MARKEN LIMITED

Company number: 1485138

Directors' Report and Financial Statements

For the Year Ended

31 December 2008

Directors
B T Craig
S Mueller
N O'Driscoll

Registered Office
Waterway House, 3 Brentwaters Business Park, The Ham
Brentford, Middlesex, TW8 8HQ

MARKEN LIMITED

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Directors' report

The directors present their Directors' Report and financial statements for the year ended 31 December 2008.

Results and dividends

	2008 £000	2007 £000
Profit for the year	**28,954**	18,752

The directors do not recommend the payment of a dividend (2007: £nil).

Principal activity

The principal activity of the Company is that of a specialist courier service provider to the Bio/Pharmaceutical, Hi-Tech and Media industries. The Company operates via a network of branch offices in the UK, Europe, North America and the Far East.

Business review and future developments

The Company has maintained high levels of performance in its operating territories. The results have been achieved through consistent operating performances throughout the company, with all three regions, Europe, Americas and Asia/Pacific contributing to the growth.

Performance is controlled and monitored through formal and informal methods. Financial performance controls include the preparation and review of detailed monthly management accounts, these include measures of revenue, profitability and efficiency on a customer by customer, branch by branch, region by region and overall Company basis. Key performance indicators include revenue and contribution per shipment, gross margin, staff cost to revenue ratio and overall EBIT to revenue ratio. Service level controls include system generated standard and bespoke reports measuring performance by variables such as customer, clinical trial or individual location - these reports are tailored to the individual requirement of the Company or of the customer. Communication between the Company and both customers and key suppliers is given a high priority so as to ensure service levels meet expectations, and that the Company is able to respond to the needs of customers. The financial and non financial performance of the Company is reviewed on a monthly basis by the Board.

The Company continues to invest in information technology and quality management systems. Training for staff is given a high priority with structures in place to ensure that staff are able to meet the demands of the changes in customer requirements, regulations and internal operating procedures.

The Company expects to grow revenues and profits in 2009 and onwards, with progress expected to be made with both existing and new customers, and in existing and new geographic regions. The largest market for the Company is in the provision of clinical trial logistics services to the Pharmaceutical industry; this market is forecasted to continue to experience high levels of growth. The Company is particularly well positioned to take advantage of the market growth and to take market share in the clinical trials sector.

Financial instruments

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk, foreign exchange risk and interest rate cash flow risk.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board are implemented by the Company's finance department.

Price risk

Although no formal programme of price management for third parties has been adopted, any significant exposure is reviewed periodically and, where appropriate, fixed by future purchasing agreements.

Financial instruments (continued)

The Company has no exposure to equity securities price risk as it holds no listed investments.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

A policy of individual customer credit limits is used to manage exposure to any individual counterparty.

Liquidity risk

The Group of which the Company is a member actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

In order to ensure stability of cash out flows and hence manage interest rate risk, the Group has a policy of maintaining a proportion of its debt at fixed rate by use of interest rate swaps.

The Group also holds fluctuating cash balances which earn interest at fluctuating market rates. The cash flow risk associated with these balances is small.

Directors

The Directors who held office during the year are given below:

B T Craig
S Mueller
N O'Driscoll

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

Noel O'Driscoll
Director

Waterway House, 3 Brentwaters Business Park
The Ham, Brentford, Middlesex, TW8 8HQ
29 April 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
20 Farringdon Street
London
EC4A 4PP
United Kingdom

Independent auditors' report to the members of Marken Limited

We have audited the financial statements of Marken Limited for the year ended 31 December 2008 which comprise the Profit and loss account, the Balance sheet, the Statement of total recognised gains and losses and the related notes. 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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 the implications for our report if we become aware of any apparent misstatements within it.

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.

Independent auditors' report to the members of Marken Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements 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.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

29 April 2009

Profit and Loss Account

For the year ended 31 December 2008

	Note	2008 £000	2007 £000
Turnover	2	**68,991**	51,185
Operating profit	2,3	**25,157**	19,246
Gain on sale of fixed assets		**6**	-
Interest receivable	6	**5,197**	2,329
Interest payable	6	**(2,427)**	(517)
Profit on ordinary activities before taxation		**27,933**	21,058
Tax on profit on ordinary activities	7	**1,021**	(2,306)
Profit for the financial year	13	**28,954**	18,752

Movements in shareholders' funds are set out in note 13.

The results stated above are all derived from continuing operations. A note on historical gains and losses has not been included as part of the financial statements as the results disclosed in the profit and loss account are prepared on an unmodified historical cost basis.

The notes on pages 9 to 18 form part of these financial statements.

MARKEN LIMITED

Balance Sheet

At 31 December 2008

	Note	2008 £000	2007 £000
Fixed assets			
Tangible assets	8	**649**	595
Investments	9	**220**	220
		869	815
Current assets			
Debtors	10	**69,111**	37,064
Cash at bank and in hand		**18,415**	15,226
		87,526	52,290
Creditors: amounts falling due within one year	11	**(32,265)**	(24,044)
Net current assets		**55,261**	28,246
Net assets		**56,130**	29,061
Capital and reserves			
Called up share capital	12	**-**	-
Profit and loss account	13	**56,130**	29,061
Shareholders' funds		**56,130**	29,061

Approved by the Board on 29 April 2009 and signed on its behalf.

Noel O'Driscoll
Director

The notes on pages 9 to 18 form part of these financial statements.

Statement of Total Recognised Gains and Losses

For the year ended 31 December 2008

	Note	2008 £000	2007 £000
Profit for the financial year	13	**28,954**	18,752
Net exchange differences on the retranslation of net investments		**(1,885)**	(687)
Total gains recognised in the year	13	**27,069**	18,065

The notes on pages 9 to 18 form part of these financial statements.

Notes
(Forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements, because at the balance sheet date the Company was a wholly owned subsidiary of Iridium Holding Limited, a company incorporated in England. These financial statements present information about the Company as an individual undertaking and not about its group.

The group financial statements of Iridium Holding Limited contain a consolidated cash flow statement. The Company has taken advantage of the exemption granted by FRS 1 whereby it is not required to publish its own cash flow statement.

As the Company was at the balance sheet date a wholly owned subsidiary of Iridium Holding Limited, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Iridium Holding Limited, within which this Company is included, can be obtained from the website given in note 17.

Turnover

Turnover comprises the value of charges for the sale of services and goods to third parties. Turnover is recognised when services have been completed. Turnover excludes value added tax and equivalent taxes, duty and other disbursements made on behalf of customers.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Motor vehicles	Over 4 years (25% per annum)
Computer equipment	Over 3 years (33 1/3% per annum)
Plant and equipment	Over 6 2/3 years (15% per annum)

Assets that are not expected to be held for the whole of their useful lives are written down to estimated residual values at disposal.

The carrying values of tangible fixed assets are reviewed for impairment if circumstances indicate that they may not be recoverable.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Notes (continued)

1 Accounting policies (continued)

Taxation (continued)

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

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 a non-discounted basis.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. Assets are regarded as recoverable when it is regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Post-retirement benefits

The Company operates or contributes to a number of defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Foreign currency translation

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The results and cash flows of overseas branches are translated at average rates of exchange for the year. The assets and liabilities of foreign branches are translated at rates ruling on the balance sheet date. Exchange differences arising on the translation of the net investments in overseas branches are dealt with through reserves.

Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost (less amounts written off).

Notes (continued)

2 Analysis of turnover and operating profit

Turnover relates to the Company's principal activity, which the Directors consider constitutes a single class of business. Turnover arose in the following regions:

	Turnover		Operating profit	
	2008 £000	2007 £000	**2008 £000**	2007 £000
Europe	**29,891**	22,950	**10,681**	8,193
America	**29,978**	22,730	**11,057**	8,611
Rest of world	**9,122**	5,505	**3,419**	2,442
	68,991	51,185	**25,157**	19,246

3 Notes to the profit and loss account

The following amounts have been charged/(credited) in arriving at the operating profit:

	2008 £000	2007 £000
Raw materials, consumables and other purchases	**1,164**	826
Staff costs		
Wages and salaries	**10,265**	8,206
Social security costs	**1,031**	957
Other pension costs	**204**	181
Depreciation		
Owned assets	**256**	225
Operating lease rentals		
Land and buildings	**588**	485
Vehicles, plant and equipment	**55**	62
Auditors' remuneration		
for the audit of these financial statements	**63**	88
for non audit work	**4**	40
Exchange gains	**(537)**	(100)
Other operating charges	**30,741**	20,969
	43,834	31,939

4 Remuneration of directors

	2008 £000	2007 £000
Aggregate emoluments	**570**	460

Notes (continued)

4 Remuneration of directors (continued)

	2008 £000	2007 £000
Amounts in respect of the highest paid Director were as follows:		
Aggregate emoluments	**252**	199

5 Staff numbers and costs

The average number of persons, including directors, employed during the year, analysed by category, was as follows:

	2008 Number	2007 Number
Management	**7**	6
Administrative	**28**	24
Operational	**223**	181
	258	211

The aggregate payroll costs of these persons were as follows:

	2008 £000	2007 £000
Wages and salaries	**10,265**	8,206
Social security costs	**1,031**	957
Other pension costs	**204**	181
	11,500	9,344

6 Net interest

	2008 £000	2007 £000
Interest receivable from group undertakings	**4,401**	2,195
Interest on foreign currency hedges	**-**	14
Interest receivable from bank deposits/current accounts	**751**	120
Other interest receivable	**45**	-
Interest receivable	**5,197**	2,329
Interest payable to group undertakings	**(2,398)**	(514)
Other interest payable	**(29)**	(3)
Interest payable	**(2,427)**	(517)
Net interest	**2,770**	1,812

Notes (continued)

7 Taxation

	2008 £000	2007 £000
Current tax		
UK Corporation tax on profits of the year	**1,340**	2,342
Adjustments in respect of previous periods	**(2,101)**	1,113
Double taxation relief	**(1,340)**	(661)
	(2,101)	2,794
Foreign tax		
Current tax on income for the year	**872**	(437)
Total current tax charge	**(1,229)**	2,357
Deferred tax		
Origination and reversal of timing differences	**208**	(51)
Total tax charge	**(1,021)**	2,306

Factors affecting tax charge for the year

The current tax assessed for the year is lower *(2007: higher)* than the standard rate of corporation tax in the UK (28.5%, *2007: 30%*). The differences are explained below:

	2008 £000	2007 £000
Profit on ordinary activities before taxation	**27,933**	21,058
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007: 30%)	**7,959**	6,317
Effects of:		
Expenses not deductible for tax purposes	**54**	46
Accelerated capital allowances and other timing differences	**(19)**	(3)
Overseas tax less than double tax relief	**(467)**	(1,098)
Group relief claimed but not paid for	**(6,682)**	(4,018)
Adjustment in respect of prior years	**(2,101)**	1,113
Movement in respect of revaluations or assets becoming non qualifying	**27**	-
Current tax charge	**(1,229)**	2,357

The Company has a deferred tax asset at 31 December 2008 of £46,318 (2007:£254,037).

Deferred tax

The deferred tax asset in debtors (note 10) consists of:

	2008 £000	2007 £000
Accelerated capital allowances	**28**	46
Short term timing differences	**18**	17
Deferred interest expense	**-**	191
Deferred tax asset	**46**	254

The deferred tax asset is recognised as far as it is considered likely that the timing differences will reverse in the foreseeable future. The deferred tax has been calculated using the rate of corporation tax of 28% *(2007: 28%)*, the rate at which it is expected to reverse.

Notes (continued)

8 Tangible fixed assets

	Motor vehicles £000	Computer equipment £000	Plant and equipment £000	**Total £000**
Cost				
At beginning of year	381	486	520	**1,387**
Additions	66	151	57	**274**
Disposals	(108)	(53)	-	**(161)**
Currency translation	96	94	90	**280**
At end of year	**435**	**678**	**667**	**1,780**
Depreciation				
At beginning of year	251	329	212	**792**
Charge for the year	57	117	82	**256**
Disposals	(64)	(50)	-	**(114)**
Currency translation	78	76	43	**197**
At end of year	**322**	**472**	**337**	**1,131**
Net book amount				
At 31 December 2008	**113**	**206**	**330**	**649**
At 31 December 2007	130	157	308	595

9 Fixed asset investments

Shares in group undertakings

	2008 £000	2007 £000
Cost at beginning and end of year	**220**	220

The following company is a subsidiary where the Company's interest at the year end is more than 20%:

Company	**% of share capital owned**	**Country of incorporation**	**Nature of business**
Marken Time Critical Express Ltd	100	United Kingdom	Specialist courier

Notes (continued)

10 Debtors

	2008 £000	2007 £000
Trade debtors	**14,775**	8,175
Amounts owed by group undertakings	**51,068**	28,241
Corporation tax recoverable	**2,586**	-
Deferred taxation (note 7)	**46**	254
Other debtors	**92**	1
Prepayments and accrued income	**544**	393
	69,111	37,064

11 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Trade creditors	**3,414**	2,553
Amounts owed to group undertakings	**21,953**	13,386
Corporation tax payable including overseas tax payable	**-**	3,373
Other taxes and social security	**280**	312
Accruals and deferred income	**6,618**	4,420
	32,265	24,044

12 Called up share capital

	2008 £	2007 £
Authorised		
100 Ordinary shares of £1 each	**100**	100

	2008 £	2007 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	**100**	100

Notes (continued)

13 Reconciliation of movements in shareholders' funds

	Share capital £000	Profit and loss account £000	**2008 Total £000**	2007 Total £000
Profit for the financial year	-	28,954	**28,954**	18,752
Exchange differences	-	(1,885)	**(1,885)**	(687)
Movement in the year	-	27,069	**27,069**	18,065
At beginning of year	-	29,061	**29,061**	10,996
At end of year	-	56,130	**56,130**	29,061

14 Financial commitments

Operating leases

The Company had commitments during the next financial year in respect of non-cancellable operating leases expiring as follows:

	2008		2007	
	Land and buildings £000	**Plant and equipment £000**	Land and buildings £000	Plant and equipment £000
Operating leases which expire				
within one year	**94**	**22**	11	6
between one and five years	**393**	**26**	430	54
	487	**48**	441	60

Leases of land and buildings are typically subject to rent reviews at specified intervals.

15 Contingent liabilities

On 31 July 2007 the group, of which this Company is included entered into a security agreement and gave a debenture to Lloyds TSB Bank PLC (as Security Agent). The debenture secures all monies due or to become due from any member of the Group to Lloyds TSB Bank PLC (as Security Agent for the secured parties) (in such capacity the security agent) and/or the Other Secured Parties (or any of them). The Secured Obligations are all present and future obligations and liabilities of any member of the Group under or pursuant to any of the financing agreements initially entered into on 31 July 2007 and which have been amended on 13th November 2007 and 19 December 2008.

The security consists of fixed and floating charges over all assets and undertakings of the Group, but excludes any assets that are not owned by the Group.

The security agreement covers the liabilities under the Senior Facilities Agreement and the Mezzanine Finance Agreement. The liability at the year end was £320,974,000 (2007: £260,169,000).

16 Pension scheme

The Company operates or contributes to a number of defined contribution pension schemes. The pension costs charge for the period represents contributions payable by these schemes and amounted to £204,000 (2007: £181,000).

Outstanding contributions at the period end amounted to £19,000 (2007: £19,000) and are included in creditors falling due within one year (note 11).

Notes (continued)

17 Ultimate parent undertaking

The Company's immediate parent undertaking is De Facto 1341 Limited.

The ultimate parent undertaking at the balance sheet date was Iridium Holding Limited, which was the parent of the smallest and largest group to consolidate their financial statements. Copies of Iridium Holding Limited consolidated financial statements can be obtained from the Companies House web site on http://www.companieshouse.co.uk.

In the opinion of the Directors there is no ultimate controlling party.