

**REA Finance B.V.**  
**Amsterdam**

Annual report and accounts  
for the year ended 31 December 2010

## REA Finance B.V., Amsterdam

<u>Table of contents:</u>	<u>page</u>
<b>Annual report</b>	
Report of the management	3-4
Responsibility confirmation	5
<b>Annual accounts</b>	
Balance sheet as at 31 December 2010	6
Profit and loss account for the year ended 31 December 2010	7
Notes to the annual accounts	8-12
<b>Other information</b>	
Independent Auditor's report	13
Appropriation of results	14
Subsequent events	14

## REA Finance B.V., Amsterdam

### Report of the management

The management herewith presents to the shareholder the audited accounts of REA Finance B.V. (hereinafter "the Company") for the year ended 31 December 2010.

#### General

The Company is a limited liability company incorporated under the laws of The Netherlands and acts as a finance company. The ultimate holding company is R.E.A. Holdings plc (hereinafter "REAH"), London, United Kingdom.

#### Overview of activities

During the year the Company made an additional loan of \$10 million to PT Sasana Yudha Bhakti ("SYB"), funded by an additional loan of \$10 million from REAH.

On 12 August 2010 REAH issued a circular to the holders of the 9.5 per cent guaranteed sterling notes 2015/17 issued by the Company (the "Note Holders") proposing that the security in relation to the sterling notes be restructured, including in particular by (i) the assignment by the Company to R.E.A. Services Limited ("REAS") (another wholly owned subsidiary of REAH) of all rights that the Company had in relation to its loans to PT REA Kaltim Plantations ("REAK") and to SYB and (ii) the addition of REAS as a guarantor of the sterling notes (in addition to REAH), with the obligations of REAS in respect of such guarantee being secured by charges over designated bank accounts and the loans assigned to it. It was also proposed that a further change be made to the conditions attaching to the sterling notes in relation to hedging contracts.

The proposals were approved by Note Holders at a duly convened meeting on 9 September 2010 and became effective on and from 29 November 2010, whereupon the loans to REAK and SYB were assigned to REAS for a consideration equal to the face value of such loans. In consideration for REAS "paying" the consideration for the assigned loans to REAH (rather than to the Company), REAH acknowledged indebtedness to the Company in an equivalent aggregate amount. An amount equal to the dollar indebtedness then owed by the Company to REAH was thereupon set-off against the resultant indebtedness owed by REAH to the Company, thereby extinguishing the former.

As a result of this restructuring the Company has in issue £37 million 9.5 per cent guaranteed sterling notes 2015/17, matched by a loan from the Company to REAH on terms as to interest which enables the company to pay interest to the Note Holders, to retain a margin to cover its expenses and to provide an agreed return on its financing activities, and as to principal which will provide in due course the Company with funds necessary to repay the Note Holders .

#### Risks and uncertainties

The principal risks and uncertainties facing the Company relate to the due performance by REAH of its obligations under the loan agreement with the Company. Any shortfall in performance would impact negatively on the Company's ability to perform its obligations to the holders of £37 million nominal of 9.5 per cent guaranteed sterling notes 2015/17. The extent of this risk is limited by:

- the guarantee given by REAH and REAS in favour of the Note Holders; and
- the Limited Recourse Agreement dated 29 November 2010 and made between the Company, REAH and REAS (together the "Parties") (the "LRA").

The LRA reflects the intention of the Parties that the Company, in relation to its financing activities, should (i) meet the minimum risk requirements of article 8c, paragraph 2, of the Dutch Corporate Income Tax Act and (ii) not be exposed to risk in excess of the Minimum Risk Amount ("MRA"). For these purposes the MRA is 1 per cent of the aggregate amounts outstanding under the loan agreement between the Company and REAH. In relation to point (i) above, the Company's capital and reserves as at 31 December 2010 complied with the minimum risk requirements of article 8c, paragraph 2, of the Dutch Corporate Income Tax Act.

#### Risk management objectives

In carrying out its financing activities, it is the policy of the Company to minimise exposure to interest and exchange rate fluctuations by ensuring that loans are denominated in the same currency as the financing sources from which such loans are funded and that interest receivable on such loans is based on a formula from which the Company derives a fixed margin over the cost of funding. In addition, the Company relies on the arrangements described under "Risks and uncertainties" above to limit its exposure to loss.

The Company does not enter into or trade other financial instruments for any purpose.

The Company's overheads are denominated mostly in Euros and sterling. The fixed margin referred to above, which is derived in sterling, is formulated to cover all the overheads and to leave a residual margin as compensation for assuming the limited risk under the LRA. The Company does not seek to hedge the minimal foreign currency risk implicit in these arrangements.

The principal credit risk is described in detail under "Risks and uncertainties" above. Deposits of surplus cash resources are only made with banks with high credit ratings.

## **REA Finance B.V., Amsterdam**

### **Report of the management**

#### **Audit Committee**

In August 2008 the Dutch Act on the Supervision of Accounting Firms (Wet Toezicht Accountantsorganisaties) ("ASAF") was amended. This resulted in a wider definition of a public interest entity (organisatie van openbaar belang) ("PIE"). All Dutch entities which have issued listed debt are now considered to be PIEs. In addition on August 8 2008, an implementing regulation (algemene maatregel van bestuur) ("IR") came into force in the Netherlands, enacting Article 41 of European Directive no. 2006/43/EG (the "ED"), regarding legislative supervision of annual reports and consolidated financial statements. This IR obliges all PIEs to establish an audit committee ("AC").

The AC is formed by members of the Company's supervisory board ("SB") or by non-executive management board members. Because the Company falls within the definition of a PIE it is in principle obliged to establish an AC. Although the ED provides certain exemptions for establishing an AC for securitisation vehicles ("SV"), under the IR (the regulation whereby the ED was implemented in the Netherlands) the Company is not considered to be a SV and therefore can not make use of the exemption to install an AC.

In the light of extensive research and discussions between, amongst others, the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten) and several legal advisors and audit firms, there are certain matters to be considered with respect to the requirement to establish an AC :

- the activities of the Company and those of a SV are very similar;
- under the ED the Company qualifies as a SV and would thus be exempted from the obligation to establish an AC;
- the Company does not have a SB nor non-executive members of the board. Furthermore, establishment of a SB would require an amendment to the Company's Articles of Association;
- it remains unclear why the IR contains a more stringent definition of a SV than the ED.

The general view in the Netherlands is that it could not have been the legislators' intention for financing vehicles, such as the Company, not to fall within the description of a SV and thus not be exempted. In view of the above reasons, Management currently does not consider it to be in the Company's best interest, nor has it taken steps, to implement an AC.

#### **Future outlook**

The management is of the opinion that the present level of activities will be maintained during the next financial year. Management expects that the average number of employees will not change during the next financial year.

Amsterdam, 21 April 2011  
Intertrust (Netherlands) B.V.

**REA Finance B.V., Amsterdam**

**Responsibility confirmation**

The managing director is responsible for the preparation of this annual report and accounts.

To the best of the knowledge of the managing director:

- the accompanying annual accounts prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the accompanying "Report of the management " section of this annual report provides a fair review of the development and performance of the business and the position of the Company together with a description of the

The current managing director of the Company, responsible for the executive management of the Company, is Intertrust (Netherlands B.V.), a company represented by G.R. Wagenaar and L. van den Hoeven.

G.R. Wagenaar

L. van den Hoeven

Amsterdam, 21 April 2011

REA Finance B.V., Amsterdam

Balance sheet as at 31 December 2010  
(Before appropriation of results)

	Notes	2010	2009
		£	£
<b>Fixed assets</b>			
Financial fixed assets			
Loans to group entities	1	37,475,000	60,105,759
<i>Total fixed assets</i>		<u>37,475,000</u>	<u>60,105,759</u>
<b>Current assets</b>			
Debtors			
Amounts due from group entities	2	160,348	18,184
Prepayments and other receivables	3	9,236	3,287
Cash and cash equivalents	4	105,644	235,796
<i>Total current assets</i>		<u>275,228</u>	<u>257,267</u>
<b>Current liabilities (due within one year)</b>			
Amounts due to group entities	5	-	1,543
Amounts due to third parties	6	2,284	5,980
Taxation	7	-	17,737
Accruals and deferred income	8	12,332	13,600
<i>Total current liabilities</i>		<u>14,616</u>	<u>38,860</u>
<b>Current assets less current liabilities</b>		<u>260,612</u>	<u>218,407</u>
<b>Total assets less current liabilities</b>		<u>37,735,612</u>	<u>60,324,166</u>
<b>Long term liabilities (due after one year)</b>			
Amounts due to group entities	9	-	22,630,760
Bond loans	10	37,000,000	37,000,000
<i>Total long term liabilities</i>		<u>37,000,000</u>	<u>59,630,760</u>
<b>Capital and reserves</b>			
Paid up and called up share capital	11	15,498	16,110
Share premium account		475,000	475,000
Translation reserve		(3,274)	(3,886)
Other reserves		156,182	169,169
Unappropriated results		92,206	37,013
<i>Total shareholder's equity</i>		<u>735,612</u>	<u>693,406</u>
<b>Total long term liabilities and share capital and reserves</b>		<u>37,735,612</u>	<u>60,324,166</u>

The accompanying notes are an integral part of this balance sheet.

Profit and loss account for the year ended 31 December 2010

	Notes	2010	2009
		£	£
<b>Finance activities</b>			
Interest income on loans to group entities	12	5,876,433	5,436,253
Interest expense on loans from group entities	13	(843,854)	(950,982)
Interest expense on bond loans	14	<u>(3,515,000)</u>	<u>(3,515,000)</u>
<i>Result finance activities</i>		1,517,579	970,271
<b>Other financial income and expenses</b>			
Other interest income	15	119	5
Other interest expense	16	-	(3,978)
Currency exchange rate differences	17	<u>7,316</u>	<u>(3,363)</u>
<i>Total other financial income and expenses</i>		7,435	(7,336)
<b>Other income and expenses</b>			
Other income	18	-	18,690
General and administrative expenses	19	<u>(306,244)</u>	<u>(342,184)</u>
<i>Total other income and expenses</i>		(306,244)	(323,494)
<b>Result on ordinary activities before taxation</b>		<u>1,218,770</u>	<u>639,441</u>
Overseas withholding taxes	20	(1,112,168)	(543,625)
Corporate income tax	20	(14,396)	(58,803)
<b>Result after taxation</b>		<u><u>92,206</u></u>	<u><u>37,013</u></u>

The accompanying notes are an integral part of this profit and loss account.

## REA Finance B.V., Amsterdam

### Notes to the annual accounts for the year ended 31 December 2010

#### General

The Company was incorporated as a limited liability company under the laws of the Netherlands on 7 November 2006 and has its statutory seat in Amsterdam. The ultimate holding company is R.E.A. Holdings plc. The principal activity of the Company is to act as a finance company, and its place of business is at Prins Bernhardplein 200, 1097 JB Amsterdam.

The functional currency of the Company is GBP, which is also the presentation currency of the accounts.

#### Basis of presentation

The accompanying accounts have been prepared in accordance with accounting principles generally accepted in The Netherlands and with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The most significant accounting principles are as follows:

**a. Foreign currencies**

Assets and liabilities in foreign currencies are translated into pounds sterling at the exchange rates prevailing on the balance sheet date. Transactions in foreign currencies are translated into pounds sterling at the exchange rates in effect at the time of the transactions. The resulting exchange rate differences are taken to the profit and loss account, with the exception of the share capital which is included in Capital and reserves under Translation

The exchange rates used in the annual financial statements are:	<u>31.12.10</u>	<u>31.12.09</u>
1 GBP (pound sterling) = EUR	1.16	1.12
1 GBP (pound sterling) = USD	1.57	1.61

**b. Loans and receivables**

Loans and receivables are stated at their face value, less an allowance for any possible uncollectible amounts.

**c. Other assets and liabilities**

Other assets and liabilities are shown at face value, unless stated otherwise in the notes.

**d. Recognition of income**

Income and expenses, including taxation, are recognised and reported on the accruals basis.

**e. Corporate income tax**

Taxation on the result for the period comprises both current taxation payable and deferred taxation. No current taxation is provided if, and to the extent that, profits can be offset against losses brought forward from previous periods. Deferred tax assets on losses are recognised to the extent that it is probable that taxable profits will be available against which the deferred tax assets can be utilised. Current tax liabilities are computed taking into account all available tax credits.

#### Cash flow statement

The annual report for 2010 of the Company's ultimate holding company includes a consolidated cash flow statement for the group as a whole. Accordingly, the Company has elected to use the exemption provided under Dutch Law and does not present its own cash flow statement.



Notes to the specific items of the balance sheet

1 Loans to group entities		2010	2009
		£	£
R.E.A. Holdings plc ("REAH")		<u>37,475,000</u>	<u>-</u>
PT REA Kaltim Plantations ("REAK")	USD 20,000,000	-	12,400,416
		-	30,000,000
		-	<u>385,000</u>
		-	<u>42,785,416</u>
PT Sasana Yudha Bhakti ("SYB")	USD 6,000,000	-	3,720,125
	USD 10,500,000	-	6,510,218
		-	7,000,000
		-	<u>90,000</u>
		-	<u>17,320,343</u>
Total loans to group entities		<u>37,475,000</u>	<u>60,105,759</u>

The former loans to PT REA Kaltim Plantations and PT Sasana Yudha Bhakti were assigned to R.E.A Services Limited ("REAS") on 29 November 2010. In consideration for REAS "paying" the consideration for the assigned loans to REAH (rather than the Company), REAH acknowledged indebtedness to the Company in an equivalent aggregate amount. An amount equal to the dollar indebtedness then owed by the Company to REAH (US\$46.5 million) was thereupon set-off against the indebtedness owed by REAH to the Company, thereby extinguishing the former.

The loans of US\$20 million to REAK and of US\$16.5 million to SYB incurred interest at 2.9229 per cent (2009: 2.9229 per cent) over SIBOR. The loans of £30 million to REAK and of £7 million to SYB incurred interest at 10.4229 per cent (2009: 10.4229 per cent). The loans of £385,000 to REAK and of £90,000 to SYB incurred interest at 9.6729 per cent (2009: 9.6729 per cent).

The loan to REAH bears interest at 9.6729 per cent and is repayable in three equal installments commencing on 31 December 2015.

Balance of loans as at 1 January		60,105,759	62,822,222
New US\$ loan to SYB	USD 10,000,000	6,745,968	6,383,305
GBP loans to REAK and SYB assigned to REAS		(37,475,000)	-
Consideration received from REAH for such assignment		37,475,000	-
USD loans to REAK and SYB assigned to REAS (note 9)	USD 46,500,000	(29,579,751)	-
Loan repaid		-	(6,383,306)
Currency exchange rate differences		203,024	(2,716,462)
Balance of loans as at 31 December		<u>37,475,000</u>	<u>60,105,759</u>

2 Amounts due from group entities		2010	2009
		£	£
R.E.A. Holdings plc: current account		<u>160,348</u>	<u>18,184</u>
		<u>160,348</u>	<u>18,184</u>

All amounts are due within one year.

3 Prepayments and other receivables		2010	2009
		£	£
Corporation tax recoverable		4,507	-
VAT receivable		4,729	2,898
Prepayments		-	389
		<u>9,236</u>	<u>3,287</u>

All amounts are due within one year.

4 Cash and cash equivalents		2010	2009
		£	£
Current account with bank		54,969	207,907
Current account with bank	EUR 33,494	28,838	7,728
Current account with bank	USD 33,959	21,837	20,161
		<u>105,644</u>	<u>235,796</u>

5 Amounts due to group entities		2010	2009
		£	£
R.E.A. Holdings plc: current account		-	448
PT REA Kaltim Plantations: current account		-	1,095
		<u>-</u>	<u>1,543</u>

6 Amounts due to third parties		2010	2009
		£	£
Trade creditors		2,284	5,980
		<u>2,284</u>	<u>5,980</u>

7 Taxation	2010 £	2009 £
Corporate income tax	-	17,737
	<u>-</u>	<u>17,737</u>

See also note 20.

8 Accruals	2010 £	2009 £
Audit fee	10,332	12,000
Tax adviser fee	2,000	1,600
	<u>12,332</u>	<u>13,600</u>

9 Amounts due to group entities	2010 £	2009 £
R.E.A. Holdings plc: loan account	-	22,630,760
	<u>-</u>	<u>22,630,760</u>
Balance loan as per 1 January	USD 36,500,000	22,630,760
New loan received	USD 10,000,000	6,747,377
Extinguished by set-off ( see note 1).	USD 46,500,000	(29,579,751)
Currency exchange rate differences		201,614
Balance loan as per 31 December		<u>(2,716,462)</u>
		<u>22,630,760</u>

The loan incurred interest at 2.75 per cent above SIBOR (2009: 2.75 per cent above SIBOR).

10 Bond loans	2010 £	2009 £
Bonds issued	37,000,000	37,000,000
	<u>37,000,000</u>	<u>37,000,000</u>

The 9.5 per cent guaranteed sterling notes 2015-17 ("the Notes") are irrevocably and jointly guaranteed by the Company's parent company, R.E.A. Holdings plc ("REAH"), a company incorporated in the United Kingdom whose share capital is listed on the London Stock Exchange, and by R.E.A. Services Limited ("REAS"), a subsidiary company of REAH incorporated in the United Kingdom. As at 31 December 2010 the obligations of REAS in respect of such guarantee were secured by charges over designated bank accounts and over loans made by REAS to PT REA Kaltim Plantations and to PT Sasana Yudha Bhakti .

The sterling notes are repayable in three equal installments commencing on 31 December 2015.

Balance as at 1 January	37,000,000	37,000,000
Increase/ (decrease)	-	-
Balance as at 31 December	<u>37,000,000</u>	<u>37,000,000</u>

### 11 Capital and reserves

The authorised share capital of the Company amounts to EUR 90,000 divided into 90,000 shares of EUR 1 each, of which 18,000 shares have been issued, fully paid. The share capital is recorded at the rate of exchange at the balance sheet date. At 31 December 2010 the rate was 1 GBP = 1.1855 EUR.

At the annual general meeting of shareholders held on 26 May 2010 it was resolved to declare a dividend amounting to £50,000 from the result for the year of £37,013 and from other reserves of £12,987.

	Share capital	Translation reserve	Share premium	Other reserves	Unappropriate d results
Balance as at 31.12.08 (unaudited)	17,401	(5,177)	475,000	77,732	91,437
Transfer	-	-	-	91,437	(91,437)
Revaluation	(1,291)	1,291	-	-	-
Result for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,013</u>
Balance as at 31.12.09	<u>16,110</u>	<u>(3,886)</u>	<u>475,000</u>	<u>169,169</u>	<u>37,013</u>
Dividend	-	-	-	(50,000)	-
Transfer	-	-	-	37,013	(37,013)
Revaluation	(612)	612	-	-	-
Result for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,206</u>
Balance as at 31.12.10	<u>15,498</u>	<u>(3,274)</u>	<u>475,000</u>	<u>156,182</u>	<u>92,206</u>

### Notes to the specific items of the profit and loss account

12 Interest income on loans to group entities	2010 £	2009 £
R.E.A. Holdings plc	315,210	-
PT REA Kaltim Plantations	4,144,271	4,407,735
PT Sasana Yudha Bhakti	1,416,952	1,028,518
	<u>5,876,433</u>	<u>5,436,253</u>

	2010	2009
	£	£
<b>13 Interest expense on loans from group entities</b>		
Interest payable on loans from group entities	<u>843,854</u>	<u>950,982</u>
	<u>843,854</u>	<u>950,982</u>
<b>14 Interest expense on bond loans</b>		
Interest payable bonds	<u>3,515,000</u>	<u>3,515,000</u>
	<u>3,515,000</u>	<u>3,515,000</u>
<b>15 Other interest income</b>		
Bank interest on deposit accounts	<u>119</u>	<u>5</u>
	<u>119</u>	<u>5</u>
<b>16 Other interest expense</b>		
Interest on late payment of corporation tax	<u>-</u>	<u>3,978</u>
	<u>-</u>	<u>3,978</u>
<b>17 Currency exchange rate differences</b>		
On finance activities	<u>7,316</u>	<u>(3,363)</u>
	<u>7,316</u>	<u>(3,363)</u>
<b>18 Other income</b>		
Expenses reimbursed by the shareholder	<u>-</u>	<u>18,690</u>
	<u>-</u>	<u>18,690</u>
<b>19 General and administrative expenses</b>		
Management	-	3,347
Guarantee fee - R.E.A. Holdings plc	253,370	277,500
Administration	18,987	23,192
Tax advice	8,845	14,101
Notary expenses	8,386	16,488
Bank charges	1,221	1,448
Audit fee Deloitte Accountants B.V.	15,328	6,000
General expenses	107	108
	<u>306,244</u>	<u>342,184</u>

The amount payable to Deloitte Accountants B.V. relates to the audit of the Company's financial statements for 2010 and 2009.

	2010	2009
	£	£
<b>20 Taxation on the result on ordinary activities before taxation</b>		
Overseas withholding taxes	1,112,168	543,625
Corporate income tax - current year	16,232	17,577
Corporate income tax - prior year	<u>(1,836)</u>	<u>41,226</u>
	<u>1,126,564</u>	<u>602,428</u>

The Company has concluded an Advance Pricing Agreement and an Advance Tax Ruling with the Dutch fiscal authorities dated 21 February 2007, as amended by Addenda dated 11 March 2009 and 29 July 2010. The Company's financing activities are based on a transfer pricing report and are confirmed to be conducted at arm's length in the Advance Pricing Agreement. The profit on such financing activities comprises interest received on loans to group entities, less interest payable on loans from group and external entities and operating expenses relating to such activities. Dutch corporate income tax is assessable on such profit.

Dutch corporate income tax at a rate of 20.0% amounting to £21,145 has been paid on the profit arising in 2010 (2009: £17,577 in respect of 2009 and £41,266 in respect of prior years) on other activities.

The effective tax rate differs from the nominal tax rate due to non-deductible withholding tax expenses.

**21 Staff numbers and employment costs**

The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period, nor during the previous year.

**22 Directors**

The Company has one (2009: one) managing director, who received fees of £18,987 (2009: £26,539).  
The Company has no (2009: none) supervisory directors.

**23 Ultimate Holding Company**

The immediate and ultimate holding company and the controlling party is R.E.A. Holdings plc ("REAH"), incorporated in the United Kingdom and registered in England and Wales. The financial statements of the company are consolidated into the group headed by REAH which is the only group into which the results of the company are consolidated. Copies of the annual report, including the audited financial statements, of REAH are available at the registered office of REAH.

Amsterdam, 21 April 2011  
Intertrust (Netherlands) B.V.

## **REA Finance B.V., Amsterdam**

### **Independent auditor's report**

To: the shareholders of REA Finance B.V.

#### **Report on the annual accounts**

We have audited the accompanying annual accounts of REA Finance B.V., Amsterdam, which comprise the balance sheet as at December 31, 2010, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

#### **Management's responsibility**

Management is responsible for the preparation and fair presentation of these annual accounts and for the preparation of the report of the management, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion with respect to the annual accounts**

In our opinion, the annual accounts give a true and fair view of the financial position of REA Finance B.V. as at December 31, 2010 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

#### **Report on other legal and regulatory requirements**

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the report of the management, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the report of the management, to the extent we can assess, is consistent with the annual accounts as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, 21 April 2011  
Deloitte Accountants B.V.

**J. Penon**

**REA Finance B.V., Amsterdam**

**Other information (continued)**

**Statutory rules relating to the appropriation of results**

In accordance with a restriction prescribed by Dutch law, a company may only make a distribution of profit provided that shareholders' equity exceeds its issued share capital and legal reserves, in which case the remaining reserves and the unappropriated profit for the year may be dealt with by shareholders in accordance with the Company's articles of association.

**Appropriation of the result for the year**

The management proposes to the shareholder to declare a dividend amounting to £70,000 from the result for the year. This proposal is not reflected in these accounts.

**Subsequent events**

No events have occurred since the balance sheet date, which would change the financial position of the Company and which would require adjustment of or disclosure in the annual accounts now presented.