

Incorporated in The Cayman Islands under registration no FC026502

HAREWOOD INVESTMENTS NO.5 LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

For the period 13 December 2005 to 31 December 2006

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HAREWOOD INVESTMENTS NO.5 LIMITED

FINANCIAL STATEMENTS

For the period ended 31 December 2006

COMPANY INFORMATION

Registered address	M&C Corporate Services Limited PO box 309GT Ugland House South Church Street George Town Cayman Islands
Directors	N E Brick N A Robinson N A L Williams
Secretary	K M Oatway
Auditors	Deloitte & Touche LLP Stonecutter Court 1 Stonecutter Street London EC4A 4TR United Kingdom

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HAREWOOD INVESTMENTS NO 5 LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements of Harewood Investments No 5 Limited ('the Company') for the period 13 December 2005 to 31 December 2006 (hereafter 'the period')

Principal activity and review of the business

The Company was incorporated on 13 December 2005 to undertake investing activities

The Company is incorporated in the Cayman Islands

During the period the Company issued 1,500,000 ordinary shares for a contribution of £210,000,000. The ordinary shares require the company to pay a fixed rate dividend of 3.11% per annum calculated on the subscription price and a termination dividend of £100 per share. Under the terms of the fixed rate and termination dividends the Company does not have unconditional right to avoid delivering cash or another financial asset to settle its contractual obligations. Consequently in relation to the share issue a financial liability of £150,000,000 was recognised as described in Note 9. The proceeds from the issue of shares was utilised through placing £209,000,000 on deposit with other group companies and purchasing debt securities.

During the period the Company earned interest income of £10,198,000 and incurred interest expense of £6,871,000 on its financial assets and liabilities.

Financial risk management

Financial risk factors

The Company's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(a) Foreign exchange risk

The Company is not exposed to foreign exchange risk as all its assets and liabilities are denominated in the Company's functional currency of sterling.

(b) Price risk

The Company is exposed to securities price risk because of investments in debt securities and classified on the balance sheet as available-for-sale financial assets. The Company is not exposed to commodity price risk.

(c) Credit risk

The Company has a significant concentration of credit risk with other group companies. The company has further exposure to credit risk on its investments in debt securities. These are limited to high credit quality securities with an aggregate market value not exceeding £1,000,000.

(d) Liquidity risk

Other group companies will provide liquidity to the Company as and when cash is required.

(e) Cash flow and fair value interest rate risk

The Company is exposed to fair value interest rate risk from its fixed rate dividends. The Company is further exposed to fair value interest rate risk from its investment in fixed rate debt securities. The Company is exposed to cash flow interest rate risk from its floating rate cash balances. It is the opinion of the Directors that the cash flow and fair value interest rate risk arising from these investments is insufficient to require hedging.

Future developments

The Company will continue to undertake investing activities.

HAREWOOD INVESTMENTS NO 5 LIMITED

DIRECTORS' REPORT

Share capital

Ordinary shares

The authorised share capital of 1,500,000 ordinary shares of £1 each was issued on the 13 December 2005 at a subscription price of £140 per share. This represented ordinary share capital of £1,500,000 and share premium of £208,500,000. The shares were acquired by BNP Paribas Luxembourg. As described in Note 9 under the terms of the ordinary shares the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligations. Consequently the issue of ordinary shares resulted in a financial liability being recognised at its fair value of £150,000,000. The equity share capital has been determined after deducting the fair value of the financial liability.

Charitable and political donations

There were no charitable or political contributions made in the period.

Employees

The company had no employees during the period.

Directors and their interests

The Directors who held office during the period were

N E Brick	Appointed 12 June 2006
N A Robinson	Appointed 13 December 2005
N A L Williams	Appointed 13 December 2005
M D Toubkin	Appointed 13 December 2005, Resigned 31 May 2006

Secretary

The Company Secretaries holding office during the period were

K M Oatway	Appointed 13 December 2005
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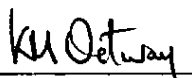
The registered office of the Company was M&C Corporate Services Limited, PO Box 309GT, Ugland House, South Church Street, George Town, Cayman Islands.

Auditors

During the period the Directors appointed Deloitte & Touche LLP as auditors. Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

Approved by the Board of Directors and signed on their behalf

By Order of the Board


K M Oatway
Secretary

12 July 2007

HAREWOOD INVESTMENTS NO.5 LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the Company and the profit and loss of the Company for that period. In preparing those financial statements, the Directors are required to

- Select suitable accounting policies and apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether the accounts comply with IFRS, 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 which disclose at any time with reasonable accuracy the financial position of the Company and to enable them to ensure that the financial statements comply with the Company Law. They have general responsibility for taking such steps as is reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAREWOOD INVESTMENTS NO.5 LIMITED

We have audited the financial statements of Harewood Investments No 5 Limited (the "company") for the period ended 31 December 2006 which comprise the income statement, the balance sheet, the cashflow statement, the statement of changes in equity and related notes 1 to 15 which have been prepared in accordance with the accounting policies set out therein

This report is made solely to the members of the company, as a body in accordance with our engagement letter. 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 financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors Responsibilities

Our responsibility is to audit the financial statements in accordance with International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the financial statements are properly prepared in accordance with the stated accounting policies

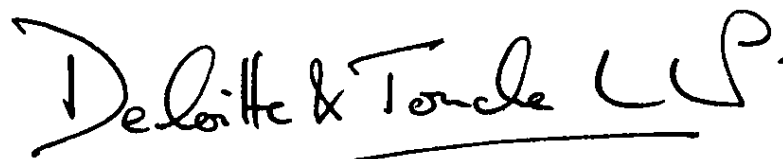
Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK & 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 adopted by the directors are appropriate to the particular circumstances of the company and have been 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 on the basis of the accounting policies adopted

Opinion

In our opinion the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2006 and of its profit for the period then ended

A large, stylized handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style with a long horizontal line underneath.

Deloitte & Touche LLP
Chartered Accountants
London, United Kingdom

12 July 2007

HAREWOOD INVESTMENTS NO.5 LIMITED**INCOME STATEMENT****For the period from 13 December 2005 to 31 December 2006**


	Notes	2006 £000
Interest receivable and similar income	2	10,198
Interest payable	3	(6,871)
Administrative costs		(32)
Profit before taxation	4	3,295
Taxation	5	(3,059)
Profit for the period		236

The results for 2006 are derived wholly from continuing operations

HAREWOOD INVESTMENTS NO 5 LIMITED**BALANCE SHEET****At 31 December 2006**

	Notes	2006 £000
ASSETS		
Current assets		
Available-for-sale financial assets	6	877
Other receivables	7	499
Cash and cash equivalents	8	211,488
		212,864
LIABILITIES		
Current liabilities		
Borrowings	9	(150,000)
Other payables	10	(2,631)
		(152,631)
Net current assets		60,233
NET ASSETS		60,233
SHAREHOLDERS' EQUITY		
Ordinary shares	12	1,500
Share Premium	12	58,500
Available for sale reserves		(2)
Retained earnings		235
TOTAL EQUITY		60,233

The financial statements on pages 6 to 20 were approved by the Board of Directors on 12 July 2007 and were signed on its behalf by


N. SEICK
Director

HAREWOOD INVESTMENTS NO.5 LIMITED**CASH FLOW STATEMENT****For the period ended 31 December 2006**

	Notes	2006 £000
Cash flows from operating activities		
Cash generated from operations	13	(3)
Interest received		9,699
Interest paid		(6,567)
Tax paid		(761)
Net cash generated by operating activities		2,368
Cash flows from investing activities		
Purchase of available-for-sale financial assets		(879)
Net cash used in investing activities		(879)
Cash flows from financing activities		
Proceeds from issue of ordinary shares		210,000
Dividend paid		(1)
Net cash generated by financing activities		209,999
Net increase in cash and cash equivalents		211,488
Cash and cash equivalents at 13 December 2005		-
Cash and cash equivalents at 31 December 2006		211,488

HAREWOOD INVESTMENTS NO.5 LIMITED**STATEMENT OF CHANGES IN EQUITY****For the period ended 31 December 2006**

	Ordinary shares £000	Share Premium £000	Available for sale reserves £000	Retained earnings £000	Total equity £000
Opening balance	-	-	-	-	-
Profit for the period	-	-	-	236	236
Net loss on available-for-sale financial assets	-	-	(2)	-	(2)
Issue of share capital	1,500	58,500	-	-	60,000
Dividend paid	-	-	-	(1)	(1)
At 31 December 2006	1,500	58,500	(2)	235	60,233

Other reserve arises from changes in the fair value of available-for-sale financial assets held by the Company, net of taxation, and is not distributable

HAREWOOD INVESTMENTS NO 5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the period ended 31 December 2006**

1. Accounting Policies

The principal activity of the Company is to invest in financial securities. During the period, the Company invested in a portfolio of high grade securities. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied during the period presented, unless otherwise stated.

a) Basis of preparation

These financial statements have been prepared in accordance with European Union ('EU') adopted International Financial Reporting Standards ('IFRS') and relevant IFRIC interpretations. The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and certain financial liabilities. At the date of authorisation of these financial statements, although the following Standards and Interpretations were in issue, they were not effective and the Company has not chosen to adopt them early.

- IFRIC 11, 'Group and Treasury Share Transactions'
- IFRS 7, 'Financial Instrument Disclosures'

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the company except for additional disclosures on capital and financial instruments when the relevant standards apply from their respective effective dates.

A summary of the more important accounting policies is set out below.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from these estimates.

Once approved, the Financial Statements cannot be amended without re-presenting them for approval by the Board.

b) Critical accounting estimates

The preparation of financial statements in accordance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements such as fair value of financial instruments (Note 11).

c) Accounting Convention

i Trade date accounting

Purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset.

d) Revenue recognition

i Interest income and expense

Interest income arises from cash and cash equivalents and from interest earning loans and receivables. Interest expense arises from financing activities. Interest income and expense are recognised in the Income statement using the effective interest method.

HAREWOOD INVESTMENTS NO.5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2006

e) Foreign currency translation

i) *Functional and presentation currency*

Items included in the financial statements, are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in sterling, which is the Company's functional and presentation currency.

ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

f) Financial instruments

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, payables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) *Financial assets at fair value through profit or loss*

This category has two sub-categories: 'financial assets held for trading', and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(c) *Payables*

Payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

(d) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, including interest and dividend income, are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established.

HAREWOOD INVESTMENTS NO.5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2006

f) Financial instruments (cont'd)

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdraft. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

h) Share capital, capital contributions and debt instruments

Ordinary shares and capital contributions that evidence a residual interest in the assets of the Company after deducting all of its liabilities are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

i) Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered), using tax rates and laws that have been enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability that at the time of the transaction affects neither the accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that foreseeable future taxable profit will be available against which the temporary differences can be utilised.

j) Dividend distributions

Discretionary dividends distributed to the Company's shareholders are recognised as a liability in the Company's financial statements, in the period in which the dividends are approved by the Company's shareholders.

HAREWOOD INVESTMENTS NO 5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2006

2 Interest receivable and similar income

	2006 £000
Interest income on available-for-sale financial assets	51
Interest income on cash and cash equivalents (Note 14)	10,147
	10,198

3 Interest payable

	2006 £000
Interest payable	6,871

4 Profit before taxation

a) Services provided by the Company's auditor

Services provided by the Company's auditor consisted of the statutory audit, at a cost of £4,800 which will be borne by the ultimate parent undertaking

b) Directors' emoluments

The Directors provide services to the Company, the ultimate parent undertaking and a number of fellow subsidiary undertakings. The emoluments of all Directors are paid by the ultimate parent undertaking, therefore they are not disclosed in these financial statements

c) Number of employees

The Company had no employees during the period to 31 December 2006

HAREWOOD INVESTMENTS NO 5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2006

5 Taxation

	2006 £000
Analysis of charge in period	
Current tax — continuing operations	3,059
Taxation	3,059

	2006 £000
Tax on items charged to equity	
Current tax charge on available-for-sale financial assets	-

The tax for the year is higher than the standard rate of corporation tax in the UK of 30% as detailed below

	2006 £000
Profit on ordinary activities before taxation	3,295
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	989
<i>Effects of</i>	
Expenses not deductible for tax purposes	9
Adjustment for interest paid	2,061
Profit on ordinary activities before taxation multiplied by the rate of corporation tax in the UK of 30%	3,059

HAREWOOD INVESTMENTS NO 5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2006

6 Available-for-sale financial assets

	Debt securities £000
Opening balance	-
Additions	879
Revaluation deficit transferred to equity	(2)
At 31 December 2005	877

Debt securities

Debt securities acquired by the Company are a 7.875%, 26 March 2007, Scottish Hydro-Electric plc bond and a floating rate, 19 July 2007, Kaupthing Bank HF Medium Term Note. They are re-valued at the bid price prevailing at the balance sheet date.

The deficit on revaluation of £1,528 was taken to equity and is disclosed in 'Other reserves' in the balance sheet.

7 Other receivables

	2006 £000
Amounts owed by group undertakings (Note 14)	470
Coupon receivable on available-for-sale financial assets	29
	499

Amounts owed by group undertakings represent accrued interest receivable on cash and cash equivalents and are receivable during January 2007.

8 Cash and cash equivalents

	2006 £000
Cash and cash equivalents (Note 14)	211,488

Cash and cash equivalents have an effective interest rate of 4.59%.

HAREWOOD INVESTMENTS NO.5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2006

9 Borrowings

	2006 £000
Borrowings	150,000

The Company issued 1,500,000 ordinary shares of £1 at a subscription price of £140 per share. This represented ordinary share capital of £1,500,000 and share premium of £208,500,000. The shares entitle the holder of the dividend rights to a fixed rate cumulative dividend of 3.11% per annum. The shares further entitle the holder of the dividend rights to a termination dividend of £100 per share repayable at the earlier of 15 December 2008 and the receipt of an Acceleration Notice from the holder of at least 50% of the Company's shares or dividend rights.

The termination dividend and the fixed rate dividend rights meet the criteria for a debt instrument under IAS 32 as the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation.

Consequently upon initial recognition a financial liability has been recognised at its fair value of £150,000,000. The fair value has been determined based upon a recent arms length transaction. The financial liability has an effective interest rate of 4.35% and is repayable on demand.

10 Other payables

	2006 £000
Accrued interest payables	304
Accruals	29
Corporation tax payable	2,298
	2,631

Accrued interest payable represent interest payable on the fixed rate dividend and is payable during January 2007.

Corporation tax creditors and accruals have no final maturity date and the effective interest rate of the liability is zero.

11. Financial instruments

a) Financial risk management

Financial risk factors

The Company's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(i) Foreign exchange risk

The Company is not exposed to foreign exchange risk as all its assets and liabilities are denominated in the Company's functional currency of sterling.

(ii) Price risk

The Company is exposed to securities price risk because of investments held by the Company and classified on the balance sheet as available-for-sale financial assets. The Company is not exposed to commodity price risk.

HAREWOOD INVESTMENTS NO.5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2006

(iii) Credit risk

The Company has a significant concentration of credit risk with other group companies. The company has further exposure to credit risk on its investments in debt securities. These are limited to high credit quality securities with an aggregate market value not exceeding £1,000,000.

(iv) Liquidity risk

Other group companies will provide liquidity to the Company as and when cash is required.

(v) Cash flow and fair value interest rate risk

The Company is exposed to fair value interest rate risk from its fixed rate dividends. The Company is exposed to fair value interest rate risk from its investment in fixed rate debt securities. The Company is exposed to cash flow interest rate risk from its floating rate cash balances. It is the opinion of the Directors that the cash flow and fair value interest rate risk arising from these investments is insufficient to require hedging.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

b) Accounting for derivative financial instruments and hedging activities

The Company does not hold any derivative instruments nor undertake hedging activities.

c) Fair values of financial assets and financial liabilities and contractual re-pricing dates

In accordance with IAS 32, the table below discloses the interest rate risk and exposure of assets and liabilities by reference to the next contractual re-pricing or, if earlier, maturity dates.

Book value and Fair value	Not more than three months £000	More than three months but not more than six months £000	More than six months but not more than one year £000	More than one year but not more than five years £000	Non- interest bearing £000	Total £000
Financial assets						
Available-for-sale financial assets (Note 6)	877	-	-	-	-	877
Other receivables (Note 7)	-	-	-	-	499	499
Cash and cash equivalents (Note 8)	211,958	-	-	-	-	211,958
	212,835	-	-	-	499	213,334
Financial liabilities						
Borrowings (Note 9)	150,000	-	-	-	-	150,000
Other payables (Note 10)	-	-	-	-	2,631	2,631
	150,000	-	-	-	2,631	152,631

The fair values of the financial assets above represent the maximum credit risk of the Company at the balance sheet date.

HAREWOOD INVESTMENTS NO.5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2006

12 Share capital and share premium

	2006 £000
Authorised	
<i>Equity share capital</i>	
1,500,000 ordinary shares of £1 each	1,500
Issued and fully paid	
<i>Equity share capital</i>	
1,500,000 ordinary shares of £1 each	1,500
Share Premium	
<i>Equity share premium</i>	
1,500,000 ordinary shares of £1 each	
— premium of £39 each	58,500

The authorised share capital of 1,500,000 ordinary shares of £1 each was issued at a subscription price of £140 per share. This represented ordinary share capital of £1,500,000 and share premium of £208,500,000. As described in Note 9 under terms of the ordinary shares the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligations. Consequently the issue of ordinary shares resulted in a financial liability being recognised at its fair value of £150,000,000. The equity share capital has been determined by deducting the fair value of the financial liability from the subscription proceeds.

13 Cash flow from operating activities

Reconciliation of profit for the period to cash generated from operations

	2006 £000
Profit for the period	236
Adjustments for	
— interest receivable and similar income	(10,198)
— interest payable	6,871
— taxation	3,059
Changes in working capital	
— increase in other payables	29
Cash generated by operations	(3)

HAREWOOD INVESTMENTS NO.5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2006

14 Related party transactions

Related party transactions during the period that were of a capital nature were as follows

Share capital

The authorised share capital of 1,500,000 ordinary shares of £1 each was issued on the 13 December 2005 at a subscription price of £140 per share. This represented ordinary share capital of £1,500,000 and share premium of £208,500,000. The shares were acquired by BNP Paribas Luxembourg, fellow subsidiary.

Cash and cash equivalents

On 13 December 2005, the Company placed £209,000,000 on deposit with BNP Paribas S.A., the ultimate parent undertaking. The deposit earns interest at a rate of 4.59%. The deposit is repayable on demand and has a final repayment date of 15 December 2008.

The company has a current account with BNP Paribas S.A., the ultimate parent undertaking.

Related party transactions during the period that were not of a capital nature were as follows

Nature of transaction	Related party	2006 £000
Interest receivable and similar income	Ultimate parent undertaking	10,147

In respect of these transactions, the outstanding balances receivable/(payable) as at 31 December 2006 were as follows

Nature of transaction	Related party	2006 £000
Cash and cash equivalents	Ultimate parent undertaking	211,488
Other receivables	Ultimate parent undertaking	470

Costs including key management compensation, audit fees, and services provided by support functions of the ultimate parent undertaking, e.g. (finance, legal and secretarial services) which are incidental to the Company's operations, were borne by BNP Paribas London Branch and no re-charge was made to the Company.

HAREWOOD INVESTMENTS NO.5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2006

15 Ultimate parent undertaking

The Company's immediate parent undertaking is BNP PUK Holding Limited, a company incorporated in the United Kingdom. Copies of the Financial Statements of BNP PUK Holding Limited are available from

10 Harewood Avenue
London
NW1 6AA
United Kingdom

BNP Paribas SA is the main provider of funds, the ultimate parent and controlling party of the group, and is the smallest and largest group to consolidate these financial statements. BNP Paribas SA is a company incorporated in France with limited liability.

Copies of the group financial statements for BNP Paribas SA can be obtained from

16 boulevard des Italiens
75009 Paris
France