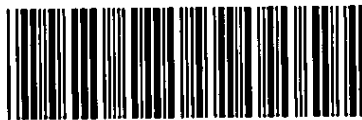


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**FEATURECODE 2A HOLDINGS
(FORMERLY HARRODS
PROPERTY HOLDINGS
LIMITED)**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

3 FEBRUARY 2007

Company 4017779

**FEATURECODE 2A HOLDINGS
(FORMERLY HARRODS PROPERTY HOLDINGS LIMITED)**

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**FEATURECODE 2A HOLDINGS
(FORMERLY HARRODS PROPERTY HOLDINGS LIMITED)**

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the period ended 3 February 2007

Principal activity

The principal activity of the company is that of an investment holding company

Business review

There was a profit for the period after taxation amounting to £124,873,002 (2006 £nil) The directors paid dividends of £325,219,886 (2006 £nil)

The company was re-registered as an unlimited liability company on 12 December 2006

Directors

The present membership of the Board is set out below

M Al Fayed
O Al Fayed (appointed 1 November 2006)
J Byrne
A Fayed
A Tanna
M Ward (appointed 1 August 2006)

M Al Fayed, A Fayed and O Al Fayed are beneficially interested in the shares of the company as described in note 14 No other director in office held any beneficial interest in the shares of Harrods Holdings Limited or any of its subsidiaries at 29 January 2006 or 3 February 2007

No director has had a material interest, directly or indirectly, at any time during the period in any contract significant to the business

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year which 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 estimates that are reasonable and prudent,
- state whether applicable 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

**FEATURECODE 2A HOLDINGS
(FORMERLY HARRODS PROPERTY HOLDINGS LIMITED)**

REPORT OF THE DIRECTORS

Statement of directors' responsibilities (continued)

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

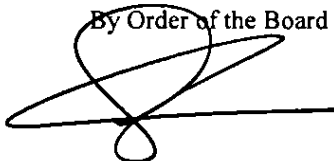
Elective resolutions

On 23 January 2002, the company passed Elective Resolutions dispensing with the holding of Annual General Meetings, the laying of accounts in general meetings and the annual appointment of auditors, in accordance with sections 366A, 252 and 386 (all as amended) of the Companies Act 1985, respectively.

Auditors

Grant Thornton UK LLP, having offered themselves for reappointment as auditors shall be deemed to be reappointed for the next financial year in accordance with section 386 of the Companies Act 1985.

By Order of the Board



S Dean
Secretary

27th July 2007

Registered Office
87-135 Brompton Road
Knightsbridge
London, SW1X 7XL

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

FEATURECODE 2A HOLDINGS

We have audited the financial statements of Featurecode 2A Holdings (formerly Harrods Property Holdings Limited) for the period ended 3 February 2007 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 the directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

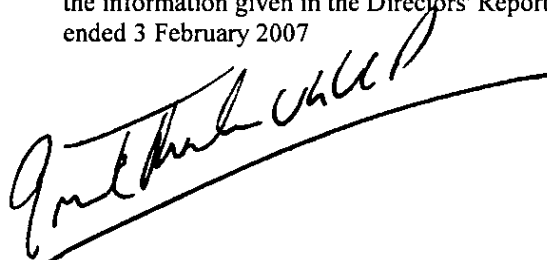
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FEATURECODE 2A HOLDINGS**

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 3 February 2007 and of its profit for the period then ended,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements for the period ended 3 February 2007

A large, stylized handwritten signature in black ink, likely belonging to a representative of Grant Thornton UK LLP, is written over a horizontal line.

**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

LONDON
27/7/2007

**FEATURECODE 2A HOLDINGS
(FORMERLY HARRODS PROPERTY HOLDINGS LIMITED)**

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and comply with applicable accounting standards

Featurecode 2A Holdings is a wholly owned subsidiary of Harrods Limited which produces Group accounts in accordance with the Companies Act 1985. Consequently the company has taken advantage of the exemption permitted by section 228 of the Act from producing Group accounts. These accounts therefore present information about the company and not about its group.

Harrods Limited produces a consolidated cash flow statement in accordance with Financial Reporting Standard No 1 (FRS1). Consequently the company has taken advantage of the exemption in FRS1 from producing a cash flow statement.

The principal accounting policies of the company are set out below.

INVESTMENTS

Investments are included at cost less amounts written off.

**FEATURECODE 2A HOLDINGS
(FORMERLY HARRODS PROPERTY HOLDINGS LIMITED)**

PROFIT AND LOSS ACCOUNT

For the period ended 3 FEBRUARY 2007

	Note	53 weeks ended 3 February 2007 £'000	52 weeks ended 28 January 2006 £'000
Other income	2	<u>325,000</u>	-
Profit before exceptional items, interest and taxation		325,220	
Impairment of investment in subsidiary	3	<u>(200,347)</u>	-
Profit on ordinary activities before taxation		124,873	-
Tax on loss on ordinary activities	4	-	-
Profit retained and transferred to reserves	9,10	<u>124,873</u>	<u>-</u>

All transactions arise from continuing operations

There were no other gains or losses other than the profit for the period

**FEATURECODE 2A HOLDINGS
(FORMERLY HARRODS PROPERTY HOLDINGS LIMITED)**

BALANCE SHEET AT 3 FEBRUARY 2007

	Note	At 3 February 2007 £'000	At 28 January 2006 £'000
Fixed assets			
Investments	6	11,160	211,507
Net assets		<u>11,160</u>	<u>211,507</u>
Capital and reserves			
Called up share capital	8	100	100
Share premium account		-	211,407
Profit and loss account	9	11,060	-
Shareholders' funds	10	<u>11,160</u>	<u>211,507</u>

The financial statements were approved by the Board of Directors on 27 July 2007



A Tanna - Director

**FEATURECODE 2A HOLDINGS
(FORMERLY HARRODS PROPERTY HOLDINGS LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 3 FEBRUARY 2007

1 DIRECTORS AND EMPLOYEES

No emoluments were paid to the directors of the company during the period (2006 £nil)

The company did not employ any persons or incur any staff costs during the period (2006 £nil)

2 OTHER INCOME

	53 weeks ended 3 February 2007 £'000	52 weeks ended 28 January 2006 £'000
Investment income		
Dividends receivable from group undertakings	325,220	-

3 IMPAIRMENT OF INVESTMENT

	53 weeks ended 3 February 2007 £'000	52 weeks ended 28 January 2006 £'000
Impairment of investment in subsidiary undertaking	200,347	-

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	53 weeks ended 3 February 2007 £'000	52 weeks ended 28 January 2006 £'000
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Factors affecting current period corporation tax

The current period corporation tax assessed for the period is lower than the standard rate of corporation tax of 30% (2006 30%) for the following reasons

Profit on ordinary activities before tax	124,873	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2006 30%)	37,462	-

Effect of

Dividend income not assessable for tax purposes	(97,566)	-
Expenses not allowable for tax purposes	60,104	-
Current tax charge for the period	-	-

**FEATURECODE 2A HOLDINGS
(FORMERLY HARRODS PROPERTY HOLDINGS LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 3 FEBRUARY 2007

5 DIVIDENDS

	53 weeks ended 3 February 2007 £'000	52 weeks ended 28 January 2006 £'000
Equity - ordinary		
Dividend paid	<u>325,220</u>	<u>-</u>

6 INVESTMENTS

	At 3 February 2007 £'000	At 28 January 2006 £'000
Investment in subsidiaries at 29 January 2006	211,507	211,507
Impairment provision	<u>(200,347)</u>	<u>-</u>
Investment in subsidiaries at 3 February 2007	<u>11,160</u>	<u>211,507</u>

7 PRINCIPAL SUBSIDIARY

Featurecode 2A (formerly Harrods Property Limited) is 100% owned by Featurecode 2A Holdings (formerly Harrods Property Holdings Limited). The company is registered in England and Wales and operates in the United Kingdom. The principal activity of the subsidiary was property management, however, during the year the company disposed of its properties and has ceased trading.

8 CALLED UP SHARE CAPITAL

	At 3 February 2007 £'000	At 28 January 2006 £'000
Authorised, issued and fully paid:		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>

**FEATURECODE 2A HOLDINGS
(FORMERLY HARRODS PROPERTY HOLDINGS LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 3 FEBRUARY 2007

9 RESERVES

	Share Premium Account £'000	Profit and loss account £'000
At 29 January 2006	211,407	-
Conversion of share premium reserve	(211,407)	211,407
Dividend paid	-	(325,220)
Profit for the period	-	124,873
At 3 February 2007	<u>-</u>	<u>11,060</u>

During the year, the company was re-registered as an unlimited liability company, following which the share premium account was credited to the company's profit and loss reserves

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Reconciliation of movements in shareholders' funds

	2007 £'000	2006 £'000
Shareholders' funds at 28 January 2006	211,507	211,507
Profit for the financial period	124,873	-
Dividends paid	<u>(325,220)</u>	<u>-</u>
Shareholder's funds at 3 February 2007	<u>11,160</u>	<u>211,507</u>

11 CAPITAL COMMITMENTS

The company had no capital commitments at 3 February 2007 or 28 January 2006

12 CONTINGENT ASSETS/LIABILITIES

There were no contingent liabilities at 3 February 2007 or 28 January 2006

13 TRANSACTIONS WITH DIRECTORS / AND OTHER RELATED PARTIES

The company is a wholly owned subsidiary of Harrods Holdings Limited and, as permitted by Financial Reporting Standard 8 'Related party disclosures' transactions with other entities in the Harrods Holdings Group are not disclosed

**FEATURECODE 2A HOLDINGS
(FORMERLY HARRODS PROPERTY HOLDINGS LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 3 FEBRUARY 2007

14 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Harrods Limited, a company registered in England and Wales. The ultimate United Kingdom parent undertaking of Harrods Limited is Harrods Holdings Limited. The largest group of undertakings for which group financial statements have been drawn up is that headed by Harrods Holdings Limited and the smallest such group of undertakings, including the company is headed by Harrods Limited. The group financial statements will be filed with the Registrar of Companies in due course.

The ultimate parent undertaking is Alfayed Investment and Trust PVT Limited, a company incorporated in Bermuda. All interests in the company continue to be controlled and held for the benefit of the Fayed family.