



# **GRAFTON GROUP FINANCE PLC**

## **RETAIL BONDS**

- Fixed interest rate of 5.5 per cent per annum
- Maturity date of 15 July 2020

### **MANAGER**

Investec Bank plc

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS. YOU SHOULD HAVE REGARD TO THE FACTORS DESCRIBED IN SECTION 2 (*RISK FACTORS*) OF THIS PROSPECTUS. YOU SHOULD ALSO READ CAREFULLY SECTION 14 (*IMPORTANT LEGAL INFORMATION*).

## IMPORTANT NOTICES

### About this document

This document (the **Prospectus**) has been prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the **FCA**) and relates to the offer by Grafton Group Finance plc (the **Issuer**) of its sterling denominated 5.5 per cent guaranteed bonds due 2020 (the **Bonds**) at 100 per cent of their principal amount. The Bonds are transferable, unsecured debt instruments and are to be issued by the Issuer on 15 July 2013 and jointly and severally guaranteed by Grafton Group plc (the **Parent Guarantor**) and the Subsidiary Guarantors (as defined in Appendix B (*Terms and Conditions of the Bonds*)) and together with the Parent Guarantor, the **Guarantors**). The principal amount of the Bonds (being the amount which is used to calculate payments made on each Bond) is £1,000 and integral multiples of £100 in excess thereof up to and including £1,900 each. The aggregate principal amount of the Bonds to be issued will be specified in the Offer Confirmation Announcement published by the Issuer on the Regulatory New Service of the London Stock Exchange plc (the **RNS**).

This Prospectus contains important information about the Issuer, the Guarantors, the terms of the Bonds and details of how to apply for the Bonds. This Prospectus also describes the risks relevant to the Issuer, the Guarantors and their business and risks relating to an investment in the Bonds generally. You should

read and understand fully the contents of this Prospectus before making any investment decisions relating to the Bonds.

### Responsibility for the information contained in this Prospectus

Each of the Issuer and the Parent Guarantor accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer and the Parent Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of the Subsidiary Guarantors accepts responsibility for the information in relation to itself set out in Section 8 (*Description of the Subsidiary Guarantors*) and in relation to the Guarantee set out in Appendix B (*Terms and Conditions of the Bonds*). To the best of the knowledge of each of the Subsidiary Guarantors (having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where information has been sourced from a third party, this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party

information is identified where used.

### Use of defined terms in this Prospectus

Certain terms or phrases in this Prospectus are defined in bold and subsequent references to that term are designated with initial capital letters. The locations in this Prospectus where these terms are first defined are set out in Appendix A (*Defined Terms Index*) of this Prospectus.

In this Prospectus, references to the **Group** are to the Issuer, the Parent Guarantor and the subsidiary undertakings of the Parent Guarantor (including the Subsidiary Guarantors) taken as a whole. See Section 6 (*Description of the Parent Guarantor and the Group*) for details of the Parent Guarantor and the Group.

### Information incorporated by reference in this Prospectus

This Prospectus, including the Appendices, must be read together with all information which is deemed to be incorporated in this Prospectus by reference (see Section 11 (*Information Incorporated by Reference*)).

### The Bonds are not protected by the Financial Services Compensation Scheme

The Bonds are not protected by the Financial Services Compensation Scheme (the **FSCS**). As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer or any of the

Guarantors. If the Issuer or any of the Guarantors go out of business or become insolvent, you may lose all or part of your investment in the Bonds.

### **How to apply**

Applications to purchase Bonds cannot be made directly to the Issuer or the Guarantors. Bonds will be issued to you in accordance with the arrangements in place between you and your stockbroker or other financial intermediary, including as to application process, allocations, payment and delivery arrangements. You should approach your stockbroker or other financial intermediary to discuss any application arrangements that may be available to you.

After the closing time and date of the Offer Period no Bonds will be offered for sale (a) by or on behalf of any of the Issuer or the Guarantors or (b) by any of the Authorised Offerors, except with the permission of the Issuer.

See Section 4 (*How to Apply for the Bonds*) for more information.

### **Queries relating to this Prospectus and the Bonds**

If you have any questions regarding the content of this Prospectus and/or the Bonds or the actions you should take, you should seek advice from your financial adviser or other professional adviser before deciding to invest.

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## **SUMMARY**

The following is a summary of information relating to the Issuer, the Guarantors and the Bonds.

## SUMMARY

*This summary is comprised of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary relating to the Bonds, the Issuer and the Guarantors. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in this summary because of the nature of the Bonds, the Issuer and the Guarantors, it is possible that no relevant information can be given regarding each Element. In this case, a short description of the Element is included in the summary and marked as “Not applicable”.*

| Element | SECTION A - INTRODUCTION AND WARNINGS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A.1     | <p>This Summary should be read as introduction to this Prospectus and any decision to invest in the Bonds should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference, by an investor.</p> <p>Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff might, under the national legislation of the Member State where the claim is brought, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.</p> <p>Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, civil liability attaches only to the Responsible Persons in any such Member State in respect of this Summary, including any translation hereof, but only if it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| A.2     | <p>The Issuer and the Guarantors have granted a general consent for the use of this Prospectus in connection with any Public Offer of any Bonds during the period commencing from, and including, 24 June 2013 (and in the case of Ireland, from and including 25 June 2013) until 12 noon (London time) on 8 July 2013 (the <b>Offer Period</b>), in the United Kingdom by any financial intermediary, including for any subsequent resale or final placement of the Bonds, which complies with the following conditions (and in the case of Public Offers made outside the United Kingdom (being Ireland, Jersey, Guernsey and Isle of Man), by any financial intermediary who satisfies the equivalent of those conditions applicable in those jurisdictions (as applied)):</p> <p>(a) is authorised to make such offers including under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (<b>MiFID</b>) (in which regard, you should consult the register of authorised entities maintained by the FCA at <a href="http://www.fca.org.uk/firms/systems-reporting/register">www.fca.org.uk/firms/systems-reporting/register</a>). MiFID governs the organisation and conduct of the business of investment firms and the operation of regulated markets across the European Economic Area in order to seek to promote cross-border business, market transparency and the protection of investors; (b) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the <b>Rules</b>), including the Rules published by the FCA (including its guidance for distributors in "The Responsibilities of Providers and Distributors for the Fair Treatment of Customers") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Bonds by any person and disclosure to any potential investor; (c) complies with the restrictions set out under Section 10 (<i>Subscription and Sale – Selling restrictions</i>) in this Prospectus which would apply as if the relevant financial intermediary were the Manager; (d) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Bonds does not violate the Rules and is fully and clearly disclosed to investors or potential investors; (e) holds all licences, consents, approvals solicitation of interest in, or offers or sales of, the Bonds under the Rules or as otherwise</p> |

required, including all necessary authorisation under the Financial Services and Markets Act 2000 (the **FSMA**) and/or the Financial Services Act 2012; (f) complies with applicable anti-money laundering, anti-bribery and "know your client" Rules, and does not permit any application for Bonds in circumstances where the financial intermediary has any suspicions as to the source of the application monies; (g) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records and any other information available to the Manager and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the Manager in order to enable the Issuer and/or the Manager to comply with anti-money laundering, anti-bribery, "know your client" Rules and any other obligation applying to the Issuer and/or the Manager; (h) does not, directly or indirectly, cause the Issuer or the Manager to breach any Rule or subject the Issuer or the Manager to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; (i) agrees and undertakes to indemnify each of the Issuer, the Guarantors and the Manager (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer, the Guarantors or the Manager; and (j) agrees and accepts that: (i) the contract between the Issuer, the Guarantors, the Manager and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use the Prospectus with its consent in connection with the relevant Public Offer (the **Authorised Offeror Contract**), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law; (ii) the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly submits to the exclusive jurisdiction of the English courts; and (iii) the Manager will be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

**Any financial intermediary who wishes to use this Prospectus in connection with a Public Offer as set out above is required, for the duration of the Offer Period, to publish on its website that it is using this Prospectus for such Public Offer in accordance with the consent of the Issuer and the Guarantors and the conditions attached thereto (as set out therein) in the following form (with the information in square brackets completed with the relevant information):**

*"We, [insert legal name of financial intermediary], refer to the 5.5 per cent sterling-denominated guaranteed Bonds due 2020 of Grafton Group Finance plc (the **Issuer**) and jointly and severally guaranteed by Grafton Group plc and certain Subsidiary Guarantors (as defined in the terms and conditions of the Bonds) (together, the **Guarantors**). We hereby accept the offer by the Issuer and the Guarantors of their consent to our use of the Prospectus dated 24 June 2013 (the **Prospectus**) relating to the Bonds in connection with the offer of the Bonds in the United Kingdom, Ireland, Jersey, Guernsey and/or the Isle of Man (the **Public Offer**) in accordance with the Authorised Offeror Terms (as defined in the Prospectus) and subject to the conditions to such consent, each as specified in the Prospectus, and we are using the Prospectus in connection with, the Public Offer accordingly".*

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>A Public Offer may be made, subject to the conditions set out above, during the Offer Period by any of the Issuer, the Manager or the other Authorised Offerors.</p> <p>Other than as set out above, none of the Issuer, the Guarantors or the Manager has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use this Prospectus in connection with any offer of Bonds. Any such offers are not made on behalf of the Issuer, the Guarantors, the Manager or other Authorised Offerors and none of the Issuer, the Guarantors, the Manager or other Authorised Offerors has any responsibility or liability for the actions of any person making such offers.</p> <p>As at the date of this Prospectus, the following are the Authorised Offeror(s) who have each been appointed by the Issuer, the Parent Guarantor and the Manager to offer and distribute the Bonds purchased from the Manager to the public in the United Kingdom, Ireland, Jersey, Guernsey and the Isle of Man in accordance with all prevailing regulatory requirements during the Offer Period:</p> <p>Barclays Stockbrokers Limited<br/>1 Churchill Place<br/>London E14 5HP</p> <p>Brown Shipley &amp; Co. Limited<br/>3 Hardman Street<br/>Manchester M3 3HF</p> <p>Goodbody Stockbrokers Limited<br/>Ballsbridge Park<br/>Ballsbridge<br/>Dublin 4</p> <p>NCL Investments Limited (trading as Smith &amp; Williamson Securities Ltd)<br/>25 Moorgate<br/>London EC2R 6AY</p> <p>Redmayne-Bentley LLP<br/>9 Bond Court<br/>Leeds LS1 2JZ</p> <p>Talos Securities Limited (trading as Selftrade)<br/>Boatman's House<br/>2 Selsdon Way<br/>London E14 9LA</p> <p>WH Ireland Limited<br/>24 Martin Lane<br/>London EC4R 0DR</p> <p>Further Authorised Offeror(s) may be appointed with the prior written consent of the Issuer during the Offer Period and, if so, will be identified as such by a notice published by the RNS.</p> <p><b>An investor of the Bonds (Investor) intending to acquire or acquiring any Bonds from an Authorised Offeror will do so, and offers and sales of the Bonds to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements (the Terms and Conditions of the Public Offer). The Issuer will not be a party to any such arrangements with Investors (other than the Manager) in connection with the offer or sale of the Bonds and, accordingly, this Prospectus will not contain such information. The Terms and Conditions of the Public Offer shall be provided by the</b></p> |
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|  |                                                                                                                                                                                                                   |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <b>relevant Authorised Offeror to the Investor at the relevant time. None of the Issuer, the Guarantors or the Manager or other Authorised Offerors has any responsibility or liability for such information.</b> |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| Element                 | SECTION B - ISSUER AND GUARANTORS                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |      |      |  |       |       |         |   |   |                         |    |      |                   |     |     |  |     |     |
|-------------------------|----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------|------|--|-------|-------|---------|---|---|-------------------------|----|------|-------------------|-----|-----|--|-----|-----|
| B.1                     | Legal and commercial name of the Issuer                                                                        | Grafton Group Finance plc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |      |      |  |       |       |         |   |   |                         |    |      |                   |     |     |  |     |     |
| B.2                     | Domicile, legal form, legislation and country of incorporation of the Issuer:                                  | The Issuer was incorporated as a public limited company in Ireland on 17 May 2005 with registered number 402237 operating under the Companies Act 1963-2012.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |      |      |  |       |       |         |   |   |                         |    |      |                   |     |     |  |     |     |
| B.4b                    | A description of any known trends affecting the Issuer and the industries in which it operates:                | Not applicable; the Issuer is incorporated as a special purpose finance vehicle whose sole purpose is the issue of securities and on-lending the proceeds of each issue of securities to other members of the Group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |      |      |  |       |       |         |   |   |                         |    |      |                   |     |     |  |     |     |
| B.5                     | If the Issuer is part of a group, a description of the Group and the Issuer's position within the Group:       | The Issuer is an indirectly wholly owned subsidiary of Grafton Group plc (as the Parent Guarantor), and is directly held by the intermediate holding company Athina Limited.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |      |      |  |       |       |         |   |   |                         |    |      |                   |     |     |  |     |     |
| B.9                     | Where a profit forecast or estimate is made, state the figure:                                                 | Not applicable; no profit forecasts or estimates have been made by the Issuer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |      |      |  |       |       |         |   |   |                         |    |      |                   |     |     |  |     |     |
| B.10                    | A description of the nature of any qualifications in the audit report on the historical financial information: | Not applicable; no qualifications were made in the audit report on the historical financial information.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |      |      |  |       |       |         |   |   |                         |    |      |                   |     |     |  |     |     |
| B.12                    | Selected historical key financial information regarding the Issuer:                                            | <p>The financial summary set out below has been extracted without material adjustment from the audited financial statements of the Issuer as at and for the years ended 31 December 2012 and 31 December 2011. The summary should be read together with the Accountant's Report on the historical financial information of the Issuer as at and for the years ended 31 December 2012 and 31 December 2011, which is set out in Appendix E (<i>The Accountant's Report on the Historical Financial Information of the Issuer for the Years ended 31 December 2012 and 2011</i>):</p> <p><b>Profit and Loss Account</b><br/>For the year ended 31 December 2012</p> <table> <tr> <th></th><th>2012</th><th>2011</th></tr> <tr> <th></th><th>£'000</th><th>£'000</th></tr> <tr> <td>Revenue</td><td>-</td><td>-</td></tr> <tr> <td>Operating profit/(loss)</td><td>31</td><td>(39)</td></tr> <tr> <td>Profit before tax</td><td>384</td><td>608</td></tr> <tr> <td></td><td>(*)</td><td>(*)</td></tr> </table> |  | 2012 | 2011 |  | £'000 | £'000 | Revenue | - | - | Operating profit/(loss) | 31 | (39) | Profit before tax | 384 | 608 |  | (*) | (*) |
|                         | 2012                                                                                                           | 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |      |      |  |       |       |         |   |   |                         |    |      |                   |     |     |  |     |     |
|                         | £'000                                                                                                          | £'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |      |      |  |       |       |         |   |   |                         |    |      |                   |     |     |  |     |     |
| Revenue                 | -                                                                                                              | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |      |      |  |       |       |         |   |   |                         |    |      |                   |     |     |  |     |     |
| Operating profit/(loss) | 31                                                                                                             | (39)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |      |      |  |       |       |         |   |   |                         |    |      |                   |     |     |  |     |     |
| Profit before tax       | 384                                                                                                            | 608                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |      |      |  |       |       |         |   |   |                         |    |      |                   |     |     |  |     |     |
|                         | (*)                                                                                                            | (*)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |      |      |  |       |       |         |   |   |                         |    |      |                   |     |     |  |     |     |

|                                          |                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------|------|--|-------|-------|--------------------|---|---|----------------|--------|--------|-------------------------|----------|----------|---------------------|----------|----------|------------|-------|-------|--|------|------|--|-------|-------|--------------------------------------|--------|---------|--------------------------------------|-----|-----|--------------------------------------|----------|----------|------------------------------------------|-----|-----|
|                                          |                                                                                                                                                        | <p><b>Balance Sheet</b><br/><b>As at 31 December 2012</b></p> <table> <tr> <td></td><td>2012</td><td>2011</td></tr> <tr> <td></td><td>£'000</td><td>£'000</td></tr> <tr> <td>Non-current assets</td><td>-</td><td>-</td></tr> <tr> <td>Current assets</td><td>72,868</td><td>85,826</td></tr> <tr> <td>Non-current liabilities</td><td>(54,224)</td><td>(52,042)</td></tr> <tr> <td>Current liabilities</td><td>(15,867)</td><td>(31,391)</td></tr> <tr> <td>Net assets</td><td>2,777</td><td>2,393</td></tr> </table> <p><b>Cash Flow Statement</b><br/><b>For the year ended 21 December 2012</b></p> <table> <tr> <td></td><td>2012</td><td>2011</td></tr> <tr> <td></td><td>£'000</td><td>£'000</td></tr> <tr> <td>Cash flows from operating activities</td><td>20,589</td><td>(1,252)</td></tr> <tr> <td>Cash flows from investing activities</td><td>376</td><td>640</td></tr> <tr> <td>Cash flows from financing activities</td><td>(20,954)</td><td>(28,299)</td></tr> <tr> <td>Cash and cash equivalents at 31 December</td><td>786</td><td>775</td></tr> </table> <p>There has been no material change in the prospects of the Issuer and no significant change in the financial or trading position of the Issuer since 31 December 2012 (being the end of the last financial period of the Issuer for which audited financial statements have been prepared).</p> |  | 2012 | 2011 |  | £'000 | £'000 | Non-current assets | - | - | Current assets | 72,868 | 85,826 | Non-current liabilities | (54,224) | (52,042) | Current liabilities | (15,867) | (31,391) | Net assets | 2,777 | 2,393 |  | 2012 | 2011 |  | £'000 | £'000 | Cash flows from operating activities | 20,589 | (1,252) | Cash flows from investing activities | 376 | 640 | Cash flows from financing activities | (20,954) | (28,299) | Cash and cash equivalents at 31 December | 786 | 775 |
|                                          | 2012                                                                                                                                                   | 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
|                                          | £'000                                                                                                                                                  | £'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
| Non-current assets                       | -                                                                                                                                                      | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
| Current assets                           | 72,868                                                                                                                                                 | 85,826                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
| Non-current liabilities                  | (54,224)                                                                                                                                               | (52,042)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
| Current liabilities                      | (15,867)                                                                                                                                               | (31,391)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
| Net assets                               | 2,777                                                                                                                                                  | 2,393                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
|                                          | 2012                                                                                                                                                   | 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
|                                          | £'000                                                                                                                                                  | £'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
| Cash flows from operating activities     | 20,589                                                                                                                                                 | (1,252)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
| Cash flows from investing activities     | 376                                                                                                                                                    | 640                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
| Cash flows from financing activities     | (20,954)                                                                                                                                               | (28,299)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
| Cash and cash equivalents at 31 December | 786                                                                                                                                                    | 775                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
| <b>B.13</b>                              | <b>A description of any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency:</b> | Not applicable; there have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
| <b>B.14</b>                              | <b>Extent to which the Issuer is dependent upon other entities within the Group:</b>                                                                   | The Issuer is a finance vehicle established by the Parent Guarantor for the purpose of issuing debt securities and on-lending proceeds within the Group. The Issuer is therefore dependent upon other members of the Group paying interest on and repaying their loans in a timely fashion. Should any Group member fail to pay interest on or repay any loan in a timely fashion, this could have a material adverse effect on the ability of the Issuer to fulfil its obligations under the Bonds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |
| <b>B.15</b>                              | <b>A description of the Issuer's principal activities:</b>                                                                                             | The Issuer is incorporated as a special purpose finance vehicle whose sole purpose is the issue of securities and on-lending the proceeds of each issue of securities to other members of the Group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |       |       |                    |   |   |                |        |        |                         |          |          |                     |          |          |            |       |       |  |      |      |  |       |       |                                      |        |         |                                      |     |     |                                      |          |          |                                          |     |     |

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| <b>B.16</b> | <b>Control of the Issuer:</b>                                       | The Issuer is an indirectly wholly owned subsidiary of the Parent Guarantor, and is directly held by the intermediate holding company Athina Limited. The Issuer has an issued share capital of €40,000 divided into 40,000 ordinary shares of €1.00 each.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>B.17</b> | <b>Credit ratings:</b>                                              | Not applicable; neither the Issuer nor its debt securities have been assigned any rating.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>B.18</b> | <b>A description of the nature and scope of the guarantee:</b>      | <p>The Guarantors have jointly and severally and unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Bonds and the Coupons. Their obligations in that respect are contained in the Trust Deed.</p> <p>The Guarantors includes the Parent Guarantor, and the Subsidiary Guarantors. The initial Subsidiary Guarantors are: Athina Limited, Barretts of Ballinasloe Limited, Beralt Developments Limited, Cardston Properties Limited, Chadwicks Holdings Limited, Chadwicks Limited, Cheshunt Limited, Cork Builders Providers Limited, C.P.I. Limited, Davies Limited, Eddie's Hardware Limited, F. &amp; T. Buckley (Holdings) Limited, Frank Barrett &amp; Sons Limited, Garvey Builders Providers Limited, Heatavent Ireland Limited, Grafton Merchants ROI Limited, Heiton Group PLC, J.E. Telford Limited, Jarkin Properties Limited, Knottingley Limited, Lacombe Properties Limited, Market Hardware Limited, MFP Plastics Limited, MFP Sales Limited, Paddy Power (Kilbarry) Limited, Panelling Centre Limited, Powlett Properties Limited, Resadale Properties Limited, Sam Hire Holdings Limited, Sam Hire Limited, Stettler Properties Limited, Telfords (Athy) Limited, Telford's (Portlaoise) Limited, Timber Frame Limited, Tiska Limited, Titanium Limited, Topez Limited, Universal Providers Limited, Weeksbury Limited, Woodie's D.I.Y. Limited, Wallpro, Rock Brook Investments Limited, Acorn Insulation Limited, Boole's Tools And Pipe Fittings Limited, AR Hendricks Limited, BMB Builders Merchants Limited, B.S.G. Builders Merchants Limited, Grafton Merchants GB Limited, Harvey Steel Lintels Limited, Henry Aizlewood &amp; Sons Limited, Timberbase Limited, Waterriver Limited, CPI Mortars (North) Limited, CPI Mortars Limited, BD Estates (1999) Limited, British Dredging (Services) Limited, Grafton Group (UK) Plc, Hall &amp; Rogers Limited, Hendricks Lovell Limited, Keelsupply Limited, Frontline Bathrooms Limited, L&amp;G Forest Products Limited, Jackson Building Centres Limited, Plumbase Limited, Online Home Retail Limited, Progress Group Limited, Shoreheat Limited, Selco Trade Centres Limited, Bathroom Distribution Group UK Limited, Boundary Bathrooms &amp; Kitchens Limited, Plumbing &amp; Drainage Merchants Limited, Plumblin Supplies Limited, Davie Building &amp; Timber Supplies Limited, and Macnaughton Blair Limited.</p> |
| <b>B.19</b> | <b>Information about the Guarantors as if they were the issuer:</b> | Information about the Parent Guarantor and Subsidiary Guarantors (as applicable) is set out below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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| B.19/B.1  | <b>Legal and commercial name of the Parent Guarantor and Subsidiary Guarantors:</b>                                                                           | <p>The Parent Guarantor is Grafton Group plc.</p> <p>The initial Subsidiary Guarantors are: Athina Limited, Barretts of Ballinasloe Limited, Beral Development Limited, Cardston Properties Limited, Chadwicks Holdings Limited, Chadwicks Limited, Cheshunt Limited, Cork Builders Providers Limited, C.P.I. Limited, Davies Limited, Eddie's Hardware Limited, F. &amp; T. Buckley (Holdings) Limited, Frank Barrett &amp; Sons Limited, Garvey Builders Providers Limited, Heatovent Ireland Limited, Grafton Merchants ROI Limited, Heiton Group PLC, J.E. Telford Limited, Jarkin Properties Limited, Knottingley Limited, Lacombe Properties Limited, Market Hardware Limited, MFP Plastics Limited, MFP Sales Limited, Paddy Power (Kilbarry) Limited, Panelling Centre Limited, Powlett Properties Limited, Resadale Properties Limited, Sam Hire Holdings Limited, Sam Hire Limited, Stettler Properties Limited, Telfords (Athy) Limited, Telford's (Portlaoise) Limited, Timber Frame Limited, Tiska Limited, Titanium Limited, Topez Limited, Universal Providers Limited, Weeksbury Limited, Woodie's D.I.Y. Limited, Wallpro, Rock Brook Investments Limited, Acorn Insulation Limited, Boole's Tools And Pipe Fittings Limited, AR Hendricks Limited, BMB Builders Merchants Limited, B.S.G. Builders Merchants Limited, Grafton Merchants GB Limited, Harvey Steel Lintels Limited, Henry Aizlewood &amp; Sons Limited, Timberbase Limited, Waterriver Limited, CPI Mortars (North) Limited, CPI Mortars Limited, BD Estates (1999) Limited, British Dredging (Services) Limited, Grafton Group (UK) Plc, Hall &amp; Rogers Limited, Hendricks Lovell Limited, Keelsupply Limited, Frontline Bathrooms Limited, L&amp;G Forest Products Limited, Jackson Building Centres Limited, Plumbase Limited, Online Home Retail Limited, Progress Group Limited, Shoreheat Limited, Selco Trade Centres Limited, Bathroom Distribution Group UK Limited, Boundary Bathrooms &amp; Kitchens Limited, Plumbing &amp; Drainage Merchants Limited, Plumblines Supplies Limited, Davie Building &amp; Timber Supplies Limited, and Macnaughton Blair Limited.</p> |
| B.19/B.2  | <b>Domicile, legal form, legislation and country of incorporation of the Parent Guarantor and the Subsidiary Guarantors:</b>                                  | <p>The Parent Guarantor was incorporated as a public limited company in Ireland on 28 August 1931 under the Companies (Consolidation) Act 1908 with registered number 8149.</p> <p>The Subsidiary Guarantors are variously incorporated in England and Wales, Ireland, Northern Ireland, Scotland and the Isle of Man.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| B.19/B.4b | <b>A description of any known trends affecting the Parent Guarantor and Subsidiary Guarantors (on a Group basis) and the industries in which it operates:</b> | <p>Demand in the UK, Irish and Belgian merchanting, the Irish DIY and the UK mortar markets is sensitive to economic conditions generally, including consumer confidence, interest rates, employment trends, inflation, demographic factors and housing market conditions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| B.19/B.5                | If the Parent Guarantor and Subsidiary Guarantors are part of a group, a description of the Group and their position within the Group:  | The Parent Guarantor and the Subsidiary Guarantors operate in the merchandising of building and plumbing materials, DIY retailing and mortar manufacturing in markets in the UK, Ireland and Belgium. The Parent Guarantor is the ultimate parent company of the Group and the Subsidiary Guarantors are directly or indirectly held by the Parent Guarantor within the Group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                        |                                        |                                    |                        |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |
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| B.19/B.9                | Where a profit forecast or estimate is made, state the figure:                                                                          | Not applicable; no profit forecasts or estimates have been made by the Parent Guarantor or any Subsidiary Guarantor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                        |                                        |                                    |                        |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |
| B.19/B.10               | A description of the nature of any qualifications in the audit report on the historical financial information:                          | Not applicable; no qualifications were made in the audit report on the historical financial information of the Parent Guarantor (on a consolidated basis).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                        |                                        |                                    |                        |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |
| B.19/B.12               | Selected historical financial information regarding the Parent Guarantor (including the Subsidiary Guarantors on a consolidated basis): | <p>The financial summary set out below has been extracted without material adjustment from the audited consolidated financial statements of the Parent Guarantor as at and for the years ended 31 December 2012 and 31 December 2011. The summary should be read together with the audited consolidated financial statements of the Parent Guarantor as at and for the years ended 31 December 2012 and 31 December 2011, each of which is incorporated by reference into this Prospectus:</p> <p><b>Group Income Statement</b><br/><b>For the year ended 31 December 2012</b></p> <table><tr><th></th><th>Pre-Exceptional items<br/>2012<br/>€'000</th><th>Exceptional items<br/>2012<br/>€'000</th><th>Total<br/>2012<br/>€'000</th><th>Pre-Exceptional items<br/>2011<br/>€'000</th><th>Exceptional items<br/>2011<br/>€'000</th><th>Total<br/>2011<br/>€'000</th></tr><tr><td>Revenue</td><td>2,171,388</td><td>-</td><td>2,171,388</td><td>2,053,833</td><td>-</td><td>2,053,833</td></tr><tr><td>Operating profit</td><td>72,936</td><td>(26,170)</td><td>46,766</td><td>54,719</td><td>(32,055)</td><td>22,664</td></tr><tr><td>Profit before tax</td><td>59,693</td><td>(26,170)</td><td>33,523</td><td>42,319</td><td>(32,055)</td><td>10,264</td></tr><tr><td>Profit after tax</td><td>43,297</td><td>(2,177)</td><td>41,120</td><td>33,736</td><td>(31,191)</td><td>2,545</td></tr></table> <p><b>Group Balance Sheet</b><br/><b>As at 31 December 2012</b></p> <table><tr><th></th><th>2012<br/>€'000</th><th>2011<br/>€'000</th></tr><tr><td>Non-current assets</td><td>1,180,882</td><td>1,175,275</td></tr><tr><td>Current assets</td><td>813,885</td><td>750,717</td></tr><tr><td>Non-current liabilities</td><td>(472,681)</td><td>(431,889)</td></tr><tr><td>Current liabilities</td><td>(520,205)</td><td>(511,279)</td></tr><tr><td>Net assets</td><td>1,001,881</td><td>982,824</td></tr></table> |                        | Pre-Exceptional items<br>2012<br>€'000 | Exceptional items<br>2012<br>€'000 | Total<br>2012<br>€'000 | Pre-Exceptional items<br>2011<br>€'000 | Exceptional items<br>2011<br>€'000 | Total<br>2011<br>€'000 | Revenue | 2,171,388 | - | 2,171,388 | 2,053,833 | - | 2,053,833 | Operating profit | 72,936 | (26,170) | 46,766 | 54,719 | (32,055) | 22,664 | Profit before tax | 59,693 | (26,170) | 33,523 | 42,319 | (32,055) | 10,264 | Profit after tax | 43,297 | (2,177) | 41,120 | 33,736 | (31,191) | 2,545 |  | 2012<br>€'000 | 2011<br>€'000 | Non-current assets | 1,180,882 | 1,175,275 | Current assets | 813,885 | 750,717 | Non-current liabilities | (472,681) | (431,889) | Current liabilities | (520,205) | (511,279) | Net assets | 1,001,881 | 982,824 |
|                         | Pre-Exceptional items<br>2012<br>€'000                                                                                                  | Exceptional items<br>2012<br>€'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Total<br>2012<br>€'000 | Pre-Exceptional items<br>2011<br>€'000 | Exceptional items<br>2011<br>€'000 | Total<br>2011<br>€'000 |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |
| Revenue                 | 2,171,388                                                                                                                               | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2,171,388              | 2,053,833                              | -                                  | 2,053,833              |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |
| Operating profit        | 72,936                                                                                                                                  | (26,170)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 46,766                 | 54,719                                 | (32,055)                           | 22,664                 |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |
| Profit before tax       | 59,693                                                                                                                                  | (26,170)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 33,523                 | 42,319                                 | (32,055)                           | 10,264                 |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |
| Profit after tax        | 43,297                                                                                                                                  | (2,177)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 41,120                 | 33,736                                 | (31,191)                           | 2,545                  |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |
|                         | 2012<br>€'000                                                                                                                           | 2011<br>€'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                        |                                        |                                    |                        |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |
| Non-current assets      | 1,180,882                                                                                                                               | 1,175,275                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                        |                                        |                                    |                        |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |
| Current assets          | 813,885                                                                                                                                 | 750,717                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                        |                                        |                                    |                        |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |
| Non-current liabilities | (472,681)                                                                                                                               | (431,889)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                        |                                        |                                    |                        |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |
| Current liabilities     | (520,205)                                                                                                                               | (511,279)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                        |                                        |                                    |                        |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |
| Net assets              | 1,001,881                                                                                                                               | 982,824                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                        |                                        |                                    |                        |                                        |                                    |                        |         |           |   |           |           |   |           |                  |        |          |        |        |          |        |                   |        |          |        |        |          |        |                  |        |         |        |        |          |       |  |               |               |                    |           |           |                |         |         |                         |           |           |                     |           |           |            |           |         |

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|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------|-------------|--|--------------|--------------|--------------------------------|---------|--------|--------------------------------------|--------|--------|--------------------------------------|----------|----------|--------------------------------------|----------|-----------|------------------------------------------|---------|---------|--|---------------------------------------------------|--------------------|--|--------------|--------------|---------|-------|-------|--|-----|--|------------|-----|-------|--|-----|--|--------------|-------|-------|--|-----|--|---------|-------|-------|--|-----|--|
|                                          |                                                                                                                                                                                    | <p><b>Group Cash Flow Statement</b><br/><b>For the year ended 31 December 2012</b></p> <table> <tr> <td></td><td><b>2012</b></td><td><b>2011</b></td></tr> <tr> <td></td><td><b>€'000</b></td><td><b>€'000</b></td></tr> <tr> <td>Cash generated from operations</td><td>105,733</td><td>96,934</td></tr> <tr> <td>Cash flows from operating activities</td><td>85,205</td><td>77,193</td></tr> <tr> <td>Cash flows from investing activities</td><td>(38,900)</td><td>(34,494)</td></tr> <tr> <td>Cash flows from financing activities</td><td>(27,240)</td><td>(143,715)</td></tr> <tr> <td>Cash and cash equivalents at 31 December</td><td>156,876</td><td>134,600</td></tr> </table> <p>There has been no material change in the prospects of the Parent Guarantor and no significant change in the financial or trading position of the Group since 31 December 2012 (being the end of the last financial period of the Parent Guarantor for which audited or interim financial statements have been published).</p> <p>The financial information in relation to the Subsidiary Guarantors are consolidated in the audited financial statements of the Parent Guarantor.</p> <p>The table below shows the composition of the Subsidiary Guarantors, in aggregate, in comparison to the Group in respect of profit, net assets, gross assets and revenue for the year ended 31 December 2012:</p> <p><b>Year Ended 31 December 2012</b></p> <table> <tr> <td></td><td><b>Parent Guarantor and Subsidiary Guarantors</b></td><td><b>Group Total</b></td></tr> <tr> <td></td><td><b>(€'m)</b></td><td><b>(€'m)</b></td></tr> <tr> <td>Profit*</td><td>68.37</td><td>72.94</td></tr> <tr> <td></td><td>94%</td><td></td></tr> <tr> <td>Net Assets</td><td>985</td><td>1,002</td></tr> <tr> <td></td><td>98%</td><td></td></tr> <tr> <td>Gross assets</td><td>1,871</td><td>1,995</td></tr> <tr> <td></td><td>94%</td><td></td></tr> <tr> <td>Revenue</td><td>2,069</td><td>2,171</td></tr> <tr> <td></td><td>95%</td><td></td></tr> </table> <p><i>*Operating profit adding back exceptional items</i></p> |  | <b>2012</b> | <b>2011</b> |  | <b>€'000</b> | <b>€'000</b> | Cash generated from operations | 105,733 | 96,934 | Cash flows from operating activities | 85,205 | 77,193 | Cash flows from investing activities | (38,900) | (34,494) | Cash flows from financing activities | (27,240) | (143,715) | Cash and cash equivalents at 31 December | 156,876 | 134,600 |  | <b>Parent Guarantor and Subsidiary Guarantors</b> | <b>Group Total</b> |  | <b>(€'m)</b> | <b>(€'m)</b> | Profit* | 68.37 | 72.94 |  | 94% |  | Net Assets | 985 | 1,002 |  | 98% |  | Gross assets | 1,871 | 1,995 |  | 94% |  | Revenue | 2,069 | 2,171 |  | 95% |  |
|                                          | <b>2012</b>                                                                                                                                                                        | <b>2011</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
|                                          | <b>€'000</b>                                                                                                                                                                       | <b>€'000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
| Cash generated from operations           | 105,733                                                                                                                                                                            | 96,934                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
| Cash flows from operating activities     | 85,205                                                                                                                                                                             | 77,193                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
| Cash flows from investing activities     | (38,900)                                                                                                                                                                           | (34,494)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
| Cash flows from financing activities     | (27,240)                                                                                                                                                                           | (143,715)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
| Cash and cash equivalents at 31 December | 156,876                                                                                                                                                                            | 134,600                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
|                                          | <b>Parent Guarantor and Subsidiary Guarantors</b>                                                                                                                                  | <b>Group Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
|                                          | <b>(€'m)</b>                                                                                                                                                                       | <b>(€'m)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
| Profit*                                  | 68.37                                                                                                                                                                              | 72.94                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
|                                          | 94%                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
| Net Assets                               | 985                                                                                                                                                                                | 1,002                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
|                                          | 98%                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
| Gross assets                             | 1,871                                                                                                                                                                              | 1,995                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
|                                          | 94%                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
| Revenue                                  | 2,069                                                                                                                                                                              | 2,171                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
|                                          | 95%                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |
| <b>B.19/B.13</b>                         | <b>A description of any recent events particular to the Parent Guarantor or Subsidiary Guarantors which are to a material extent relevant to the evaluation of their solvency:</b> | Not applicable; there have been no recent events particular to the Parent Guarantor or Subsidiary Guarantors (on a Group basis) which are to a material extent relevant to the evaluation of the solvency of the Parent Guarantor or Subsidiary Guarantors (on a Group basis).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |             |             |  |              |              |                                |         |        |                                      |        |        |                                      |          |          |                                      |          |           |                                          |         |         |  |                                                   |                    |  |              |              |         |       |       |  |     |  |            |     |       |  |     |  |              |       |       |  |     |  |         |       |       |  |     |  |

|                  |                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>B.19/B.14</b> | <b>Extent to which the Parent Guarantor and Subsidiary Guarantors are dependent upon other entities within the Group:</b> | The Parent Guarantor is the ultimate parent company of the Group (which includes the Subsidiary Guarantors) and is dependent on the performance of the Group for the satisfaction of its obligations. The Subsidiary Guarantors are dependent on Group management for their financing and business activities.                                                                                                                 |
| <b>B.19/B.15</b> | <b>A description of the Parent Guarantor and the Subsidiary Guarantors' principal activities:</b>                         | The Parent Guarantor and the Subsidiary Guarantors operate in the UK, Irish and Belgian merchanting market, the DIY retailing market in Ireland and the mortar manufacturing market in the UK.                                                                                                                                                                                                                                 |
| <b>B.19/B.16</b> | <b>Control of the Parent Guarantor and Subsidiary Guarantors:</b>                                                         | As at 19 June 2013, the Parent Guarantor is not aware of any person who directly or indirectly, jointly or severally, by any entity, exercises or could exercise control over the Parent Guarantor nor is aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Parent Guarantor. The Subsidiary Guarantors are directly or indirectly held by the Parent Guarantor. |
| <b>B.19/B.17</b> | <b>Credit ratings:</b>                                                                                                    | Not applicable; none of the Parent Guarantor, any Subsidiary Guarantor or any of their debt securities have been assigned any rating.                                                                                                                                                                                                                                                                                          |

| Element | SECTION C - SECURITIES                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| C.1     | <b>Type and class of the Bonds:</b>       | <p>The Sterling denominated 5.5 per cent Guaranteed Bonds due 2020 will be issued in bearer form in the denominations of £1,000 and integral multiples of £100 in excess thereof up to and including £1,900 each with Coupons attached on issue. The Bonds represent, subject to a negative pledge, unsecured obligations of the Issuer.</p> <p>The ISIN for the Bonds is XS0947124243 and the Common Code is 094712424.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| C.2     | <b>Currency of the securities issue:</b>  | Sterling (£)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| C.5     | <b>Transferability of the securities:</b> | <p>The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to US persons. The Bonds may be sold in other jurisdictions (including the United Kingdom and other Member States of the European Economic Area) only in compliance with applicable laws and regulations.</p> <p>The Bonds may be offered to the public in the United Kingdom, Ireland, Jersey, Guernsey and the Isle of Man.</p> <p>Other than as set out above, there are no restrictions on transferability of the Bonds.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| C.8     | <b>Description of the Bonds:</b>          | <p><i>Status of the Bonds</i></p> <p>The Bonds will constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Bonds and of the Guarantors under the Guarantees shall, save for such exceptions as may be provided by applicable legislation and subject to a negative pledge, at all times rank at least equally with all their respective other present and future unsecured and unsubordinated obligations.</p> <p><i>Negative Pledge</i></p> <p>So long as any of the Bonds remain outstanding, neither the Issuer nor any of the Guarantors will create or permit to subsist, and the Parent Guarantor will ensure that none of its Subsidiaries will create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security interest other than a Permitted Security Interest, upon the whole or any part of its present or future undertakings, assets or revenues (including any uncalled capital) to secure any Indebtedness or any guarantee or indemnity in respect of such Indebtedness, subject to certain exceptions.</p> <p><i>Financial Covenants</i></p> <p>The Issuer and the Parent Guarantor will not, and the Parent Guarantor will procure that none of its Subsidiaries will, after the Issue Date, incur any Indebtedness except, in the case of the Issuer and the Guarantors if on the date of the incurrence of such additional Indebtedness the Fixed Charge</p> |

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|  |  | <p>Coverage Ratio is not less than 2.5 to 1.0; but this restriction does not apply to, or prohibit the incurrence of, Permitted Debt.</p> <p><i>Other Covenants</i></p> <p>The Conditions will contain covenants that restrict the ability of the Issuer and the Guarantors to:</p> <ul style="list-style-type: none"> <li>• make asset sales;</li> <li>• enter into transactions with affiliates subject to certain exceptions;</li> <li>• layer debt;</li> <li>• enter into sale and leaseback transactions subject to certain exceptions; and</li> <li>• consolidate or merge with another entity, or sell all or substantially all of the assets of the Group taken as a whole subject to certain exceptions.</li> </ul> <p><i>Events of Default</i></p> <p>Events of Default under the Bonds include (a) non-payment of principal or any interest subject to applicable grace periods; (b) breach of other obligations under the Bonds or the Trust Deed subject to applicable grace periods; (c) cross acceleration and cross payment default; (d) enforcement proceedings; (e) security enforced; (f) insolvency; (g) winding-up; and (h) the Guarantee is not in full force and effect; in the circumstances and subject to the conditions described in Condition 8 (<i>Events of Default</i>). The provisions include certain minimum thresholds and grace periods. In addition, Trustee certification that certain events would be materially prejudicial to the interests of the Bondholders is required before certain events will be deemed to constitute Events of Default.</p> <p><i>Meetings of Bondholders</i></p> <p>The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting the interests of Bondholders generally. These provisions permit defined majorities to bind all Bondholders including the Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.</p> <p><i>Modification and Waiver</i></p> <p>The Trustee may, without the consent of Bondholders or Couponholders, agree to (a) any modification of any of the provisions of the Trust Deed which is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, and (b) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders, in the circumstances and subject to the conditions described in Condition 11(b) (<i>Modification and Waiver</i>).</p> |
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|             |                                                                                                      | <p><i>Governing Law</i></p> <p>English law.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>C.9</b>  | <b>Interest, maturity and early redemption provisions, yield and representatives of Bondholders:</b> | <p><i>Interest</i></p> <p>The Bonds bear interest from and including the Issue Date at the rate of 5.5 per cent per annum to but excluding the Maturity Date, payable semi-annually in arrear in equal instalments of £2.75 per Calculation Amount on 15 July and 15 January in each year.</p> <p><i>Maturities</i></p> <p>Unless previously redeemed, or purchased and cancelled in accordance with the Conditions, the Bonds will be redeemed at their principal amount on 15 July 2020 (the <b>Maturity Date</b>).</p> <p><i>Redemption by Issuer for Tax Reasons</i></p> <p>The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time at their principal amount plus accrued interest as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 10 July 2013.</p> <p><i>Redemption at the Option of the Issuer</i></p> <p>At any time prior to the Maturity Date, the Issuer may redeem the Bonds in whole or in part at 100 per cent of their principal amount plus accrued and unpaid interest to the dates of redemption, plus the Applicable Premium.</p> <p><i>Redemption at the Option of the Bondholders following a Change of Control</i></p> <p>If a Change of Control occurs and subject to the Issuer not already having given notice to redeem all of the Bonds, each Bondholder will have the right to require the Issuer to repurchase all or any part of the Bondholder's Bonds in cash at 101 per cent of their aggregate principal amount plus accrued and unpaid interest.</p> <p><i>Indication of yield</i></p> <p>On the basis of the issue price of the Bonds of 100 per cent of their principal amount, the yield of the Bonds is expected to be 5.5 per cent on an annual basis. This is not an indication of future yield.</p> <p><i>Trustee</i></p> <p>BNYM Corporate Trustee Services Limited.</p> |
| <b>C.10</b> | <b>Derivative component in the interest payment:</b>                                                 | <p>Not applicable; the Bonds bear interest at a fixed rate and there is not a derivative component in the interest payment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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| C.11 | <b>Listing and admission to trading</b> | <p>Application will be made to the FCA in its capacity as the UK Listing Authority (the <b>UK Listing Authority</b>) for the Bonds to be admitted to the Official List, and to the London Stock Exchange plc (the <b>London Stock Exchange</b>) for the Bonds to be admitted to trading on the London Stock Exchange's Regulated Market through the ORB.</p> <p>Admissions are expected to be granted on or about 16 July 2013, subject only to the issue of the Permanent Global Bond.</p> |
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| Element | SECTION D - RISKS                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| D.2     | <p><b>Key information on the key risks that are specific to the Issuer and the Guarantors:</b></p> | <p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Bonds and the Guarantors' ability to fulfil their obligations under the Guarantees. These include:</p> <ul style="list-style-type: none"> <li>• The Issuer is a finance vehicle dependent upon members of the Group repaying their loans. Should any Group member fail to repay its loan in a timely fashion, this could have a material adverse effect on the ability of the Issuer to fulfil its obligations under the Bonds;</li> <li>• The Group is affected by macro-economic conditions in the UK, Ireland and Belgium. The Group's markets are cyclical in nature and dependent on investment in the construction sector and the willingness of households to incur discretionary expenditure on home improvements. Such investments closely correlate with general economic conditions. Contraction in economic growth in the UK, Ireland and to a lesser extent, Belgium, could result in lower demand in the Group's businesses and have a material adverse effect on the Group's business, financial condition or results of operations;</li> <li>• The Group's business is affected by adverse weather conditions and seasonality. Prolonged adverse weather conditions could disrupt building or projects and may also affect deliveries and service levels. This could have a material adverse effect on the Group's business, financial condition or results of operations;</li> <li>• The Group faces significant volume and price competition in the business areas of the Group including from general and specialist merchants, retailers, national and regional merchants and independents. Increased competition by existing or future competitors could result in reduction in sales, prices, volumes and gross margins that could materially adversely affect the Group's future prospects, financial condition or results of operation; and</li> <li>• Bondholders may lose their investment in the Bonds if the Issuer or the Guarantors become insolvent. The insolvency of the Parent Guarantor would have a more detrimental effect than the insolvency of the Issuer or any Subsidiary Guarantor. On insolvency, Bondholders will recover their investment in priority to shareholders of the relevant Issuer or Guarantor but could still lose their investment and any such claim will rank <i>pari passu</i> with other unsubordinated, unconditional and unsecured debt liabilities of the Issuer or the Guarantors (subject to certain mandatory preferences by law).</li> </ul> |
| D.3     | <p><b>Key information on the key risks that are specific to the Bonds:</b></p>                     | <p>There are certain factors which are material for the purpose of assessing the market risks associated with the Bonds. These include:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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|  |  | <ul style="list-style-type: none"> <li>• There is risk of an early redemption of the Bonds by the Issuer due to a change in law or at its option. A Bondholder may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate of the Bonds and may only be able to do so at a significantly lower rate;</li> <li>• Defined majorities may be permitted to bind all the Bondholders with respect to modification and waivers of the terms and conditions of the Bonds including Bondholders who did not attend and vote or who voted in a manner contrary to the majority;</li> <li>• A market for the Bonds may not develop, or may not be very liquid and such illiquidity may have a severely adverse effect on the market value of the Bonds; and</li> <li>• The realisation from a sale of the Bonds at any time prior to their maturity may be below the investment price.</li> </ul> |
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| Element     | SECTION E - OFFER                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <b>E2.b</b> | <b>Reason for the offer and use of the proceeds:</b> | The net proceeds of the issue of the Bonds will be lent by the Issuer to the other companies in the Group and used for the general corporate purposes of the Group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>E.3</b>  | <b>Terms and conditions of the Offer:</b>            | <p>Offers may be made by the Manager and the Authorised Offeror(s) in the UK, Ireland, Jersey, Guernsey and Isle of Man to any person during the Offer Period.</p> <p>The Offer Period will commence on 24 June 2013 (or in the case of Ireland, on 25 June 2013) and is expected to close at 12 noon (London time) on 8 July 2013.</p> <p>The Issuer and the Manager may agree to amend the Offer Period, in which case such amendments will be published via the RNS.</p> <p>Investors intending to subscribe for any Bonds should apply through the Manager or the relevant Authorised Offeror in accordance with the procedures established by the Manager or such Authorised Offeror. The Manager or such Authorised Offeror may reject any subscription in their absolute discretion.</p> <p>Investors will be notified by the Manager or other Authorised Offeror of their allocations of Bonds and the settlement arrangement in respect thereof. Investors may not be allocated any or all of the Bonds for which they apply.</p> <p>The Bonds will be issued at the issue price (being 100 per cent of the principal amount of the Bonds) and the aggregate principal amount of the Bonds to be issued will be specified in the Offer Confirmation Announcement published by the Issuer on the RNS.</p> <p>The issue of Bonds is subject to certain conditions customary for transactions of this type to be set out in the Subscription Agreement (including the delivery of legal opinions and auditors comfort letters satisfactory to the Manager and the execution of the Trust Deed) between the Issuer and the Manager.</p> <p>The minimum subscription per Investor is for a principal amount of £2,000 of the Bonds.</p> <p>The Offer Confirmation Announcement will be published by the RNS prior to the Issue Date; such announcement is currently expected to be made on or around 9 July 2013.</p> <p>The Bonds will be issued on the Issue Date against payment to the Issuer by or on behalf of the Manager of the subscription monies (less any amount of commission that the Issuer and the Manager agree should be deducted from the subscription monies).</p> <p>The Manager coordinating the offer of the Bonds is Investec Bank plc.</p> |

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| <b>E.4</b> | <b>A description of any interest that is material to the issue/offer including conflicting interests:</b> | As far the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer. There are no conflicts of interest which are material to the offer of the Bonds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>E.7</b> | <b>Estimated expenses charged to the Investors by the Issuer or the Authorised Offeror(s):</b>            | <p>No such expenses or taxes upon issue will be allocated by the Issuer to any Investor.</p> <p>Expenses may be charged by other banks, financial intermediaries or other entities (including an Authorised Offeror); these are beyond the control of the Issuer and are not set by the Issuer. They may vary depending on the size of the amount subscribed for and the Investor's arrangements with the Authorised Offeror.</p> <p>The Issuer estimates that, in connection with the sale of the Bonds to an Investor, it will pay a management and distribution fee of 0.8 per cent of the aggregate principal amount subscribed and paid for. These fees will be payable by the Issuer to the Manager (who may share such fees with the other Authorised Offerors and any other financial intermediaries that are appointed by the Manager to procure places for and/or to distribute the Bonds) and will be deducted from the subscription moneys payable by the Manager to the Issuer in respect of the Bonds.</p> |

## RISK FACTORS

**The following is a description of the principal risks and uncertainties which may affect the Issuer and the Guarantors' ability to fulfil their obligations under the Bonds.**

Before applying for any Bonds, you should consider whether the Bonds are a suitable investment for you. There are risks associated with an investment in the Bonds, many of which are outside the control of the Issuer and the Guarantors. These risks include those in this section.

## RISK FACTORS

*You should note that the risks relating to the Issuer, the Guarantors, their industry and the Bonds summarised in Section 1 (Summary) are the risks that the Issuer and the Guarantors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Bonds. However, as the risks which the Issuer and the Guarantors face relate to events and depend on circumstances that may or may not occur in the future, you should consider not only the information on the key risks summarised in Section 1 (Summary) but also, among other things, the risks and uncertainties described below.*

*If any of the following risks, as well as other risks and uncertainties that are not yet identified or that each of the Issuer and the Guarantors thinks are immaterial at the date of this Prospectus, actually occur, then these could have a material adverse effect on the Issuer's (or any of the Guarantors') ability to fulfil its obligations to pay interest, principal or other amounts in connection with the Bonds. You should carefully consider the risks described below and all other information contained in this Prospectus and reach your own view before making an investment decision.*

### **Factors that may affect the Group's ability to fulfil its obligations under the Bonds**

#### ***The Issuer is a finance vehicle***

The Issuer is a finance vehicle established by the Parent Guarantor for the purpose of issuing debt securities and on-lending the proceeds within the Group. The Issuer is therefore dependent upon other members of the Group paying interest on and repaying their loans in a timely fashion. Should any Group member fail to pay interest on or repay any loan in a timely fashion this could have a material adverse effect on the ability of the Issuer to fulfil its obligations under the Bonds.

#### ***Macro-economic conditions in the UK, Ireland and Belgium***

Trading in the Group's businesses is affected by macro-economic conditions in the UK, Ireland and Belgium. The Group's UK and the Irish businesses accounted for 76 per cent and 22 per cent, respectively, of the Group's turnover in the year ended 31 December 2012 and the business in Belgium accounted for about 2 per cent. The economies of the UK, Ireland and Belgium have been weakened by illiquidity both in the domestic and in the global financial system since August 2007. The Group's markets are cyclical in nature and a proportion of revenue is dependent on investment in the construction sector and the willingness of households to incur discretionary expenditure on home improvement projects. Investments of this nature closely correlate with general economic conditions. Following a very deep recession, UK gross domestic product (**GDP**) declined by around 6 per cent from the peak in 2008 to the trough in 2009. Output was broadly flat over 2011 and 2012. Since 2008, Ireland has experienced a significant economic adjustment with a cumulative fall in real GDP of approximately 8.3 per cent between 2008 and 2010. On the basis of preliminary data for 2012, GDP in Ireland showed positive growth for the second consecutive year with growth in exports more than offsetting the impact of a moderating decline in domestic demand. Medium term forecast for Irish GDP indicates that it may be another two to three years before GDP returns to the peak level in 2007. Belgium has experienced marginal contraction in economic growth in 2012 and housing completions were down in 2012. It is not possible to accurately predict the duration of current market conditions or the timing or strength of any future recovery of the economies of the UK, Ireland and Belgium. It is also not possible to provide any assurances that current market conditions and the economies of the UK, Ireland and Belgium will not weaken further. Contraction in economic growth in the UK, Ireland and Belgium could result in lower demand in the Group's businesses and have a material adverse effect on the Group's business, financial condition or results of operations.

#### ***Demand in the UK, Irish and Belgian merchanting, the Irish DIY and the UK mortar markets***

The Group's products are distributed to professional trades people engaged in residential, commercial and industrial maintenance and new-build projects. This market is affected by trends in improvements, remodelling and maintenance, and construction. Trends in these markets are also influenced by factors that are beyond the control of the Group including mortgage and other interest rates, the availability of credit to finance investment by customers in construction, the level of government initiatives to stimulate economic activity, the extent of unsold new housing inventory, housing recovery rates, inflation, change in property values, demographic trends, tax policy, employment levels and gross domestic product. Any

negative movement in one or more of these factors could adversely affect the Group's business, financial condition or results of operations. The effectiveness of the Group's plans for responding to changes in economic or market conditions may not prove successful. Comparing the year ended 31 December 2012 with the year ended 31 December 2011, sterling turnover in the merchanting business in the UK increased by 3.1 per cent, turnover in the merchanting business in Ireland declined by 8.5 per cent, and turnover in the Group's Retail segment in Ireland decreased by 9.2 per cent.

#### ***Adverse weather conditions in the UK, Ireland and Belgium***

Trading in the Group's business is affected by seasonality and demand in the merchanting, DIY and mortar markets may also be affected by adverse weather conditions in the UK, Ireland and Belgium. Prolonged adverse weather conditions could disrupt or curtail building, repair, maintenance and improvements (RMI) and DIY projects and reduce demand for the Group's products. Deliveries and service levels may also be affected by severe weather. Adverse weather conditions could have a material adverse effect on the Group's business, financial condition or results of operations.

#### ***The availability and cost of debt finance***

The Group had undrawn bank facilities of €98 million and cash deposits and balances were €156.9 million as at 31 December 2012 and its profitability and development is not currently impacted by the availability or cost of debt finance. However, the Group's ability to access liquidity to fund its business in the longer term may be affected during periods of tight credit conditions or the absence of funds at a reasonable cost. The availability and cost of debt finance can influence Group profit and the Group's ability to participate in development opportunities. In addition, because the Group's borrowings are at present primarily at floating rates of interest, adverse interest rate movements could lead to an increase in the cost of borrowings. Rising interest rates may also have a more general effect on consumer spending resulting in lower demand for the Group's products. This could result in a material adverse effect on the Group's business, financial condition or results of operation.

The principal covenants in the Group's credit facilities are a net debt to equity ratio limit of 85 per cent, EBITDA/interest cover of four in 2013 and minimum shareholders' equity of €804 million as at 31 December 2012 which increases by 50 per cent of profit after tax for each financial year. At 31 December 2012 the net debt to equity ratio was 19 per cent and shareholders' equity was €1.09 billion both as defined for covenant purposes. Underlying EBITDA (before exceptional items) for the year was €114.7 million, up 18 per cent from €97.4 million in 2011. Underlying EBITDA interest cover for 2012 was 8.6. These restrictions could limit the Group's flexibility in planning for, and reacting to, competitive pressures and changes in its business, industry and general economic conditions and limit its ability to undertake organic development opportunities, make strategic acquisitions and capitalise on business opportunities. All of these issues could have a material adverse effect on the Group's business, financial condition or results of operations.

#### ***Competition in its merchanting, DIY and mortar businesses***

The Group faces significant volume and price competition across its activities. The Group competes with builders' merchants and retailers of varying sizes, and faces competition from existing general and specialist merchants (including Travis Perkins, Saint-Gobain (Jewson), and Wolseley) together with retailers, regional merchants and independents. The Group also faces the risk of new entrants to any of its markets. Actions taken by the Group's competitors, as well as actions taken by the Group to maintain its own competitiveness and reputation for value for money, may place pressure on the Group's product pricing, margins and profitability. Some of the Group's competitors may have access to greater financial resources, greater purchasing economies and lower cost bases, any of which may give them a competitive advantage and may adversely impact the Group's sales, profits and margins. While the Parent Guarantor believes that its corporate strategy, financial practices, management team and product offerings should enable it to compete effectively, there remains a risk that the Group could be subject to unfavourable developments in its key businesses. Increased competition by existing and/or future competitors could result in reductions in sales, prices, volumes and gross margins that could materially adversely affect the Group's future prospects, financial condition or results of operations.

### ***Credit risk relating to the Group's customers and suppliers***

The Group is exposed to the risk of default by customers who have agreed to purchase products from the Group, suppliers who have agreed to supply goods and/or pay rebates to the Group, and others with whom the Group has entered into financial and other arrangements. For example, within the merchanting segment, one of the key aspects of customer service is the provision of short-term credit to customers, with the Group carrying the associated credit risk. As at 31 December 2012, trade receivables were €226.3 million. However, the Group's exposure to customer credit risk is diversified over a large customer base and the incidence of default by customers is currently in line with long-term trend rates. Past-due receivables are monitored and actively managed on an on-going basis and bad-debt provisions are made as required. Additionally, a number of the Group's customers may be adversely affected by the economic downturn and this factor could decrease demand for its products. In the event that a significant number of customers are adversely affected by these risks, the Group may face reductions in demand for its products and increased bad debts which may have a material adverse effect on its future prospects, financial condition or results of operations. The Group's exposure to default by counterparties, such as through contracts with suppliers under which rebates are receivable, may increase if economic conditions deteriorate which could have a material adverse effect on the Group's future prospects, financial condition or results of operations.

### ***Acquisition and integration of new businesses***

Growth through acquisition is a key element of the Group's development strategy. The Group may not be able to continue to grow if it is unable to identify attractive targets, execute full and proper due diligence, raise funds on acceptable terms, complete acquisition transactions, integrate the operations of the acquired businesses and realise the anticipated levels of profitability and cash flows which could have a material adverse effect on the Group's future prospects.

### ***The management team***

The Group is dependent on the successful recruitment, development and retention of talented executives to run the overall Group and its businesses. In addition, the Group's ability to continue to identify and develop opportunities is influenced by management's knowledge of, and expertise in, its markets. The loss of the services of key members of the management team could have an adverse effect on the Group's future prospects, financial condition or results of operations.

### ***Defined benefit pension schemes***

Retirement benefits are principally provided under defined contribution style pension arrangements. The Group also operates a number of defined benefit pension schemes in the UK and Ireland. The assets and liabilities of these schemes may exhibit significant volatility attributable primarily to changes in asset valuations, changes in bond yields and longevity of scheme members. In addition to future service contributions, significant cash contributions may be required to eliminate past service deficits. The deficit on the Group's defined benefit pension schemes was €53.9 million (net of deferred tax) as at 31 December 2012. Under current laws and regulations, the Group could be required to make exceptional additional contributions outside the scope of its current funding plan which could have a material adverse effect on the Group's business, financial condition or results of operations.

### ***Insurance counterparties***

The Parent Guarantor believes that the Group carries appropriate levels of insurance for typical business risks with various leading insurance companies. However, in the event of the failure of one or more of its insurance counterparties, the Group could be impacted by losses where recovery from such counterparties is not possible and which could have a material adverse effect on the Group's future prospects, financial condition or results of operations.

### ***Sterling/euro exchange rate***

The Group's activities in the UK are conducted primarily in Sterling and its activities in Ireland are conducted primarily in euro resulting in low levels of foreign currency transactional risk. The principal foreign exchange risks to which the Group is exposed relate to adverse changes in reported results on translation of the results of the UK business into euro and declines in the euro equivalent value of the

Group's net investment in its UK business due to Sterling weakness relative to the euro. For example, a 10 per cent strengthening of the euro against Sterling would have caused a €79 million reduction in equity and a €4.4 million reduction in profit after tax in the year ended 31 December 2012. Such changes could have a material adverse effect on the Group's business, financial condition or results of operations.

### **Goodwill impairment charges**

Significant long term under-performance in the Group's Merchanting segment may give rise to a goodwill impairment charge which would have a non-cash impact on the Group's income statement in the year that any such write-down occurs and on shareholders' equity. The Parent Guarantor's consolidated balance sheet showed goodwill of €583.5 million included in total assets of €1,994.8 million as at 31 December 2012. Such charges, whilst not directly affecting the cash flows of the Group, could have a material adverse effect on the Group's business, financial condition or results of operations.

### **Solvency**

If any of the Issuer or the Guarantors becomes insolvent, you may lose some or, in the worst case scenario, all of your investment in the Bonds. The insolvency of the Parent Guarantor would have a more detrimental effect than the insolvency of the Issuer or any Subsidiary Guarantor. In the event that any of the Issuer or the Guarantors becomes insolvent, you will recover your investment in priority to shareholders of the relevant Issuer or Guarantor. Shareholder equity of the Group or the excess of assets (including intangible assets) over liabilities as at 31 December 2012 was €997 million. However, you could still lose the money you have invested. Any claim by you under the Bonds will rank *pari passu* with claims in respect of other unsubordinated, unconditional and unsecured debt liabilities of the Issuer or the Guarantors (subject to certain mandatory preferences by law) against the unsecured assets of the relevant Issuer or Guarantor available for distribution upon an insolvency.

### **Factors which are material for the purpose of assessing the market risks associated with the Bonds**

#### ***Risks related to the Bonds generally***

Set out below is a brief description of certain risks relating to the Bonds generally:

*The Bonds are not protected by the Financial Services Compensation Scheme (FSCS)*

Unlike a bank deposit, the Bonds are not protected by the FSCS. As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer or any of the Guarantors. If the Issuer or any of the Guarantors goes out of business or become insolvent, you may lose all or part of your investment in the Bonds.

#### ***Risk of early redemption***

In certain circumstances, including in the event that a change in law results in the Issuer becoming obliged to increase the amounts payable under the Bonds pursuant to Condition 6 (*Taxation*), the Issuer may, at its option, redeem the Bonds early pursuant to Condition 4(b) (*Redemption for taxation*). If the Issuer redeems the Bonds under such circumstances, the redemption price will be equal to 100 per cent of the principal amount of the Bonds plus any accrued interest. See Appendix B (*Terms and Conditions of the Bonds - Redemption and Purchase - Redemption for taxation reasons*). The Issuer may also, at its option, redeem the Bonds at any time prior to the Maturity Date at a redemption price equal to 100 per cent of the principal amount of the Bonds plus any accrued interest and the Applicable Premium (as defined in Appendix B (*Terms and Conditions of the Bonds - Redemption and Purchase - Redemption at the option of the Issuer*)). You may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate. You should consider investment risk in light of other investments available at that time.

### *Modification and waivers*

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Bonds also provide that the Trustee may, without the consent of all Bondholders, agree to certain modifications of, or to the waiver or authorisation of certain breaches or proposed breaches of, any of the provisions of the Bonds.

### *EU Savings Directive*

The Savings Directive requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other EU Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. Luxembourg has recently announced that it will no longer apply the withholding tax. They intend to implement the Savings Directive with effect from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date. The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, none of the Issuer, the Guarantors, the Paying Agents or any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

### *Change of law*

The conditions of the Bonds are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

### *Integral multiples of less than the minimum specified denomination*

It is possible that as a result of trading or any partial or *pro rata* redemption of the Bonds, you may hold a principal amount of less than £1,000.00. In such a case, you will not receive a definitive Bond in respect of such holding (should definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that you hold an amount equal to £1,000.00 and integral multiples of £100.00 in excess thereof. Except in the circumstances set out in the Permanent Global Bond, you will not be entitled to receive definitive Bonds. See Appendix C (*Summary of the Provisions relating to the Bonds while in Global Form*).

### *Holding CREST Depository Interests*

CDI Holders will hold or have an interest in a separate legal instrument and not be the legal owners of the Bonds. The rights of CDI Holders to the Bonds are represented by the relevant entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Bonds. Accordingly, rights under the Bonds cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians. The enforcement of rights under the Bonds will be subject to the local law of the relevant intermediaries. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Bonds in the event of any insolvency or liquidation of any of the relevant intermediaries, in particular where the Bonds held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

The rights of the CDI Holders will be governed by the arrangements between Euroclear UK & Ireland Limited (**CREST**), Euroclear Bank SA/NV (**Euroclear**), Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) and the Issuer, including the CREST Deed Poll. You should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of and returns received by CDI Holders may differ from those of holders of Bonds which are not represented by CDIs.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Bonds through the CREST International Settlement Links Service.

You should note that none of the Issuers, the Manager, the Authorised Offeror(s), the Trustee or the Paying Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

For further information on the issue and holding of CDIs see Appendix D (*Clearing and Settlement*).

### ***No formal credit ratings***

The Bonds will not be assigned a credit rating by any rating agency on issue and nor does the Issuer currently have any intention of applying for a credit rating from any credit rating agency. However, one or more independent credit rating agencies may assign credit ratings to some or all of the Bonds prior to their redemption. Any such ratings may not reflect the potential impact of all risks relating to the market, additional factors discussed above and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the relevant rating agency at any time.

### ***Risks related to the market generally***

Set out below is a brief description of the principal market risks:

#### ***The secondary market generally***

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, you may not be able to sell your Bonds easily or at prices that will provide you with a yield comparable to similar investments that have a developed secondary market. The Bonds are designed for specific investment objectives or strategies. As such, the Bonds generally will have a more limited secondary market and more price volatility than conventional debt securities. Moreover, notwithstanding the presence of at least one market maker for the Bonds, if trading activity levels are low, this may severely and adversely impact the price that you would receive if you wish to sell your Bonds. Illiquidity may have a severely adverse effect on the market value of the Bonds.

#### ***Yield***

The indication of yield stated within this Prospectus applies only to investments made at (as opposed to above or below) the issue price of the Bonds. If you invest in the Bonds at a price other than the issue price of the Bonds, the yield on the investment will be different from the indication of yield on the Bonds as set out in this Prospectus.

#### ***Realisation from sale of the Bonds***

If you choose to sell the Bonds at any time prior to their maturity, the price received from such sale could be less than the original investment made by you. Factors that will influence the price may

include, but are not limited to, market appetite, inflation, the time of redemption, interest rates and the current financial position and an assessment of the future prospects of any of the Issuer and the Guarantors.

#### *Interest rate risks*

The Bonds bear interest at a fixed rate. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of them. If interest rates start to rise then the income to be paid by the Bonds might become less attractive and the price upon any sale of the Bonds could fall. However, the market price has no effect on the income or redemption amounts under the Bonds upon maturity if you hold the Bonds until maturity.

#### *Inflation*

Inflation will reduce the real value of the Bonds over time which may affect your purchasing power in other investments in the future and which may make the fixed interest rate on the Bonds less attractive in the future.

#### *The Clearing Systems*

Because the Permanent Global Bond may be held by or on behalf of Euroclear and Clearstream, Luxembourg, you will have to rely on their procedures for transfer, payment and communication with the Issuer.

Bonds will be represented by the Permanent Global Bond. Such Permanent Global Bond may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Permanent Global Bond, you will not be entitled to receive definitive Bonds. Euroclear and Clearstream, Luxembourg will maintain records of the interests in the Permanent Global Bond. While the Bonds are represented by the Permanent Global Bond, you will be able to trade your interests only through Euroclear or Clearstream, Luxembourg.

While Bonds are represented by the Permanent Global Bond, the Issuer will discharge its payment obligations under such Bonds by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. If you become holder of an interest in the Permanent Global Bond, you must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in the Permanent Global Bond.

Holders of interests in the Permanent Global Bond will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Bonds in Sterling. This presents certain risks relating to currency conversions if your financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than Sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of Sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to Sterling would decrease (a) the Investor's Currency-equivalent yield on the Bonds, (b) the Investor's Currency-equivalent value of the principal payable on the Bonds and (c) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, you may receive less interest or principal than expected, or no interest or principal.

## INFORMATION ABOUT THE BONDS

**The following is an overview of the key terms of the Bonds.**

The full Terms and Conditions of the Bonds are contained in Appendix B. It is important that you read the entirety of this Prospectus, including the Terms and Conditions of the Bonds, before deciding to invest in the Bonds. If you have any questions, you should seek advice from your financial adviser or other professional adviser before deciding to invest.

## INFORMATION ABOUT THE BONDS

|                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Refer to                                                   |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| <b>What are the Bonds?</b>                                                 | <p>The Bonds are debt instruments issued by the Issuer and jointly and severally guaranteed by the Guarantors. The Bonds will be subject to the “Terms and Conditions of the Bonds” which are set out in Appendix B. The Bonds:</p> <ul style="list-style-type: none"> <li>(a) entitle Bondholders to receive semi-annual interest payments at a fixed interest rate of 5.5 per cent per annum;</li> <li>(b) have principal amounts of £1,000 and integral multiples of £100 in excess thereof up to and including £1,900 per Bond;</li> <li>(c) must be paid back in full on 15 July 2020 (the <b>Maturity Date</b>);</li> <li>(d) in certain circumstances however, may be repaid prior to the Maturity Date if the Issuer chooses to do so;</li> <li>(e) are not secured by the Issuer or the Guarantors’ assets; and</li> <li>(f) are intended to be admitted to trading on the London Stock Exchange, through its electronic order book for retail bonds (the <b>ORB</b>).</li> </ul> | Appendix B<br>( <i>Terms and Conditions of the Bonds</i> ) |
| <b>Who is issuing the Bonds?</b>                                           | The Bonds will be issued by Grafton Group Finance plc and jointly and severally guaranteed by Grafton Group plc and the Subsidiary Guarantors (as defined in Appendix B ( <i>Terms and Conditions of the Bonds</i> )).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Appendix B<br>( <i>Terms and Conditions of the Bonds</i> ) |
| <b>What is the relationship between the Issuer and the Group?</b>          | The Issuer is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Athina Limited. The Issuer is a finance vehicle established by the Parent Guarantor for the purpose of issuing debt securities and on-lending the proceeds within the Group. The Issuer is therefore dependent upon other members of the Group paying interest on and repaying their loans in a timely fashion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Section 7<br>( <i>Description of the Issuer</i> )          |
| <b>Why are the Bonds being issued? What will the proceeds be used for?</b> | The offer of the Bonds is being made in order to increase the number of sources from which the Group obtains its funding and to extend the debt maturity profile of the Group. The net proceeds of the issue of the Bonds, to be determined following completion of the Offer Period, will be lent by the Issuer to other companies in the Group and used for the general corporate purposes of the Group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | N/A                                                        |
| <b>Will I be able to trade the Bonds?</b>                                  | The Issuer will make an application for the Bonds to be admitted to trading on the London Stock Exchange, on its regulated market and through the ORB. If this application is accepted, the Bonds are expected to commence trading on 16 July 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Section 13<br>( <i>General Information – Listing</i> )     |

|                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                          |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
|                                                                                      | Once admitted to trading, the Bonds may be purchased or sold through a broker. The market price of the Bonds may be higher or lower than their issue price depending on, among other things, the level of supply and demand for the Bonds, movements in interest rates and the financial performance of the Issuer, the Parent Guarantor and the Group. See Section 2 ( <i>Risk Factors – Risks related to the market generally</i> ).                                                                                                                                                                                                                |                                                                                          |
| <b>How will interest payments on the Bonds be funded?</b>                            | Interest payments in respect of the Bonds will effectively be paid from the interest on the intragroup loans, as referred to in “What is the relationship between the Issuer and the Group” above.                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Section 7 ( <i>Description of the Issuer</i> )                                           |
| <b>What is the interest rate?</b>                                                    | The interest rate payable on the Bonds will be fixed until the Maturity Date at 5.5 per cent per year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Appendix B ( <i>Terms and Conditions of the Bonds – Interest</i> )                       |
| <b>Can the interest rate change?</b>                                                 | No, the interest rate payable on the Bonds is fixed for the life of the Bonds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Appendix B ( <i>Terms and Conditions of the Bonds – Interest</i> )                       |
| <b>When will interest payments be made?</b>                                          | The first payment of interest in relation to the Bonds is due to be made on 15 January 2014.<br><br>Following the first payment, interest is expected to be paid on 15 July and 15 January in each year up to and including the date the Bonds are repaid.                                                                                                                                                                                                                                                                                                                                                                                            | Appendix B ( <i>Terms and Conditions of the Bonds – Interest</i> )                       |
| <b>How is the amount of interest payable calculated?</b>                             | The Issuer will pay a fixed rate of 5.5 per cent interest per year in respect of the Bonds. Interest will be payable in two semi-annual instalments. Therefore, for each £1,000 principal amount of Bonds, for instance, you will receive £27.50 on 15 January 2014 and £27.50 on 15 July 2014, and so on every six months until and including the Maturity Date (unless you sell the Bonds or they are repaid by the Issuer before the Maturity Date).                                                                                                                                                                                               | Appendix B ( <i>Terms and Conditions of the Bonds – Interest</i> )                       |
| <b>What is the yield on the Bonds?</b>                                               | On the basis of the issue price of the Bonds of 100 per cent of their principal amount, the initial yield (being the interest received from the Bonds expressed as a percentage of their principal amount) of the Bonds on the Issue Date is 5.5 per cent on an annual basis. This initial yield is not an indication of future yield.                                                                                                                                                                                                                                                                                                                | N/A                                                                                      |
| <b>What will Bondholders receive in a winding up of the Issuer or any Guarantor?</b> | If the Issuer or any Guarantor becomes insolvent and is unable to pay its debts, an administrator or liquidator would be expected to make distributions to its creditors in accordance with a statutory order of priority. Your claim as a Bondholder would be expected to rank after the claims of any holders of secured debt or other creditors that are given preferential treatment by applicable laws of mandatory application relating to creditors, but ahead of any shareholder of the Issuer or Guarantor, as applicable. A simplified diagram illustrating the expected ranking of the Bonds compared to other creditors is set out below: | Appendix B ( <i>Terms and Conditions of the Bonds – Status of Bonds and Guarantees</i> ) |

|                | Type of obligation                         | Examples of Issuer or Guarantors' obligations/securities                                                                                                                                                 |
|----------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Higher ranking | Proceeds of fixed charged assets           | Currently none                                                                                                                                                                                           |
|                | Expenses of the liquidation/administration | Currently none                                                                                                                                                                                           |
|                | Preferential creditors                     | Including remuneration due to employees                                                                                                                                                                  |
|                | Proceeds of floating charge assets         | Currently none                                                                                                                                                                                           |
|                | Unsecured obligations                      | <b>Grafton sterling denominated 5.5 per cent guaranteed bonds due 2020</b><br>and other unsecured obligations (including guarantee obligations under various of the Group's banking facility agreements) |
| Lower ranking  | Shareholders                               | Ordinary shareholders                                                                                                                                                                                    |

  

|                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                   |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| <b>Are the Bonds secured?</b>             | No, as of the Issue Date none of the Issuer's or the Guarantors' obligations to pay interest or principal on the Bonds will be secured either by the assets or otherwise of the Issuer, any Guarantor or any other member of the Group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | N/A                                                                               |
| <b>Do the Bonds have a credit rating?</b> | No, the Bonds will not when issued be rated by any credit rating agency. None of the Issuer or the Guarantors currently has any intention of applying for a credit rating from any credit rating agency.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | N/A                                                                               |
| <b>When will the Bonds be repaid?</b>     | <p>The Issuer must repay all the Bonds on the Maturity Date (unless repaid earlier), which is 15 July 2020. The repayment price under such circumstances will be the principal amount of the Bonds.</p> <p>The Issuer may repay all or any part of the Bonds prior to the Maturity Date in certain circumstances. In the event that a change in law results in the Issuer (or the Guarantors, if the Guarantees (as defined in "Terms and Conditions of the Bonds" were called) becoming obliged to increase the amounts payable under the Bonds, the Issuer may, if it chooses to, repay the Bonds early. If the Issuer repays the Bonds under such circumstances, the repayment price will be the principal amount of the Bonds plus any accrued interest.</p> <p>If the Issuer exercises its right to repay the Bonds early, you will receive cash compensation for the loss of income you would have received had you invested in a high quality alternative, represented by bonds issued by HM Treasury (commonly referred to as "gilts") with a comparable fixed rate of interest as the Bonds. Such payments will be made to you equal to the principal amount of the Bonds you hold plus accrued and unpaid interest plus the Applicable Premium. In summary, such amounts would give a price whereby the yield given up will equal that of a gilt of comparable maturity plus a margin of 0.5 per cent, together with any accrued interest. For example, as the Bonds have a fixed interest rate of 5.5 per cent and mature on 15 July 2020, if the Bonds were repaid on 15 July 2014 the cash payment would amount to £1,190.73 for every Bond issued at a principal amount of £1,000.</p> | Appendix B ( <i>Terms and Conditions of the Bonds – Redemption and Purchase</i> ) |

|                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                             |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
|                                                              | The Bonds may be repaid if the Bondholders so elect at their principal amount plus accrued interest if a Change of Control occurs. In summary, a Change of Control might be expected to occur if a takeover or merger of the Parent Guarantor leads to the acquisition of over 50 per cent of the voting share capital of the Parent Guarantor by any one entity (or a group of entities acting together).                                                                                                                                                                                                                                                                                                                                                    |                                                                                                             |
| <b>Do the Bonds have voting rights?</b>                      | Bondholders have certain rights to vote at meetings of Bondholders, but are not entitled to vote at any meeting of shareholders of the Issuer or any member of the Group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Appendix B<br><i>(Terms and Conditions of the Bonds – Meetings of Bondholders, Modification and Waiver)</i> |
| <b>Who will represent the interests of the Bondholders?</b>  | The Trustee is appointed to act on behalf of the Bondholders as an intermediary between Bondholders and the Issuer and the Guarantors throughout the life of the Bonds. The main obligations of the Issuer and the Guarantors (such as the obligation to pay and observe the various covenants in the Terms and Conditions of the Bonds) are owed to the Trustee. These obligations are enforceable by the Trustee only, not the Bondholders themselves. Although the entity chosen to act as Trustee is chosen and appointed by the Issuer, the Trustee's role is to protect the interests of the Bondholders.                                                                                                                                               | Appendix B<br><i>(Terms and Conditions of the Bonds)</i>                                                    |
| <b>Can the Terms and Conditions of the Bonds be amended?</b> | <p>The Terms and Conditions of the Bonds provide that the Trustee may agree to: (a) any modification of any of the provisions of the Trust Deed that is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error; and (b) any other modification, waiver or authorisation of any proposed breach by the Issuer of a provision of the Trust Deed if, in the opinion of the Trustee, such modification is not prejudicial to the interests of the Bondholders. The Trustee can agree to any such changes without obtaining the consent of any of the Bondholders.</p> <p>Bondholders may also sanction a modification of the Terms and Conditions of the Bonds by passing an Extraordinary Resolution.</p> | Appendix B<br><i>(Terms and Conditions of the Bonds – Meetings of Bondholders, Modification and Waiver)</i> |
| <b>How do I apply for Bonds?</b>                             | Details on how to apply for the Bonds are set out in Section 4 <i>(How to Apply for the Bonds)</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Section 4 <i>(How to Apply for the Bonds)</i>                                                               |
| <b>What if I have further queries?</b>                       | If you are unclear in relation to any matter, or uncertain if the Bonds are a suitable investment, you should seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether to invest.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | N/A                                                                                                         |

# 4

## **HOW TO APPLY FOR THE BONDS**

The following is a description of what you must do if you wish to apply for any Bonds.

## HOW TO APPLY FOR THE BONDS

|                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>How and on what terms will Bonds be allocated to me?</b>                                                                          | <p>Applications to purchase Bonds cannot be made directly to the Issuer. Bonds will be issued to you in accordance with the arrangements in place between you and your stockbroker or other financial intermediary, including as to application process, allocations, payment and delivery arrangements. You should approach your stockbroker or other financial intermediary to discuss any application arrangements that may be available to you. You may not be allocated any or all of the Bonds for which you apply.</p> <p>It is important to note that none of the Issuer, the Guarantors, the Manager or the Trustee is party to such arrangements between you and the relevant Authorised Offeror. You must therefore obtain this information from the relevant Authorised Offeror. Because they are not party to the dealings you may have with the Authorised Offeror, the Issuer, the Guarantors, the Manager and the Trustee will have no responsibility to you for any information provided to you by the Authorised Offeror.</p> |
| <b>How many Bonds will be issued to investors?</b>                                                                                   | <p>The total amount of the Bonds to be issued will depend partly on the amount of Bonds for which indicative offers to purchase Bonds are received during the Offer Period. This total amount will be specified in an announcement which the Issuer intends to publish through the RNS (<a href="http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html">www.londonstockexchange.com/exchange/news/market-news/market-news-home.html</a>) on or about 9 July 2013 (the <b>Offer Confirmation Announcement</b>).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>How and when must I pay for my allocation and when will that allocation be delivered to me?</b>                                   | <p>You will be notified by the relevant Authorised Offeror of your allocation of Bonds (if any) and the arrangements for the Bonds to be delivered to you in return for payment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>When can the Authorised Offerors offer the Bonds for sale?</b>                                                                    | <p>Offers may be made by the Manager and the Authorised Offeror(s) in the UK, Ireland, Jersey, Guernsey and the Isle of Man to any person during the Offer Period from 24 June 2013 (or in the case of Ireland, from 25 June 2013) until 12 noon (London time) on 8 July 2013.</p> <p>The Issuer and the Manager may agree to amend the Offer Period, in which case such amendments will be published <i>via</i> the RNS.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Is the offer of the Bonds conditional on anything else?</b>                                                                       | <p>The issue of Bonds is conditional upon the Subscription Agreement being signed by the Issuer, the Guarantors and the Manager. The Subscription Agreement will include certain conditions customary for transactions of this type to be satisfied (including the delivery of legal opinions and auditors comfort letters satisfactory to the Manager and the execution of the Trust Deed). If these conditions are not satisfied, the Manager may be released from its obligations under the Subscription Agreement. For further information on the Subscription Agreement, see Section 10 (<i>Subscription and Sale</i>).</p>                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Is it possible that I may not be issued with the number of Bonds I apply for? Will I be refunded for any excess amounts paid?</b> | <p>You may not be allocated all (or any) of the Bonds for which you apply. This might happen for example if the total amount of orders for the Bonds exceeds the number of Bonds that are issued. There will be no refund as you will not be required to pay for any Bonds until any application for Bonds has been accepted and the Bonds have been allocated to you.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Is there a minimum or maximum amount of Bonds that I can apply for?</b>                                                           | <p>The minimum application amount for each investor is £2,000. There is no maximum amount of application.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>How and when will the results of the offer of the Bonds be made public?</b>                                                       | The results of the offer of the Bonds will be made public in the Offer Confirmation Announcement which will be published by the RNS prior to the Issue Date. The Offer Confirmation Announcement is currently expected to be made on or around 9 July 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Who can apply for the Bonds? Have any Bonds been reserved for certain countries?</b>                                              | Subject to certain exceptions, the Bonds may only be offered by the Authorised Offerors in the United Kingdom, Ireland, Jersey, Guernsey and/or the Isle of Man during the Offer Period. No Bonds have been reserved for certain countries.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>When and how will I be told of how many Bonds have been allotted to me?</b>                                                       | You will be notified by the relevant Authorised Offeror of your allocations of Bonds in accordance with the arrangements in place between you and the relevant Authorised Offeror.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Have any steps been taken to allow dealings in the Bonds before investors are told how many Bonds have been allotted to them?</b> | No steps have been taken to allow the Bonds to be traded before informing you of your allocation of Bonds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>What is the amount of any expenses and taxes specifically that will be charged to me?</b>                                         | <p>The Issuer and the Manager will not charge you any expenses.</p> <p>Any Authorised Offeror may charge you expenses. However, these are beyond the control of the Issuer and are not set by the Issuer. They may vary depending on the size of the amount subscribed for and your arrangements with the Authorised Offeror.</p> <p>The Issuer estimates that, in connection with the sale of the Bonds to investors, it will pay a management and distribution fee of 0.8 per cent of the aggregate principal amount subscribed and paid for. These fees will be payable by the Issuer to the Manager (who may share such fees with the other Authorised Offerors and any other financial intermediaries that are appointed by the Manager to procure places for and/or to distribute the Bonds) and will be deducted from the subscription moneys payable by the Manager to the Issuer in respect of the Bonds.</p> |
| <b>What are the names and addresses of those distributing the Bonds?</b>                                                             | <p>As at the date of this Prospectus, the following are the Authorised Offeror(s) who have each been appointed by the Issuer, the Parent Guarantor and the Manager to offer and distribute the Bonds to the public in the United Kingdom, Ireland, Jersey, Guernsey and the Isle of Man in accordance with all prevailing regulatory requirements during the Offer Period:</p> <p>Barclays Stockbrokers Limited<br/>1 Churchill Place<br/>London E14 5HP</p> <p>Brown Shipley &amp; Co. Limited<br/>3 Hardman Street<br/>Manchester M3 3HF</p> <p>Goodbody Stockbrokers Limited<br/>Ballsbridge Park<br/>Ballsbridge<br/>Dublin 4</p> <p>NCL Investments Limited (trading as Smith &amp; Williamson Securities Ltd)<br/>25 Moorgate<br/>London EC2R 6AY</p>                                                                                                                                                            |

|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                     | <p>Redmayne-Bentley LLP<br/>9 Bond Court<br/>Leeds LS1 2JZ</p> <p>Talos Securities Limited (trading as Selftrade)<br/>Boatman's House<br/>2 Selsdon Way<br/>London E14 9LA</p> <p>WH Ireland Limited<br/>24 Martin Lane<br/>London EC4R 0DR</p> <p>Further Authorised Offeror(s) may be appointed with the prior written consent of the Issuer during the Offer Period and, if so, will be identified as such by a notice published by the RNS.</p> <p>The Issuer and the Guarantors have also granted consent to the use of this Prospectus by other relevant stockbrokers and financial intermediaries during the Offer Period on the basis of and so as long as they comply with the conditions described in Section 14 (<i>Important Legal Information – Consent</i>). None of the Issuer, the Guarantors or the Manager has authorised, nor will they authorise, the making of any other offer of the Bonds in any other circumstances.</p> |
| <b>Will a registered market-maker be appointed?</b> | <p>The Manager will be appointed as registered market makers through the ORB in respect of the Bonds from the date of admission of the Bonds to trading. Market-making means that a person will quote prices buying and selling the Bonds during trading hours.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

## **TAXATION**

If you are considering applying for Bonds, it is important that you understand the taxation consequences of investing in the Bonds. You should read this section and discuss the taxation consequences with your tax adviser, financial adviser or other professional adviser before deciding whether to invest.

## TAXATION

### United Kingdom Taxation

The following applies only to persons who are the absolute beneficial owners of Bonds. It is a summary of the Issuer's understanding of current law and practice in the UK relating to the UK withholding tax treatment at the date hereof on payments of principal and interest in respect of the Bonds. The comments do not deal with other UK tax aspects of acquiring, holding or disposing of the Bonds. The UK tax treatment of prospective Bondholders depends on their individual circumstances and may be subject to change in the future, sometimes with retrospective effect. The following is a general guide for information purposes. It is not intended as tax advice and does not purport to describe all tax considerations that may be relevant to a prospective purchaser. Bondholders may be liable to taxation under the laws of another jurisdiction notwithstanding that payments in respect of the Bonds may be made without withholding or deduction for or on account of taxation under UK law. Prospective Bondholders who may be subject to tax in a jurisdiction other than the UK or who may be unsure as to their tax position should seek their own professional advice.

#### 1 Payment of interest on the Bonds

Interest on the Bonds may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax except in circumstances where such interest has a United Kingdom source. The location of the source of a payment is a complex matter. It is necessary to have regard to case law and Her Majesty's Revenue & Customs (**HMRC**) practice. Case law has established that in determining the source of interest, all relevant factors must be taken into account. HMRC has indicated that the most important factors in determining the source of a payment are those which influence where a creditor would sue for payment, and has stated that the place where the Issuer does business, and the place where its assets are located, are the most important factors in this regard; however, HMRC has also indicated that, depending on the circumstances, other relevant factors may include the place where the interest and principal are payable, the method of payment, the governing law of the Bonds and the competent jurisdiction for any legal action, the location of any security for the Issuer's obligations under the Bonds, and similar factors relating to any guarantee.

Interest which has a UK source may be paid without withholding or deduction for or on account of UK income tax if the Bonds constitute "quoted Eurobonds". The Bonds will constitute quoted Eurobonds provided that the Bonds are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the FSMA) and admitted to trading on the Regulated Market of the London Stock Exchange. Provided, therefore, that the Bonds are and remain so listed, interest on the Bonds will be payable without withholding or deduction on account of United Kingdom tax.

In other cases, an amount must generally be withheld from payments of interest on the Bonds on account of United Kingdom income tax at the basic rate (currently 20 per cent). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Bondholder, HMRC can issue a notice to the Issuer to pay interest to the Bondholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

If a Guarantor makes any payments in respect of interest on the Bonds (or other amounts due under the Bonds other than the repayment of amounts subscribed for the Bonds) and such payments have a United Kingdom source, such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent) subject to such relief as may be available following a direction by HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply. Whether such payments made by a Guarantor have a United Kingdom source is a complex matter and is likely to be determined by

reference principally to the factors set out above. Such payments by a Guarantor may not be eligible for the exemptions from UK withholding tax described above.

Bondholders may wish to note that, in certain circumstances, HMRC has the power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Bondholder. These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Bondholder is resident in the United Kingdom for United Kingdom taxation purposes. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Bondholder is resident for tax purposes.

For the above purposes, "interest" should be taken, for practical purposes, as including payments made by a Guarantor in respect of interest on Bonds.

Information may also be required to be reported in accordance with regulations made pursuant to the EU Savings Directive (see below).

## **2 EU Savings Directive**

The Savings Directive requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other EU Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. Luxembourg has recently announced that it will no longer apply the withholding tax. They intend to implement the Savings Directive with effect from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date. The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

## **3 Other Rules relating to United Kingdom Withholding Tax**

Where Bonds are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Bondholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Bonds or any related documentation.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer of the Bonds and does not consider the tax consequences of any such substitution.

## **Irish Taxation**

**The following is a summary of certain Irish tax consequences of the purchase, ownership and disposition of the Bonds. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds. The summary relates only to the position of persons who are the absolute**

beneficial owners of the Bonds and may not apply to certain other classes of persons such as dealers in securities.

The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as in effect on the date of this Prospectus, which are subject to prospective or retroactive change. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective Investors in the Bonds should consult their own advisors as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Bonds including, in particular, the effect of any state or local tax laws.

## **(A) Interest on the Bonds**

### **1 *Income Tax***

In general, persons who are resident or ordinarily resident in Ireland are liable to Irish taxation on their world-wide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish taxation on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

A Bond issued by the Issuer may be regarded as property situate in Ireland (and hence Irish source income) on the grounds that a debt is deemed to be situate where the debtor resides. However, the interest earned on such Bonds is exempt from income tax if paid to a person who is not a resident of Ireland and who for the purposes of Section 198 of the Taxes Consolidation Act 1997 (as amended) (the **TCA 1997**) is regarded as being a resident of a relevant territory. A relevant territory for this purpose is a Member State of the European Communities (other than Ireland) or not being such a Member State a territory with which Ireland has entered into a double tax treaty that has the force of law or, on completion of the necessary procedures, will have the force of law and such double tax treaty contains an article dealing with interest or income from debt claims. A list of the countries with which Ireland has entered into a double tax treaty is available on [www.revenue.ie](http://www.revenue.ie).

Relief from Irish income tax may also be available under other exemptions contained in Irish tax legislation or under the specific provisions of a double tax treaty between Ireland and the country of residence of the holder of the Bonds.

### **2 *Withholding Taxes***

In general, tax at the standard rate of income tax (currently 20 per cent) is required to be withheld from payments of Irish source interest which should include interest payable on the Bonds. The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Bond where:

- (a) the Bonds are "Quoted Eurobonds" i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as the London Stock Exchange) and which carry a right to interest; and
- (b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:
  - (i) the Bonds are held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or
  - (ii) the Bondholder is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form; and

(c) one of the following conditions is satisfied:

- (i) the Bondholder is resident for tax purposes in Ireland; or
- (ii) the Bondholder is a pension fund, government body or other person (other than a person described in paragraph (c)(iv) below), who is resident in a relevant territory and who, under the laws of that territory, is exempted from tax that generally applies to profits, income or gains in that territory; or
- (iii) the Bondholder is subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory; or
- (iv) the Bondholder is not a company which, directly or indirectly, controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer, and neither the Bondholder, nor any person connected with the Bondholder, is a person or persons:
  - (1) from whom the Issuer has acquired assets;
  - (2) to whom the Issuer has made loans or advances; or
  - (3) with whom the Issuer has entered into a swap agreement,

where the aggregate value of such assets, loans, advances or swap agreements represents not less than 75 per cent of the assets of the Issuer,

where for these purposes, the term:

**relevant territory** means a member state of the European Communities (other than Ireland) or a country with which Ireland has signed a double tax treaty; and

**swap agreement** means any agreement, arrangement or understanding that:

- (a) provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof; and
- (b) transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred.

Thus, so long as the Bonds continue to be quoted on the London Stock Exchange, are held in Euroclear and/or Clearstream, Luxembourg, and one of the conditions set out in paragraph (c) above is met, interest on the Bonds can be paid by any Paying Agent acting on behalf of the Issuer free of any withholding or deduction for or on account of Irish income tax. If the Bonds continue to be quoted but cease to be held in a recognised clearing system, interest on the Bonds may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a Paying Agent outside Ireland and one of the conditions set out in paragraph (c) above is met.

Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent) from interest on any Bond, where such interest is collected or realised by a bank or encashment

agent in Ireland on behalf of any Bondholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

**(B) Other Irish Tax Issues**

**1 Capital Gains Tax**

A Bondholder will not be subject to Irish taxes on capital gains provided that such Bondholder is neither resident nor ordinarily resident in Ireland and such Bondholder does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency or a permanent representative to which or to whom the Bonds are attributable.

**2 Capital Acquisitions Tax**

If the Bonds are comprised in a gift or inheritance taken from an Irish domiciled, resident or ordinarily resident disposer or if the donee/successor is resident or ordinarily resident in Ireland, or if any of the Bonds are regarded as property situate in Ireland, the donee/successor may be liable to Irish capital acquisitions tax. As a result, a donee/successor may be liable to Irish capital acquisitions tax, even though neither the disposer nor the donee/successor may be domiciled, resident or ordinarily resident in Ireland at the relevant time.

**3 Stamp Duty**

For as long as the Issuer is a qualifying company within the meaning of Section 110 TCA 1997, no Irish stamp duty will be payable on either the issue or transfer of the Bonds, provided that the money raised by the issue of the Bonds is used in the course of the Issuer's business.

**4 EU Directive on the Taxation of Savings Income**

Ireland has implemented the EC Council Directive 2003/48/EC on the taxation of savings income into national law. Accordingly, any Irish paying agent making an interest payment on behalf of the Issuer to an individual or certain residual entities resident in another Member State of the European Union or certain associated and dependent territories of a Member State will have to provide details of the payment and certain details relating to the Bondholder (including the Bondholder's name and address) to the Irish Revenue Commissioners who in turn are obliged to provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

The Issuer shall be entitled to require Bondholders to provide any information regarding their tax status, identity or residency in order to satisfy the disclosure requirements in Directive 2003/48/EC and Bondholders will be deemed by their subscription for Bonds to have authorised the automatic disclosure of such information by the Issuer or any other person to the relevant tax authorities.

## **DESCRIPTION OF THE PARENT GUARANTOR AND THE GROUP**

This section sets out information about the Parent Guarantor and its group of companies.

## DESCRIPTION OF THE PARENT GUARANTOR AND THE GROUP

### Overview

The Parent Guarantor is a distributor of a wide range of building materials to primarily trade customers from a network of branches in the UK, Ireland and Belgium, and also operates a DIY retailing business in Ireland and a mortar manufacturing business in Britain. The Group seeks leading positions in the markets in which it operates and employs over 9,000 people at 600 locations. Group turnover was €2.17 billion in 2012 (2011: €2.05 billion).

The Parent Guarantor is a public limited company which has its ordinary shares admitted to the Official Lists of the UK Listing Authority and the Irish Stock Exchange and are admitted to trading on the Regulated Markets of the London Stock Exchange and the Irish Stock Exchange. The Parent Guarantor is the parent company of the Group. As at 14 June 2013, the Parent Guarantor had a market capitalisation of approximately €1.2 billion.

The Parent Guarantor was incorporated in Ireland on 28 August 1931 under the Companies (Consolidation) Act 1908 with registered number 8149 and operates under the Companies Acts 1963 to 2012. It has its headquarters and registered office at Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 0600.

The Parent Guarantor has an authorised share capital of €15,300,000 divided into 300,000,000 ordinary shares of 5 cent each and 30 billion 'A' ordinary shares of 0.001 cent each. As at 11 June 2013 231,998,736 (excluding 500,000 treasury shares held) of these ordinary shares are issued ordinary shares quoted on the London Stock Exchange and Irish Stock Exchange with an aggregate nominal value of €11,599,936.80.

The Parent Guarantor's objects and purposes are set out in clause 3 of its Memorandum of Association and include, amongst others, the carrying on of business as builders' merchants, builders' providers, builders' suppliers, DIY suppliers, property development and manufacturers of and dealers in materials and products of all kinds.

The Parent Guarantor is the holding company of the Issuer and other subsidiaries, the majority of which are Subsidiary Guarantors (for a description of the Subsidiary Guarantors, see Section 8 (*Description of the Subsidiary Guarantors*)).

The table below shows the composition of the Subsidiary Guarantors, in aggregate, in comparison to the Group in respect of profit, net assets, gross assets and revenue for the year ended 31 December 2012:

| Year Ended 31 December 2012 |                                                        |                      |
|-----------------------------|--------------------------------------------------------|----------------------|
|                             | Parent Guarantor and<br>Subsidiary Guarantors<br>(€'m) | Group Total<br>(€'m) |
| <b>Profit*</b>              | 68.37<br>94%                                           | 72.94                |
| <b>Net Assets</b>           | 985<br>98%                                             | 1,002                |
| <b>Gross assets</b>         | 1,871<br>94%                                           | 1,995                |
| <b>Revenue</b>              | 2,069<br>95%                                           | 2,171                |

\* Operating profit adding back exceptional items.

## **History and Development of the Group**

The origins of the Group dates back to 1902 with the formation of a cement and plaster distribution business by William Thomas Chadwick in Dublin. This business expanded over the first half of the twentieth century and merchanting branches were opened from the late 1960s in Dublin and large provincial towns. The Group's first DIY store was opened in Dublin in 1987 and a national network of DIY stores was developed during the eighties and nineties. In 1965 the Parent Guarantor was floated on the Irish Stock Exchange and was also listed on the London Stock Exchange in 1990. In 2005 the Group established itself as the leading operator in the merchanting and DIY markets in Ireland by turnover with the acquisition of Heiton Group plc.

The Parent Guarantor entered the Northern Ireland merchanting market in 1990 through the acquisition of Macnaughton Blair Limited, a leading merchant in Belfast. The Group's strategy of diversifying its earnings base geographically involved the development of a strong merchanting business in Britain from 1994 primarily through the acquisition and successful integration of small chain and single branch merchanting businesses with strong positions in their local markets together with a number of more substantial transactions the largest of which was the acquisition of Jackson Building Centres Limited, the UK's seventh largest builders merchants, in 2003. The UK is now the Group's principal market and accounted for 76 per cent of turnover in 2012.

## **Strengths**

### ***Market Positions and Brands***

The Group has significant national and regional market positions by turnover in the merchanting and mortar manufacturing markets in the UK and in the merchanting and DIY retailing markets in Ireland.

The Group operates from 498 branches in the UK merchanting market where its market share by turnover is estimated at 11 per cent. It is the UK's third largest builders merchanting business by turnover where it trades principally under the Buildbase, Jackson and Selco brands and is the fourth largest plumbers merchanting business by turnover where it trades under the Plumbase brand. The merchanting business in Ireland has a clear leadership position with an estimated market share by turnover in excess of 25 per cent.

The DIY retailing business is the clear market leader in the Irish DIY market by turnover where it trades nationally from 38 stores under the Woodie's DIY brand and also operates a kitchens business that trades from seven stores.

The Group is the largest manufacturer in Britain by turnover of silo-based mortar for use primarily in the residential construction market. This business trades under the EuroMix brand from nine plants that provide good market coverage in England and Scotland.

### ***Strong Business Model***

The merchanting market in the UK, which accounted for 74 per cent of Group turnover in 2012, has structurally attractive characteristics. Merchants are distributors or intermediaries between manufacturers of building materials and their customers who are predominantly professional trades people that provide residential repair, maintenance and improvement services to households.

#### ***(a) Demand Environment***

Activity in this market is generally driven by repair and maintenance work which supports core demand for products that merchants distribute. Discretionary spending by households on improvement projects such as extensions is influenced by housing transaction levels, mortgage availability, house prices, consumer confidence and other macro-economic factors. The age of the housing stock and low replacement rate should be supportive of strong long term RMI activity and demand for building materials that are distributed through the merchanting sector.

(b) *Customer Base*

The UK merchanting business has a diversified customer base that incorporates jobbing builders, specialist trades, medium sized contractors and retail customers who carry out DIY projects. The Buildbase, Selco, Jackson and Plumbase branches provide a network of convenient locations, a wide range of products, good levels of service and knowledgeable employees. Buildbase Civils & Lintels supplies customers engaged in house building, groundworks, civils and infrastructure new build projects from a network of 20 branches.

(c) *Suppliers*

The business is a significant customer of its key suppliers and the scale of its operations in the UK and Ireland confers more favourable volume related buying terms than are available to smaller operators in its markets.

(d) *Competitive Advantage*

The Group has made a significant investment in its brands and branch network over the past two decades that includes a portfolio of freehold property, working capital, a distribution fleet and IT infrastructure. The overall scale of this investment combined with the leading market positions of the brands and benefits of economies create a competitive advantage that cannot be easily replicated and which the Group believes should be sustainable in the long term.

***Cash Generative Businesses***

The Group's businesses have historically generated high levels of operating and free cash flow. The Group has been able to maximise its operational cashflows through careful management of working capital and capital expenditure, and by focussing on improvements in operational efficiencies. This has enabled the Group to expand its businesses organically and by acquisition, as well as to reduce debt and pay dividends.

***Management***

The management of the Parent Guarantor has extensive experience in the merchanting market and has been instrumental in the development of the Group's business from a small Irish business to its current status as an international building materials business. Management at Group operating unit levels have considerable through-the-cycle experience in the merchanting, DIY retailing and mortar manufacturing sectors.

***Branch Capacity***

The Group responded to the significant fall in volumes in its markets in recent years by reducing its cost base while maintaining its branch network largely intact and the Parent Guarantor believes that it is now well positioned to capitalise on any recovery due to the significant spare capacity in its branch network.

***Significant proportion of UK sites and freehold sites***

Property costs have a significant impact on the Group's operating results as it operates from 607 trading locations. The Group's estate includes circa 175 freehold properties. The balance between freehold and leasehold properties reduces rental charges on properties and provides an opportunity to benefit from capital appreciation over the long term. The Group's estate is concentrated in the UK, with 507 UK properties out of a Group total of 607 properties.

***Strategy***

The Group has developed businesses of significant scale in the UK and Ireland, and, now that the major restructuring programmes of recent years are complete, its current strategic focus is on:

- Increasing the operating profit margin in the UK Merchanting business
- Expanding the branch network in the UK Merchanting market under the Selco brand
- Participating selectively in consolidation opportunities in the UK Merchanting market
- Protecting profit in Ireland until the domestic economy recovers
- Developing a stronger position in the Belgian Merchanting market which is in the early stages of consolidation
- Completing a strategic review of possible development opportunities in other geographic markets
- Operating highly cash generative businesses and maintaining a strong balance sheet

## Group Description

Group revenues increased by 5.7 per cent to €2.17 billion in 2012 from €2.05 billion in 2011 and by 0.6 per cent in constant currency. The increase in revenue included €105 million of a currency gain on translation of UK revenue at a more favourable average sterling/euro exchange rate. The Belgian joint venture contributed increased revenue of €17.1 million to €38.0 million (2011: €20.9 million).

Underlying operating profit (before exceptional items and amortisation) increased by 32 per cent to €75.2 million (2011: €56.9 million). This comprised growth of 19 per cent to €31.3 million in the first half and growth of 43 per cent to €43.9 million in the second half. Underlying profit before taxation (before exceptional items and amortisation) increased by 39 per cent to €61.9 million (2011: €44.5 million). Statutory profit before tax increased to €33.5 million from €10.3 million and statutory profit after tax increased to €41.1 million from €2.5 million.

The Group's businesses are organised into three segments: Merchanting, Retailing and Manufacturing. Turnover and operating profit for the years ended 31 December 2012 and 31 December 2011 are analysed by segment in the tables below:

| Year Ended 31 December 2012 |             |         |         |         |           |               |                    |                        |
|-----------------------------|-------------|---------|---------|---------|-----------|---------------|--------------------|------------------------|
|                             | Merchanting |         |         |         | Retailing | Manufacturing | Group Office Costs | Group Operating Profit |
|                             | (€'m)       |         |         |         | (€'m)     | (€'m)         | (€'m)              | (€'m)                  |
|                             | UK          | Ireland | Belgium | Total   | Ireland   | UK & Ireland  |                    |                        |
| Turnover                    | 1,610.5     | 280.8   | 38.0    | 1,929.3 | 199.5     | 42.6          | -                  | -                      |
| Operating profit*           | 78.1        | 3.3     | 0.9     | 82.3    | 0.3       | 2.0           | (9.4)              | 75.2                   |

| Year Ended 31 December 2011 |             |         |         |         |           |               |                    |                        |
|-----------------------------|-------------|---------|---------|---------|-----------|---------------|--------------------|------------------------|
|                             | Merchanting |         |         |         | Retailing | Manufacturing | Group Office Costs | Group Operating Profit |
|                             | (€'m)       |         |         |         | (€'m)     | (€'m)         | (€'m)              | (€'m)                  |
|                             | UK          | Ireland | Belgium | Total   | Ireland   | UK & Ireland  |                    |                        |
| Turnover                    | 1,458.9     | 306.8   | 20.9    | 1,786.6 | 219.7     | 47.5          | -                  | -                      |
| Operating profit*           | 59.9        | 4.1     | 0.9     | 64.9    | 2.1       | (0.5)         | (9.6)              | 56.9                   |

\* Operating profit before exceptional items and amortisation (where applicable).

## **Merchanting Segment**

The Merchanting segment operates in the building materials market in the UK, Ireland and Belgium. It trades from over 544 branches. Revenue in 2012 in the merchanting segment increased by 8.0 per cent to €1.93 billion (2011: €1.79 billion). Operating profit (before restructuring costs) was €82.3 million (2011: €64.9 million), an increase of 26.7 per cent.

The business operates nationally in the Irish market trading from 43 branches principally under the Heiton Buckley and Chadwicks brands. The residential, repair, maintenance and improvement market is the principal end-use market for the Group's merchanting businesses in both the UK and Ireland.

The network of merchanting branches mainly supply trade customers engaged in residential, repair, maintenance and improvement projects. The business also has an exposure to the residential and non-residential new build markets. The business sells a wide range of building materials including bricks, blocks and aggregates, cement, plastics, timber and joinery, insulation and dry lining, roofing, doors and windows, plumbing and heating, hardware and ironmongery, kitchens and bathrooms, landscaping and tools. Products are delivered by suppliers to individual branches and are collected by customers from branch locations or delivered on site to customers.

Credit sales are a feature of the merchanting industry and accounted for 63 per cent of turnover in 2012. The Group operates tight credit control systems that are managed centrally in both the UK and Ireland with appropriate support structures at regional and branch level.

The merchanting business trades in the UK under the Buildbase, Selco, Jackson, Plumbase and Macnaughton Blair brands and its extensive branch network provides good market coverage in London and the South East, the West Country, Midlands, and in parts of the North of England, Scotland and Northern Ireland. The major competitors in the UK merchanting market are Travis Perkins, Saint Gobain (Jewson and Grahams) and Wolseley (Plumb Center). The nature of competition varies by product line, category of customer and local market conditions. In addition to national merchants, industry participants operate at local and regional levels.

Merchanting revenue in 2012 in the UK merchanting business increased by 10.4 per cent to €1.61 billion (2011: €1.46 billion). Sterling turnover increased by 3.1 per cent. UK merchanting operating profit (before restructuring costs) was up by 30.5 per cent to €78.1 million (2011: €59.9 million) and by 21.9 per cent in constant currency. The operating margin increased by 75 basis points to 4.85 per cent (2011: 4.10 per cent). The gross margin increased by 76 basis points.

UK merchanting revenue growth of 3.1 per cent incorporated growth in average daily like-for-like turnover of 1.7 per cent and growth of 1.4 per cent from new branches, acquisitions and branch consolidations. Average daily like for like turnover growth reflected a recovery of price increases estimated at circa 1.5 per cent and the business increased its share of a market that declined.

The Irish merchanting business trades mainly under the Chadwicks and Heiton Buckley brands. These brands have a long and distinguished history of serving the construction industry in Ireland. The well located network of 43 branches provides national coverage in a mainly fragmented market. The combination of a wide product offering, a national branch network and a long history of involvement in the industry enables the business to service the needs of the construction and RMI sectors in Ireland. The Parent Guarantor believes that the business is emerging from the downturn with a stronger market position.

Revenue in 2012 in the merchanting branches in Ireland declined by 8.5 per cent to €280.8 million (2011: €306.8 million). Operating profit (before restructuring costs) was €3.3 million (2011: €4.1 million). Volumes in the Irish merchanting market declined for the fifth consecutive year.

The merchanting branches in Ireland encountered challenging trading conditions in the seasonally quieter months of January/February 2012 with average daily turnover down by 13 per cent. The rate of decline eased as the year progressed to 5 per cent in the September to December period. The business focused on trading profitability and continued to respond to the unprecedented downturn by reducing

costs. Branch consolidations in Dublin, Cork and Limerick in 2011 and 2012 generated significant cost savings and efficiencies offsetting much of the impact of the decline in revenue. The Heiton Buckley and Chadwicks branch networks and the Cork Builders Providers, Telfords and Davies branches, that have strong regional market positions, responded well to challenging market conditions and increased market share.

The closure of branches by competitors enabled a number of city based and provincial branches to increase turnover in a declining market. The two year programme to upgrade the showroom and self-select areas in all branches was completed. Product ranges located at the point of purchase were expanded to meet the needs of customers engaged in residential refurbishment and RMI projects that now account for a high proportion of revenue. An initiative to expand turnover of plumbing and heating products was successfully implemented. A full range of plumbing and heating products was extended to all branches using an efficient "branch implant" route to market model supported by an enhanced service to customers. A Plumb Centre branch was opened in Glasnevin, North Dublin City and the Gorey, County Wexford general merchandising branch was successfully relocated and captured significant growth in market share in the region.

Revenue in 2012 in the Belgian merchandising business increased to €38.0 million from €20.9 million and operating profit of €0.9 million was in line with 2011. The joint venture, which is now 65 per cent controlled by the Group, was consolidated as a subsidiary with effect from the end of October 2012 in accordance with International Financial Reporting Standards (IFRS). Turnover of the joint venture was €59 million for the year and following the acquisition of Holvoet, a two branch merchandising business, annualised turnover increased to circa €75 million. The business now trades from 11 branches located in North West Belgium. Net debt in the joint venture at the year-end of €21.4 million was fully consolidated in the Group balance sheet. The total investment including net debt in the joint venture was €30.0 million to date.

### ***Retailing Segment***

The Retailing segment incorporates the market leader in DIY retailing in Ireland by turnover, trading nationally from 38 stores under the Woodie's DIY brand and a kitchens business that trades from 7 stores under the In-House and Panelling Centre brands.

Revenue in 2012 declined by 9.2 per cent to €199.5 million from €219.7 million in 2011 and operating profit (before restructuring costs) declined to €0.3 million from €2.1 million.

Woodie's is the leading DIY, home improvement and garden centre retailer in Ireland by turnover. Store sizes range from 20,000 to 64,000 square feet and stores stock in the region of 40,000 product lines including DIY (building, plumbing, heating, tiles, timber, power tools and paints), Home Decor (soft furnishings, bathroom, flooring, housewares, lighting, storage, wallpaper and tableware), Gardening (plants and horticultural products, lawnmowers, hand tools, paving, decking and barbecues) and Energy Saving and Insulation products. Woodie's DIY principal competitors are B&Q and Homebase.

Turnover declined by 12.4 per cent in the first half and by 5.9 per cent in the second half. First half turnover in the Woodie's DIY business fell sharply due to the combined effects of weaker retail spending and adverse weather conditions in the second quarter which led to a significant fall in demand for outdoor gardening and maintenance products which normally account for a high proportion of second quarter turnover.

In June 2012 an Examiner was appointed to Atlantic Home Care Limited. The Examinership was successful in formulating a scheme of arrangement that was approved by the High Court in September 2012. The scheme of arrangement involved the closure of two stores and consensual agreements with landlords to reduce rents to current open market levels. No trade or other creditors were impacted by the examinership. The restructuring enabled the business to trade profitably in the second half of the year.

The particularly difficult trading conditions in the first half of 2012 resulted in an operating loss of €3.5 million. The pace of decline in the market moderated as the year progressed. Higher second half turnover, relative to the first half, and benefits from the Atlantic Home Care Limited examinership more

than offset the first half loss and the business reported an operating profit of €0.3 million for the year (2011: €2.1 million).

Revenue was marginally lower in the seven store In-House kitchens business. The three Dublin stores that account for two thirds of revenue made good profit contributions and consolidation of one of the provincial branches prior to the year-end will generate cost savings in a competitive environment for kitchen retailers.

### **Manufacturing Segment**

The Manufacturing segment incorporates EuroMix, the leading manufacturer of dry mortar in the UK by turnover, which is used in a range of residential and commercial construction projects. The business operates from nine plants that provide market coverage in England and Scotland. The portable silo system which contains aggregate and cement pioneered by the Group in Britain has transformed the market by providing customers with a constant supply of high quality mortar and creates other benefits for customers through improved site management, savings on labour costs and reduced waste.

Euromix is mainly supplied to national and regional house builders and plastering contractors but has also focused on opportunities in other end-use markets due to cyclical weakness in the new residential market and has secured contracts for the supply of materials to a number of infrastructure projects.

The manufacturing segment also incorporates a plastics manufacturing business in Ireland.

Turnover in 2012 declined by 10.4 per cent to €42.6 million (2011: €47.5 million) and following the completion of a restructuring programme the business was returned to profitability. Operating profit (before restructuring costs) for the year was €2.0 million following a loss of €0.5 million in 2011.

### **Group Central Activities**

The Group operates a federal structure which confers significant autonomy on experienced operational management teams within a tight accounting and reporting framework. The operating segments are supported by the Board, Chief Executive and Group Office functions that cover strategy, group finance, allocation of capital, acquisitions, property, information technology, capital markets and treasury, investor relations, taxation and legal, regulatory and company secretarial.

### **Recent developments**

#### **Revenue**

Revenue for the four months to the end of April 2013 was €677 million which compares to revenue of €676 million for the same period last year. The translation of UK revenue at a less favourable sterling/euro exchange rate relative to the prior period reduced Group turnover by €12 million. Trading for the period was influenced by adverse weather conditions and continued economic weakness in the Group's markets.

#### **Merchanting Segment**

Average daily like for like sterling revenue in the UK Merchanting business, which contributed 74 per cent of Group turnover, was marginally higher for the four months of 2013. Weather conditions reduced volumes in March but activity levels recovered during April.

In the same period the Irish merchanting business increased like for like revenue by 1.0 per cent, an encouraging development and the first period since the first half of 2007 to record turnover growth. The business benefitted from an improvement in its competitive position and from increased turnover of plumbing and heating products and promotional campaigns.

## Retailing Segment

In the same period like for like revenue in the Irish Retailing business declined by 8.7 per cent due to a softening of demand caused by weakness in consumer sentiment and record low temperatures in March and early April which delayed the start of the outdoor season.

## Operating Profit

Operating profit for the four months in 2013 was marginally ahead of the prior year despite a continuation of below normal activity levels in the UK Merchanting market and the difficult macro-economic environment in Ireland.

## Outlook

While turnover growth in the first two weeks of May has seen some improvement, the Group remains cautious about the near term outlook for its businesses and is looking to a continuing reliance on internal initiatives to improve profitability.

## Material Contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders in respect of the Bonds:

- (a) Multi-Currency Revolving Facilities Agreement as amended by the Amending and Restating Agreement dated 27 October 2011 between the Parent Guarantor, certain of its subsidiaries and The Governor and Company of the Bank of Ireland (**Bank of Ireland**) pursuant to which Bank of Ireland agreed to make available five year revolving facilities in an aggregate principal amount of up to €170 million and the ancillary facilities between such parties extended pursuant to the letter agreement dated 26 October 2011. The Bank of Ireland ancillary facilities includes a euro and GBP overdraft facility of €22 million and £7.5 million respectively;
- (b) Amended and Restated Multi-Currency Facility Agreement as amended by the Amendment and Restatement Agreement dated 27 October 2011 between the Parent Guarantor, certain of its subsidiaries and HSBC Bank plc (Dublin Branch) (**HSBC**) pursuant to which HSBC agreed to make available a five year revolving facility in an aggregate principal amount of up to €100 million and the ancillary facilities between such parties extended pursuant to the letter agreement dated 13 February 2012. The HSBC ancillary facilities includes a £2.5 million overdraft facility;
- (c) Amended and Restated Multi-Currency Revolving Facility Agreement as amended by the Amendment and Restatement Agreement dated 27 October 2011 between the Parent Guarantor, certain of its subsidiaries and Ulster Bank Ireland Limited (**Ulster Bank**) pursuant to which Ulster Bank agreed to make available a three year revolving facility maturing on 30 August 2014 in an aggregate principal amount of up to €85 million and the ancillary facilities between such parties extended pursuant to the letter agreement dated 28 October 2011. The Ulster Bank ancillary facilities includes a £4.25 million overdraft facility;
- (d) Multi-Currency Revolving Facility Agreement dated 27 October 2011 between the Parent Guarantor, certain of its subsidiaries and Lloyds TSB Bank plc (**Lloyds**) pursuant to which Lloyds agreed to make available a three year revolving facility in an aggregate principal amount of up to £30 million and the ancillary facilities between such parties extended pursuant to the letter agreement dated 14 September 2012. The Lloyds ancillary facilities includes a £15 million overdraft facility; and
- (e) \$325 million Unsecured Senior US Dollar Loan Notes (the **US Private Placement Loan Notes**) (out of which US\$32,142,859 and £17,636,684 are outstanding as at 11 June 2013) issued in June 2005 by the Issuer and guaranteed by certain subsidiaries of the Parent Guarantor maturing between 2008 and 2015 at fixed interest rates ranging from 4.68 per cent to 4.88 per

cent in the US private placement market.

## Financing

Net debt at 31 December 2012 was €202.0 million (31 December 2011: €225.9 million) and gearing was 20 per cent (31 December 2011: 23 per cent). The interest charge on net bank and loan note debt for 2012 was €13.4 million (2011: €15.3 million). Underlying EBITDA (before exceptional items) interest cover, as defined for covenant purposes, was 8.6 times (2011: 7.2 times) and year end net debt was 1.76 times (2011: 2.23 times) underlying EBITDA (before exceptional items).

Good flexibility in managing on-going liquidity in the business was maintained through a combination of deposits and cash balances and undrawn committed term bank facilities. Deposits and cash balances were €156.9 million at 31 December 2012 (31 December 2011: €134.6 million) and there were undrawn bank loans of €97.7 million. The average maturity of gross debt at 31 December 2012 was almost three years.

The sustained focus on cash generation enabled the Group to reduce net debt in each of the past five years. Net debt declined by €348.4 million (63%) from €550.4 million at the end of 2007 to €202.0 million at the end of 2012. The Group's financial flexibility improved over this period as the level of external funding declined and profitability recovered. The principal sources of funding are cashflow from operations and borrowings from banks. During 2011 the Group put new five year loans for €75 million in place and extended the maturity dates of existing facilities of €195 million to late 2016.

## Administrative, Management and Supervisory Bodies

The directors of the Parent Guarantor are as follows:

| <b>Name:</b>      | <b>Position:</b>        | <b>Principal outside activities:</b>                                                   |
|-------------------|-------------------------|----------------------------------------------------------------------------------------|
| Michael Chadwick  | Non-Executive Chairman  | Non-executive Director of Pochin's plc and of other companies in which he has invested |
| Gavin Slark       | Chief Executive Officer | None                                                                                   |
| Colm Ó Nualláin   | Finance Director        | None                                                                                   |
| Roderick Ryan     | Non-Executive Director  | Non-executive Director of Glen Dimplex and other companies                             |
| Charles M. Fisher | Non-Executive Director  | Chairman of Garden Centre Property Development Trading plc                             |
| Annette Flynn     | Non-Executive Director  | Non-executive Director of Irish Life Group                                             |
| Frank van Zanten  | Non-Executive Director  | Managing Director of the Continental Europe Business of Bunzl plc                      |

Mr Colm Ó Nualláin, Finance Director, will retire from the Board in January 2014 having reached the age of 60. The Nomination Committee has initiated a search for a successor and an international senior executive search consultancy firm has been appointed to identify suitable candidates for the role.

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland.

There are no potential conflicts of interest between any duties to the Parent Guarantor of the directors referred to above and their respective private interests and/or other duties.

## Audit Committee

The audit committee (the **Audit Committee**) monitors the integrity of the Group's financial statements and announcements relating to the Group's performance. The Committee is responsible for monitoring the effectiveness of the external audit process and making recommendations to the Board in relation to the appointment, reappointment and remuneration of the external auditor. It is responsible for ensuring that an appropriate relationship between the Group and the external auditor is maintained, including reviewing non-audit services and fees. A new Group Audit Partner is appointed at least every five years and senior audit staff are periodically rotated. Non-audit tax services were provided by KPMG during 2012. The Committee was satisfied that the provision of these services by KPMG did not conflict with its independence as auditor. To further ensure that auditor objectivity is not compromised, KPMG assessed its independence from the Parent Guarantor in 2012 and concluded that no conflicts existed with regard to its appointment as auditor, the level of fees charged as a whole to the Group, or its existing relationships with senior management. KPMG confirmed that in its professional judgement, it is independent with respect to the Parent Guarantor.

The Audit Committee reviews the Group's systems of internal control and the processes in place for monitoring and evaluating the risks facing the Group.

The Audit Committee comprises Mr. Roderick Ryan, who chairs the Audit Committee, and Mr. Charles M. Fisher and Ms. Annette Flynn. All members of the committee are determined by the Board to be independent non-executive Directors.

## Remuneration Committee

The responsibilities of the remuneration committee (the **Remuneration Committee**) include making recommendations on the terms of engagement and remuneration of the executive Directors. The Remuneration Committee receives independent advice concerning matters within its remit when considered necessary.

The Remuneration Committee's principal responsibilities are:

- Setting, reviewing and recommending to the Board for approval the Group's overall remuneration policy and strategy;
- Setting, reviewing and approving individual remuneration packages including salary, performance related pay, pension allowance and other benefits for the Chief Executive Officer, executive Directors and the Company Secretary including terms and conditions of employment and any changes to their packages;
- Reviewing the salary structure and terms, conditions and benefits of employment of any other members of the executive management it is designated to consider; and
- Approving the rules of any Group share, share option or other share incentive scheme and approving the grant, award, allocation or issue of shares, share options or other benefits conferred by such schemes.

The Remuneration Committee comprises Mr. Charles M. Fisher, who chairs the Remuneration Committee, Mr. Roderick Ryan and Ms. Annette Flynn all of whom are non-executive Directors that are determined by the Board to be independent.

## Nomination Committee

The Board is actively engaged in orderly succession planning and is assisted in this function by the Nomination Committee (the **Nomination Committee**). The Committee keeps Board composition, skills and diversity, including both gender and nationality, under review to ensure that it has the range of skills required for the Board to meet the demands of the business and fulfil its obligations to shareholders.

The Nomination Committee comprises Mr. Roderick Ryan, Chairman of the Nomination Committee, Mr. Michael Chadwick and Mr. Charles M. Fisher.

### **Finance Committee**

The Finance Committee (the **Finance Committee**) deals with acquisition opportunities up to Board approval stage, capital expenditure under the limit reserved for the Board, and day to day Group finance and management issues.

The Finance Committee comprises Mr. Gavin Slark (Chief Executive Officer), Mr. Colm Ó Nualláin (Finance Director), and Mr. Charles Rinn (Group Financial Controller & Secretary).

### **Corporate Governance**

The Parent Guarantor complied throughout the year ended 31 December 2012 with all relevant provisions of the UK Corporate Governance Code 2010 and the Irish Corporate Governance Annex except that the period of service of Mr. Richard W. Jewson, exceeded nine years. Mr. Jewson retired from the Board at the conclusion of the Annual General Meeting on 14 May 2013.

### **Major Shareholders**

The principal shareholders of the Parent Guarantor as at 6 March 2013 are as follows:

| <b>Name</b>                            | <b>Number of units</b> | <b>%</b> |
|----------------------------------------|------------------------|----------|
| Investec Asset Management Limited*     | 36,885,707             | 15.90    |
| The Capital Group Companies*           | 22,903,000             | 9.87     |
| Mr. Michael Chadwick                   | 22,079,441             | 9.52     |
| Franklin Templeton Institutional, LLC* | 20,945,578             | 9.03     |
| Sprucegrove Investment Limited*        | 14,489,004             | 6.25     |

\* The Parent Guarantor has been advised that these units are not beneficially owned.

As at 19 June 2013, the Parent Guarantor is not aware of any person who directly or indirectly, jointly or severally, by any entity, exercises or could exercise control over the Parent Guarantor nor is aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Parent Guarantor.

## **DESCRIPTION OF THE ISSUER**

This section sets out information about the Issuer.

## DESCRIPTION OF THE ISSUER

The Issuer was incorporated as a public limited company in Ireland on 17 May 2005 with registered number 402237 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

The Issuer is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Athina Limited. Its principal activity is that of a finance company. The Issuer is dependent on the performance of the Group for the satisfaction of its obligations.

The Issuer has an authorised share capital of €40,000 divided into 40,000 ordinary shares of €1.00 each. Its issued share capital is €40,000 divided into 40,000 ordinary shares of €1.00 each.

The objects and purposes of the Issuer are set out in clause 3 of its Memorandum of Association and include amongst others, to carry on the business of financing and re-financing and to guarantee, support or secure, whether by personal covenant or by mortgaging or charging any part of the undertaking, property and assets, and uncalled capital of the company the performance of the obligations of the principal amounts and interest of any person, firm or company.

### Administrative, Management and Supervisory Bodies

The directors of the Issuer are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Gavin Slark     | Director        |
| Charles Rinn    | Director        |
| Brian O'Hara    | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to the Issuer of the directors referred to above and their private interests and/or duties.

## **DESCRIPTION OF THE SUBSIDIARY GUARANTORS**

This section sets out information about the Subsidiary Guarantors.

## DESCRIPTION OF THE SUBSIDIARY GUARANTORS

### 1. ATHINA LIMITED

#### Introduction

Athina Limited was incorporated as a private limited company in Ireland on 28 March 2000 with registered number 323931 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Athina Limited is a wholly owned subsidiary of the Parent Guarantor. Its principal activity is that of a finance company.

Athina Limited has an authorised share capital of €100,000 divided into 100,000 ordinary shares of €1.00 each and £5,000,000 divided into 5,000,000 ordinary shares of £1. Its issued share capital consists of €2.00 divided into 2 ordinary shares of €1.00 each and £1,000,000 divided into 1,000,000 ordinary shares of £1.00 each.

The objects and purposes of Athina Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to guarantee, grant indemnities in respect of, enter into any suretyship or joint obligation, or otherwise support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company.

#### Administrative, Management and Supervisory Bodies

The directors of Athina Limited are as follows:

| Name            | Position           |
|-----------------|--------------------|
| Colm Ó Nualláin | Director           |
| Brian O'Hara    | Alternate Director |
| Gavin Slark     | Director           |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Athina Limited of the directors referred to above and their private interests and/or other duties.

### 2. BARRETTS OF BALLINASLOE LIMITED

#### Introduction

Barretts of Ballinasloe Limited was incorporated as a private limited company in Ireland on 25 November 1994 with registered number 225293 and operates under the Companies Acts 1963 – 2012. It has its principal place of business at Ashfield, Naas Road, Clondalkin, Dublin 22 and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 403 4000.

Barretts of Ballinasloe Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Frank Barrett & Sons Limited. Its principal activity is that of a builders providers and retailer of hardware products.

Barretts of Ballinasloe Limited has an authorised share capital of €200,000 divided into 100,000 ordinary shares of €2.00 each. Its issued share capital is €200.00 divided into 100 ordinary shares of €2.00 each.

The objects and purposes of Barretts of Ballinasloe Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of retailers and to borrow, raise or secure the payment of money in such a way as the company may see fit.

#### **Administrative, Management and Supervisory Bodies**

The directors of Barretts of Ballinasloe Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Edward Kelly    | Director        |
| Colin O'Donovan | Director        |
| Brian O'Hara    | Director        |

The business address of Edward Kelly is Ashfield, Naas Road, Clondalkin, Dublin 22 and of the business address of Colm Ó Nualláin, Colin O'Donovan and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Barretts of Ballinasloe Limited of the directors referred to above and their private interests and/or other duties.

### **3. BERALT DEVELOPMENTS LIMITED**

#### **Introduction**

Beralt Developments Limited was incorporated as a private limited company in Ireland on 15 May 2008 with registered number 457270 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Beralt Developments Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group Investments Limited. Its principal activity is that of a property company.

Beralt Developments Limited has an authorised share capital of €1,000,000 divided into 1,000,000 ordinary shares of €1.00 each. Its issued share capital is €2.00 divided into 2 ordinary shares of €1.00 each.

The objects and purposes of Beralt Developments Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of the acquisition and sale of property and to secure the payment of money or other performance of financial obligations in such manner as the company shall think fit.

#### **Administrative, Management and Supervisory Bodies**

The directors of Beralt Developments Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Edward Kelly    | Director        |
| Simon Thornton  | Director        |

The business address of Edward Kelly is Ashfield, Naas Road, Clondalkin, Dublin 22 and the business address of Simon Thornton and Colm Ó Nualláin is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Beralt Developments Limited of the directors referred to above and their private interests and/or other duties.

#### **4. CARDSTON PROPERTIES LIMITED**

##### **Introduction**

Cardston Properties Limited was incorporated as a private limited company in Ireland on 18 October 2006 with registered number 428219 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Cardston Properties Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Weeksbury Limited. Its principal activity is that of a property company.

Cardston Properties Limited has an authorised share capital of €1,000,000 divided into 1,000,000 ordinary shares of €1.00 each. Its issued share capital is €1.00 divided into 1 ordinary share of €1.00.

The objects and purposes of Cardston Properties Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of property management and property investment and to secure the payment of money or other performance of financial obligations in such manner as the company shall think fit.

##### **Administrative, Management and Supervisory Bodies**

The directors of Cardston Properties Limited are as follows:

| <b>Name</b>     | <b>Position</b>    |
|-----------------|--------------------|
| Brian O'Hara    | Alternate Director |
| Colm Ó Nualláin | Director           |
| Charles Rinn    | Director           |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Cardston Properties Limited of the directors referred to above and their private interests and/or duties.

#### **5. CHADWICKS HOLDINGS LIMITED**

##### **Introduction**

Chadwicks Holdings Limited was incorporated as a private limited company in Ireland on 27 January 1945 under the Companies (Consolidation) Acts 1908 with registered number 11061 and operates under the Companies Acts 1963 - 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Chadwicks Holdings Limited is a wholly owned subsidiary of the Parent Guarantor. Its principal activity is that of an investment company.

Chadwicks Holdings Limited has an authorised share capital of €19,046.07 divided into 15,000 ordinary shares of €1.269738 each. Its issued share capital is €19,046.07 divided into 15,000 ordinary shares of €1.269738 each.

The objects and purposes of Chadwicks Holdings Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of general merchants and to guarantee, grant indemnities in respect of, enter into any suretyship or joint obligation, or otherwise support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company.

### **Administrative, Management and Supervisory Bodies**

The directors of Chadwicks Holdings Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Charles Rinn    | Director        |
| Gavin Slark     | Director        |
| Brian O'Hara    | Director        |
| Colin O'Donovan | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Chadwicks Holdings Limited of the directors referred to above and their private interests and/or other duties.

## **6. CHADWICKS LIMITED**

### **Introduction**

Chadwicks Limited was incorporated as a private limited company in Ireland on 26 August 1909 under the Companies (Consolidation) Act 1908 with registered number 3462 and operates under the Companies Act 1963 - 2012. It has its principal place of business at Ashfield, Naas Road, Clondalkin, Dublin 22 and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 403 4000.

Chadwicks Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Weeksbury Limited. Its principal activity is builders merchanting.

Chadwicks Limited has an authorised share capital of €126,973.80 divided into 100,000 ordinary shares of €1.269738 each. Its issued share capital is €126,973.80 divided into 100,000 ordinary shares of €1.269738 each.

The objects and purposes of Chadwicks Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to buy, sell, import and export building materials of all kinds and to guarantee, grant indemnities in respect of, enter into any suretyship or joint obligation, or otherwise support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company.

## **Administrative, Management and Supervisory Bodies**

The directors of Chadwicks Limited are as follows:

| <b>Name</b>     | <b>Position</b>    |
|-----------------|--------------------|
| Colin O'Donovan | Director           |
| Colm Ó Nualláin | Director           |
| Albert Treacy   | Director           |
| Brian O'Hara    | Alternate Director |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Chadwicks Limited of the directors referred to above and their private interests and/or other duties.

## **7. CHESHUNT LIMITED**

### **Introduction**

Cheshunt Limited was incorporated as a private limited company in Ireland on 11 December 1992 with registered number 196754 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Cheshunt Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding companies Chadwicks Limited and C.P.I Limited. Its principal activity is that of an investment holding company.

Cheshunt Limited has an authorised share capital of €857,073.15 divided into 100 A ordinary shares of €1.269738 each and 674,900 ordinary shares of €1.269738 each. Its issued share capital is €730,226.3238 divided into 100 A ordinary shares of €1.269738 each and 575,000 ordinary shares of €1.269738 each.

The objects and purposes of Cheshunt Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of a holding company and to guarantee, grant indemnities in respect of, enter into any suretyship or joint obligation, or otherwise support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company.

## **Administrative, Management and Supervisory Bodies**

The directors of Cheshunt Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Colin O'Donovan | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Cheshunt Limited of the directors referred to above and their private interests and/or other duties.

## **8. CORK BUILDERS PROVIDERS LIMITED**

### **Introduction**

Cork Builders Providers Limited was incorporated as a private limited company in Ireland on 2 February 1990 with registered number 154463 and operates under the Companies Acts 1963 – 2012. It has its principal place of business at Westlink, Togher, Co. Cork and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 214 961700.

Cork Builders Providers Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Heiton Group plc. Its principal activity is that of builders providers.

Cork Builders Providers Limited has an authorised share capital of €1,270,000 divided into 1,000,000 ordinary shares of €1.27 each. Its issued share capital is €171,450 divided into 135,000 ordinary shares of €1.27 each.

The objects and purposes of Cork Builders Providers Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of building and general contractors and to borrow or raise or secure the payment of money in connection with the company's business.

### **Administrative, Management and Supervisory Bodies**

The directors of Cork Builders Providers Limited are as follows:

| <b>Name</b>      | <b>Position</b> |
|------------------|-----------------|
| Colm Ó Nualláin  | Director        |
| Daniel Twomey    | Director        |
| Edward Kelly     | Director        |
| Bernard McCarthy | Director        |
| Charles Rinn     | Director        |

The business address of Daniel Twomey and Bernard McCarthy is Westlink, Togher, Co. Cork, the business address of Edward Kelly is Ashfield, Naas Road, Clondalkin, Dublin 22 and the business address of the remaining directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Cork Builders Providers Limited of the directors referred to above and their private interests and/or other duties.

## **9. C.P.I. LIMITED**

### **Introduction**

C.P.I. Limited was incorporated as a private limited company in Ireland on 19 December 1980 with registered number 79618 and operates under the Companies Acts 1963 – 2012. It has its principal place of business at Laraghcon, Lucan, Co. Dublin and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 6302500.

C.P.I. Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Titanium Limited. Its principal activity was that of manufacturing concrete products.

C.P.I. Limited has an authorised share capital of €1,269.738 divided into 1,000 ordinary shares of €1.269738 each. Its issued share capital is €1,269.738 divided into 1,000 ordinary shares of €1.269738 each.

The objects and purposes of C.P.I. Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on all or any of the businesses of manufacturers of and dealers and workers of tiles, bricks, pipes, pottery or earthenware or all kinds and to guarantee, grant indemnities in respect of, enter into any suretyship or joint obligation, or otherwise support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company.

### **Administrative, Management and Supervisory Bodies**

The directors of C.P.I. Limited are as follows:

| <b>Name</b>        | <b>Position</b>    |
|--------------------|--------------------|
| Brian O'Hara       | Alternate Director |
| Gavin Slark        | Director           |
| Anthony O'Sullivan | Director           |

The business address of Anthony O'Sullivan is Laraghcon, Lucan, Co. Dublin and the business address of the remaining directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to C.P.I. Limited of the directors referred to above and their private interests and/or other duties.

## **10. DAVIES LIMITED**

### **Introduction**

Davies Limited was incorporated as a private limited company in Ireland on 9 January 1995 with registered number 227018 and operates under the Companies Acts 1963 – 2012. It has its principal place of business at 150 Harmonstown Road, Raheny, Dublin 5 and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 85 11 700.

Davies Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Chadwicks Holdings Limited. Its principal activity is that of a plumbing and heating supplier.

Davies Limited has an authorised share capital of €200,000 divided into 100,000 ordinary shares of €2.00 each. Its issued share capital is €200 divided into 100 ordinary shares of €2 each.

The objects and purposes of Davies Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of manufacturers, importers, exporters, wholesalers, retailer, jobbers, producers, buyers and sellers and dealers and traders in sanitary wares, apparatus, appliances and equipment of all kinds and to give credit or to become surety or guarantor for any person or company.

### **Administrative, Management and Supervisory Bodies**

The directors of Davies Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Charles Rinn    | Director        |
| Edward Kelly    | Director        |
| Gerard Tobin    | Director        |
| Colin O'Donovan | Director        |
| Brian O'Hara    | Director        |

The business address of Gerard Tobin is 150 Harmonstown Road, Raheny, Dublin 5, the business address of Edward Kelly is Ashfield, Naas Road, Clondalkin, Dublin 22 and the business address of the remaining directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Davies Limited of the directors referred to above and their private interests and/or other duties.

## **11. EDDIE'S HARDWARE LIMITED**

### **Introduction**

Eddie's Hardware Limited was incorporated as a private limited company in Ireland on 13 September 1989 with registered number 149337 and operates under the Companies Acts 1963 – 2012. It has its principal place of business at Ashfield, Naas Road, Clondalkin, Dublin 22 and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 403 4000.

Eddie's Hardware Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Merchanting ROI Limited. Its principal activity is that of hardware retail and wholesale.

Eddie's Hardware Limited has an authorised share capital of €1,269,738 divided into 1,000,000 ordinary shares of €1.269738 each. Its issued share capital is €2.539476 divided into 2 ordinary shares of €1.269738 each.

The objects and purposes of Eddie's Hardware Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of general wholesale and retail merchants or manufacturers and to give guarantees, indemnities, counter indemnities and all manner of assurances against loss in respect of all or any of the debts, obligations and liabilities of any person, firm or occupation.

### **Administrative, Management and Supervisory Bodies**

The directors of Eddie's Hardware Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Edward Kelly    | Director        |
| Colin O'Donovan | Director        |
| Brian O'Hara    | Director        |

The business address of Edward Kelly is Ashfield, Naas Road, Clondalkin, Dublin 22 and the business address of the remaining directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Eddie's Hardware Limited of the directors referred to above and their private interests and/or other duties.

## **12. F. & T. BUCKLEY (HOLDINGS) LIMITED**

### **Introduction**

F. & T. Buckley (Holdings) Limited was incorporated as a private limited company in Ireland on 28 March 1973 with registered number 41114 and operates under the Companies Acts 1963 - 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

F. & T. Buckley (Holdings) Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Heiton Group plc. Its principal activity is that of an investment holding company.

F. & T. Buckley (Holdings) Limited has an authorised share capital of €2,540,000 divided into 2,000,000 ordinary shares of €1.27 each. Its issued share capital is €2,393,950 divided into 1,885,000 ordinary shares of €1.27 each.

The objects and purposes of F. & T. Buckley (Holdings) Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of an investment company and to pay and discharge and give guarantees, indemnities, counter indemnities and all manner of assurances against loss in respect of all or any of the debts, obligations and liabilities of any person, firm or occupation.

### **Administrative, Management and Supervisory Bodies**

The directors of F. & T. Buckley (Holdings) Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Edward Kelly    | Director        |

The business address of Edward Kelly is Ashfield, Naas Road, Clondalkin, Dublin 22 and the business address of Colm Ó Nualláin is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to F. & T. Buckley (Holdings) Limited of the directors referred to above and their private interests and/or other duties.

## **13. FRANK BARRETT & SONS LIMITED**

### **Introduction**

Frank Barrett & Sons Limited was incorporated as a private limited company in Ireland on 27 September 1977 with registered number 60021 and operates under the Companies Acts 1963 - 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Frank Barrett & Sons Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Heiton Group plc. Its principal activity is that of a property holding company.

Frank Barrett & Sons Limited has an authorised share capital of €100,000 divided into 50,000 ordinary shares of €2.00 each. Its issued share capital is €2,000 divided into 1,000 ordinary shares of €2.00 each.

The objects and purposes of Frank Barrett & Sons Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of hardware merchants and builders providers and to guarantee, support or secure, whether by personal covenant or by mortgaging or charging any part of the undertaking, property and assets, and uncalled capital of the company the performance of the obligations of the principal amounts and interest of any person, firm or company.

### **Administrative, Management and Supervisory Bodies**

The directors of Frank Barrett & Sons Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Charles Rinn    | Director        |
| Colin O'Donovan | Director        |
| Brian O'Hara    | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Frank Barrett & Sons Limited of the directors referred to above and their private interests and/or duties.

## **14. GARVEY BUILDERS PROVIDERS LIMITED**

### **Introduction**

Garvey Builders Providers Limited was incorporated as a private limited company in Ireland on 20 October 2005 with registered number 409707 and operates under the Companies Acts 1963 – 2012. It has its principal place of business at Ashfield, Naas Road, Clondalkin, Dublin 22 and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 403 4000.

Garvey Builders Providers Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Chadwicks Holdings Limited. Its principal activity is that of a builders providers and a retailer of hardware products.

Garvey Builders Providers Limited has an authorised share capital of €10,000,000 divided into 10,000,000 ordinary shares of €1.00 each. Its issued share capital is €300,001 divided into 300,001 ordinary shares of €1.00 each.

The objects and purposes of Garvey Builders Providers Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business as importers, exporters, manufacturers, agents and dealers in all classes and kinds of building materials and to guarantee, grant indemnities in respect of, support or secure, whether by personal covenant or by mortgaging or charging any part of the undertaking, property and assets, and uncalled capital of the company the performance of the obligations of the principal amounts and interest of any person, firm or company.

### **Administrative, Management and Supervisory Bodies**

The directors of Garvey Builders Providers Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Charles Rinn    | Director        |
| Edward Kelly    | Director        |

The business address of Edward Kelly is Ashfield, Naas Road, Clondalkin, Dublin 22 and the business address of the remaining directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Garvey Builders Providers Limited of the directors referred to above and their private interests and/or other duties.

## 15. HEATOVENT IRELAND LIMITED

### Introduction

Heatovent Ireland Limited was incorporated as a private limited company in Ireland on 28 March 1991 with registered number 171908 and operates under the Companies Acts 1963 – 2012. It has its principal place of business at Ashfield, Naas Road, Clondalkin, Dublin 22 and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 403 4000.

Heatovent Ireland Limited is a wholly owned subsidiary of the Parent Guarantor. Its principal activity is that of selling plumbing products to plumbing merchants and mechanical contractors.

Heatovent Ireland Limited has an authorised share capital of €1,269.738 divided into 1,000 ordinary shares of €1.269738 each. Its issued share capital is €2.539476 divided into 2 ordinary shares of €1.269738 each.

The objects and purposes of Heatovent Ireland Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to participate in commercial undertakings and businesses of all kinds and to guarantee, support or secure, whether by personal covenant or by mortgaging or charging any part of the undertaking, property and assets, and uncalled capital of the company the performance of the obligations of the principal amounts and interest of any person, firm or company.

### Administrative, Management and Supervisory Bodies

The directors of Heatovent Ireland Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Albert Treacy   | Director        |
| Brian O'Hara    | Director        |
| Colin O'Donovan | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Heatovent Ireland Limited of the directors referred to above and their private interests and/or other duties.

## 16. GRAFTON MERCHANTING ROI LIMITED

### Introduction

Grafton Merchanting ROI Limited was incorporated as a private limited company in Ireland on 31 December 1909 under the Companies (Consolidation) Act 1908 with registered number 3510 and operates under the Companies Act 1963 - 2012. Its principal place of business is at Ashfield, Naas Road, Clondalkin, Dublin 22 and its registered office is at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 4034000.

Grafton Merchanting ROI Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Heiton Group plc. Its principal activity is as a builders merchants and steel stockholders.

Grafton Merchanting ROI Limited has an authorised share capital of €381,000 divided into 300,000 ordinary shares of €1.27. Its issued share capital consists of €317,500.00 divided into 250,000 ordinary shares of €1.27 each.

The objects and purposes of Grafton Merchanting ROI Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on the business of builders merchants and to borrow or raise or secure the payment of money in such manner as the company may see fit.

### **Administrative, Management and Supervisory Bodies**

The directors of Grafton Merchanting ROI Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Philip Boyle    | Director        |
| Edward Kelly    | Director        |
| Colm Ó Nualláin | Director        |
| Gerard Tobin    | Director        |
| Gavin Slark     | Director        |
| Kieran Burke    | Director        |
| John Regan      | Director        |
| Charles Rinn    | Director        |
| Daniel Twomey   | Director        |

The business address of each of Colm Ó Nualláin, Charles Rinn and Gavin Slark is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of each of Philip Boyle, Edward Kelly, Kieran Burke, and John Regan is Ashfield, Naas Road, Clondalkin, Dublin 22. The business address of Daniel Twomey is Westlink, Togher, Co. Cork. The business address of Gerard Tobin is 150 Harmonstown Road, Raheny, Dublin 5.

There are no potential conflicts of interests between any duties to Grafton Merchanting ROI Limited of the directors referred to above and their private interests and/or other duties.

## **17. HEITON GROUP PLC**

### **Introduction**

Heiton Group plc was incorporated as a public limited company in Ireland on 14 May 1896 under the Companies Acts 1862 - 1890 with registered number 1945 and operates under the Companies Act 1963 - 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Heiton Group plc is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding companies of Grafton Group Holdings Limited and Weeksbury Limited. Its principal activity is that of a holding company.

Heiton Group plc has an authorised share capital of €19,428,600 divided into 60,000,000 ordinary shares of €0.32 each and 180,000 6% cumulative preference shares of €1.27 each. Its issued share capital is €16,574,812.56 divided into 51,419,004 ordinary shares of €0.32 each and 95,064 6% cumulative preference shares of €1.27 each.

The objects and purposes of Heiton Group plc are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on the business of an investment, estate and trust company and to borrow or raise or secure the payment of money in such manner as the company may see fit.

## **Administrative, Management and Supervisory Bodies**

The directors of Heiton Group plc are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Edward Kelly    | Director        |
| Charles Rinn    | Director        |

The business address of Edward Kelly is Ashfield, Naas Road, Clondalkin, Dublin 22 and the business address of the remaining directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Heiton Group plc of the directors referred to above and their private interests and/or other duties.

## **18. J.E. TELFORD LIMITED**

### **Introduction**

J.E. Telford Limited was incorporated as a private limited company in Ireland on 15 September 1977 with registered number 59915 and operates under the Companies Acts 1963 - 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

J.E. Telford Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding companies Chadwicks Holdings Limited and Telford Group Limited. The company is dormant.

J.E. Telford Limited has an authorised share capital of €63,486.90.00 divided into 50,000 ordinary shares of €1.269738. Its issued share capital is €7.618428 divided into 6 ordinary shares of €1.269738 each.

The objects and purposes of J.E. Telford Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of general merchants and to give guarantees, indemnities, counter indemnities and all manner of assurances against loss in respect of all or any of the debts, obligations and liabilities of any person, firm or occupation.

## **Administrative, Management and Supervisory Bodies**

The directors of J.E. Telford Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Brian O'Hara    | Director        |
| Colm Ó Nualláin | Director        |
| Colin O'Donovan | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to J.E. Telford Limited of the directors referred to above and their private interests and/or other duties.

## 19. JARKIN PROPERTIES LIMITED

### Introduction

Jarkin Properties Limited was incorporated as a private limited company in Ireland on 18 October 2006 with registered number 428190 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Jarkin Properties Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Weeksbury Limited. Its principal activity is that of a property company.

Jarkin Properties Limited has an authorised share capital of €1,000,000.00 divided into 1,000,000 ordinary shares of €1.00 each. Its issued share capital is €1.00 divided into 1 ordinary share of €1.00 each.

The objects and purposes of Jarkin Properties Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of property management and property investment and to secure the payment of money or other performance of financial obligations in such manner as the company shall think fit.

### Administrative, Management and Supervisory Bodies

The directors of Jarkin Properties Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Charles Rinn    | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Jarkin Properties Limited of the directors referred to above and their private interests and/or other duties.

## 20. KNOTTINGLEY LIMITED

### Introduction

Knottingley Limited was incorporated as a private limited company in Ireland on 12 August 1987 with registered number 124429 and operates under the Companies Acts 1963 - 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Knottingley Limited is a wholly owned subsidiary of the Parent Guarantor. Its principal activity is that of a property holding company.

Knottingley Limited has an authorised share capital of €1,269.738 divided into 1,000 ordinary shares of €1.269738 each. Its issued share capital is €2.539476 divided into 2 ordinary shares of €1.269738 each.

The objects and purposes of Knottingley Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to deal with property of all kinds, and in particular, lands, buildings, concessions and patents and to secure the payment of money or other performance of financial obligations in such manner as the company shall think fit.

### **Administrative, Management and Supervisory Bodies**

The directors of Knottingley Limited are as follows:

| <b>Name</b>     | <b>Position</b>    |
|-----------------|--------------------|
| Colm Ó Nualláin | Director           |
| Brian O'Hara    | Alternate Director |
| Colin O'Donovan | Director           |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Knottingley Limited of the directors referred to above and their private interests and/or other duties.

## **21. LACOMBE PROPERTIES LIMITED**

### **Introduction**

Lacombe Properties Limited was incorporated as a private limited company in Ireland on 18 October 2006 with registered number 428221 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Lacombe Properties Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Weeksbury Limited. Its principal activity is that of a property company.

Lacombe Properties Limited has an authorised share capital of €1,000,000.00 divided into 1,000,000 ordinary shares of €1.00 each. Its issued share capital is €1.00 divided into 1 ordinary share of €1.00.

The objects and purposes of Lacombe Properties Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of property management and property investment and to secure the payment of money or other performance of financial obligations in such manner as the company shall think fit.

### **Administrative, Management and Supervisory Bodies**

The directors of Lacombe Properties Limited are as follows:

| <b>Name</b>     | <b>Position</b>    |
|-----------------|--------------------|
| Brian O'Hara    | Alternate Director |
| Colm Ó Nualláin | Director           |
| Charles Rinn    | Director           |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Lacombe Properties Limited of the directors referred to above and their private interests and/or other duties.

## 22. MARKET HARDWARE LIMITED

### Introduction

Market Hardware Limited was incorporated as a private limited company in Ireland on 5 April 2007 with registered number 437554 and operates under the Companies Acts 1963 – 2012. It has its principal place of business at Ashfield, Naas Road, Clondalkin, Dublin 22 and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 403 4000.

Market Hardware Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Merchanting ROI Limited. Its principal activity is that of a builders providers and a retailer of hardware products.

Market Hardware Limited has an authorised share capital of €1,010,000.00 divided into 1,010,000 ordinary shares of €1.00. Its issued share capital is €10,002.00 divided into 10,002 ordinary shares of €1.00 each.

The objects and purposes of Market Hardware Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on all or any of the businesses of general hardware merchants and to borrow, raise or secure the payment of money in such a way as the company may see fit.

### Administrative, Management and Supervisory Bodies

The directors of Market Hardware Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Edward Kelly    | Director        |
| Colin O'Donovan | Director        |

The business address of each of Colm Ó Nualláin, Colin O'Donovan and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Edward Kelly is Ashfield, Naas Road, Clondalkin, Dublin 22.

There are no potential conflicts of interests between any duties to Market Hardware Limited of the directors referred to above and their private interests and/or other duties.

## 23. MFP PLASTICS LIMITED

### Introduction

MFP Plastics Limited was incorporated as a private limited company in Ireland on 27 February 1967 with registered number 24686 and operates under the Companies Acts 1963 - 2012. It has its principal place of business at Laraghcon, Lucan, Co. Dublin and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 6302 500.

MFP Plastics Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company of Cheshunt Limited. Its principal activity is that of the manufacture of drainage and roofline UPVC products.

MFP Plastics Limited has an authorised share capital of €317,434.50 divided into 250,000 ordinary shares of €1.269738 each. Its issued share capital is €317,434.50 divided into 250,000 ordinary shares of €1.269738 each.

The objects and purposes of MFP Plastics Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on all or any of the businesses of manufacturers, processors, importers, exporters, distributors, purchasers, sellers or dealers of and in plastics substances goods and products of all kinds, and to guarantee, grant indemnities in respect of, enter into any suretyship or joint obligation, or otherwise support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company.

#### **Administrative, Management and Supervisory Bodies**

The directors of MFP Plastics Limited are as follows:

| <b>Name</b>        | <b>Position</b> |
|--------------------|-----------------|
| Anthony O'Sullivan | Director        |
| Damien Fallon      | Director        |

The business address of each of the directors is Laraghcon, Lucan, Co. Dublin.

There are no potential conflicts of interests between any duties to MFP Plastics Limited of the directors referred to above and their private interests and/or other duties.

## **24. MFP SALES LIMITED**

### **Introduction**

MFP Sales Limited was incorporated as a private limited company in Ireland on 27 February 1967 with registered number 24685 and operates under the Companies Acts 1963 - 2012. It has its principal place of business at Laraghcon, Lucan, Co. Dublin and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 6302 500.

MFP Sales Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company of Cheshunt Limited. Its principal activity is that of plumbing distributors.

MFP Sales Limited has an authorised share capital of €126,973.80 divided into 100,000 ordinary shares of €1.269738 each. Its issued share capital is €126,973.80 divided into 100,000 ordinary shares of €1.269738 each.

The objects and purposes of MFP Sales Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to buy, hire or otherwise acquire or dispose of things of all kinds required for or in connection with building, and to guarantee, grant indemnities in respect of, enter into any suretyship or joint obligation, or otherwise support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company.

#### **Administrative, Management and Supervisory Bodies**

The directors of MFP Sales Limited are as follows:

| <b>Name</b>        | <b>Position</b> |
|--------------------|-----------------|
| Anthony O'Sullivan | Director        |
| Damien Fallon      | Director        |
| Colm Ó Nualláin    | Director        |
| Peadar Kearins     | Director        |

The business address of Colm Ó Nualláin is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and the business address of the remaining directors is Laraghcon, Lucan, Co. Dublin.

There are no potential conflicts of interests between any duties to MFP Sales Limited of the directors referred to above and their private interests and/or other duties.

## **25. PADDY POWER (KILBARRY) LIMITED**

### **Introduction**

Paddy Power (Kilbarry) Limited was incorporated as a private limited company in Ireland on 19 December 2003 with registered number 379753 and operates under the Companies Acts 1963 – 2012. It has its principal place of business at Ashfield, Naas Road, Clondalkin, Dublin 22 and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 403 4000.

Paddy Power (Kilbarry) Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Heiton Group plc. Its principal activity is trading of plumbing and heating supplies.

Paddy Power (Kilbarry) Limited has an authorised share capital of €100,000.00 divided into 100,000 ordinary shares of €1.00 each. Its issued share capital is €180.00 divided into 180 ordinary shares of €1.00 each.

The objects and purposes of Paddy Power (Kilbarry) Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on business as builders providers and to give guarantees, indemnities, counter indemnities and all manner of assurances against loss in respect of all or any of the debts, obligations and liabilities of any person, firm or occupation.

### **Administrative, Management and Supervisory Bodies**

The directors of Paddy Power (Kilbarry) Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Edward Kelly    | Director        |

The business address of each of Colm Ó Nualláin and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Edward Kelly is Ashfield, Naas Road, Clondalkin, Dublin 22.

There are no potential conflicts of interests between any duties to Paddy Power (Kilbarry) Limited of the directors referred to above and their private interests and/or other duties.

## **26. PANELLING CENTRE LIMITED**

### **Introduction**

Panelling Centre Limited was incorporated as a private limited company in Ireland on 13 November 1973 with registered number 44809 and operates under the Companies Acts 1963 – 2012. Its principal place of business is at Furry Park, Swords Road, Santry, Dublin 9 and its registered office is at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 884 1111.

Panelling Centre Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Heiton Group plc. Its principal activity is wholesale and retail of wood and kitchens and other products.

Panelling Centre Limited has an authorised share capital of €12,700.00 divided into 10,000 ordinary shares of €1.27 each. Its issued share capital is €4,733.29 divided into 3,727 ordinary shares of €1.27 each.

The objects and purposes of Panelling Centre Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of retailers, assemblers, manufacturers, importers and exporters of kitchen units and to guarantee, support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property, and assets and uncalled capital of the company the performance of the obligations of and the repayment of the principal amounts and interest of any person, firm or company.

### **Administrative, Management and Supervisory Bodies**

The directors of Panelling Centre Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Charles Rinn    | Director        |
| Gavin Slark     | Director        |
| Mark Patterson  | Director        |
| Colin O'Donovan | Director        |
| Brian O'Hara    | Director        |

The business addresses of each of Colm Ó Nualláin, Charles Rinn, Brian O'Hara, Colin O'Donovan and Gavin Slark and is Heron House, Corrig Road, Sandymount Industrial Estate, Dublin 18. The business address of Mark Patterson is Furry Park, Swords Road, Santry, Dublin 9.

There are no potential conflicts of interests between any duties to Panelling Centre Limited of the directors referred to above and their private interests and/or other duties.

## **27. POWLETT PROPERTIES LIMITED**

### **Introduction**

Powlett Properties Limited was incorporated as a private limited company in Ireland on 18 October 2006 with registered number 428220 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandymount Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Powlett Properties Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Weeksbury Limited. Its principal activity is that of a property company.

Powlett Properties Limited has an authorised share capital of €1,000,000.00 divided into 1,000,000 ordinary shares of €1.00 each. Its issued share capital is €1.00 divided into 1 ordinary share of €1.00.

The objects and purposes of Powlett Properties Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of property management and property investment and to secure the payment of money or other performance of financial obligations in such manner as the company shall think fit.

### **Administrative, Management and Supervisory Bodies**

The directors of Powlett Properties Limited are as follows:

| <b>Name</b>     | <b>Position</b>    |
|-----------------|--------------------|
| Brian O'Hara    | Alternate Director |
| Colm Ó Nualláin | Director           |
| Charles Rinn    | Director           |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Powlett Properties Limited of the directors referred to above and their private interests and/or other duties.

## **28. RESADALE PROPERTIES LIMITED**

### **Introduction**

Resadale Properties Limited was incorporated as a private limited company in Ireland on 18 October 2006 with registered number 428223 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Resadale Properties Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Weeksbury Limited. Its principal activity is that of a property company.

Resadale Properties Limited has an authorised share capital of €1,000,000.00 divided into 1,000,000 ordinary shares of €1.00 each. Its issued share capital is €1.00 divided into 1 ordinary share of €1.00.

The objects and purposes of Resadale Properties Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of property management and property investment and to secure the payment of money or other performance of financial obligations in such manner as the company shall think fit.

### **Administrative, Management and Supervisory Bodies**

The directors of Resadale Properties Limited are as follows:

| <b>Name</b>     | <b>Position</b>    |
|-----------------|--------------------|
| Charles Rinn    | Director           |
| Colm Ó Nualláin | Director           |
| Brian O'Hara    | Alternate Director |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Resadale Properties Limited of the directors referred to above and their private interests and/or other duties.

## **29. SAM HIRE HOLDINGS LIMITED**

### **Introduction**

Sam Hire Holdings Limited was incorporated as a private limited company in Ireland on 24 April 1979 with registered number 68315 and operates under the Companies Acts 1963 - 2012. Its principal place of business is at Ashfield, Naas Road, Clondalkin, Dublin 22 and its registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 403 4000.

Sam Hire Holdings Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Heiton Group plc. Its principal activity is as an investment holding and an investment property company.

Sam Hire Holdings Limited has an authorised share capital of €317,500.00 divided into 250,000 ordinary shares of €1.27 each. Its issued share capital is €176,333.15 divided into 138,845 ordinary shares of €1.27 each.

The objects and purposes of Sam Hire Holdings Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of an investment company and to secure or guarantee by mortgage, charge or otherwise the performance and discharge of any contract, obligation or liability of a company or of any person or corporation with whom or which the company has dealings or having a business or undertaking in which the company is concerned or interested whether directly or indirectly.

### **Administrative, Management and Supervisory Bodies**

The directors of Sam Hire Holdings Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Edward Kelly    | Director        |
| Colm Ó Nualláin | Director        |

The business address of Colm Ó Nualláin is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Edward Kelly is Ashfield, Naas Road, Clondalkin, Dublin 22.

There are no potential conflicts of interests between any duties to Sam Hire Holdings Limited of the directors referred to above and their private interests and/or other duties.

## **30. SAM HIRE LIMITED**

### **Introduction**

Sam Hire Limited was incorporated as a private limited company in Ireland on 26 July 1983 with registered number 95964 and operates under the Companies Acts 1963 – 2012. Its principal place of business is at Ashfield, Naas Road, Clondalkin, Dublin 22 and its registered office is at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 4034000.

Sam Hire Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Sam Hire Holdings Limited. Its principal activity is the hiring of plant and equipment.

Sam Hire Limited has an authorised share capital of €1,270.00 divided into 1,000 ordinary shares of €1.27 each. Its issued share capital consists of €2.54 divided into 2 ordinary shares of €1.27 each.

The objects and purposes of Sam Hire Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business as hirers for equipment of every description, and to secure or guarantee by mortgage, charge or otherwise the performance and discharge of any contract, obligation or liability of a company or of any person or corporation with whom or which the company has dealings or having a business or undertaking in which the company is concerned or interested whether directly or indirectly.

### **Administrative, Management and Supervisory Bodies**

The directors of Sam Hire Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Edward Kelly    | Director        |
| Colm Ó Nualláin | Director        |
| Charles Rinn    | Director        |

The business address of each of Colm Ó Nualláin and Charles Rinn is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Edward Kelly is Ashfield, Naas Road, Clondalkin, Dublin 22.

There are no potential conflicts of interests between any duties to Sam Hire Limited of the directors referred to above and their private interests and/or other duties.

## **31. STETTLER PROPERTIES LIMITED**

### **Introduction**

Stettler Properties Limited was incorporated as a private limited company in Ireland on 18 October 2006 with registered number 428222 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Stettler Properties Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Weeksbury Limited. Its principal activity is that of a property company.

Stettler Properties Limited has an authorised share capital of €1,000,000.00 divided into 1,000,000 ordinary shares of €1.00 each. Its issued share capital is €1.00 divided into 1 ordinary share of €1.00.

The objects and purposes of Stettler Properties Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of property management and property investment and to secure the payment of money or other performance of financial obligations in such manner as the company shall think fit.

### **Administrative, Management and Supervisory Bodies**

The directors of Stettler Properties Limited are as follows:

| <b>Name</b>     | <b>Position</b>    |
|-----------------|--------------------|
| Charles Rinn    | Director           |
| Colm Ó Nualláin | Director           |
| Brian O'Hara    | Alternate Director |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Stettler Properties Limited of the directors referred to above and their private interests and/or other duties.

## **32. TELFORDS (ATHY) LIMITED**

### **Introduction**

Telfords (Athy) Limited was incorporated as a private limited company in Ireland on 06 March 1998 with registered number 281465 and operates under the Companies Acts 1963 – 2012. It has its principal place of business at Ashfield, Naas Road, Clondalkin, Dublin 22 and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 403 4000.

Telfords (Athy) Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Telfords Group Limited. The company is dormant.

Telfords (Athy) Limited has an authorised share capital of €1,296,738.00 divided into 1,000,000 ordinary shares of €1.269738 each. Its issued share capital is €126.9738 divided into 100 ordinary shares of €1.269738 each.

The objects and purposes of Telfords (Athy) Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of retailers of all classes of goods and merchandise, and to secure or guarantee by mortgage, charge or otherwise the performance and discharge of any contract, obligation or liability of a company or of any person or corporation with whom or which the company has dealings or having a business or undertaking in which the company is concerned or interested whether directly or indirectly.

### **Administrative, Management and Supervisory Bodies**

The directors of Telfords (Athy) Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Brian O'Hara    | Director        |
| Colm Ó Nualláin | Director        |
| Colin O'Donovan | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Telfords (Athy) Limited of the directors referred to above and their private interests and/or other duties.

## **33. TELFORD'S (PORTLAOISE) LIMITED**

### **Introduction**

Telford's (Portlaoise) Limited was incorporated as a private limited company in Ireland on 30 January 1992 with registered number 183914 and operates under the Companies Acts 1963 – 2012. It has its principal place of business at Clonminam Business Park, Portlaoise, Co. Laois and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 57 8672700.

Telford's (Portlaoise) Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company of Telford Group Limited. Its principal activity is that of wholesale and retail of hardware, building materials, coal and fuel.

Telford's (Portlaoise) Limited has an authorised share capital of €761,844.00 divided into 100,000 deferred convertible redeemable ordinary shares of €1.26974 each and 500,000

ordinary shares of €1.26974 each. Its issued share capital is €1,564.31968 divided into 157 deferred convertible redeemable ordinary shares of €1.26974 each and 1,075 ordinary shares of €1.26974 each.

The objects and purposes of Telford's (Portlaoise) Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of general merchants and to borrow or raise or secure the payment of money for the purpose of or in connection with the company's business.

#### **Administrative, Management and Supervisory Bodies**

The directors of Telford's (Portlaoise) Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Charles Rinn    | Director        |
| Liam McEvoy     | Director        |
| Colin O'Donovan | Director        |

The business of Liam McEvoy is Clonminam Business Park, Portlaoise, Co. Laois. The business address of Colm Ó Nualláin, Charles Rinn and Colin O'Donovan is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Telford's (Portlaoise) Limited of the directors referred to above and their private interests and/or other duties.

### **34. TIMBER FRAME LIMITED**

#### **Introduction**

Timber Frame Limited was incorporated as a private limited company in Ireland on 27 June 1978 with registered number 63246 and operates under the Companies Acts 1963 - 2012. Its principal place of business is at Ashfield, Naas Road, Clondalkin, Dublin 22 and its registered office is at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 4034000.

Timber Frame Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Heiton Group plc. Its principal activity is the manufacture of steel and timber products.

Timber Frame Limited has an authorised share capital of €63,500.00 divided into 50,000 ordinary shares of €1.27 each. Its issued share capital is €2.54 divided into 2 ordinary shares of €1.27 each.

The objects and purposes of Timber Frame Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of manufacturers or dealers in building materials and to give guarantees, indemnities, counter indemnities and all manner of assurances against loss in respect of all or any of the debts, obligations and liabilities of any person, firm or occupation.

#### **Administrative, Management and Supervisory Bodies**

The directors of Timber Frame Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Brian O'Hara    | Director        |
| Colm Ó Nualláin | Director        |
| Colin O'Donovan | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Timber Frame Limited of the directors referred to above and their private interests and/or other duties.

### **35. TISKA LIMITED**

#### **Introduction**

Tiska Limited was incorporated as a private limited company in Ireland on 13 October 1998 with registered number 294661 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Tiska Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the parent company and the intermediate holding company Rock Brook Netherlands BV. Its principal activity is that of a property company.

Tiska Limited has an authorised share capital of €25,000,000.00 divided into 5,000,000 A ordinary shares of €1.00 each and 20,000,000 ordinary shares of €1.00 each. Its issued share capital is €52,633.00 divided into 2,631 A ordinary shares of €1.00 each and 50,002 ordinary shares of €1.00 each.

The objects and purposes of Tiska Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to purchase for investment, property of any tenure, and to raise or borrow or secure the payment of money in such manner and in such terms as the directors may deem expedient.

#### **Administrative, Management and Supervisory Bodies**

The directors of Tiska Limited are as follows:

| <b>Name</b>      | <b>Position</b> |
|------------------|-----------------|
| Brian O'Hara     | Director        |
| Colm Ó Nualláin  | Director        |
| Colin O' Donovan | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Tiska Limited of the directors referred to above and their private interests and/or other duties.

### **36. TITANIUM LIMITED**

#### **Introduction**

Titanium Limited was incorporated as a private limited company in Ireland on 21 January 1993 with registered number 198085 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Titanium Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the parent company. Its principal activity is that of an investment holding company.

Titanium Limited has an authorised share capital of €128,243.538 divided into 101,000 ordinary shares of €1.269738 each. Its issued share capital consists of €1,272.277476 divided into 1,002 ordinary shares of €1.269738 each.

The objects and purposes of Titanium Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of a holding company and to guarantee, grant indemnities in respect of, enter into any suretyship or joint obligation, or otherwise support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company.

#### **Administrative, Management and Supervisory Bodies**

The directors of Titanium Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Colin O'Donovan | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Titanium Limited of the directors referred to above and their private interests and/or other duties.

### **37. TOPEZ LIMITED**

#### **Introduction**

Topez Limited was incorporated as a private limited company in Ireland on 10 June 1999 with registered number 307671 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 216 06 00.

Topez Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Denningco Limited. Its principal activity is that of a property company.

Topez Limited has an authorised share capital of €100,000.00 divided into 100,000 ordinary shares of €1.00 each. Its issued share capital is €2.00 divided into 2 ordinary shares of €1.00 each.

The objects and purposes of Topez Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of a property company and to guarantee, grant indemnities in respect of, enter into any suretyship or joint obligation, or otherwise support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company.

#### **Administrative, Management and Supervisory Bodies**

The directors of Topez Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Charles Rinn    | Director        |
| Gavin Slark     | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Topez Limited of the directors referred to above and their private interests and/or other duties.

### **38. UNIVERSAL PROVIDERS LIMITED**

#### **Introduction**

Universal Providers Limited was incorporated as a private limited company in Ireland on 10 May 1999 with registered number 306426 and operates under the Companies Acts 1963 – 2012. It has its principal place of business at Ashfield, Naas Road, Clondalkin, Dublin 22 and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 403 4000.

Universal Providers Limited is a wholly owned subsidiary of the Parent Guarantor. Its principal activity is a mix of builders' merchants and DIY retail.

Universal Providers Limited has an authorised share capital of €126,973.80 divided into 100,000 ordinary shares of €1.269738 each. Its issued share capital is €126.9738 divided into 100 ordinary shares of €1.269738 each.

The objects and purposes of Universal Providers Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of builders merchants and to guarantee, support or secure whether by personal covenant (including any indemnity) or by mortgaging or charging any part of the undertaking, property or assets and uncalled capital of the company the indebtedness or obligations of any person, firm or company.

#### **Administrative, Management and Supervisory Bodies**

The directors of Universal Providers Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Colin O'Donovan | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Universal Providers Limited of the directors referred to above and their private interests and/or other duties.

### **39. WEEKSBURY LIMITED**

#### **Introduction**

Weeksbury Limited was incorporated as a private limited company in Ireland on 11 December 1992 with registered number 196753 and operates under the Companies Acts 1963 – 2012. It has its principal place of business and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 2160600.

Weeksbury Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company of Chadwicks Holdings Limited. Its principal activity is that of an investment holding company.

Weeksbury Limited has an authorised share capital of €253,947.60 divided into 100 A ordinary shares of €1.269738 each and 199,900 ordinary shares of €1.269738 each. Its issued share capital is €127,100.7738 divided into 100 A ordinary shares of €1.269738 each and 100,000 ordinary shares of €1.269738 each.

The objects and purposes of Weeksbury Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of a holding company and to guarantee, grant indemnities in respect of, enter into any suretyship or joint obligation, or otherwise support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company.

#### **Administrative, Management and Supervisory Bodies**

The directors of Weeksbury Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Charles Rinn    | Director        |
| Colm Ó Nualláin | Director        |
| Colin O'Donovan | Director        |
| Brian O'Hara    | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Weeksbury Limited of the directors referred to above and their private interests and/or other duties.

#### **40. WOODIE'S D.I.Y. LIMITED**

##### **Introduction**

Woodie's D.I.Y. Limited was incorporated as a private limited company in Ireland on 29 April 1982 with registered number 88957 and operates under the Companies Acts 1963 – 2012. Its principal place of business is at Arena, Whitestown Way, Tallaght Bypass, Tallaght, Dublin 24 and its registered office is at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 452 1353.

Woodie's D.I.Y. Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Chadwicks Holdings Limited. Its principal activity is the retail of DIY, furniture, garden and homecare products.

Woodie's D.I.Y. Limited has an authorised share capital of €6,348.69 divided into 5,000 ordinary shares of €1.269738 each. Its issued share capital consists of €2.539476 divided into 2 ordinary shares of €1.269738 each.

The objects and purposes of Woodie's D.I.Y. Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of retailers of merchandise and marketable commodities of every description and for every purpose to guarantee, grant indemnities in respect of, enter into any suretyship or joint obligation, or otherwise support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company.

## **Administrative, Management and Supervisory Bodies**

The directors of Woodie's D.I.Y. Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Ken Fox         | Director        |
| Colm Ó Nualláin | Director        |
| Brendan Morris  | Director        |
| Gavin Slark     | Director        |
| Raymond Colman  | Director        |
| Michael Ryan    | Director        |

The business address of each of Colm Ó Nualláin and Gavin Slark is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of each of Ken Fox, Brendan Morris, Raymond Colman and Michael Ryan is Arena, Whitestown Way, Tallaght Bypass, Tallaght, Dublin 24.

There are no potential conflicts of interests between any duties to Woodie's D.I.Y. Limited of the directors referred to above and their private interests and/or other duties.

## **41. WALLPRO**

### **Introduction**

Wallpro was incorporated as a private unlimited company in Ireland on 18 October 1974 with registered number 49423 and operates under the Companies Acts 1963 – 2009. It has its principal place of business at Ashfield, Naas Road, Clondalkin, Dublin 22 and registered office at c/o Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its telephone number is +353 1 403 4000.

Wallpro is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Leo Wright Holdings Limited. Its principal activity was the manufacture and installation of windows and doors.

Wallpro has an authorised share capital of €1,420,001.25 divided into 113,600,100 ordinary shares of €0.0125 each. Its issued share capital consists of €1,418,901.25 divided into 113,512,100 ordinary shares of €0.0125 each.

The objects and purposes of Wallpro are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on the business of manufacturers and retailers (wholesale or retail) of wood, PVC and aluminium door and window systems and to guarantee, support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company.

## **Administrative, Management and Supervisory Bodies**

The directors of Wallpro are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Charles Rinn    | Director        |
| Edward Kelly    | Director        |

The business address of each of Colm Ó Nualláin and Charles Rinn is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Edward Kelly is Ashfield, Naas Road, Clondalkin, Dublin 22.

There are no potential conflicts of interests between any duties to Wallpro of the directors

referred to above and their private interests and/or other duties.

## **42. ROCK BROOK INVESTMENTS LIMITED**

### **Introduction**

Rock Brook Investments Limited was incorporated as a private limited company in the Isle of Man on 24 February 1997 under the Companies Acts 1931 - 1993 with registered number 083643C. Its principal place of business and its registered office is at Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ and its telephone number is +44 (0) 1624 683229.

Rock Brook Investments Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding companies Grafton Group Holdings Limited and Grafton Group (UK) plc. Its principal activity is that of a holding and finance company.

Rock Brook Investments Limited has an authorised share capital of £50,000,000 divided into 50,000,000 'A' ordinary shares of £1.00 each and €63,500,000 divided into 50,000,000 'B' ordinary shares of €1.269738 each. Its issued share capital consists of £20,700,000 divided into 20,700,000 'A' ordinary shares of £1.00 each and €34,798,000 divided into 27,400,000 'B' ordinary shares of €1.269738 each.

There are no restrictions on the exercise of the rights, powers and privileges of the company as set out in clause 4 of the Memorandum of Association of the company.

### **Administrative, Management and Supervisory Bodies**

The directors of Rock Brook Investments Limited are as follows:

| <b>Name</b>       | <b>Position</b>    |
|-------------------|--------------------|
| Stephen Whitehead | Director           |
| Annette Heath     | Director           |
| Robert Jones      | Director/Secretary |
| Colm Ó Nualláin   | Director           |
| Michael Pares     | Director           |

The business address of Stephen Whitehead and Annette Heath is Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ. The business address of Robert Jones is Analyst House, Peel Road, Douglas, Isle of Man IM1 4LZ. The business address of Michael Pares is 1 Ashcroft, Pinner, Middlesex HA5 4DB. The business address of Colm Ó Nualláin is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Rock Brook Investments Limited of the directors referred to above and their private interests and/or other duties.

## **43. ACORN INSULATION LIMITED**

### **Introduction**

Acorn Insulation Limited was incorporated as a private limited company in England on 17 October 1989 under the Companies Act 1985 with registered number 2433248. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL, United Kingdom and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

Acorn Insulation Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The company is dormant.

Acorn Insulation Limited has an authorised share capital of £100.00 divided into 100 ordinary shares of £1.00. Its issued share capital consists of £100.00 divided into 100 ordinary shares

of £1.00 each.

The objects and purposes of Acorn Insulation Limited are set out in clause C of its Memorandum of Association and include amongst others, the authority to carry on business as timber, UPVC product merchants and to secure the repayment of any money borrowed, raised or owing on any part or the whole of the company's property and assets.

#### **Administrative, Management and Supervisory Bodies**

The directors of Acorn Insulation Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Jonathon Sowton | Director        |
| Colin O'Donovan | Director        |

The business address of each of Colm Ó Nualláin, Colin O'Donovan and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT.

There are no potential conflicts of interests between any duties to Acorn Insulation Limited of the directors referred to above and their private interests and/or other duties.

#### **44. BOOLE'S TOOLS AND PIPE FITTINGS LIMITED**

##### **Introduction**

Boole's Tools And Pipe Fittings Limited was incorporated as a private limited company in England on 17 February 1961 under the Companies Act 1948 with registered number 683745. Its principal place of business is Haigh Avenue, Whitehill Trading Estate, Stockport, Cheshire, SK4 1NU, United Kingdom and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 161 480 7900.

Boole's Tools And Pipe Fittings Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. Its principal activity is supplying ferrous and non-ferrous tubes, valves, fittings, flanges and allied pipeline products to second and third tier merchants, coupled with the manufacture of tubular products.

Boole's Tools And Pipe Fittings Limited has an authorised share capital of £212,500.00 divided into 212,500 ordinary shares of £1.00 each. Its issued share capital consists of £212,500.00 divided into 212,500 ordinary shares of £1.00 each.

The objects and purposes of Booles Tools & Pipe Fittings Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on business as plumbers', builders' and decorators' merchants and to guarantee the performance of the contracts or obligations of any company, firm or person.

#### **Administrative, Management and Supervisory Bodies**

The directors of Boole's Tools And Pipe Fittings Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Gavin Slark     | Director        |
| Neil Walker     | Director        |
| Colin O'Donovan | Director        |

The business address of each of Colm Ó Nualláin, Colin O'Donovan, Brian O'Hara and Gavin Slark is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Neil Walker is Haigh Avenue, Whitehill Trading Estate, Stockport, Cheshire, SK4 1NU.

There are no potential conflicts of interests between any duties to Boole's Tools And Pipe Fittings Limited of the directors referred to above and their private interests and/or other duties.

#### **45. A.R. HENDRICKS LIMITED**

##### **Introduction**

A.R. Hendricks Limited was incorporated as a private limited company in England on 1 July 1987 under the Companies Act 1985 with registered number 2144000. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL, United Kingdom and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

A.R. Hendricks Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The company is dormant.

A.R. Hendricks Limited has an authorised share capital of £850,000.00 divided into 55,000 "A" ordinary shares of £1.00 each, 145,000 ordinary shares of £1.00 each and 650,000 preference shares of £1.00 each. Its issued share capital consists £184,000.00 divided into 55,000 "A" ordinary shares of £1.00 each and 129,000 ordinary shares £1.00 each.

The objects and purposes of A.R. Hendricks Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on business as a holding company and to carry on all or any business of builders' merchants, and to enter into guarantees, contracts of indemnity and suretieships of any kind.

##### **Administrative, Management and Supervisory Bodies**

The directors of A.R. Hendricks Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Brian Hodgkiss  | Director        |
| Roy Chiverton   | Director        |
| Colin O'Donovan | Director        |

The business address of each of Colm Ó Nualláin, Colin O'Donovan and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Roy Chiverton is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL. The business address of Brian Hodgkiss is Roentgen Road, Daneshill Industrial Estate, Basingstoke, Hants, RG24 8NT.

There are no potential conflicts of interests between any duties to A.R. Hendricks Limited of the directors referred to above and their private interests and/or other duties.

#### **46. BMB BUILDERS MERCHANTS LIMITED**

##### **Introduction**

BMB Builders Merchants Limited was incorporated as a private limited company in England on 18 November 1932 under the Companies Act 1929 with registered number 270325. Its

principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL, United Kingdom and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

BMB Builders Merchants Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The company is dormant.

BMB Builders Merchants Limited has an authorised share capital of £500,000.00 divided into 500,000 ordinary shares of £1.00 each. Its issued share capital consists of £51,600.00 divided into 51,600 ordinary shares of £1.00 each.

The objects and purposes of BMB Builders Merchants Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on business as plumbers', builders' and decorators' merchants and to mortgage or otherwise charge the whole or any part of the company's undertaking, property, and assets including the uncalled capital of the company.

### **Administrative, Management and Supervisory Bodies**

The directors of BMB Builders Merchants Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Jonathon Sowton | Director        |
| Colin O'Donovan | Director        |
| Brian O'Hara    | Director        |

The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT. The business address of the remaining directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to BMB Builders Merchants Limited of the directors referred to above and their private interests and/or other duties.

## **47. B.S.G. BUILDERS MERCHANTS LIMITED**

### **Introduction**

B.S.G. Builders Merchants Limited was incorporated as a private limited company in England on 9 February 1993 under the Companies Act 1985 with registered number 2788059. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL, United Kingdom and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

B.S.G. Builders Merchants Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Merchanting GB Limited. The company is dormant.

B.S.G. Builders Merchants Limited has an authorised share capital of £250,000.00 divided into 250,000 ordinary shares of £1.00 each. Its issued share capital consists of £200,000.00 divided into 200,000 ordinary shares of £1.00 each.

The objects and purposes of BSG Builders Merchants Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on all or any of the businesses of general merchants and to borrow or raise or secure the payment of money in such manner as shall from time to time be determined for the purposes of or in connection with the company's trade or business.

## **Administrative, Management and Supervisory Bodies**

The directors of B.S.G. Builders Merchants Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Colin O'Donovan | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to B.S.G. Builders Merchants Limited of the directors referred to above and their private interests and/or other duties.

## **48. GRAFTON MERCHANTING GB LIMITED**

### **Introduction**

Grafton Merchanting GB Limited was incorporated as a private limited company in England on 7 April 2003 under the Companies Act 1985 with registered number 4725313. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL, United Kingdom and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

Grafton Merchanting GB Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. Its principal activity is the supply of building and plumbing materials.

Grafton Merchanting GB Limited has an authorised share capital as follows:

- £3,400,000.00 divided into 3,400,000 "A" Preference shares of £1.00 each.
- £340,000.00 divided into 340,000 "B" Preference shares of £1.00 each.
- £660,000.00 divided into 660,000 "C" Preference shares of £1.00 each.
- £380,000.00 divided into 380,000 "D" Preference shares of £1.00 each.
- £75,000.00 divided into 75,000 "E" Preference shares of £1.00 each.
- £80,000.00 divided into 80,000 "F" Preference shares of £1.00 each.
- £10,001,000.00 divided into 10,001,000 ordinary shares of £1.00 each.

Its issued share capital consists of:

- £1,778,257.00 divided into 1,778,257 "A" Preference shares of £1.00 each.
- £104,125.00 divided into 104,125 "B" Preference shares of £1.00 each.
- £275,278.00 divided into 275,278 "C" Preference shares of £1.00 each.
- £95,507.00 divided into 95,507 "D" Preference shares of £1.00 each.
- £37,111.00 divided into 37,111 "E" Preference shares of £1.00 each.
- £40,223.00 divided into 40,223 "F" Preference shares of £1.00 each.
- £10,000,001.00 divided into 10,000,001 ordinary shares of £1.00 each.

The objects and purposes of Grafton Merchanting GB Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on business as a general commercial company and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the company's property or assets including its uncalled capital.

### **Administrative, Management and Supervisory Bodies**

The directors of Grafton Merchanting GB Limited are as follows:

| <b>Name</b>        | <b>Position</b> |
|--------------------|-----------------|
| Colm Ó Nualláin    | Director        |
| Mark Kelly         | Director        |
| Kate Tinsley       | Director        |
| Gavin Slark        | Director        |
| Stephen Thompstone | Director        |

The business address of each of Colm Ó Nualláin and Gavin Slark is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Mark Kelly, Kate Tinsley and Stephen Thompstone is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL.

There are no potential conflicts of interests between any duties to Grafton Merchanting GB Limited of the directors referred to above and their private interests and/or other duties.

## **49. HARVEY STEEL LINTELS LIMITED**

### **Introduction**

Harvey Steel Lintels Limited was incorporated as a private limited company in England on 8 July 1992 under the Companies Act 1985 with registered number 2729505. Its principal place of business is Commerce Way, Whitehall Industrial Estate, Colchester, Essex CO2 8HH, United Kingdom and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 206 79 2001.

Harvey Steel Lintels Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. Its principal activity is the design, manufacture and sale of steel lintels.

Harvey Steel Lintels Limited has an authorised share capital of £1,000.00 divided into 1,000 ordinary shares of £1.00 each. Its issued share capital consists of £2.00 divided into 2 ordinary shares of £1.00 each.

The objects and purposes of Harvey Steel Lintels Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on the business or businesses of general merchants, exporters, importers, manufacturers, factors, hirers, mail order dealers, brokers and dealers both wholesale and retail in all articles of commercial, industrial, scientific, surgical, manufacturing, personal and household use and to borrow or raise or secure payment of money for the purpose of or in connection with business of the company.

### **Administrative, Management and Supervisory Bodies**

The directors of Harvey Steel Lintels Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| David Harvey    | Director        |
| Colin O'Donovan | Director        |

The business address of each of Colm Ó Nualláin, Colin O'Donovan and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of David Harvey is Commerce Way, Whitehall Industrial Estate, Colchester, Essex CO2 8HH.

There are no potential conflicts of interests between any duties to Harvey Steel Lintels Limited of the directors referred to above and their private interests and/or other duties.

## **50. HENRY AIZLEWOOD & SONS LIMITED**

### **Introduction**

Henry Aizlewood & Sons Limited was incorporated as a private limited company in England on 17 October 1940 under the Companies Act 1929 with registered number 363615. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

Henry Aizlewood & Sons Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The company is dormant.

Henry Aizlewood & Sons Limited has an authorised share capital of £84,000.00 divided into 84,000 ordinary shares of £1.00 each. Its issued share capital consists of £81,480.00 divided into 81,480 ordinary shares of £1.00 each.

The objects and purposes of Henry Aizlewood & Sons Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to borrow or raise money for the purpose of the company and for that purpose to mortgage or otherwise charge the whole or any part of the company's undertaking, property and assets including the uncalled capital of the company.

### **Administrative, Management and Supervisory Bodies**

The directors of Henry Aizlewood & Sons Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Jonathon Sowton | Director        |

The business address of each of Colm Ó Nualláin and Brian O'Hara is Heron House, Corrig Road, Sandford Industrial Estate, Dublin 18. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT.

There are no potential conflicts of interests between any duties to Henry Aizlewood & Sons Limited of the directors referred to above and their private interests and/or other duties.

## **51. TIMBERBASE LIMITED**

### **Introduction**

Timberbase Limited was incorporated as a private limited company in England on 26 September 1973 under the Companies Acts 1948 to 1967 with registered number 01136241. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

Timberbase Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The company is dormant.

Timberbase Limited has an authorised share capital of £8,000,000.00 divided into 8,000,000 ordinary shares of £1.00 each. Its issued share capital consists of £5,086,100.00 divided into 5,086,100 ordinary shares of £1.00 each.

The objects and purposes of Timberbase Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to act as timber merchants, and to subsidise, assist and guarantee the payment of money by or the performance of any contract, engagement or obligation by any persons or companies.

#### **Administrative, Management and Supervisory Bodies**

The directors of Timberbase Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Colin O'Donovan | Director        |

The business address of each of Colm Ó Nualláin, Colin O'Donovan and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Timberbase Limited of the directors referred to above and their private interests and/or other duties.

## **52. WATERRIVER LIMITED**

### **Introduction**

Waterriver Limited was incorporated as a private limited company in England on 17 November 1995 under the Companies Act 1985 with registered number 3127937. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

Waterriver Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The company is dormant.

Waterriver Limited has an authorised share capital of £1,000.00 divided into 1,000 ordinary shares of £1.00 each. Its issued share capital consists of £2.00 divided into 2 ordinary shares of £1.00 each.

The objects and purposes of Waterriver Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to enter into guarantees, contracts of indemnity and suretyships of any kind.

#### **Administrative, Management and Supervisory Bodies**

The directors of Waterriver Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Michael Pares   | Director        |
| Colin O'Donovan | Director        |

The business address of each of Colm Ó Nualláin, Colin O'Donovan and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Michael Pares is 1 Ashcroft, Pinner, Middlesex HA5 4DB.

There are no potential conflicts of interests between any duties to Waterriver Limited of the directors referred to above and their private interests and/or other duties.

### 53. CPI MORTARS (NORTH) LIMITED

#### Introduction

CPI Mortars (North) Limited was incorporated as a private limited company in England on 14 June 1993 under the Companies Act 1985 with registered number 2826699. Its principal place of business is Willow House, Strathclyde Business Park, Bellshill, Lanarkshire, ML4 3PB Scotland and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 (0) 1698 464110.

CPI Mortars (North) Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The company is dormant.

CPI Mortars (North) Limited has an authorised share capital of £1,000.00 divided into 1,000 ordinary shares of £1.00 each. Its issued share capital consists of £2.00 divided into 2 ordinary shares of £1.00 each.

The objects and purposes of CPI Mortars (North) Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on business as a general commercial company and to enter into guarantees, contracts of indemnity and suretyships of any kind.

#### Administrative, Management and Supervisory Bodies

The directors of CPI Mortars (North) Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Colin O'Donovan | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to CPI Mortars (North) Limited of the directors referred to above and their private interests and/or other duties.

### 54. CPI MORTARS LIMITED

#### Introduction

CPI Mortars Limited was incorporated as a private limited company in England on 12 December 1996 under the Companies Act 1985 with registered number 3291462. Its principal place of business is Willow House, Strathclyde Business Park, Bellshill, Lanarkshire, ML4 3PB Scotland and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 (0) 1698 464110.

CPI Mortars Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. Its principal activity is that of manufacturing dry mortar.

CPI Mortars Limited has an authorised share capital of £5,001,000.00 divided into 5,000,000 "A" Preference shares of £1.00 each and 1000 ordinary shares of £1.00 each. Its issued share capital consists of £2,274,637.00 divided into 2,274,635 "A" Preference shares of £1.00 each and 2 ordinary shares of £1.00 each.

The objects and purposes of CPI Mortars Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on the business of a general

commercial entity and to enter into guarantees, contracts of indemnity and suretyships of all kinds.

#### **Administrative, Management and Supervisory Bodies**

The directors of CPI Mortars Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Gavin Slark     | Director        |
| Lawrence Dale   | Director        |
| Colin O'Donovan | Director        |

The business address of each of Colm Ó Nualláin, Colin O'Donovan, Brian O'Hara and Gavin Slark is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Lawrence Dale is Robins Wharf, Grove Road, Northfleet, Kent DA11 9AX.

There are no potential conflicts of interests between any duties to CPI Mortars Limited of the directors referred to above and their private interests and/or other duties.

### **55. BD ESTATES (1999) LIMITED**

#### **Introduction**

BD Estates (1999) Limited was incorporated as a private limited company in England on 15 October 1932 under the Companies Act 1929 with registered number 269333. Its principal place of business is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +353 1 216 0600.

BD Estates (1999) Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. Its principal activity is as a holding company.

BD Estates (1999) Limited has an authorised share capital of £5,000,000.00 divided into 20,000,000 ordinary shares of £0.25 each. Its issued share capital consists of £4,550,426.50 divided into 18,201,706 ordinary shares of £0.25 each.

The objects and purposes of BD Estates (1999) Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on the business of a general commercial entity, and to enter into guarantees, contracts of indemnity and suretyships of all kinds.

#### **Administrative, Management and Supervisory Bodies**

The directors of BD Estates (1999) Limited are as follows:

| <b>Name</b>      | <b>Position</b> |
|------------------|-----------------|
| Colm Ó Nualláin  | Director        |
| Charles Rinn     | Director        |
| Malcolm Aldridge | Director        |
| Brian O'Hara     | Director        |
| Colin O'Donovan  | Director        |

The business address of Malcolm Aldridge is Selco Builder Warehouse, Support Centre, 2 Wythall Green Way, Wythall, Birmingham, B47 6LW. The business address of each of the remaining directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to BD Estates (1999) Limited of the directors referred to above and their private interests and/or other duties.

## **56. BRITISH DREDGING (SERVICES) LIMITED**

### **Introduction**

British Dredging (Services) Limited was incorporated as a private limited company in England on 21 March 1966 under the Companies Act 1948 with registered number 874454. Its principal place of business is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +353 1 216 0600.

British Dredging (Services) Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company BD Estates (1999) Limited. The company is dormant.

British Dredging (Services) Limited has an authorised share capital of £10,000.00 divided into 9,000 6% cumulative preference shares of £1.00 each, 500 8% cumulative preference shares of £1.00 each and 500 ordinary shares of £1.00 each. Its issued share capital consists of £9,500.00 divided into 9,000 6% cumulative preference shares of £1.00 each and 500 ordinary shares of £1.00 each.

The objects and purposes of British Dredging (Services) Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on the business of a general commercial entity and to enter into guarantees, contracts of indemnity and suretyships of all kinds.

### **Administrative, Management and Supervisory Bodies**

The directors of British Dredging (Services) Limited are as follows:

| <b>Name</b>      | <b>Position</b>    |
|------------------|--------------------|
| Colm Ó Nualláin  | Director           |
| Charles Rinn     | Director           |
| Brian O'Hara     | Alternate Director |
| Malcolm Aldridge | Director           |
| Colin O'Donovan  | Director           |

The business address of each of Colm Ó Nualláin, Charles Rinn, Colin O'Donovan and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Malcolm Aldridge is Selco Builder Warehouse, Support Centre, 2 Wythall Green Way, Wythall, Birmingham, B47 6LW.

There are no potential conflicts of interests between any duties to British Dredging (Services) Limited of the directors referred to above and their private interests and/or other duties.

## **57. GRAFTON GROUP (UK) PLC**

### **Introduction**

Grafton Group (UK) plc was incorporated as a public limited company in England on 11 January 1994 under the Companies Act 1985 with registered number 2886378. Its principal place of business is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT, UK and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 306 734110.

Grafton Group (UK) plc is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Athina Limited. Its principal activity is that of an

investment holding and finance company.

Grafton Group (UK) plc has an authorised share capital as follows:

- £50,000,000.00 divided into 50,000,000 “A” ordinary shares of £1.00 each.
- £100,000.00 divided into 100,000 “B” ordinary shares of £1.00 each.
- £5,000.00 divided into 500,000,000 “C” ordinary shares of 0.0001p each.

Its issued share capital consists of:

- £42,550,000.00 divided into 42,550,000 “A” ordinary shares of £1.00 each.
- £100,000.00 divided into 100,000 “B” ordinary shares of £1.00 each.
- £232,498,736 divided into 232,498,736 “C” ordinary shares of 0.0001p each.

The objects and purposes of Grafton Group (UK) plc are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on the business of a holding company and to co-ordinate the administration, finances and activities of the subsidiary companies of the company, and to enter into guarantees, contracts of indemnity and suretyships of all kinds.

### **Administrative, Management and Supervisory Bodies**

The directors of Grafton Group (UK) plc are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Michael Pares   | Director        |
| Gavin Slark     | Director        |
| Jonathon Sowton | Director        |
| Mark Kelly      | Director        |

The business address of each of Colm Ó Nualláin and Gavin Slark is Heron House, Corrig Road, Sandymount Industrial Estate, Dublin 18. The business address of Michael Pares is 1 Ashcroft, Pinner, Middlesex, HA5 4DB. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT. The business address of Mark Kelly is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL.

There are no potential conflicts of interests between any duties to Grafton Group (UK) plc of the directors referred to above and their private interests and/or other duties.

## **58. HALL & ROGERS LIMITED**

### **Introduction**

Hall & Rogers Limited was incorporated as a private limited company in England on 1 October 1931 under the Companies Act 1929 with registered number 259335. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

Hall & Rogers Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The company is dormant.

Hall & Rogers Limited has an authorised share capital of £20,000.00 divided into 20,000 ordinary shares of £1.00 each. Its issued share capital consists of £18,500.00 divided into 18,500 ordinary shares of £1.00 each.

The objects and purposes of Hall & Rogers Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to acquire and carry on in particular the business of builders merchants, and to mortgage or otherwise charge the whole or any part of the company's undertaking, property, and assets including the uncalled capital of the company.

#### **Administrative, Management and Supervisory Bodies**

The directors of Hall & Rogers Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Jonathon Sowton | Director        |

The business address of each of Colm Ó Nualláin and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT.

There are no potential conflicts of interests between any duties to Hall & Rogers Limited of the directors referred to above and their private interests and/or other duties.

### **59. HENDRICKS LOVELL LIMITED**

#### **Introduction**

Hendricks Lovell Limited was incorporated as a private limited company in England on 29 November 1982 under the Companies Acts 1948 to 1967 with registered number 1682313. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

Hendricks Lovell Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The company is dormant.

Hendricks Lovell Limited has an authorised share capital of £100.00 divided into 1,000 ordinary shares of £0.10 each. Its issued share capital consists of £100.00 divided into 1,000 ordinary shares of £0.10 each.

The objects and purposes of Hendricks Lovell Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on all or any of the businesses of builders' merchants or building contractors and to enter into guarantees, contracts of indemnity and suretyships of any kind.

#### **Administrative, Management and Supervisory Bodies**

The directors of Hendricks Lovell Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Colin O'Donovan | Director        |

The business address of each of Colm Ó Nualláin, Colin O'Donovan and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Hendricks Lovell Limited of the directors referred to above and their private interests and/or other duties.

## 60. KEELSUPPLY LIMITED

### Introduction

Keelsupply Limited was incorporated as a private limited company in England on 18 September 1990 under the Companies Act 1985 with registered number 2540583. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

Keelsupply Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The company is dormant.

Keelsupply Limited has an authorised share capital of £10,000.00 divided into 10,000 ordinary shares of £1.00 each. Its issued share capital consists of £200.00 divided into 200 ordinary shares of £1.00 each.

The objects and purposes of Keelsupply Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on all or any of the businesses of general merchants and to enter into guarantees, contracts of indemnity and suretyships of any kind.

### Administrative, Management and Supervisory Bodies

The directors of Keelsupply Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Jonathon Sowton | Director        |
| Colin O'Donovan | Director        |

The business address of each of Colm Ó Nualláin, Colin O'Donovan and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT.

There are no potential conflicts of interests between any duties to Keelsupply Limited of the directors referred to above and their private interests and/or other duties.

## 61. FRONTLINE BATHROOMS LIMITED

### Introduction

Frontline Bathrooms Limited was incorporated as a private limited company in England on 21 August 1990 under the Companies Act 1985 with registered number 2533308. Its principal place of business is Green Lane, Green Lane Industrial Park, Featherstone, West Yorkshire, WF7 6TA and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 (0) 1977 691873.

Frontline Bathrooms Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. Its principal activity is that of distributors of bathroom equipment.

Frontline Bathrooms Limited has an authorised share capital of £100,000.00 divided into 100,000 ordinary shares of £1.00 each. Its issued share capital consists of £20,000.00 divided into 20,000 ordinary shares of £1.00 each.

The objects and purposes of Frontline Bathrooms Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on business of

a general commercial company and to secure the repayment of any money borrowed, raised or owing by mortgage charge standard security lien or other security upon the whole or any part of the company's property or assets including its uncalled share capital.

### **Administrative, Management and Supervisory Bodies**

The directors of Frontline Bathrooms Limited are as follows:

| <b>Name</b>      | <b>Position</b> |
|------------------|-----------------|
| Colm Ó Nualláin  | Director        |
| Brian O'Hara     | Director        |
| Gavin Slark      | Director        |
| Malcolm Aldridge | Director        |
| Jonathon Sowton  | Director        |
| Michael Sammon   | Director        |
| Nicholas Hall    | Director        |

The business address of each of Colm Ó Nualláin, Brian O'Hara and Gavin Slark is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT. The business address of Malcolm Aldridge is 2 Selco Builder Warehouse, Support Centre, 2 Wythall Green Way, Wythall, Birmingham, B47 6LW. The business address of Michael Sammon and Nick Hall is Green Lane, Green Lane Industrial Park, Featherstone, West Yorkshire, WF7 6TA.

There are no potential conflicts of interests between any duties to Frontline Bathrooms Limited of the directors referred to above and their private interests and/or other duties.

## **62. L&G FOREST PRODUCTS LIMITED**

### **Introduction**

L&G Forest Products Limited was incorporated as a private limited company in England on 1 December 1998 under the Companies Act 1985 with registered number 3676644. Its principal place of business is Unit 3 Aerodrome Estate, Detling, Maidstone, Kent, ME14 3HU and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1622 738246.

L&G Forest Products Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. Its principal activity is the supply of timber and building materials.

L&G Forest Products Limited has an authorised share capital of £100,000.00 divided into 100,000 ordinary shares of £1.00 each. Its issued share capital consists of £100.00 divided into 100 ordinary shares of £1.00 each.

The objects and purposes of L&G Forest Products Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on business as a general commercial company and to enter into guarantees, contracts of indemnity and suretyships of any kind.

### **Administrative, Management and Supervisory Bodies**

The directors of L&G Forest Products Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Jonathon Sowton | Director        |
| Colin O'Donovan | Director        |

The business address of each of Colm Ó Nualláin, Colin O'Donovan and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT.

There are no potential conflicts of interests between any duties to L&G Forest Products Limited of the directors referred to above and their private interests and/or other duties.

### **63. JACKSON BUILDING CENTRES LIMITED**

#### **Introduction**

Jackson Building Centres Limited was incorporated as a private limited company in England on 27 June 1946 under the Companies Act 1929 with registered number 413760. Its principal place of business is Pelham House, Canwick Road, Lincoln, LN5 5NH and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 (0)1 522 511 115.

Jackson Building Centres Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding companies Grafton Merchanting GB Limited, CPI Mortars (North) Limited, Waterriver Limited, BMB Builders Merchants Limited, BSG Builders Merchants Limited, Henry Aizlewood & Sons Limited, Carron Building Supplies Limited, Wantage Building Supplies Limited and Grafton Group (UK) plc. The company is dormant.

Jackson Building Centres Limited has an authorised share capital as follows:

- £24,000.00 divided into 24,000 5.25% Redeemable cumulative preference shares of £1.00 each.
- £120,000,000.00 divided into 120,000,000 Class "A" shares of £1.00 each.
- £70,000,000.00 divided into 70,000,000 Class "B" shares of £1.00 each.
- £60,000,000.00 divided into 60,000,000 Class "C" shares of £1.00 each.
- £6,000,000.00 divided into 6,000,000 Class "D" shares of £1.00 each.
- £12,000,000.00 divided into 12,000,000 Class "E" shares of £1.00 each.
- £7,000,000.00 divided into 7,000,000 Class "F" shares of £1.00 each.
- £2,000,000.00 divided into 2,000,000 Class "G" shares of £1.00 each.
- £2,000,000.00 divided into 2,000,000 Class "H" shares of £1.00 each.
- £32,000.00 divided into 32,000 ordinary shares of £1.00 each.
- £44,000.00 divided into 44,000 unclassified shares of £1.00 each.

Its issued share capital consists of:

- £107,906,011.00 divided into 107,906,011 Class "A" shares of £1.00 each.
- £61,238,326.00 divided into 61,238,326 Class "B" shares of £1.00 each.
- £52,760,901.00 divided into 52,760,901 Class "C" shares of £1.00 each.
- £5,255,407.00 divided into 5,255,407 Class "D" shares of £1.00 each.
- £10,296,769.00 divided into 10,296,769 Class "E" shares of £1.00 each.
- £5,854,319.00 divided into 5,854,319 Class "F" shares of £1.00 each.
- £1,101,094.00 divided into 1,101,094 Class "G" shares of £1.00 each.
- £1,193,710.00 divided into 1,193,710 Class "H" shares of £1.00 each.
- £32,000.00 divided into 32,000 ordinary shares of £1.00 each.

The objects and purposes of Jackson Building Centres Limited are set out in clause 2 of its Memorandum of Association and include amongst others, the authority to carry on business as builders' and plumbers' merchants and to guarantee or otherwise support or secure, either with or without the company receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property, assets, rights and revenues and uncalled capital of the company.

### **Administrative, Management and Supervisory Bodies**

The directors Jackson Building Centres Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |

The business address of each of Colm Ó Nualláin and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Jackson Building Centres Limited of the directors referred to above and their private interests and/or other duties.

## **64. PLUMBASE LIMITED**

### **Introduction**

Plumbase Limited was incorporated as a private limited company in England on 10 May 1922 under the Companies Act 1908 to 1917 with registered number 181691. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

Plumbase Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The company is dormant.

Plumbase Limited has an authorised share capital of £4,554,571 divided into 20,000 'A' redeemable preference shares of £1.00 each, 4,417,771 'B' non-redeemable preference shares of £1.00 each and 116,800 ordinary shares of £1.00 each. Its issued share capital consists of £4,554,571 divided into 20,000 'A' redeemable preference shares of £1.00 each, 4,417,771 'B' non-redeemable preference shares of £1.00 each and 116,800 ordinary shares of £1.00 each.

The objects and purposes of Plumbase Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on business as builders merchants and to borrow or raise or secure the payment of money in such manner for the purpose of or in connection with the company's business.

### **Administrative, Management and Supervisory Bodies**

The directors of Plumbase Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Charles Rinn    | Director        |
| Brian O'Hara    | Director        |
| Colin O'Donovan | Director        |

The business address of each of the directors is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

There are no potential conflicts of interests between any duties to Plumbase Limited of the directors referred to above and their private interests and/or other duties.

## **65. ONLINE HOME RETAIL LIMITED**

### **Introduction**

Online Home Retail Limited was incorporated as a private limited company in England on 4 October 1999 under the Companies Act 1985 with registered number 03852312. Its principal place of business is at Units 2, 3 and 4 Millennium Court Enterprise Way, Evesham, Worcs, WR11 1GS and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1386 768498.

Online Home Retail Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The principal activity of the company is the internet retailing of bathroom related products.

Online Home Retail Limited has an authorised share capital of £1,250 divided into 1,250 ordinary shares of £1.00 each. Its issued share capital consists of £1,250 divided into 1,250 ordinary shares of £1.00 each.

The objects and purposes of Online Home Retail Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on business as a general commercial company and to raise and borrow money by any method and to secure the payment of any money borrowed, raised or owing (including but not in any way limited to the power to guarantee of the repayment of any money borrowed by any third party) as the company shall think fit for the purposes of or in connection with the company's business.

### **Administrative, Management and Supervisory Bodies**

The directors of Online Home Retail Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| James Hickman   | Director        |
| Brian O'Hara    | Director        |
| Colm Ó Nualláin | Director        |
| Gavin Slark     | Director        |
| Jonathon Sowton | Director        |

The business address of Brian O'Hara, Colm Ó Nualláin and Gavin Slark is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of James Hickman is Units 2, 3 and 4 Millennium Court Enterprise Way, Evesham, Worcs, WR11 1GS. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT.

There are no potential conflicts of interests between any duties to Online Home Retail Limited of the directors referred to above and their private interests and/or other duties.

## **66. PROGRESS GROUP LIMITED**

### **Introduction**

Progress Group Limited was incorporated as a private limited company in England on 30 November 1978 under the Companies Act 1948 to 1980 with registered number 1403083. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

Progress Group Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The principal activity of the company is the supply and distribution of heating spare parts and controls.

Progress Group Limited has an authorised share capital of £150,000 divided into 150,000 ordinary shares of £1.00 each. Its issued share capital consists of £102,064 divided into 102,064 ordinary shares of £1.00 each.

The objects and purposes of Progress Group Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to deal generally with goods, products and materials of every description required for any business carried on by the company acting as distributors, dealers, wholesalers, retailers, importers, exporters or otherwise, and to secure and guarantee the payment of any debentures, debenture stock, bonds, mortgages, charges, obligations, interest, dividends, securities, monies or shares or the performance of contracts or engagements of all kinds, with any person, persons, firm or company.

### **Administrative, Management and Supervisory Bodies**

The directors of Progress Group Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Brian O'Hara    | Director        |
| Colm Ó Nualláin | Director        |
| Gavin Slark     | Director        |
| Jonathon Sowton | Director        |
| Colin O'Donovan | Director        |

The business address of Brian O'Hara, Colm Ó Nualláin, Colin O'Donovan and Gavin Slark is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT.

here are no potential conflicts of interests between any duties to Progress Group Limited of the directors referred to above and their private interests and/or other duties.

## **67. SHOREHEAT LIMITED**

### **Introduction**

Shoreheat Limited was incorporated as a private limited company in England on 4 June 1981 under the Companies Act 1948 to 1980 with registered number 1566154. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1 865 871700.

Shoreheat Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Progress Group Limited. The principal activity of the company is the supply and distribution of heating spare parts and controls.

Shoreheat Limited has an authorised share capital of £100,000 divided into 100,000 ordinary shares of £1.00 each. Its issued share capital consists of £48,422 divided into 48,422 ordinary shares of £1.00 each.

The objects and purposes of Shoreheat Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on all or any of the businesses of sanitary, plumbing and heating engineers and consultants and to enter into guarantees, contracts of indemnity and suretyships of all kinds.

### **Administrative, Management and Supervisory Bodies**

The directors of Shoreheat Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Brian O'Hara    | Director        |
| Colm Ó Nualláin | Director        |
| Jonathon Sowton | Director        |

The business address of Brian O'Hara and Colm Ó Nualláin is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT.

There are no potential conflicts of interests between any duties to Shoreheat Limited of the directors referred to above and their private interests and/or other duties.

## **68. SELCO TRADE CENTRES LIMITED**

### **Introduction**

Selco Trade Centres Limited was incorporated as a private limited company in England on 23 October 1987 under the Companies Act 1985 with registered number 02182671. Its principal place of business is at Selco Builder Warehouse, Support Centre, Boundary House, 2 Wythall Green Way, Wythall, Birmingham, B47 6LW and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1564 821 000.

Selco Trade Centres Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The principal activity of the company is the supply of building materials.

Selco Trade Centres Limited has an authorised share capital of £565,000 divided into 565,000 ordinary shares of £1.00 each. Its issued share capital consists of £160,000 divided into 160,000 ordinary shares of £1.00 each.

The objects and purposes of Selco Trade Centres Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on all or any of the businesses of timber and builders' merchants and plumbers merchants trade centre, and to guarantee, grant indemnities, secure or support the performance of any obligations of any person, firm or company.

### **Administrative, Management and Supervisory Bodies**

The directors of Selco Trade Centres Limited are as follows:

| <b>Name</b>          | <b>Position</b> |
|----------------------|-----------------|
| Malcolm Aldridge     | Director        |
| Robert Brewill       | Director        |
| Christopher Cunliffe | Director        |
| Colm Ó Nualláin      | Director        |
| Charles Rinn         | Director        |
| Gavin Slark          | Director        |

The business address of Colm Ó Nualláin, Charles Rinn and Gavin Slark is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of the remaining directors is Selco Builder Warehouse, Support Centre, 2 Wythall Green Way, Wythall, Birmingham, B47 6LW.

There are no potential conflicts of interests between any duties to Selco Trade Centres Limited of the directors referred to above and their private interests and/or other duties.

## **69. BATHROOM DISTRIBUTION GROUP UK LIMITED**

### **Introduction**

Bathroom Distribution Group UK Limited was incorporated as a private limited company in England on 10 May 1978 under the Companies Act 1948 to 1980 with registered number 1367550. Its principal place of business is at Tiber House, Hall Lane, Lostock, Bolton, BL6 4BR and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1204 695411.

Bathroom Distribution Group UK Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The principal activity of the company is the supply of wholesale bathroom and plumbing supplies.

Bathroom Distribution Group UK Limited has an authorised share capital of £10,000 divided into 10,000 ordinary shares of £1.00 each. Its issued share capital consists of £10,000 divided into 10,000 ordinary shares of £1.00 each.

The objects and purposes of Bathroom Distribution Group UK Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on business as builders, decorators and plumbers merchants and to guarantee, grant indemnities, secure or support the performance of any obligations of any person, firm or company.

### **Administrative, Management and Supervisory Bodies**

The directors of Bathroom Distribution Group UK Limited are as follows:

| <b>Name</b>      | <b>Position</b> |
|------------------|-----------------|
| Malcolm Aldridge | Director        |
| Nicholas Hall    | Director        |
| Colm Ó Nualláin  | Director        |
| Charles Rinn     | Director        |
| Gavin Slark      | Director        |

The business address of Colm Ó Nualláin, Charles Rinn and Gavin Slark is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Malcolm Aldridge is Selco Builder Warehouse, Support Centre, 2 Wythall Green Way, Wythall, Birmingham, B47 6LW. The business address of Nicolas Hall is Green Lane, Green Lane Industrial Park, Featherstone, West Yorkshire, WF7 6TA.

There are no potential conflicts of interests between any duties to Bathroom Distribution Group UK Limited of the directors referred to above and their private interests and/or other duties.

## **70. BOUNDARY BATHROOMS & KITCHENS LIMITED**

### **Introduction**

Boundary Bathrooms & Kitchens Limited was incorporated as a private limited company in England on 27 January 1999 under the Companies Act 1985 with registered number 3702842. Its principal place of business is at Units 2, 3 and 4 Millennium Court Enterprise Way, Evesham, Worcs, WR11 1GS and its registered office is at PO Box 1224, Pelham House, Canwick Road, Lincoln, LN5 5NH and its telephone number is +44 1386 768498.

Boundary Bathrooms & Kitchens Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The principal activity of the company is the sale of bathrooms and bathroom accessories.

Boundary Bathrooms & Kitchens Limited has an authorised share capital of £1,000 divided into 520 'A' ordinary shares of £1.00 each and 480 'B' ordinary shares of £1 each. Its issued share capital consists of £1,000 divided into 520 'A' ordinary shares of £1.00 each and 480 'B' ordinary shares of £1 each.

The objects and purposes of Boundary Bathrooms & Kitchens Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on business as a general commercial company and to borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the company's property or assets including its uncalled capital.

### **Administrative, Management and Supervisory Bodies**

The directors of Boundary Bathrooms & Kitchens Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Brian O'Hara    | Director        |
| Jonathon Sowton | Director        |
| Colm Ó Nualláin | Director        |
| Gavin Slark     | Director        |

The business address of Colm Ó Nualláin, Gavin Slark and Brian O'Hara is Heron House, Corrig Road, Sandford Industrial Estate, Dublin 18. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT.

There are no potential conflicts of interests between any duties to Boundary Bathrooms & Kitchens Limited of the directors referred to above and their private interests and/or other duties.

## **71. PLUMBING & DRAINAGE MERCHANTS LIMITED**

### **Introduction**

Plumbing & Drainage Merchants Limited was incorporated as a private limited company in Scotland on 25 February 1993 under the Companies Act 1985 with registered number SC142854. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL and its registered office is at 302 Drumoyne Road, Drumoyne, Glasgow, G51 4DX and its telephone number is +44 1 418 928900.

Plumbing & Drainage Merchants Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The company is dormant.

Plumbing & Drainage Merchants Limited has an authorised share capital of £70,000 divided into 70,000 ordinary shares of £1 each. Its issued share capital consists of £36,000 divided into 36,000 ordinary shares of £1 each.

The objects and purposes of Plumbing & Drainage Merchants Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on business as manufacturers of and dealers both wholesale and retail in goods and merchandise of all kinds and merchants generally, and to guarantee, grant indemnities, secure or support the performance of any obligations of any person, firm or company.

### **Administrative, Management and Supervisory Bodies**

The directors of Plumbing & Drainage Merchants Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Edward Hernon   | Director        |
| Colm Ó Nualláin | Director        |
| Jonathon Sowton | Director        |
| Kenneth Stewart | Director        |

The business address of Colm Ó Nualláin is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT. The business address of the remaining directors is 302 Drumoyne Road, Drumoyne, Glasgow, G51 4DX.

There are no potential conflicts of interests between any duties to Plumbing & Drainage Merchants Limited of the directors referred to above and their private interests and/or other duties.

## **72. PLUMBLINE SUPPLIES LIMITED**

### **Introduction**

Plumblin Supplies Limited was incorporated as a private limited company in Scotland on 24 June 1988 under the Companies Act 1985 with registered number SC111868. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL and its registered office is at Caledonian Exchange, 19A Canning Street, Edinburgh, EH3 8HE and its telephone number is +44 1 865 871700.

Plumblin Supplies Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. The company is dormant.

Plumblin Supplies Limited has an authorised share capital of £50,000 divided into 50,000 ordinary shares of £1 each. Its issued share capital consists of £38,000 divided into 38,000 ordinary shares of £1 each.

The objects and purposes of Plumblin Supplies Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on all or any of the businesses of sanitary, plumbing and heating engineers and consultants and to guarantee, support or secure, whether by personal covenant or by mortgaging or charging any part of the undertaking, property and assets, and uncalled capital of the company the performance of the obligations of the principal amounts and interest of any person, firm or company.

### **Administrative, Management and Supervisory Bodies**

The directors of Plumblin Supplies Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Jonathon Sowton | Director        |
| Brian O'Hara    | Director        |
| Colin O'Donovan | Director        |

The business address of Colm Ó Nualláin, Colin O'Donovan and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT.

There are no potential conflicts of interests between any duties to Plumblin Supplies Limited of the directors referred to above and their private interests and/or other duties.

### **73. DAVIE BUILDING & TIMBER SUPPLIES LIMITED**

#### **Introduction**

Davie Building & Timber Supplies Limited was incorporated as a private limited company in Scotland on 6 February 1987 under the Companies Act 1985 with registered number SC103571. Its principal place of business is Gemini One, 5520 John Smith Drive, Oxford Business Park, Cowley, Oxford OX4 2LL and its registered office is at Caledonian Exchange, 19A Canning Street, Edinburgh, EH3 8HE and its telephone number is +44 1 865 871700.

Davie Building & Timber Supplies Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Merchanting GB Limited. The company is dormant.

Davie Building & Timber Supplies Limited has an authorised share capital of £10,000 divided into 10,000 ordinary shares of £1 each. Its issued share capital consists of £5,100 divided into 5,100 ordinary shares of £1 each.

The objects and purposes of Davie Building & Timber Supplies Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on the businesses of builders' merchants, manufacturers, wholesale and retail dealers and to borrow or raise or secure the payment of money in such manner as the company shall think fit.

#### **Administrative, Management and Supervisory Bodies**

The directors of Davie Building & Timber Supplies Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Jonathon Sowton | Director        |

The business address of Colm Ó Nualláin is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of Jonathon Sowton is Oak Green House, 250 - 256 High Street, Dorking, Surrey RH4 1QT.

There are no potential conflicts of interests between any duties to Davie Building & Timber Supplies Limited of the directors referred to above and their private interests and/or other duties.

### **74. MACNAUGHTON BLAIR LIMITED**

#### **Introduction**

Macnaughton Blair Limited was incorporated as a private limited company in Northern Ireland on 29 August 1989 under the Companies Act 1985 with registered number NI023032. Its principal place of business and its registered office is at 10 Falcon Road, Belfast, BT12 6RD and its telephone number is + 44 2890 385363.

Macnaughton Blair Limited is a wholly owned subsidiary of the Parent Guarantor and is directly held by the intermediate holding company Grafton Group (UK) plc. Its principal activity is the supply of building materials and architectural ironmongery.

Macnaughton Blair Limited has an authorised share capital of £100 divided into 100 ordinary shares of £1 each. Its issued share capital consists of £2 divided into 2 ordinary shares of £1 each.

The objects and purposes of Macnaughton Blair Limited are set out in clause 3 of its Memorandum of Association and include amongst others, the authority to carry on the business of builders' merchants, builders' manufacturers and builders' suppliers in all their aspects and to guarantee, grant indemnities, support or secure any indebtedness of any person, firm or company.

### **Administrative, Management and Supervisory Bodies**

The directors of Macnaughton Blair Limited are as follows:

| <b>Name</b>     | <b>Position</b> |
|-----------------|-----------------|
| Colm Ó Nualláin | Director        |
| Brian O'Hara    | Director        |
| Peter Kearney   | Director        |
| Noel Cromie     | Director        |
| Brian McAuley   | Director        |
| Gavin Slark     | Director        |
| Steven Whyte    | Director        |

The business address of Colm Ó Nualláin, Gavin Slark and Brian O'Hara is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. The business address of the remaining directors is 10 Falcon Road, Belfast, BT12 6RD.

There are no potential conflicts of interests between any duties to Macnaughton Blair Limited of the directors referred to above and their private interests and/or other duties.

## **SELECTED FINANCIAL INFORMATION**

This section sets out important historical financial information relating to the consolidated Parent Guarantor and the Issuer.

## SELECTED FINANCIAL INFORMATION

The following tables set out in summary form the consolidated income statement, balance sheet and cash flow statement of the Group, certain financial figures and ratios in relation to the Group and the profit and loss account, balance sheet and cash flow statement of the Issuer.

### GROUP

#### Group Income Statement For the year ended 31 December 2012

|                                                    | Pre-<br>Exceptional<br>items<br>2012<br>€'000 | Exceptional<br>items<br>2012<br>€'000 | Total<br>2012<br>€'000 | Pre-<br>Exceptional<br>items<br>2011<br>€'000 | Exceptional<br>items<br>2011<br>€'000 | Total<br>2011<br>€'000 |
|----------------------------------------------------|-----------------------------------------------|---------------------------------------|------------------------|-----------------------------------------------|---------------------------------------|------------------------|
| <b>Revenue</b>                                     | 2,171,388                                     | -                                     | 2,171,388              | 2,053,833                                     | -                                     | 2,053,833              |
| Operating costs<br>and income                      | (2,098,452)                                   | (26,170)                              | (2,124,622)            | (1,999,114)                                   | (32,055)                              | (2,031,169)            |
| <b>Operating profit</b>                            | 72,936                                        | (26,170)                              | 46,766                 | 54,719                                        | (32,055)                              | 22,664                 |
| Finance expense                                    | (27,909)                                      | -                                     | (27,909)               | (32,377)                                      | -                                     | (32,377)               |
| Finance income                                     | 14,666                                        | -                                     | 14,666                 | 19,977                                        | -                                     | 19,977                 |
| <b>Profit before tax</b>                           | 59,693                                        | (26,170)                              | 33,523                 | 42,319                                        | (32,055)                              | 10,264                 |
| Income tax                                         | (16,396)                                      | 23,993                                | 7,597                  | (8,583)                                       | 864                                   | (7,719)                |
| <b>Profit after tax for the<br/>financial year</b> | 43,297                                        | (2,177)                               | 41,120                 | 33,736                                        | (31,191)                              | 2,545                  |
| <b>Profit attributable to:</b>                     |                                               |                                       |                        |                                               |                                       |                        |
| Owners of the Company                              |                                               |                                       | 41,120                 |                                               |                                       | 2,545                  |
| Non-controlling interests                          |                                               |                                       | -                      |                                               |                                       | -                      |
| <b>Profit after tax for the<br/>financial year</b> |                                               |                                       | 41,120                 |                                               |                                       | 2,545                  |
| <b>Earnings per ordinary<br/>share - basic</b>     |                                               |                                       | 17.73c                 |                                               |                                       | 1.10c                  |
| <b>Earnings per ordinary<br/>share - diluted</b>   |                                               |                                       | 17.73c                 |                                               |                                       | 1.09c                  |

**Group Balance Sheet**  
**As at 31 December 2012**

|                                                     | 2012<br>€'000    | 2011<br>€'000    |
|-----------------------------------------------------|------------------|------------------|
| <b>ASSETS</b>                                       |                  |                  |
| <b>Non-current assets</b>                           |                  |                  |
| Goodwill                                            | 583,466          | 566,336          |
| Intangible assets                                   | -                | 2,241            |
| Property, plant and equipment                       | 561,616          | 564,884          |
| Deferred tax assets                                 | 32,933           | 36,331           |
| Derivative financial instruments                    | 2,691            | 5,331            |
| Other financial assets                              | 176              | 152              |
| <b>Total non-current assets</b>                     | <b>1,180,882</b> | <b>1,175,275</b> |
| <b>Current assets</b>                               |                  |                  |
| Inventories                                         | 305,516          | 271,217          |
| Trade and other receivables                         | 332,439          | 323,044          |
| Derivative financial instruments                    | 1,345            | 5,625            |
| Cash and cash equivalents                           | 156,876          | 134,600          |
| Properties held for sale                            | 17,709           | 16,231           |
| <b>Total current assets</b>                         | <b>813,885</b>   | <b>750,717</b>   |
| <b>Total assets</b>                                 | <b>1,994,767</b> | <b>1,925,992</b> |
| <b>EQUITY</b>                                       |                  |                  |
| Equity share capital                                | 11,664           | 11,656           |
| Share premium account                               | 293,009          | 292,545          |
| Capital redemption reserve                          | 905              | 905              |
| Revaluation reserve                                 | 29,795           | 30,566           |
| Share to be issued reserve                          | 4,337            | 4,588            |
| Cash flow hedge reserve                             | (343)            | (831)            |
| Foreign currency translation reserve                | (90,059)         | (110,767)        |
| Retained earnings                                   | 753,197          | 759,908          |
| Treasury shares held                                | (5,746)          | (5,746)          |
| <b>Equity attributable to owners of the Company</b> | <b>996,759</b>   | <b>982,824</b>   |
| Non-controlling interests                           | 5,122            | -                |
| <b>Total equity</b>                                 | <b>1,001,881</b> | <b>982,824</b>   |
| <b>LIABILITIES</b>                                  |                  |                  |
| <b>Non-current liabilities</b>                      |                  |                  |
| Interest-bearing loans and borrowings               | 334,507          | 325,230          |
| Provisions                                          | 30,983           | 32,805           |
| Retirement benefit obligations                      | 62,971           | 33,560           |
| Derivative financial instruments                    | 39               | 422              |
| Deferred tax liabilities                            | 44,181           | 39,872           |
| <b>Total non-current liabilities</b>                | <b>472,681</b>   | <b>431,889</b>   |
| <b>Current liabilities</b>                          |                  |                  |
| Interest-bearing loans and borrowings               | 27,815           | 45,110           |
| Trade and other payables                            | 469,501          | 421,658          |
| Current income tax liabilities                      | 13,548           | 34,289           |
| Derivative financial instruments                    | 590              | 739              |
| Provisions                                          | 8,751            | 9,483            |
| <b>Total current liabilities</b>                    | <b>520,205</b>   | <b>511,279</b>   |
| <b>Total liabilities</b>                            | <b>992,886</b>   | <b>943,168</b>   |
| <b>Total equity and liabilities</b>                 | <b>1,994,767</b> | <b>1,925,992</b> |

**Group Cash Flow Statement**  
**For the year ended 31 December 2012**

|                                                                   | 2012            | 2011      |
|-------------------------------------------------------------------|-----------------|-----------|
|                                                                   | €'000           | €'000     |
| <b>Profit before taxation</b>                                     | <b>33,523</b>   | 10,264    |
| Finance income                                                    | (14,666)        | (19,977)  |
| Finance expense                                                   | 27,909          | 32,377    |
| <b>Operating profit</b>                                           | <b>46,766</b>   | 22,664    |
| Depreciation                                                      | 39,521          | 40,448    |
| Intangible amortisation                                           | 2,241           | 2,212     |
| Share-based payments charge/(credit)                              | 762             | (670)     |
| Non-cash movement in operating provisions                         | 939             | 20,337    |
| Claims paid on insurance provisions                               | (3,036)         | (3,927)   |
| Non-cash movement on asset impairment                             | 2,442           | 4,588     |
| Profit on sale of property, plant and equipment                   | (534)           | (1,457)   |
| Contributions to pension schemes in excess of IAS 19 charge       | (6,232)         | (5,594)   |
| Decrease in working capital                                       | 22,864          | 18,333    |
| <b>Cash generated from operations</b>                             | <b>105,733</b>  | 96,934    |
| Interest paid                                                     | (16,484)        | (16,610)  |
| Income taxes paid                                                 | (4,044)         | (3,131)   |
| <b>Cash flows from operating activities</b>                       | <b>85,205</b>   | 77,193    |
| <b>Investing activities</b>                                       |                 |           |
| <i>Inflows</i>                                                    |                 |           |
| Proceeds from sale of property, plant and equipment               | 2,437           | 8,732     |
| Interest received                                                 | 2,052           | 3,979     |
| Sale of financial assets                                          | -               | 36        |
|                                                                   | <b>4,489</b>    | 12,747    |
| <i>Outflows</i>                                                   |                 |           |
| Acquisition of subsidiary undertakings and businesses             | (18,202)        | (3,945)   |
| Net cash acquired with subsidiary undertakings                    | 5,184           | -         |
| Share of subsidiaries and businesses acquired by joint venture    | -               | (8,736)   |
| Share of cash acquired through acquisitions made by joint venture | -               | 873       |
| Net overdraft assumed with joint venture                          | -               | (106)     |
| Deferred acquisition consideration paid                           | (2,030)         | -         |
| Purchase of financial assets                                      | (9)             | -         |
| Purchase of property, plant and equipment                         | (28,332)        | (35,327)  |
|                                                                   | <b>(43,389)</b> | (47,241)  |
| <b>Cash flows from investing activities</b>                       | <b>(38,900)</b> | (34,494)  |
| <b>Financing activities</b>                                       |                 |           |
| <i>Inflows</i>                                                    |                 |           |
| Proceeds from the issue of share capital                          | 472             | 1,353     |
| Proceeds from borrowings                                          | 25,758          | 65,313    |
|                                                                   | <b>26,230</b>   | 66,666    |
| <i>Outflows</i>                                                   |                 |           |
| Repayments of borrowings                                          | -               | (161,411) |
| Dividends paid                                                    | (17,975)        | (16,797)  |
| Movement on finance lease liabilities                             | (642)           | 22        |
| Redemption of loan notes payable net of derivatives               | (34,853)        | (32,195)  |
|                                                                   | <b>(53,470)</b> | (210,381) |
| <b>Cash flows from financing activities</b>                       | <b>(27,240)</b> | (143,715) |
| <b>Net increase/(decrease) in cash and cash equivalents</b>       | <b>19,065</b>   | (101,016) |
| Cash and cash equivalents at 1 January                            | 134,600         | 234,275   |
| Effect of exchange rate fluctuations on cash held                 | 3,211           | 1,341     |
| <b>Cash and cash equivalents at 31 December</b>                   | <b>156,876</b>  | 134,600   |
| <b>Cash and cash equivalents are broken down as follows:</b>      |                 |           |
| Cash at bank and short-term deposits                              | 156,876         | 134,600   |

## Selected Group Ratios

|                                                     | 2012 | 2011 |
|-----------------------------------------------------|------|------|
| Underlying EBITDA <sup>*</sup> /net finance expense | 8.7x | 7.9x |
| Underlying EBIT <sup>*</sup> /net finance expense   | 5.5x | 4.4x |
| Gearing                                             | 20%  | 23%  |
| Net debt/Underlying EBITDA <sup>*</sup>             | 1.8x | 2.3x |

\* Before exceptional items.

This information is derived from the audited consolidated financial statements of the Parent Guarantor as at and for the financial years ended 31 December 2012 and 2011. Such financial statements (together with the reports of KPMG in the case of the audited financial statements) and the accompanying notes are incorporated by reference into this Prospectus. The financial information presented above should be read in conjunction with such financial statements, reports and the notes thereto.

## ISSUER

### Profit and Loss Account For the year ended 31 December 2012

|                                         | 2012<br>£'000 | 2011<br>£'000 |
|-----------------------------------------|---------------|---------------|
| Revenue                                 | -             | -             |
| Operating profit/(loss)                 | 31            | (39)          |
| Profit before tax                       | 384           | 608           |
| Profit after tax for the financial year | 384           | 608           |

### Balance Sheet As at 31 December 2012

|                          | 2012<br>£'000 | 2011<br>£'000 |
|--------------------------|---------------|---------------|
| <b>ASSETS</b>            |               |               |
| Total non-current assets | -             | -             |
| Total current assets     | 72,868        | 85,826        |
| Total assets             | 72,868        | 85,826        |

**EQUITY**

|                                              |         |         |
|----------------------------------------------|---------|---------|
| Equity attributable to owners of the Company | (2,777) | (2,393) |
|----------------------------------------------|---------|---------|

|              |         |         |
|--------------|---------|---------|
| Total Equity | (2,777) | (2,393) |
|--------------|---------|---------|

**LIABILITIES**

|                               |          |          |
|-------------------------------|----------|----------|
| Total non-current liabilities | (54,224) | (52,042) |
|-------------------------------|----------|----------|

|                           |          |          |
|---------------------------|----------|----------|
| Total current liabilities | (15,867) | (31,391) |
|---------------------------|----------|----------|

|                   |          |          |
|-------------------|----------|----------|
| Total liabilities | (70,091) | (83,433) |
|-------------------|----------|----------|

|                              |          |          |
|------------------------------|----------|----------|
| Total equity and liabilities | (72,868) | (85,826) |
|------------------------------|----------|----------|

**Cash Flow Statement**  
**For the year ended 31 December 2012**

|                                                      | 2012<br>£'000 | 2011<br>£'000 |
|------------------------------------------------------|---------------|---------------|
| Profit before taxation                               | 384           | 608           |
| Operating profit/(loss)                              | 31            | (39)          |
| Cash generated from operations                       | 20,558        | (1,213)       |
| Cash flows from operating activities                 | 20,589        | (1,252)       |
| Cash flows from investing activities                 | 376           | 640           |
| Cash flows from financing activities                 | (20,954)      | (28,299)      |
| Net increase/(decrease) in cash and cash equivalents | 11            | (28,911)      |
| Cash and cash equivalents at 1 January               | 775           | 29,686        |
| Cash and cash equivalents at 31 December 2012        | 786           | 775           |

This information is derived from the Accountant's Report on the historical financial information of the Issuer for the financial years ended 31 December 2012 and 2011. Such Accountant's Report is contained in Appendix E (*The Accountant's Report on the Historical Financial Information of the Issuer for the Years ended 31 December 2012 and 2011*). The financial information presented above should be read in conjunction with such Accountant's Report.

## **SUBSCRIPTION AND SALE**

This section contains a description of the material provisions of the Subscription Agreement.

## SUBSCRIPTION AND SALE

Investec Bank plc (the **Manager**) will, pursuant to a subscription agreement (the **Subscription Agreement**) expected to be dated on or about 10 July 2013 agree to, amongst other things, procure Investors for the Bonds at the issue price of 100 per cent of the principal amount of Bonds, less a management and distribution fee of 0.8 per cent of the aggregate principal amount of the Bonds subscribed and paid for. The distribution fee may be shared between the Manager, the Authorised Offerors and any other additional Authorised Offerors that are appointed by the Manager to procure places for and/or to distribute the Bonds. The Issuer (failing which, the Guarantors) will also reimburse the Manager in respect of certain of its costs and expenses which will be specified in the Offer Confirmation Announcement, and will agree to indemnify the Manager against certain liabilities incurred in connection with the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment of the subscription proceeds to the Issuer.

### United States

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons.

The Bonds are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a US person, except in certain transactions permitted by US Treasury regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each of the Manager and the Authorised Offeror(s) has represented, warranted and undertaken that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, US persons and that it will have sent to each dealer to which it sells any Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Pursuant to US Treas. Reg. § 1.163-5(c)(2)(i)(C) (the **C Rules**), the Bonds must be issued and delivered outside the United States and its possessions in connection with their original issuance. Neither the Manager nor the Authorised Offeror(s) has offered, sold or delivered, and neither will offer, sell or deliver, directly or indirectly, the Bonds within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of the Bonds, neither the Manager nor the Authorised Offeror(s) has communicated, and neither will communicate, directly or indirectly, with a prospective purchaser if any of the Manager, the Authorised Offeror(s) or the prospective purchaser is within the United States or its possessions and neither will otherwise involve a US office of the Manager in the offer or sale of such Bonds. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code and regulations thereunder, including the C Rules.

### Selling Restrictions Addressing Additional United Kingdom Securities Law

Each of the Manager and the Authorised Offeror(s) has represented, warranted and undertaken that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or any of the Guarantors; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

### **Public Offer Selling Restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each of the Manager and the Authorised Offeror(s) has represented, warranted and undertaken that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in this Prospectus in the United Kingdom and Ireland from the time the Prospectus has been approved by the competent authority in the United Kingdom and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in the United Kingdom until 15 July 2013 or such later date as the Issuer may permit, and provided that the Issuer has consented in writing to the use of this Prospectus for any such offers, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Bonds to the public in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted in the Prospectus Directive, subject to obtaining the prior consent of the Manager; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Bonds shall require the Issuer, the Manager or the Authorised Offeror(s) to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Bonds to the public** in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an Investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

### **Ireland**

Each of the Manager and the Authorised Offeror(s) has represented, warranted and undertaken that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Bonds, or do anything in Ireland in respect of the Bonds, otherwise than in the conformity with the provisions of:

- (a) the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) of Ireland (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions the Investor Compensation Act 1998 of Ireland and any codes of conduct rules made under Section 117 (1) of the Central Bank Act 1989 of Ireland;
- (b) the Companies Acts 1963 – 2012 of Ireland (as amended), the Central Bank Acts 1942-2011 of Ireland (as amended) and the Regulations and any rules issued by the Central Bank under Section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland as amended (the **2005 Act**); and

- (c) the Market Abuse (Directive 2003/6/EC) Regulations 2005 of Ireland (as amended) and any rules issued under Section 34 of the 2005 Act by the Central Bank of Ireland.

### **Jersey**

Each of the Manager and the Authorised Offeror(s) has represented, warranted and undertaken that it will not circulate in Jersey this Prospectus or any offer for subscription, sale or exchange of the Bonds unless such offer is circulated in Jersey by a person or persons authorised to conduct investment business under the Financial Services (Jersey) Law 1998, as amended (a) does not for the purposes of Article 8 of the Control of Borrowing (Jersey) Order 1958, as amended, constitute an offer to the public; or (b) an identical offer is for the time being circulated in the UK without contravening the FSMA and is, *mutatis mutandis*, circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the UK.

### **Guernsey**

Each of the Manager and the Authorised Offeror(s) has represented, warranted and undertaken that to the extent to which any promotion of the Bonds is deemed to take place in Bailiwick of Guernsey, the Bonds are only being promoted in or from within the Bailiwick of Guernsey either (a) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) or (b) to persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended) or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended). Promotion is not being made in any other way.

### **Isle of Man**

Each of the Manager and the Authorised Offeror(s) has represented, warranted and undertaken that it will not offer or sell the Bonds (and it will not issue or distribute this Prospectus or any other offering material or advertisements in connection with the Bonds) in the Isle of Man to any persons other than persons who have been issued with a licence under section 7 of the Isle of Man Financial Services Act 2008, persons who are Isle of Man authorised or permitted insurers or persons whose ordinary business activities involve them in acquiring, holding, managing or disposing of shares or debentures (as principal or agent) for the purposes of their businesses.

### **General**

No action has been or will be taken by the Issuer, the Manager or the Authorised Offeror(s) that would, or is intended to, permit a public offer of the Bonds, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Manager and the Authorised Offeror(s) has represented, warranted and undertaken that it will not, directly or indirectly, offer or sell any Bonds or have in its possession, distribute or publish any Prospectus, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

## **INFORMATION INCORPORATED BY REFERENCE**

This section contains a description of the information that is deemed to be incorporated by reference in this Prospectus.

## INFORMATION INCORPORATED BY REFERENCE

The following documents have been filed with the Central Bank of Ireland and the FCA:

- 1 the annual report and accounts of the Parent Guarantor for the year ended 31 December 2011 (the **Parent Guarantor's Annual Report 2011**); and
- 2 the annual report and accounts of the Parent Guarantor for the year ended 31 December 2012 (the **Parent Guarantor's Annual Report 2012**).

The tables below set out the page number references for certain sections of the documents incorporated by reference in this Prospectus. The sections denoted by those page number references shall be deemed to be incorporated in, and to form part of, this Prospectus (**Information Incorporated by Reference**).

### **Audited and consolidated annual financial statements of the Parent Guarantor for the financial year ended 31 December 2011 as contained in the Parent Guarantor's Annual Report 2011**

| Information Incorporated by Reference   | Page number in Annual Report and Accounts 2011 |
|-----------------------------------------|------------------------------------------------|
| Independent Auditor's Report            | Pages 44-45                                    |
| Group Income Statement                  | Page 46                                        |
| Group Balance Sheet                     | Page 47                                        |
| Group Cash Flow Statement               | Page 48                                        |
| Group Statement of Comprehensive Income | Page 49                                        |
| Group Statement of Changes in Equity    | Page 50                                        |
| Notes to the Group Financial Statements | Pages 62-117                                   |

### **Audited and consolidated annual financial statements of the Parent Guarantor for the financial year ended 31 December 2012 as contained in the Parent Guarantor's Annual Report 2012**

| Information Incorporated by Reference   | Page number in Annual Report and Accounts 2012 |
|-----------------------------------------|------------------------------------------------|
| Independent Auditor's Report            | Pages 46-47                                    |
| Group Income Statement                  | Page 48                                        |
| Group Statement of Comprehensive Income | Page 49                                        |
| Group Balance Sheet                     | Page 50                                        |
| Group Cash Flow Statement               | Page 51                                        |
| Group Statement of Changes in Equity    | Page 52                                        |
| Notes to the Group Financial Statements | Pages 66-125                                   |

To the extent that any statement that is contained in the Information Incorporated by Reference is modified or superseded (whether expressly, by implication or otherwise) for the purpose of this Prospectus by a statement contained in this Prospectus, such statements will not, except as so modified or superseded, form a part of this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. Non-incorporated parts of the documents listed

above are either not relevant for investors or are covered elsewhere in this Prospectus. Copies of the documents incorporated by reference in this Prospectus can be obtained from the registered office of the Parent Guarantor and are published on the Parent Guarantor's website at [www.graftonplc.com](http://www.graftonplc.com) but the contents of the website shall not form part of this Prospectus.

## **FINANCIAL INFORMATION OF THE ISSUER**

This section relates to the financial information of the Issuer.

## FINANCIAL INFORMATION OF THE ISSUER

The Accountant's Report on the historical financial information of the Issuer for the years ended 31 December 2012 and 2011 are set out in Appendix E (*The Accountant's Report on the Historical Financial Information of the Issuer for the Years ended 31 December 2012 and 2011*).

The table below set out the page number references for certain sections of the Accountant's Report.

### Historical financial information of the Issuer for the financial year ended 31 December 2012 and 2011

| Historical Financial Information of the Issuer | Page number in the Accountant's Report |
|------------------------------------------------|----------------------------------------|
| Profit and Loss Account                        | Page 3                                 |
| Balance Sheet                                  | Page 4                                 |
| Cash Flow Statement                            | Page 5                                 |
| Notes to the Financial Statements              | Pages 6-11                             |

## GENERAL INFORMATION

**You should be aware of a number of other matters that may not have been addressed in detail elsewhere in this Prospectus.**

These include the availability of certain relevant documents for inspection, confirmations from the Issuer and details of the listing of the Bonds.

## GENERAL INFORMATION

### Authorisation

- 1 The issue of the Bonds was duly authorised by a resolution of the board of directors of the Issuer dated on or about 19 June 2013, and the giving of the Guarantee was duly authorised by a duly authorised resolution of the board of directors of the Parent Guarantor dated on or about 19 June 2013 and by a duly authorised resolution of the board of directors of each of the initial Subsidiary Guarantors dated on or about 5 June 2013.

### Listing

- 2 It is expected that official listing will be granted on or about the Issue Date subject only to the issue of the Permanent Global Bond. Application has been made to the UK Listing Authority for the whole class of the Bonds to be listed on the Official List of the London Stock Exchange and for such Bonds to be admitted to trading on the London Stock Exchange's Regulated Market and through the ORB.

### Yield

- 3 On the basis of the issue price of the Bonds of 100 per cent of their principal amount, the yield of the Bonds is expected to be 5.5 per cent on an annual basis. This is not an indication of future yield.

### Clearing systems

- 4 The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will be made eligible for CREST via the CDI mechanism. See Appendix C (*Summary of Provisions relating to the Bonds while in Global Form*) and Appendix D (*Clearing and Settlement*). The ISIN for this issue is XS0947124243 and the Common Code is 094712424.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, *société anonyme*, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of CREST is Euroclear UK & Ireland Limited, 33 Cannon Street, London EC4M 5SB, United Kingdom.

### No significant change

- 5 There has been no significant change in the financial or trading position of the Group since 31 December 2012 and there has been no material adverse change in the prospects of the Issuer and of each of the Guarantors since 31 December 2012.

### Litigation

- 6 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantors are aware) in the 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, any Guarantor or the Group.

### Auditors

- 7 The auditors of the Parent Guarantor are KPMG, Chartered Accountants and Registered Auditors who have audited the Parent Guarantor's accounts, without qualification, in accordance with International Standards on Auditing (UK and Ireland) for each of the two financial years ended on 31 December 2012 and 2011.
- 8 The auditors of the Issuer are KPMG, Chartered Accountants and Registered Auditors who have audited the Issuer's accounts, without qualification, in accordance with Standards for Investment Reporting issued by Auditing Practices Board in the United Kingdom and Ireland for

each of the two financial years ended on 31 December 2012 and 2011.

KPMG Chartered Accountants and Registered Auditors have given and not withdrawn their written consent to the inclusion of its Accountant's Report on the historical financial information of the Issuer set out in Appendix E (*The Accountant's Report on the Historical Financial Information of the Issuer for the Years ended 31 December 2012 and 2011*) and inclusions in the Prospectus to the references to their name in the form and context in which they appear, and has authorised the contents of that part of this Prospectus which comprises its Accountant's Report for Rule 5.5.4R(2)(f) of the Prospectus Rules.

#### **US tax**

- 9 The Bonds and the Coupons will contain the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

#### **Documents Available**

- 10 For the period of 12 months following the date of this Prospectus, copies of the following documents will be available for inspection from the registered office of the Parent Guarantor and from the specified office of the Principal Paying Agent for the time being in London:
- (a) the Memorandum and Articles of Association of the Issuer, the Parent Guarantor and the Subsidiary Guarantors;
  - (b) the Accountant's Report on the historical financial information of the Issuer for the years ended 31 December 2012 and 2011 and the consolidated audited financial statements of the Parent Guarantor in respect of the financial years ended 31 December 2012 and 2011, together with the audit reports in connection therewith; and
  - (c) the Trust Deed and the Agency Agreement.

#### **Post-issuance information**

- 11 None of the Issuer or the Guarantors intends to provide any post-issuance information in relation to this issue of Bonds.

## **IMPORTANT LEGAL INFORMATION**

This section contains some important legal information regarding the basis on which this Prospectus may be used, forward-looking statements and other matters.

## IMPORTANT LEGAL INFORMATION

This Prospectus has been prepared on a basis that permits a **Public Offer** (being an offer of Bonds that is not within an exemption from the requirement to publish a prospectus under Article 5.4 of the Prospectus Directive) in the United Kingdom, Ireland, Jersey, Guernsey and the Isle of Man. Any person making or intending to make a Public Offer of Bonds on the basis of this Prospectus must do so only with the consent of the Issuer and the Guarantors – see “Consent given in accordance with Article 3.2 of the Prospectus Directive” below.

### Consent given in accordance with Article 3.2 of the Prospectus Directive

In the context of any Public Offer of Bonds in the United Kingdom, the Issuer accepts responsibility, in the United Kingdom, for the content of this Prospectus under section 90 of FSMA in relation to any person in the United Kingdom to whom an offer of any Bonds is made by a financial intermediary (including the Manager) to whom the Issuer and the Guarantors have given their consent to use the Prospectus, where the offer is made in compliance with all conditions attached to the giving of such consent. Such consent and the attached conditions are described under “Consent” below.

Except in the circumstances described below, neither the Issuer nor the Manager has authorised the making of any Public Offer and none of the Issuer or the Guarantors has consented to the use of this Prospectus by any other person in connection with any offer of the Bonds. Any offer made without the consent of the Issuer and the Guarantors is unauthorised and none of the Issuer or the Guarantors accepts any responsibility in relation to such offer.

If, in the context of a Public Offer, you are offered Bonds by a person which is not an Authorised Offeror, you should check with such person whether anyone is responsible for this Prospectus for the purpose of section 90 of FSMA in the context of the Public Offer and, if so, who that person is. If you are in any doubt about whether you can rely on this Prospectus and/or who is responsible for its contents, you should take legal advice.

### Consent

The Issuer and the Guarantors consent to the use of this Prospectus in connection with any Public Offer of Bonds in the United Kingdom, Ireland, Jersey, Guernsey and the Isle of Man during the Offer Period by:

- (i) the Manager; and
- (ii) any financial intermediary (an **Authorised Offeror**), including for any subsequent resale or final placement of the Bonds, which satisfies the Authorised Offer Terms and other conditions (and in the case of Public Offers made outside the United Kingdom, being Ireland, Jersey, Guernsey and the Isle of Man, by any financial intermediary who satisfies the equivalent of those conditions applicable in those jurisdictions (as applied)) as set out below.

The **Authorised Offeror Terms** are that the relevant financial intermediary represents and agrees that it:

- (a) is authorised to make such offers including under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (**MiFID**) (in which regard, you should consult the register of authorised entities maintained by the FCA at [www.fca.org.uk/firms/systems-reporting/register](http://www.fca.org.uk/firms/systems-reporting/register)). MiFID governs the organisation and conduct of the business of investment firms and the operation of regulated markets across the European Economic Area in order to seek to promote cross-border business, market transparency and the protection of investors;
- (b) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the **Rules**), including the Rules published by the FCA (including its guidance for distributors in “The Responsibilities of Providers and Distributors for the Fair Treatment of Customers”) from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Bonds by any person and disclosure to any potential investor;

- (c) complies with the restrictions set out under Section 10 (*Subscription and Sale – Selling restrictions*) in this Prospectus which would apply as if the relevant financial intermediary were the Manager;
- (d) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Bonds does not violate the Rules and is fully and clearly disclosed to investors or potential investors;
- (e) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Bonds under the Rules or as otherwise required, including all necessary authorisation under FSMA and/or the Financial Services Act 2012;
- (f) complies with applicable anti-money laundering, anti-bribery and “know your client” Rules, and does not permit any application for Bonds in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
- (g) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records and any other information available to the Manager and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the Manager in order to enable the Issuer and/or the Manager to comply with anti-money laundering, anti-bribery and “know your client” Rules and any other obligation applying to the Issuer and/or the Manager;
- (h) does not, directly or indirectly, cause the Issuer or the Manager to breach any Rule or subject the Issuer or the Manager to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- (i) agrees and undertakes to indemnify each of the Issuer, the Guarantors and the Manager (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel’s fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer, the Guarantors or the Manager; and
- (j) agrees and accepts that:
  - (i) the contract between the Issuer, the Guarantors, the Manager and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer’s offer to use the Prospectus with its consent in connection with the relevant Public Offer (the **Authorised Offeror Contract**), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
  - (ii) the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly submits to the exclusive jurisdiction of the English courts; and
  - (iii) the Manager will be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

**Any financial intermediary who wishes to use this Prospectus in connection with a Public Offer as set out above is required, for the duration of the Offer Period, to publish on its website that it is using this Prospectus for such Public Offer in accordance with the consent of the Issuer and the Guarantors and the conditions attached thereto (as set out therein) in the following form (with the information in square brackets completed with the relevant information):**

*"We, [insert legal name of financial intermediary], refer to the 5.5 per cent sterling-denominated guaranteed Bonds due 2020 of Grafton Group Finance plc (the **Issuer**) and jointly and severally guaranteed by Grafton Group plc and certain **Subsidiary Guarantors** (as defined in the terms and conditions of the Bonds) (together, the **Guarantors**). We hereby accept the offer by the Issuer and the Guarantors of their consent to our use of the Prospectus dated 24 June 2013 (the **Prospectus**) relating to the Bonds in connection with the offer of the Bonds in the United Kingdom, Ireland, Jersey, Guernsey and/ or the Isle of Man (the **Public Offer**) in accordance with the Authorised Offeror Terms (as defined in the Prospectus) and subject to the conditions to such consent, each as specified in the Prospectus, and we are using the Prospectus in connection with, the Public Offer accordingly".*

A Public Offer may be made, subject to the conditions set out above, during the Offer Period by any of the Issuer, the Manager or the other Authorised Offerors.

Other than as set out above, none of the Issuer, the Guarantors or the Manager has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use this Prospectus in connection with any offer of Bonds. Any such offers are not made on behalf of the Issuer, the Guarantors, the Manager or other Authorised Offerors and none of the Issuer, the Guarantors, the Manager or other Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

As at the date of this Prospectus, the following are the Authorised Offeror(s) who have each been appointed by the Issuer, the Parent Guarantor and the Manager to offer and distribute the Bonds purchased from the Manager to the public in the United Kingdom, Ireland, Jersey, Guernsey and the Isle of Man in accordance with all prevailing regulatory requirements during the Offer Period:

Barclays Stockbrokers Limited  
1 Churchill Place  
London E14 5HP

Brown Shipley & Co. Limited  
3 Hardman Street  
Manchester M3 3HF

Goodbody Stockbrokers Limited  
Ballsbridge Park  
Ballsbridge  
Dublin 4

NCL Investments Limited (trading as Smith & Williamson Securities Ltd)  
25 Moorgate  
London EC2R 6AY

Redmayne-Bentley LLP  
9 Bond Court  
Leeds LS1 2JZ

Talos Securities Limited (trading as Selftrade)  
Boatman's House  
2 Selsdon Way  
London E14 9LA

WH Ireland Limited  
24 Martin Lane  
London EC4R 0DR

Further Authorised Offeror(s) may be appointed with the prior written consent of the Issuer during the Offer Period and, if so, will be identified as such by a notice published by the RNS.

#### **Arrangements between you and the financial intermediaries who will distribute the Bonds**

None of the Issuer, the Guarantors or the Manager has any responsibility for any of the actions of any Authorised Offeror (except for the Manager, where it is acting in the capacity of a financial intermediary), including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

**If you intend to acquire or do acquire any Bonds from an Authorised Offeror, you will do so, and offers and sales of the Bonds to you by such an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you including as to price, allocations and settlement arrangements** (see Section 4 (*How to Apply for the Bonds*)). None of the Issuer or the Guarantors will not be a party to any such arrangements with you in connection with the offer or sale of the Bonds and, accordingly, this Prospectus does not contain such information. The information relating to the procedure for making applications will be provided by the relevant Authorised Offeror to you at the relevant time. None of the Issuer, the Guarantors, the Manager or other Authorised Offerors has any responsibility or liability for such information.

#### **Notice to investors**

The Bonds may not be a suitable investment for all investors. You must determine the suitability of any investment in light of your own circumstances. In particular, you may wish to consider, either on your own or with the help of your financial and other professional advisers, whether you:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus (and any applicable supplement to this Prospectus);
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on your overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments (Sterling) is different from the currency which you usually use;
- (d) understand thoroughly the terms of the Bonds and are familiar with the behaviour of the financial markets; and
- (e) are able to evaluate possible scenarios for economic, interest rate and other factors that may affect your investment and your ability to bear the applicable risks.

The investment activities of certain Investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Investor should consult its legal advisers to determine whether and to what extent (a) the Bonds are legal investments for it, (b) the Bonds can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

No person is or has been authorised by the Issuer, the Guarantors, the Manager or the Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantors, the Manager or the Trustee.

Neither the publication of this Prospectus nor the offering, sale or delivery of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date of this Prospectus or that there has been no adverse change in the financial position of the Issuer or the Guarantors since the date of this Prospectus or that any other information supplied in connection with the offering of the Bonds is correct as of any time subsequent to the date indicated in the document containing the same. Neither the Manager nor the Trustee undertake to review the financial condition or affairs of the Issuer or the Guarantors during the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds should be considered as a recommendation by the Issuer, the Guarantors, the Manager or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Prospectus and any purchase of Bonds should be based upon such investigation as it deems necessary.

### **The Manager and the Trustee**

Neither the Manager nor the Trustee has independently confirmed the information contained in this Prospectus. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Manager or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer or the Guarantors in connection with the offering of the Bonds. Neither the Manager nor the Trustee accepts liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Guarantors in connection with the offering of the Bonds or their distribution.

The Manager, which is authorised and regulated by the FCA, is acting for the Issuer and for no one else in connection with the contents of this Prospectus and will not be responsible to anyone other than the Issuer for providing the protections afforded to clients of the Manager, or for providing advice in relation to the contents of this Prospectus or any matter referred to herein.

The Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Guarantors and their affiliates in the ordinary course of business.

### **No incorporation of websites**

The contents of the websites of the Group do not form part of this Prospectus, and you should not rely on them.

### **Forward-looking statements**

This Prospectus includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking expressions, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', or 'should' or, in each case, their negative or other variations or similar expressions, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include, but are not limited to, the following: statements regarding the intentions, beliefs or current expectations of the Issuer, the Guarantors and the Group concerning, amongst other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group's operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition and liquidity, and the development of the

countries and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. These and other factors are discussed in more detail under Section 2 (*Risk Factors*), Section 6 (*Description of the Parent Guarantor and the Group*) and Section 7 (*Description of the Issuer*) and Section 8 (*Description of Subsidiary Guarantors*). Many of these factors are beyond the control of the Issuer, the Guarantors and the Group. Should one or more of these risks or uncertainties materialise, or should underlying assumptions on which the forward-looking statements are based prove incorrect, actual results may vary materially from those described in this Prospectus as anticipated, believed, estimated or expected. Except to the extent required by laws and regulations, none of the Issuer or the Guarantors intends, nor assumes any obligation, to update any forward-looking statements set out in this Prospectus.

This Prospectus is based on English law in effect as of the date of issue of this Prospectus. Except to the extent required by laws and regulations, none of the Issuer or the Guarantors intends, nor assumes any obligation, to update the Prospectus in light of the impact of any judicial decision or change to English law or administrative practice after the date of this Prospectus.

### **CREST depository interests**

In certain circumstances, investors may also hold interests in the Bonds through CREST through the issue of CDIs representing interests in the underlying Bonds. CDIs are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited (**CREST Depository**) pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the **CREST Deed Poll**). Neither the Bonds nor any rights attached to the Bonds will be issued, settled, held or transferred within the CREST system other than through the issue, settlement, holding or transfer of CDIs. CDI Holders will not be entitled to deal directly in the Bonds and, accordingly, all dealings in the Bonds will be effected through CREST in relation to the holding of CDIs. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus. See Appendix D (*Clearing and Settlement*) for further details.

### **Selling restrictions**

This Prospectus does not constitute or form part of an offer to sell, or the solicitation of an offer to buy, Bonds to any person in any jurisdiction to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful. This Prospectus is not for distribution in the United States, Australia, Canada or Japan. The Bonds have not been and will not be registered under the Securities Act or qualified for sale under the laws of the United States or under any applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of US persons.

The distribution of this Prospectus and the offer or sale of the Bonds in certain jurisdictions may be restricted by law. No action has been or will be taken by the Issuer, the Manager or the Trustee anywhere which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction, other than in the United Kingdom, Ireland, Jersey, Guernsey and the Isle of Man.

# A

## **APPENDIX A**

### **DEFINED TERMS INDEX**

The following is an index that indicates the location in this Prospectus where certain capitalised terms have been defined.

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All references in this document to **Sterling** and **£** refer to the currency of the United Kingdom, all reference to **euro**, **EUR** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1993 on the introduction of the euro, as amended. All references to **US\$** or **US dollars** refer to the currency of the United States of America, its territories and possessions.

# **B**

## **APPENDIX B**

### **TERMS AND CONDITIONS OF THE BONDS**

## TERMS AND CONDITIONS OF THE BONDS

*The following is the text of the Terms and Conditions of the Bonds which (subject to completion and amendment) will be endorsed on each Bond in definitive form:*

The issue of the Bonds was authorised by a resolution of the Board of Directors of Grafton Group Finance plc (the "**Issuer**") passed on or about 19 June 2013. The Bonds are guaranteed by Grafton Group plc (the "**Parent Guarantor**"), which was authorised by a resolution of the Board of Directors of the Parent Guarantor passed on or about 19 June 2013 and the giving of the Guarantees (as defined below) of the Bonds was duly authorised by a resolution of each of the Boards of Directors of the initial Subsidiary Guarantors (as defined below), each dated on or about 5 June 2013. The Bonds are constituted by a Trust Deed (the "**Trust Deed**") dated on or about 15 July 2013 between the Issuer, the Parent Guarantor, the initial Subsidiary Guarantors and BNYM Corporate Trustee Services Limited (the "**Trustee**") which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Bonds (the "**Bondholders**"). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds and the coupons relating to them (the "**Coupons**"). Copies of the Trust Deed, and of the Paying Agency Agreement (the "**Paying Agency Agreement**") dated on or about 15 July 2013 relating to the Bonds between the Issuer, the Parent Guarantor, the initial Subsidiary Guarantors, the Trustee and the initial principal paying agent and the other paying agents named in it, are available for inspection during usual business hours at the principal office of the Trustee (presently at One Canada Square, London E14 5AL) and at the specified offices of the principal paying agent for the time being (the "**Principal Paying Agent**") and the other paying agents for the time being (the "**Paying Agents**", which expression shall include the Principal Paying Agent). The Bondholders and the holders of the Coupons (whether or not attached to the relevant Bonds) (the "**Couponholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those applicable to them of the Paying Agency Agreement.

Capitalised terms used in these Conditions but not defined in the Condition in which they first appear shall have the meanings attributed to them in Condition 18 (*Definitions*), and capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Trust Deed (in each case, unless the context otherwise requires or unless otherwise stated).

### 1 Form, Denomination and Title

#### (a) Form and denomination

The Bonds are serially numbered and in bearer form in denominations of £1,000.00 and integral multiples of £100.00 in excess thereof up to and including £1,900.00 each with Coupons attached on issue.

#### (b) Title

Title to the Bonds and Coupons passes by delivery. The holder of any Bond or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

### 2 Status of Bonds and Guarantees

#### (a) Status of Bonds

The Bonds constitute (subject to Condition 7(a) (*Negative pledge*)) direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds and the payment obligations of the Parent Guarantor and the Subsidiary Guarantors under the Guarantees, shall, save for such exceptions as may be provided by

applicable legislation and subject to Condition 7(a) (*Negative pledge*), at all times rank at least equally with all their respective other present and future unsecured and unsubordinated obligations.

- (b) **Guarantees:** Subject to the remaining provisions of this Condition 2, the payment of all sums expressed to be payable by the Issuer under the Bonds will be unconditionally and irrevocably guaranteed on a joint and several basis by the Parent Guarantor and each Subsidiary of the Parent Guarantor that is a guarantor as at the Issue Date (each an **"initial Subsidiary Guarantor"**) and any other Subsidiary of the Parent Guarantor that becomes a guarantor in accordance with this Condition 2 (each such guarantor and initial Subsidiary Guarantor, a **"Subsidiary Guarantor"** and together with the Parent Guarantor, the **"Guarantors"**). In these Conditions, any such guarantee given by a Guarantor is referred to individually as a **"Guarantee"** and, together, as the **"Guarantees"**.
- (c) **Status of the Guarantees:** The obligations of each Guarantor under its Guarantee will constitute direct, unconditional, senior, unsubordinated and (subject to Condition 7(a) (*Negative Pledge*)) unsecured obligations of such Guarantor and shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.
- (d) **Identity of Guarantors:** The Parent Guarantor shall procure that:
  - (i) any Significant Subsidiary which is or becomes a borrower or guarantor in respect of any Indebtedness under a Credit Facility becomes (and, until released in accordance with the Conditions, will continue to be) a Subsidiary Guarantor, unless such Significant Subsidiary is prohibited or restricted from providing a guarantee with respect to the Bonds by law or is otherwise prevented or restricted from providing a guarantee as a result of general corporate or contractual restrictions applicable to such Significant Subsidiary, in each case after the Parent Guarantor has used its reasonable endeavours (without requiring the Parent Guarantor to procure any change in jurisdiction of incorporation of such Significant Subsidiary or the purchase of any minority shareholder interest in such Significant Subsidiary) to enable such Significant Subsidiary to provide a Guarantee not subject to any restrictions or limitations; and
  - (ii) any Subsidiary of the Parent Guarantor (other than the Issuer) which provides a guarantee in respect of any International Capital Markets Indebtedness becomes (and, until released in accordance with the Conditions, will continue to be) a Guarantor, in each case unless such Subsidiary is prohibited or restricted from providing a guarantee with respect to the Bonds by law or is otherwise prevented or restricted from providing a guarantee as a result of general corporate or contractual restrictions applicable to such Subsidiary, in each case after the Parent Guarantor has used its reasonable endeavours (without requiring the Parent Guarantor to procure any change in jurisdiction of incorporation of such Subsidiary or the purchase of any minority shareholder interest in such Subsidiary) to enable such Subsidiary to provide a Guarantee not subject to any restrictions or limitations.

Notwithstanding the foregoing, (A) the Parent Guarantor shall be obliged to comply with Condition 2(h) (*Limitations*), to the extent applicable, until such time as the Subsidiary is permitted to provide a Guarantee in respect of the Bonds not subject to any restriction or limitation and (B) no Subsidiary of the Parent Guarantor shall be required to become or continue to be a Guarantor for so long as it is prohibited from providing a guarantee by law; **provided that**, if such prohibition or restriction is removed, the Parent Guarantor shall within 30 days thereof cause that Subsidiary to become a Guarantor.

- (e) **Accession of Guarantors:** If a Subsidiary of the Parent Guarantor is required to become a Guarantor pursuant to Condition 2(d) (*Identity of Guarantors*) or becomes a

Guarantor pursuant to Condition 2(i) (*Optional Guarantors*), the Parent Guarantor shall procure the delivery to the Trustee of: (i) a supplemental trust deed duly (which shall include a guarantee in favour of the Trustee for itself and on behalf of the Bondholders) executed by the relevant Subsidiary pursuant to which it agrees to be bound by the provisions of the Trust Deed; (ii) an Officers' Certificate certifying (A) that the giving of the guarantee by the Subsidiary Guarantor will not breach any applicable law to which such Subsidiary Guarantor is subject and (B) the matters outlined in (iii) below; and (iii) an Opinion of Counsel to the effect that delivery of such deed of guarantee and supplemental trust deed has been validly authorised and executed and that the obligations of the Subsidiary under its Guarantee and the supplemental trust deed constitute legal, valid and binding obligations ranking as provided in Condition 2(c) (*Status of the Guarantee*), and, upon delivery of such documents (whether or not the document described in (i) above have been executed by the Trustee) the relevant Subsidiary shall be deemed to have become a Subsidiary Guarantor. No Guarantor other than a Subsidiary acceding as a guarantor pursuant to this Condition 2(e) shall be required to execute or provide any document in relation to such accession.

- (f) **Release of Guarantors:** If (i) a Release Event has occurred with respect to a Subsidiary Guarantor, (ii) no Event of Default has occurred and is continuing or would occur as a consequence of such release and (iii) other than in respect of a Release Event of the type referred to in paragraph (e) of the definition thereof, immediately following such release, the Parent Guarantor would be permitted to incur at least £1.00 of additional Indebtedness pursuant to the first paragraph of Condition 7(b) (*Limitation on Indebtedness*), then the relevant Subsidiary Guarantor shall, subject to the condition below and subject to Condition 2(h) (*Limitations*) in relation to the Release Event at paragraph (e) of that definition, be released from its obligations under its Guarantee by the Parent Guarantor. No Guarantor other than a Subsidiary being released as a guarantor pursuant to this Condition 2(f) shall be required to execute or provide any document in relation to such release.

As a condition to any release as aforesaid, the Issuer or the Parent Guarantor shall deliver to the Trustee an Officers' Certificate certifying that the above conditions (i) to (iii) to release have been satisfied together with, in the case of a Release Event of the type referred to in paragraph (e) of the definition thereof, an Opinion of Counsel to the effect that the relevant change in law has come into effect. The Trustee shall accept the Officers' Certificate together, if applicable, with the supporting documents mentioned above as sufficient evidence of the occurrence of such Release Event, in which event it shall be conclusive and binding on the Bondholders and each relevant Subsidiary Guarantor shall be immediately and effectively released from its obligations under its Guarantee. No other Guarantor will be required to execute or provide any document in relation to the above.

The Issuer shall promptly notify the Bondholders of the release of any Subsidiary Guarantor pursuant to this Condition 2(f) (*Release of Guarantors*).

- (g) **Notification:** The Issuer or the Parent Guarantor shall deliver an Officers' Certificate to the Trustee (for the Trustee's information only):
- (i) upon any Significant Subsidiary that is not already a Guarantor becoming a borrower or guarantor in respect of any Indebtedness under a Credit Facility (including, to the extent applicable, an explanation of any legal prohibition or restriction or any general corporate or contractual restriction preventing or restricting such Significant Subsidiary from providing a guarantee with respect to the Bonds) and upon any Subsidiary becoming a guarantor in respect of any International Capital Markets Indebtedness (including, to the extent applicable, an explanation of any legal prohibition or restriction or any general corporate or contractual restriction preventing or restricting such Subsidiary from providing a guarantee with respect to the Bonds); and

- (ii) upon any Subsidiary of the Parent Guarantor becoming a Guarantor pursuant to Condition 2(e) (*Accession of Guarantors*) or Condition 2(i) (*Optional Guarantors*).
- (h) **Limitations:** Subject to the provisions of Condition 2(d) (*Identity of Guarantors*), if a Subsidiary of the Parent Guarantor who is required to be a Guarantor pursuant to this Condition 2 is prohibited or restricted by law from becoming a Guarantor, but such prohibition or restriction could be avoided by the inclusion of limitations in the Guarantee to be given by it, such Subsidiary of the Parent Guarantor shall become a Guarantor; **provided that** its Guarantee shall incorporate and shall be given subject to such limitations.

If, as a result of a change in law taking effect after the date on which a Subsidiary became a Guarantor, the guarantee of a Guarantor becomes prohibited or restricted by law from continuing to be a Guarantor, but such prohibition or restriction could be avoided by the inclusion of limitations in the Guarantee given by it, the Guarantee of such Guarantor shall be deemed to incorporate the applicable limitations as at the date such change in law comes into effect, and the Parent Guarantor shall procure that such Guarantor execute a document amending the Guarantee within 30 days of the Parent Guarantor becoming aware of any such prohibition or restriction to reflect such limitations. No Guarantor other than a Subsidiary whose Guarantee is to be amended to reflect a prohibition or limitation in accordance with this Condition 2(h) shall be required to execute or provide any document in connection therewith.

In the circumstances described above, the limitations applicable to such Guarantee shall be the minimum limitations required under relevant laws in order that the prohibition or restriction be avoided.

- (i) **Optional Guarantors:** The Parent Guarantor shall be permitted after the Issue Date to cause additional Subsidiaries to become Subsidiary Guarantors which are not otherwise required to become Subsidiary Guarantors pursuant to this Condition 2 (such Subsidiary Guarantors, "**Optional Guarantors**"); **provided that** prior to any such Subsidiary becoming an Optional Guarantor, the Issuer or the Parent Guarantor shall procure the delivery to the Trustee of the documentation referred to in Condition 2(e) (*Accession of Guarantors*). Subject to the first paragraph of Condition 2(f) (*Release of Guarantors*), any Optional Guarantor shall be released at the request of the Parent Guarantor from its obligations under its Guarantee.

### 3 Interest

The Bonds bear interest from and including 15 July 2013 at the rate of 5.5 per cent. per annum, payable semi-annually in arrear in equal instalments of £2.75 per Calculation Amount (as defined below) on 15 January and 15 July in each year (each an "**Interest Payment Date**"). Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Where interest is to be calculated in respect of a period which is shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the product of (1) the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last) and (2) the number of Interest Periods normally ending in any year.

In these Conditions, the period beginning on and including 15 July 2013 and ending on but

excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Bond shall be calculated per £100.00 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of 5.5 per cent., the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest penny (half a pence being rounded upwards).

#### 4 **Redemption and Purchase**

##### (a) ***Final redemption***

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 15 July 2020 (the "**Maturity Date**"). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition.

##### (b) ***Redemption for taxation reasons***

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount (together with interest accrued to the date fixed for redemption), if the Issuer or Parent Guarantor delivers to the Trustee an Officers' Certificate stating that: (i) immediately prior to the giving of such notice that it (or, if the Guarantees were called, a Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 10 July 2013, and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor(s), as the case may be) taking reasonable measures available to it/them; **provided that** no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Issuer (or the relevant Guarantor(s), as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Bonds (or the Guarantees, as the case may be) then due. Such Officers' Certificate shall be delivered by the Issuer or Parent Guarantor prior to the publication of any notice of redemption pursuant to this Condition 4(b), and the Trustee shall be required to accept such Officers' Certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on the Bondholders and the Couponholders.

##### (c) ***Redemption at the option of the Issuer***

At any time prior to the Maturity Date, the Issuer may on any one or more occasions redeem the Bonds in whole or in part at a price equal to (i) 100% of the principal amount of the Bonds redeemed, plus (ii) accrued and unpaid interest to the date of the redemption (the "**Redemption Date**"), plus (iii) the Applicable Premium, on the Issuer giving not less than 30 nor more than 60 days' notice to the Bondholders (copied to the Trustee) (which notice shall be irrevocable and shall oblige the Issuer to redeem the Bonds specified in such notice on the relevant Redemption Date at such price).

##### (d) ***Redemption at the option of Bondholders following a Change of Control***

If a Change of Control occurs and subject to the Issuer not already having given notice to redeem the relevant Bonds in accordance with this Condition 4 (*Redemption and Purchase*), each Bondholder will have the right to require the Issuer to repurchase all or any part (equal to £1,000.00 or an integral multiple of £100.00 in excess thereof) of that

Bondholder's Bonds pursuant to a Change of Control offer on the terms set forth in the Trust Deed (a "**Change of Control Offer**"). In the Change of Control Offer, the Issuer will offer a payment in cash equal to 101% of the aggregate principal amount of Bonds repurchased, plus accrued and unpaid interest if any, on the Bonds repurchased to the date of purchase (the "**Change of Control Payment**"). Within 30 days following any Change of Control, the Issuer will deliver a notice to Bondholders in accordance with the procedures described under Condition 15 (*Notices*), stating that a Change of Control Offer is being made and offering to repurchase Bonds on the date (the "**Change of Control Payment Date**") specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Trust Deed and described in such notice. The Issuer will comply with the requirements of any applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the Bonds as a result of a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Trust Deed, the Issuer will comply with any applicable securities laws and regulations and will not be deemed to have breached its obligations under the Trust Deed by virtue of such compliance. The Issuer will provide an Officers' Certificate to the Trustee confirming which specific provisions are in conflict and the Trustee will be entitled to rely on such Officers' Certificate without further investigation.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (i) accept for payment all Bonds properly tendered pursuant to the Change of Control Offer;
- (ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Bonds properly tendered; and
- (iii) deliver or cause to be delivered to the Trustee the Bonds properly accepted together with an Officers' Certificate stating the aggregate principal amount of Bonds being purchased by the Issuer.

The Paying Agent will deliver to each Bondholder that has properly tendered Bonds the Change of Control Payment for such Bonds pursuant to Condition 5. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Trust Deed are applicable. Except as described above with respect to a Change of Control, the Trust Deed does not contain provisions that permit the holders of the Bonds to require that the Issuer repurchase or redeem the Bonds in the event of a takeover, recapitalisation or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Trust Deed applicable to a Change of Control Offer made by the Issuer and purchases all Bonds properly tendered and not withdrawn under the Change of Control Offer, or (2) a notice of redemption has been given pursuant to the Trust Deed as described under Condition 4(g) (*Notice of redemption*), unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the

properties or assets of the Issuer, the Parent Guarantor and the Parent Guarantor's Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Bondholder to require the Issuer to repurchase its Bonds as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Issuer, the Parent Guarantor and the Parent Guarantor's Subsidiaries taken as a whole to another person or group may be uncertain.

The provisions under the Trust Deed relating to the Issuer's obligation to make an offer to repurchase the Bonds as a result of a Change of Control may be waived or modified by the Trustee acting pursuant to a direction of the holders of a majority in principal amount of the Bonds prior to the occurrence of the Change of Control.

The Issuer will publish notices relating to the Change of Control Offer in accordance with Condition 15 (*Notices*) and, for so long as the Bonds are listed on the London Stock Exchange, shall comply with any other obligation with respect to the Change of Control Offer as shall be required pursuant to the rules of the London Stock Exchange.

(e) ***Redemption at the option of Bondholders following Asset Sales***

The Parent Guarantor will not, and will not cause or permit any of its Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

- (i) the Parent Guarantor (or its Subsidiary, as the case may be) receives or will receive consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and
- (ii) at least 75% of the consideration received in the Asset Sale by the Parent Guarantor or such Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:
  - (A) any liabilities, as recorded on the balance sheet of the Parent Guarantor or any Subsidiary (other than contingent liabilities and Non-Recourse Debt), that are assumed by the transferee of any such assets and as a result of which the Parent Guarantor or such Subsidiary are no longer obligated with respect to such liabilities or are indemnified against further liabilities;
  - (B) any securities, notes or other obligations received by the Parent Guarantor or such Subsidiary from such transferee that are converted by the Parent Guarantor or such Subsidiary into cash or Cash Equivalents within 180 days following the closing of the Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion;
  - (C) any Capital Stock or assets of the kind referred to in clauses (ii) or (iv) of the next paragraph of this Condition 4(e);
  - (D) any Designated Non-Cash Consideration received by the Parent Guarantor or any Subsidiary in such Asset Sales having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (D) that is at that time outstanding, not to exceed 2.5% of Consolidated Total Assets at the time of the receipt of such Designated Non-Cash Consideration (with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value); and
  - (E) consideration consisting of Indebtedness of the Parent Guarantor or any Subsidiary received from persons who are not the Parent Guarantor or such

Subsidiary that is cancelled.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Issuer, the Parent Guarantor or any Subsidiary (or the applicable Subsidiary, as the case may be) may apply such Net Proceeds (at the option of the Issuer, Parent Guarantor or Subsidiary):

- (i) to repay, prepay, redeem or purchase any Indebtedness that is not subordinated to the Bonds or Indebtedness of a Subsidiary that is not a Guarantor (other than Non-Recourse Debt) and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;
- (ii) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Subsidiary;
- (iii) to make a capital expenditure;
- (iv) acquire other assets that are not classified as current assets under IFRS and that are used or useful in a Permitted Business; or
- (v) enters into a binding commitment to apply the Net Proceeds pursuant to clause (ii), (iii) or (iv) of this paragraph; provided that such binding commitment shall be treated as a permitted application of Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated, and (y) the 180th day following the expiration of the aforementioned 365 day period.

Pending the final application of any Net Proceeds, the Issuer or the Parent Guarantor (or the applicable Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Trust Deed.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this Condition 4(e) will constitute "**Excess Proceeds**". When the aggregate amount of Excess Proceeds exceeds £45.0 million, within ten Business Days thereof, the Issuer will make an offer (an "**Asset Sale Offer**") to all Bondholders (subject to the Issuer not already having given notice to redeem the relevant Bonds in accordance with this Condition 4 (*Redemption and Purchase*)) and may make an offer to all holders of other Indebtedness that is *pari passu* with the Bonds or any Guarantees to purchase, prepay or redeem with the proceeds of sales of assets to purchase, prepay or redeem the maximum principal amount of Bonds and such other *pari passu* Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price for the Bonds in any Asset Sale Offer will be equal to 100% of the principal amount, plus accrued and unpaid interest, if any, to the date of purchase, prepayment or redemption and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer or Parent Guarantor may use those Excess Proceeds for any purpose not otherwise prohibited by the Trust Deed. If the aggregate principal amount of Bonds and other *pari passu* Indebtedness, if applicable, tendered into (or to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds, then the Bonds and such other *pari passu* Indebtedness, if applicable, to be redeemed or purchased, as applicable, will be divided by the Issuer on a *pro rata* basis based on the amounts tendered or required to be prepaid or redeemed. If the aggregate principal amount of Bonds tendered into (or to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the Excess Proceeds or the *pro rata* division of Excess Proceeds for the Bonds, then the Bonds to be redeemed shall be selected by the drawing of lots in such place as the Trustee approves and in such manner as the Trustee considers appropriate, subject to compliance with applicable law and the rules of each

listing authority, clearing system, stock exchange and/or quotation system (if any) by which the Bonds have then been admitted to listing, trading and/or quotation, and the notice to Bondholders referred to in this Condition 4(e) (*Redemption at the option of Bondholders following Asset Sales*), shall specify the serial numbers of the Bonds so to be redeemed. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Issuer will comply with the requirements of any applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of Bonds pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Trust Deed, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Condition 4(e) by virtue of such compliance.

(f) ***Partial Redemption***

If the Bonds are to be redeemed in part only on any date in accordance with Condition 4(c) (*Redemption at the option of the Issuer*) or Condition 4(e) (*Redemption at the option of Bondholders following Asset Sales*), the Bonds to be redeemed shall be selected by the drawing of lots in such place as the Trustee approves and in such manner as the Trustee considers appropriate, subject to compliance with applicable law and the rules of each listing authority, clearing system, stock exchange and/or quotation system (if any) by which the Bonds have then been admitted to listing, trading and/or quotation, and the notice to Bondholders referred to in Condition 4(c) (*Redemption at the option of the Issuer*) or Condition 4(e) (*Redemption at the option of Bondholders following Asset Sales*), shall specify the serial numbers of the Bonds so to be redeemed.

(g) ***Notice of redemption***

All Bonds in respect of which any notice of redemption is given under this Condition 4 (*Redemption and Purchase*) shall be redeemed on the date specified in such notice in accordance with this Condition 4 (*Redemption and Purchase*).

(h) ***Purchase***

Each of the Issuer, the Parent Guarantor and the Parent Guarantor's Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price (**provided that** they are purchased together with all unmatured Coupons relating to them). The Bonds so purchased, while held by or on behalf of the Issuer, the Parent Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of this Condition 4 (*Redemption and Purchase*), Condition 8 (*Events of Default*) and Condition 11 (*Meetings of Bondholders, Modification and Waiver*).

(i) ***Cancellation***

All Bonds so redeemed or purchased and any unmatured Coupons attached to or surrendered with them may be held or re-sold or, at the discretion of the Issuer, the Parent Guarantor or the relevant Subsidiary, surrendered to the Principal Paying Agent for cancellation. All Bonds and Coupons which are so surrendered will be cancelled and may not be re-issued or resold.

## **5 Payments**

(a) ***Method of Payment***

Payments of principal and interest will be made against presentation and surrender (or, in

the case of a partial payment, endorsement) of Bonds or the appropriate Coupons (as the case may be) at the specified office outside the United States of any Paying Agent by pounds sterling cheque drawn on, or by transfer to pound sterling account maintained by the payee with, a bank in London. Payments of interest due in respect of any Bond other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Bond.

(b) ***Payments subject to laws***

All payments are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 6 (*Taxation*). No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

(c) ***Surrender of unmatured Coupons***

Each Bond should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than ten years after the Relevant Date for the relevant payment of principal.

(d) ***Payments on business days***

A Bond or Coupon may only be presented for payment on a day which is a business day in the place of presentation (and, in the case of payment by transfer to a pound sterling account, in London). No further interest or other payment will be made as a consequence of the day on which the relevant Bond or Coupon may be presented for payment under this paragraph falling after the due date. In this Condition "**business day**" means a day on which commercial banks and foreign exchange markets are open in the relevant city.

(e) ***Paying Agents***

The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents; **provided that** it will maintain (i) a Principal Paying Agent, (ii) a Paying Agent (which may be the Principal Paying Agent) having its specified office in one major European city and (iii) a Paying Agent with a specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000. Notice of any change in the Paying Agents or their specified offices will promptly be given to the Bondholders.

## 6 **Taxation**

All payments of principal and interest by or on behalf of the Issuer or the Guarantors in respect of the Bonds and the Coupons or under the Guarantees shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within a Tax Jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer or, as the case may be, the Guarantors shall pay such additional amounts as will result in receipt by the Bondholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect

of any Bond or Coupon presented for payment:

- (a) **Other connection:** by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of the Bond or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days; or
- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000; or
- (d) **Payment by another Paying Agent:** by or on behalf of a Bondholder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying Agent in a Member State of the European Union.

## 7 Covenants

### (a) *Negative Pledge*

So long as any of the Bonds remain outstanding (as defined in the Trust Deed), neither the Issuer nor any of the Guarantors will create or permit to subsist, and the Parent Guarantor will ensure that none of its Subsidiaries will create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security interest (each, a "**Security Interest**"), other than a Permitted Security Interest, upon the whole or any part of its present or future undertakings, assets or revenues (including any uncalled capital) to secure any Indebtedness or any guarantee or indemnity in respect of such Indebtedness, unless in any such case, before or at the same time as the creation of the Security Interest, any and all action necessary shall have been taken to ensure that:

- (i) in the case of a Security Interest created to secure any Indebtedness or any guarantee or indemnity in respect of such Indebtedness ("**Secured Indebtedness**") that, prior to and/or but for the creation of that Security Interest, ranked or would have ranked legally, contractually or structurally junior to the Bonds, all amounts payable on or in respect of the Bonds are secured by a first priority Security Interest ranking senior and in priority to the Security Interest securing such Secured Indebtedness; or
- (ii) in the case of a Security Interest created to secure any Secured Indebtedness of a kind other than that specified in (i) above, all amounts payable on or in respect of the Bonds are secured equally and rateably with such Secured Indebtedness.

Any Security Interest created for the benefit of the Bondholders pursuant to the preceding sentence shall be automatically and unconditionally released and discharged upon the release and discharge of the Secured Indebtedness (other than the Bonds) as security for which the Security Interest was created.

### (b) *Limitation on Indebtedness*

- (i) The Issuer and the Parent Guarantor will not, and the Parent Guarantor will procure that none of its Subsidiaries will, after the Issue Date, incur any Indebtedness except, in the case of the Issuer and the Guarantors if on the date of the incurrence of such additional Indebtedness the Fixed Charge Coverage Ratio

is not less than 2.5 to 1.0.

- (ii) The first paragraph of this Condition 7(b) will not apply to, or prohibit the incurrence of, Permitted Debt. For purposes of determining compliance with this Condition 7(b), in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories described in paragraphs (b) through (l) of the definition of Permitted Debt, or is entitled to be incurred pursuant to paragraph (i) of this Condition 7(b), the Parent Guarantor will be permitted to classify all or a portion of such item of Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Condition 7(b).

For purposes of determining compliance with any Sterling-denominated restriction on the incurrence of Indebtedness, the Sterling Equivalent of the principal amount of Indebtedness denominated in another currency will be calculated based on the most recently published financial statements to the extent shown therein or otherwise, based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred. Notwithstanding any other provision in this covenant, the maximum amount of Indebtedness that the Issuer or any Guarantor may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

(c) ***Transactions with Affiliates***

The Parent Guarantor will not, and will not cause or permit any of its Subsidiaries to, make any payment to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Parent Guarantor (each, an "**Affiliate Transaction**"), unless the Affiliate Transaction is (x) on terms that are no less favourable to the Parent Guarantor or the relevant Subsidiary than those that would have been obtained in a comparable transaction by the Parent Guarantor or such Subsidiary with an unrelated person and (y) otherwise in compliance with the requirements of the law of the country of incorporation of the Parent Guarantor or such Subsidiary.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

- (i) transactions involving aggregate payment of consideration of less than £1.0 million in any single transaction or series of related transactions;
- (ii) any employment agreement, collective bargaining agreement, consultant, employee benefit arrangements with any employee, consultant, officer or director of the Issuer or any Subsidiary, including under any share award, share option, share appreciation rights, share incentive or similar plans, entered into in the ordinary course of business;
- (iii) payment of reasonably and customary fees and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) of officers, directors, employees or consultants of the Issuer or any of its Subsidiaries;
- (iv) loans or advances to employees for travel and relocation in the ordinary course of business not to exceed £2.5 million in the aggregate at any one time outstanding;
- (v) transactions between or among the Parent Guarantor and/or its Subsidiaries;
- (vi) transactions with a person that is an Affiliate of the Parent Guarantor solely because the Parent Guarantor owns, directly or through a Subsidiary, an Equity

Interest in, or controls, such person;

- (vii) any issuance of Equity Interests (other than Disqualified Stock) of the Parent Guarantor to Affiliates of the Parent Guarantor;
- (viii) any transaction between or among the Parent Guarantor and/or its Subsidiaries and any joint venture (a) pursuant to the terms of the respective joint venture or shareholder agreement or (b) in the ordinary course of business;
- (ix) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services or providers of employees or other labour, in each case in the ordinary course of business and otherwise in compliance with the terms of these Conditions that are fair to the Parent Guarantor or the Subsidiaries, in the determination of the members of the Board of Directors of the Parent Guarantor or the senior management thereof, or are on terms at least as favourable as might reasonably have been obtained at such time from an unaffiliated person; and
- (x) transactions pursuant to, or contemplated by any agreement in effect on the Issue Date and transactions pursuant to any amendment, modification or extension to such agreement, so long as such amendment, modification or extension, taken as a whole, is not materially more disadvantageous to the holders of the Bonds than the original agreement as in effect on the Issue Date.

(d) **No Layering of Debt**

None of the Issuer or the Guarantors will incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is contractually subordinate or junior in right of payment to any senior Indebtedness of the Issuer or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Bonds and the applicable Guarantees on substantially identical (or more favourable) terms. No such Indebtedness will be considered to be subordinated in right of payment to any senior Indebtedness of the Issuer or any Guarantor by virtue of being unsecured or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment-ordering provisions affecting different tranches of Indebtedness under Credit Facilities.

(e) **Limitation on Sale and Leaseback Transactions**

The Parent Guarantor will not, and will not permit any Subsidiary to, enter into any sale and leaseback transaction with respect to any property or assets (whether now owned or hereafter acquired), unless:

- (i) the sale or transfer of such property or assets to be leased is treated as an Asset Sale and the Parent Guarantor and its Subsidiaries comply with Condition 4(e) (*Redemption at the option of Bondholders following Asset Sales*), including the provisions concerning the application of Net Proceeds (treating all of the consideration received in such sale and leaseback transaction as Net Proceeds for the purposes of such Condition);
- (ii) the Parent Guarantor or a Subsidiary, as applicable, would be permitted to incur Indebtedness under Condition 7(b) (*Limitation on Indebtedness*) in the amount of the Attributable Indebtedness incurred in respect of such sale and leaseback transaction; and
- (iii) the Parent Guarantor or a Subsidiary, as applicable, would be permitted to grant a Security Interest to secure Indebtedness under Condition 7(a) (*Negative Pledge*) in the amount of the Attributable Indebtedness in respect of such sale and leaseback transaction.

Notwithstanding the foregoing, nothing shall prevent the Parent Guarantor or any Subsidiary from engaging in a sale and leaseback transaction solely between the Parent Guarantor and any Subsidiary or solely between or among Subsidiaries.

(f) ***Merger, Consolidation or Sale of Assets***

The Issuer will not directly or indirectly: (1) consolidate or merge with or into another person (whether or not the Issuer is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer, the Parent Guarantor and the Subsidiaries taken as a whole in one or more related transactions, to another person, unless:

- (i) either: (a) the Issuer is the surviving corporation; or (b) the person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organised or existing under the laws of any member state of the Pre-Expansion European Union, Switzerland, Canada, any state of the United States or the District of Columbia;
- (ii) the person formed by or surviving any such consolidation or merger with the Issuer (if other than the Issuer) or the person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Issuer under the Bonds and the Trust Deed pursuant to a supplemental trust deed or other document or instrument in a form satisfactory to the Trustee;
- (iii) immediately after such transaction, no Default or Event of Default exists;
- (iv) the Issuer or the person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made would, on the date of such transaction be permitted to incur at least £1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Condition 7(b) (*Limitation on Indebtedness*); and
- (v) the Issuer or the person formed by or surviving any such consolidation or merger (if other than the Issuer) delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case, stating that such consolidation, merger or transfer and such supplemental trust deed comply with this Condition.

A Guarantor (other than a Guarantor whose Guarantee is to be released in accordance with the terms of the Guarantee and the Trust Deed as described under Condition 2 (*Status of Bonds and Guarantees*)) will not, directly or indirectly: (A) consolidate or merge with or into another person (whether or not such Guarantor is the surviving corporation), or (B) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of such Guarantor and its Subsidiaries taken as a whole, in one or more related transactions, to another person, unless:

- (x) immediately after giving effect to that transaction, no Default or Event of Default exists; and
- (y) either:
  - (a) (1) the Guarantor is the surviving corporation; or (2) the person acquiring the property in any such sale or disposition or the person formed by or surviving any such consolidation or merger assumes all the obligations of that Guarantor under its Guarantee and the Trust Deed to which such Guarantor is a party pursuant to a supplemental trust deed satisfactory to the Trustee; or

- (b) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Trust Deed.

In addition, the Issuer and the Parent Guarantor will not, directly or indirectly, lease all or substantially all of the properties and assets of it and the Subsidiaries taken as a whole, in one or more related transactions, to any other person. Clauses (iii) and (iv) of the first paragraph of this Condition will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Issuer with or into any other Guarantor and clause (iv) of the first paragraph of this Condition will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Issuer and the Parent Guarantor with or into an Affiliate solely for the purpose of reincorporating the Issuer or the Parent Guarantor in another jurisdiction for tax reasons.

Any transaction permitted by this Condition shall constitute a “**Permitted Merger.**”

(g) ***Information and Reports:***

So long as the Bonds are outstanding and only if the shares of the Parent Guarantor cease to be listed, admitted to trading, quoted or deal on the Relevant Stock Exchange, the Parent Guarantor shall provide the Trustee (which information shall be available to Bondholders and potential purchasers of the Bonds):

- (i) as soon as the same become available, but in any event within 4 months after the end of each of its financial years, its audited consolidated financial statements for that financial year (including, without limitation, EBITDA for such financial year);
- (ii) as soon as the same become available, but in any event within 2 months after the end of the first half of each financial year, a report containing (a) its unaudited consolidated financial information for the six month period ended such half year period, including (without limitation), an income statement and balance sheet for that period and the comparable prior year period and a cash flow statement for the first half of the financial year and the comparable prior year period and (b) an operating and financial review of the unaudited financial information and any material change between the current period and the corresponding period of the prior year; and
- (iii) promptly after the occurrence of a material acquisition, disposition, restructuring of the Parent Guarantor and its Subsidiaries taken as a whole or change in auditors or any other material event of the Parent Guarantor and its Subsidiaries taken as a whole, a copy of each notice which would have been provided to the Relevant Stock Exchange in accordance with applicable regulation containing a description of such event.

Each set of financial statements, reports and notices delivered by the Parent Guarantor pursuant to paragraphs (i) and (ii) above shall be certified by a director of the Parent Guarantor as fairly representing its consolidated financial condition and operations as at the end of and for the period in relation to which those financial statements were drawn up and the Trustee shall be under no obligation to investigate or monitor such statements, reports and notices. The foregoing certification requirement shall not apply so long as the shares of the Parent Guarantor are listed and traded on a Relevant Stock Exchange. All financial statements and financial information shall be prepared in accordance with IFRS.

## 8 **Events of Default**

If any of the following events occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one-quarter in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall, subject in each case to it

being indemnified and/or prefunded and/or secured to its satisfaction, give notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

- (a) **Non-Payment:** the Issuer or any Guarantor fails to pay the principal of or any interest on any of the Bonds when due and such failure continues for a period of 10 Business Days in the case of principal or 15 Business Days in the case of interest; or
- (b) **Breach of Other Obligations:** the Issuer or any Guarantor does not perform or comply with any one or more of its other obligations in the Bonds or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee is capable of remedy, is not in the opinion of the Trustee remedied within 30 days (or such longer period as the Trustee may permit) after written notice of such default shall have been given to the Issuer or the relevant Guarantor(s) by the Trustee requiring the same to be remedied; or
- (c) **Cross-Acceleration and Cross Payment Default:** (i) any other present or future Indebtedness of the Issuer or a Guarantor or any of their respective Subsidiaries become due and payable prior to their stated maturity by reason of default, event of default or the like (howsoever described), or (ii) any such Indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or a Guarantor or any of the Subsidiaries fails to pay, when due or, as the case may be, within any applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of Indebtedness; **provided that** the aggregate amount of the relevant Indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 7(c) have occurred equals or exceeds £25.0 million or its equivalent in any other currency or currencies; or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or a Guarantor or any Material Subsidiary for the payment of money aggregating in excess of £20.0 million or its equivalent in any other currency or currencies and remains undischarged for 60 days; or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or a Guarantor or any Material Subsidiary over property or assets with a fair market value in excess of £20.0 million or its equivalent in any other currency or currencies becomes enforceable and any formal legal action is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person but excluding the appointment of any Irish law examiner) and such enforcement is not stopped within 60 days; or
- (f) **Insolvency:** the Issuer or the Parent Guarantor or any Material Subsidiary is insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or substantially all of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or substantially all of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of all or substantially all of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or substantially all of the debts of the Issuer or the Parent Guarantor or any Material Subsidiary; or
- (g) **Winding-up:** an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Parent Guarantor or any Material Subsidiary, or the Issuer or the Parent Guarantor ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Material Subsidiary, whereby the

undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or the Parent Guarantor or another of its Subsidiaries; or

- (h) **Guarantees:** a Guarantee is not (or is claimed by a Guarantor not to be) in full force and effect other than in accordance with Condition 2; or
- (i) **Analogous event:** any event occurs which under the laws of Ireland or England and Wales has an analogous effect to any of the events referred to in paragraphs (d) (*Enforcement Proceedings*) to (g) (*Winding-up*) above,

**provided that** in the case of Condition 8(b) the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

## 9 **Prescription**

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 5 (*Payments*) within a period of ten years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

## 10 **Replacement of Bonds and Coupons**

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Guarantors may require (**provided that** the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

## 11 **Meetings of Bondholders, Modification and Waiver**

### (a) **Meetings of Bondholders**

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Bondholders holding not less than one-tenth in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than half in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to change any date fixed for payment of principal or interest in respect of the Bonds, (ii) to reduce the amount of principal or interest payable on any date in respect of the Bonds, (iii) to alter the method of calculating the amount of any payment in respect of the Bonds, (iv) to change the currency of payment under the Bonds, (v) to change the quorum requirements relating to meetings of Bondholders or the majority required to pass an Extraordinary Resolution, (vi) to modify or cancel a guarantee, or (vii) to modify any of the provisions of Condition 7 (*Covenants*) in which case the necessary quorum will be two or more persons holding or representing not less than three-quarters, or at any adjourned meeting not less than one quarter, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of

Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) ***Modification and Waiver***

The Trustee may agree, without the consent of the Bondholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed, the Bonds or the Guarantees which is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Bonds or the Guarantees which is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and the Couponholders and, unless the Trustee otherwise agrees, such modification shall be notified by the Issuer to the Bondholders as soon as practicable.

The Trustee may call for and shall be entitled to rely upon an Officers' Certificate and/or an Opinion of Counsel in formulating its opinion on the matters set out in this Condition 11, Condition 7 (*Covenants*) or Condition 8 (*Events of Default*) as at any given time or for any specified period to which the Conditions, covenants and/or matters relate, as applicable, or as to compliance by the Issuer and/or the Guarantors with any of the covenants and/or matters contained in these Conditions, in which event such an Opinion of Counsel and/or Officers' Certificate shall be conclusive and binding on all parties and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by it or any other person acting on such Officers' Certificate and/or an opinion of legal advisers of recognised standing.

(c) ***Entitlement of the Trustee***

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 11) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder or Couponholder be entitled to claim, from the Issuer or a Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders or Couponholders.

12 **Enforcement**

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantors, or take any action or step, as it may think fit to enforce the terms of the Trust Deed, the Bonds and the Coupons, but it need not take any such proceedings, action or step unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-quarter in principal amount of the Bonds outstanding, and (b) it shall have been indemnified and/or prefunded and/or provided with security to its satisfaction. No Bondholder may proceed directly against the Issuer or a Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13 **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless prefunded and/or

indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or the Guarantors and/or any of their respective Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or a Guarantor and/or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders and Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee may rely, without liability to the Bondholders or Couponholders, on a report, Opinions of Counsel, Officers' Certificate, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Bondholders.

#### **14 Further Issues**

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition 14 and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of securities of other series where the Trustee so decides.

#### **15 Notices**

Notices to the Bondholders will be valid if published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if in the opinion of the Trustee such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition 15.

#### **16 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Bonds or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

#### **17 Governing Law**

The Trust Deed, the Bonds and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by English law.

## 18 Definitions

In these Conditions, unless otherwise provided:

**"Affiliate"** of any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person.

**"Applicable Premium"** means the excess, if any, of the present value on the relevant Redemption Date of:

- (a) the principal amount of the Bonds to be redeemed, plus
- (b) all required interest payments due on such Bonds to and including the Maturity Date, discounted at the Applicable Rate plus 0.5%,

over the principal amount of such Bonds on such Redemption Date.

**"Applicable Rate"** means the yield to maturity of sterling-denominated UK government securities with a fixed maturity (from information compiled by the Office for National Statistics and published in the most recent *"Financial Statistics"* that has become publicly available at least two Business Days prior to such prepayment date (or, if *"Financial Statistics"* is no longer published or does not indicate the relevant data at the time of computation, any publicly available source of similar market data selected by the Paying Agent in good faith)) most nearly equal to the period from such prepayment date to the Maturity Date; **provided** that if the period from such prepayment date to the Maturity Date is not equal to the fixed maturity of sterling-denominated UK government securities for which a yield is given, the Applicable Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of sterling-denominated UK government securities for which such yields are given; **provided, further**, that if the period from such prepayment date to the Maturity Date is less than one year, the weekly average yield on actively traded sterling-denominated UK government securities with a fixed maturity of one year will be used to make such calculation.

**"Asset Finance Subsidiary"** means any member of the Group which (a) has been incorporated solely for the purpose of (i) acquiring an interest in plant, machinery or other assets (whether by acquiring full title to such assets or acquiring an interest under a lease, hire purchase agreement, instalment sale agreement or conditional sale agreement) and/or (ii) incurring Limited Recourse Indebtedness in order to finance such acquisition and (b) owns or otherwise possesses only the asset/assets so acquired, provided always that the liabilities of such entity are not guaranteed or otherwise supported in any manner whatsoever (excluding any funds provided by way of share capital or loans to any Asset Finance Subsidiary by any member of the Group provided that the aggregate amount of funds so provided does not in any financial year of the Parent Guarantor exceed €10,000,000 as long as the aggregate amount so invested over the life of the financing does not exceed €25,000,000) by any other member of the Group and also provided that recourse in respect of the obligations of such entity under any lease, hire purchase agreement, loan, conditional sale agreement or instalment sale agreement to which it becomes a party is limited to assets held by it.

**"Asset Sale"** means:

- (a) the sale, lease, conveyance or other disposition of any assets by the Issuer, the Parent Guarantor or any of its Subsidiaries **provided, however, that** the sale, lease, transfer, conveyance or other disposition of all or substantially all of the assets of the Issuer, the Parent Guarantor and its Subsidiaries taken as a whole will be governed by the provisions of Condition 7(f) (*Merger, Consolidation or Sale of Assets*) and not by the provisions described under Condition 4(d) (*Redemption at the option of Bondholders following a Change of Control*); and
- (b) the issuance of Equity Interests by any Subsidiary of the Parent Guarantor or the sale by the Issuer, the Parent Guarantor or any of its Subsidiaries of Equity Interests in any of the

Subsidiaries of the Parent Guarantor (in each case, other than directors' and employees' qualifying shares).

Notwithstanding the preceding paragraphs (a) and (b), none of the following items will be deemed to be an Asset Sale:

- (i) all sales of a revenue nature in the ordinary course of business of the Parent Guarantor or any of its Subsidiaries;
- (ii) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than £2.5 million;
- (iii) a transfer of assets or Equity Interests from the Issuer or any Guarantor to the Issuer or any Guarantor;
- (iv) a transfer of assets or Equity Interests between or among a Subsidiary (that is not the Issuer or a Guarantor) and any other Subsidiary (that is not the Issuer or a Guarantor);
- (v) an issuance of Equity Interests by a Subsidiary of the Parent Guarantor to the Issuer, the Parent Guarantor or to another Subsidiary of the Parent Guarantor;
- (vi) any sale or other disposition of damaged, worn-out or obsolete assets or assets that are no longer useful in the conduct of the business of the Parent Guarantor and/or its Subsidiaries;
- (vii) licenses and sublicenses by the Issuer, the Parent Guarantor or any of its Subsidiaries in the ordinary course of business;
- (viii) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;
- (ix) the granting of any Permitted Security Interest pursuant to Condition 7(a) (*Negative Pledge*);
- (x) the sale or other disposition of cash or Cash Equivalents;
- (xi) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings;
- (xii) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;
- (xiii) the sale, lease or other transfer of accounts receivable, inventory or other assets carried out in the ordinary course of business of the Parent Guarantor or its Subsidiaries;
- (xiv) swaps of assets for other similar assets or assets whose value is at least equal in terms of type, Fair Market Value and quality, to the assets being swapped;
- (xv) sale, lease, transfer or other disposal of assets made as a result of any compulsory purchase order or decree by any governmental or other regulatory body or authority;
- (xvi) any sale, lease or transfer of assets, or other disposal of assets by way of lease by any Asset Finance Subsidiary to any entity or to the entity (or any Affiliate thereof) that has sold (the assets or an interest thereon) to the Asset Finance Subsidiary;
- (xvii) the issuance or sale of Equity Interests in any Subsidiary of the Parent Guarantor which are to be listed on any stock exchange or securities market of international repute provided that the Subsidiary, or the Parent Guarantor (or its Subsidiary) receives or will

receive consideration at the time of the issuance or sale which is at least equal to the Fair Market Value of the Equity Interests; and

- (xviii) the issuance or sale of Equity Interests in any Subsidiary of the Parent Guarantor which is a joint venture to any interest holder of the Subsidiary provided that (a) the Subsidiary, or the Parent Guarantor (or its Subsidiary) receives or will receive consideration at the time of the issuance or sale at least equal to the Fair Market Value of the Equity Interests and (b) either (1) the joint venture remains a Subsidiary of the Parent Guarantor following the issuance or sale or (2) if the joint venture ceases to be a Subsidiary of the Parent Guarantor following the issuance or sale, the Parent Guarantor shall ensure that any future Asset Sale by the joint venture will be governed by the provisions of Condition 4(e) (*Redemption at the option of Bondholders following Asset Sales*) unless permitted in paragraphs (i) to (xviii) inclusive of this definition of Asset Sale as if the joint venture is a Subsidiary.

**"Attributable Indebtedness"** means, with respect to any sale and leaseback transaction at the time of determination, the present value (discounted at the interest rate implicit in the lease determined in accordance with IFRS or, if not known, at the Parent Guarantor's incremental borrowing rate) of the total obligations of the lessee of the property subject to such lease for rental payments during the remaining term of the lease included in such sale and leaseback transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended, or until the earliest date on which the lessee may terminate such lease without penalty or upon payment of penalty (in which case the rental payments shall include such penalty), after excluding from such rental payments all amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water, utilities and similar charges.

**"Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in London, England and Dublin, Ireland.

**"Capital Lease Obligation"** means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be capitalised on a balance sheet (excluding the footnotes thereto) prepared in accordance with IFRS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty; **provided, however,** Capital Lease Obligations shall not include any lease or hire purchase contract which, due to a change in IAS17, IFRS or accounting standards arising after the Issue Date, would be required to be treated as a finance or capital lease or capitalised on the consolidated balance sheet of the Group or of the relevant entity.

**"Capital Stock"** means:

- (a) in the case of a corporation, share capital;
- (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (c) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (d) any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

**"Cash Equivalents"** means:

- (a) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the Pre-Expansion

European Union, the United States of America, Switzerland or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the Pre-Expansion European Union or the United States of America, Switzerland or Canada, as the case may be, and which are not callable or redeemable at the issuer's option;

- (b) certificates of deposit, banker's acceptances and money market deposits (and similar instruments) with maturities of 12 months or less from the date of acquisition issued by a bank or trust company which is organised under, or authorised to operate as a bank or trust company under, the laws of a member state of the Pre-Expansion European Union or of the United States of America or any state thereof, Switzerland or Canada; **provided that** such bank or trust company has capital, surplus and undivided profits aggregating in excess of £500,000,000 (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated A or higher by Moody's or A or higher by S&P (or the equivalent rating category of another internationally recognised rating agency) or such bank or trust company has any outstanding Credit Facilities;
- (c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in paragraphs (a) and (b) above entered into with any financial institution meeting the qualifications specified in paragraph (b) above;
- (d) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within one year after the date of acquisition; and
- (e) holdings in money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in paragraphs (a) through (d) of this definition.

A "**Change of Control**" shall occur:

- (a) if (whether or not approved by the board of directors of the Parent Guarantor) any person or group of persons acting in concert at any time following the Issue Date, other than a holding company whose shareholders are or are to be substantially similar to pre-existing shareholders of the Parent Guarantor, acquires:
  - (i) the holding directly or indirectly of:
    - (A) more than 50% of the issued ordinary share capital of the Parent Guarantor; or
    - (B) such number of the shares in the capital of the Parent Guarantor carrying more than 50% of the Voting Rights normally exercisable at a general meeting of the Parent Guarantor; or
  - (ii) whether by the ownership of share capital or the possession of voting power, by contract or otherwise, the ability, directly or indirectly, to appoint or dismiss all or the majority of the members of the board of directors or other governing body of the Parent Guarantor; or
- (b) following the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Parent Guarantor and its Subsidiaries taken as a whole to any person or group of persons acting in concert,

provided however, that a Permitted Merger shall not constitute a Change of Control.

**"Consolidated Net Finance Charges"** means, for any Testing Period, the aggregate amount of interest whether paid or payable in cash in the nature of interest, in respect of Indebtedness whether paid or payable in cash by any member of the Group in respect of that Testing Period net of interest receivable in respect of cash, Cash Equivalents and other liquid investments, and

(without double counting) for the avoidance of doubt:

- (a) **excluding** any such obligations owed to any other member of the Group;
- (b) **including** the interest element whether paid or payable, in respect of leasing and hire purchase payments under lease or hire purchase arrangements which would, in accordance with IFRS, be treated as finance or capital leases (but excluding for the avoidance of doubt, interest paid or payable on any property leases excluded from the definition of Indebtedness pursuant to paragraph (d) and to the proviso to that definition);
- (c) **excluding** any accrued commission, fees, discounts and other finance payments paid or payable to any member of the Group under any interest rate hedging instrument;
- (d) **excluding** any arrangement, underwriting, commitment, participation or agency fees paid in connection with the incurrence of any Indebtedness by any member of the Group;
- (e) **excluding** interest costs on defined benefit pension scheme liabilities and the expected return on defined benefit pension scheme assets;
- (f) **excluding** mark-to-market of designated fair value hedges and related debt and ineffectiveness of net investment hedges (provided however for the avoidance of doubt payments paid and payable and received and receivable under interest rate swaps and cross currency interest rate swaps during such period shall be taken into account in calculating Consolidated Net Finance Charges);
- (g) **excluding** the unwinding of discount applicable to provisions and deferred/contingent acquisition consideration; and
- (h) **including** any commitment fees paid in connection with the incurrence of any Indebtedness by any member of the Group.

**"Consolidated Total Assets"** means at any time the total book value of all assets of the Group on a consolidated basis as determined in accordance with IFRS.

**"Credit Facilities"** means one or more of (a) the credit facility extended pursuant to the Amendment and Restatement Agreement between Grafton Group PLC and its subsidiaries named therein and Ulster Bank Ireland Limited dated 27 October 2011 and the ancillary facilities between such parties extended pursuant to the letter agreement dated 28 October 2011; the credit facility extended pursuant to the Amended and Restated Multicurrency Facility Agreement between Grafton Group PLC and its subsidiaries named therein and HSBC Bank PLC dated 27 October 2011 and the ancillary facilities between such parties extended pursuant to a letter of agreement dated 13 February 2012; the credit facility extended pursuant to the Multicurrency Revolving Facilities Agreement dated 30 August 2010 as amended and restated pursuant to the Amending and Restating Agreement dated 27 October 2011 between Grafton Group PLC and its subsidiaries named therein and the Governor and Company of the Bank of Ireland and the ancillary facilities between such parties extended pursuant to the letter agreement dated 26 October 2011; and the credit facility extended pursuant to the Multicurrency Revolving Facility Agreement between Grafton Group PLC and its subsidiaries named therein and Lloyds TSB Bank PLC dated 27 October 2011 and the ancillary facilities between such parties extended pursuant to the letter agreement dated 14 September 2012, (b) any bilateral revolving credit or overdraft facility made available to the Parent Guarantor or any Subsidiary and (c) other facilities or arrangements, in each case with one or more banks or other lenders or institutions providing for revolving credit loans, term loans, receivables financings, BACs facilities, hedging or foreign exchange facilities (including, without limitation, through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables or the creation of any Security Interests in respect of such receivables in favour of such institutions), guarantee, bond or standby letter of credit facilities, money-market line facilities or accommodation required in connection with the business of the Group or other Indebtedness, in each case, including all agreements,

instruments and documents executed and delivered pursuant to or in connection with any of the foregoing, including but not limited to any notes and letters of credit issued pursuant thereto and any guarantee agreement, letter of credit applications and other guarantees, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured (including with respect to structural or contractual subordination), replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original banks, lenders or institutions or other banks, lenders or institutions or otherwise, and whether provided under any original Credit Facility or one or more other credit agreements, commercial paper programs or facilities, indentures, financing agreements or other Credit Facilities or otherwise). Without limiting the generality of the foregoing, the term "**Credit Facility**" shall include any agreement (i) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (ii) adding Subsidiaries as additional borrowers or guarantors thereunder, (iii) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

"**Default**" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"**Designated Non-cash Consideration**" means the Fair Market Value of non-cash consideration received by the Parent Guarantor or one of its Subsidiaries in connection with an Asset Sale that is so designated as "Designated Non-cash Consideration" pursuant to an Officers' Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"**Disqualified Stock**" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the six-month anniversary of the date that the Bonds mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Condition 4(f) (*Partial Redemption*). For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to Condition 4(f) (*Partial Redemption*), and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Stock, such Fair Market Value to be determined as set forth herein.

"**EBITDA**" means the consolidated profits of the Group from ordinary activities before taxation and as disclosed in the Group's financial statements (without double counting):

- (a) **before deducting** any amount attributable to the amortisation or impairment of intangible assets (including goodwill) or the depreciation or impairment of tangible assets;
- (b) **before taking into account** any Consolidated Net Finance Charges and any amounts which would be included within "Consolidated Net Finance Charges" if it were not for paragraph (f) of the definition of that term and any item included within the finance expense and finance income items as disclosed in the Group's financial statements;
- (c) **before taking into account** any items treated as exceptional or extraordinary items of expense, including but not limited to rationalisation and redundancy costs and any profits or losses arising on the disposal or closure of any businesses or operations, as disclosed

in the Group's financial statements;

- (d) **before taking into account** any accrued interest received by or owing to any member of the Group;
- (e) **before taking into account** any realised and unrealised exchange gains and losses including those arising on translation of foreign currency debt; and
- (f) **before taking into account** any gain or loss arising from an upward or downward revaluation of any asset,

in each case, to the extent added, deducted, taking into account or excluded, as the case may be, for the purposes of determining EBITDA.

**"Equity Interests"** means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

**"Event of Default"** has the meaning provided in Condition 8 (*Events of Default*).

**"Fair Market Value"** means, with respect to any asset or property, the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, determined in good faith by an Officer or another responsible accounting or financial officer of the Issuer or the Parent Guarantor.

**"Fixed Charge Coverage Ratio"** means, as at any date of determination (a **"Calculation Date"**), the ratio of (x) the EBITDA for the Testing Period preceding such date of determination to (y) the Consolidated Net Finance Charge for such Testing Period. In the event that the Issuer, the Parent Guarantor or any Subsidiary incurs, assumes, guarantees, repays, repurchases, redeems, or otherwise discharges any Indebtedness subsequent to such Testing Period **provided that** the aggregate principal amount of such Indebtedness has increased the total Indebtedness of the Group by £5.0 million or more from the end of such Testing Period, then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Parent Guarantor) to such incurrence, assumption, guarantee, repayment, repurchase, redemption or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of such Testing Period.

In addition, for the purposes of calculating the Fixed Charge Coverage Ratio as at any Calculation Date:

- (a) acquisitions including through mergers or consolidations and other capital expenditure (involving aggregate payment of consideration of more than £20.0 million in any single transaction or series of related transactions) that have been made by the Parent Guarantor or any Subsidiary, including all related financing transactions and including increases in ownership of Subsidiaries, subsequent to such Testing Period and on or prior to the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Parent Guarantor which may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of such Testing Period;
- (b) any change in the amount of Indebtedness attributable to payment of trade or other creditors in the ordinary course of business subsequent to such Testing Period and on or prior to the Calculation Date, will be excluded; and
- (c) any change in the amount of Indebtedness attributable to any overdraft facility subsequent to such Testing Period and on or prior to the Calculation Date, will be excluded.

**"Group"** means the Issuer, the Parent Guarantor and the Subsidiary Undertakings (including the Subsidiary Guarantors) of the Parent Guarantor (taken as a whole) from time to time.

**"guarantee"** means, in relation to any Indebtedness of any person, any obligation of another person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness.

**"IFRS"** means International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the EU as in effect from time to time in Ireland.

**"incur"** means issue, assume, enter into a guarantee of, incur or otherwise become liable for; **provided, however, that** any Indebtedness of a person existing at the time such person was directly or indirectly acquired by the Parent Guarantor or when such person otherwise becomes a Subsidiary (whether by merger, consolidation acquisition or otherwise) shall be deemed to be incurred by a Subsidiary at the time it was directly or indirectly acquired by the Parent Guarantor or on the date on which such person otherwise becomes a Subsidiary. The term **"incurrence"** when used as a noun shall have a correlative meaning. Solely for the purposes of determining compliance with Condition 7(b) (*Limitation on Indebtedness*), the following will not be deemed to be the incurrence of Indebtedness:

- (a) amortisation of debt discount or the accretion of principal with respect to a non-interest bearing or other discount debt or debt that capitalises interest;
- (b) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument; and
- (c) the obligation to pay a premium in respect of Indebtedness in accordance with the terms of such Indebtedness arising in connection with the issuance of a notice of redemption or the making or mandatory offer to purchase such Indebtedness.

**"Indebtedness"** means (without double counting) any indebtedness (other than trade credit) for or in respect of:

- (a) moneys borrowed, any redemption obligation in respect of its mandatorily redeemable preference shares which in accordance with IFRS would be included in determining total liabilities;
- (b) any amount raised by acceptance under any acceptance credit trade finance facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS as of the Issue Date, be treated as a finance or capital lease, but excluding property leases required to be treated as a finance or capital lease or required to be capitalised under IAS17 as of the Issue Date;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on

a non-recourse basis);

- (f) any amount raised under any other transaction having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) all liabilities for borrowed money secured by any Security Interest with respect to any property owned by such person (whether or not it has assumed or otherwise become liable for such liabilities);
- (j) the principal component of obligations in respect of letters of credit, bankers' acceptances and similar instruments;
- (k) obligations to pay the deferred and unpaid purchase price of property due more than 6 months after such property is acquired (other than trade debt incurred in the ordinary course of business);
- (l) Attributable Indebtedness related to sale/leaseback transactions;
- (m) any Disqualified Stock; and
- (n) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (m) above, excluding for the avoidance of doubt any guarantee in respect of any leases (including property leases) which, in accordance with IFRS as of the Issue Date, would not be treated as a finance or capital lease.

For the avoidance of doubt, "**Indebtedness**" shall not include any liability (whether pursuant to a guarantee or otherwise) in respect of any lease or hire purchase contract which, in accordance with IFRS as of the Issue Date, would not (a) be treated as a finance or capital lease or (b) capitalised on the balance sheet of the relevant entity even where such liabilities would be so treated due to a change in IAS17, IFRS or accounting standards arising after the Issue Date.

**"International Capital Markets Indebtedness"** means any Indebtedness of the Parent Guarantor which is (i) in the form of or represented by any bond, note, debenture, certificate or other instrument which (whether or not publicly offered) is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) and (ii) denominated or in any circumstances payable in Sterling, US dollars, Euros, Swiss Francs or Japanese Yen.

**"Issue Date"** means 15 July 2013.

**"Limited Recourse Indebtedness"** means any Indebtedness that finances the acquisition of an interest in plant, machinery or other assets by an Asset Finance Subsidiary once the only entity that has any obligations with respect to such Indebtedness is such Asset Finance Subsidiary and once the recourse to such Asset Finance Subsidiary in respect thereof is limited solely to the assets of such subsidiary.

**"Material Subsidiary"** means:

- (a) a Subsidiary of the Parent Guarantor (other than the Issuer, an Asset Finance Subsidiary and Heron Insurance Company Limited) the gross assets (excluding receivables owed by another member of the Group) or net sales (excluding sales to other members of the

Group) of which as at the date as at which its latest audited financial statements were prepared or, as the case may be, for the financial period to which those financial statements relate, account for 10% or more of the Consolidated Total Assets or consolidated net sales respectively of the Group (each as calculated by reference to the latest audited consolidated financial statements of the Group); or

- (b) a Subsidiary of the Parent Guarantor (other than the Issuer, an Asset Finance Subsidiary and Heron Insurance Company Limited) to which has been transferred (whether in a single transaction or a series of transactions (whether related or not)) the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transaction(s) was a Material Subsidiary.

For the purposes of this definition:

- (i) if a Subsidiary becomes a Material Subsidiary under paragraph (b) above, the Material Subsidiary by which the relevant transfer was made shall, subject to paragraph (a) above, cease to be a Material Subsidiary; and
- (ii) if a Subsidiary is acquired by the Parent Guarantor after the end of the financial period to which the latest audited consolidated financial statements of the Group relate, those financial statements shall be adjusted as if that Subsidiary had been shown in them by reference to its then latest audited financial statements (consolidated if appropriate) until audited consolidated financial statements of the Group for the financial period in which the acquisition is made have been prepared.

**"Net Proceeds"** means the aggregate cash proceeds received by the Parent Guarantor or any of its Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration or Cash Equivalents substantially concurrently received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, and all distributions and other payments required to be made to minority interest holders (other than the Issuer, the Parent Guarantor or any Subsidiary) in joint ventures as a result of such Asset Sale, and any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with IFRS.

**"Non-Recourse Debt"** means Indebtedness:

- (a) as to which none of the Issuer, any Guarantor or any of the Parent Guarantor's Subsidiaries (other than the Subsidiary incurring each debt) (i) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (ii) is directly or indirectly liable as a guarantor or otherwise, or (iii) constitutes the lender;
- (b) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action) would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Bonds) of the Issuer, the Parent Guarantor or any of the other Subsidiaries to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its stated maturity; and
- (c) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Issuer, any Guarantor or any of the other Subsidiaries.

**"Officer"** means any director or officer of the Issuer or the Guarantors, as applicable.

**"Officers' Certificate"** means a certificate signed by two Officers of the Issuer or, as the case

may be, a Guarantor.

**"Opinion of Counsel"** means a written opinion from legal counsel of international repute who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuer or the Trustee;

**"Permitted Business"** means (a) any businesses, services or activities engaged in by the Issuer, the Parent Guarantor or any of the Subsidiaries on the Issue Date and (b) any businesses, services and activities engaged in by the Issuer, the Parent Guarantor or any of the Subsidiaries that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

**"Permitted Debt"** means, collectively, the following items of Indebtedness:

- (a) the incurrence by the Issuer and any Guarantor of Indebtedness under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (a) not to exceed £500.0 million, plus in the case of any refinancing of any Indebtedness permitted under this clause (a) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing, less the aggregate amount of all Excess Proceeds of Asset Sales applied by the Parent Guarantor or any of its Subsidiaries since the Issue Date to permanently repay any Indebtedness under a Credit Facility and effect a corresponding commitment reduction thereunder pursuant to Condition 4(e) (*Redemption at the option of Bondholders following Asset Sales*);
- (b) Indebtedness of the Issuer owing to any of the Guarantors or Indebtedness of any of the Guarantors owing to the Issuer or any other Guarantors; provided that (x) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a person other than the Issuer or a Guarantor and (y) any sale or other transfer of any such Indebtedness to a person that is not either the Issuer or a Guarantor will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Issuer or such Guarantor, as the case may be, that was not permitted pursuant to this paragraph (b);
- (c) Indebtedness under these Bonds and any other Indebtedness outstanding on the Issue Date and which is not otherwise permitted under this definition;
- (d) Indebtedness of a non-Guarantor Subsidiary that is Non-Recourse Debt;
- (e) Indebtedness of a person incurred and outstanding on the date on which such person was directly or indirectly acquired by the Parent Guarantor after the Issue Date or on the date it otherwise becomes a Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer, the Parent Guarantor or any Subsidiary; provided that in each case such Indebtedness was not incurred by such person in the contemplation of such acquisition by the Parent Guarantor; provided, however, with respect to this paragraph (e), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be incurred the Parent Guarantor would have been able to incur £1.00 of additional Indebtedness pursuant to Condition 7(b)(i) after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this paragraph (e);
- (f) Indebtedness of the Parent Guarantor and its Subsidiaries represented by Capital Lease Obligations, mortgage financings, purchase money obligations or other similar indebtedness with respect to assets or property, which Indebtedness shall not exceed in the aggregate at any time outstanding the greater of (i) £50.0 million or (ii) 4% of the Consolidated Total Assets as of the date of incurrence;
- (g) Indebtedness of the Parent Guarantor and its Subsidiaries incurred in respect of worker's compensation claims, self-insurance obligations, performance, surety and similar bonds

and completion guarantees provided by the Parent Guarantor and its Subsidiaries in the ordinary course of business;

- (h) Indebtedness of the Parent Guarantor and its Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations in connection with the acquisition or disposition of any business, assets or capital stock of a Subsidiary after the Issue Date; provided that the maximum liability of the Parent Guarantor and its Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Parent Guarantor and its Subsidiaries in connection with such disposition;
- (i) Indebtedness arising from the honouring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds or credit lines in the ordinary course of business; **provided that** such Indebtedness is repaid within seven days of incurrence;
- (j) customer deposits and advance payments received from customers for goods and services purchased in the ordinary course of business;
- (k) Indebtedness constituting reimbursement obligations with respect to letters of credit, bankers' acceptances or similar instruments or obligations issued in the ordinary course of business; **provided that** upon the drawing or other funding of such letters of credit or other instruments or obligations, such drawings or fundings are reimbursed within 45 days;
- (l) Indebtedness under cash pooling arrangements and hedging arrangements (with respect to currency risks, interest rate risks, commodity risks and price risks) in the ordinary course of business;
- (m) the guarantee by the Parent Guarantor or a Subsidiary of Indebtedness that was permitted to be incurred pursuant to another provision of this definition or any Indebtedness incurred by a Subsidiary by virtue of it becoming a Guarantor pursuant to Condition 2 (*Status of Bonds and Guarantees*);
- (n) in addition to the aforementioned exceptions, Indebtedness of the Parent Guarantor and its Subsidiaries, not to exceed an aggregate principal amount of £25.0 million at any time outstanding;
- (o) any Limited Recourse Indebtedness incurred by an Asset Finance Subsidiary or any assets acquired under a lease or similar agreement by an Asset Finance Subsidiary;
- (p) the endorsement of negotiable instruments in the ordinary course of trade;
- (q) any performance or similar bond guaranteeing performance by a member of the Group under any contract entered into in the ordinary course of trade;
- (r) any guarantee in respect of the netting or set off among arrangements permitted pursuant to paragraph (c) of the definition of Permitted Security Interest;
- (s) any guarantee given in respect of any property lease entered into by any member of the Group;
- (t) any guarantee provided under section 17 of the Companies (Amendment) Act 1986; and
- (u) any Refinancing Indebtedness incurred with respect to the refinancing of any Indebtedness (other than intra-Group Indebtedness) permitted under Condition 7(b)(i) above or paragraphs (c), (e) or (n) of this definition.

**"Permitted Security Interest"** means, collectively, the following items:

- (a) any Security Interest existing on the Issue Date;
- (b) any Security Interest incurred in connection with Non-Recourse Debt; **provided that** such Security Interest encumbers assets of the borrower of such Non-Recourse Debt only;
- (c) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its financing arrangements for the purposes of netting debit and credit balances or any such arrangements entered into pursuant to any hedging permitted by paragraph (l) of the definition of Permitted Debt;
- (d) any lien arising by operation of law, regulation or regulatory requirement and in the ordinary course of business;
- (e) any Security Interest over or affecting any asset acquired by a member of the Group after the Issue Date if:
  - (i) the Security Interest was not created in contemplation of the acquisition of that asset by a member of the Group; and
  - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group;
- (f) any Security Interest over or affecting any asset of any company which becomes a member of the Group after the Issue Date, where the Security Interest is created prior to the date on which that company becomes a member of the Group, if:
  - (i) the Security Interest was not created in contemplation of the acquisition of that company; and
  - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that company;
- (g) Security Interests incurred in connection with Indebtedness related to Capital Lease Obligations permitted under clause (f) of the definition of Permitted Debt; **provided that** such Security Interests cover only the assets acquired with or financed by such Indebtedness;
- (h) any title transfer, hire purchase, conditional sale or retention of title arrangement or arrangements having similar effect and any Security Interest arising under such arrangements entered into by any member of the Group at arm's length and in the ordinary course of business on that member's or a counterparty's standard or usual terms;
- (i) any Security Interest securing Indebtedness under hedging obligations, which obligations are permitted by paragraph (l) of the definition of Permitted Debt;
- (j) leases (including operating leases), licenses, subleases and sublicenses of assets in the ordinary course of business;
- (k) pledges of goods, the related documents of title and/or other related documents arising or created in the ordinary course of business as security for indebtedness to a bank or financial institution directly relating to the goods or documents over which that pledge exists;
- (l) the discounting of bills or notes on arm's length commercial terms and in the ordinary course of business;

- (m) any Security Interest over or affecting assets acquired by a member of the Group or rights relating thereto to secure any rights granted with respect to such assets in connection with the provision of all or part of the purchase price or cost of construction or improvement of such assets created contemporaneously with, or within 120 days after, such acquisition or the completion of such construction or improvement; **provided that** the aggregate principal amount of Indebtedness secured shall not exceed the fair market value of such assets or rights and no such Security Interest shall extend to or cover any other assets or rights;
- (n) any Security Interest created by or resulting from any litigation or legal proceeding which is effectively stayed while the underlying claims are being contested in good faith by appropriate proceedings and to which the Issuer, the Parent Guarantor or such Subsidiary has established adequate reserves in accordance with IFRS;
- (o) any Security Interest created for the benefit of (or to secure) the Bonds or a Guarantee;
- (p) any Security Interest incidental to the normal conduct of the business of the Group and its Subsidiaries or the ownership of their respective properties which is not created in connection with the incurrence of Indebtedness for borrowed money and which does not in the aggregate materially impair the use of such property in the operation of the business of the Group and its Subsidiaries taken as a whole, or the value of such property for the purposes of such business;
- (q) any Security Interest for tax being contested diligently, taking into account applicable time periods, and in good faith for which adequate reserves are being maintained in accordance with IFRS;
- (r) any Security Interest over or affecting any asset acquired by an Asset Finance Subsidiary provided that such Security Interest only secures Limited Recourse Indebtedness of the Asset Finance Subsidiary;
- (s) any guarantee or indemnity in respect of any Indebtedness;
- (t) any Security Interest (a "**Substitute Security**") which replaces any other Security Interest permitted under paragraphs (a) to (s) above inclusive and which secures an amount not exceeding the maximum principal amount secured by such permitted Security Interest; **provided that** the existing Security Interest to be replaced is released and all amounts secured thereunder are paid or otherwise discharged in full at or prior to the time of such Substitute Security being created or arising; or
- (u) any Security Interest securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of a Security Interest given by any member of the Group other than any permitted under paragraphs (a) to (t) above inclusive) does not exceed the greater of £200.0 million or 10% of the Consolidated Total Assets.

"**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, unincorporated association, limited liability company, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

"**Pre-Expansion European Union**" means the European Union as of 1 January 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after 1 January 2004.

"**Refinancing Indebtedness**" means any Indebtedness that refinances any Indebtedness incurred in compliance with Condition 7(b)(ii) (*Limitation on Indebtedness*) including

Indebtedness that refinances Refinancing Indebtedness; **provided, however** that:

- (a) such Refinancing Indebtedness has a stated maturity no earlier than the stated maturity of the Indebtedness being refinanced;
- (b) such Refinancing Indebtedness has an average life at the time such Refinancing Indebtedness is incurred that is equal to or greater than the average life of the Indebtedness being refinanced; and
- (c) such Refinancing Indebtedness has an aggregate principal amount (or if issued with an original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value) then outstanding or committed (plus fees and expenses, including any premiums) under the Indebtedness being refinanced.

A "**Release Event**" shall occur:

- (a) in relation to a Guarantor who was a Guarantor on the Issue Date or was required to become a Guarantor in accordance with Condition 2(d) (*Identity of Guarantors*), if at any time while the Bonds remain outstanding there is no Indebtedness under a Credit Facility or International Capital Market Indebtedness which is guaranteed by such Guarantor; **provided that** such Subsidiary is not otherwise required to be a Guarantor in accordance with Condition 2(d) (*Identity of Guarantors*); or
- (b) in relation to any Guarantor, following any sale or other disposition of all or substantially all of the assets of such Guarantor (including by way of merger, consolidation, amalgamation or combination) to a person that is not (either before or after giving effect to such transaction) the Issuer, the Parent Guarantor or a Subsidiary, provided such sale or other disposition is in compliance with the provisions of Condition 7(f) (*Merger, Consolidation or Sale of Assets*); or
- (c) in relation to a Significant Subsidiary who was a Guarantor on the Issue Date or was required to become a Guarantor in accordance with Condition 2(d)(i), if such Guarantor ceases to be a Significant Subsidiary; or
- (d) in relation to any Subsidiary that is a Guarantor, if such Guarantor ceases to be a Subsidiary; or
- (e) if, as a result of a change in law taking effect after the date upon which the relevant Subsidiary became a Guarantor, it has become unlawful for any Guarantor to perform or comply with its obligations under or in respect of its Guarantee, other than in the case where a Guarantor amends its Guarantee in accordance with Condition 2(h) (*Limitations*).

**"Relevant Date"** means, in respect of any Bond, whichever is the later of (a) the date on which payment in respect of it first becomes due and (b) if any amount of the money payable is improperly withheld or refused, the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 15 (*Notices*) that, upon further presentation of the Bond, where required pursuant to these Conditions, being made, such payment will be made; **provided that** such payment is in fact made as provided in these Conditions.

**"Relevant Stock Exchange"** means the principal stock exchange or securities market of international repute on which the shares of the Parent Guarantor are then listed, admitted to trading, quoted or dealt on.

**"Significant Subsidiary"** means:

- (a) a Subsidiary of the Parent Guarantor (other than the Issuer, Heron Insurance Company Limited and any Asset Finance Subsidiary) the gross assets (excluding receivables owed

by another member of the Group), net sales (excluding sales to other members of the Group) or EBITDA of which as at the date as at which its latest audited financial statements were prepared or, as the case may be, for the financial period to which those financial statements relate, account for (in case of a company which has all of its Voting Rights owned or controlled, directly or indirectly, by the Parent Guarantor) 5.0% or more or (in case of a company which has less than all of its Voting Rights owned or controlled, directly or indirectly, by the Parent Guarantor) 10.0% or more, in each case, of the Consolidated Total Assets, consolidated net sales, or EBITDA respectively of the Group (each as calculated by reference to the latest audited consolidated financial statements of the Group); or

- (b) a Subsidiary of the Parent Guarantor (other than the Issuer, Heron Insurance Company Limited and any Asset Finance Subsidiary) to which has been transferred (whether in a single transaction or a series of transactions (whether related or not)) the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transaction(s) was a Significant Subsidiary.

For the purposes of this definition:

- (i) if a Subsidiary becomes a Significant Subsidiary under paragraph (b) above, the Significant Subsidiary by which the relevant transfer was made shall, subject to paragraph (a) above, cease to be a Significant Subsidiary; and
- (ii) if a Subsidiary is acquired by the Parent Guarantor after the end of the financial period to which the latest audited consolidated financial statements of the Group relate, those financial statements shall be adjusted as if that Subsidiary had been shown in them by reference to its then latest audited financial statements (consolidated if appropriate) until audited consolidated financial statements of the Group for the financial period in which the acquisition is made have been prepared.

**"Stated Maturity"** means, with respect to any instalment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

**"Sterling Equivalent"** means, with respect to any monetary amount in a currency other than Sterling, at any time of determination thereof, the amount of Sterling obtained by converting such currency other than Sterling involved in such computation into Sterling at the spot rate for the purchase of Sterling with the applicable currency other than Sterling as published in the *Financial Times* in the "Currency Rates" section (or, if the *Financial Times* is no longer published, or if such information is no longer available in the *Financial Times*, such source as may be selected in good faith by the Issuer) on the date of such determination.

**"Subsidiary"** of any person means (i) a company more than 50% of the Voting Rights of which is owned or controlled, directly or indirectly, by such person or by one or more other Subsidiaries of such person or by such person and one or more Subsidiaries thereof or (ii) any other person in which such person, or one or more other Subsidiaries of such person or such person and one or more other Subsidiaries thereof, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

**"Subsidiary Undertaking"** means a subsidiary undertaking as defined in Regulation 4 of the European Communities (Companies: Group Accounts) Regulations 1992 (as amended).

**"Tax Jurisdiction"** means any jurisdiction under the laws of which the Issuer or any Guarantor is organised or in which it is resident for tax purposes, or any political subdivision or any authority thereof or therein having power to tax.

**"Testing Period"** means, with respect to any Calculation Date, the Parent Guarantor's most

recently ended two full consecutive fiscal half-year periods.

**"Voting Rights"** means the right generally to vote at a general meeting of shareholders of a company (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

References to any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

*There will appear at the foot of the Conditions endorsed on each Bond in definitive form the names and specified offices of the Paying Agents as set out at the end of this Prospectus.*

# C

## **APPENDIX C**

### **SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM**

The Permanent Global Bond contains provisions which apply to the Bonds while they are held in global form by the clearing systems, some of which include minor and/or technical modifications to the terms and conditions of the Bonds set out in this Prospectus. The following is a summary of certain parts of those provisions.

## SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

The Bonds will be represented by a permanent global bond (the **Permanent Global Bond**) which contains provisions which apply to the Bonds while they are in global form, some of which modify the effect of the Conditions. The following is a summary of certain of those provisions. Terms defined in the Conditions have the same meanings when used below.

### 1 Exchange

The Permanent Global Bond will be exchanged in whole but not in part (free of charge to the holder) for the definitive Bonds described below if the Permanent Global Bond is held on behalf of Euroclear and Clearstream, Luxembourg or any alternative clearing system approved by the Trustee (the **Alternative Clearing System**) (each a relevant **Clearing System**) and such relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or any of the circumstances in Condition 8 (*Events of Default*) occurs (each, an **Exchange Event**).

The holder of the Permanent Global Bond shall surrender the Permanent Global Bond to or to the order of the Principal Paying Agent before the Exchange Date. In exchange for the Permanent Global Bond the Issuer shall deliver, or procure the prompt delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Bond), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 3 to the Trust Deed.

**Exchange Date** means a day falling more than 30 days after the Exchange Event.

### 2 Payments

Payments of principal and interest in respect of Bonds represented by the Permanent Global Bond will be against presentation and endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the Permanent Global Bond to or to the order of the Principal Paying Agent or other Paying Agent as shall have been notified to the Bondholders for such purpose. A record of each payment so made will be endorsed on the appropriate schedule to the Permanent Global Bond.

**Exercise of put options:** In order to exercise the options contained in Condition 4(d) (*Redemption at the option of Bondholders following a Change of Control*) and Condition 4(e) (*Redemption at the option of Bondholders following Asset Sales*) the bearer of the Permanent Global Bond must, within the period specified in the Conditions for the deposit of the relevant Bond and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Bonds in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

**Partial exercise of call option:** In connection with an exercise of the option contained in Condition 4(c) (*Redemption at the option of the Issuer*) in relation to some only of the Bonds, the Permanent Global Bond may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Bonds to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (and CREST where applicable) (to be reflected in the records of Euroclear and Clearstream, Luxembourg (and CREST where applicable) as either a pool factor or a reduction in principal amount at their discretion.

### 3 Notices

So long as the Bonds are represented by the Permanent Global Bond and the Permanent

Global Bond is held on behalf of a relevant Clearing System, notices to Bondholders may be given by delivery of the relevant notice to that relevant Clearing System for communication by it to entitled accountholders in substitution for publication as required by Condition 15 (*Notices*).

# **D**

## **APPENDIX D**

### **CLEARING AND SETTLEMENT**

The following is a summary of clearing and settlement when interests in the Bonds are held and settled in CREST.

## CLEARING AND SETTLEMENT

Following their delivery into a Clearing System, interests in the Bonds will be delivered, held and settled in CREST by means of the creation of CREST depository interests (**CDIs**) representing the interests in the Bonds. The CDIs will be issued by the CREST Depository to Investors who hold through CREST (the **CDI Holders**) and will be governed by English law.

The CDIs will represent indirect interests in the interest of CREST International Nominees Limited (the **CREST Nominee**) in the Bonds. Pursuant to the CREST Manual (as defined below), the Permanent Global Bond physically held by the Common Depository will be settled through CREST *via* Euroclear and Clearstream, Luxembourg, and the CREST Depository will issue CDIs. The CDIs will be independent securities, constituted under English law which may be held and transferred through CREST.

Interests in the Bonds will be credited to the CREST Nominee's account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were one Bond, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to CDI Holders any interest or other amounts received by it as holder of the Bonds on trust for such CDI Holder. CDI Holders will also be able to receive from the CREST Depository notices of meetings of holders of Bonds and other relevant notices issued by the Issuer.

Transfers of interests in the Bonds by a CREST participant to a participant of Euroclear or Clearstream, Luxembourg will be effected by cancellation of the CDIs and transfer of an interest in such Bonds to the account of the relevant participant with Euroclear or Clearstream, Luxembourg.

The CDIs will have the same ISIN as the ISIN of the Bonds and will not require a separate listing on the Official List.

Prospective subscribers for Bonds represented by CDIs are referred to Chapter 3 of the CREST Manual which contains the form of the CREST Deed Poll to be entered into by the CREST Depository. The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer including the CREST Deed Poll (in the form contained in Chapter 3 of the CREST International Manual (which forms part of the CREST Manual)) executed by the CREST Depository. These rights may be different from those of holders of Bonds which are not represented by CDIs.

If issued, CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service (the **CREST International Settlement Links Service**). The settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

- (a) CDI Holders will not be the legal owners of the Bonds. The CDIs are separate legal instruments from the Bonds to which they relate and represent an indirect interest in such Bonds.
- (b) Interests in the Bonds themselves (as distinct from the CDIs representing indirect interests in such Bonds) will be held in an account with a custodian. The custodian will hold the Bonds through a Clearing System. Rights in the Bonds will be held through custodial and depository links through the appropriate Clearing Systems. Beneficial entitlement to the Bonds or to interests in the Bonds will depend on the rules of the Clearing System in or through which the Bonds are held.
- (c) Rights under the Bonds cannot be enforced by CDI Holders except indirectly through the intermediary depositories and custodians described above. The enforcement of rights under the Bonds will therefore be subject to the local law of the relevant intermediary. The rights of CDI Holders to the Bonds are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Bonds. This could result in an elimination

or reduction in the payments that otherwise would have been made in respect of the Bonds in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Bonds held in Clearing Systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

- (d) The CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to, the CREST International Manual dated 14 April 2008 as amended, modified, varied or supplemented from time to time (the **CREST Manual**) and the CREST Rules (the **CREST Rules**) (contained in the CREST Manual) applicable to the CREST International Settlement Links Service and CDI Holders must comply in full with all obligations imposed on them by such provisions.
- (e) Potential Investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the issuer of the CDIs, the CREST Depository.
- (f) CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential Investors is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from CREST at 33 Cannon Street, London EC4M 5SB or by calling +44 (0) 207 849 0000 or from the CREST website at [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI). The contents of the CREST website will not form part of this Prospectus.
- (g) Potential Investors should note CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the CDI's through the CREST International Settlement Links Service.
- (h) You should note that none of the Issuer, the Guarantors, the Manager, the Trustee, the Principal Paying Agent or the Paying Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

# **E**

## **APPENDIX E**

### **THE ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE ISSUER FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011**



**KPMG**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

Telephone +353 1 410 1000  
Fax +353 1 412 1122  
Internet [www.kpmg.ie](http://www.kpmg.ie)

The Directors  
Grafton Group Finance plc  
Heron House  
Corrig Road  
Sandyford Industrial Estate  
Dublin  
Ireland

24 June 2013

Dear Sirs

### **Grafton Group Finance plc (the 'Company')**

We report on the financial information set out on pages 3 to 11 for the years ended 31 December 2012 and 31 December 2011. This financial information has been prepared for inclusion in the Prospectus dated 24 June 2013 of Grafton Group Finance plc on the basis of the accounting policies set out in Note 1. This report is required by paragraph 13.1 of Annex IV of the Commission Regulation EC. No 809/2004 (the 'Prospectus Directive Regulation') and is given for the purpose of complying with that paragraph and for no other purpose.

### **Responsibilities**

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with Irish Generally Accepted Accounting Principles.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.4R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 16.1 of Annex IV of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

Shaun Murphy • Marie Armstrong • Darina Barrett • Alan Boyne • John Bradley • Gareth Bryan • Sharon Burke • Niall Campbell  
Patricia Carroll • Brian Clavin • Jim Clery • Colm Clifford • Kevin Cohen • Mark Collins • Ivor Conlon • Michele Connolly  
Adrian Crawford • Hubert Crehan • Killian Croke • Brian Daly • Jon D'Arcy • Michael Daughton • Paul Dobey • Eamonn Donaghy  
Robert Dowley • Michael Farrell • Patrick Farrell • Caroline Flynn • Michael Gaffney • Andrew Gallagher • Laura Gallagher • Donall Gannon  
Frank Gannon • Michael Gibbons • Ruaidhri Gibbons • Roger Gillespie • Colm Gorman • Seamus Hand • Johnny Hanna • John Hansen  
Ken Hardy • Michael Hayes • Selwyn Hearn • Paul Holloway • Declan Keane • David Kennedy • Jonathan Lew • Liam Lynch • Olivia Lynch  
Ryan McCarthy • Pat McDaid • Tom McEvoy • John McGlone • Emer McGrath • Niamh Marshall • David Meagher • Brian Morrissey  
Cliona Mullen • Arthur O'Brien • Colin O'Brien • Conor O'Brien • Barrie O'Connell • Conall O'Halloran • Sean O'Keefe  
Eoin O'Lideadha • Garrett O'Neill • Terence O'Neill • Conor O'Sullivan • Eoghan Quigley • Vincent Reilly • Colm Rogers  
Eamonn Russell • Anna Scally • Paul Toner • Eric Wallace • Kieran Wallace • David Wilkinson • Tom Woods • Lukas Ziewer

KPMG, an Irish partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

Offices: Dublin, Belfast, Cork and Galway

KPMG is authorised by Chartered Accountants Ireland to carry on Investment Business.

## **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and Ireland. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

In a letter dated 24 June 2013 to the Company we consented to the inclusion of our report and authorised the content of our report to be included in the Prospectus for the purposes of paragraph 16.1 of Annex IV of the Prospectus Directive Regulation.

## **Opinion on financial information**

In our opinion, the financial information gives, for the purposes of the Prospectus dated 24 June 2013, a true and fair view of the state of affairs of Grafton Group Finance plc as at 31 December 2012 and 31 December 2011 and of its profits, cash flows and recognised gains and losses for the years ended 31 December 2012 and 31 December 2011 in accordance with the basis of preparation set out in Note 1 and in accordance with Irish Generally Accepted Accounting Principles as described in Note 1.

## **Declaration**

For the purposes of Prospectus Rule 5.5.4R (2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with paragraph 1.2 of Annex IV of the Prospectus Directive Regulation.

Yours faithfully

  
KPMG

The financial information set out below has been prepared by the directors of Grafton Group Finance plc on the basis set out in Note 1.

## Grafton Group Finance plc

### Profit and loss account

*for the year ended 31 December 2012*

|                                                      | <i>Note</i> | <b>2012</b><br><b>£</b> | <b>2011</b><br><b>£</b> |
|------------------------------------------------------|-------------|-------------------------|-------------------------|
| <b>Net operating income/(expenses)</b>               |             | <b>30,835</b>           | <b>(38,732)</b>         |
| <b>Operating profit/(loss)</b>                       |             | <b>30,835</b>           | <b>(38,732)</b>         |
| Net interest receivable and similar charges (net)    | 2           | <b>353,377</b>          | <b>647,120</b>          |
| <b>Profit on ordinary activities before taxation</b> |             | <b>384,212</b>          | <b>608,388</b>          |
| Tax on profit on ordinary activities                 | 3           | -                       | -                       |
| <b>Profit for the year</b>                           | 8           | <b>384,212</b>          | <b>608,388</b>          |

The company had no recognised gains or losses in the financial year or preceding financial period other than those dealt with in the profit and loss account.

# Grafton Group Finance plc

## Balance sheet at 31 December 2012

|                                                                | <i>Note</i> | <b>2012</b><br>£ | 2011<br>£    |
|----------------------------------------------------------------|-------------|------------------|--------------|
| <b>Current assets</b>                                          |             |                  |              |
| Debtors                                                        | 4           | 72,082,469       | 85,051,373   |
| Cash at bank and in hand                                       |             | 785,638          | 774,593      |
|                                                                |             | <hr/>            | <hr/>        |
|                                                                |             | 72,868,107       | 85,825,966   |
| <b>Creditors: amounts falling due within one year</b>          | 5           | (15,866,928)     | (31,391,071) |
|                                                                |             | <hr/>            | <hr/>        |
| <b>Net current assets</b>                                      |             | 57,001,179       | 54,434,895   |
|                                                                |             | <hr/>            | <hr/>        |
| <b>Total assets less current liabilities</b>                   |             | 57,001,179       | 54,434,895   |
| <b>Creditors: amounts falling due after more than one year</b> | 6           | (54,224,562)     | (52,042,490) |
|                                                                |             | <hr/>            | <hr/>        |
| <b>Net assets</b>                                              |             | 2,776,617        | 2,392,405    |
|                                                                |             | <hr/>            | <hr/>        |
| <b>Capital and reserves</b>                                    |             |                  |              |
| Called up share capital                                        | 7           | 27,496           | 27,496       |
| Profit and loss account                                        | 8           | 2,749,121        | 2,364,909    |
|                                                                |             | <hr/>            | <hr/>        |
| <b>Shareholders' funds</b>                                     | 9           | 2,776,617        | 2,392,405    |
|                                                                |             | <hr/>            | <hr/>        |

# Grafton Group Finance plc

## Cash flow statement

for the year ended 31 December 2012

|                                                        | Notes | 2012<br>£         | 2011<br>£    |
|--------------------------------------------------------|-------|-------------------|--------------|
| <b>Cash inflow/(outflow) from operating activities</b> | 10    | <b>20,588,977</b> | (1,252,212)  |
| Returns on investments and servicing of finance        | 11    | 375,826           | 639,973      |
|                                                        |       | <hr/>             | <hr/>        |
| <b>Net cash inflow/(outflow) before financing</b>      |       | <b>20,964,803</b> | (612,239)    |
| Financing – increase in debt                           | 12    | 69,310,095        | -            |
| Financing – decrease in debt                           | 12    | (90,263,853)      | (28,298,654) |
|                                                        |       | <hr/>             | <hr/>        |
| <b>Increase/(decrease) in cash</b>                     |       | <b>11,045</b>     | (28,910,893) |
|                                                        |       | <hr/>             | <hr/>        |

## Reconciliation of net cash flow to movement in net debt

|                                    |    | 2012<br>£           | 2011<br>£    |
|------------------------------------|----|---------------------|--------------|
| Increase/(decrease) in cash        | 12 | 11,045              | (28,910,893) |
| Cash inflow from debt movements    | 12 | (69,310,095)        | -            |
| Cash outflow from debt movements   | 12 | 90,263,853          | 28,298,654   |
|                                    |    | <hr/>               | <hr/>        |
| <b>Movement in net debt</b>        |    | <b>20,964,803</b>   | (612,239)    |
| Net debt at beginning of the year  | 12 | (62,860,561)        | (62,248,322) |
|                                    |    | <hr/>               | <hr/>        |
| <b>Net debt at end of the year</b> | 12 | <b>(41,895,758)</b> | (62,860,561) |
|                                    |    | <hr/>               | <hr/>        |

# Grafton Group Finance plc

## Notes

*forming part of the financial information*

### **1 Basis of preparation and statement of accounting policies**

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

#### **Basis of preparation**

The financial information are prepared in accordance with generally accepted accounting principles under the historical cost convention, and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland.

#### **Related party transactions**

As the company is a wholly owned subsidiary of Grafton Group plc, a company which has prepared consolidated financial information which are publicly available and include the financial information of this company, the company is availing of the exemption under Financial Reporting Standard No. 8 not to disclose transactions with other group undertakings.

#### **Taxation**

The charge for taxation is based on the profit for the year.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the company's taxable profits and its results as stated in the financial information that arise from the inclusion of gains and losses in taxable profits in periods difference from those in which they are recognised in the financial information.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be 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.

# Grafton Group Finance plc

## Notes (continued)

| <b>2 Net interest receivable and similar charges</b> | <b>2012</b>    | <b>2011</b>    |
|------------------------------------------------------|----------------|----------------|
|                                                      | <b>£</b>       | <b>£</b>       |
| Intergroup interest received                         | 2,760,332      | 2,469,328      |
| Intergroup interest paid                             | (911,889)      | (746,841)      |
| External interest received                           | 6,578          | 112,223        |
| Loan note interest paid                              | (830,502)      | (1,187,590)    |
| Loan interest paid                                   | (671,142)      | -              |
|                                                      | <hr/>          | <hr/>          |
|                                                      | <b>353,377</b> | <b>647,120</b> |
|                                                      | <hr/>          | <hr/>          |

| <b>3 Taxation</b> | <b>2012</b> | <b>2011</b> |
|-------------------|-------------|-------------|
|                   | <b>£</b>    | <b>£</b>    |

### (a) Analysis of charge in year

#### *Current tax:*

Corporation tax on profits for the year 12.5%

|       |       |
|-------|-------|
| -     | -     |
| <hr/> | <hr/> |

Total current tax

|   |   |
|---|---|
| - | - |
|---|---|

#### *Deferred tax:*

Deferred tax

|       |       |
|-------|-------|
| -     | -     |
| <hr/> | <hr/> |

**Tax on profit on ordinary activities**

|       |       |
|-------|-------|
| -     | -     |
| <hr/> | <hr/> |

# Grafton Group Finance plc

## Notes (continued)

### 3 Taxation (continued)

#### (b) Factors affecting tax charge in year

The tax assessed for the year is lower than the standard rate of corporation tax in the Republic of Ireland. The differences are explained below:

|                                                                                                                                    | 2012<br>£ | 2011<br>£ |
|------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Profit on ordinary activities before tax                                                                                           | 384,212   | 608,388   |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the Republic of Ireland of 12.5% (2011: 12.5%) | 48,027    | 76,049    |
| Effects of:                                                                                                                        |           |           |
| Higher rate of tax on other income                                                                                                 | 48,027    | 76,049    |
| Group relief claimed                                                                                                               | (96,054)  | (152,098) |
| Current tax charge for year                                                                                                        | -         | -         |

#### (c) Factors that may affect future tax rates

The directors are not aware of any factors which may affect future tax rates.

| 4 Debtors                            | 2012<br>£  | 2011<br>£  |
|--------------------------------------|------------|------------|
| Amounts falling due within one year: |            |            |
| Prepayments and accrued income       | 2,493      | 2,552      |
| Amounts owed by group undertakings   | 72,079,976 | 85,048,821 |
|                                      | 72,082,469 | 85,051,373 |

# Grafton Group Finance plc

## Notes (continued)

| <b>5 Creditors: amounts falling due within one year</b> | <b>2012</b>       | <b>2011</b>       |
|---------------------------------------------------------|-------------------|-------------------|
|                                                         | <b>£</b>          | <b>£</b>          |
| Loan notes                                              | 11,778,834        | 28,298,664        |
| Amounts owed to group companies                         | 3,972,484         | 2,998,015         |
| Accruals and deferred income                            | 115,610           | 94,392            |
|                                                         | <hr/>             | <hr/>             |
|                                                         | <b>15,866,928</b> | <b>31,391,071</b> |
|                                                         | <hr/>             | <hr/>             |

| <b>6 Creditors: amounts falling due after more than one year</b> | <b>2012</b>       | <b>2011</b>       |
|------------------------------------------------------------------|-------------------|-------------------|
|                                                                  | <b>£</b>          | <b>£</b>          |
| Loan notes                                                       | 23,557,662        | 35,336,490        |
| Amounts owed to group companies                                  | 23,322,000        | 16,706,000        |
| Bank loan                                                        | 7,344,900         | -                 |
|                                                                  | <hr/>             | <hr/>             |
|                                                                  | <b>54,224,562</b> | <b>52,042,490</b> |
|                                                                  | <hr/>             | <hr/>             |

The ultimate parent company and certain fellow subsidiaries have given guarantees against the borrowings of the company.

### Loan notes and bank loan

|                                        |                   |                   |
|----------------------------------------|-------------------|-------------------|
| Repayable in one year or less (Note 5) | 11,778,834        | 28,298,664        |
| Repayable between one and two years    | 11,778,834        | 11,778,834        |
| Repayable between two and five years   | 19,123,728        | 23,557,656        |
|                                        | <hr/>             | <hr/>             |
|                                        | <b>42,681,396</b> | <b>63,635,154</b> |
|                                        | <hr/>             | <hr/>             |

| <b>7 Called up share capital</b>           | <b>2012</b> | <b>2011</b> |
|--------------------------------------------|-------------|-------------|
|                                            | <b>£</b>    | <b>£</b>    |
| <i>Authorised:</i>                         |             |             |
| 40,000 ordinary shares of €1 each          | 27,496      | 27,496      |
|                                            | <hr/>       | <hr/>       |
| <i>Allotted, called up and fully paid:</i> |             |             |
| 40,000 ordinary shares of €1 each          | 27,496      | 27,496      |
|                                            | <hr/>       | <hr/>       |

# Grafton Group Finance plc

## Notes (continued)

|                                                                                                      |                   |                    |
|------------------------------------------------------------------------------------------------------|-------------------|--------------------|
| <b>8 Profit and loss account</b>                                                                     | <b>2012</b>       | <b>2011</b>        |
|                                                                                                      | <b>£</b>          | <b>£</b>           |
| At beginning of year                                                                                 | 2,364,909         | 1,756,521          |
| Profit for financial year                                                                            | 384,212           | 608,388            |
|                                                                                                      | <hr/>             | <hr/>              |
| <b>At end of year</b>                                                                                | <b>2,749,121</b>  | <b>2,364,909</b>   |
|                                                                                                      | <hr/>             | <hr/>              |
| <b>9 Reconciliation of movement in shareholders' funds</b>                                           | <b>2012</b>       | <b>2011</b>        |
|                                                                                                      | <b>£</b>          | <b>£</b>           |
| Opening shareholders' funds                                                                          | 2,392,405         | 1,784,017          |
| Profit for financial year                                                                            | 384,212           | 608,388            |
|                                                                                                      | <hr/>             | <hr/>              |
| <b>Closing shareholders' funds</b>                                                                   | <b>2,776,617</b>  | <b>2,392,405</b>   |
|                                                                                                      | <hr/>             | <hr/>              |
| <b>10 Reconciliation of operating profits to net cash inflow/(outflow) from operating activities</b> | <b>2012</b>       | <b>2011</b>        |
|                                                                                                      | <b>£</b>          | <b>£</b>           |
| Operating profit/(loss)                                                                              | 30,835            | (38,732)           |
| Decrease/(increase) in debtors                                                                       | 12,968,904        | (1,414,591)        |
| Increase in creditors                                                                                | 7,589,238         | 201,111            |
|                                                                                                      | <hr/>             | <hr/>              |
|                                                                                                      | <b>20,588,977</b> | <b>(1,252,212)</b> |
|                                                                                                      | <hr/>             | <hr/>              |
| <b>11 Returns on investment and servicing of finance</b>                                             | <b>2012</b>       | <b>2011</b>        |
|                                                                                                      | <b>£</b>          | <b>£</b>           |
| Net interest received                                                                                | 375,826           | 639,973            |
|                                                                                                      | <hr/>             | <hr/>              |

# Grafton Group Finance plc

## Notes (continued)

### 12 Analysis of net debt

|                          | At<br>1 January<br>2012<br>£ | Cash<br>inflow<br>£ | Cash<br>outflow<br>£ | At<br>31 December<br>2012<br>£ |
|--------------------------|------------------------------|---------------------|----------------------|--------------------------------|
| Cash at bank and in hand | 774,593                      | 11,045              | -                    | 785,638                        |
| Loan notes               | (63,635,154)                 | -                   | 28,298,658           | (35,336,496)                   |
| Bank loan                | -                            | (69,310,095)        | 61,965,195           | (7,344,900)                    |
| <b>Total net debt</b>    | <b>(62,860,561)</b>          | <b>(69,299,050)</b> | <b>90,263,853</b>    | <b>(41,895,758)</b>            |

### 13 Foreign exchange contracts

At 31 December 2012, the company had a number of cross currency interest rate swaps in place relating to the company's loan notes. The fair value of these contracts at 31 December 2012 was €4m (in the money) (2011: €10.9m (in the money)). As permitted under Financial Reporting Standards, the company has not recognised these assets on the Balance Sheet at year end.

### 14 Guarantee

The company, along with other subsidiaries of Grafton Group plc, acts as a guarantor for the Group borrowings which at the balance sheet date amounted to €337.6m (2011: €358.8m). Guaranteed undrawn committed facilities at the balance sheet date amounted to €97.7 million (2011: €120.5m)

In addition the company, along with other subsidiaries of Grafton Group plc, acts as a guarantor for other group bank overdraft facilities of €36.4 million which were undrawn at the year end.

### 15 Ultimate parent undertaking

The company's ultimate parent undertaking is Grafton Group plc, a company incorporated and operating in the Republic of Ireland. Consolidated financial statements have only been prepared by Grafton Group plc and the consolidated financial statements may be obtained from the Companies Office, Parnell Square, Dublin 1.

### 16 Post balance sheet events

There have been no material events subsequent to 31 December 2012 that would require adjustment to or disclosure in this report.

#### **THE ISSUER**

**Grafton Group Finance plc**  
Heron House  
Corrig Road  
Sandyford Industrial Estate  
Dublin 18  
Ireland

#### **THE PARENT GUARANTOR**

**Grafton Group plc**  
Heron House  
Corrig Road  
Sandyford Industrial Estate  
Dublin 18  
Ireland

#### **TRUSTEE**

**BNYM Corporate Trustee Services Limited**  
One Canada Square  
London E14 5AL  
United Kingdom

#### **PRINCIPAL PAYING AGENT**

**The Bank of New York Mellon**  
One Canada Square  
London E14 5AL  
United Kingdom

#### **MANAGER**

**Investec Bank plc**  
2 Gresham Street  
London EC2V 7QP  
United Kingdom

#### **LEGAL ADVISERS**

*To the Issuer and the Guarantors as to  
English law*

**Norton Rose Fulbright LLP**  
3 More London Riverside  
London SE1 2AQ  
United Kingdom

*To the Issuer and the  
Guarantors as to Irish law*

**Arthur Cox**  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2  
Ireland

**A&L Goodbody**  
IFSC  
North Wall Quay  
Dublin 1  
Ireland

*To the Issuer and the Guarantors as to  
Jersey law*

**Carey Olsen**  
47 Esplanade  
St Helier  
Jersey JE1 0BD  
Channel Islands

*To the Issuer and the  
Guarantors as to Guernsey law*

**Carey Olsen**  
P.O. Box 98  
Carey House  
Les Banques  
St Peter Port  
Guernsey GY1 4BZ  
Channel Islands

*To the Issuer and the Guarantors as  
to Isle of Man law*

**Cains**  
Fort Anne  
Douglas  
Isle of Man IM1 5PD  
Isle of Man

*To the Manager and the Trustee  
as to English law*

**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ  
United Kingdom

**AUDITORS AND REPORTING ACCOUNTANTS**

*To the Issuer and the Parent Guarantor*

**KPMG**  
1 Stokes Place  
St Stephen's Green  
Dublin 2  
Ireland