

Registered number
5234939

TIMESOUND
DIRECTORS' REPORT AND ACCOUNTS
in respect of the year ended
31 December 2007



TIMESOUND

Directors' Report

Directors	G Dransfield D J Egan E J Laurie
Secretary	G Dransfield
Registered office	1 Grosvenor Place, London SW1X 7JH

The Directors present their report and accounts for the year ended 31 December 2007

Principal activities and review of the business

The principal activity of the Company is that of a non trading company

On 10 August 2007 a resolution was passed to re-register the Company as an unlimited Company, and on the same day, the Company changed its name from Timesound Limited to Timesound

On 16 August 2007 the Company, by way of written resolution to its shareholders, reduced the nominal value of the issued and unissued redeemable shares to €0 00000103294 each. Following this reduction the authorised share capital of the Company was 1,000 ordinary shares of €1 and 95,842,055 "A" redeemable shares of €0 00000103294 each

The Company then transferred the sum of €95,841,956 from the issued share capital and capital reserve account to the distributable reserves. Following this transfer the Company sold its €95,169,409 debtor, due from St Marius, to Clerve Corporation at a loss of €95,169,409

Results and dividends

The loss for the year amounted to €95,169,409 and is dealt with as shown in the profit and loss account. The Directors do not recommend the payment of a dividend for the year.

Directors

The Directors shown at the head of this report are currently in office. D Egan was appointed as a Director on 1 June 2007 and N Swift resigned on the same day. R Coulson resigned on 9 August 2007. G Dransfield and E J Laurie served throughout the year.

Annual General Meeting

Pursuant to an Elective Resolution of the Company passed on 18 October 2004 the Company has dispensed with the need to hold Annual General Meetings.

Any member of the Company is entitled to require the laying of the accounts before a general meeting on giving due notice to that effect in accordance with S253 of the Companies Act 1985.

Auditors

Ernst & Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under S386 of the Companies Act 1985.

TIMESOUND

Directors' Report

Directors' responsibilities

The Directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts 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 year. In preparing these accounts, 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 accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business

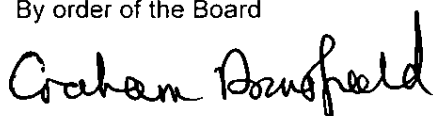
The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors and disclosure of information to auditors

The Directors who held office at the date of approval of this Report of the Directors each confirm that, so far as they are aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware, and that they have each taken all the steps that ought to have been taken as a Director of the Company to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given in accordance with provisions of Section 234ZA of the Companies Act 1985.

By order of the Board



G Dransfield
Secretary
23 May 2008

TIMESOUND

Independent auditors' report to the shareholders of TIMESOUND

We have audited the Company's accounts for the year ended 31 December 2007 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes 1 to 10. These accounts 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 accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts 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 accounts 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 accounts.

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 with the Company 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

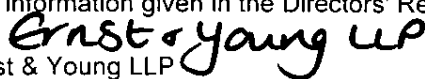
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant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

Opinion

In our opinion:

- the accounts 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 December 2007 and of its result for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the accounts.


Ernst & Young LLP
Registered Auditor
London
23 May 2008

TIMESOUND
Profit and Loss Account
for the year ended 31 December 2007

	Notes	2007 €	2006 €
Operating profit	2	-	-
Assignment of debt to Clerve Corporation		(95,169,409)	-
Unwinding of discount on debtors		-	2,393,885
Interest receivable	3	-	130
(Loss)/profit on ordinary activities before taxation		(95,169,409)	2,394,015
Taxation	4	-	-
Retained (loss)/profit for the financial year/period		<u>(95,169,409)</u>	<u>2,394,015</u>

Movements in reserves are set out in note 8


Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of €95,169,409 for the year ended 31 December 2007 (profit of €2,394,015 for the period ended 31 December 2006)

TIMESOUND
Balance Sheet
at 31 December 2007

	Notes	2007 €	2006 €
Current assets			
Debtors	5	672,731	95,842,140
		672,731	95,842,140
Net assets		<u>672,731</u>	<u>95,842,140</u>
Capital and reserves			
Called up share capital	6	100	90,050,001
Capital reserve	7	-	5,792,054
Profit and loss account	8	672,631	85
Equity shareholders' funds	9	<u>672,731</u>	<u>95,842,140</u>

Approved by the Board of Directors
23 May 2008


D. J. Egan
Director

TIMESOUND

Notes to the Accounts

for the year ended 31 December 2007

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards

The Company has taken advantage of the exemption available to it under FRS 1 "Cash Flow Statements" not to prepare a statement of cash flows

2 Operating profit

2007

2006

€

€

This is stated after charging

Auditors' remuneration

-

-

Directors' remuneration

-

-

-

-

Fees for audit and non-audit services provided by Ernst and Young LLP to the Company have been borne by a group undertaking. It is not practicable to ascertain what proportion of such fees relates to the Company

The Directors are also directors of, and were paid by, the ultimate parent undertaking and/or other group undertakings. The Directors do not believe that it is practicable to apportion these emoluments between their services as Directors of the Company and their services as directors of the ultimate parent undertaking and /or other group undertakings

3 Interest receivable/ (payable)

2007

2006

€

€

Bank interest

-

130

TIMESOUND**Notes to the Accounts****for the year ended 31 December 2007****4 Taxation**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007 €	2006 €
(Loss)/profit on ordinary activities before taxation	<u>(95,169,409)</u>	<u>2,394,015</u>
Standard rate of corporation tax in the UK	30%	30%
	€	€
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	(28,550,823)	718,205
Effects of		
Assignment of debt not taxable	28,550,823	-
Unwind of discount of debtors not taxable	-	(718,166)
Imputed Interest	12,815	10,293
Group relief claimed for nil charge	(12,815)	(10,332)
Current tax charge for the year	<u>-</u>	<u>-</u>

5 Debtors

	2007 €	2006 €
Amounts owed by group undertakings	<u>672,731</u>	<u>95,842,140</u>

There are no formal agreements for the repayment of amounts due to or from group undertakings

TIMESOUND

Notes to the Accounts

for the year ended 31 December 2007

6 Share capital	2007 No	2006 No	2007 €	2006 €
Authorised				
Ordinary shares of €1 each	1,000	1,000	1,000	1,000
€0 00000103294 each (2006 €1 each)	100,000,000	100,000,000	100,000,000	100,000,000
			<u>100,001,000</u>	<u>100,001,000</u>
	2007 No	2006 No	2007 €	2006 €
Allotted, called up and fully paid				
Ordinary shares of €1 each	1	1	1	1
"A" redeemable shares of				
€0 00000103294 each (2006 €1 each)	95,842,055	95,842,055	99	90,050,000
			<u>100</u>	<u>90,050,001</u>

All shares shall rank parri passu in all respects save that

"A" Redeemable Shares

- The Company may give notice in writing and upon tendering to a registered holder, redeem at par any "A" redeemable share at any time after and including the date upon which such "A" redeemable share is deemed to be credited fully paid and such holder shall be bound to deliver up any certificate which he may be representing the same and upon redemption, the name of the registered holder shall be removed from the Register and the "A" redeemable share which has been redeemed shall be cancelled, and
- Any subscriber of "A" redeemable shares, which are allotted and issued to that subscriber shall remain liable to the Company to pay any amounts due to the Company on those shares notwithstanding any transfer of such shares to a third person

TIMESOUND**Notes to the Accounts****for the year ended 31 December 2007**

7 Capital reserves	2007	2006
	€	€
At 1 January	5,792,054	3,398,169
Transfer (to)/from the profit and loss account	(5,792,054)	2,393,885
At 31 December	<u>-</u>	<u>5,792,054</u>

Capital reserves represented the unwinding of the discount on debtors and were non-distributable, shareholders' funds. Following the Company re-registering as unlimited these funds became distributable and have been transferred to distributable reserves.

8 Profit and loss account	2007	2006
	€	€
At 1 January	85	(45)
(Loss)/profit for the financial year	(95,169,409)	2,394,015
Transfer from share capital	90,049,901	-
Transfer from capital reserve	5,792,054	(2,393,885)
At 31 December	<u>672,631</u>	<u>85</u>

9 Reconciliation of movement in shareholders' funds	2007	2006
	€	€
At 1 January	95,842,140	93,448,125
(Loss)/profit for the financial year	(95,169,409)	2,394,015
At 31 December	<u>672,731</u>	<u>95,842,140</u>

TIMESOUND

Notes to the Accounts

for the year ended 31 December 2007

10 Group accounts

The immediate parent undertaking of Timesound is St Nicolas Sarl, a company registered in Luxembourg and the ultimate parent undertaking is HeidelbergCement AG, a company incorporated in Germany. The largest and smallest group preparing consolidated group accounts which include Timesound is Heidelberg Cement AG for the year ended 31 December 2007.

Copies of the accounts of HeidelbergCement AG can be obtained from Berliner Strasse 6, D-69120 Heidelberg, Germany.

The Company has taken advantage of the exemption available to it in FRS 8 "Related Party Disclosures" from disclosing transactions with related parties that are part of the HeidelbergCement AG group.