

INFINIS ACQUISITIONS

Directors' Report and Financial Statements

Year Ended 31 March 2009

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INFINIS ACQUISITIONS

Report and financial statements for the year ended 31 March 2009

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Directors

| | |
|----------------|---|
| M D Darragh | |
| Q R Stewart | |
| N O Steinmeyer | (Alternate to M D Darragh and Q R Stewart) Appointed 21 May 2008 |

Secretary and registered office

Samantha Calder, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton,
NN4 7YJ

Company number

4731536

Auditors

KPMG LLP, 8 Salisbury Square, London, EC4Y 8BB

INFINIS ACQUISITIONS

Directors' Report

The Directors (the "Directors") present their report and the audited Financial Statements of Infinis Acquisitions (the "Company") for the year ended 31 March 2009.

Principal Activity

The principal activity of the Company is that of a holding company.

Results and Dividends

The results for the period are set out on page 6. During the year, a dividend of £50,000,000 was paid by way of assigning the right to, and benefit of, £50,000,000 of receivables owed from Infinis Capital Limited to the Company (15 month period ended 31 March 2008: £628,988,000).

Charitable and Political Donations

The Company made no charitable or political donations during the year ended 31 March 2009 (15 month period ended 31 March 2008 £Nil).

Directors

The Directors who served during the year ended 31 March 2009 and since the year end were as follows:

MD Darragh

QR Stewart

NO Steinmeyer

(Alternate to MD Darragh and QR Stewart)

Appointed 21 May 2008

INFINIS ACQUISITIONS

Directors' Report *(continued)*

Disclosure of Information to Auditors

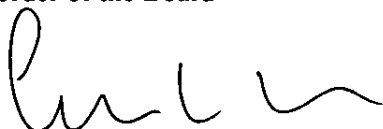
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make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

Auditors

KPMG LLP were reappointed as auditors of the Company on 26 January 2009 by shareholder resolution under section 485 of the Companies Act 2006.

KPMG LLP are expected to be deemed to be reappointed as auditors of the Company at the end of the next period for appointing auditors in accordance with section 487 of the Companies Act 2006.

By order of the Board



QR Stewart
Director
30 June 2009

INFINIS ACQUISITIONS

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

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of Infinis Acquisitions

We have audited the financial statements of Infinis Acquisitions for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of movement in Shareholders' Funds 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 auditor's 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 Infinis Acquisitions (*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 March 2009 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

30 June 2009

INFINIS ACQUISITIONS

Profit & Loss Account for the year ended 31 March 2009

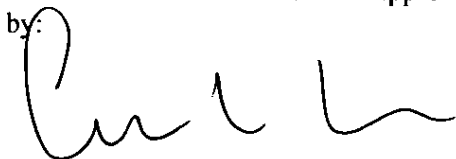
| | | Year ended 31 March 2009 £'000 | 15 month period ended 31 March 2008 £'000 |
|--|-------------|--|--|
| | <i>Note</i> | | |
| Administrative Expenses | | (750) | (9,507) |
| Other Income | | | |
| Dividend received | | - | 1,211,375 |
| Operating profit | | (750) | 1,201,868 |
| Impairment of investment | | (1) | (753,017) |
| Profit before interest and taxation | | (751) | 448,851 |
| Interest payable and similar charges | 2 | (20,278) | (42,604) |
| Interest receivable and similar income | 2 | 36,386 | 41,925 |
| Profit before tax | | 15,357 | 448,172 |
| Tax on profit on ordinary activities | 5 | 4,253 | - |
| Profit for the year/period | | 19,610 | 448,172 |

INFINIS ACQUISITIONS

Balance sheet at 31 March 2009

| | Note | At 31 March 2009 £'000 | At 31 March 2008 £'000 |
|---|------|---------------------------------|---------------------------------|
| Fixed assets | | | |
| Investments | 6 | 302,532 | 372,004 |
| Current assets | | | |
| Debtors falling due within one year | 7 | 346,309 | - |
| Debtors falling due after one year | 7 | 243,155 | 226,824 |
| Creditors: amounts falling due within one year | 8 | (335,107) | (11,549) |
| | | <hr/> | <hr/> |
| Net current assets | | 254,357 | 215,275 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 556,889 | 587,279 |
| | | <hr/> | <hr/> |
| Net assets | | 556,889 | 587,279 |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Called up share capital | 10 | 1 | 1 |
| Profit and loss account | 10 | 556,888 | 587,278 |
| | | <hr/> | <hr/> |
| Shareholders' Funds | | 556,889 | 587,279 |
| | | <hr/> | <hr/> |

The Financial Statements were approved by the board of directors on 30 June 2009 and were signed on its behalf by:



QR Stewart
Director

INFINIS ACQUISITIONS

Reconciliation of movement in shareholders' Funds for the year ended 31 March 2009

| | Year ended 31 March 2009 £'000 | 15 month period ended 31 March 2008 £'000 |
|--|---|--|
| Profit for the year/period | 19,610 | 448,172 |
| Retained profit | 19,610 | 448,172 |
| Dividend paid | (50,000) | (628,988) |
| Net (reduction) in Shareholders' Funds | (30,390) | (180,816) |
| Opening Shareholders' Funds | 587,279 | 768,095 |
| Closing Shareholders' Funds | 556,889 | 587,279 |

INFINIS ACQUISITIONS

Notes forming part of the Financial Statements for the year ended 31 March 2009

1 Summary of significant 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.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated Financial Statements.

As the Company is a wholly (indirectly) owned subsidiary of Infinis Holdings, the Company 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. The consolidated financial statements of Infinis Holdings within which the Company is included, can be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

Investments

Investments are stated at cost less provision for any impairment in value.

Taxation

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

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 Taxation".

INFINIS ACQUISITIONS

Notes forming part of the Financial Statements for the year ended 31 March 2009 (*continued*)

1 Summary of significant accounting policies (*continued*)

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' fund, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

INFINIS ACQUISITIONS

Notes forming part of the financial statements for the year ended 31 March 2009 *(continued)*

2 Interest payable and receivable and similar charges and income

| | Year ended 31 March 2009 £'000 | 15 month period ended 31 March 2008 £'000 |
|--|---|---|
| Interest payable to group undertakings | (20,278) | (42,604) |
| Total interest payable | (20,278) | (42,604) |
| Interest receivable | 36,386 | 41,925 |
| Total interest receivable | 36,386 | 41,925 |

3 Auditors' Remuneration

| | Year ended 31 March 2009 £'000 | 15 month period ended 31 March 2008 £'000 |
|-------------------------------------|---|---|
| Audit of these financial statements | 3 | 3 |

The above fees were borne by another group company, Infinis Limited.

4 Information regarding Directors and employees

None of the Directors received any remuneration or benefits from the Company during the year ended 31 March 2009 or the 15 month period ending 31 March 2008. None of the Directors is an employee of any company in the group nor are they remunerated for their services as a Director of the Company. The Company had no employees during the current year or previous period.

INFINIS ACQUISITIONS

Notes forming part of the Financial Statements for the year ended 31 March 2009 (*continued*)

5 Taxation

Analysis of charge in period:

| | Year ended 31 March 2009 £'000 | 15 month period ended 31 March 2008 £'000 |
|--|--|--|
| <i>Current Tax reconciliation</i> | | |
| Profit on Ordinary activities before tax | 15,357 | 448,172 |
| Current tax at 28% (15 month period ending 31 March 2008: 30%) | 4,300 | 134,452 |
| <i>Effects of:</i> | | |
| Expenses not deductible for tax purposes | 210 | 228,745 |
| Non-taxable income | - | (363,413) |
| Group losses surrendered for nil payment | - | 216 |
| Utilisation of brought forward tax losses | (4,510) | - |
| Total current tax charge (see above) | - | - |

Factors affecting the tax charge for the current period

The current tax charge for the year is lower than the standard rate of corporation tax in the UK of 28% (both periods). The differences are explained above.

| | Year ended 31 March 2009 £'000 | 15 month period ended 31 March 2008 £'000 |
|--|--|--|
| <i>UK corporation tax</i> | | |
| Current tax on income for the period | - | - |
| Adjustment in respect of prior periods | - | - |
| Total current tax | - | - |
| <i>Deferred income tax (see note)</i> | | |
| Origination/reversal of timing differences | 4,510 | - |
| Adjustment in respect of previous periods | (8,763) | - |
| | (4,253) | - |
| Tax on ordinary activities | (4,253) | - |

INFINIS ACQUISITIONS

Notes forming part of the Financial Statements for the year ended 31 March 2009 *(continued)*

| | Taxation including deferred taxation 2009 £'000 |
|---|--|
| Provision for liabilities and charges | |
| At beginning of year | - |
| Charge/credit to the profit and loss for the year | (4,253) |
| At end of year | (4,253) |
| | 2009 £'000 |
| Difference between accumulated depreciation and amortisation and capital allowances | - |
| Other timing differences | - |
| Tax losses | (4,253) |
| Undiscounted provision | (4,253) |
| Discount | - |
| Discounted provision | (4,253) |
| Deferred tax asset | (4,253) |
| Deferred tax liability | - |

INFINIS ACQUISITIONS

Notes forming part of the Financial Statements for the year ended 31 March 2009 (*continued*)

| 6 Fixed asset investments | 31 March 2009 £'000 | 31 March 2008 £'000 |
|---------------------------|------------------------------|------------------------------|
| Investments | 302,532 | 372,004 |

The companies in which this Company's interest at the year end is more than 20% are as follows:

| Subsidiary undertakings | Country of incorporation | Principal Activity | Class and percentage of shares held | | 31 Mar 2009 | 31 Mar 2008 |
|-------------------------|--------------------------|------------------------|-------------------------------------|----------|--------------------------------------|-------------|
| | | | | | | |
| Infinis Limited | England and Wales | Electricity generation | A | Ordinary | 0% | 23.2% |
| | | | B | Ordinary | 0% | 100% |
| Infinis Operations 1 | England and Wales | Holding company | | Ordinary | 75.2% | 74% |
| Infinis Operations 2 | England and Wales | Holding company | | Ordinary | 0% | 24% |
| | | | | | Shares in group undertaking £'000 | |
| At beginning of year | | | | | 372,004 | |
| Additions | | | | | 302,531 | |
| Disposals | | | | | (372,003) | |
| At end of year | | | | | 302,532 | |

During the year:

- the Company transferred its entire shareholding in Infinis Operations 2 to Infinis Guarantee Company Limited, the consideration of £480 being left outstanding as an intra-group debt;
- the Company transferred its entire shareholding in Infinis Limited to Infinis Energy Holdings Limited, in exchange for the issue of shares in Infinis Energy Holdings Limited. Prior to this transfer, the Company had:
 - acquired shares in Infinis Limited from Infinis Operations 1, the consideration of £282,719,924 being left outstanding as an intra-group debt; and
 - redeemed its entire holding of B ordinary shares in Infinis Limited at par;
- Infinis Operations 1 issued 5 ordinary shares of £1 each to the Company, the consideration being £19,810,920 payable in cash on demand, hence the increase in shareholding of 1.2%;
- the Company acquired 1 ordinary share of £1 in the capital of Infinis Energy Limited from Infinis Finance plc, the consideration being the issue to Infinis Finance Plc of 1 ordinary share of £0.01 in the Company. The Company's shareholding in Infinis Energy Limited was subsequently sold to Infinis Energy Holdings Limited in exchange for the issue to the Company of 1 ordinary share of £1 in Infinis Energy Holdings Limited; and
- the Company transferred its entire shareholding in Infinis Energy Holdings Limited to Infinis Capital Limited; the consideration of £371,999,900 was left outstanding as an intra-group debt.

INFINIS ACQUISITIONS

Notes forming part of the Financial Statements for the year ended 31 March 2009 (*continued*)

| | As at 31 March 2009 £'000 | As at 31 March 2008 £'000 |
|---|------------------------------------|------------------------------------|
| 7 Debtors: amounts falling due within one year | | |
| Amounts owed by subsidiary undertakings | 346,309 | - |
| Debtors: amounts falling due after one year | | |
| Amounts owed by subsidiary undertakings | 238,902 | 226,824 |
| Deferred tax | 4,253 | - |
| | 243,155 | 226,824 |
| 8 Creditors: amounts falling due within one year | | |
| Amount due to other group companies | 335,107 | 11,549 |

INFINIS ACQUISITIONS

Notes forming part of the financial statements for the year ended 31 March 2009 (*continued*)

9 Share capital and reserves

| | At 31 March 2009 No. | At 31 March 2008 No. |
|---|-----------------------------|-----------------------------|
| <i>Authorised</i> | | |
| Ordinary shares of £0.01 each | 10,100 | 10,000 |
| 12% cumulative preference shares of 0.0007p each | 120,686,900 | 120,686,900 |
| | <u> </u> | <u> </u> |
| <i>Issued and fully paid</i> | £ | £ |
| Ordinary shares | 101 | 100 |
| | <u> </u> | <u> </u> |
| 12% cumulative preference shares of 0.0007p each | 845 | 845 |
| | <u> </u> | <u> </u> |
| | £'000 | £'000 |
| Shares classified as liabilities | - | - |
| | <u> </u> | <u> </u> |
| Shares classified in shareholders' funds | 1 | 1 |
| | <u> </u> | <u> </u> |

During the year the Company increased its authorised share capital by the creation of 100 ordinary shares of £0.01 each and subsequently issued an additional ordinary share of £0.01 to Infinis Finance Plc.

INFINIS ACQUISITIONS

Notes forming part of the Financial Statements for the year ended 31 March 2009 *(continued)*

10 Reserves

| | Share Capital £'000 | Profit and Loss Account £'000 | Total £'000 |
|---------------------|------------------------|--|----------------|
| At 31 March 2008 | 1 | 587,278 | 587,279 |
| Profit for the year | - | 19,610 | 19,610 |
| Dividend paid | - | (50,000) | (50,000) |
| At 31 March 2009 | 1 | 556,888 | 556,889 |

11 Commitments and contingencies

The Company has the following contingent liabilities at 31 March 2009:

The Company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the group.

12 Related party disclosures

Terra Firma Investments (GP) 2 Limited, acting as general partner of the six limited partnerships which constitute the Terra Firma Capital Partners II Fund, Terra Firma Capital Partners II L.P.-H. and TFCP II Co-Investment LLP ("Terra Firma"), has the ability to exercise a controlling influence over the Company through the holding of shares in a parent company. The Directors therefore consider Terra Firma to be a related party.

Infinis Holdings has the ability to exercise a controlling influence over the Company and other subsidiary undertakings. The Directors therefore consider these other subsidiary undertakings of Infinis Holdings to be related parties.

During the year the Company was charged interest by Infinis Operations 1 of £20,278,000 (15 month period ended 31 March 2008: £nil) and received interest from Infinis Limited of £12,080,000 and Infinis Capital Limited of £24,306,000 (15 month period ended 31 March 2008: £8,801,617 and £nil respectively). During the 15 month period ended 31 March 2008 the Company received interest of £33,123,000 from Infinis Finance Plc.

No interest was payable to Infinis Operations 2 during the year (15 month period ended 31 March 2008: £42,604,000).

Intra-group share transactions have been noted in note 6.

INFINIS ACQUISITIONS

Notes forming part of the Financial Statements for the year ended 31 March 2009 *(continued)*

13 Ultimate parent company and parent company of larger group

The Directors regard TFCP Holdings Limited, a company registered in Guernsey, as the ultimate controlling parent entity.

Infinis Finance Plc is the immediate parent company and does not produce consolidated Financial Statements. The head of the largest and smallest group for which consolidated Financial Statements are prepared is Infinis Holdings. The consolidated Financial Statements of this group are available to the public and may be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

There were no transactions between the Company and TFCP Holdings Limited during the year.