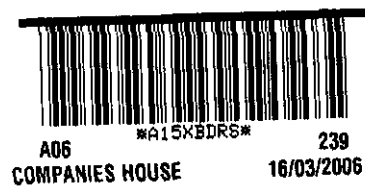


WENGEN-TWO

(Formerly Wengen-Two Limited)

Report and Financial Statements

31 January 2006



REPORT AND FINANCIAL STATEMENTS 2006

CONTENTS

Page

Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Lindsay John Small
Thomas Spitzenpfeil

COMPANY SECRETARY

PKF (UK) LLP

REGISTERED OFFICE

20 Farringdon Road
London
EC1M 3AP

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Newcastle upon Tyne

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period ended 31 January 2006.

PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

On 30 January 2006 the company was re-registered as an unlimited company. Following this substantially all of the share capital was re-designated as reserves. The company is expected to continue as a holding company until its eventual liquidation.

RESULTS AND DIVIDENDS

During the period ended 31 January 2006 the company made a loss on ordinary activities after taxation of £374,933,000 (2005: profit of £126,000).

DIRECTORS

The present directors are named on page 1.

The directors who served during the year were as follows:

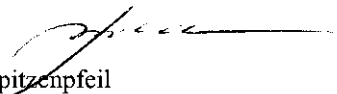
Lindsay John Small
Thomas Spitzenpfeil

None of the directors have any interests in the share capital of the company or any other UK group company.

AUDITORS

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the re-election of Deloitte & Touche LLP as the auditors of the company will be put to the Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



T Spitzenpfeil

Director

Date: 6 March 2006

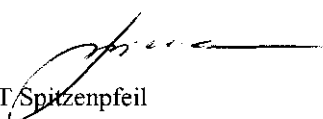
STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or 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 accounting standards have been followed; 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 Act 1985. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors
and signed on behalf of the Board



T. Spitzenpfeil

Director

Date: 6 March 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WENGEN-TWO

We have audited the individual company financial statements (the "financial statements") of Wengen-Two for the period ended 31 January 2006 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the statement of accounting policies and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you on the consistency of the directors' report 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 and the other information contained in the annual report for the above period as described in the contents section and 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 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 and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2006 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the directors' report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Newcastle-upon-Tyne

Date: *6 March 2006.*

PROFIT AND LOSS ACCOUNT
9 months ended 31 January 2006

	Note	9 months ended 31 January 2006 £'000	Year ended 30 April 2005 Restated (note 17) £'000
Administrative (expenses)/income		(26)	196
OPERATING (LOSS)/PROFIT	3	(26)	196
Other Income	4	45,286	-
Exceptional loss due to amounts written off investments	7	(420,145)	-
Other finance Costs	13	(48)	(70)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(374,933)	126
Tax on (loss)/ profit on ordinary activities	5	-	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(374,933)	126
Waiver of loan to parent	6	(105,646)	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED (LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(480,579)	126

All results activities from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES
PERIOD ENDED 31 JANUARY 2006

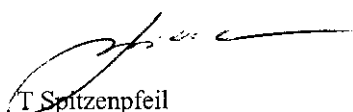
	Note	9 months ended 31 January 2006 £'000	Year ended 30 April 2005 Restated (note 17) £'000
(Loss)/Profit for the financial year		(480,579)	126
Actuarial losses	13	(477)	(180)
Total recognised gains/(losses) in the year		(481,056)	(54)
Prior year adjustment on adoption of FRS 17	17	(800)	
Total recognised since the last annual report		(480,256)	

BALANCE SHEET
31 January 2006

	Note	2006 £'000	2005 Restated (note 17) £'000
FIXED ASSETS			
Investments	7	-	425,786
CURRENT ASSETS			
Debtors	8	2,047	105,646
		2,047	105,646
CREDITORS: amounts falling due within one year	9	-	(45,719)
NET CURRENT ASSETS		2,047	59,927
TOTAL ASSETS LESS CURRENT LIABILITIES		2,047	485,713
PENSION LIABILITY	13	(1,425)	(1,000)
NET ASSETS		622	484,713
CAPITAL AND RESERVES			
Called up share capital	10,11	-	10,126
Share premium account	11	-	10,420
Other reserves	11	-	259,917
Profit and loss account	11	622	204,250
TOTAL EQUITY SHAREHOLDERS' FUNDS	11	622	484,713

These financial statements were approved by the Board of Directors on 5 March 2006

Signed on behalf of the Board of Directors



T. Spitzenpfeil

Director

NOTES TO THE ACCOUNTS

Period ended 31 January 2006

1. ACCOUNTING POLICIES

A summary of the principal accounting policies is set out below. All have been applied consistently throughout the period and the prior year.

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

At 31 January 2006, the company was a wholly owned subsidiary undertaking of Zumtobel AG, which is registered in the EC and whose accounts are publicly available, and therefore as permitted by Section 228 of the Companies Act 1985, consolidated group accounts have not been prepared.

The company has also taken advantage of the exemptions under FRS1 (Revised) and has not prepared a cash flow statement on the grounds that the consolidated accounts of Zumtobel AG, which include a cash flow statement, are publicly available.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that 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.

Pension schemes

Under FRS 17 pension scheme assets are measured using fair values. Pension scheme liabilities are valued using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability.

Each pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full, net of deferred tax, and presented on the face of the balance sheet. The movement in the scheme surplus/deficit is split between operating and financial items in the profit and loss account and the statement of total recognised gains and losses.

The full service cost of the pension provision is charged to operating profit. The net impact of the unwinding of the discount rate on scheme liabilities and the expected return on the scheme assets is charged/credited to other finance costs.

Any difference between the expected return on assets and that actually achieved is charged through the statement of total recognised gains and losses (STRGL). Similarly, any differences that arise from experience or assumption changes are charged through the statement of total recognised gains and losses.

NOTES TO THE ACCOUNTS
Period ended 31 January 2006

2. DIRECTORS' EMOLUMENTS AND EMPLOYEES

The directors received no emoluments in respect of their services to the company during the current financial period or the preceding financial year.

The emoluments received by those directors who are also directors of Thorn Lighting Limited are disclosed in the accounts of that company.

The emoluments received by those directors who are also directors of Zumtobel AG are disclosed in the accounts of that company.

There were no employees in the current financial period or the preceding year.

3. OPERATING (LOSS)/PROFIT

Audit Fees were borne by other group companies in the current year.

4. OTHER INCOME

Other Income is attributable to waivers by other Group Companies of amounts due from Wengen-Two.

5. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2006 £'000	2005 £'000
Tax credit on loss on ordinary activities	-	-

The differences between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax are as follows:

	2006 £'000	2005 (restated) £'000
(Loss)/profit on ordinary activities before tax	(374,933)	126
Tax on (loss)/profit on ordinary activities at standard rate of 30%	(112,480)	38
Factors affecting charge for the year:		
Investments write off	126,044	-
Waiver of intercompany debts	(13,586)	-
Expenses not allowable for tax purposes	22	-
Group Relief claimed for nil consideration	(528)	-
Losses brought forward	(304)	-
Income not recognised for accounting purposes	832	1,974
Utilisation of losses	-	(2,012)
	-	-

The 2005 reconciliation has been restated to reflect the full adoption of FRS 17.

NOTES TO THE ACCOUNTS
Period ended 31 January 2006

6. WAIVER OF LOAN TO PARENT

This represents the waiver by Wengen-Two of amounts which were due from Wengen-Three.

7. INVESTMENTS

	Shares in subsidiary undertakings £'000	Listed investments £'000	Total £'000
Cost			
At 1 May 2005	493,397	5	493,402
Repayment of capital	(5,641)	-	(5,641)
	<hr/>	<hr/>	<hr/>
At 31 January 2006	487,756	5	487,761
	<hr/>	<hr/>	<hr/>
Amounts written off			
At 1 May 2005	(67,616)	-	(67,616)
Amounts written off in period	(420,140)	(5)	(420,145)
	<hr/>	<hr/>	<hr/>
At 31 January 2006	(487,756)	(5)	(487,761)
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 January 2006	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 April 2005	425,781	5	425,786
	<hr/>	<hr/>	<hr/>

Details of subsidiary undertakings are listed under note 16.

8. DEBTORS

	2006 £'000	2005 £'000
Amounts owed by other group undertakings	2,047	105,646
	<hr/>	<hr/>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £'000	2005 £'000
Amounts owed to other group undertakings	-	45,592
Other creditors	-	24
Accruals and deferred income	-	103
	<hr/>	<hr/>
	-	45,719
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
Period ended 31 January 2006

10. CALLED UP SHARE CAPITAL

	2006 £'000	2005 £'000
Authorised:		
2,597,229,972 ordinary shares of 6.36p each	165,184	165,184
Called up, allotted and fully paid		
16 ordinary shares of 6.36p each (2005 :159,216,814 ordinary shares of 6.36p each)	-	10,126

On 30 January 2006 the sole shareholder agreed a resolution that the share capital of the company be reduced to 16 ordinary shares of 6.36p by cancelling and extinguishing 159,216,798 shares of 6.36p each registered in the name of Wengen-One Limited, and that the balance of £10,126,188 from such reduction of capital become reserves of the company.

11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Profit and loss account restated (note 17) £'000	Other Reserves £'000	Called up share capital £'000	Share premium account £'000	Total share- holders' funds restated (note 17) £'000
Balance at 1 May 2004	205,104	259,917	10,126	10,420	485,567
Effect of implementation of FRS 17	(800)	-	-	-	(800)
Restated balance at 1 May 2004	204,304	259,917	10,126	10,420	484,767
Restated profit for the financial year	126	-	-	-	126
Net recognised losses in respect of FRS 17	(180)	-	-	-	(180)
Restated balance at 30 April 2005	204,250	259,917	10,126	10,420	484,713
Loss for the financial period	(374,933)	-	-	-	(374,933)
Net recognised losses in respect of FRS 17	(477)	-	-	-	(477)
Waiver of loan to parent	(105,646)	-	-	-	(105,646)
Reduction in share capital	17,511	-	(10,126)	(7,385)	-
Distribution of capital	-	-	-	(3,035)	(3,035)
Reserve transfer	259,917	(259,917)	-	-	-
Balance at 1 January 2005	622	-	-	-	622

The reconciliation of movements in equity shareholders' funds has been restated for the adoption of FRS 17 (note 17).

The distribution of capital by way of a distribution in specie to Wengen-One Limited of the benefit of £3,035,000 of the intra-group receivable to the company from Thorn Lighting Holdings Limited.

NOTES TO THE ACCOUNTS

Period ended 31 January 2006

12. PENSION ARRANGEMENTS

The company operated a defined benefit funded pension scheme with assets held in a trustee administered fund. Following the takeover of the Company in April 2000, all active members of the scheme ceased to be employed by the Company and its membership then consisted solely of pensioners and deferred pensioners. All members, with one exception, subsequently elected to terminate their membership of the scheme and to take cash equivalent transfers. The one remaining member had his benefits secured by the purchase of an annuity. The company in exercise of its power under the Trust Deed, gave notice on 14 June 2001 to put the scheme into winding up with effect from 27 June 2001. The fund currently has assets held in cash of some £708,000 which after augmenting the benefits of the one remaining member, settling outstanding expenses and tax due on the surplus, will be refunded to the company.

13. FRS17 RETIREMENT BENEFITS

In addition to the scheme as described in note 12 the company has pension liabilities as principal employer for the Hille Ergonom Pension Scheme.

A full actuarial valuation was carried out at 5 April 2002 and has been updated to 31 January 2006 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value.

The major assumptions used at 31 January 2006 were:

	January 2006	April 2005	April 2004
Rate of increase in salaries	N/A	N/A	N/A
Rate of increase in pensions in payment	2.7%	2.6%	2.8%
Discount rate	4.6%	5.4%	5.7%
Inflation assumption	3.0%	2.9%	3.0%

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	2006 %	2006 £'000	2005 %	2005 £'000	2004 %	2004 £'000
Fixed interest bonds	4.3	3,343	5.0	3,150	5.0	3,100
Other Assets	4.5	22	-	-	-	-
Total fair value of assets		3,365		3,150		3,100
Present value of scheme liabilities		(4,790)		(4,150)		(3,900)
Scheme Deficit		(1,425)		(1,000)		(800)

Employer contributions of £100,000 have been paid in the period to 31 January 2006 (2005:£50,000).

NOTES TO THE ACCOUNTS
Period ended 31 January 2006

13. FRS 17 RETIREMENT BENEFITS (continued)

Analysis of the amount charged to operating profit is as follows:

	2006 £'000	2005 £'000
Current service cost	-	-
Past service cost	-	-
	<hr/>	<hr/>
Charge to operating profit	-	-
	<hr/>	<hr/>

Analysis of the amount charged to net finance is as follows:

	2006 £'000	2005 £'000
Interest cost on pension Scheme liabilities	(164)	(220)
Expected return on pension Scheme assets	116	150
	<hr/>	<hr/>
Charge to financing cost	(48)	(70)
	<hr/>	<hr/>

Analysis of the actuarial loss recognised in the statement of total recognised gains and losses under is as follows:

	2006 £'000	2005 £'000
Actual return less expected return on pension scheme assets	150	5
Experience gains and losses arising on the scheme liabilities	(2)	(5)
Changes in assumptions underlying the present value of the liabilities	(625)	(180)
	<hr/>	<hr/>
Actuarial loss recognised in STRGL	(477)	(180)
	<hr/>	<hr/>

Movement in Scheme deficit during the period

	2006 £'000	2005 £'000
At 1 May 2005	(1,000)	(800)
Current service costs	-	-
Contributions	100	50
Net finance income	(48)	(70)
Actuarial loss	(477)	(180)
	<hr/>	<hr/>
At 31 January 2006	(1,425)	(1,000)
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
Period ended 31 January 2006

History of experience gains and losses

	2006	2005	2004
Difference between the expected and actual return on scheme assets:			
Amount (£'000)	150	5	(125)
% of scheme assets	4.5%	0.2%	4.0%
Experience gains and losses on scheme liabilities;			
Amount (£'000)	(2)	(5)	5
% of the present value of the scheme liabilities	0.0%	0.1%	0.1%
Total amount recognised in STRGL			
Amount (£'000)	(477)	(180)	50
% of the present value of the scheme liabilities	9.9%	4.3%	1.3%

14. PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company of Wengen-Two is Wengen-One Limited.

The parent undertaking and controlling party at 31 January 2006 and parent of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member, is Zumtobel AG. Copies of Zumtobel AG's accounts can be obtained from Zumtobel AG, Hochsterstrasse 8, A-6850, Dornbirn, Austria.

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of FRS 8 which exempts subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, from disclosing transactions with entities that are part of the group or investees of the group qualifying as related parties. The accounts of the ultimate parent company Zumtobel AG are publicly available.

16. PRINCIPAL SUBSIDIARY UNDERTAKINGS AT 31 JANUARY 2006

Name	Country of incorporation
Wengen-Three	United Kingdom
Metal Closures Group Limited	United Kingdom
Wassall Pension Trustees Limited	United Kingdom

All companies are either holding companies or have ceased trading. Metal Closures Group Limited is in the process of being liquidated.

The following subsidiaries are indirectly owned by the company as a result of being subsidiaries of Wengen-Three:

Name	Country of incorporation
Wengen-Four	United Kingdom
Wengen-Five	United Kingdom
TLG Holdings Limited	United Kingdom

All these subsidiary companies are either holding companies or have ceased trading. TLG Holdings Limited is in the process of being liquidated.

NOTES TO THE ACCOUNTS
Period ended 31 January 2006

17. RESTATEMENT OF COMPARATIVES

The adoption of FRS 17 has required the full disclosure of the fair value of assets and liabilities arising from retirement benefit obligations. Operating costs relating to salaries are recognised in the accounting period in which they are incurred and the associated gains, losses, assets and liabilities are disclosed.

As a result of these changes in accounting policy, the comparatives have been restated as follows:

Balance Sheet

	2005 £'000 as previously reported	2005 £'000 adjustments	2005 £'000 as restated
Pension plan provision under SSAP24	(243)	243	-
Pension plan deficit under FRS17	-	(1,000)	(1,000)
Closing equity shareholders' funds	<u>(485,470)</u>	<u>757</u>	<u>(484,713)</u>
Opening equity shareholders' funds	<u>(485,567)</u>	<u>800</u>	<u>(484,767)</u>

The net fall in equity shareholders' funds of £800,000 as at 1 May 2004 reflects the impact of changing to FRS 17 from SSAP 24 at that date.

Profit and Loss account

	2005 £'000 as previously reported	2005 £'000 adjustments	2005 £'000 as restated
Administration expenses	(97)	293	196
Other finance Costs	-	(70)	(70)

The net increase in profit for the financial year ended 30 April 2005 of £126,000 relates to the full service cost of the pension provision to be charged to operating profit and the net impact of the unwinding of the discount rate on plan liabilities and the expected return of the plan assets to be charged/credited to other finance costs, in comparison to the amortisation of the remaining service lives of the employees of any surplus or deficit under SSAP 24.

NOTES TO THE ACCOUNTS
Period ended 31 January 2006

17. RESTATEMENT OF COMPARATIVES (continued)

Statement of total recognised gains and losses

	2005 £'000 as previously reported	2005 £'000 adjustments	2005 £'000 as restated
Profit for the financial year	(97)	223	126
Actuarial loss on FRS 17 pension liability	-	(180)	(180)
Total gains / (losses) for the year	<u>(97)</u>	<u>43</u>	<u>(54)</u>