

EMI GROUP INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31 March 2008.

Principal Activities and Review of the Business

The Company is a wholly owned subsidiary of EMI Group Limited. On 17 August 2007, EMI Group plc was acquired by Maltby Acquisitions Limited, formerly Maltby Limited, (a wholly owned subsidiary of Maltby Capital Limited) and on 18 September 2007 delisted from trading on the London Stock Exchange plc's main market for listed securities. EMI Group plc changed its name to EMI Group Limited on 4 October 2007. TFCP Holdings Limited became the ultimate parent undertaking on 17 August 2007.

The principal activity of the Company is that of an investment holding company. There has not been any change to the principal activity of the Company during the year ended 31 March 2008 or subsequently. The directors do not anticipate any change to the principal activity of the Company during the next year.

The Company operates as part of the Maltby Capital Limited Group ("the Group") and all of its transactions are with fellow Group undertakings. As such its activities are dependent on the activities of the Group as a whole. Therefore, the Company's key financial and other performance indicators during the year were as follows:

	2008	2007	Change
	£000	£000	%
(Loss)/profit after tax	(263,068)	(26,999)	-874.4
Shareholders' deficit	(194,191)	(103,259)	-88.1
Current assets as % of current liabilities	60.6%	52.6%	+8.0

As stated in the profit and loss account on page 7 the Company made a loss during the current year of £263,068,000 compared with a loss of £26,999,000 in the previous year. This increased loss is due to higher intercompany interest payments in the current year as the intercompany loans have increased as well as an impairment charge in the current year.

In the balance sheet shown on page 8 shareholders' funds have decreased from £(103,259,000) to £(194,191,000) due to retained losses for the year, partially offset by shares issued during the year.



LD3 03/03/2009 128
COMPANIES HOUSE

DIRECTORS' REPORT (continued)

Principal Risks and Uncertainties

The Company operates as part of the Group and all of its transactions are with fellow Group undertakings. As such its activities are dependent on the activities of the Group as a whole.

The risks and uncertainties facing the Company are linked to those of the Group. A detailed discussion of the Group risks and uncertainties is contained in Maltby Capital Limited's annual report.

Dividends

The Directors do not recommend payment of a dividend (2007: £nil).

Directors

The Directors during the year and subsequently were as follows:

D J T Bratchell	(resigned 23.11.2007)
S M Cottis	(resigned 23.11.2007)
C J Ancliff [#]	(resigned 23.11.2007)
C L Christian [#]	(resigned 23.11.2007)
S Alexander	(appointed 23.11.2007) (resigned 17.12.2008)
R Punja	(appointed 23.11.2007) (resigned 17.12.2008)
C Roling	(appointed 23.11.2007) (resigned 22.09.2008)
A P Chadd	(appointed 22.09.2008)
C J Kennedy	(appointed 17.12.2008)

[#] Alternate directors to S M Cottis

Directors' Qualifying Third Party Indemnity Provisions

The intermediate parent undertaking, EMI Group Limited, has maintained insurance to cover Directors' and Officers' liability as permitted by Section 310(3) of the Companies Act 1985.

Overseas Branches

The company's branch based in the Netherlands was closed on 30 September 2004.

Donations

Grants and charitable donations made during the year amounted to £nil (2007: £nil). There were no political contributions made during the year (2007: £nil).


Disclosure of information to the auditor

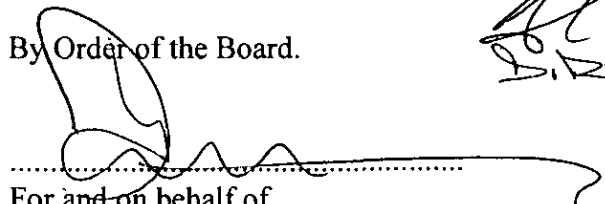
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all steps that he or she ought to have taken as a Director in order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

DIRECTORS' REPORT (continued)

During the year, following the resignation of Ernst & Young LLP, KPMG LLP were appointed as auditors to the Company.

By Order of the Board.


DIRECTOR 3.3.09


For and on behalf of
Mawlaw Secretaries Limited
Secretary

Date: 3 March 2009

Registered Office
27 Wrights Lane
London
W8 5SW

EMI GROUP INTERNATIONAL HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments 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 its financial statements comply with the Companies Act 1985. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMI GROUP INTERNATIONAL HOLDINGS LIMITED

We have audited the financial statements of EMI Group International Holdings Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. 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 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 in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

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

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

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

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMI GROUP INTERNATIONAL HOLDINGS LIMITED (continued)

Opinion

In our opinion:

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

Handwritten signature of KPMG LLP in black ink.

KPMG LLP
Chartered Accountants
Registered Auditor
3 March 2009

8 Salisbury Square
London
EC4Y 8BB

EMI GROUP INTERNATIONAL HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008**

	Notes	2008 £000	2007 £000
Administration expenses		(3)	40
Other operating expense	2	(209,036)	-
		<hr/>	<hr/>
OPERATING (LOSS)/PROFIT BEFORE INTEREST AND TAXATION		(209,039)	40
Interest receivable	3	1,727	1,428
Interest payable	4	(55,756)	(48,807)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(263,068)	(47,339)
Taxation	5	-	20,340
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(263,068)	(26,999)
		<hr/>	<hr/>

All operating loss is from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

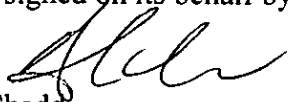
There are no recognised gains and losses attributable to the shareholders of the Company other than the loss of £263,068,000 (2007: loss £26,999,000).

EMI GROUP INTERNATIONAL HOLDINGS LIMITED

BALANCE SHEET AT 31 MARCH 2008

		2008	2007
	Notes	£000	£000
FIXED ASSETS			
Tangible assets	10	-	1
Investments	9	1,486,909	1,690,150
		<hr/>	<hr/>
		1,486,909	1,690,151
		<hr/>	<hr/>
CURRENT ASSETS: DEBTORS			
AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amount due from fellow subsidiary undertaking		463,687	25,531
DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Amount due from parent undertaking		-	382,226
Amount due from fellow subsidiary undertaking		-	50,771
		<hr/>	<hr/>
		463,687	458,528
CURRENT LIABILITIES: CREDITORS			
AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amount due to parent undertaking		-	(528,687)
Amount due to fellow subsidiary undertaking		(764,726)	(343,190)
Other creditors and accruals		(14)	(14)
		<hr/>	<hr/>
		(764,740)	(871,891)
NET CURRENT LIABILITIES		<hr/>	<hr/>
		(301,053)	(413,363)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/>	<hr/>
		1,185,856	1,276,788
		<hr/>	<hr/>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Amount due to parent undertaking		(44,047)	(44,047)
Redeemable shares	12	(1,336,000)	(1,336,000)
		<hr/>	<hr/>
		(194,191)	(103,259)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	12	172,136	-
Profit and loss reserve	11	(366,327)	(103,259)
		<hr/>	<hr/>
Shareholders' deficit		<hr/>	<hr/>
		(194,191)	(103,259)
		<hr/>	<hr/>

These financial statements were approved for issue by the Board of Directors on 3 March 2009 and were signed on its behalf by:


 Andrew Chadd
 Director

EMI GROUP INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements are prepared under the historical cost convention.

The financial statements are prepared in accordance with applicable accounting standards.

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £301,053,000 which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Maltby Investments Limited (a subsidiary of Maltby Capital Limited), via EMI Group Limited, the Company's intermediate parent undertaking. Maltby Investments Limited has indicated that for at least 12 months from the date of approval of these financial statements it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so.

Based on this undertaking, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments. Tax charges and credits attributable to exchange differences on these borrowings are also dealt with in reserves.

EMI GROUP INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

Cash Flow Statement

The Company has taken advantage of the exemption in FRS 1 (revised) not to prepare a cash flow statement as a parent undertaking prepares a consolidated cash flow statement, which includes the Company, in accordance with FRS 1 (revised).

Related Parties

As the Company is a wholly owned subsidiary of Maltby Capital Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements of Maltby Capital Limited, within which this Company is included, can be obtained from the address given in note 14.

Investments

Investments in subsidiary and associated undertakings are stated at cost less provision to reflect any impairment.

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

EMI GROUP INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

2. OTHER OPERATING EXPENSES

	2008 £000	2007 £000
Impairment of investments	209,036	-

3. INTEREST RECEIVABLE

	2008 £000	2007 £000
Interest receivable on:		
Loans to Group undertakings	1,727	1,428

4. INTEREST PAYABLE

	2008 £000	2007 £000
Interest payable on:		
Loans from parent undertaking	-	29,614
Loans from Group undertakings	55,756	19,193
	55,756	48,807

EMI GROUP INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

5. TAX

Tax on profit/(loss) on ordinary activities	2008	2007
	£000	£000
UK corporation tax		
Payments in respect of group relief - Current year	-	(20,340)
Payments in respect of group relief - Prior year	-	-
	-	(20,340)
Foreign tax		
Current year	-	-
Adjustments in respect of previous periods	-	-
	-	-
Total current tax charge	-	(20,340)
Deferred tax		
Originating and reversal of timing differences	-	-
Effect of changes in tax rate on opening liability	-	-
Changes in recoverable amounts of deferred tax assets	-	-
	-	-
Tax on profit/loss on ordinary activities	-	-
	2008	2007
	£000	£000
Factors affecting current tax charge		
Loss on ordinary activities before tax	(263,068)	(47,339)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007 – 30%)	(78,920)	(14,202)
<i>Effect of:</i>		
Tax losses not utilised	3,846	
Group relief (surrendered)/received for payment of greater than 30%	12,363	(6,138)
Permanent differences	62,711	
Total current tax credit	-	(20,340)

Factors affecting future tax charge

As part of the Group, the company may receive or surrender losses by way of group relief. This receipt or surrender may be made with or without charge.

Deferred tax

At the balance sheet date the company had unused tax losses of £3,846,464 (2007: £nil) available for offset against future profits.

EMI GROUP INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

6. CONTINGENT LIABILITIES

The Company has provided a guarantee to its clearing banks in respect of borrowings of other EMI Group Limited UK Group companies. Such guarantee is limited to the amount of cash deposited by the Company with the banks. At 31 March 2008, £nil (2007: £nil) was guaranteed.

EMI Group International Holdings Limited acceded, on 28 January 2008, to a debenture dated 30 August 2007 (as amended, supplemented, novated, extended, restated or varied from time to time) and made between, amongst others, Maltby Acquisitions Limited (formerly known as Maltby Limited) and Citibank, N.A., London Branch as Security Agent, pursuant to which the company charged, by way of mortgage or fixed charge or assign by way of security (as appropriate) all of their right, title and interest in certain assets, charge all or substantially all of their present and future assets and undertaking by way of first floating charge in favour of the Security Agent to secure the repayment of the Secured Liabilities (as defined therein) and covenant that they will, on demand, pay and discharge the Secured Liabilities.

7. DIRECTORS' EMOLUMENTS AND STAFF COSTS

No Director received any remuneration during the year in respect of his/her services to the Company (2007: £nil). The Company had no employees during either the current or prior year.

8. AUDITORS' REMUNERATION

The Auditors' remuneration is borne by the intermediate parent undertaking EMI Group Ltd and is as follows:

	2008	2007
	£	£
Audit of these financial statements	20,000	20,000

Amounts receivable by the Company's auditors and their associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required, instead, to be disclosed on a consolidated basis in the consolidated financial statements of Maltby Capital Limited, the Company's parent.

EMI GROUP INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

9. INVESTMENTS

a) SHARES IN GROUP UNDERTAKINGS

	<u>Cost</u> £000	<u>Provisions</u> £000	<u>Net Book</u> <u>Value</u> £000
At 31 March 2007	1,690,250	(100)	1,690,150
Additions and transfers	5,795	(209,036)	(203,241)
	<hr/>	<hr/>	<hr/>
At 31 March 2008	1,696,045	(209,136)	1,486,909
	<hr/>	<hr/>	<hr/>

In accordance with FRS 11 'Impairment of Fixed Assets and Goodwill' the carrying values of the assets have been compared to their recoverable amounts, represented by their value in use to the group. The value in use has been derived from discounted cash flow projections using a nominal discount rate of 10% on a pre-tax basis. An annual growth rate of between 0% and 6% has been assumed for five years, reflecting the Company's view of the outlook for the business.

In the opinion of the Directors the value of the investments is at least equal to their carrying value.

EMI GROUP INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

9. INVESTMENTS (continued)

b) PRINCIPAL SUBSIDIARY UNDERTAKINGS

The following were the principal subsidiary undertakings of EMI Group International Holdings Limited at 31 March 2008.

Subsidiary undertakings	Country of Incorporation	Proportion held	Nature of business
Virgin Australia Pty Ltd	Australia	100%	Records
Virgin Australia Music Pty Ltd	Australia	100%	Music Publishing
Virgin Belgium Publishing SA	Belgium	100%	Music Publishing
Virgin Benelux Publishing SA	Netherlands	100%	Music Publishing
Virgin Records Canada Inc	Canada	100%	Records
Virgin Vision Canada Inc	Canada	100%	Video
Virgin Records Denmark Aps	Denmark	100%	Marketing & Promotion
Ediciones Musicales Virgin SA	Spain	100%	Music Publishing
Diski Virgin EPE	Greece	100%	Records
Virgin Music EPE	Greece	100%	Music Publishing
Virgin Japan Ltd	Japan	100%	Records
Virgin Records (NZ) Ltd	New Zealand	100%	Marketing & Promotion
Virgin Music AB	Sweden	100%	Music Publishing
Virgin Music Publishers	Germany	100%	Music Publishing
Virgin Records America Inc	USA	100%	Records
Virgin Music America Inc	USA	100%	Holding Company
Cardiac Records Inc	USA	100%	Records
Caroline Records Calif. Inc	USA	100%	Records
Charisma Records America Inc	USA	100%	Records
Caroline Records Inc	USA	100%	Records
EMI Recorded Music Holdings Inc	USA	100%	Holding Company
Virgin Music Inc	USA	100%	Music Publishing
Virgin Songs Inc	USA	100%	Music Publishing
Virgin Records Inc	USA	100%	Records
Virgin Records (Hong Kong) Ltd	Hong Kong	100%	Records
Virgin Music Publishers (HK) Ltd	Hong Kong	100%	Music Publishing
Virgin Music Japan Ltd	Japan	100%	Music Publishing
EMI Overseas Holdings Ltd	UK	100%	Holding Company
EMI Group Holdings BV	Netherlands	100%	Holding Company

The Company directly holds shares in EMI Group Holdings BV and EMI Overseas Holdings Ltd. The other subsidiary undertakings are held indirectly.

EMI GROUP INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

10. TANGIBLE FIXED ASSETS

Plant and Equipment	Cost £000	Depreciation £000	Net Book Value £000
At 31 March 2007	4	(3)	1
Additions	-	-	-
Charge for period	-	(1)	(1)
	<hr/>	<hr/>	<hr/>
At 31 March 2008	4	(4)	-
	<hr/>	<hr/>	<hr/>

Depreciation of plant and equipment is calculated on cost at rates estimated to write off the cost of the relevant asset by equal annual amounts over their expected useful lives. The annual rate used was 20%.

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £000	Profit & Loss Reserve £000	Total £000
At 31 March 2006	-	(76,260)	(76,260)
Loss for the year	-	(26,999)	(26,999)
	<hr/>	<hr/>	<hr/>
At 31 March 2007	-	(103,259)	(103,259)
Loss for the year	-	(263,068)	(263,068)
Issued	172,136	-	172,136
	<hr/>	<hr/>	<hr/>
At 31 March 2008	172,136	(366,327)	(194,191)
	<hr/>	<hr/>	<hr/>

EMI GROUP INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

12. SHARE CAPITAL

	2008	2007
	£	£
Authorised:		
Ordinary shares of £1 each	172,136,100	64,000,100
Redeemable ordinary shares of £1 each	1,399,999,900	1,400,000,000
 Allotted, called up and fully paid:		
Ordinary shares of £1 each	172,136,100	100
Redeemable ordinary shares of £1 each	1,335,999,900	1,335,999,900

During the year the Company passed a special resolution to increase its authorised share capital by 20,000,000 ordinary shares and issued 20,000,000 ordinary shares at par which were paid for in cash.

Each of the redeemable ordinary shares ranks pari passu in all respects with the Ordinary shares except in respect of redemption rights.

Both the Company and the holders of the Redeemable Ordinary Shares have the right at any time to redeem all or any of the Redeemable Ordinary Shares. No premium is payable on redemption.

These shares have been treated as debt rather than equity under FRS 25 and have therefore been included in Creditors due in greater than one year.

EMI GROUP INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

13. PARENT UNDERTAKING

The immediate parents of the Company are EMI Group Worldwide holding 172,136,099 shares and EMI Nominees Limited holding 1 share. The ultimate parent undertaking and controlling party is TFCP Holdings Limited, a company registered in Guernsey.

The parent undertaking of the largest group to consolidate these financial statements is Maltby Capital Limited and the parent undertaking of the smallest group to consolidate these financial statements is Maltby Investments Limited. Copies of the consolidated financial statements of both Maltby Capital Limited and Maltby Investments Limited for the period ended 31 March 2008 can be obtained from the Company's registered address, 27 Wrights Lane, London W8 5SW

14. TERMS OF INTERCOMPANY BALANCES

Amounts to and from fellow Group undertakings and parent undertakings are repayable on demand, some attract interest at market rates and some are interest free.