

Registered number. 1989256

## **RHONE-POULENC RORER LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

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**RHONE-POULENC RORER LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

N S Brooksby (resigned 12 May 2010)  
M McClellan  
S Oldfield (appointed 12 May 2010)

**COMPANY NUMBER**

1989256

**REGISTERED OFFICE**

Aventis House  
50 Kings Hill Avenue, Kings Hill  
West Malling  
Kent  
ME19 4AH

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

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**RHONE-POULENC RORER LIMITED**

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## **RHONE-POULENC RORER LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

The directors present their report and the financial statements for the year ended 31 December 2009

#### **PRINCIPAL ACTIVITIES**

The company is an investment holding company

#### **BUSINESS REVIEW**

The company did not trade during the year The year end financial position remains satisfactory

Given the extent to which the company's activities are linked with those of the sanofi-aventis, SA group, the directors do not believe that the provision of more detailed Key Performance Indicators is necessary as additional information is available in the consolidated financial statements of sanofi-aventis, SA which are available from sanofi-aventis, SA, 174-180 avenue de France, 75653 Paris Cedex 13, France

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £19,250,000 (2008 - profit £63,818,000)

The directors do not recommend the payment of a dividend in respect of the year (2008 - £NIL)

#### **DIRECTORS**

The directors who served during the year were

N S Brooksby (resigned 12 May 2010)

M McClellan

S Oldfield (appointed 12 May 2010)

Sanofi-aventis, SA maintains liability insurance for the directors and officers of all group companies Sanofi-aventis, SA has also provided an indemnity for the directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006

## **RHONE-POULENC RORER LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

#### **FINANCIAL RISK MANAGEMENT**

##### **Foreign exchange risk**

Sanofi-aventis, SA operates a foreign exchange risk hedging policy to reduce the exposure of operating income to fluctuations in foreign currencies, particularly the US dollar and the Euro but also other currencies where required. In order to mitigate these fluctuations the company is required to enter into derivative contracts with sanofi-aventis, SA. The policy involves regular assessments of the Group's worldwide foreign currency exposure, based on budget estimates of foreign-currency transactions to be carried out by the parent company and its subsidiaries. These transactions mainly comprise sales, purchases, research costs, co-marketing and co-promotion expenses, and royalties. To reduce the exposure of these transactions to exchange rate movements, sanofi-aventis, SA contracts economic hedges using liquid financial instruments such as forward purchases and sales of currency.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 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,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**RHONE-POULENC RORER LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

**AUDITORS**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 24 September 2010 and signed on its behalf



**M McClellan**  
Director

## **RHONE-POULENC RORER LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RHONE-POULENC RORER LIMITED**

We have audited the financial statements of Rhone-Poulenc Rorer Limited for the year ended 31 December 2009, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**RHONE-POULENC RORER LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RHONE-POULENC RORER LIMITED**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Richard Winter (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

24 September 2010



**RHONE-POULENC RORER LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>Note</b>	<b>2009 £000</b>	<b>2008 £000</b>
Administrative expenses		<u>(1)</u>	<u>(4)</u>
<b>OPERATING LOSS</b>	<b>2</b>	<b>(1)</b>	<b>(4)</b>
Income from investments in group companies	3	-	65,658
Interest receivable	5	577	2,022
Interest payable	6	<u>(47)</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>529</b>	<b>67,676</b>
Tax on profit on ordinary activities	7	<u>(19,779)</u>	<u>(3,858)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>(19,250)</u></b>	<b><u>63,818</u></b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the Profit and Loss Account

The notes on pages 8 to 13 form part of these financial statements

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical costs equivalents

**RHONE-POULENC RORER LIMITED**  
**REGISTERED NUMBER 1989256**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2009**

	Note	£000	2009 £000	£000	2008 £000
<b>FIXED ASSETS</b>					
Fixed asset investments	8		3,143		3,143
<b>CURRENT ASSETS</b>					
Debtors	9	68,136		93,447	
Cash at bank		31		39	
		<u>68,167</u>		<u>93,486</u>	
<b>CREDITORS</b> amounts falling due within one year					
	10	-		(6,069)	
<b>NET CURRENT ASSETS</b>					
			<u>68,167</u>		<u>87,417</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>71,310</u>		<u>90,560</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		101		101
Share premium account	13		3,142		3,142
Profit and loss account	13		68,067		87,317
<b>SHAREHOLDERS' FUNDS</b>					
	14		<u>71,310</u>		<u>90,560</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 September 2010

  
**M McClellan**  
 Director

The notes on pages 8 to 13 form part of these financial statements

## **RHONE-POULENC RORER LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention on a going concern basis and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### **1.2 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### **1.3 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

The directors conduct an annual review to identify signs of impairment. A more detailed impairment review is performed following significant triggering events.

##### **1.4 Foreign currencies**

Transactions denominated in foreign currencies are translated at the booking rate of exchange ruling for the month in which the transaction is first recognised. The booking rate of exchange for a month is the average rate for the preceding month, because this is assessed to approximate the spot rate at the date of the transaction. Monetary assets and liabilities are translated into sterling at rates of exchange ruling at the balance sheet date. All currency profits and losses are dealt with in the profit and loss account.

##### **1.5 Related parties transactions**

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related party disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by sanofi-aventis, SA whose accounts are publicly available.

##### **1.6 Derivative financial instruments**

Derivatives are initially accounted and measured at fair value on the date the derivative contract is entered into and subsequently measured at fair value. The gain or loss on re-measurement is taken to the profit and loss account, because the company does not have any instruments which meet the requirements of a cash flow hedge.

#### **2 OPERATING LOSS**

The operating loss is stated after bank charges.

Auditors' remuneration is borne by another group company in the current and prior year and is not recharged; the allocation to this company would have been £3,000 in the current year.

# **RHONE-POULENC RORER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

### **3. INCOME FROM INVESTMENTS IN GROUP COMPANIES**

	<b>2009</b>	<i>2008</i>
	<b>£000</b>	<i>£000</i>
Dividends received	-	65,658

The dividend in 2008 was received from the company's investment in sanofi-aventis SpA

### **4. STAFF COSTS**

The company has no employees other than the directors, who did not receive any remuneration (2008 - £NIL)

Directors' emoluments are paid by Aventis Pharma Limited. Directors' services to the company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to Aventis Pharma Limited. Accordingly, no directors' remuneration is paid by the company.

### **5. INTEREST RECEIVABLE**

	<b>2009</b>	<i>2008</i>
	<b>£000</b>	<i>£000</i>
Interest receivable from group companies	574	1,996
Other interest receivable	3	26
	<b>577</b>	<i>2,022</i>

### **6. INTEREST PAYABLE**

	<b>2009</b>	<i>2008</i>
	<b>£000</b>	<i>£000</i>
On bank loans and overdrafts	9	-
On loans from group undertakings	38	-
	<b>47</b>	<i>-</i>

# **RHONE-POULENC RORER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

### **7. TAXATION**

	<b>2009 £000</b>	<b>2008 £000</b>
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	-	27,998
	<hr/>	<hr/>
	-	27,998
Double taxation relief	-	(27,998)
Group taxation relief	148	575
	<hr/>	<hr/>
	148	575
	<hr/>	<hr/>
Foreign tax on income for the year	-	3,283
Foreign tax adjustments in respect of prior periods	19,631	-
	<hr/>	<hr/>
<b>Tax on profit on ordinary activities</b>	<b>19,779</b>	<b>3,858</b>
	<hr/>	<hr/>

The corporation tax payable for the year has been reduced by £148,000 (2008 - £575,000) because of group relief received from a fellow subsidiary for which a payment of £148,000 (2008 - £575,000) will be left outstanding on inter-company account

#### **Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2008 - lower than) the standard rate of corporation tax in the UK (28 0%) The differences are explained below

	<b>2009 £000</b>	<b>2008 £000</b>
Profit on ordinary activities before tax	529	67,676
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28 0% (2008 - 28 5%)	148	19,288
<b>Effects of.</b>		
Expenses not deductible for tax purposes	-	9,285
Double tax relief on dividend received	-	(27,998)
Higher rate taxes on overseas earnings	-	3,283
Foreign tax adjustments in respect of prior periods	19,631	-
	<hr/>	<hr/>
<b>Current tax charge for the year (see note above)</b>	<b>19,779</b>	<b>3,858</b>
	<hr/>	<hr/>

#### **Factors that may affect future tax charges**

There were no factors that may affect future tax charges

# **RHONE-POULENC RORER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

### **8. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £000	Investments in participating interests £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2009 and 31 December 2009	<u>69</u>	<u>3,074</u>	<u>3,143</u>

#### **Subsidiary undertakings**

The following were subsidiary undertakings of the company

Name	Class of shares	Holding	2009 £000	2008 £000
Rorer Finanziaria SpA	Ordinary Euro 0.52 each	98.50%	<u>69</u>	<u>69</u>

Name	Business	Registered office
Rorer Finanziaria SpA	Pharmaceuticals	Italy

#### **Participating interests**

Whilst the company has an 8.82% direct interest in the share capital and voting rights of sanofi-aventis SpA, this interest increases to 9.05% when taking into account shares held by the company's subsidiary, Rorer Finanziaria SpA.

#### **Associates**

Name	Country of incorporation	Class of shares	Holding	Principal activity
Sanofi-aventis SpA	Italy	Ordinary Euro 1.04 each	8.82%	Pharmaceuticals

As at 31 December 2009 the directors conducted a review of the carrying value of the investments based on the net asset value of the investment. The directors have reviewed the results of the investments for the year ended 31 December 2009 and concluded that no provision is required against the company's investments. The directors consider that the value of the shares in Rorer Finanziaria SpA and sanofi-aventis SpA are not less than the cost of the investments.

### **9. DEBTORS**

	2009 £000	2008 £000
Amounts owed by group undertakings	68,136	72,640
Tax recoverable	-	20,807
	<u>68,136</u>	<u>93,447</u>

The amounts owed by group undertakings are unsecured, and have no fixed date of repayment. Amounts relating to trading balances owed by non-UK and balances owed by dormant companies are interest free, all other balances carry interest at LIBOR minus 15 basis points.

# **RHONE-POULENC RORER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

### **10. CREDITORS: Amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Derivative liabilities	-	6,069

### **11 DERIVATIVE FINANCIAL INSTRUMENTS**

	<b>2009</b>	<b>2008</b>
	<b>Assets</b>	<b>Liabilities</b>
	<b>£000</b>	<b>£000</b>
Foreign currency contracts	-	(6,069)

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Gain/(loss) in profit and loss account	6,069	(4,789)

Sanofi-aventis, SA group operates a foreign exchange risk policy to reduce the exposure of operating income to fluctuations in foreign currencies, particularly the US dollar and the Euro but also other currencies when required. The policy involves regular assessments of the group's worldwide foreign currency exposure, based on budget estimates of foreign-currency transactions to be carried out by the parent company and its subsidiaries. These transactions mainly comprise sales, purchases, research costs, co-marketing and co-promotion expenses, and royalties. To reduce the exposure of these transactions to exchange rate movements, sanofi-aventis, SA group contracts economic hedges using liquid financial instruments such as forward purchases and sales of currency.

### **12. SHARE CAPITAL**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
101,000 Ordinary shares shares of £1 each	101	101

### **13 RESERVES**

	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£000</b>	<b>£000</b>
At 1 January 2009	3,142	87,317
Loss for the year	-	(19,250)
At 31 December 2009	3,142	68,067

## **RHONE-POULENC RORER LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

#### **14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Opening shareholders' funds	<b>90,560</b>	<b>26,742</b>
(Loss)/profit for the year	<b>(19,250)</b>	<b>63,818</b>
Closing shareholders' funds	<b>71,310</b>	<b>90,560</b>

#### **15. CONTINGENT LIABILITIES**

On 27 January 2010 the company received notification from the Italian Revenue Authority that they were refusing the company's reimbursement request made under the terms of Article 10(4)(b) of the Double Tax Treaty between the UK and Italy which came into force on 1 April 1991 in the UK and 1 January 1991 in Italy. The company had made a reimbursement request for a total of Euro 28,769,644.09, for the repayment of underlying Italian tax paid on profits distributed to the company in the period 1999 to 2003. Of this amount Euro 5,372,073.25 had already been repaid to the company by the Italian Revenue Authority.

As a result of the Italian Revenue Authority refusal, the company has provided in full against the outstanding receivable of Euro 23,397,570.84.

However, the company has now filed an appeal in the Italian courts against the refusal of the Treaty claims, by the Italian Revenue Authority. Therefore, no provision has been made for the potential repayment of the underlying Italian tax, previously repaid, or any interest charged by the Italian Revenue Authority. As at 27 January 2010 the total exposure stood at Euro 6,844,341.89. The company has discussed the Italian Revenue Authorities refusal to the Treaty claim with HM Revenue & Customs and they have, on a point of law, agreed with the company, that the Italian Revenue Authority's grounds for refusing the claim are unfounded and go against the terms of the Double Tax Treaty.

#### **16 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent undertaking is Hoechst Manon Roussel Limited. The ultimate parent undertaking and controlling party is sanofi-aventis, SA, a company incorporated in France. Sanofi-aventis, SA is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2009. The consolidated financial statements of sanofi-aventis, SA are available from sanofi-aventis, SA, 174-180 avenue de France, 75653 Paris Cedex 13, France.