

Registered Number 06344129

Elliott Group Holdings (UK) Limited

**Annual report and financial statements
for the year ended 31 December 2011**



Elliott Group Holdings (UK) Limited

Annual report

for the year ended 31 December 2011

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Elliott Group Holdings (UK) Limited

Registered Number 06344129

Directors and advisers for the year ended 31 December 2011

Directors

J DeEpalba (appointed 19 March 2012)

Secretary

J DeEpalba (appointed 19 March 2012)

Registered office

Manor Drive
Peterborough
PE4 7AP

Auditor

Ernst and Young LLP
One Cambridge Business Park
Cambridge
CB4 0WZ

Solicitors

Greenwoods Solicitors LLP
Monkstone House
City Road
Peterborough
PE1 1JE

Directors' report for the year ended 31 December 2011

The directors present their report and the audited financial statements for the year ended 31 December 2011

Business review and principal activities

Elliott Group Holdings (UK) Limited ("the company") acted as a holding company for Elliott Group Holdings Limited and its subsidiary company throughout the year. The principal activity of Elliott Group Holdings Limited is to act as a holding company for Elliott Group Limited and its subsidiaries. The company charged interest to Elliott Group Holdings Limited due to its intercompany loan receivable and is charged interest from Elliott Group Limited due to its intercompany loan payable. The company also has third party bank loans and is charged interest thereon.

Results and dividends

The results for the year show a pre-tax loss of £151,939k (31 December 2010 £26,376k)

The directors have considered the operating losses in Elliott Group Limited, which is held by the company's subsidiary, Elliott Group Holdings Limited, resulting in an impairment of the investment of £125,400k. This has been recognised in the profit and loss for the year.

The directors do not recommend a final dividend for the year ended 31 December 2011 (31 December 2010 £nil) and the total dividend for the year amounts to £nil (31 December 2010 £nil).

Future developments

The company is intended to continue to act as a holding company of the UK part of the Algeco Scotsman group and it is envisaged that the principal activity will not change in the foreseeable future.

Principal risks and uncertainties

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

Interest rate risk

The company has both interest bearing assets and interest bearing liabilities, which represent balances with other Elliott group companies and bank borrowings and are subject to either fixed interest rates or variable interest rates. An increase in interest rates would have resulted in an increased finance cost and loss for the year.

Impairment risk

Given that the status of the company is that of a holding company, the directors consider the recoverability of the value of the investments held in the balance sheet as a key risk. This is impacted by the risks of subsidiary companies which the directors consider to be aggressive pricing policies from both national and local competitors and employee retention.

Foreign exchange risk

The company is exposed to foreign exchange risk as a result of certain of its loans being denominated in Euros. The company has entered into foreign exchange hedge agreements to mitigate this risk.

Group restructuring of financing arrangements and going concern

The company is part of the Algeco/Scotsman Holding Sarl Group of companies (the 'Group'). The company, along with substantially all of the other global subsidiaries, acts as a co-guarantor to the Group's financing arrangements.

On 11 October 2012, the Parent completed a restructuring of its financing arrangements whereby existing financing facilities were terminated and replaced with long term bond agreements totalling €1.689m and a five year, US\$1.2bn multicurrency asset-based revolving credit facility "the ABL Revolver" with €541m drawn at close. The company, with other Group companies, is a guarantor under the bond agreements.

As part of the debt refinancing, the company (i) borrowed £258.8m from Group companies, (ii) repaid bank debt and interest of £206.1m and (iii) funded £52.7m to Elliott Group Limited. In addition, £134.8m of the remaining bank debt owed by the company was forgiven and £265.6m of debt and interest owed to other Group companies was forgiven.

Directors' report for the year ended 31 December 2011

Group restructuring of financing arrangements and going concern (continued)

The company's subsidiary undertaking, Elliott Group Holdings Limited holds an investment in Elliot Group Limited ("EGL"), which is a party to US\$240m of the ABL revolver. The amount which EGL can borrow is based on a defined formula of available assets, principally tangible assets (the "borrowing base"), which is calculated monthly. The borrowing base on 12 October 2012 was US\$240 or £149.8m. Following the refinancing, EGL borrowed £102.4m under the ABL Revolver and used £100.0m to repay a portion of the £176.6m Group entity debt acquired on 11 October 2012. Interest on the ABL Revolver borrowings is principally at UK Libor plus 2.5%. The ABL revolver involves certain financial covenants, principally leverage ratio and fixed charge coverage ratio, calculated on a Group level, as defined in the agreement. These financial covenants are only subject to monitoring by the debt holders in the event that the company has exceeded certain limits on borrowings. As of the date of these financial statements, the company has not exceeded the defined limits on borrowings.

The company has obtained confirmation from its ultimate parent company that adequate funding will be made available to enable the company to discharge its liabilities as they fall due. With this support in place, the directors consider that it is appropriate for the financial statements to be prepared on a going concern basis.

In the event that this financial support was not available then the going concern basis of preparation would no longer be appropriate and adjustments would have to be made to reduce the balance sheet value of assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Key performance indicators

Given the size and straightforward nature of the company, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Directors

The directors who served during the year were

M Eburne (resigned 16 October 2012)

I Thompson (resigned 16 March 2012)

In addition to the above J DePalza was appointed as a Director on 19 March 2012.

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Ernst & Young LLP as auditor of the Company.

By order of the board


J DePalza
Secretary

24th October 2012

Directors' report for the year ended 31 December 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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 to 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.

Independent auditor's report to the members of Elliott Group Holdings (UK) Limited

We have audited the financial statements of Elliott Group Holdings (UK) Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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.

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 2011 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.

Independent auditor's report to the members of Elliott Group Holdings (UK) Limited (continued)

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

Ernst & Young LLP

Tony McCartney (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge

26 October 2012

Elliott Group Holdings (UK) Limited

Registered Number 06344129

Profit and loss account for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Administrative expenses		(159)	(394)
Interest receivable and similar income	2	261	224
Interest payable and similar charges	3	(37,688)	(33,348)
Exchange gain		11,047	7,142
Impairment of investment		(125,400)	-
Loss on ordinary activities before taxation	4	(151,939)	(26,376)
Taxation	6	-	6,929
Loss for the financial year	12, 13	(151,939)	(19,447)

All of the above activities relate to continuing operations

The company has no recognised gains or losses other than those presented above and therefore no separate statement of total recognised gains and losses has been presented

Elliott Group Holdings (UK) Limited

Registered Number 06344129

Balance sheet as at 31 December 2011

	Note	31 December 2011 £'000	31 December 2010 £'000
Fixed assets			
Investments	7	277,986	403,386
Current assets			
Creditors: amounts falling due within one year	9	(7,475)	(7,197)
Net current liabilities		(7,475)	(7,197)
Total assets less current liabilities		270,511	396,189
Debtors: amounts falling due after more than one year	8	6,393	6,132
Creditors: amounts falling due after more than one year	10	(663,005)	(636,483)
Net liabilities		(386,101)	(234,162)
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	(386,101)	(234,162)
Shareholders' deficit	13	(386,101)	(234,162)

The financial statements on pages 8 to 17 were approved by the board of directors on 24th October 2012 and were signed on its behalf by

J DeEpa
Director

Notes to the financial statements for the year ended 31 December 2011

1 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 more important accounting policies, which have been reviewed by the Board of Directors in accordance with Financial Reporting Standards ('FRS') 18 'Accounting policies' and have been applied consistently, is set out below.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

Group financial statements

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts on the grounds that it is a wholly owned subsidiary undertaking of Algeco/Scotsman Holding Sarl, a company incorporated in Luxembourg, and its subsidiary undertakings are included by full consolidation in the consolidated accounts of that undertaking. Algeco/Scotsman Holding Sarl prepares its financial statements, in all material respects, in accordance with the EC 7th Directive.

These financial statements represent information about the company as an individual undertaking and not about its group.

The consolidated financial statements of Algeco/Scotsman Holding Sarl, in which the results of the company and its subsidiaries are included, are available from the address given in note 14.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements.

On 11 October 2012, the Parent completed a restructuring of its financing arrangements whereby existing financing facilities were terminated and replaced with long term bond agreements totalling €1,689m and a five year, US\$1.2bn multicurrency asset-based revolving credit facility "the ABL Revolver" with €541m drawn at close. The company, with other Group companies, is a guarantor under the bond agreements.

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The company has obtained confirmation from its ultimate parent company that adequate funding will be made available to enable the company to discharge its liabilities as they fall due. With this support in place, the directors consider that it is appropriate for the financial statements to be prepared on a going concern basis. In the event that this financial support was not available then the going concern basis of preparation would no longer

**Notes to the financial statements for the
year ended 31 December 2011 (continued)**

1. Accounting policies (continued)

Going concern (continued)

be appropriate and adjustments would have to be made to reduce the balance sheet value of assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash flow statements'

Related party disclosures

The company is also exempt under the terms of the FRS 8 'Related Party Disclosures' from disclosing related party transactions with wholly owned group companies

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate Transactions in foreign currency are converted to sterling at the rate ruling at the date of transaction All differences on exchange are taken to the profit and loss account

Investments in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment Impairment reviews are performed by the directors when there has been an indication of potential impairment

Financial costs

Fees associated with group financing are capitalised and amortised over the period of the related instrument When loans are renegotiated finance costs associated to loans which are deemed to be modified are amortised over the new life of the loan Finance costs associated with loans which are cancelled are immediately expensed Interest costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount The rate used is that agreed with the counterparty to the loan

Deferred 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, with the following exception

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

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 substantively enacted by the balance sheet date Deferred tax is measured on an undiscounted basis

Derivatives

The company uses foreign currency swaps to reduce exposure to foreign exchange rates The company also uses interest rate swaps to adjust interest rate exposures The company does not hedge account and has not adopted FRS 25 and 26 As a result, these swaps are carried at nil value

**Notes to the financial statements for the
year ended 31 December 2011 (continued)****2 Interest receivable and similar income**

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
On intercompany balances	261	224
	261	224

3 Interest payable and similar charges

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
On bank loans	19,607	14,313
On intercompany balances	16,072	17,046
Amortised loan fees	2,009	1,989
	37,688	33,348

4 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is charged after the following

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Management fee recharge from parent company	79	82
Audit remuneration	-	200
Legal and professional costs	80	112
	159	394

In 2011, the company received a management charge from its parent company of £79k (2010 £82k), which relates to the distribution of central overheads to its subsidiaries. Audit remuneration of £50k is borne by a fellow group company, Elliott Group Limited.

**Notes to the financial statements for the
year ended 31 December 2011 (continued)**

5 Directors' emoluments and employee information

M Eburne and I Thompson, as well as both being directors of Elliott Group Holdings (UK) Limited, are also directors of Elliott Group Limited and fellow subsidiaries within the UK group. These directors received total remuneration for the year of £460,000 (year ended 31 December 2010: £626,000), all of which was paid by Elliott Group Limited. The directors do not believe that it is practicable to apportion the amount between their services as directors of the company and their services as directors of the parent of the UK group and fellow UK subsidiary companies.

There are no other employees.

6 Taxation on loss on ordinary activities

a) Analysis of tax credit for the period

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Current tax :		
UK Group relief current year	-	(1,115)
UK Corporation tax prior year	-	(5,814)
Tax credit on loss on ordinary activities	-	(6,929)

b) Factors affecting the current tax credit for the year

The differences between the tax amount shown above and the amount calculated by applying the current rate of UK tax to the loss before tax are as follows:

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Loss on ordinary activities before tax :	(151,939)	(26,376)
Loss on ordinary activities multiplied by the standard rate of UK corporation tax of 26.49% (2010: 28%)	(40,249)	(7,385)
Expenses not deductible for tax purposes	37,482	5,981
Group relief surrendered for nil consideration	2,767	289
Adjustments to tax charge in respect of previous periods	-	(5,814)
Current tax credit for the period (see note 6a)	-	(6,929)

**Notes to the financial statements for the
year ended 31 December 2011 (continued)****6 Taxation on loss on ordinary activities (continued)****c) Factors that may affect future tax charges**

The Finance Act 2011, enacted on 19 July 2011, reduced the main rate of corporation tax to 26% from 1 April 2011 and to 25% from 1 April 2012

The UK government announced on 21 March 2012 further reductions in the standard rate of corporation tax to 24% from 1 April 2012 and by a further 1% per annum to 22% from 1 April 2014. These further reductions had not been substantively enacted at the balance sheet date and consequently their effects are not included in these financial statements. These announced reductions would have no effect as no deferred tax is recognised in these financial statements.

The above changes to the rates of corporation tax will impact the amount of future cash tax payments to be made by the company.

d) Unprovided deferred tax

A deferred tax asset has not been recognised in respect of tax losses as there is insufficient evidence that the asset will be recovered.

The amount of the deferred tax asset not recognised at 31 December 2011 is £25,892,501.

7 Fixed asset investments

	Interests in group undertakings £'000
Cost and net book amount	
At 1 January 2011	403,386
Impairment	(125,400)
At 31 December 2011	277,986

Interest in group undertaking

Name and activity of undertaking	Country of incorporation or registration	Description of shares held	Proportion of voting rights of issued shares held %
Subsidiary undertakings			
Elliott Group Holdings Limited	United Kingdom	Ordinary Shares	100%

**Notes to the financial statements for the
year ended 31 December 2011 (continued)**

7 Fixed asset investments (continued)

The investment comprises of 100% share capital of Elliott Group Holdings Limited. The principal activity of Elliott Group Holdings Limited is to act as a holding company for Elliott Group Limited.

The directors have considered the losses reported in Elliott Group Limited, which is held through investment in Elliott Group Holdings Limited, resulting in an impairment of the investment of £125,400k. This has been recognised in the profit and loss account for the year.

In the opinion of the directors the value of investment is not less than the amount stated in the balance sheet.

8 Debtors

	31 December 2011 £'000	31 December 2010 £'000
Amounts falling due after more than one year		
Amounts owed by group undertakings	6,393	6,132
	6,393	6,132

9 Creditors: amounts falling due within one year

	31 December 2011 £'000	31 December 2010 £'000
Bank Loans	2,058	2,121
Accruals and deferred income	5,338	4,994
Amounts owed to group undertakings	79	82
	7,475	7,197

10 Creditors: amounts falling due after more than one year

	31 December 2011 £'000	31 December 2010 £'000
Bank loans	343,403	354,129
Amount owed to group undertakings	319,602	282,354
	663,005	636,483

Amounts owed to group undertakings are unsecured, have no fixed repayment date and carry an interest rate which is based upon EURIBOR plus an agreed margin.

**Notes to the financial statements for the
year ended 31 December 2011 (continued)****10 Creditors: amounts falling due after more than one year (continued)**

The gross obligations relating to bank loans to which the company is committed are

	31 December 2011 £'000	31 December 2010 £'000
Under one year	2,058	2,121
Between one and two years	3,088	2,121
Between two and five years	348,497	188,291
After five years	-	173,908
	353,643	366,441

During the period the bank loans carried interest at EURIBOR plus a margin of 3 125% and are repayable as above

This loan is secured by way of a fixed and floating charge over all property and present and future assets of substantially all group companies

Included within Bank Loans are amortised loan fees of £8,182k (2010 £10,191k) which are not included in the above analysis. These fees are being amortised over the periods of the loans to which they relate

11 Called up share capital

	31 December 2011 £	31 December 2010 £
Authorised		
1 ordinary share of £1	1	1
Issued and fully paid		
1 ordinary share of £1	1	1

12 Profit and loss account

	Profit and loss account £'000
At 1 January 2011	(234,162)
Loss for the year	(151,939)
At 31 December 2011	(386,101)

**Notes to the financial statements for the
year ended 31 December 2011 (continued)**

13 Reconciliation of movements in shareholders' deficit

	31 December 2011 £'000
Shareholders' deficit as at beginning of year	(234,162)
Loss for the year	(151,939)
Shareholders' deficit as at end of year	(386,101)

**14 Ultimate controlling party, immediate parent companies and
guarantees**

The immediate parent undertaking is Ristretto Investments Sarl a company registered in Luxembourg

Algeco/Scotsman Holding Sarl ("Parent") is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2011. The consolidated financial statements of Algeco/Scotsman Holding Sarl are available from 20, Eugene Ruppert, L-2453, Luxembourg

The Parent company has negotiated an external group debt facility under which certain of the Parent's subsidiaries are borrowers. The company, along with substantially all the other global group companies, acts as a co-guarantor to these loan arrangements. The total debt covered by the cross guarantees at the year end is €2,335,780k (2010 €2,266,833k)

The ultimate controlling party is TDR Capital LLP, an undertaking incorporated in England

15 Post balance sheet events

On 11 October 2012, the Parent completed a restructuring of its financing arrangements whereby existing financing facilities were terminated and replaced with long term bond agreements totalling €1,689m and a five year, US\$1.2bn multicurrency asset-based revolving credit facility "the ABL Revolver" with €541m drawn at close. The company, with other Group companies, is a guarantor under the bond agreements.

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As a result of the refinancing capitalised amortised loan fees as of 31 December 2011 of £8,182,000 will be written off in 2012 and recognised in the profit and loss account.