GPT Special Project Management Limited

Directors' report and financial statements

Registered number 2984211

Year ended 31 December 2008

Contents

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2008.

Principal activities and business review

The company is a wholly owned subsidiary of Paradigm Services Limited and operates exclusively in the Kingdom of Saudi Arabia.

The company's principal activity continues to be the prime contractor offering design and build capital replacement projects of communications systems plus associated managed services – operations maintenance and customer training. There have not been any significant changes in the company's principal activities in the year under review. The company directors are not aware, at the date of this report, of any likely changes in the company's principal activities in the next year.

As shown in the company's profit and loss account on page 6, the company's sales have increased by 28% compared to the prior nine month period.

The balance sheet on page 7 of the financial statements shows the company's financial position. Net assets at the year end have decreased due to the dividend of SAR 30,000,000 that was paid during the year. Intercompany creditors with Paradigm Services Ltd of SAR 98,474 and Astrium SAS of SAR 6,296,500 existed at 31 December 2008.

The company has served a single customer since it's formation due to its exclusivity as laid out in the company's commercial registration and therefore has no intention to seek new contracts with other customers. For this reason the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The company remains the sole provider of services to its customer.

The company retains its exclusive arrangement with its customer by providing efficient and cost effective services in addition to maintaining a strong relationship with its customer both in the Kingdom of Saudi Arabia and the UK.

The company has no loan arrangements and a sufficient working capital for its needs, therefore the company has no interest rate exposure.

The principal activity of the company continues to be the operation and maintenance of communications systems and associated company training in the Kingdom of Saudi Arabia. The Directors intend the company will carry on business in its current capacity.

Performance

Results for the year are shown in the profit and loss account on page 6. An interim dividend was paid of SAR 30,000,000 (31 December 2007: SAR Nil). The Directors do not recommend the payment of a final dividend (31 December 2007: Nil).

Directors' report (continued)

Directors and directors' interests

The directors who held office during the year were as follows:

Malcolm Peto

Laurence Bryant

Peter Bruton

Andrew Stroomer (resigned 1 September 2008)

Jeff Cook (appointed 11 November 2008)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

Political and charitable contributions

The company made no political contributions during the year. No donations were made to UK charities (31 December 2007 : Nil).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, as 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 ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

Laurence Bryant
Director

23 July 2009
21 Holborn Viaduct,
London, EC1A 2FG

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.

KPMG LLP

PO Box 695
8 Salisbury Square
London EC4Y 8BB
United Kingdom

Independent auditors' report to the members of GPT Special Project Management Limited

We have audited the financial statements of GPT Special Project Management Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds 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 3.

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 GPT Special Project Management 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 December 2008 and of its profit 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.

KPMG LLP
Chartered Accountants
Registered Auditor

23 July 2009

Profit and loss account
for the year ended 31 December 2008

	Note	Year ended 31 December 2008	Nine month period ended 31 December 2007
		SAR 000	SAR 000
Turnover	2	193,207	151,105
Cost of sales		(169,799)	(134,773)
Gross profit		23,408	16,332
Administrative expenses		(12,742)	(4,720)
Operating profit		10,666	11,612
Other interest receivable and similar income	6	4,384	3,235
Profit on ordinary activities before taxation	2,3	15,050	14,847
Tax on profit on ordinary activities	7	(5,954)	(4,461)
Profit for the financial year/period		9,096	10,386

The results above are all derived from continuing operations.

There are no recognised gains and losses for the year other than those recorded in the profit and loss account.

Balance sheet
at 31 December 2008

	Note	31 December 2008 SAR 000	31December 2008 SAR 000	31 December 2007 SAR 000	31 December 2007 SAR 000
Fixed assets					
Tangible assets	*8*		**2,499**		**2,514**
Current assets					
Debtors	*9*	**74,983**		**4,642**	
Cash at bank and in hand		**44,012**		**122,733**	
		118,995		**127,375**	
Creditors: amounts falling due within one year	*10*	**(100,458)**		**(89,277)**	
Net current assets			**18,537**		**38,098**
Total assets less current liabilities			**21,036**		**40,612**
Provisions for liabilities and charges	*11*		**(8,635)**		**(7,307)**
Net assets			**12,401**		**33,305**
Capital and reserves					
Called up share capital*	*12*		-		-
Profit and loss account	*13*		**12,401**		**33,305**
Shareholders' funds			**12,401**		**33,305**

*The called up share capital of the company is SAR 14.

These financial statements were approved by the board of directors on 23 July 2009 and were signed on its behalf by:

Laurence Bryant
Director

Reconciliation of movements in shareholders' funds
for the Year ended 31 December 2008

		Year ended 31December 2008	Nine month period ended 31 December 2007
		SAR 000	**SAR 000**
Profit for the financial year		**9,096**	**10,386**
Dividends on shares classified in shareholders' funds	14	**(30,000)**	**-**
Net reduction in shareholders' funds		**(20,904)**	**10,386**
Opening shareholders' funds		**33,305**	**22,919**
Closing shareholders' funds		**12,401**	**33,305**

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 (Revised) not to prepare a cashflow statement on the grounds that a parent undertaking includes the company in its own published financial statements.

Tangible fixed assets and depreciation

Motor vehicles are recorded at cost and depreciated from the time they are brought into use on a straight line basis over the lower of their estimated useful lives (which the Directors consider to be four years) or the remaining contract life. Provision is made for impairment.

Taxation

The charge for taxation is based upon the profit/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.

Turnover and gross margin

The company enters into certain long-term contracts and accounts for them in accordance with SSAP 9. The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated as appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses on payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Other turnover represents amounts invoiced, excluding VAT.

Post-retirement benefits

The company is a participating member of the EADS Astrium Pension Scheme which provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement Benefits', accounts for the scheme as if it was a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes *(continued)*

2 Analysis of turnover and profit on ordinary activities before taxation

All turnover and profit on ordinary activities before taxation originates in the Kingdom of Saudi Arabia and is derived from the company's principal activity.

3 Notes to the profit and loss account

	Year ended 31December 2008	Nine month period ended 31 December 2007
	SAR 000	**SAR 000**
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration		
Audit of these financial statements	215	215
Depreciation	1,962	452

4 Remuneration of directors

	Year ended 31December 2008	Nine month period ended 31 December 2007
	SAR 000	**SAR 000**
Directors' emoluments	-	-
Pension contributions	-	-
	-	-

The emoluments of the highest paid director was SAR Nil (2007: SAR Nil), and company pension contributions of SAR Nil (2007: SAR Nil) were made to the group defined benefit pension scheme during the year.

Retirement benefits are accrued to one director under the defined benefit scheme.

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the company (including directors, but excluding contractors) during the year was as follows:

	Year ended 31December 2008	Nine month period ended 31 December 2007
Overseas	309	303
	309	303

The aggregate payroll costs of these persons were as follows:

	Year ended 31December 2008	Nine month period ended 31 December 2007
	SAR 000	SAR 000
Wages and salaries	40,836	27,634
Social security costs	1,350	741
Other pension costs	672	423
	42,858	28,798

The company is a member of the EADS Astrium Pension Scheme providing benefits based on final pensionable pay. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by the multi employer exemptions in FRS 17 'Retirement benefits' the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme.

EADS Astrium NV account for the scheme in accordance with FRS 17. This information updated by Watson Wyatt LLP to take account of FRS 17 in order to assess the liabilities of the scheme at 31 December 2008 showed a net pension liability of £28.1 million.

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Notes *(continued)*

6 Other interest receivable and similar income

	Year ended 31December 2008	Nine month period ended 31 December 2007
	SAR 000	**SAR 000**
Bank interest receivable	**1,566**	**3,235**
Interest receivable from associated company	**2,818**	-
	4,384	**3,235**

7 Taxation

	Year ended 31December 2008	Nine month period ended 31 December 2007
	SAR 000	**SAR 000**
UK corporation tax		
Current tax for the year	**6,615**	**4,213**
Over provision in prior year	**(610)**	-
Total current tax	**6,005**	**4,213**
Deferred tax		
Current year (credit)/charge	**(51)**	**248**
Adjustment in respect of prior year	-	-
Total deferred tax	**(51)**	**248**
Tax on profit on ordinary activities	**5,954**	**4,461**

Notes *(continued)*

Factors affecting the tax charge for the current year.

The current tax charge for the period is higher than the standard rate of corporation tax in the UK of 28.5%, (period ended 31 December 2007: 30%). The differences are explained below:

	Year ended 31 December 2008	Nine month period ended 31 December 2007
	SAR 000	**SAR 000**
Current tax reconciliation		
Profit on ordinary activities before tax	**15,050**	**14,847**
Current tax at 28.5% (2007: 30%)	**4,289**	**4,454**
Effects of:		
Expenses not allowable for tax purposes	**2,324**	**8**
Capital allowances	**(554)**	**(384)**
Depreciation	**556**	**135**
Over provision in prior year	**(610)**	**-**
Total current tax charge (see above)	**6,005**	**4,213**

Notes *(continued)*

8 Tangible fixed assets

	Total SAR 000
Cost	
At beginning of year	13,089
Additions	2,045
Disposals	(294)
At end of year	14,840
Depreciation	
At beginning of year	10,575
Charge for year	1,962
Eliminated on disposal	(196)
At end of year	12,341
Net book value	
At 31 December 2008	2,499
At 31 December 2007	2,514

Notes *(continued)*

9 Debtors

	Year ended 31December 2008	Nine month period ended 31 December 2007
Amounts receivable from group undertakings	60,000	-
Trade debtors	7,513	-
Affiliated company	1,269	-
Deferred tax	1,086	1,035
Prepayments	5,115	3,607
	74,983	4,642

10 Creditors: amounts falling due within one year

	Year ended 31December 2008	Nine month period ended 31 December 2007
Trade creditors	4,177	4,806
Amounts owed to group undertakings	6,395	781
Taxation and social security	18,043	13,222
Accruals	71,843	70,468
	100,458	89,277

11 Provisions for liabilities and charges

	Total SAR 000
At beginning of year	7,307
Additional provision created	7,635
Released during the year	(6,307)
At end of year	8,635

Notes *(continued)*

12 Called up share capital

	Year ended 31December 2008	Nine month period ended 31 December 2007
Authorised		
1,000 Ordinary shares of £1 each	**7,000**	**7,000**
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	**14**	**14**

Notes *(continued)*

13 Reserves

	Profit and loss account SAR 000
At beginning of year	33,305
Profit for the year	9,096
Dividend on shares classified in shareholders' funds	(30,000)
At end of year	**12,401**

14 Dividends

The aggregate amount of dividends comprises:

	Year ended 31December 2008	Nine month period ended 31 December 2007
Interim dividend in respect of the current year/period	30,000	-

15 Related party disclosures

As the company is a wholly owned subsidiary of EADS N.V., it has taken advantage of the exemption 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 EADS N.V. are available from Investor Relations, 37 Boulevard Montmorency, 75781 Paris Cedex 16, France.

16 Ultimate parent undertaking and parent undertaking of larger group of which the company is a member of

The company's immediate parent undertaking is Paradigm Services Limited. The smallest and largest group in which the results of the company are consolidated is EADS N.V., its ultimate parent undertaking. The financial statements of EADS N.V. can be obtained from Investor Relations, 37 Boulevard Montmorency, 75781 Paris Cedex 16, France.