

Vita (Holdings) Limited
(Formerly British Vita (UK) Limited)
Annual report and financial statements
for the year ended 31 December 2012

Registered Number 5396870



Vita (Holdings) Limited
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for the year ended 31 December 2012

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Vita (Holdings) Limited

Directors and Advisors for the year ended 31 December 2012

Directors

Mr J H Menendez

Mr G L Maundrell

Mr S Cox

Mr J D Meltham

Mr C G King

Secretary

Vita Industrial (UK) Limited

Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

Registered Office

Times Place

45 Pall Mall

London

SW1Y 5JG

Registered Number

5396870

Vita (Holdings) Limited

Directors' report for the year ended 31 December 2012

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2012

Principal activities

The principal activity of the Company during the year continued to be the immediate parent and debt holder for investments in the Group (Vita (Lux III) S arl and its subsidiary companies) Principal investments are detailed in note 4 to the financial statements

Business review

Results for the year ended 31 December 2012 were in line with expectations The loss for the year was €13,126,684 (2011 €10,456,033) At the year end the Company had net liabilities of €22,556,886 (2011 €9,430,202)

There were no exceptional costs or gains in 2012 (2011 €nil)

In 2011 there was an unrealised gain on disposal of Doeflex Industries Limited of €21,214 961 Profit and loss reserves were affected through the statement of total recognised gains and losses

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by its activities The Company operates in accordance with Group policies

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks

Financial risk management

The Group, of which the Company is a member, through its central treasury activities seeks to reduce financial risk, ensure sufficient liquidity and manage surplus cash The treasury department operates within parameters approved and monitored by the Group Board of Directors and restricts transactions to banks that have a defined minimum credit rating

The treasury department does not take speculative financial positions and makes limited use of derivative financial instruments The treasury department advises operational management on all financial risks and executes all major transactions in financial instruments In the UK, the treasury department arranges all foreign currency forward contracts to hedge transactional exposures and ensures exposures are fully hedged as they arise and, where appropriate hedges future exposures up to six months forward In addition the treasury department manages borrowings centrally At the year end the Company had no foreign currency forward contracts

The Company seeks to reduce credit risk through the use of credit insurance and pro-active credit control procedures

Key Performance Indicators ("KPIs")

The Group of which the Company is a member, is managed on a divisional basis As such the Company produces monthly reporting packs containing its financial results and these are consolidated into the total numbers for its division and submitted to Group for review The Key Performance Indicators on which the Group focuses are

- EBITDA
- Working Capital
- Operating Cash Flow

The three KPIs are measured in absolute terms and, in addition, working capital is also measured on days sales outstanding days purchases outstanding and days inventory in hand The Group has confirmed through its reviews that the KPIs have been running at a level consistent with expectations and have satisfied the Group's relevant banking covenants

Dividends

The directors do not propose a dividend in respect of the year ended 31 December 2012 (2011 €nil)

Vita (Holdings) Limited

Directors' report for the year ended 31 December 2012 (continued)

Directors and their interests

The directors who held office during the year and up to the date of signing the financial statements are as follows

Mr J H Menendez
Mr G L Maundrell
Mr S Cox
Mr J D Meltham
Mr C G King

Political and charitable contributions

No political or charitable donations (2011 £nil) were made by the Company during the year

Statement of directors' responsibilities

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgements and accounting 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,
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

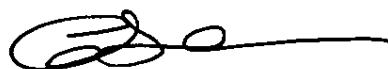
Statement of disclosure of information to auditors

Each director in office at the date the Directors' report is approved confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

On behalf of the Board



Mr G L Maundrell
Director
28 June 2013

Vita (Holdings) Limited

Independent auditors' report to the members of Vita (Holdings) Limited

We have audited the financial statements of Vita (Holdings) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

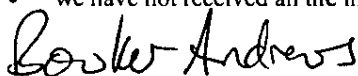
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Bowker Andrews (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Manchester

28 June 2013

Vita (Holdings) Limited

Profit and loss account for the year ended 31 December 2012

	Note	2012 €	2011 €
Administrative income/(expenses)		201,214	(68,075)
Operating profit/(loss)	1	201,214	(68,075)
Interest receivable and similar income	2	554,299	1,854,011
Interest payable and similar charges	2	(12,575,674)	(14,609,104)
Total finance charges		(12,021,375)	(12,755,093)
Loss on ordinary activities before taxation		(11,820,161)	(12,823,168)
Tax on loss on ordinary activities	3	(1,306,523)	2,367,135
Loss for the year	9	(13,126,684)	(10,456,033)

All results are generated from continuing operations

The Company had a recognised gain in 2011 other than those included in the results above. Therefore a separate statement of total recognised gains and losses has been presented.

There is no material difference between the loss on ordinary activities before taxation and the loss for the years stated above and their historical cost equivalents.

Vita (Holdings) Limited

Statement of total recognised gains and losses for the year ended 31 December 2012

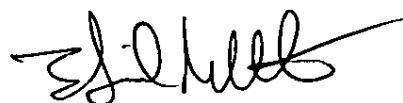
	Note	2012 €	2011 €
Loss for the financial year	9	(13,126,684)	(10,456,033)
Novation of inter-company loans		-	21,214,961
Total recognised (losses)/gains relating to the year		(13,126,684)	10,758,928

Vita (Holdings) Limited

Balance sheet as at 31 December 2012

	Note	2012 €	2011 €
Fixed assets			
Investments	4	566,620,970	557,672,057
Current assets			
Debtors (includes €62,212,991 (2010 €55,088,262) falling due after more than one year)	5	65,704,580	60,471,486
Cash at bank and in hand		2,192	2,137
		65,706,772	60,473,623
Creditors: amounts falling due within one year	6	(17,290,903)	(10,061,482)
Net current assets		48,415,869	50,412,141
Total assets less current liabilities		615,036,839	608,084,198
Creditors: amounts falling due after more than one year	7	(637,593,725)	(617,514,400)
Net liabilities		(22,556,886)	(9,430,202)
Capital and reserves			
Called up share capital	8	298	298
Profit and loss account	9	(22,557,184)	(9,430,500)
Total shareholders' deficit	10	(22,556,886)	(9,430,202)

The financial statements on pages 5 to 15 were approved by the board of directors on 28 June 2013 and were signed on its behalf by



Mr J D Meltham
Director
28 June 2013

Vita (Holdings) Limited
Registered Number
5396870

Vita (Holdings) Limited

Accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently, is set out below.

The functional currency of the Company is the Euro.

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. The Company is a wholly owned subsidiary of Vita (Lux III) S à r l and is included in the consolidated financial statements of Vita (Lux III) S à r l, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Investments

Investments in subsidiary undertakings are initially stated at cost. Foreign equity investments that are wholly or partially hedged using foreign currency borrowings are regarded as currency assets to the extent that they are so hedged. Differences on the retranslation of foreign currency investments are taken to reserves. Provision is made for any impairment.

Taxation

Corporation tax payable is provided on taxable profits at the current rate after adjusting for double taxation relief in respect of overseas taxation.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction (or where appropriate, at the rate of exchange in a related foreign currency forward contract). Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rate of exchange prevailing at the year end (or, where appropriate, at the rate of exchange in a related foreign currency forward contract). Differences arising on translation of foreign currency borrowings used to finance foreign currency investments are taken to reserves and matched against the translation differences of the related foreign currency investment. Any other gain or loss arising from a change in exchange rates subsequent to the date of transaction is included as an exchange gain or loss in the profit and loss account.

Finance costs

Finance costs are deducted from the carrying value of debt and are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Cash flow statement

The Company is a wholly owned subsidiary of Vita (Lux III) S à r l, which produces consolidated financial statements that are publicly available. Consequently, the Company is exempt from the requirement of Financial Reporting Standard (FRS) 1 "Cash flow statements" (Revised 1996) to prepare a cash flow statement.

Vita (Holdings) Limited

Accounting policies (continued)

Exceptional items

Items which are both material and non-recurring in nature are presented as exceptional items in arriving at operating profit so as to provide a better indication of the Company's underlying business performance and are shown separately on the face of the profit and loss account

Going concern

The Company has net liabilities of €22,556,886 at 31 December 2012 (2011 €9,430,202) and is reliant on the continued support of the creditors Vita (Lux III) S à r l has indicated that this support will continue for such a period as the company remains part of the Group On this basis the director believes that the accounts should be prepared on a going concern basis

Vita (Holdings) Limited

Notes to the financial statements for the year to 31 December 2012

1 Operating loss

The directors received emoluments for their services to the Company from another group undertaking in the year and the preceding year. The Company has no employees.

Auditors' remuneration of €2,880 (2011: €2,880) for statutory audit services was borne by a fellow Group company.

There were no exceptional costs or gains in 2012 (2011: €nil).

The closing exchange rate of Sterling to Euro at 31 December 2012 was 1.2249 (2011: 1.1943), and average rate was 1.2320 (2011: 1.1515).

2 Net finance charges

	2012 €	2011 €
Interest receivable from group undertakings	554,299	1,854,011
Interest payable to group undertakings	(12,575,674)	(14,609,104)
	(12,021,375)	(12,755,093)

Vita (Holdings) Limited

Notes to the financial statements (continued) for the year to 31 December 2012

3 Tax on loss on ordinary activities

	2012 €	2011 €
Current tax		
United Kingdom corporation tax at 24.5% (2011: 26.5%)	(871,455)	(2,553,000)
Adjustments in respect of previous years	2,177,978	185,865
Tax on loss on ordinary activities	1,306,523	(2,367,135)

The tax assessed for the year differs (2011: differs) from the effective rate of Corporation tax in the UK. The differences are explained as follows:

	2012 €	2011 €
Loss on ordinary activities before taxation	(11,820,161)	(12,823,168)
Tax on loss on ordinary activities at effective UK Corporation tax of 24.5% (2011: 26.5%)	(2,895,939)	(3,398,140)
Tax losses not utilised	786,204	738,888
Expenses not deductible for tax purposes	1,238,280	106,252
Adjustments in respect of previous years	2,177,978	185,865
Current tax charge/(credit) for the year	1,306,523	(2,367,135)

Potential deferred tax assets of €52.4m (2011: €56.6m) have not been recognised in respect of losses carried forward and other timing differences, as it is considered the degree of certainty around the level of future taxable profits is not sufficient to recognise these assets.

On 21 March 2012 the Chancellor announced the reduction in the main rate of UK corporation tax to 24% with effect from 1 April 2012 and a further reduction to 23% with effect from 1 April 2013. These changes became substantively enacted on 26 March 2012 and 3 July 2012 respectively. The effect of these rate reductions has been included in the relevant figures above.

On 20 March 2013, the Chancellor proposed a further reduction to the main rate of UK corporation tax to 20% with effect from 1 April 2015. This change was not substantively enacted at the balance sheet date and therefore is not recognised in the financial statements. The overall effect of the further reductions from 23% to 20%, if these applied to the deferred tax balance not recognised at 31 December 2012, would be to reduce the UK deferred tax asset not recognised by approximately €6.8m.

Vita (Holdings) Limited

Notes to the financial statements (continued) for the year ended 31 December 2012

4 Fixed asset investments

	Subsidiary undertakings €
Cost/valuation	
At 1 January 2012	1,011,162,043
Retranslation	8,948,913
At 31 December 2012	1,020,110,956
Amounts written off	
At 1 January and 31 December 2012	453,489,986
Net Book Value	
At 31 December 2012	566,620,970
At 31 December 2011	557,672,057

The directors believe that the carrying value of the investments is supported by their underlying net assets. The principal subsidiary undertakings at the year end are as follows (* indicates held indirectly)

Subsidiary undertakings	Country of incorporation and operation	% shares held by Company	Principal activity
Vita (Group) Unlimited	England	95.73%	Parent company
Vita Thermoplastic Compounds Limited	England	*95.73%	Thermoplastic compounds
Vita Thermoplastic Sheet Limited	Scotland	*95.73%	Thermoplastic sheet
Chemical Innovations Limited	England	*95.73%	Thermoplastic compounds
Vita Cellular Foams (UK) Limited	England	*95.73%	Cellular foam products
Ball & Young Limited	England	*95.73%	Cellular foam products
Vita International Limited	England	*95.73%	Parent company
Australia Vita Pty Limited	Australia	*95.73%	Parent company
British Vita (Germany) GmbH	Germany	*95.73%	Parent company
Metzeler Slovakia S R O	Slovakia	*95.73%	Cellular foam products
Metzeler Schaum GmbH	Germany	*90.85%	Cellular foam products
Metzeler Plastics GmbH	Germany	*90.85%	Thermoplastic sheet
UAB Vita Baltic International	Lithuania	*95.73%	Cellular foam products
Vita Thermoplastic Denmark A/S	Denmark	*95.73%	Thermoplastic sheet
Vita Investments North America Limited	England	*95.73%	Parent company
Vita Polymers Poland Sp. z o.o.	Poland	*95.73%	Cellular foam products
Vitafoam Products Canada Limited	Canada	*95.73%	Cellular foam products
Vita Thermoplastic Compounds (Malaysia) SDN BHD	Malaysia	*95.73%	Thermoplastic compounds
Royalite Plastics srl	Italy	*89.97%	Polymeric products
Vitafoam Inc	USA	*95.73%	Nonwoven products
Pathway Polymers Inc	USA	*95.73%	Thermoplastic compounds

Vita (Holdings) Limited

Notes to the financial statements (continued)

for the year ended 31 December 2012

5 Debtors

	2012 €	2011 €
Amounts owed by group undertakings (includes €62,212,991 (2011 €55,088,262) falling due after more than one year)	64,631,111	57,741,802
Corporation tax	871,455	2,553,000
Prepayments	202,014	176,684
	65,704,580	60,471,486

Amounts owed by group undertakings are unsecured and interest is charged on a floating rate basis. The rates are linked to the LIBOR (or equivalent) for the currency of each loan, and an appropriate margin is added.

6 Creditors: amounts falling due within one year

	2012 €	2011 €
Amounts owed to group undertakings	16,554,685	9,044,728
Accruals and deferred income	736,218	1,016,754
	17,290,903	10,061,482

Amounts owed to group undertakings are interest free and repayable 45 days after the end of the month in which they arose.

7 Creditors: amounts falling due after more than one year

	2012 €	2011 €
Amounts owed to group undertakings	637,593,725	617,201,734
Other creditors	-	312,666
	637,593,725	617,514,400

Amounts owed to group undertakings are unsecured and interest is charged on a floating rate basis. The rates are linked to the LIBOR (or equivalent) for the currency of each loan, and an appropriate margin is added. They have no fixed date of repayment.

Vita (Holdings) Limited

Notes to the financial statements (continued) for the year to 31 December 2012

8 Called up share capital

	2012 €	2011 €
Allotted, called up and fully paid		
200 (2011 200) Ordinary shares of €1.49 each	298	298

9 Profit and loss account

	€
At 1 January 2012	(9,430,500)
Loss for the financial year	(13,126,684)
At 31 December 2012	(22,557,184)

10 Reconciliation of movements in shareholders' deficit

	2012 €	2011 €
Loss for the financial year	(13,126,684)	(10,456,033)
Novation of inter company loans	-	21,214,961
Opening shareholders' deficit	(9,430,202)	(20,189,130)
Closing shareholders' deficit	(22,556,886)	(9,430,202)

11 Related party transactions

The Company has taken advantage of the exemption under paragraph 3(C) from the provisions of FRS 8, 'Related Party Disclosures', from disclosing related party transactions with fellow Group companies on the grounds that throughout the year it was a wholly owned subsidiary of a group headed by the Vita (Lux III) S à r l, whose financial statements are publicly available. There were no other related party transactions.

Vita (Holdings) Limited

Notes to the financial statements (continued) for the year to 31 December 2012

12 Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Vita (Lux III) S à r l

Vita (Lux III) S à r l is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2012. The consolidated financial statements may be obtained from 5, Rue Guillaume Kroll, L-1882, Luxembourg.

The Company's ultimate controlling party is TPG Partners IV-AIV, LP, a partnership located in the Cayman Islands. The ultimate parent company is Vita Cayman Limited.

13 Contingent liabilities

The Company has given guarantees to its bankers in respect of advances to certain group undertakings. The directors are of the opinion that no liability is likely to arise on the part of the Company in respect of these guarantees.