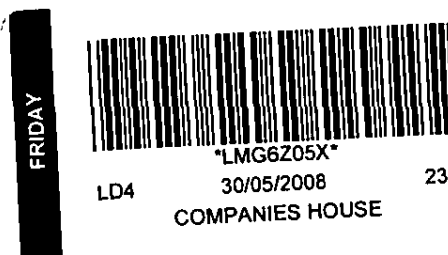


Karner Europe (UK) Limited
Report and financial statements
for the year ended 30 September 2005

Registered Number 00182901



Karner Europe (UK) Limited

Report and financial statements for the year ended 30 September 2005

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Karner Europe (UK) Limited

Officers and professional advisers

Directors

A Catterson

M Stefani

Secretary and registered office

A Catterson

2 Humber Quays

Wellington Street West

Hull

HU1 2BN

Auditors

Deloitte & Touche LLP

Chartered Accountants

Cambridge

Karner Europe (UK) Limited

Directors' report for the year ended 30 September 2005

The directors present their report and the audited financial statements for the year ended 30 September 2005

Principal activities

The company ceased operations during the year to 30 September 2000 and has subsequently been non-trading. The principal activity has not changed in recent years and the directors are not aware, at the time of this report, of any likely major changes to the company's activities in the next year.

Results and dividends

The company made a loss of £57,900 (2004: profit of £359) in the current year. The directors are unable to recommend the payment of a dividend (2004: £nil).

Directors

The directors of the company who served during the year, except as noted below, are as follows.

A Catterson	(appointed 29 June 2007)
M Stefani	(appointed 29 June 2007)
J Jenkins Jr	(appointed 21 August 2006, resigned 29 June 2007)
M Hund Mejean	(appointed 21 August 2006, resigned 29 June 2007)
I McNeil	(resigned 8 February 2006)
M Moroze	(appointed 21 August 2006, resigned 29 June 2007)
W Warnier	(resigned 21 March 2007)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting 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 and loss of the company for that period. In preparing those 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 UK 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Karner Europe (UK) Limited

Directors' report for the year ended 30 September 2005 (continued)

Auditors

On 23 May 2008, the company appointed Deloitte & Touche LLP as auditors

By order of the Board


A Catterson
Secretary

Karner Europe (UK) Limited

Independent auditor's report to the members of Karner Europe (UK) Limited

We have audited the financial statements of Karner Europe (UK) Limited for the year ended 30 September 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. 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 judgments 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 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.

However, the evidence available to us to audit the opening balance sheet was limited because the company has not kept adequate accounting records. As a result, and in the absence of any alternative evidence available to us, we have been unable to form a view as to the appropriateness of the opening balance sheet position.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. As the company was exempt from audit under Section 249A, Companies Act in the prior year we have not audited the corresponding amounts for that year.

Karner Europe (UK) Limited

Independent auditor's report to the members of Karner Europe (UK) Limited (continued)

Opinion: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether:

- the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985

In respect of the limitation of our work referred to above we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Cambridge, United Kingdom

30 May 2008



Karner Europe (UK) Limited

Profit and loss account for the year ended 30 September 2005

	Note	2005 £	2004 £
Administration expenses		-	(635)
Exceptional items	4	(57,900)	-
Operating loss		(57,900)	(635)
Interest receivable		-	994
(Loss)/profit on ordinary activities before taxation	5	(57,900)	359
Tax on (loss)/profit on ordinary activities	6	-	-
(Loss)/profit for the financial year	10	(57,900)	359

All activities derive from discontinued operations

There were no recognised gains and losses other than the loss for the financial year stated above. Accordingly, no statement of total recognised gains and losses is given

There are no material differences between the (loss)/profit on ordinary activities before taxation and their historical cost equivalents.

Karner Europe (UK) Limited

Balance sheet as at 30 September 2005

	Note	2005 £	2004 £
Current assets			
Debtors	7	-	21,911
Cash at bank and in hand		-	40,439
		-	62,350
Creditors amounts falling due within one year	8	-	(4,450)
Net current assets		-	57,900
Total assets less current liabilities		-	57,900
Net assets		-	57,900
Capital and reserves			
Called up share capital	9	6,502	6,502
Profit and loss account	10	(6,502)	51,398
Shareholders' funds	11	-	57,900

The financial statements on pages 6 to 11 were approved and authorised for issue by the board of directors on 30.05.2008 and were signed on its behalf by



A Catterson
Director

Karner Europe (UK) Limited

Notes to the financial statements for the year ended 30 September 2005

1 Accounting policies

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards. The principal accounting policies adopted are described below.

Taxation

The tax expense represents the sum of the tax currently payable. The tax currently payable is based on the taxable profits or losses for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Comparative figures

The comparatives for the year ended 30 September 2004 are unaudited as the company was exempt from audit under Section 249A of the Companies Act 1985 in the prior year.

3 Directors and employees

The company had no employees during the years ended 30 September 2005 or 2004 and no employment costs have been incurred in either years.

The directors received no remuneration in respect of their services provided to the company in the current or preceding year.

Karner Europe (UK) Limited

4 Exceptional items

	2005 £	2004 £
Write off debtor balance	21,911	-
Write off cash balance	40,439	-
Write off creditor balance	(4,450)	-
	57,900	-

The company is unable to substantiate any of the balance sheet items as at 30 September 2004. As a result these items have been written off to the profit and loss account during the year.

5 Auditors' remuneration

Auditors' remuneration for audit services of £8,000 (2006: £nil) will be borne by the immediate parent undertaking, A & E Karner Limited.

6 Tax on (loss)/profit on ordinary activities

	2005 £	2004 £
UK corporation tax charge for the year	-	-

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 30% (2004, 30%). The differences are explained below.

	2005 £	2004 £
(Loss)/profit on ordinary activities before tax	(57,900)	359
Tax on (loss)/profit on ordinary activities at standard rate	(17,370)	108
Expenses not deductible	17,370	(108)
Total amount of tax charge	-	-

7 Debtors

	2005 £	2004 £
Amounts owed by group undertakings	-	21,811

Karner Europe (UK) Limited

8 Creditors – amounts falling due within one year

	2005 £	2004 £
Bank overdraft	-	4,450

9 Share capital

	2005 £	2004 £
Authorised, allotted, called up and fully paid		
3,502 8% preference shares of £1 each	3,502	3,502
3,000 ordinary shares of £1 each	3,000	3,000
	6,502	6,502

The 8% preference shares rank equally with the ordinary shares in respect of voting rights and rights to return of capital in the event of a winding up. Preference shareholders are entitled to receive dividends at 8% per annum on the par value of these shares on a non-cumulative basis. Entitlement to the preference share dividends were waived by the shareholders in the years ended 30 September 2005 and 2004.

10 Profit and loss account

	£
1 October 2004	51,398
Loss for the financial year	(57,900)
30 September 2005	(6,502)

11 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Shareholders' funds at 1 October	57,900	57,541
(Loss)/profit for the financial year	(57,900)	359
Shareholders' funds at 30 September	-	57,900

Karner Europe (UK) Limited

12 Ultimate parent company

The company's immediate parent company is A & E Karner Limited, a company incorporated in the UK. Tyro Group SARL, a company incorporated in Luxembourg was the parent undertaking of the smallest group of which Karner Europe (UK) Limited was a member and for which group accounts were drawn up

At 30 September 2005, the ultimate parent company and controlling party was Tyco International Limited, a company incorporated in Bermuda. Tyco International Limited was the parent undertaking of the largest group of which Karner Europe (UK) Limited was a member and for which group accounts were drawn up. Copies of the Tyco International Limited consolidated financial statements can be obtained from the company secretary at Broadgate West, 7th Floor, 9 Appold Street, London, EC2A 2AP.

13 Post balance sheet event

On 29 June 2007 the company's ultimate parent undertaking was split into three companies. Following this split, the company's ultimate parent and controlling party is Covidien Limited, a company incorporated in Bermuda.