 2009, the following analysis gives an approximation of the sensitivity of the different asset classes to market risk that seems reasonable considering the current market environment and the nature of the Company's assets main underlying risks.

This sensitivity analysis presents an approximation of the potential effects of events that could have been reasonably expected to occur as at the balance sheet date.

The sensitivity of the fair values of most of the assets held by the Company to the traditional risk variables are not the most relevant in the current environment. For example, the sensitivity to interest rates is interdependent with other market variables.

The present analysis reflects the sensitivity to some of the most relevant determinants of the risks associated with each asset class.

Whilst every effort has been made to assess the pertinent risk factors, there is no assurance that all the risk factors have been considered. Other risk factors could become large determinants of the fair value.

ABS ASSETS

The main determinant of the risks associated with the ABS positions held by the Company is the level of credit losses on the underlying collateral. Considering the losses observed over the past financial year, it seems reasonable to test an increase of 25% in the expected annual losses of the underlying portfolio relative to the expected losses used to value the assets, as of the end of July 2009. If the expected losses on the ABS assets underlying portfolio were to increase by 25%, the fair value of these assets would decrease by 8.8% and the Company's NAV would decrease by approximately €0.7 million.

CORPORATE CREDIT ASSETS

The Corporate Credit assets held by the Company are first loss or junior second loss exposures to diversified portfolios of investment grade and sub-investment grade Corporate Credits. One of the main determinants of the risks associated with these assets is the occurrence of defaults in the underlying portfolio. It seems reasonable to test the sensitivity of these assets to an immediate occurrence of defaults, keeping the expected future losses unchanged.

The test has been calibrated as an amount equivalent to one year of expected defaults, measured by the Weighted Average Rating Factors of the underlying portfolio. The fair value of theses assets would decrease by 24.1% and the Company's NAV would decrease by approximately €2.1 million if such event were to occur.

As regard the mark-to-market spread of the underlying portfolio, the test has been calibrated to increase by roughly one-sixth the spreads of the underlying portfolio. The fair value of these assets would decrease by 13.1% and the Company's NAV would therefore decrease by approximately €1.1 million.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 JULY 2009

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

CDO ASSETS

The CDO assets held by the Company are either residual tranches or mezzanine tranches of CLOs. One of the main determinants of the risks associated with these assets is the occurrence of defaults in the underlying portfolio. It seems reasonable to test the sensitivity of these assets to an immediate occurrence of defaults, keeping the expected future losses unchanged.

The test has been calibrated as an amount equivalent to one year of expected defaults, measured by the Weighted Average Rating Factors of the underlying portfolio.

The fair value of the residual tranches of CLOs would decrease by 13.9% and the Company's NAV would decrease by approximately €1.3 million if such an event were to occur.

The fair value of the mezzanine tranches of CLOs would increase by 0.5% and the Company's NAV would increase by approximately €0.032 million if such an event were to occur.

23. RELATED PARTY DISCLOSURE

TRANSACTIONS WITH DIRECTORS AND THE INVESTMENT MANAGER

For disclosure of Directors' remuneration, please see Note 8. As at the period end, Directors' fees to be paid in cash of €79,549 (2008: €42,000) had been accrued but not paid. Directors' fees to be paid in shares of €34,092 (2008: €18,000) had been accrued but not paid and Directors' expenses of €Nil (2008: €Nil) had been accrued but not paid.

As at 31 July 2009, the Directors of the Company controlled 0.71% (2008: 0.14%) of the voting shares of the Company. A number of the key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

The terms and conditions of any transactions with key management personnel and their related parties are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non key management personnel related entities on an arm's length basis.

Under the Investment Management Agreement, the Investment Manager is entitled to receive a management fee from the Company at a rate of 1.5% per annum of the portion of the Company's NAV that is less than €200,000,000, and 1.75% per annum on the portion of the Net Asset Value that is greater or equal to €200,000,000, calculated for each six month period ending on 31 July and 31 January each year on the basis of the Company's Net Asset Value at the end of the preceding period and payable semi-annually in arrears.

During the period the management fees accrued were €1,329,830 (2008: €2,872,594). Fees accrued outstanding as at 31 July 2009 were €329,377 (31 July 2008: €1,241,278).

Under the terms of the Investment Management Agreement, the Investment Manager is also entitled to an incentive fee, which is payable in arrears in respect of each interim period ending 31 July and 31 January. The incentive fee is dependent on the Company's performance. During the financial year there were no incentive fees accrued.

As stated in the Investment Manager's Report, the Investment Manager also acts as Investment Manager for four of the Company's investments (ARIA II, ARIA III, Jazz III and Adagio III), earning Investment Management fees for so doing directly from these investment vehicles.

However, with respect to ARIA II, ARIA III and Jazz III, there is no duplication of Investment Management fees as adjustment for these investments is made in the calculation of the Investment Management fees payable by the Company.

The investment in Adagio III was made by way of a secondary market purchase on a bona fide arm's length basis from a party unaffiliated with the Investment Manager. Therefore, the Company pays Investment Management fees with respect to this investment calculated in the same way as if the Investment Manager of Adagio III was an independent third party.

24. COMMITMENTS

As at 31 July 2009 the Company had no outstanding commitments linked to previous investments.

25. POST BALANCE SHEET EVENTS

Since the end of the annual period ended 31 July 2009, credit markets have continued to be volatile, credit events have continued to occur, mostly in the high yield area, at a pace that is comparable to the one observed in the last few months of the interim period, and the prices of assets held by the Company have increased.

The end of September 2009 GAV of the Company has increased to €68.9 million from €59.1 million at the end of July 2009.

Since the end of the financial year and at the date of writing this report, the Company purchased new investments for a total of €10.7 million.

CORPORATE CREDIT

No credit events have occurred within the Company's portfolio subsequent to the period end and the financial situation of the three positions held by the Company in this category is unchanged relative to the one described in the Investment Management Report.

ABS

No material events have occurred subsequent to the period end and the financial situation of the seven positions held by the Company in this category is unchanged relative to that described in the Investment Management Report.

CDO

Credit events, particularly in the US loan market, have continued to negatively impact most of the Company's CDO positions, but both the pace and the magnitude of such credit events have, so far, not been materially different from what was expected at the end of the interim period. Consequently the financial situation of the thirteen residuals positions and of the ten mezzanine tranches held by the Company has not materially changed relative to that described in the Investment Management Report.

DISTRIBUTION INCOME CALCULATION (UNAUDITED)

FOR THE YEAR ENDED 31 JULY 2009

Distribution Income is a non-IFRS financial measure that has been devised to express the Company's intentions with respect to the distribution of dividends. Other companies may define Distribution Income or similar terms differently.

The calculation of Distribution Income for the period is set out below. The full definition of Distribution Income, as used by the Company, together with certain related information, is reproduced below for ease of reference.

CALCULATION

	1 August 2008 to 31 July 2009 €	1 August 2007 to 31 July 2008 €
Net IFRS loss per the Income Statement	**(97,713,636)**	(70,599,501)
Add: impairment losses on available-for-sale securities per the Income Statement	**58,532,246**	41,813,016
Less: impairment losses on available-for-sale securities for the purpose of determining the Distribution Income	**(141,996,423)**	(37,338,688)
Add: mark-to-market losses on the TRS per the Income Statement	—	44,112,228
Less: impairment losses on the TRS for the purpose of determining the Distribution Income	—	(56,655,070)
Less: net income from the TRS per the Income Statement	—	(2,436,558)
Add: effective income on the TRS for the purpose of determining the Distribution Income	—	4,434,637
Add: net unrealised loss on financial assets at fair value through profit or loss per the Income Statement	**55,602,010**	9,430,675
Add/(less): foreign exchange gains/(losses), net of hedging gains/(losses), for the purpose of determining the Distribution Income	**47,232**	9,323,936
Distribution Income	**(125,528,571)**	(57,915,325)

OBJECTIVES

The net income of the Company established under IFRS, amongst other items, takes into account gains and losses arising on the disposal of investments, gains and losses arising on the revaluation of investments classified as being held at fair value through the Income Statement (including derivative financial instruments) and losses due to the impairment of investments. It also includes foreign exchange gains and losses in respect of these items. The Company obtains its exposure to certain classes of investments through the use of derivative financial instruments. In accordance with IFRS, changes in the fair value of such instruments are included in the Company's Income Statement.

Given the nature of the Company's investments and its investment objectives, the Board has concluded that, in determining the amount of distributable income in respect of these items, it should take into account: (i) changes in the fair value of derivative positions that it determines should be characterised as interest; (ii) both (a) losses arising on the disposal of investments and (b) unrealised losses and impairment losses, but only to the extent that such losses are in the Board's view representative of a decrease in the cash flows expected to be received from the investment and not for example attributable to increases in market interest rates; and (iii) for assets where the cash flows are hedged, any portion of gain or loss (realised or unrealised) on the related hedging instrument insofar as such gain or loss relates to interest income or any impairment loss on the asset.

DEFINITION

Distribution Income will be, for any relevant calculation period, based on the net income reported in the Company's Income Statement prepared in accordance with IFRS but will exclude:

- any impairment losses (whether on assets held by the Company or its subsidiaries or included in changes in the fair value of related derivative financial instruments) in excess of the impairment losses which would have been recorded had the carrying value of the assets in question been calculated to equal the present value of the expected cash flows, using a discount rate equal to the original effective interest rate on the relevant asset (i.e. on an amortised cost basis);
- realised and unrealised gains other than, (i) gains that are determined to represent interest income on underlying investments that the Company holds through derivative financial instruments or equivalent to interest income on the derivative financial instruments themselves; and (ii) such other gains as the Board may from time to time, in its discretion decide to distribute to shareholders, provided that, if the Board decides to include any unrealised gain with respect to any asset in Distribution Income for any Incentive Period, (a) the Incentive Fee otherwise payable to the Investment Manager in that Incentive Period with respect to the contribution of such unrealised gain to the Distribution Income shall be placed by the Company into a segregated trust account established for that purpose and (b) to the extent that any portion of such unrealised gain is realised for any subsequent Incentive Period, (1) such portion of the gain so realised shall be excluded from Distribution Income for that subsequent Incentive Period, but (2) the deferred Incentive Fee relating to such portion of the gain so realised shall be released to the Investment Manager (even in the event that an Incentive Fee is not otherwise payable in respect of that subsequent Incentive Period);
- except as described in the foregoing point, gains and losses attributable to the revaluation of investments held at fair value through the Income Statement, including derivatives (other than impairment losses, the treatment of which is discussed above);
- income attributable to impaired assets in excess of the income which would have been recognised on those assets calculated on an amortised cost basis; and
- foreign exchange gains and losses attributable to movements in the fair value of the "clean" price (without accrued but unpaid interest) of investments on which the cash flows are hedged, foreign exchange and other hedging gains and losses other than those stated under "Objectives" above or other transactions achieving the same purpose.

DISTRIBUTION INCOME CALCULATION (UNAUDITED) CONTINUED

FOR THE YEAR ENDED 31 JULY 2009

DEFINITION (CONTINUED)

Distribution Income will include income classified as interest income in any event.

Distribution Income will be determined prior to any allowance being made for Incentive Fees (that is, Distribution Income will be an amount from which Incentive Fees are deducted in establishing the aggregate amount of a dividend).

The Investment Manager will advise the Board from time to time concerning whether realised gains or other gains should, in the Investment Manager's view, be included in Distribution Income.

REPORTING

In addition to the disclosures required by IFRS, the Company will disclose in its interim and annual financial statements a calculation of Distribution Income, which will take into account (a) an analysis of the net gains or losses on derivative financial instruments distinguishing between (i) interest, (ii) any losses attributable to the impairment of reference assets and (iii) other gains and losses, (b) an analysis of any impairment losses calculated on a fair value basis and on an amortised cost basis and (c) an analysis of income from impaired assets in excess of the amount which would be calculated on an amortised cost basis.

IMPAIRMENT

In assessing impairment for the purposes of determining Distribution Income, the Company will review or cause the Investment Manager to review on a semi-annual basis a set of assumptions (e.g. default rates, prepayment rates, recovery rates) for each asset, which assumptions (the "Projected Cash Flow Assumptions'') are used to determine the expected cash flows from such asset and compare those assumptions with the assumptions that were used to determine the effective interest rate of the asset at the time of purchase. For the avoidance of doubt, the discount rate will be the effective yield at the time of purchase of any asset. These assumptions will be, or will have been, generated by the Investment Manager.

The Company will use reasonable endeavours to obtain on a semi-annual basis a confirmation from an independent third party that the Projected Cash Flow Assumptions for each asset are reasonable. The Investment Manager has agreed in the Investment Management Agreement that, where the independent third party has a view that differs from that of the Investment Manager, the Investment Manager will consult with that party to determine the source of the disagreement, and will then determine whether such differences can be resolved and report its findings to the Company. When and where required, the Company has received confirmation from an independent third party that, as of 31 July 2009, the Projected Cash Flow Assumptions for each asset are reasonable. Where the Company is not able to attain such third party confirmation, it will disclose that fact in its next interim or annual report.

SEMI-ANNUAL INCOME STATEMENT ANALYSIS (UNAUDITED)

FOR THE YEAR ENDED 31 JULY 2009

	1 February 2009 to 31 July 2009 €	1 August 2008 to 31 January 2009 €	1 August 2008 to 31 July 2009 €
OPERATING INCOME:			
Deposit interest income	81,965	347,036	429,001
Effective interest income on available-for-sale securities and investments at fair value through profit or loss	5,026,787	12,170,850	17,197,637
Income from Total Return Swap	—	11,426	11,426
Net income on settlement of forward foreign exchange contracts	94,681	1,314,834	1,409,515
	5,203,433	13,844,146	19,047,579
OPERATING EXPENDITURE:			
Legal fees	(30,690)	(34,683)	(65,373)
Audit fees	(49,887)	(131,357)	(181,244)
Investment management fees	(329,377)	(1,000,453)	(1,329,830)
Custodian fees	(16,184)	(11,953)	(28,137)
Portfolio valuation and administration fees	26,099	(104,258)	(78,159)
Company secretarial, administration and accountancy fees	(104,798)	(149,012)	(253,810)
Directors' remuneration	(267,696)	(255,067)	(522,763)
Insurance	(78,263)	(26,446)	(104,709)
Other operating expenses	(25,788)	(55,802)	(81,590)
	(876,584)	(1,769,031)	(2,645,615)
OPERATING PROFIT:	4,326,849	12,075,115	16,401,964
REALISED AND UNREALISED PROFITS/LOSSES:			
Unrealised gain/(loss) on forward foreign exchange contracts	844,319	(9,206,855)	(8,362,536)
Unrealised gain/(loss) on financial assets at fair value through profit or loss	1,982,868	(57,584,878)	(55,602,010)
Unrealised foreign exchange (loss)/gain on available-for-sale debt securities	(1,630,267)	9,045,548	7,415,281
Provision for impairments on available-for-sale debt securities	(1,428,398)	(57,103,848)	(58,532,246)
Net foreign exchange (loss)/gain on other assets	(219,077)	1,119,101	900,024
Realised gain on investments	81,262	—	81,262
	(369,293)	(113,730,932)	(114,100,225)
FINANCE EXPENSES:			
Liquidity facility fee	—	(15,375)	(15,375)
	—	(15,375)	(15,375)
PROFIT/(LOSS) FOR THE PERIOD	3,957,556	(101,671,192)	(97,713,636)

NOTICE OF MEETING

VOLTA FINANCE LIMITED

A closed-ended limited liability company incorporated in Guernsey on 31 October 2006 under the Companies (Guernsey) Law, 1994 with registered number 45747, and registered with the Dutch Authority for the Financial Markets (the "Company").

NOTICE OF THE THIRD ANNUAL GENERAL MEETING OF THE COMPANY

In accordance with the Company's Articles of Incorporation, notice is hereby given that the third Annual General Meeting of the Company will be held at the Company's registered office, First Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 6HJ, Channel Islands, at 8.30am (London time) on 20 November 2009.

AGENDA

ORDINARY BUSINESS:

1. To adopt the audited financial statements of the Company for the year ended 31 July 2009, including the reports of the Directors and the Auditors (the "Accounts").
2. To reappoint KPMG Channel Islands Limited of 20 New Street, St Peter Port, Guernsey as the Company's Auditors to hold office until the conclusion of the next Annual General Meeting.
3. To note the resignation of Christophe Demain as Director of the Company.
4. To re-elect Joan Musselbrook as an Independent Director of the Company for a term of three-years.
5. To re-elect Peter Crook as Chairman of the Board of Directors of the Company for a term of three-years.
6. To temporarily reduce the remuneration of the Directors of the Company for the following financial year as follows, such remuneration being changed from the level set out in the Company's IPO Prospectus of 4 December 2006, as amended by the Prospectus supplement of 12 December 2006:

   The Chairman is to receive an annual fee of €96,000. Each of the other Directors to receive an annual fee of €48,000, in each case payable quarterly in equal installments in arrears, plus in the case of the other Directors an additional fee of €8,000 per meeting for each of the first four meetings of the Board attended in person by such Director in any calendar year. Each Director is to receive 30% of his or her Director's fee in respect of any year in the form of newly issued ordinary shares at a share price equal to the average per share closing price of the Company's ordinary shares on Euronext Amsterdam over the 60 consecutive Euronext Amsterdam trading days preceding the date of issuance of the relevant shares. The Directors are obliged to retain those shares for a period of no less than six months from the respective date of issuance.
7. To approve the remuneration of the Auditors of the Company in respect of the Company's financial year ended 31 July 2009 of €190,000 (plus disbursements), and to authorise the Board to negotiate and fix the remuneration of the Auditors in respect of the year ending 31 July 2010.
8. To approve a final dividend for the period ended 31 July 2009 in respect of the Company's ordinary shares of €0.10 per share, as declared by the Board on 15 September 2009, and to approve the dividend payment date of 3 December 2009.

SPECIAL BUSINESS:

9. To renew the authorisation of the Company unconditionally and generally for the purposes of Section 315 of The Companies (Guernsey) Law, 2008 to make market purchases of ordinary shares in the Company provided that:
   a. a maximum number of ordinary shares in each class authorised to be purchased is 14.99% of each class of the ordinary shares in issue at any time;
   b. the minimum price payable by the Company for each ordinary share is 1% and the maximum price payable by the Company for each ordinary share will not be more than the higher of:
      - 105% of the average of the mid-market values of the ordinary shares of that class in the Company for the five business days prior to the date of the market purchase; and
      - that stipulated by the Commission Regulation (EC) of 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instruments (No 2273/2003); and
   c. such authority shall expire at the earlier of 31 December 2010 or the conclusion of the fourth Annual General Meeting of the Company.

NOTES

1. The Company's 2009 annual report and accounts will be published on 26 October 2009.
2. Copies of the Company's Memorandum and Articles of Association and its 2009 annual report and accounts are available for inspection at the Company's registered office during normal business hours and are available on request free of charge from the Company Secretary, Mourant Guernsey Limited, First Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 6HJ, Channel Islands (e-mail: volta.finance@mourant.com) and from the Listing Agent, ING Bank N.V., Van Heenvlietlaan 220, 1083 CN Amsterdam, The Netherlands or from the Company's website (www.voltafinance.com).
3. Investors holding shares via an admitted institution of Euroclear Nederland who wish to attend or to exercise the voting rights attached to the shares at the Annual General Meeting ("AGM") should contact their admitted institution as soon as possible. Only those investors holding shares via an admitted institution of Euroclear Nederland as at 5.00pm (London time) on 18 November 2009 shall be entitled to attend or exercise their voting rights attached to such shares at the AGM.
4. The quorum requirements for the conduct of Ordinary Business are set out under Article 16(2) of the Company's Articles of Association, and the quorum requirements for the conduct of Special Business are set out under Articles 16(3)–(7). The consideration of Special Business requires a larger quorum than for Ordinary Business. In the event that there exists at the commencement of the AGM a quorum for Ordinary Business but no quorum for Special Business this situation shall not impede the AGM from proceeding to consider the Ordinary Business on its own and passing such resolutions arising there from. The progression of Special Business thereafter shall be dealt with on its own and in accordance with Articles 16(3)–(7).
5. Mr Crook has indicated that due to his age he may not serve this term in its entirety and therefore the Nomination Committee have initiated appropriate succession planning.

For and on behalf of

MOURANT GUERNSEY LIMITED
COMPANY SECRETARY
21 OCTOBER 2009

designed and produced by
the design portfolio
marketing services.
www.design-portfolio.co.uk

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