

SANA ACQUISITIONS LTD
(Formerly Portfolio Acquisitions 4 Ltd)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

30 November 2007

TUESDAY



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COMPANIES HOUSE

Sana Acquisitions Ltd

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the period ended 30 November 2007

1. Principal activities

The company was incorporated on 25 April 2006 under the name of Portfolio Acquisitions 4 Ltd. On 1 June 2007, the name of the company was changed to Sana Acquisitions Ltd. The company's principal activity is the ownership of a German portfolio of distressed receivables which it purchased on 29 June 2007.

The company's principal business is transacted in the euro and accordingly, the company's functional currency is the euro and these financial statements have been prepared in that currency.

2. Review of business and future developments

The results for the period are shown in the profit and loss account on page 4. Loss on ordinary activities before taxation for the period was €2.6m (for the period ended 30 November 2006: € Nil). The company has total assets of €50.2m (30 November 2006: €1).

During the period the company has issued 2,771,288 redeemable shares to its immediate parent undertaking (see note 13).

Strategy

The company seeks to maximise collections on its German portfolio of distressed receivables.

Future outlook

The directors consider that the period end financial position of the company was satisfactory. No significant change in the company's principal business activity is expected.

Risk management

The company's risk management objectives and policies, as well as its risks exposure, are described in note 18 of the financial statements.

3. Dividends

The directors do not recommend the payment of an ordinary dividend in respect of the year ended 30 November 2007 (for the period ended 30 November 2006: € Nil).

4. Exchange rate

The euro/sterling exchange rate at the balance sheet date was 1.41. The average rate for the period was 1.47.

5. Directors

The directors of the company during the period, and as at the date of this report, together with dates of appointment or resignation where applicable, were

Name	Appointed	Resigned
R. Campbell		
G. Cutaia		
I. Dagoglou		
G. Minson		
K. Tammela		
C. Dickens	19 June 2007	
M. McDermott		30 April 2007
S. Hunt		14 June 2007

No director had any interest in the ordinary shares of the company, at any time during the period.

Sana Acquisitions Ltd

REPORT OF THE DIRECTORS

6. Disclosure of information to auditors

In the case of each of the persons who are directors of the company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that he / she ought to have taken as a director to make himself / herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information

7. Directors' responsibilities

United Kingdom company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

8. Auditors

The company has passed an Elective Resolution in accordance with the Companies Act 1985 to dispense with the holding of annual general meetings, the laying of accounts and reports before general meetings and the annual reappointment of Auditors. During the period PricewaterhouseCoopers LLP have been appointed as Auditors of the company pursuant to Section 386 of The Companies Act 1985.

BY ORDER OF THE BOARD



N. RUSSELL
Secretary

**Independent auditors' report to the members of
Sana Acquisitions Ltd**

We have audited the company financial statements ("the financial statements") of Sana Acquisitions Ltd for the year ended 30 November 2007, which comprise the Company Profit and Loss Account, the Company Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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

Basis of audit opinion

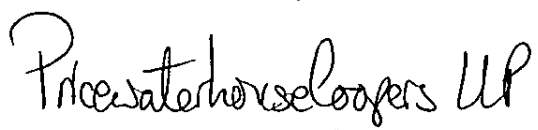
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2007 and of its loss for the period 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.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

11 March 2008

Sana Acquisitions Ltd

PROFIT AND LOSS ACCOUNT for the period ended 30 November 2007

	Note	Year ended 30 November 2007 EUR	From 25 April 2006 to 30 November 2006 EUR
Revenue	3	-	-
Administrative expenses		(1,333,658)	-
		-	
OPERATING LOSS	4	(1,333,658)	-
Interest receivable and similar income		24,983	-
Interest payable and similar charges	6	(1,282,556)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,591,231)	-
Tax on loss on ordinary activities	8	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD		(2,591,231)	-

The operating loss of the company for the year is derived from continuing operations

There is no difference between the loss on ordinary activities before taxation and the loss for the year as stated above and their historical cost equivalents

The company has no recognised gains and losses other than those included in the loss for the year above, and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 6 to 12 form part of these financial statements
Auditors' report – page 3

Sana Acquisitions Ltd

BALANCE SHEET as at 30 November 2007

	Note	30 November 2007 EUR	30 November 2006 EUR
CURRENT ASSETS			
Investments	9	48,392,566	-
Debtors	10	132,884	1
Cash at bank and in hand		1,657,978	-
		<u>50,183,428</u>	<u>1</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(1,235,694)</u>	<u>-</u>
NET CURRENT ASSETS		48,947,734	1
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>48,947,734</u>	<u>1</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	(48,767,676)	-
NET ASSETS		<u>180,058</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital	13	2,771,289	1
Profit and loss account	14	<u>(2,591,231)</u>	<u>-</u>
EQUITY SHAREHOLDERS' FUNDS	15	<u>180,058</u>	<u>1</u>

11/3/2008



Approved by the Board of Directors on

Director

The notes on pages 6 to 12 form part of these financial statements
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Sana Acquisitions Ltd

NOTES TO THE FINANCIAL STATEMENTS – 30 NOVEMBER 2007

1. ACCOUNTING POLICIES

- (a) **Accounting convention:** The financial statements have been prepared under the historical cost convention, the accounting policies set out below, and in accordance with applicable Accounting Standards in the United Kingdom and pronouncements of the Urgent Issues Task Force (UITF)
- (b) **Foreign currencies:** Monetary assets and liabilities denominated in foreign currencies are translated into euros at rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into euros at rates of exchange ruling on the date the transaction occurred. Gains and losses on exchange are recognised in operating profit.
- (c) **Current asset investments:** Current asset investments are stated at the lower of cost and net realisable value.
- Portfolio loans comprise the purchase cost of the non-performing receivables plus related acquisition costs of the portfolio. The acquisition costs have been allocated over the individual receivables on a pro rata basis in relation to the purchase price of each receivable compared to the total portfolio price.
- Loans are stated at the lower of cost and net realisable value. The carrying value of each loan is compared to an estimate of its net realisable value based on a third party valuation of collateral and any unrealised losses are included in the profit and loss account.
- (d) **Revenue recognition:** Revenue is recognised under the cost recovery method on a loan-by-loan basis for the portfolio of non-performing loans. No revenue is recognised until the proceeds received exceed the attributable all-in cost of the loan. All collections received, after the all-in cost is fully recovered, are reflected in revenue in the period of receipt. No interest income is accrued in respect of the loans.

2. CASHFLOW STATEMENT

The company is more than 90% controlled by its ultimate parent company, and is therefore exempt from preparing a cash flow statement as required by FRS1, 'Cash flow statements', as the ultimate parent company accounts are publicly available.

Sana Acquisitions Ltd

NOTES TO THE FINANCIAL STATEMENTS – 30 NOVEMBER 2007

3. REVENUE

Revenue has been disclosed instead of turnover as the directors consider that this is a more meaningful reflection of the nature and results of the company's activities

During the current year ended 30 November 2007, no revenue was recognised as the gross collections during the period were not in excess of the attributable all-in cost of the non-performing loans

4. OPERATING LOSS

	Year ended 30 November 2007 EUR	From 25 April 2006 to 30 November 2006 EUR
Operating loss is stated after charging		
Closing costs	912,213	-
Loan servicing fees to group undertakings	243,304	-
Management fees payable to group undertakings	127,943	-
Auditors' remuneration – audit services	16,798	-

5. STAFF COSTS

As in the previous year the company has no employees. All persons involved in the company's operation are employed by group undertakings. The charges made by these group undertakings for all services provided to the company are included in the management fees payable to group undertakings (see note 4)

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 November 2007 EUR	From 25 April 2006 to 30 November 2006 EUR
Interest expense on third party loan	822,627	-
Interest expense on subordinated loan with group undertaking	242,434	-
Interest expense on short term overdraft facility with group undertaking	217,495	-
	1,282,556	-

Sana Acquisitions Ltd

NOTES TO THE FINANCIAL STATEMENTS – 30 NOVEMBER 2007

7. DIRECTORS' EMOLUMENTS

	Year ended 30 November 2007 EUR	From 25 April 2006 to 30 November 2006 EUR
<u>Directors</u>		
Aggregate emoluments	2,876	-
Company pension contributions to money purchase schemes	32	-
	<u>2,908</u>	<u>-</u>

In accordance with the Companies Act 1985, directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services only. Directors also receive emoluments for non-qualifying services which are not required to be disclosed. 7 directors are members of the defined contribution pension scheme and 6 directors are members of the defined benefit pension scheme. 7 directors have been granted shares in respect of a long term incentive scheme. 3 directors have exercised options.

8. TAX ON ORDINARY ACTIVITIES

(a) Analysis of tax in the period:

	Year ended 30 November 2007 EUR	From 25 April 2006 to 30 November 2006 EUR
Current tax		
UK corporation tax at 30% - current period	-	-
Amount receivable from a fellow subsidiary in respect of group relief	-	-
Total current tax (see note 9(b))	<u>-</u>	<u>-</u>

Current year tax loss will be carried forward. No deferred tax asset has been recognised on carried forward losses on the basis that their recoverability is uncertain.

(b) Factors affecting tax credit for the period:

The current tax assessed for the period is the same as the standard rate of corporation tax in the UK (30%). The factors are explained below.

	Year ended 30 November 2007 EUR	From 25 April 2006 to 30 November 2006 EUR
Loss on ordinary activities before tax	(2,591,231)	-
Loss on ordinary activities at the standard rate of tax in the UK (30%)	(777,369)	-
Unutilised tax losses carried forward	777,369	
Current tax credit for the period	<u>-</u>	<u>-</u>

Sana Acquisitions Ltd

NOTES TO THE FINANCIAL STATEMENTS – 30 NOVEMBER 2007

9. CURRENT ASSET INVESTMENTS

	30 November 2007 EUR
Cost	
At 30 November 2006	-
Additions	51,283,200
Cash collections	(2,890,634)
Net book value at 30 November 2007	48,392,566
Net book value at 30 November 2006	-

Portfolio loans comprise the purchase cost of the non-performing receivables plus related acquisition costs of the portfolio. Due to the nature of the loans, the company is unable to classify loans between maturities of less than or greater than one year.

The loans are stated at the lower of cost and net realisable value. Net realisable value is determined by the directors on the basis of forecasts of future cashflows, taking into account the individual circumstances of each loan and applying an appropriate discount rate. As the portfolio comprises of individual loans, some of which have limited information available, the valuations are dependant on a number of subjective assumptions.

Under the accounting policies adopted and stated on page 6, the company has recognised all realised and unrealised losses within the portfolio where, based upon current management projections, the net realisable value is less than cost. Due to the distressed nature of the assets, the company has withheld the recognition of gains until they are realised.

10. DEBTORS

Debtors, all of which are due within one year of the balance sheet date, comprise

	30 November 2007 EUR	30 November 2006 EUR
Other debtors	132,884	-
Called up share capital not paid	-	1
	132,884	1

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 November 2007 EUR	30 November 2006 EUR
Accrued interest payable to group undertaking	242,434	-
Accrued interest payable to third parties	186,378	-
Other accruals	806,882	-
	1,235,694	-

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NOTES TO THE FINANCIAL STATEMENTS – 30 NOVEMBER 2007

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 November 2007 EUR	30 November 2006 EUR
Loan payable to third party	40,453,813	-
Loan payable to group undertaking	8,313,863	-
	48,767,676	-

The third party loan matures on 20 December 2012 and interest accrues at Euribor plus 1.35%
The subordinated loan has no contractual maturity and interest accrues at Euribor plus 4%

13. SHARE CAPITAL

At 30 November 2007 share capital comprised

	30 November 2007 No.	EUR	30 November 2006 No.	EUR
Authorised				
Ordinary shares of £1 each	100	141	100	148
Redeemable shares of EUR 1.00 each	20,000,000	20,000,000	-	-
	20,000,100	20,000,141	100	148
Allotted, called up and fully paid				
Ordinary shares of £1 each	1	1	1	1
Redeemable shares of EUR 1.00 each	2,771,288	2,771,288	-	-
	2,771,289	2,771,289	1	1

During the year the company issued 2,771,288 redeemable shares of EUR1 each at par to its immediate parent GS European Opportunities Fund II LP

The redeemable shares may be issued on the terms that they are, or at the option of the company or the holder are, liable to be redeemed on such terms and in such manner as the board may, before the issue of those shares, determine. The redeemable shares issued to date are redeemable at EUR1 (at par), there is no fixed expiry date on their redemption and they are redeemable at the option of the company or the holder. The redeemable shares have the same rights to dividends, voting rights and priority on winding up as ordinary shares.

14. PROFIT AND LOSS ACCOUNT

	30 November 2007 EUR
At 30 November 2006	-
Loss for the period	(2,591,231)
At 30 November 2007	(2,591,231)

Sana Acquisitions Ltd

NOTES TO THE FINANCIAL STATEMENTS – 30 NOVEMBER 2007

15. RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDERS' FUNDS

	Year ended 30 November 2007 EUR	From 25 April 2006 to 30 November 2006 EUR
Loss for the period	(2,591,231)	-
Share capital issued (see note 13)	2,771,288	-
Net increase in shareholders' funds	180,057	-
Opening shareholders' funds	1	-
Closing shareholders' funds	180,058	-

16. RELATED PARTY DISCLOSURES

Under the terms of FRS8, "Related Party Disclosures", the company is exempt from disclosing transactions with companies 90% or more controlled within the same group, as the consolidated financial statements in which the company is included are publicly available

17. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company is exempt from the disclosures required by FRS13 as it does not meet the FRS13 definition of a bank or similar institution nor does it have instruments that meet the definition of capital instruments that are publicly listed or publicly traded

18. FINANCIAL RISK MANAGEMENT

The company is exposed to financial risk through its financial assets and liabilities. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the most important components of financial risk the directors consider relevant to the entity are credit risk and liquidity risk

(a) Interest rate risk

Interest rate risks primarily result from exposures to changes in the level, slope and curvature of the yield curve, the volatility of interest rates and prepayment speeds. The company manages its interest rate risk by establishing hedges in related securities or derivatives as appropriate to the circumstances of the company

(b) Credit risk

Credit risk represents the loss that we would incur if a counterparty or an issuer of securities or other instruments we hold fails to perform under its contractual obligations. Credit risk is managed by reviewing the credit quality of counterparties and reviewing, if applicable, the underlying collateral against which the assets are secured

(c) Liquidity risk

We have implemented policies to be able to fund the company and to enable our core business to continue to generate revenue under adverse conditions. The company manages its liquidity risk by having the ability to call additional funds from its shareholders as and when required

Sana Acquisitions Ltd

NOTES TO THE FINANCIAL STATEMENTS – 30 NOVEMBER 2007

19. *ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS*

The immediate parent company is GS European Opportunities Fund II LP registered in the United Kingdom. The ultimate parent undertaking and the parent company of the largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc, ("Group") of 85 Broad Street, New York, NY 10004, United States of America. This company is incorporated in the United States of America.

20. *POST BALANCE SHEET EVENT*

There have been no significant circumstances or events subsequent to Balance Sheet date.