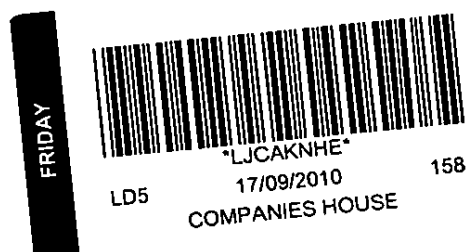


REGISTRAR'S COPY

Company Registration No OC307812 (England & Wales)

MARINEFORCE INTERNATIONAL LLP
IFRS FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009



COMPANY INFORMATION

Designated members	Howaldtswerke-Deutsche Werft GmbH (HDW) Ferrostaal Aktiengesellschaft
Company number	OC307812
Registered office	Third Floor 8 Waterloo Place London SW1Y 4BE
Auditors	Venthams 51 Lincoln's Inn Fields London WC2A 3NA
Bankers	Barclays Bank plc Knightsbridge International Banking London SW1X 0LZ Commerzbank AG London Branch Commerzbank House 23 Austin Friars London EC2J 2JD ABN AMRO Bank NV London Headquarters 250 Bishopsgate London EC2M 4AA

MARINEFORCE INTERNATIONAL LLP

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Statement of Financial Position	5
Cash Flow Statement	6
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MARINEFORCE INTERNATIONAL LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The members present their report and financial statements, together with the Auditors' Report, for the year ended 31 December 2009

Principal activities and review of the business

The principal activity of the LLP continued to be that of the marketing and sale of naval vessels and submarines

During the year the LLP successfully completed the signing of one new contract for the sale and supply of submarines. The contract was signed by the LLP and one of its members, HDW, as a consortium. The financial statements include recognition of success fees due to the LLP on the signing of the contracts. Other revenues and associated costs relating to these contracts will be recognised by the LLP over the life of the contracts.

Designated members

The following members held office since 1 January 2009

Howaldtswerke-Deutsche Werft GmbH (HDW)
Ferrostaal Aktiengesellschaft

The capital introduced by the LLP's members is not repayable to the members during the existence of the LLP. The capital introduced is only available for repayment on the cessation of the LLP or the withdrawal of a member from the LLP, as laid down in the Partnership Agreement.

Disclosure of information to auditors

The designated members who held office at the date of approval of this members' report confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditors are unaware, and each member has taken all the steps it ought to have taken as a member to make itself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Auditors

The independent auditors, Venthams, will be proposed for reappointment.

Members' responsibilities

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

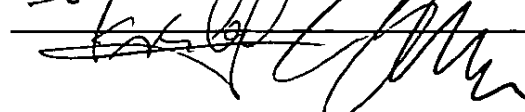
Company law requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the members 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 LLP and of the profit or loss of the LLP for that period. In preparing the financial statements, the members are required to

- Select suitable accounting policies and apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable accounting standards, and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume the LLP will continue the business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit)(Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

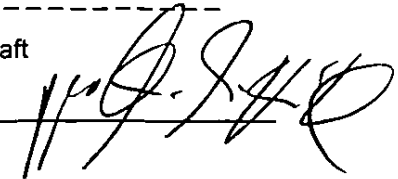
Approved by the members and signed on their behalf on 14 SEPTEMBER 2010

Howaldtswerke-Deutsche Werft GmbH
Designated member



Ferrostaal Aktiengesellschaft
Designated member


Joachim Ludwig



MARINEFORCE INTERNATIONAL LLP INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARINEFORCE INTERNATIONAL LLP

We have audited the financial statements of MarineForce International LLP for the year ended 31 December 2009 on pages 4 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006, as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the members and auditors

As described in the statement of members' responsibilities on page 1, the LLP's members are responsible for the preparation of the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 are properly prepared in accordance with IFRSs and the Companies Act 2006 as applied to Limited Liability Partnerships and give a true and fair view. We also report to you if, in our opinion, the LLP has not kept proper accounting records or we have not received all the information and explanations we require for our audit.

We read the other information contained in the Members' Report and consider whether it is consistent with the audited financial statements and 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 an 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 judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership'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.

MARINEFORCE INTERNATIONAL LLP INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARINEFORCE INTERNATIONAL LLP (CONTINUED)

Opinion

In our opinion

- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the financial statements have been prepared in accordance with the Companies Act 2006, as applicable to Limited Liability Partnerships, and
- the financial statements give a true and fair view of the state of affairs of the LLP as at 31 December 2009 and of the loss of the LLP for the year then ended



Mark Taylor (Senior Statutory Auditor)
For and on behalf of Venthams

14th September 2010
Date

Chartered Accountants
Statutory Auditor

51 Lincoln's Inn Fields
London
WC2A 3NA

MARINEFORCE INTERNATIONAL LLP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

Notes	2009 £	2008 £
2 Revenue	3,372,213	9,129,930
Cost of Sales	(1,711,642)	(334,670)
	<hr/>	<hr/>
Gross Profit	1,660,571	8,795,260
Administrative expenses	(5,260,943)	(6,424,702)
5 Other interest receivable and similar income	54,766	6,029
	<hr/>	<hr/>
Statement of comprehensive income for the financial year before interest on members' loans	(3,545,606)	2,376,587
4 Finance cost	(702,525)	(580,480)
	<hr/>	<hr/>
11 Statement of comprehensive income for the year available for division among members	(4,248,131)	1,796,107
	<hr/>	<hr/>

MARINEFORCE INTERNATIONAL LLP
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2009

Notes		2009 £	2008 £
	Non-current assets		
7	Property, plant and equipment	165,856	173,546
8	Trade and other receivables	2,726,207	6,750,359
		<hr/>	<hr/>
		2,892,063	6,923,905
	Current assets		
8	Trade and other receivables	54,506,659	11,295,128
12	Cash and other equivalents	2,709,814	24,524,161
		<hr/>	<hr/>
		57,216,473	35,819,289
	Total assets	<hr/>	<hr/>
		60,108,536	42,743,194
	MEMBERS' INTERESTS AND LIABILITIES		
	Members' other interests		
11	Members' capital	693,083	693,083
	Non-current liabilities		
10	Loans and other debts due to members	12,993,648	14,416,434
		<hr/>	<hr/>
	Total non-current liabilities	12,993,648	14,416,434
	Current liabilities		
9	Trade and other payables	46,421,805	25,633,677
		<hr/>	<hr/>
	Total current liabilities	46,421,805	25,633,677
	Total liabilities	<hr/>	<hr/>
		59,415,453	42,050,111
	Total members' interests and liabilities	<hr/>	<hr/>
		60,108,536	42,743,194
11	Total members' interests		
	Loans and other debts due to members	12,993,648	16,416,434
	Members' other interests	693,083	693,083
	Amounts due from members	(11,574,433)	(7,326,302)
		<hr/>	<hr/>
		2,112,298	9,783,215

The financial statements were approved by the Board on 14 SEPTEMBER 2010 and signed on its behalf by

Howaldtswerke-Deutsche Werft GmbH
Designated member

Ferrostaal Aktiengesellschaft
Designated member

Date authorised by the Executive Board for issue
 Company Registration No. OC307812 14/9/10

5 Joachim Ludwig

MARINEFORCE INTERNATIONAL LLP
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

Notes	2009 £	2008 £
Cash flows from operating activities		
Net profit/(loss) for period	(4,248,131)	1,796,107
Adjustments for		
7 Depreciation of property, plant and equipment	45,391	41,028
4 Finance costs	702,525	580,480
5 Interest received	(54,766)	(6,029)
	<u>(3,554,981)</u>	<u>2,411,586</u>
8 Increase in trade and other receivables	(35,939,245)	(10,344,109)
9 Increase in trade and other payables	20,785,555	24,380,952
	<u>(17,708,671)</u>	<u>16,448,429</u>
Cash flows from investing activities		
7 Purchase of property, plant and equipment	(37,701)	(14,691)
5 Interest received	54,766	6,029
	<u>17,065</u>	<u>(8,662)</u>
Cash flows from financing activities		
4 Interest paid	(702,525)	(580,480)
10 Increase in members' loans	(3,422,788)	7,466,871
	<u>(4,125,313)</u>	<u>6,886,391</u>
12 Net (decrease)/ increase in cash and cash equivalents	<u>(21,816,919)</u>	<u>23,326,158</u>
12 Cash and cash equivalents at the beginning of year	<u>24,524,161</u>	<u>1,198,003</u>
12 Cash and cash equivalents at the end of year	<u>2,707,242</u>	<u>24,525,161</u>

MARINEFORCE INTERNATIONAL LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1. Accounting Policies

a) Accounting convention

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union, the LLP SORP (March 2006). The financial statements have been prepared on an accruals basis and on the basis that the LLP is a going concern.

b) Revenue

Revenue comprises fees due to the LLP for the successful negotiation and execution of contracts for the sale of naval vessels and submarines, net of VAT and trade discounts.

c) Property, plant and equipment

Plant and equipment is carried at cost less provision for depreciation.

d) Depreciation

Depreciation is provided on tangible non-current assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Improvements to Leasehold	- 10% straight line
Plant and equipment	- 20% straight line

The depreciation methods and the useful lives and residual values on which depreciation is based are reviewed annually.

e) Leasing commitments

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term. Increase in annual rentals following rent reviews are recognised over the remaining lease term from the time they take effect. Lease incentives are recognised as a reduction of rental expense over the contracted lease term.

f) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

g) Cash and cash equivalents

Cash and cash equivalents comprise current bank balances with banks. For the purpose of the cash flow statement, cash equivalents are as defined above, net of outstanding bank overdrafts.

MARINEFORCE INTERNATIONAL LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

1. Accounting Policies (continued)

h) Accounting standards and interpretations issued but not yet adopted

The following standards have been issued but not yet adopted

- IFRS 3 'Business Combinations' – issued in January 2008
- IAS 27(revised) 'Consolidated and Separate Financial Statements (2008)' – issued in January 2008
- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' – issued in May 2008
- IFRS 1(revised) 'First-time Adoption of IFRS' – issued in November 2008
- IFRS 9 'Financial Instruments' – issued in November 2009
- IAS 39(revised) 'Financial Instruments Recognition and Measurement – Eligible Hedged Items' – effective for accounting periods beginning on or after 1 July 2009

The above standards are not expected to have a significant impact on the LLP

The following IFRIC interpretations have been issued but are not yet adopted by the LLP

- Amendments to IFRIC 14 'Prepayments of a Minimum Funding Requirement'
- IFRIC 17 'Distributions of Non-cash Assets to Owners'
- IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments'

The interpretations are effective for accounting periods commencing on or after 1 January 2011, 1 July 2009 and 1 July 2010 respectively and all are not expected to have a significant impact upon adoption

There is no impact expected from any other standards that are available for early adoption but that have not been adopted

2. Revenue	2009	2008
	£	£
Geographical market		
South America	1,092,327	1,327,125
Asia	1,007,751	7,802,805
Europe	1,125,570	-
Australia	146,565	-
	<hr/>	<hr/>
	3,372,213	9,129,930
	<hr/>	<hr/>
3 Profit/(loss) from operations	2009	2008
	£	£
Loss from operations is shown after charging		
Auditors' remuneration	12,000	9,000
(Profit)/Loss on foreign currency	(441,127)	1,718,981
Depreciation of property, plant and Equipment (Note 7)	45,391	41,028
	<hr/>	<hr/>

MARINEFORCE INTERNATIONAL LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

4	Finance costs	2009	2008
		£	£
	Interest on members' loans	702,525	580,480
		<hr/>	<hr/>

5.	Investment income	2009	2008
		£	£
	Bank and other interest received	54,766	6,029
		<hr/>	<hr/>

6. Members' shares of profits and losses

Profits and losses are divided among the members, in accordance with the partnership agreement, after the end of the year

	2009	2008
	Number	Number
Average number of members	2	2
	<hr/>	<hr/>
	2009	2008
	£	£
Average profit/(loss) per member before interest on members' capital	(1,772,803)	1,188,294
	<hr/>	<hr/>

MARINEFORCE INTERNATIONAL LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

7. Property, plant and equipment

	Improvements to leasehold £	Plant and Equipment £	Total £
As at 31 December 2009			
Cost			
At 1 1 09	198,225	113,422	311,647
Additions	-	37,701	37,701
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 12 09	198,225	151,123	349,348
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 1 09	66,747	71,354	138,10
Disposals	-	-	-
Charge for year	19,823	25,568	45,391
	<hr/>	<hr/>	<hr/>
At 31 12 09	86,570	96,922	183,492
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 12 09	111,655	54,201	165,856
	<hr/>	<hr/>	<hr/>
At 31 12 08	131,478	42,068	173,546
	<hr/>	<hr/>	<hr/>
As at 31 December 2008			
Cost			
At 1 1 08	189,725	107,231	296,956
Additions	8,500	6,191	14,691
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 12 08	198,225	113,422	311,647
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 1 08	47,633	49,440	97,073
Disposals	-	-	-
Charge for year	19,114	21,914	41,028
	<hr/>	<hr/>	<hr/>
At 31 12 08	66,747	71,354	138,101
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 12 08	131,478	42,068	173,546
	<hr/>	<hr/>	<hr/>
At 31 12 07	142,092	57,791	199,883
	<hr/>	<hr/>	<hr/>

MARINEFORCE INTERNATIONAL LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

8.	Trade and other receivables	2009	2008
		£	£
	Non-current assets		
	Trade receivables	2,726,207	6,750,359
		<hr/>	<hr/>
		2,726,207	6,750,359
		<hr/>	<hr/>
	Current assets		
	Receivables from members (Note 11)	11,574,433	7,326,302
	Trade receivables	3,384,139	3,676,512
	Other receivables	1,809,493	16,881
	Prepayments	37,738,594	275,433
		<hr/>	<hr/>
		54,506,659	11,295,128
		<hr/>	<hr/>
9.	Trade and other payables	2009	2008
		£	£
	Bank overdrafts	2,572	-
	Trade payables	5,023,373	318,905
	Social security and other taxes	63,085	62,364
	Accruals	323,310	229,618
	Other payables	41,009,465	25,022,790
		<hr/>	<hr/>
		46,421,805	25,633,677
		<hr/>	<hr/>
10	Loans and other debts due to members	2009	2008
		£	£
	Members' loans	12,993,648	16,416,434
		<hr/>	<hr/>
	Falling due within one year	-	-
	Falling due after more than one year	12,993,648	16,416,434
		<hr/>	<hr/>
		12,993,648	16,416,434
		<hr/>	<hr/>

MARINEFORCE INTERNATIONAL LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

11. Members' interests

	Losses to be divided	Members Capital	Total Equity	Amounts due to/(from) members	Total members' interests
	£	£	£	£	£
At 1 1 08	-	693,083	693,083	(172,846)	520,237
Recognised income & expense	1,796,107	-	1,796,107	-	1,796,107
Loss allocations	(1,796,107)	-	(1,796,107)	1,796,107	-
Capital introduced	-	-	-	3,033,698	3,033,698
Interest	-	-	-	580,799	580,799
Exchange rate Movement	-	-	-	4,663,777	4,663,777
Repaid expenses	-	-	-	(811,403)	(811,403)
At 1 1 09	-	693,083	693,083	9,090,132	9,783,215
Recognised income & expense	(4,248,131)	-	(4,248,131)	-	(4,248,131)
Loss allocations	4,248,131	-	4,248,131	(4,248,131)	-
Capital introduced	-	-	-	-	-
Interest	-	-	-	707,290	707,290
Repayment of interest (1,821,699)	-	-	-	(1,821,699)	(1,821,699)
Exchange rate Movement	-	-	-	(1,903,079)	(1,903,079)
Repaid expenses	-	-	-	(405,298)	(405,298)
	-	693,083	693,083	1,419,215	2,112,298
Amounts due to Members				12,993,648	
Amounts due from Members				(11,574,433)	
				1,419,215	

**12 Cash and cash
Equivalents**

	At 1.1.08	Cash flow	At 31.12.08/ At 1.01.09	Cash flow	At 31.12.09
	£	£	£	£	£
Cash at bank and in hand	1,198,003	23,326,158	24,524,161	(21,816,919)	2,707,242

MARINEFORCE INTERNATIONAL LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

13 Financial assets and liabilities

The LLP's financial instruments comprise borrowing, cash and cash equivalents and various items such as trade receivables, trade payables, accruals and prepayments that arise directly from its operations

The main purpose of these financial instruments is to finance the LLP's operations

Extent and nature of financial instruments **£**

The LLP held the following financial assets at 31 December 2009

Trade and other receivables including amounts owed by members	57,232,866
Cash at bank and in hand	2,709,814
	<hr/>
	59,942,680
	<hr/>

Financial liabilities **£**

Financial liabilities comprise amounts owed to members, employee costs, and other liabilities arising from trading operations

The LLP had the following financial liabilities at 31 December 2009

Trade and other payables	46,421,805
Loans and other debts due to members	12,993,648
	<hr/>
	59,415,453
	<hr/>

Maturity of financial liabilities **£**

The maturity of the above financial liabilities at 31 December 2009 is as follows

Within one year	46,421,805
After more than one year	12,993,648
	<hr/>
	59,415,453
	<hr/>

Borrowing facilities

At 31 December 2009, the LLP had no undrawn committed borrowing facilities

MARINEFORCE INTERNATIONAL LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

14. Employees

	2009 Number	2008 Number
--	------------------------	------------------------

The average monthly number of employees (excluding members) during the year was

Office and management	11	9
-----------------------	----	---

	2009 £	2008 £
Employee costs		
Wages and salaries	2,011,740	1,560,799
Social security costs	156,705	111,990
	<u>2,168,445</u>	<u>1,672,789</u>

15. Operating lease commitments

At the year end the LLP had commitments to make payments under non-cancellable operating leases, which fall due as follows

	£
Not later than 1 year	-
Later than 1 year, not later than 5 years	661,500
Later than 5 years	44,100
	<u>705,600</u>

16. Control

During the current and prior period the LLP was under the joint control of the two designated members, Howaldtswerke-Deutsche Werft GmbH and Ferrostaal Aktiengesellschaft

In the opinion of the members there is no ultimate controlling party

17. Related party transactions

Included in creditors at the balance sheet date were amounts due to the designated members as follows

Howaldtswerke-Deutsche Werft GmbH £6,540,450 (2008 £8,257,846), and
 Ferrostaal Aktiengesellschaft £6,453,197 (2008 £8,158,588)

These amounts are due to be repaid in more than one year and interest is charged on the outstanding balances. The rate of interest charged was 5.25% in the period to 30 September 2009 and for the period from 1 October 2009 the rate charged was 4.5%.