

OFFERING MEMORANDUM

NOT FOR GENERAL CIRCULATION
IN THE UNITED STATES



Boing Group Financing plc

Guaranteed on a senior secured basis by Boing Midco Limited and certain subsidiaries of Boing Midco Limited

€240,000,000

6.625% Senior Secured Notes due 2019

Interest payable January 15 and July 15

Issue price: 100.00% plus accrued interest, if any, from the Issue Date

Boing Group Financing plc (the “Issuer”), a public limited company incorporated under the laws of England and Wales, issued €240,000,000 aggregate principal amount of its 6.625% Senior Secured Notes due 2019 (the “Notes”), as part of the financing for the acquisition (the “Acquisition”) of Rose HoldCo Limited (“Rose Holdco”) by Boing Acquisitions Limited (“Bidco”), the parent company of the Issuer, which is beneficially owned by funds or limited partnerships managed or advised by TDR Capital LLP (“TDR Capital”). The Notes will mature on July 15, 2019.

The Issuer will pay interest on the Notes semi-annually on each January 15 and July 15, commencing on January 15, 2015. The Issuer may redeem some or all the Notes prior to July 15, 2016 at a price equal to 100.000% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, plus a “make whole” premium, as described in this offering memorandum. The Issuer may redeem some or all the Notes on or after July 15, 2016 at the redemption prices set forth in this offering memorandum, plus accrued and unpaid interest, if any. In addition, prior to July 15, 2016, the Issuer may redeem up to 40% of the original aggregate principal amount of the Notes (including additional Notes) with the net cash proceeds from certain equity offerings at a price equal to 106.625% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, provided that at least 60% of the original aggregate principal amount of the Notes (including additional Notes) remains outstanding after the redemption. Further, the Issuer may redeem all, but not part, of the Notes at a price equal to 100% of the principal amount plus accrued and unpaid interest, if any, upon the occurrence of certain changes in applicable tax law. Upon certain events defined as constituting a change of control, the Issuer may be required to offer to redeem the Notes at 101% of the principal amount redeemed, plus accrued and unpaid interest, if any. However, a change of control will not be deemed to have occurred if certain consolidated net leverage ratios are not exceeded in connection with such an event.

If the Acquisition was not consummated on or prior to November 14, 2014, the Notes would have been subject to a special mandatory redemption. The special mandatory redemption price would have been a price equal to 100% of the aggregate issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, to the date of special mandatory redemption. See “Description of the Notes—Escrow of proceeds; Special Mandatory Redemption”.

As of the Issue Date (as defined herein), the Notes are senior obligations of the Issuer and are guaranteed on a senior secured basis (collectively, the “Note Guarantees” and each, a “Note Guarantee”) by Boing Midco Limited (the “Company”) and by Bidco. As soon as reasonably practicable after the date on which the proceeds of the offering of the Notes were released from the Escrow Account concurrently with the completion of the Acquisition on July 16, 2014 (the “Completion Date”), but in any case not later than 60 days from the Completion Date, subject to the Agreed Security Principles (as defined herein), the Notes will be guaranteed on a senior secured basis by the Rose Holdco and certain subsidiaries of Rose Holdco (the “Subsidiary Guarantors”, and together with the Company, Bidco and Rose Holdco, the “Guarantors”). The guarantee of the Notes by each Guarantor (a “Note Guarantee” and, collectively, the “Note Guarantees”) will rank equally in right of payment with all the existing and future unsubordinated indebtedness of such Guarantor, senior to all the existing and future indebtedness of such Guarantor that is subordinated in right of payment to such Guarantor’s Note Guarantee and effectively senior to all existing and future unsecured indebtedness of such Guarantor to the extent of the assets securing such Guarantor’s Note Guarantee. The Notes and the Note Guarantees will be secured by liens on certain assets that also secure our obligations under the Revolving Credit Facility Agreement (as

defined herein), entered into on June 12, 2014. Pursuant to the terms of the Intercreditor Agreement (as defined herein), any liabilities in respect of obligations under the Revolving Credit Facility Agreement or in respect of certain hedging obligations, in each case that are secured by assets that also secure our obligations under the Notes and the Note Guarantees, will receive priority with respect to any proceeds received upon any enforcement action over any such assets.

There is currently no public market for the Notes. An application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF Market. The Euro MTF Market is not a regulated market pursuant to the provisions of Directive 2004/39/EC.

An investment in the Notes involves risks. See “Risk factors” beginning on page 26.

The Notes and the Note Guarantees have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “Securities Act”), or the securities laws of any state of the United States or any other jurisdiction. Accordingly, the Notes are being offered and sold in the United States only to “qualified institutional buyers” in accordance with Rule 144A under the Securities Act and non-U.S. persons outside the United States in offshore transactions in accordance with Regulation S under the Securities Act. Prospective purchasers of the Notes that are qualified institutional buyers are hereby notified that the seller may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For further details about eligible offerees and resale restrictions, see “Notice to investors”.

The Notes were issued in the form of global notes in registered form. See “Book entry, delivery and form”. The Notes were delivered to investors in book entry form through Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream”) on July 10, 2014 (the “Issue Date”). This offering memorandum constitutes a prospectus for the purpose of the Luxembourg law dated July 10, 2005 on Prospectuses for Securities, as amended.

Joint book running managers

J.P. Morgan

Lloyds Bank

August 4, 2014

You should rely only on the information contained in this offering memorandum. We have not, and J.P. Morgan Securities plc and Lloyds Bank plc (the “Initial Purchasers”) have not, authorized anyone to provide you with information that is different from the information contained herein. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front of this offering memorandum.

We are not, and the Initial Purchasers are not, making an offer of these securities in any jurisdiction where such offer is not permitted.

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Boing Group Financing plc (the “Issuer”) is incorporated as a public limited company under the laws of England and Wales. The registered office of the Issuer in the United Kingdom is at One Stanhope Gate, London, W1K 1AF and its telephone number at that address is +44 (0) 20 7399 4200.

Important information about the offering

This offering memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Notes may not be offered or sold, directly or indirectly, nor may this offering memorandum be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

This offering memorandum has been prepared by us solely for use in connection with this offering. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. The contents of this offering memorandum may only be used for the purpose for which this offering memorandum has been published.

In making an investment decision, prospective investors must rely on their own examination of our company and the terms of this offering, including the merits and risks involved. In addition, neither we nor the Initial Purchasers nor any of our or their respective representatives are making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this offering memorandum as legal, business, tax or other advice. You should consult your own advisors as to the legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this offering memorandum, and you must obtain all applicable consents and approvals; neither we nor the Initial Purchasers shall have any responsibility for any of the foregoing legal requirements.

This offering memorandum is based on information provided by us and other sources that we believe to be reliable. The Initial Purchasers are not making any representation or warranty, express or implied, that this information is accurate or complete and are not responsible for this information. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by any of the Initial Purchasers as to the past or future. In this offering memorandum, we have summarized certain documents and other information in a manner we believe to be accurate, but we refer you to the actual documents for a more complete understanding.

We accept responsibility for the information contained in this offering memorandum. To the best of our knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this offering memorandum is in accordance with the facts and does not omit anything material that is likely to affect the import of such information.

The information contained in this offering memorandum is correct as of the date hereof. Neither the delivery of this offering memorandum at any time after the date of publication nor any subsequent commitment to purchase the Notes shall, under any circumstances, create an implication that there has been no change in the information set forth in this offering memorandum or in our business since the date of this offering memorandum.

The information contained in this offering memorandum under the caption "Exchange rate information" includes extracts from information and data publicly released by official and other sources. While we accept responsibility for accurately summarizing such information, we accept no further responsibility in respect thereto.

The information set out in relation to sections of this offering memorandum describing clearing arrangements, including the section entitled "Book entry, delivery and form", is subject to any change in, or reinterpretation of, the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, we accept no further responsibility in respect of such information. Euroclear and Clearstream are not under any obligation to perform or continue to perform under such clearing arrangements and such arrangements may be modified or discontinued by any of them at any time. We will not, nor will any of our agents, have responsibility for the performance of the respective obligations of Euroclear and Clearstream or their respective participants. Investors wishing to use these clearing systems are advised to confirm the continued applicability of these arrangements.

By receiving this offering memorandum, you acknowledge that you have had an opportunity to request from us for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this offering memorandum. You also acknowledge that you have not relied on the Initial Purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes.

None of the U.S. Securities and Exchange Commission (the "SEC"), any state securities commission or any other regulatory authority have approved or disapproved of the Notes, nor have any of the foregoing authorities passed upon or

endorsed the merits of the Offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary could be a criminal offense in certain countries.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the Securities Act and the applicable state securities laws, pursuant to registration or exemption therefrom. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this offering memorandum entitled "Plan of distribution" and "Notice to investors".

The Notes were available initially only in book entry form. The Notes sold pursuant to this offering memorandum were issued in the form of one or more global notes, which were deposited with, or on behalf of, a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected only through, records maintained by Euroclear and Clearstream and their direct and indirect participants, as applicable. After the initial issuance of the global notes, Notes in certificated form will be issued in exchange for the global notes only as set forth in the indenture governing the Notes (the "Indenture"). See "Book entry, delivery and form".

We reserve the right to withdraw the offering at any time. We and the Initial Purchasers also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by it. The Initial Purchasers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes.

Stabilization

IN CONNECTION WITH THE OFFERING OF THE NOTES, J.P. MORGAN SECURITIES PLC OR ONE OF ITS AFFILIATES OR PERSONS ACTING ON ITS BEHALF (THE “STABILIZING MANAGER”) MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT A STABILIZING MANAGER WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFERING OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN 30 DAYS AFTER THE ISSUE DATE, OR NO LATER THAN 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES, WHICHEVER IS EARLIER.

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this offering memorandum under the “Notice to investors” section of this offering memorandum.

Alternative settlement cycle

Delivery of the Notes has been made against payment therefor on July 10, 2014, which was the fifth London business day (fourth New York business day) following the date of pricing of the Notes (such settlement cycle being herein referred to as “T+5”). Under Rule 15(c)6 1 under the Exchange Act (as defined herein), trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wished to trade Notes on the date of pricing or the next two succeeding business days were required, by virtue of the fact that the Notes initially settled T+5, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Notes who wished to trade Notes on the date of pricing or the next succeeding business day should have consulted their advisors.

Notice to investors in the United States

The Notes and the Note Guarantees have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States, except to qualified institutional buyers within the meaning of Rule 144A, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The Notes may be offered and sold outside the United States in reliance on Regulation S. Prospective investors are hereby notified that sellers of the Notes may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on transfers of the Notes, see “Notice to investors”.

Notice to New Hampshire residents only

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421 B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED (“RSA 421 B”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421 B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Notice to investors in the United Kingdom

This issue and distribution of this offering memorandum is restricted by law. This offering memorandum is not being distributed by, nor has it been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 by, a person authorized under the Financial Services and Markets Act 2000. This offering memorandum is for distribution only to, and is only directed at, persons who (i) are outside the United Kingdom or (ii) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”)); (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the

Financial Promotion Order; or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). Accordingly, by accepting delivery of this offering memorandum, the recipient warrants and acknowledges that it is such a relevant person. The Notes are available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this offering memorandum or any of its contents. No part of this offering memorandum should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without our prior written consent. The Notes are not being offered or sold to any person in the United Kingdom, except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of the Financial Services and Markets Act 2000.

Notice to investors in the European Economic Area

This offering memorandum is not a prospectus and is being distributed to a limited number of recipients for the sole purpose of assisting such recipients in determining whether to proceed with a further investigation of the purchase of, or subscription for, the Notes. This offering memorandum has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area (the “EEA”), from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA of the Notes, which are the subject of the placement contemplated in this offering memorandum, should only do so in circumstances in which no obligation arises for us or any of the Initial Purchasers to produce a prospectus for such offer. Neither we nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this offering memorandum.

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a “Relevant Member State”), each Initial Purchaser has represented and agreed 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 Notes that are the subject of this offering memorandum to the public in that Relevant Member State prior to the publication of a prospectus in relation to Notes that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes in the Relevant Member State at any time:

- (a) to any legal entity that 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 under the Prospectus Directive; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall result in a requirement for the publication by the Issuer or the Initial Purchasers of a prospectus pursuant to Article 3 of the Prospectus Directive or a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, 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 the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Notice to investors in France

The Notes have not been and will not be offered or sold to the public in the Republic of France, and no offering or marketing materials relating to the Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in the Republic of France.

The Notes may only be offered or sold in the Republic of France pursuant to Article L.411-2-II of the French *Code monétaire et financier* to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*, except that qualified investors shall not include individuals.

Prospective investors are informed that:

- (i) this offering memorandum has not been submitted for clearance to the French financial market authority (*Autorité des marchés financiers*);
- (ii) entities referred to in Article L.411-2-II-2 of the French *Code monétaire et financier* may only participate in the Offering for their own account, as provided under Articles D.411-1, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*; and
- (iii) the direct and indirect distribution or sale to the public of the Notes acquired by them may only be made in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier*.

Notice to investors in Germany

In the Federal Republic of Germany, the Notes may only be offered and sold in accordance with the provisions of the German Securities Prospectus Act (the “Securities Prospectus Act”, *Wertpapierprospektgesetz*, *WpPG*) and any other applicable German law. No application has been made under German law to offer the Notes to the public in or out of the Federal Republic of Germany. The Notes are not registered or authorized for distribution under the German Securities Prospectus Act and accordingly may not be, and are not being, offered or advertised publicly or by public promotion. This offering memorandum is strictly for private use and the offer is only being made to recipients to whom this offering memorandum is personally addressed and does not constitute an offer or advertisement to the public. In Germany, the Notes will only be available to, and this offering memorandum and any other offering material in relation to the Notes is directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No. 6 of the German Securities Prospectus Act or who are subject of another exemption in accordance with Section 3 para. 2 of the Securities Prospectus Act. Any resale of the Notes in Germany may only be made in accordance with the Securities Prospectus Act and other applicable laws.

Notice to investors in the Netherlands

For selling restrictions in respect of the Netherlands, see “—Notice to investors in the European Economic Area” above and in addition:

Specific Dutch selling restriction for exempt offers: Each Initial Purchaser has represented and agreed that it will not make an offer of the Notes which are the subject of the offering contemplated by this offering memorandum to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless such offer is made exclusively to legal entities which are qualified investors (as defined in the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the “NLFMSA”)) in the Netherlands.

For the purposes of this provision, the expressions (i) an “offer of the Notes to the public” in relation to any Notes in the Netherlands; and (ii) “Prospectus Directive”, have the meaning given to them above in the paragraph headed “—Notice to investors in the European Economic Area”.

Notice to investors in Australia

No prospectus or other disclosure document in relation to the Notes has been or will be lodged with or registered by the Australian Securities and Investments Commission or the ASX Limited.

Each Initial Purchaser has represented and agreed that:

- (a) it has not (directly or indirectly) made or invited, and will not make or invite, an offer of the Notes for issue or sale in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

- (b) it has not distributed or published and will not distribute or publish any draft or final form offering memorandum, advertisement or other offering material relating to the Notes in Australia, unless (i) the minimum aggregate consideration payable by each offeree is at least AUD 500,000 (or its equivalent in other currencies and disregarding money lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors in accordance with Parts 6D.2 and 7.9 of the Corporations Act 2001 of the Commonwealth of Australia (the “Australian *Corporations Act 2001*”), and (ii) the offer or invitation does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Australian *Corporations Act 2001*, (iii) such action complies with all applicable laws and regulations in Australia and (iv) such action does not require any document to be lodged with the Australian Securities and Investment Commission or any other authority.

Forward looking statements

This offering memorandum contains “forward looking statements” within the meaning of the securities laws of certain jurisdictions, including statements under the captions “Summary”, “Risk factors”, “Management’s discussion and analysis of financial condition and results of operations”, “Industry”, “Our business” and in other sections. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the words “believes”, “could”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, “plans”, “continue”, “ongoing”, “potential”, “predict”, “project”, “target”, “seek”, “should” or “would” or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, 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 offering memorandum and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which we operate.

By their nature, forward looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance. You should not place undue reliance on these forward looking statements.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industry in which we compete to differ materially from those expressed or implied by the forward looking statements contained in this offering memorandum.

These factors include, among others, risks related:

- to deterioration in general macro-economic conditions;
- to the weather (particularly rain, snow and severe cold spells);
- to challenges to our operator model, increasing exposure to legal and compliance issues and tax liabilities;
- to vehicle miles driven in our key markets;
- to the continued growth or development of the size of the car parc;
- to the success of any expansion of our car wash network;
- to acquisitions that may prove to be unsuccessful or strain or divert resources;
- to our ability to further implement planned renovations successfully;
- to increased energy and water costs or disruptions in energy and water supplies;
- to our dependence on one supplier for all cleaning chemicals and the replacement of this supplier;
- to our ability to continue to develop and introduce new products;
- to successfully divesting under-performing sites or releasing higher alternative use values for our sites;
- to our reliance on third party operators to manage each car wash site;
- to our ability to compete effectively in a highly competitive business environment;
- to a competing car wash facility opening in the vicinity of one of our sites;
- to loss of our key management and other personnel, or inability to attract such management and other personnel;
- to our ability to renew or replace our site leases or lease new sites on favorable terms, or to any current leases being terminated prior to the expiry of their stated term;
- to our international operations conducting business in multiple jurisdictions;
- to changes in currency exchange rates;

- to internal controls over cash management, as a significant portion of our business activities is transacted in cash;
- to general litigation;
- to increasingly stringent environmental rules and regulations;
- to hazardous substances present at certain of our facilities as the result of historical operations;
- to our patents and other intellectual property rights not adequately protecting our products and car wash machine designs;
- to our insurance coverage not being available or adequate to cover all losses;
- to liabilities in connection with our pension plans;
- to achieving and maintaining effective internal controls over financial reporting;
- to adverse decisions of tax authorities or changes in tax treaties, laws, rules, or interpretation;
- to the Acquisition and the Escrow Account;
- to our substantial leverage and debt service obligations;
- to the Notes and our structure; and
- other factors discussed under “Risk factors”.

These risks and others described under “Risk factors” are not exhaustive. Other sections of this offering memorandum describe additional factors that could adversely affect our results of operations, financial condition, liquidity and the development of the industry in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward looking statements. Given these risks and uncertainties, you should not rely on forward looking statements as a prediction of actual results.

Any forward looking statements are only made as of the date of this offering memorandum and we do not intend, and do not assume any obligation, to update forward looking statements set forth in this offering memorandum. You should interpret all subsequent written or oral forward looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this offering memorandum. As a result, you should not place undue reliance on these forward looking statements.

Industry and market data

In this offering memorandum, we rely on and refer to information regarding our business and the market in which we operate and compete. The market data and certain economic and industry data and forecasts used in this offering memorandum were obtained from internal surveys, market research, governmental and other publicly available information, and reports prepared by industry consultants. Industry publications, surveys, forecasts and reports of industry consultants generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys, forecasts and reports of industry consultants are reliable but we have not independently verified them and cannot guarantee their accuracy or completeness.

For the purpose of this offering memorandum, we commissioned and used a report prepared for us by Eden McCallum LLP (the "Eden McCallum Report").

This information has been accurately reproduced and as far as the Issuer and the Guarantors are aware, and are able to ascertain from published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Elsewhere in this offering memorandum, statements regarding the automated car wash industry, our position in the industry, our market share and the market shares of various industry participants are based solely on our experience, our internal studies and estimates, and our own investigation of market conditions.

We cannot assure you that any of the assumptions underlying these statements are accurate or correctly reflect our position in the industry and none of our internal surveys or information have been verified by any independent sources. Neither we nor the Initial Purchasers make any representation or warranty to any person as to the accuracy or completeness of this information. All of the information set forth in this offering memorandum relating to the operations, financial results or market share of our competitors has been obtained from information made available to the public in such companies' publicly available reports and independent research, as well as from our experience, internal studies, estimates and investigation of market conditions. Neither we nor the Initial Purchasers have independently verified this information and cannot guarantee its accuracy.

Presentation of financial and other information

UK GAAP financial information

In this offering memorandum, the term “financial statements” refers to (i) the audited consolidated financial statements of Rose Holdco and its consolidated subsidiaries as of and for the financial years ended December 31, 2013, 2012 and 2011 and (ii) the unaudited condensed consolidated interim financial statements of Rose Holdco and its consolidated subsidiaries as of and for the three month period ended March 31, 2014 (including comparative financial information as of and for the three month period ended March 31, 2013), each prepared in accordance with UK GAAP.

The Issuer, Bidco and the Company were incorporated on June 9, 2014. The Issuer was incorporated for the principal purpose of issuing the Notes, and no historical financial information related to the Issuer, Bidco or the Company is available. None of them have business operations, material assets or liabilities and have not engaged in any activities other than those related to their formation in preparation of the Transactions (as defined below), including the Offering. We do not present in this offering memorandum any financial statement of the Issuer, Bidco or the Company for the periods presented.

In the future, we will report our financial results at the Company level on a consolidated basis. The fiscal year of the Company ends on December 31 of each calendar year and the first annual consolidated financial statements for the Company will be available in respect of the year ended December 31, 2014.

The financial information presented as of and for the twelve months ended March 31, 2014 is derived from Rose Holdco’s unaudited condensed consolidated interim financial statements as of and for the three month period ended March 31, 2014 (included elsewhere in this offering memorandum) by adding together the results of operations for the year ended December 31, 2013 and the results of operations for the three month period ended March 31, 2014 and then subtracting the results of operations for the three month period ended March 31, 2013.

The Acquisition, which will give rise to a change of control for UK GAAP accounting purposes, will be accounted for using the purchase method of accounting. Under UK GAAP, the cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred and the equity interests issued by the acquirer, including the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the acquirer’s share of the identifiable net assets acquired is recorded as goodwill. Given that the Acquisition has not been consummated, we have not identified the fair value of assets acquired and liabilities to be assumed at the Completion Date. In accordance with UK GAAP, we have up to the end of the first full financial year following the Acquisition to confirm the fair values and finalize the allocation of the purchase price.

The financial information presented for the interim periods or prior years is not necessarily indicative of the results to be expected for the full year or any future period or our financial condition at any future date. The financial information presented herein should be read in conjunction with, and is qualified in its entirety by reference to, the consolidated financial statements of Rose Holdco and the accompanying notes included elsewhere in this offering memorandum, and should also be read together with the information set forth under the headings “Use of proceeds”, “Capitalization”, “Summary consolidated financial information”, “Selected historical consolidated financial information”, “Our business”, and “Management’s discussion and analysis of financial condition and results of operations”.

We have not included financial information prepared in accordance with IFRS or US GAAP in this offering memorandum. UK GAAP differs in certain significant respects from IFRS and US GAAP. In making an investment decision, you should rely upon your own examination of the terms of the Offering and the financial information contained in this offering memorandum. You should consult your own professional advisors for an understanding of the differences between UK GAAP, IFRS and US GAAP, and how those differences could affect the financial information contained in this offering memorandum.

References in this offering memorandum to “pound”, “pound sterling”, “UK pound” or “£” are to the lawful currency of the United Kingdom. The financial information and financial statements included in this offering memorandum are presented in pound sterling.

Certain numerical figures included in this offering memorandum have been rounded and, as a result, the figures shown as totals in this offering memorandum may vary slightly from the exact arithmetic aggregation of the figures that precede them. Percentage figures have not been calculated on the basis of rounded figures but have instead been calculated on the basis of such amounts prior to rounding.

Non-GAAP financial measures

This offering memorandum contains non-GAAP measures and ratios, including EBITDA, net debt, Adjusted EBITDA, maintenance and expansionary capital expenditure and leverage and coverage ratios that are not required by, or presented in accordance with, GAAP. We present non-GAAP measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-GAAP measures may not be comparable to other similarly titled measures of other companies and from “Consolidated EBITDA” contained in the section “Description of the Notes” of this offering memorandum and the Indenture. The non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under GAAP. Non-GAAP measures and ratios such as EBITDA, net debt, Adjusted EBITDA, maintenance and expansionary capital expenditure and leverage and coverage ratios are not measurements of our performance or liquidity under GAAP and should not be considered as alternatives to operating profit or profit for the year or any other performance measures derived in accordance with GAAP or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

We also present in this offering memorandum certain pro forma financial information to show the effect of the Offering and the application of proceeds therefrom, had the Offering occurred on April 1, 2013, in the case of pro forma interest expense, and on March 31, 2014, in the case of pro forma balance sheet information. The pro forma information is presented for illustrative purposes only and does not purport to represent what our results of operations and financial condition would have been had the Offering actually occurred on the these dates, nor project our results of operations for any future period or our financial condition at any future date and should not be considered in isolation from or as a substitute for our historical financial information. The pro forma financial information presented in this offering memorandum is based on available information and certain assumptions and estimates that we believe are reasonable and may differ materially from the actual amounts.

Certain definitions

Unless otherwise specified or the context requires otherwise in this offering memorandum:

- references to “Acquisition” have the meaning ascribed to them under “Summary—The Transactions—The Acquisition Agreements”;
- references to “Acquisition Agreements” refer to the Rose Holdco Acquisition Agreement and the Australian Acquisition Agreement;
- references to “Agreed Security Principles” refer to the “Agreed Security Principles” set out in an annex to the Indenture as in effect on the Issue Date, as applied reasonably and in good faith by the Issuer;
- references to “Australian Acquisition Agreement” refer to the sale and purchase agreement dated June 12, 2014 between IPIC B.V. and the sellers thereunder relating to the sale and purchase of 20.4% of the shares in IMO Group Holdings Pty Ltd.;
- references to “Bidco” refer to Boing Acquisitions Limited;
- references to “car parc” refer to the total number of passenger vehicles on the road (excluding commercial road vehicles) in a given geographic area;
- references to “conveyor washes” or “conveyor car washes” refer to a type of automated commercial car wash where the vehicle to be washed is driven on to a conveyor. The car is then moved, by the conveyor, along a wash tunnel where the various stages of the wash process are applied to the car;
- references to “Clearstream” refer to Clearstream Banking, *société anonyme*;
- references to “Collateral” refer to the security interests securing the obligations of the Issuer and the Guarantors under the Notes, the Notes Guarantees and the Revolving Credit Facility. See “Description of the Notes—Security—The Collateral”;
- references to “Company” refer to Boing Midco Limited;
- references to the “Completion Date” refer to July 16, 2014;
- references to “Eastern Europe” refer to Austria, Czech Republic, Hungary and Poland.

- references to the “EEA” refer to the European Economic Area;
- references to the “Escrow Account” refer to the escrow account into which the proceeds from the Offering less certain deductions in respect of fees and expenses were deposited on the Issue Date pending consummation of the Acquisition;
- references to the “Escrow Agent” refer to Elavon Financial Services Limited, UK Branch;
- references to the “Escrow Agreement” refer to the agreement to be dated the Issue Date between the Issuer, the Trustee, J.P. Morgan Securities plc and the Escrow Agent relating to the Escrow Account;
- references to the “EU” refer to the European Union;
- references to “Euroclear” refer to Euroclear Bank SA/NV;
- references to “Equity Contribution” have the meaning ascribed to it under “Summary—The Transactions—The Financing”;
- references to “Exchange Act” refer to the U.S. Securities Exchange Act of 1934, as amended”;
- references to “Existing Senior Facilities Agreement” refer to the senior term facilities agreement originally dated September 13, 2012, as amended on September 25, 2012 and as further amended from time to time, between, among others, Rose Holdco, as parent, Rose MidCo Limited, as original borrower, the parties listed therein as original guarantors, the financial institutions listed therein as original lenders and Highbridge Principal Strategies, LLC as agent;
- references to “Financing” have the meaning ascribed to it under “Summary—The Transactions—The Financing”;
- references to the “Group”, “we”, “us”, and “our” refer to Rose Holdco and its consolidated subsidiaries prior to the completion of the Acquisition and the Company and its consolidated subsidiaries following the completion of the Acquisition;
- references to “Guarantors” are to the Company, Bidco, Rose Holdco and the Subsidiary Guarantors, each guaranteeing the obligations of the Issuer under the Notes;
- references to “IFRS” are to the International Financial Reporting Standards adopted by the EU;
- references to the “Indenture” refer to the indenture governing the Notes to be dated the Issue Date by and among, *inter alios*, the Issuer, the Guarantors and the Trustee;
- references to the “Intercreditor Agreement” refer to the Intercreditor Agreement, dated June 12, 2014, between, among others, the Company, Bidco, the Issuer, Lloyds Bank plc as agent under the Revolving Credit Facility Agreement, the Trustee on behalf of the holders of the Notes (which will accede to the Intercreditor Agreement on the Issue Date) and J.P. Morgan Europe Limited as Security Agent;
- references to the “Initial Purchasers” refer to J.P. Morgan Securities plc and Lloyds Bank plc;
- references to the “Investment Agreement” refer to the investment agreement dated June 12, 2014, by and between Boing Topco Limited, Boing Group S.á r.l. and certain managers of the Group in relation to the share capital of Boing Topco Limited;
- references to the “Issuer” refer to Boing Group Financing plc;
- references to the “Issue Date” refer to July 10, 2014;
- references to “jet washes” or “jet wash car washes” refer to a type of automated commercial car wash where the person washing the vehicle uses a high-pressure water hose to clean the vehicle;
- references to “Notes” are to the €240.0 million aggregate principal amount of 6.625% senior secured notes due 2019 offered hereby;

- references to “Notes Guarantees” are to the senior secured guarantees of the Notes to be provided by all the Guarantors pursuant to the Indenture;
- references to “Offering” are to the offering of the Notes pursuant to this offering memorandum;
- references to “Proceeds Loan” are to one or more loans to be extended under the Proceeds Loan Agreement;
- references to “Proceeds Loan Agreement” are to one or more agreements to be entered into between the Issuer, as lender, and Bidco, as borrower, pursuant to which the Issuer will loan the proceeds of the Offering to Bidco in order to use the proceeds of the Offering as described under “Use of proceeds”;
- references to “ProShield” refer to a polymer sealant that functions as an advanced paint protectant;
- references to the “Rest of Europe” refer to our operations outside of Germany, the United Kingdom and Australia;
- references to the “Revolving Credit Facility” refer to the new £20.0 million super senior revolving credit facility made available pursuant to the Revolving Credit Facility Agreement;
- references to the “Revolving Credit Facility Agreement” refer to the revolving credit facility agreement governing a new £20.0 million super senior revolving credit facility dated June 12, 2014 between the Company, Bidco, the Issuer, the lenders party thereto, Lloyds Bank plc as agent and J.P Morgan Europe Limited as Security Agent;
- references to “roll over washes” or “roll over car washes” refer to a type of automated commercial car wash where the vehicle is driven into the wash machinery and the washing equipment passes over the vehicle;
- references to “Rose Holdco” are to Rose Holdco Limited;
- references to “Rose Holdco Acquisition Agreement” are to the acquisition agreement dated June 12, 2014 between Bidco and the several sellers listed in Schedule 1 thereto;
- references to the “SEC” are to the U.S. Securities and Exchange Commission;
- references to “Second Lien Debt” mean the £14,839,779 secured second lien loan notes due 2018 and €35,083,907 secured second lien loan notes due 2018 issued by Rose MidCo Limited on March 19, 2013;
- references to the “Securities Act” are to the U.S. Securities Act of 1933, as amended;
- references to the “Security Agent” are to U.S. Bank Trustees Limited, which will replace J.P. Morgan Europe Limited as security agent under the Intercreditor Agreement and the Revolving Credit Facility on the Issue Date;
- references to the “Security Documents” are to the agreements creating security interests over the Collateral as described under “Description of the Notes—Security—The Collateral”;
- references to the “Subsidiary Guarantors” are to Rose Midco Limited, IMO Car Wash Group Limited, Anduff Holdings Limited, Cleanland Limited, Milburn Productions Limited, Anduff Car Wash Limited, IMO Deutschland Holding GmbH, TOMAN Handels- und- Beteiligungsgesellschaft mbH & Co KG, TOMAN Handels- und Beteiligungsverwaltungsgesellschaft mbH, IMO Autopflege GmbH, IMO Autopflege Beteiligungsgesellschaft mbH & Co KG, IPIC B.V., IMO Group Holdings Pty Ltd and IMO Car Wash Australasia Pty Ltd;
- references to the “Trustee” refer to U.S. Bank Trustees Limited, who is expected to serve as Trustee under the Indenture;
- references to “Transactions” refer to the Acquisition and the Financing (including this Offering), as further described in “Summary—The Transactions”;
- references to “TDR Capital” refer to investment funds or limited partnerships managed or advised by TDR Capital LLP that will be our indirect majority shareholders following the Acquisition, or, when the context otherwise requires or as otherwise indicated, TDR Capital LLP in its own right;
- references to “UK” refer to the United Kingdom;

- references to “UK GAAP” and “GAAP” refer to United Kingdom Generally Accepted Accounting Practice;
- references to “U.S. GAAP” refer to accounting principles generally accepted in the United States; and
- references to “wash day” refer to any day on which less than 0.2 millimeters of rainfall has been recorded in the relevant site location, as further described in “Management’s discussion and analysis of financial condition and results of operation—Key factors affecting our results of operations—Factors affecting demand for and turnover of our businesses—Weather conditions”; and
- references to “Western Europe” refer to Belgium, France, Luxembourg, Portugal Spain and the Netherlands.

Exchange rate information

The following table sets forth, for the periods indicated, the high, low, average and period end Bloomberg Composite Rate (New York) expressed as U.S. dollars per £1.00 and euro per £1.00, respectively. The Bloomberg Composite Rate is a “best market” calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. Neither we nor the Initial Purchasers make any representation that the pound sterling, euro or U.S. dollar amounts referred to in this offering memorandum have been, could have been or could, in the future, be converted into U.S. dollars, euro or pound sterling, as the case may be, at any particular rate, if at all.

(expressed as U.S. dollars per £1.00)	Period end	Average ⁽¹⁾	High	Low
Year				
2011.....	1.5549	1.6041	1.6706	1.5343
2012.....	1.6248	1.5852	1.6279	1.5317
2013.....	1.6556	1.5649	1.6556	1.4867
2014 (through June 25, 2014).....	1.6984	1.6750	1.7040	1.6304
(expressed as U.S. dollars per £1.00)	Period end	Average ⁽²⁾	High	Low
Month				
January 2014.....	1.6441	1.6473	1.6637	1.6354
February 2014.....	1.6743	1.6566	1.6748	1.6304
March 2014.....	1.6662	1.6616	1.6740	1.6487
April 2014.....	1.6873	1.6747	1.6873	1.6574
May 2014.....	1.6754	1.6841	1.6975	1.6711
June (through June 25, 2014).....	1.6984	1.6894	1.7038	1.6738
(expressed as euro per £1.00)	Period end	Average ⁽¹⁾	High	Low
Year				
2011.....	1.2012	1.1526	1.2045	1.1062
2012.....	1.2314	1.2332	1.2856	1.1775
2013.....	1.2045	1.1779	1.2343	1.1432
2014 (through June 25, 2014).....	1.2458	1.2223	1.2528	1.1907
(expressed as euro per £1.00)	Period end	Average ⁽²⁾	High	Low
Month				
January 2014.....	1.2187	1.2093	1.2235	1.1986
February 2014.....	1.2132	1.2119	1.2232	1.2010
March 2014.....	1.2102	1.2019	1.2176	1.1907
April 2014.....	1.2169	1.2126	1.2186	1.2050
May 2014.....	1.2292	1.2264	1.2360	1.2157
June (through June 25, 2014).....	1.2458	1.2429	1.2528	1.2291

(1) The average of the Bloomberg Composite Rates on the last business day of each month during the relevant period.

(2) The average of the exchange rates on each business day during the relevant period.

On June 25, 2014, the Bloomberg Composite Rate between the pound sterling and the U.S. dollar was \$1.6984 per £1.00. On June 25, 2014, the Bloomberg Composite Rate between the pound sterling and the euro was €1.2458 per £1.00.

The above rates may differ from the actual rates used in the preparation of the financial statements and other financial information appearing in this offering memorandum. Our inclusion of these exchange rates is not meant to suggest that the pound sterling or euro amounts actually represent such dollar amounts or that such amounts could have been converted into dollars at any particular rate, if at all.

Summary

The following summary contains information about us and this Offering and highlights information contained elsewhere in this offering memorandum. The summary below does not contain all of the information that you should consider before investing in the Notes. For a complete understanding of the Offering, we encourage you to read the entire offering memorandum carefully, including “Risk factors”, “Management’s discussion and analysis of financial condition and results of operations” and our consolidated financial statements and the notes thereto, contained elsewhere in this offering memorandum.

Overview

We are the world’s largest independent conveyor car wash company by number of sites, with the market-leading position in Germany and the United Kingdom and a significant presence in all other countries in which we operate. Our business has expanded over the course of our 49 year history, and today our network of freehold and leasehold sites consists of more than 830 car wash sites in 12 countries across Europe, as well as in Australia. The vast majority of our sites are operated on our behalf by individual third party operators. We trade under the IMO brand in Europe and Australia and the IMO and ARC brands in the United Kingdom.

We operate in the commercial car wash industry, which comprises four main types of car washes: attended conveyor wash; automated roll over wash; self-operated jet wash; and hand wash. We believe that the dynamics within our industry are favorable, with positive macro demand, market trends toward commercial car washing and greater environmental regulation in each of our key markets driving market growth for conveyor car washes such as ours.

We wash on average approximately 28 million cars per year, and we believe we have washed over 800 million cars since our inception in 1965. We are the largest independent conveyor car wash company in Germany, which is our largest and most profitable geographic market. Germany has the greatest number of passenger carrying vehicles (or car parc) in Europe, and this, combined with its strict environmental regulations that limit at-home or other alternative car washing options for consumers, makes the German market very attractive for our business. For the twelve months ended March 31, 2014, the German market accounted for 46.1% of our total turnover and 53.5% of our total EBITDA before Group overhead.

We aim to maximize turnover by optimizing volumes and pricing on a site-by-site basis and to maximize profits through our low-cost operating model. Our business model involves the use of third party operators who are remunerated on a commission basis, ensuring that they are adequately incentivized to drive turnover growth. Specifically, this commission based model incentivizes operators to “sell-up” customers to a more expensive car wash program, which results in greater turnover and margins for us. In addition, our third party operator model allows us to keep a flexible cost base.

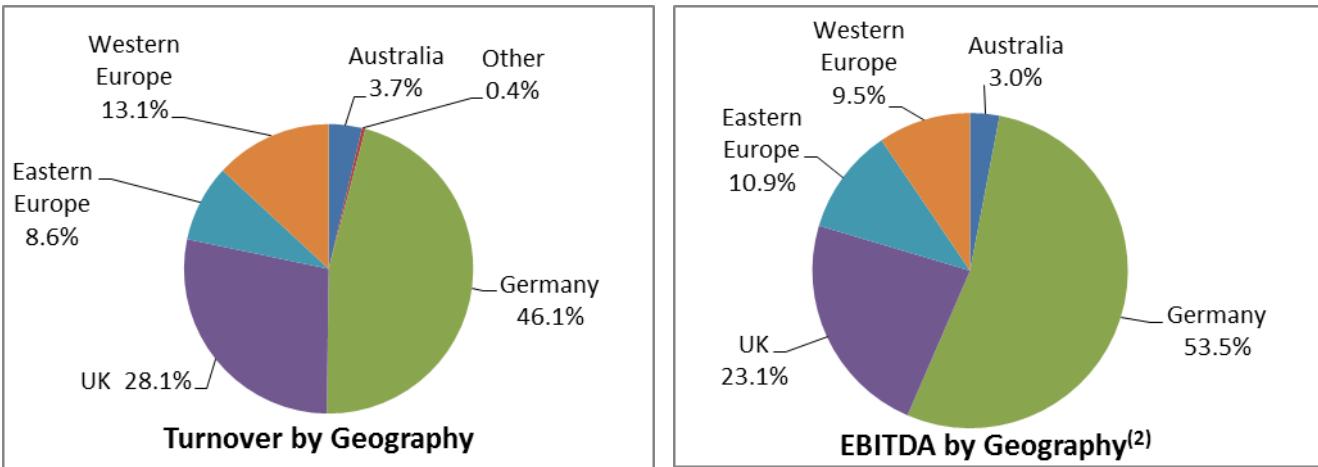
Our cost base is comprised of variable costs and fixed costs. For the year ended December 31, 2013, commissions paid to operators (which are variable in nature), and other variable wash costs, which include the cost of water, electricity, detergent and tank cleaning, amounted to 30.9% of our turnover. For the year ended December 31, 2013, fixed costs, which includes maintenance, rent, site heating, advertising, other site fixed costs and regional and group overheads amounted to 40.1% of our turnover.

Our expansive network of car wash sites across Europe and Australia also provides us with significant economies of scale, which reduces the overall operating costs for each of our car wash sites.

For example, we are able to negotiate lower prices with suppliers and other manufacturers by leveraging the size of our operations. As a result of both our third party business model and our economies of scale, we have been able to operate profitably while charging low prices, which we believe provides downside protection in challenging macro-economic conditions.

We collect a significant amount of data on a site-by-site basis which enables us to accurately monitor planned versus actual performance on a bottom-up basis and adjust our variable cost base to meet changing demand.

We are headquartered in High Wycombe, United Kingdom, and had 273 employees as of March 31, 2014. For the twelve months ended March 31, 2014 our consolidated turnover was £123.7 million, our EBITDA was £35.3 million and our EBITDA margin was 28.5%. Our turnover and EBITDA by geography for the twelve months ended March 31, 2014 are as follows:



(1) “Other” consists of sales of brush materials to third parties in countries outside of our car wash markets. EBITDA attributable to sales of brush materials is included in the Western Europe portion of the EBITDA chart above.

(2) EBITDA by geography is before group overhead costs.

Our strengths

We are the market leader in each of our key markets

We are the world’s largest independent conveyor car wash company by number of sites, with the market-leading position in Germany and the United Kingdom, our key markets, and a significant presence in all other countries in which we operate. Our next largest independent conveyor car wash competitor in Europe has less than 4% of the number of sites that we operated as of December 31, 2013. We believe that our size and scale enable us to benefit from significantly lower capital expenditure and operating costs than our smaller competitors, which, in turn, allows us to adopt a strategy of price leadership in each market in which we operate. In addition, our scale and geographic diversification mitigates earnings volatility resulting from the impact of localized weather. Additionally, we believe that our size also enables us to employ a dedicated team of professional site finders, helping us secure attractive locations for our new sites and identify promising acquisition targets of existing sites.

We have built a comprehensive database of empirical data that enables us to analyze the impact of weather conditions on our business and, by allowing us to isolate the impact of weather from other market and competition factors, assists us in making informed decisions for shaping the strategic direction of the business.

On average, our sites offer the lowest base priced conveyor car washes in each of our markets, in addition to offering a full range of higher priced and thus higher margin washes. This discounter position increases our overall volumes and turnover and provides a level of protection against negative macro- economic factors. In addition to our discounted offering, we also offer customers a number of upgrades and add-ons to satisfy a broad range of customer demands. By offering multiple price points we are able to attract a range of customers which ultimately increases our overall turnover and margins.

As a result of the scale of our established network of car wash sites, we have been able to attract and develop relationships with several large retailers. For example, in Germany we have established relationships to operate alongside Metro/Real, Kaufland and Edeka. In the United Kingdom we have established relationships with Tesco, Asda and Sainsbury’s. In the Rest of Europe, we operate alongside Carrefour, Auchan, Cora, Tesco and Maxi Markt. These long-term relationships enable us to leverage the large customer base of these retailers and assist us in securing new attractive sites. In addition, we also have established relationships with a number of oil companies, including Conoco, Shell, Total and BP, where we operate car wash sites alongside their fuel operations.

We operate in countries with attractive market dynamics

The countries in which we operate have attractive market dynamics as a result of a number of factors, including:

Positive macro demand

We believe that as the number of cars in a given market increases, the volume of car washes also increases. Over the last few years Germany and the United Kingdom have had consistent growth in the size of their car parc. For example, in the period between 2003 and 2012, the German car parc had a compound annual growth rate of 1.0%. The consistent growth

of the car parc in our key markets presents attractive opportunities for increased volumes at existing car wash sites and the establishment of new car wash sites in underrepresented areas. In addition, while Western Europe has experienced steady growth in the size of its car parc, we believe the growth in Eastern Europe has been more rapid. We have an established presence in Hungary and the Czech Republic dating back to 1991 and in Poland since 2006. Additionally, we entered the Australian market in 2006, which we view as highly attractive to our operations due to the large car parc size and optimal weather conditions. Altogether, we view these as key growth markets given that per capita car ownership (not including Australia) in these markets was in 2011 on average less than 75% of that in Germany and 90% of that in the United Kingdom.

Furthermore, the level of development of the car wash infrastructure and the propensity and regularity of consumers in certain countries to wash their cars is low compared to Germany or the United Kingdom, which allows for potential growth opportunities in such countries. For example, recent research by Eden McCallum LLP suggests that the average number of washes per year per customer in Australia and Poland amounted to 4.1 and 2.6, respectively, as compared to 9.0 and 8.5 in Germany and the United Kingdom, respectively. Finally, penetration of conveyors is low in certain countries like Australia, where the percentage of car ownership is high compared to an underdeveloped conveyor infrastructure. For example, conveyors account only for 4% of the car wash market in Australia, as compared to a penetration rate of 44% in Germany and 8% in the United Kingdom.

Move to commercial washing

In recent years, there has been a noticeable shift toward commercial car washing as busier lifestyles mean that motorists are increasingly less likely to wash their cars themselves. This trend is further influenced by the rise in the number of female motorists who we believe are less likely than men to wash their cars themselves. In the United Kingdom, for example, female drivers now account for approximately 40% of keepers of registered cars. We expect the proportion of female car owners to continue to increase in Central and Eastern Europe.

Regulatory trends

In certain regions of Germany it is illegal for motorists to wash their cars at home because of environmental regulations regarding the treatment of waste water. Regulations such as these oblige motorists to use strictly controlled commercial car wash operations that comply with the necessary environmental regulations. Regulations also exist in the United Kingdom regarding the treatment and disposal of commercial waste water (known as trade effluent), though these are not as rigorous or as strictly enforced as in Germany. Over time, we expect regulation to become tighter in most European markets.

We have been recycling the water used in our car wash machines since 1965 and our car washes are designed to have a lesser impact on the environment as compared to alternatives, such as self-washing or hand car washes, which do not recycle water and allow effluent and chemicals to flow untreated into public or municipal water drainage systems. Strict environmental legislation in the German market and the implementation of similar legislation in other key markets limits motorists from washing their cars themselves, as well as limits commercial car washing alternatives that are not compliant.

Barriers to entry

Our network of more than 830 car wash sites across Europe was built over a span of 49 years. Our next largest independent conveyor car wash competitor in Europe has less than 4% of the number of sites that we operated as of December 31, 2013. The scale of investment required to match such a network, increased competition for roadside real estate and planning limitations, reduce the risk of new entrants and limit the growth capabilities of existing competitors.

Underdeveloped car wash infrastructure in emerging markets

The emerging markets in Eastern Europe in which we currently operate, and in which we intend to expand our operations, have historically underdeveloped car wash infrastructures. We believe that this relative lack of competition, in conjunction with an increase in the size of the car parc, and the likelihood that more consumers will use commercial car washes as the per capita GDP increases, should result in improved market dynamics in each of these countries and expand the potential opportunities for our growth in those markets.

We have an attractive product offering and a strong and proven track record for new product innovation

We currently offer a wide range of products to our customers at various price points. This allows us to position our business to maximize both turnover and margin (through up-selling by operators who are incentivized to sell more expensive products). In addition, we have a successful track record of introducing new products that generate returns on investment. Our latest innovation is the roll out of ProShield, a polymer sealant that functions as an advanced paint protectant. The incremental net margin per wash in sites offering ProShield (that have not otherwise been renovated) for the year ended December 31, 2013 was €0.12 in Germany, €0.16 in the Rest of Europe, AUD 0.55 in Australia and £0.08 in the United Kingdom. These roll outs began in May 2012 and as of March 31, 2014, ProShield was offered in over 400 sites across our network. The project is now complete, but this wash program will be added to any forthcoming site renovations and to all newly built sites.

We operate a flexible and low-cost operating model

Our operator-driven business model further protects us from certain economic and business downsides. Each of our independent third party operators is paid a commission for every wash their car wash site provides. This commission per wash increases in relation to the retail value of the wash product they sell. As a result, our profitability objectives and those of our operators are aligned. Consequently, our operators are responsible for certain day- to-day operating costs, the largest such cost being the employment of local labor. By avoiding these types of operating costs, our cost base is reduced which affords us downside protection during periods of low demand. 43.6% of our operating costs were variable in the year ended December 31, 2013.

Due to the size of our business and its highly standardized nature, we are able to benefit from economies of scale in connection with capital expenditures and the cost of day-to-day operations.

We believe that, as the world's largest independent conveyor car wash company by number of sites, we are able to negotiate lower prices on both new and replacement machine parts for all of our sites directly with the manufacturer. We reduce costs by assembling our machines internally. Furthermore, we procure our standard building design from a single source and signage is also secured in bulk from single country suppliers. We are equally able to benefit from bulk pricing in connection with the purchase of cleaning chemical supplies which we provide to all of our car wash sites, and we negotiate our energy and waste water treatment needs on a collective basis in each of our markets. In addition, we use a standardized site format and machinery which reduces engineering and maintenance expense.

We are a cash generative business with flexible capital expenditure plans

For the twelve months ended March 31, 2014, we had a cash conversion ratio of 95.5% (based upon cash flow from operating activities before movement in provision and other non-cash generating activities) relative to EBITDA. We believe that the cash generative nature of our business (almost all of our customers pay in cash), combined with our structurally negative working capital requirements and relatively low level of maintenance capital expenditure (1.2% of turnover for the year ended December 31, 2013), improves our ability to service our debt. Even in the demanding retail environment of the last few years, our business has maintained earnings and continued to generate cash as a result of our discounter positioning and our broad geographic spread.

The nature of our business, including the limited amount of maintenance capital expenditure required, and our selective expansion strategy ensures that we have flexible capital expenditure requirements, with a high proportion of such requirements dedicated to discretionary expenditures. For the twelve months ended March 31, 2014, we had expenditures related to the purchase of tangible fixed assets of £23.7 million, of which £22.2 million was discretionary expansionary

capital expenditure and £1.5 million was non-discretionary maintenance capital expenditure. This flexibility permits us to adjust our capital expenditure plans according to the performance of our business allowing us to maximize free cash flow.

Strong and diversified asset base in extensive existing network of sites

We have more than 830 sites located throughout 12 countries in Europe as well as in Australia, including 170 freehold properties with a combined net book value of land and buildings of £55.8 million as of December 31, 2013. Our network of freehold and leasehold sites has taken over 49 years to develop. The scale of investment required to match such a network, the strong competition from other forms of roadside retail and planning restrictions reduces the risk of new entrants and limits the growth capabilities of existing competitors.

We benefit from geographical diversification across our markets. In particular, having sites spread throughout much of Western, Central and Eastern Europe as well as Australia mitigates the effect of localized weather, economic and competitive conditions on our overall business. For example, according to a 2007 survey, almost 70% of each UK site's customer base comes from within a three mile radius of the site and over 53% of our German customers come from within a five kilometer radius of the relevant site. As a result, each of our sites is, in essence, a self-contained business with its own unique demographic and competitive profile.

Since January 2009, active asset management has resulted in site divestment proceeds of £15.3 million achieving an average multiple of 16.3x full year average EBITDA per site for those sites divested.

Strong management team

Our current management team has extensive experience in the car wash industry and, together, bring with them a combined 70 plus years operating in the retail sector. Our management team has developed a clear strategy which is refocused on site-by-site management of our network, reinvestment in the business, innovation and active portfolio management. Furthermore, a significant number of our management team members holds an equity stake in our business, and certain members of our senior management team are expected to subscribe for equity in connection with the completion of the Acquisition. See "Principal shareholders".

Our strategy

Continued focus upon site-by-site performance and trading strategy

We target price leadership in each area in which we operate, both to drive turnover and to protect our competitive position. This price leadership can vary significantly depending on site locations, with our pricing strategy varying according to the local competitive environment, price-positioning of competitors and customers' price sensitivity. In this context, pricing is continually monitored and reviewed and our procedures now incorporate a combination of regular local-level reviews of site volume and pricing and central quarterly reviews of pricing and promotional strategy. Our pricing strategy is also linked to new product roll outs which enable us to offer improved car wash programs at higher prices.

Overall pricing strategies are also supported by promotional activity. This includes short-term pricing promotions in conjunction with local advertising. This expertise and site-by-site analysis is further applied to new site openings, with projected mature volumes for new and recently opened sites being calculated with reference to the size of the local car parc, local population and the number of competitors.

In addition to focusing upon pricing on a site-by-site basis, we also ensure that site operational standards are continually reviewed. For example, we monitor and review operators' performance for site cleanliness (as well as all other operational standards) as this has an impact upon customer perception.

New product development and innovation to enhance customer experience and increase turnover

Regular product innovation is part of our strategy, with new launches supporting higher price wash options and improved wash margins. The capital investment required to introduce additional products is relatively small and our latest product offering, ProShield, has achieved an investment payback that is on average less than one year.

As a result of our experience and expertise and our close relationships with suppliers, each product enhancement is designed for and assessed on its ability to deliver an attractive return on investment and maintain our market-leading customer offering. Each successive product roll out is designed to enhance the customer product offering and premium user experience, leading to turnover and margin benefits from the improved customer option mix.

This focus on enhancing product offerings also reflects our strategy to maintain a close focus on the quality of the customer experience. Ensuring a positive customer experience, much like a positive retail shopping experience, is key to maintaining a competitive advantage and securing repeat customer business.

Reinvestment in core estate through a strong new retail format

We have developed a strategic view in each of our markets relating to those sites which are underperforming due to historic under-investment in their retail format and those sites which are not economic to sustain in the long-term. As a result of our detailed site-by-site portfolio review, we have identified a combination of profitable, though aging, operations in strong locations. Such locations have been identified because we believe they provide an opportunity for significant returns through focused reinvestment. The current renovation program has three separate categories: re-image, minor and major. A site renovation can be undertaken within as little as four weeks, with a quick return to sales volume targets and with average uplift in contribution margin of approximately €1.00 for the year ended December 31, 2013.

We have introduced significant upgrades to our machine technology, new high power vacuum technology as well as new exterior and interior brand treatments that can be retrofitted to existing aging facilities to bring them up to date. These upgrades are modular in nature, which enables us to carefully match the extent and cost of a potential upgrade on any site in an effort to optimize the returns and yields that the location offers.

In 2010, we began implementing our renovation plan, and as of March 31, 2014 we had renovated 103 sites in Germany, 45 sites in the United Kingdom and 27 sites in the Rest of Europe. We will continue to renovate and ensure that our renovation plans are flexible and can be altered to maintain a strong cash balance at all times.

Renovations have the effect of drawing in new customers who view the new facilities as attractive and effective and also offer the opportunity to raise prices and introduce new higher value wash programs while still maintaining our price leadership and strong value for money proposition. Renovated sites re-opened during 2010, 2011 and 2012 are generally achieving average returns of approximately 21%.

Selective expansion in key growth markets into “A-grade” sites

Our roll out strategy focuses on 3 key areas: (i) Germany, with its strict regulatory environment, strong economy and extensive list of viable sites; (ii) Eastern Europe, with its expanding economies and car ownership, supported by relationship opportunities with major supermarket and other retailers and (iii) Australia, with its expanding population, increasing car parc size and optimal weather conditions. This strategy is supported by our historic roll out where the highest and most predictable returns have been delivered in these territories.

We plan to continue implementing a carefully targeted and controlled roll out of sites during 2014 and 2015, with a total of up to 17 new sites targeted in 2014 (as of the date of this offering memorandum we have rolled out 7 new sites in 2014) and a further 15 new sites currently planned for 2015.

In Germany, all openings are assumed to be new builds but there is an opportunity to acquire individual sites from family-owned independent operators which would benefit from the scale and efficiency that integration into our network offers. We have carried out a viability analysis on the number of potential “A-grade” site locations in Germany, taking into account the required catchment population, car ownership rates and incidence of local competition. There are currently expansion plans to open 12 new sites in 2014 and 10 new sites in 2015.

Within the Rest of Europe, we have strong relationships with hypermarket retailers whereby our car washes are incorporated in the design at their new retail locations. This allows us to ensure that our facility is well located on the new retail lot and gain exposure to shoppers. These strong relationships with retailers allow us to locate on “A-grade” sites in key growth markets. In the Rest of Europe, we have already opened four new sites in 2014 and a further three new sites are currently planned in 2015.

In Australia the 12 sites that we acquired in 2011 and the one new site opened in 2012 have produced a return on investment of over 30%. As of the date of this offering memorandum we have one additional site under construction with a further site planned to go under construction in 2015.

Due to the presence of leaseholds across the portfolio, a number of site leases will come up for renewal in any given year. We are, therefore, able to maintain a level of natural site churn, amounting to on average approximately 20 sites per year across our network over the last four years. Such lease expiry allows us to close under-performing sites when leases fall due and to seek to extend the leases of sites that are performing well. This provides us with additional flexibility in capital expenditure.

Active asset management generating significant capital to strengthen balance sheet or to fund investment and innovation programs

We are committed to the active management of non-core assets, allowing central and regional management to focus on driving performance at long-term viable sites and to realize under-utilized property assets. Where sites have higher alternative use values or occupy marketable freehold land then these assets will be realized and management time refocused on enhancing performing assets. Since 2009, site divestment proceeds of £15.3 million have been achieved, with £1.0 million in the year ended December 31, 2013. Divestments in the year ended December 31, 2013 achieved an average multiple of 21x the EBITDA per site for those sites for the year ended December 31, 2013. We anticipate further asset disposals of a similar nature in 2014 and in subsequent years.

The Issuer

The Issuer is a newly incorporated public limited company registered in England and Wales under number 9078144 and is a financing subsidiary of Bidco. The Issuer has conducted no operations or other material activities. The Issuer has a registered office at One Stanhope Gate, London, W1K 1AF and its telephone number is +44 (0) 20 7399 4200. The Issuer was incorporated under the laws of England and Wales on June 9, 2014.

Our sponsor

TDR Capital is a private equity firm headquartered in London that was founded in 2002 by Manjit Dale and Stephen Robertson, who were previously managing partners at DB Capital Partners, Deutsche Bank AG's private equity arm in Europe. TDR Capital has an experienced team of investment professionals and operating partners and seeks to build a selective, low volume investments strategy on the principles developed by the investment team over the past decade. TDR Capital seeks to spend significant resources on each investment and to focus on operational excellence through a tested and integrated operating partner model.

TDR Capital has a strong track record in owning consumer-facing multi-site businesses, as evidenced by its current investments in David Lloyd Leisure and Stonegate Pub Company, as well as past investments in Pizza Express, Centre Parcs and Punch Taverns.

For more information, see "Principal shareholders".

The Transactions

The Acquisition Agreements

On June 12, 2014, Bidco entered into the Rose Holdco Acquisition Agreement with Silver Oak Capital, LLC, SPC Lux S.à r.l. and certain other current shareholders of Rose Holdco listed in Schedule 1 thereto, to acquire all of the issued and outstanding capital stock of Rose Holdco (the "Acquisition").

On June 12, 2014, as part of the Acquisition, IPIC B.V. and certain of its minority shareholders entered into the Australian Acquisition Agreement, under which IPIC B.V. agreed to acquire 20.4% of the shares in IMO Group Holdings Pty Limited.

The closing of the Acquisition is subject to certain conditions, including the approval of merger control authorities in Germany. In the event that the closing conditions are not satisfied by November 14, 2014, either party may terminate the Rose Holdco Acquisition Agreement. Following the Acquisition, certain investment funds advised by affiliates of TDR Capital are currently expected to indirectly own 93.2% of Rose Holdco, while the remaining 6.8% will be held by management. See "Principal shareholders".

The Financing

The Acquisition will be financed (the "Financing") as follows:

- the Issuer will issue the Notes in an aggregate principal amount of £192.6 million (euro equivalent); and
- TDR will make an equity contribution in an amount of £100.00 million (which includes £6.5 million of rolled management equity) (the "Equity Contribution").

In connection with the Acquisition, a Revolving Credit Facility entered into on June 12, 2014 in an amount of up to £20.0 million will be made available on the Completion Date to Bidco for general corporate and working capital purposes. The Revolving Credit Facility is expected to remain undrawn on the Issue Date and the Completion Date.

The net proceeds from the Financing will be used to:

- fund the consideration payable for the capital stock of Rose Holdco purchased in the Acquisition, including any adjustments or interest payments under the Rose Holdco Acquisition Agreement;
- repay the outstanding borrowings under the Existing Senior Facilities Agreement, the Second Lien Debt and pay related accrued interest and break costs, as of the Completion Date, in connection with the cancellation of the Existing Senior Facilities Agreement and the Second Lien Debt; and
- pay fees and expenses in connection with the Acquisition and the Financing, including the fees and expenses to be incurred in connection with the Offering.

As the Issue Date occurred prior to the Completion Date, pending consummation of the Acquisition, the Initial Purchasers deposited the gross proceeds from the Offering less certain deductions in respect of fees and expenses into the Escrow Account for the benefit of the holders of the Notes. The release of the escrow proceeds and the consummation of the Acquisition were subject to the satisfaction of certain conditions, including regulatory approval of the Acquisition and the performance of certain closing conditions. These conditions were satisfied on or before the Completion Date. If the Acquisition had not been consummated on or prior to November 14, 2014 and upon the occurrence of certain other events, the Notes would have been subject to a special mandatory redemption. The special mandatory redemption price would have been a price equal to 100% of the aggregate issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of special mandatory redemption. See “Description of the Notes—Escrow of proceeds; Special Mandatory Redemption”.

We refer to the Acquisition and the Financing collectively as the “Transactions”. See “Use of proceeds”, “Capitalization”, “Summary consolidated financial information”, “Description of other indebtedness” and “Description of the Notes”.

Recent developments

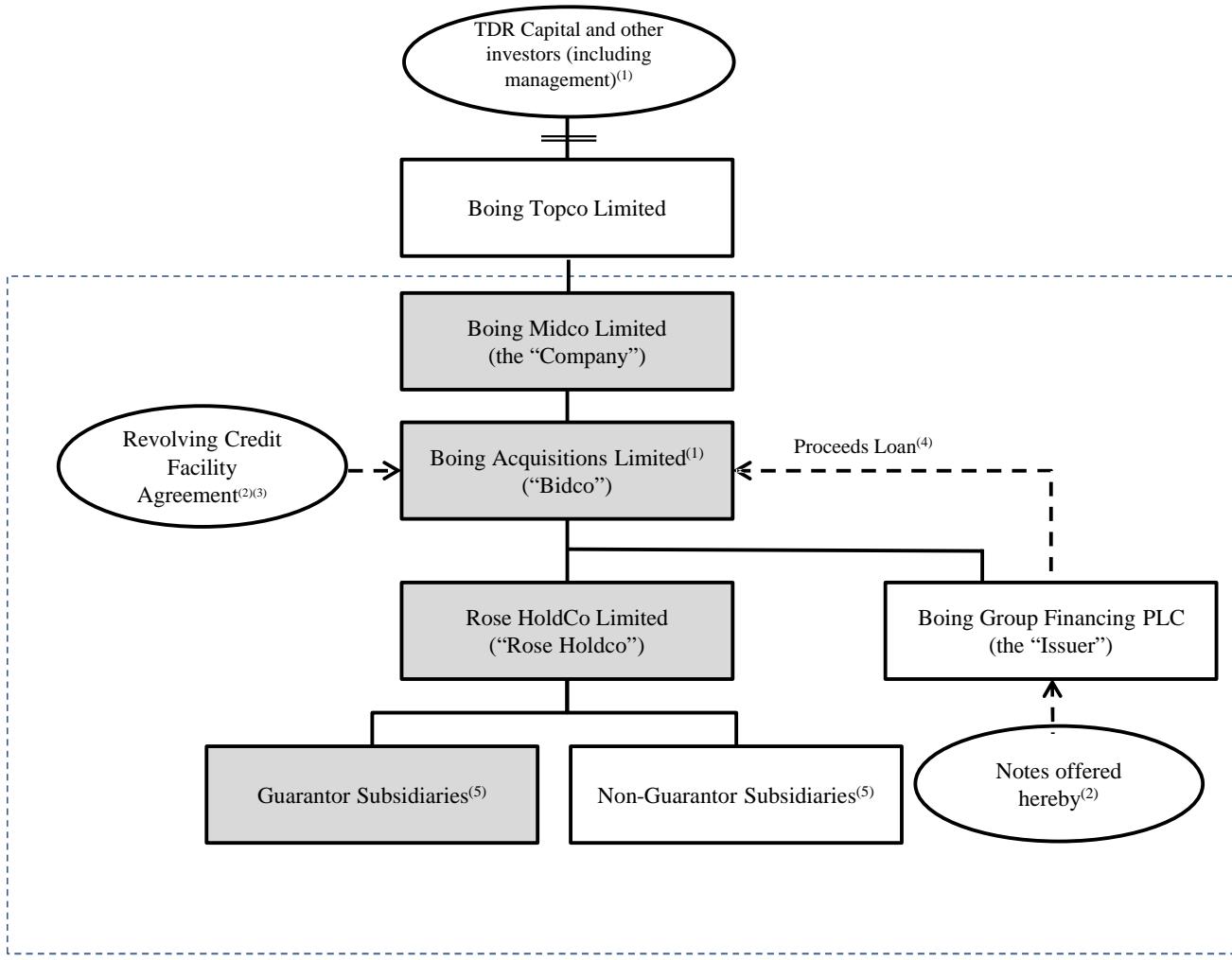
Current trading

The preliminary results for the months ended April 30, 2014 and May 31, 2014 show that trading is generally in line with trading of the comparative periods of the prior year. EBITDA for the months ended April 30, 2014 and May 31, 2014 on an exchange rate adjusted basis is similar to that of the same periods in 2013, but wash days were less than last year in the United Kingdom and marginally higher than last year in Germany. Net revenue per wash in Germany and the United Kingdom is above both plan and last year’s numbers. The improvement in net revenue per wash over last year exceeds the variable cost increase resulting in improved unit car wash margins.

Risk factors

Investing in the Notes involves a high degree of risk. See the “Risk factors” section for a description of certain of the risks you should carefully consider before investing in the Notes.

Corporate and financing structure



Represents the Guarantors

Represents the restricted group⁽⁶⁾

- (1) Bidco is wholly owned and controlled by the Company, which is, in turn, ultimately owned and controlled by TDR Capital. TDR Capital and our senior management, each of whom will be a Permitted Holder under the Indenture (as defined therein) will hold, indirectly 93.2% and 6.8%, respectively, of the shares of the Company following consummation of the Acquisition. See "Principal shareholders" and "Description of the Notes".
- (2) The obligations of the Issuer and the Guarantors under the Notes, the Indenture and the Revolving Credit Facility Agreement will be secured as described under "Description of the Notes—Security" (such security, collectively, the "Collateral"). Pursuant to the terms of the Intercreditor Agreement, any liabilities in respect of obligations under the Revolving Credit Facility Agreement or in respect of certain hedging obligations, in each case, that are secured by the Collateral will receive priority with respect to any proceeds received upon any enforcement action over any such assets. Any remaining proceeds received upon any enforcement action over any Collateral will be applied pro rata in repayment of all obligations under the Indenture and the Notes and any other indebtedness of the Issuer and the Guarantors permitted to be incurred and secured by the Collateral pursuant to the Indenture, the Revolving Credit Facility Agreement and the Intercreditor Agreement. In addition, if the Issuer and the Guarantors enter into additional debt instruments, the Collateral may be used to secure such instruments subject to limitations set out in the Indenture, the Revolving Credit Facility Agreement and the Intercreditor Agreement. In certain circumstances, assets may be released from the Collateral.
- (3) The Revolving Credit Facility Agreement is for a committed amount of £20.0 million of secured credit borrowings. The original borrower under the Revolving Credit Facility Agreement is Bidco. The Revolving Credit Facility (i) is guaranteed from the date of its execution by the Company and the Issuer and (ii) will be guaranteed as soon as reasonably practicable after the Completion Date, but in any case no later than 60 days after the Completion Date, subject to the Agreed Security Principles, by Rose Holdco and the Subsidiary Guarantors. For a description of our Revolving Credit Facility Agreement, see "Description of other indebtedness—Revolving Credit Facility". We currently expect that the Revolving Credit Facility Agreement will remain undrawn on the Issue Date and the Completion Date.
- (4) A Proceeds Loan in respect of the proceeds of the Notes (less certain fees and expenses associated with the Offering) will be made by the Issuer to Bidco on the Completion Date. See "Use of proceeds". The Issuer's rights in the Proceeds Loan will be pledged in favor of the Security Agent and comprise part of the Collateral. See "Description of Notes—Security".

- (5) The Notes will be guaranteed (i) as of the Issue Date by the Company and Bidco and (ii) as soon as reasonably practicable after the Completion Date, but in any case no later than 60 days after the Completion Date, subject to the Agreed Security Principles, by Rose Holdco and the Subsidiary Guarantors. The Guarantors will also unconditionally guarantee the Revolving Credit Facility Agreement on a senior secured basis. See “Description of other indebtedness—Revolving Credit Facility”. For the twelve months ended March 31, 2014, the Guarantors generated £95.3 million or 77.0% of the turnover and £28.6 million or 80.7% of the EBITDA of the Group. For the twelve months ended March 31, 2014, the non-Guarantors generated £28.4 million or 23.0% of the turnover and £6.8 million or 19.3% of the EBITDA of the Group. As of March 31, 2014, the Guarantors represented £144.4 million or 78.4% of the total assets of the Group. As of March 31, 2014, the non-Guarantors represented £39.7 million or 21.6% of the total assets of the Group.
- (6) The entities in the restricted group will be subject to the covenants under the Revolving Credit Facility Agreement and the Indenture. See “Description of the Notes”.

The offering

The following is a brief summary of the principal terms of the Notes, the Note Guarantees, the Collateral and the Escrow Agreement. It is not intended to be complete and certain of the terms and conditions described below are subject to important exceptions. You should carefully review the “Description of the Notes” section of this offering memorandum for more detailed descriptions of the terms and conditions of the Notes.

Issuer	Boing Group Financing plc.
Notes offered	€240.0 million aggregate principal amount of 6.625% Senior Secured Notes due 2019.
Issue date	July 10, 2014.
Maturity date	July 15, 2019.
Interest rate	6.625%.
Interest payment dates	Semi-annually in arrears on each January 15 and July 15, commencing on January 15, 2015. Interest will accrue from the Issue Date and will be payable in cash.
Issue price	100.000% plus accrued interest, if any, from the Issue Date.
Denomination	The Notes have a minimum denomination of €100,000 and any integral multiples of €1,000 in excess thereof. Notes in denominations of less than €100,000 will not be available.
Ranking of the Notes	<p>The Notes:</p> <ul style="list-style-type: none">• are general, senior obligations of the Issuer, secured by first- ranking security interests in the Collateral as set forth below under “—Collateral”;• rank equally in right of payment with all the Issuer’s indebtedness that is not subordinated in right of payment to the Notes;• rank senior in right of payment to all the Issuer’s indebtedness that is subordinated in right of payment to the Notes;• are effectively senior to all the Issuer’s existing and future unsecured indebtedness to the extent of the value of the property or assets securing the Notes;• are effectively subordinated to all the Issuer’s secured indebtedness of the Issuer that is secured by property or assets that do not secure the Notes to the extent of the value of the property or assets securing such indebtedness; and• are effectively subordinated to any existing and future indebtedness of the subsidiaries of the Company (other than the Issuer) that do not guarantee the Notes, if any.
Note Guarantees	<p>On the Issue Date, the Notes were unconditionally guaranteed on a senior secured basis by the Company and Bidco. As soon as reasonably practicable after the Completion Date, but in any case no later than 60 days after the Completion Date, subject to the Agreed Security Principles, the Notes will also be unconditionally guaranteed on a senior secured basis by Rose Holdco and the Subsidiary Guarantors.</p> <p>The Note Guarantees will be subject to contractual and legal limitations, and may be released under certain circumstances. See “Description of the Notes—Note Guarantees” and “Risk factors—Risks related to our indebtedness and the Notes”. For the twelve months ended March 31, 2014, the Guarantors generated £95.3 million or 77.0% of the turnover and £28.6 million or 80.7% of the EBITDA of the Group. For the twelve months ended March 31, 2014, the non-Guarantors generated £28.4 million or 23.0% of the turnover and £6.8 million or 19.3% of the EBITDA of the Group. As of March 31, 2014, the Guarantors represented £144.4 million or 78.4% of the total assets of the Group. As of March 31, 2014, the non-Guarantors represented £39.7 million or 21.6% of the total assets of the Group.</p>
Ranking of the Note Guarantees	<p>Each Note Guarantee will:</p> <ul style="list-style-type: none">• be a general, senior obligation of the relevant Guarantor, secured by first-ranking security interests in the Collateral as set forth below under “— Collateral”;• rank equally in right of payment with all the Guarantor’s existing and future indebtedness that is not subordinated in right of payment to its Note Guarantee;• rank senior in right of payment to all the Guarantor’s existing and future indebtedness that is subordinated in right of payment to its Note Guarantee;• be effectively senior to all the Guarantor’s existing and future unsecured indebtedness to the extent of the value of the property or assets securing its

- Note Guarantee; and
- be effectively subordinated to all the Guarantor's existing and future indebtedness that is secured by property or assets that do not secure its Note Guarantee, to the extent of the value of the property or assets securing such indebtedness.

The Note Guarantees will be subject to release under certain circumstances. See "Risk factors—Risks related to our indebtedness and the Notes" and "Description of the Notes—Note Guarantees".

Collateral.....

On the Issue Date, the Notes were effectively secured on a first priority basis by the Senior Secured Notes Escrow Charge (as defined below). See "Description of the Notes—Escrow of proceeds; Special mandatory redemption".

On the Issue Date, subject to the operation of the Agreed Security Principles, the obligations of the Issuer and the Guarantors under the Notes and the Indenture were secured by fixed and floating charges on a first-priority basis over substantially all of the assets of the Company, Bidco and the Issuer, including shares of capital stock of Bidco held by the Company; shares of capital stock of the Issuer held by Bidco; and, upon the Completion Date, shares of capital stock of Rose Holdco held by Bidco; certain bank accounts held by the Company, Bidco and the Issuer; an assignment of (or to the extent not validly assigned, a charge over) the rights of the Issuer under the Proceeds Loan and an assignment of (or to the extent not validly executed, a charge over) the rights of Bidco under the documents governing the acquisition of Rose Holdco (together with the Senior Secured Notes Escrow Charge, the "Initial Collateral"), pursuant to an English law governed debenture.

As soon as practicable after the Completion Date but in any case no later than 60 days after the Completion Date, subject to the operation of the Agreed Security Principles, the obligations of the Issuer and the Guarantors under the Notes and the Indenture will be secured by security interests in all the following (collectively, the "Post-Closing Collateral" and, together with the Initial Collateral, the "Collateral")):

- Rose Holdco, Rose Midco Limited, IMO Car Wash Group Limited, Anduff Holdings Limited, Cleanland Limited, Milburn Productions Limited and Anduff Car Wash Limited (jointly, the "English Target Guarantors"), as applicable, will grant in favor of the Security Agent, fixed and floating charges on a first-priority basis over substantially all of their respective assets, including shares of capital stock of each of the English Target Guarantors (other than Rose Holdco); certain bank accounts; certain real property and certain intellectual property, pursuant to an English law governed debenture;
- IMO Deutschland Holding GmbH, TOMAN Handels- und Beteiligungsgesellschaft mbH & Co KG, TOMAN Handels- und Beteiligungsverwaltungsgesellschaft mbH, IMO Autopflege GmbH and IMO Autopflege Beteiligungsgesellschaft mbH & Co KG, as applicable, will grant in favor of the Security Agent, German law governed security on a first-priority basis over certain of their respective assets, including pledges over shares and partnership interests; assignment of certain intra-group receivables; certain bank accounts and certain intellectual property;
- IMO Group Holdings Pty Ltd and IMO Car Wash Australasia Pty Ltd, as applicable, will each grant in favor of the Security Agent, registered circulating and non-circulating security interests over all or certain of their present and after acquired property, which includes shares of capital stock and partnership interests; bank accounts; real property and intellectual property;
- Anduff Car Wash Limited will grant a German law governed share pledge over the shares of IMO Deutschland Holding GmbH;
- IMO Car Wash Group Limited will grant a Dutch law governed share pledge over the shares of IPIC B.V.;
- IPIC B.V. will grant (i) a French law governed share pledge over the shares of Compagnie Parisienne de Services SAS, and (ii) an Australian law governed share pledge over the shares of IMO Group Holdings Pty Ltd.; and
- the relevant English Target Guarantors (other than Rose Holdco and Rose Midco Limited) will grant security interests over certain of their respective freehold properties pursuant to an English law governed charge by way of a legal mortgage.

Pursuant to the terms of the Intercreditor Agreement, any liabilities in respect of

obligations under the Revolving Credit Facility Agreement or in respect of hedging obligations, in each case, that are secured by assets that also secure our obligations under the Notes and the Notes Guarantees will receive priority with respect to any proceeds received upon any enforcement action over any such assets. See “Description of other indebtedness—Intercreditor Agreement”.

The security interests over the Collateral may be released under certain circumstances. See “Risk factors—Risks related to our indebtedness and the Notes”, “Description of other indebtedness—Intercreditor Agreement” and “Description of the Notes—Security—Release of Liens”.

Optional redemption

Prior to July 15, 2016, the Issuer will be entitled at its option to redeem all or a portion of the Fixed Rate Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, plus the applicable “make whole” premium described in this offering memorandum.

On or after July 15, 2016, the Issuer will be entitled at its option to redeem all or a portion of the Notes at the redemption prices set forth under the caption “Description of the Notes—Optional redemption”, plus accrued and unpaid interest, if any.

Prior to July 15, 2016, the Issuer will be entitled at its option, on one or more occasions, to redeem the Notes in an aggregate principal amount not to exceed 40% of the original aggregate principal amount of the Notes (including Additional Notes) with the net cash proceeds from certain equity offerings at a redemption price equal to 106.625% of the principal amount outstanding in respect of the Notes redeemed, plus accrued and unpaid interest, if any, provided that at least 60% of the original aggregate principal amount of the Notes (including Additional Notes) remains outstanding immediately after each such redemption. See “Description of the Notes—Optional redemption”.

Escrow of proceeds; Special Mandatory Redemption

As the Issue Date occurred prior to the Completion Date, pending consummation of the Acquisition, the Initial Purchasers deposited the gross proceeds of the Offering less certain deductions in respect of fees and expenses into the Escrow Account with the Escrow Agent. Upon delivery to the Escrow Agent of an officer’s certificate stating that the conditions to the release of the proceeds from escrow had been satisfied or were to be satisfied substantially concurrently with the release of the escrowed funds less certain deductions in respect of fees and expenses, the escrowed funds were released to the Issuer (or to such account as was designated by the Issuer) and utilized as described in “Summary—The Transactions”, “Use of proceeds” and “Description of the Notes—Escrow of proceeds; Special Mandatory Redemption”. The release of escrowed proceeds and the consummation of the Acquisition were subject to the satisfaction of certain conditions, including regulatory approval of the Acquisition and the satisfaction of certain closing conditions.

The Escrow Account, together with the initial funds deposited therein, were charged on a first-ranking basis in favor of the Trustee for the benefit of the holders of the Notes, pursuant to an escrow charge dated the Issue Date between the Issuer, the Escrow Agent and the Trustee (the “Senior Securited Notes Escrowed Charge”). See “Description of the Notes—Escrow of proceeds; Special Mandatory Redemption”.

If (i) the Completion Date had not taken place on or prior to November 14, 2014, (ii) in the reasonable judgment of the Issuer, the Acquisition was not to be consummated on or prior to November 14, 2014, (iii) the Acquisition Agreements had terminated at any time on or prior to November 14, 2014, or (iv) certain bankruptcy, insolvency or court protection events occurred with respect to the Company Bidco or the Issuer on or prior to November 14, 2014, the Notes would have been subject to a special mandatory redemption. The special mandatory redemption price would have been a price equal to 100% of the aggregate issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, to the date of special mandatory redemption. The funds in the Escrow Account would have been applied to pay for any such special mandatory redemption, with affiliates of TDR Capital funding principal to the extent not available in the Escrow Account and the accrued and unpaid interest as well as additional amounts, if any. See “Description of the Notes—Escrow of proceeds; Special Mandatory Redemption”.

Additional amounts; tax

Any payments made by the Issuer or any Guarantor with respect to the Notes will

redemption	be made without withholding or deduction for or on account of taxes unless required by law. If the Issuer or Guarantors are required by law to withhold or deduct amounts for or on account of tax imposed by the United Kingdom with respect to a payment to the holders of Notes, the Issuer or the relevant Guarantor will, subject to certain exceptions, pay the additional amounts necessary so that the net amount received by the holders of the Notes after the withholding or deduction is not less than the amount that they would have received in the absence of the withholding or deduction. See “Description of the Notes—Additional Amounts”. In the event of certain developments affecting taxation, the Issuer or a Guarantor may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. See “Description of the Notes—Redemption for taxation reasons”.
Change of Control	Upon the occurrence of certain events constituting a change of control, the Issuer may be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount redeemed on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase. See “Description of the Notes—Change of Control”. However, a change of control will not be deemed to have occurred if certain consolidated net leverage ratios are not exceeded in connection with such an event. See “Description of the Notes—Change of Control”.
Certain covenants	The Indenture relating to the Notes, among other things, will restrict the ability of the Company and its restricted subsidiaries to: <ul style="list-style-type: none"> • incur or guarantee additional indebtedness; • pay dividends or make other distributions or purchase or redeem our stock; • make investments or other restricted payments; • enter into agreements that restrict our restricted subsidiaries’ ability to pay dividends; • transfer or sell assets; • engage in transactions with affiliates; • create liens on assets to secure indebtedness; • impair security interests; and • merge or consolidate with or into another company. Each of these covenants is subject to significant exceptions and qualifications. See “Description of the Notes—Certain Covenants”.
Transfer restrictions	We have not registered the Notes or the Note Guarantees under the Securities Act. You may only offer or sell the Notes in transactions that are exempt from, or not subject to, the registration requirements of the Securities Act, or pursuant to an effective registration statement. See “Notice to investors”. We have not agreed to, or otherwise undertaken, to register the Notes under the Securities Act.
No prior market	The Notes will be new securities for which there is currently no established trading market. Although the Initial Purchasers have advised us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, there is no assurance that an active trading market will develop for the Notes.
Listing	An application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF Market.
Governing Law	The Indenture, the Notes and the Note Guarantees will be governed by the laws of the State of New York. The Revolving Credit Facility Agreement, the Escrow Agreement and the Intercreditor Agreement will be governed by English law. The Security Documents will be governed, as the case may be, by English law or the laws of Australia, France, the Netherlands and Germany.
Security Agent	U.S. Bank Trustees Limited
Trustee	U.S. Bank Trustees Limited
Paying Agent and Transfer Agent	Elavon Financial Services Limited, UK Branch
Registrar	Elavon Financial Services Limited
Luxembourg Listing Agent	Société Générale Securities Services Luxembourg S.A.
Risk factors	Investing in the Notes involves a high degree of risk. See the “Risk factors” section for a description of certain of the risks you should carefully consider before investing in the Notes.

Summary consolidated financial information

The Issuer, Bidco and the Company were incorporated on June 9, 2014. The Issuer was incorporated for the principal purpose of issuing the Notes, and no historical financial information related to the Issuer, Bidco or the Company is available. None of them have business operations, material assets or liabilities and have not engaged in any activities other than those related to their formation in preparation of the Transactions, including the Offering. We do not present in this offering memorandum any financial statements of the Issuer, Bidco or the Company for the periods presented.

The following tables set forth summary historical, operating and other pro forma financial information about us as of and for the periods indicated.

The summary historical financial information presented below for the Group (except for the footnotes included below the tables and except as otherwise indicated) (i) as of and for the years ended December 31, 2011, 2012 and 2013, have been derived from the audited consolidated financial statements of the Group as of and for each of the years ended December 31, 2011, 2012 and 2013, as prepared in accordance with UK GAAP and included elsewhere in this offering memorandum and (2) as of and for the three month periods ended March 31, 2013 and 2014, have been derived from the unaudited condensed consolidated interim financial statements of the Group as of and for the three month periods ended March 31, 2013 and 2014, included elsewhere in this offering memorandum.

The financial information presented as of and for the twelve months ended March 31, 2014 is derived from Rose Holdco's unaudited condensed consolidated interim financial statements as of and for the three month period ended March 31, 2014 (included elsewhere in this offering memorandum) by adding together the results of operations for the year ended December 31, 2013 and the results of operations for the three month period ended March 31, 2014 and then subtracting the results of operations for the three month period ended March 31, 2013.

The summary historical financial information presented below includes certain non-UK GAAP measures that we use to evaluate our operating and financial performance. These measures are not identified as accounting measures under UK GAAP and therefore should not be considered as alternative measures to evaluate the performance of the Group. See "Presentation of financial and other information".

We also present below certain pro forma financial information to show the effect of the Offering and the application of proceeds therefrom, had the Offering occurred on April 1, 2013, in the case of pro forma interest expense, and on March 31, 2014, in the case of pro forma balance sheet information. The pro forma information is presented for illustrative purposes only and does not purport to represent what our results of operations and financial condition would have been had the Offering actually occurred on the these dates, nor project our results of operations for any future period or our financial condition at any future date and should not be considered in isolation from or as a substitute for our historical financial information. The pro forma financial information presented below is based on available information and certain assumptions and estimates that we believe are reasonable and may differ materially from the actual amounts.

The Acquisition, which will give rise to a change of control for UK GAAP accounting purposes, will be accounted for using the purchase method of accounting. Under UK GAAP, the cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred and the equity interests issued by the acquirer, including the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the acquirer's share of the identifiable net assets acquired is recorded as goodwill. Given that the Acquisition has not been consummated, we have not identified the fair value of assets acquired and liabilities to be assumed at the Completion Date. In accordance with UK GAAP, we have up to the end of the first full financial year following the Acquisition to confirm the fair values and finalize the allocation of the purchase price.

The financial information presented for the interim periods or prior years is not necessarily indicative of the results to be expected for the full year or any future period or our financial condition at any future date. The following summary historical financial information should be read in conjunction with, and is qualified in its entirety by reference to, the consolidated financial statements of Rose Holdco and the accompanying notes included elsewhere in this offering memorandum, and should also be read together with the information set forth under the heads "Presentation of financial and other information", "Use of proceeds", "Capitalization", "Selected historical consolidated financial information", "Our business", and "Management's discussion and analysis of financial condition and results of operations".

Consolidated income statement information:

(£ in thousands)	Year ended December 31,			Three months ended March 31,		Twelve months ended March 31, 2014
	2011	2012	2013	2013	2014	
Turnover	122,272	112,157	124,477	33,074	32,262	123,665
Cost of Sales	(71,214)	(71,812)	(75,803)	(19,621)	(19,168)	(75,350)
Gross profit	51,058	40,345	48,674	13,453	13,094	48,315
Administrative Expenses	(33,077)	(33,193)	(35,615)	(7,385)	(8,508)	(36,738)
Other operating income	745	801	—	—	—	—
Operating Profit before depreciation, amortization, share-based remuneration, directors' incentive scheme and costs of refinancing	41,490	30,436	36,109	10,653	9,892	35,348
Share-based remuneration	(1,294)	(948)	(495)	(35)	(219)	(679)
Directors' incentive scheme	(720)	—	(249)	—	—	(249)
Costs of refinancing	(1,889)	(4,574)	(2,254)	—	—	(2,254)
Depreciation	(12,622)	(11,320)	(13,838)	(3,000)	(3,537)	(14,375)
Impairment	(40)	527	(13)	—	—	(13)
Amortization	(6,199)	(6,168)	(6,201)	(1,550)	(1,550)	(6,201)
Operating (loss)/profit before exceptional items	18,726	7,953	13,059	6,068	4,586	11,577
Loss on sale of fixed assets	(186)	(87)	(1,914)	(68)	(118)	(1,964)
(Loss)/Profit on ordinary activities before interest	18,540	7,866	11,145	6,000	4,468	9,613
Interest receivable and similar income	196	595	46	6	55	95
Interest payable and similar charges	(13,433)	(12,312)	(13,715)	(3,157)	(3,113)	(13,671)
(Loss)/Profit on ordinary activities before taxation	5,303	(3,851)	(2,524)	2,849	1,410	(3,963)
Tax on loss on ordinary activities	(3,141)	(1,705)	(3,299)	(1,530)	(892)	(2,661)
(Loss)/Profit on ordinary activities after taxation	2,162	(5,556)	(5,823)	1,319	518	(6,624)
Equity minority interests	9	(107)	(210)	(10)	(24)	(224)
Profit/(loss) for the year	2,171	(5,663)	(6,033)	1,309	494	(6,848)

Consolidated balance sheet information:

(£ in thousands)	As of December 31,			As of March 31,	
	2011	2012	2013	2013	2014
Fixed assets:					
Intangible assets ⁽¹⁾	108,714	102,678	96,488	101,150	94,934
Tangible assets	156,395	148,452	154,441	151,637	154,040
Investments	539	756	687	780	726
Total fixed assets	265,648	251,886	251,616	253,567	249,700
Current assets:					
Stocks	7,900	7,359	6,352	7,780	6,698
Debtors	4,398	4,428	4,524	4,447	4,222
Current asset investments	72	58	46	49	50
Cash at bank and in hand	13,423	10,877	13,188	17,748	13,369
Total current assets	25,793	22,722	24,110	30,024	24,339
Total assets:	291,441	274,608	275,726	283,591	274,039
Current Liabilities:					
Creditors (amounts falling due within one year)	(32,723)	(20,222)	(23,752)	(22,918)	(22,464)
Net current assets (liabilities)	(6,930)	2,500	358	7,106	1,875
Total assets less current liabilities	258,718	254,386	251,974	260,673	251,575
Non-current liabilities:					
Creditors (amounts falling due after more than one year)	(160,655)	(162,127)	(165,215)	(166,992)	(164,667)

Provision for deferred taxes.....	(5,525)	(5,893)	(6,049)	(6,126)	(5,275)
Provisions for liabilities and charges.....	(10,545)	(9,122)	(10,038)	(9,423)	(10,009)
Pension liabilities (total defined benefit schemes) ..	(4,098)	(4,317)	(4,448)	(4,433)	(4,418)
Total non-current liabilities	(180,823)	(181,459)	(185,750)	(186,974)	(184,369)
Net assets	77,895	72,927	66,224	73,699	67,206
Capital and reserves⁽²⁾	76,727	71,688	64,775	72,450	65,733
Minority interests⁽³⁾	1,168	1,239	1,449	1,249	1,473
Equity	77,895	72,927	66,224	73,699	67,206

(1) Includes negative goodwill of £1.2 million, £1.0 million and £0.9 million as of the years ended December 31, 2011, 2012 and 2013, respectively, and £1.0 million and £0.9 million for the three month periods ended March 31, 2013 and 2014, respectively.

(2) Capital and reserves comprises called up share capital, share premium account and profit and loss account.

(3) Minority interests comprise certain historical minority interests in IMO Group Holdings Pty Ltd. The minority shareholders have agreed on June 12, 2014 to sell their shares to the Group under the Australian Acquisition Agreement as part of the Acquisition.

Consolidated cash flow information:

(£ in thousands)	Three months ended				
	Year ended December 31,			March 31,	
	2011	2012	2013	2013	2014
Cash flow from operating activities.....	35,715	24,586	35,056	12,205	10,903
Cash flow from returns on investments and servicing of finance...	(12,024)	(9,184)	(11,172)	(2,945)	(3,795)
Taxation.....	(2,586)	(3,817)	(1,940)	(679)	(2,125)
Capital expenditure and financial investment.....	(7,675)	(6,135)	(19,256)	(1,931)	(4,520)
Acquisitions and disposals	(2,086)	(43)	—	—	—
Cash inflow before management of liquid resources and financing	11,344	5,407	2,688	6,650	463
Management of liquid resources and financing ⁽¹⁾	(7,229)	(7,356)	(406)	(37)	(48)
Increase/(decrease) in cash in the year	4,115	(1,949)	2,282	6,613	415

(1) Management of liquid resources and financing consists of (i) increase/decrease of cash deposits, (ii) issuance of share capital, (iii) increases/decreases in short term borrowing, (iv) increases/decreases in loans repayable and (v) capitalized finance lease payments.

(£ in thousands, except ratios and as otherwise noted)	As of and for the year ended December 31,			As of and for the three months ended March 31,		As of and for the twelve months ended March 31, 2014
	2011	2012	2013	2013	2014	
Other financial information:						
EBITDA ⁽¹⁾	41,490	30,436	36,109	10,653	9,892	35,348
EBITDA margin (in %) ⁽²⁾	33.9	27.1	29.0	32.2	30.7	28.6
Capital expenditure and financial investment ⁽³⁾	7,675	6,135	19,256	1,931	4,520	21,845
of which:						
Maintenance capital expenditure ⁽³⁾	1,756	1,858	1,539	279	264	1,524
Expansionary capital expenditure ⁽³⁾	8,786	8,717	20,118	2,404	4,449	22,163
Other non-financial information:						
Number of sites ⁽⁴⁾	862	856	834	844	832	832
Volume per site	35,319	32,469	34,243	9,060	8,938	34,121
Revenue per wash(in £) ⁽⁵⁾	3.23	3.22	3.46	3.45	3.49	3.47

(1) EBITDA, which we define to mean operating (loss)/profit before exceptional items adjusted for depreciation, amortization, impairment and share-based remuneration, directors' incentive scheme and costs of refinancing is not a measure of liquidity or performance calculated in accordance with UK GAAP and should not be

considered as a substitute for operating profit, net profit, cash flows from operating activities or other statements of operations or cash flow data computed in accordance with UK GAAP. We believe that EBITDA provides useful information to investors because it is a measure of cash flow and an indicator of our ability to finance our operations, capital expenditures and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. Funds depicted by this measure may not be available for management's discretionary use or for service of payment of interest or principle on our outstanding indebtedness. Because all companies do not calculate EBITDA identically, the presentation of EBITDA may not be comparable to similarly entitled measures of other companies. The following table presents the calculation of EBITDA:

(£ in thousands)	Year ended December 31,					Three months ended March 31,	Twelve months ended March 31, 2014
	2011	2012	2013	2013	2014		
Operating (loss)/profit before exceptional items	18,726	7,953	13,059	6,068	4,586	11,577	
<i>Adjusted for:</i>							
Share-based remuneration ^(a)	1,294	948	495	35	219	679	
Directors' incentive scheme ^(b)	720	—	249	—	—	249	
Costs of refinancing ^(c)	1,889	4,574	2,254	—	—	2,254	
Depreciation ^(d)	12,622	11,320	13,838	3,000	3,537	14,375	
Impairment ^(d)	40	(527)	13	—	—	13	
Amortization ^(e)	6,199	6,168	6,201	1,550	1,550	6,201	
Operating profit before depreciation, amortization, share-based remuneration, directors' incentive scheme and costs of refinancing (EBITDA)	41,490	30,436	36,109	10,653	9,892	35,348	

- (a) “Share-based remuneration” comprises the charge to the income statement for our share-based payment incentive scheme. In accordance with FRS 20, the fair value of rights granted to the Company’s equity is recognized as an employee expense with a corresponding increase in equity. The expense is spread over the period between grant date and the estimated date by which the rights will become exercisable.
- (b) “Directors’ incentive scheme” comprises the charge to the income statement for our directors’ incentive scheme. Payments under the directors’ incentive scheme were accrued in 2013 and were made in April 2014.
- (c) “Costs of refinancing” comprise (i) for the year ended December 31, 2011, the exceptional costs of a proposed refinancing in 2011, including fees paid to the Group’s auditors, legal advisors and lenders’ agent bank, which was not carried out because of market conditions, and (ii) for the years ended December 31, 2012 and 2013, the fees and taxes paid to or on behalf of the lenders prior to the refinancing and fees paid to legal advisors and the Group’s auditors, paid in connection with the Existing Senior Facilities Agreement and the Second Lien Debt.
- (d) “Depreciation” and “Impairment” comprise the depreciation and impairment (reversal)/charge of our tangible fixed assets, respectively, including land, buildings, equipment and machinery and assets in course of construction. Depreciation is provided on a straight-line basis on all tangible fixed assets in use at rates calculated to write off the cost of each asset less any estimated residual value over its estimated useful life. For the purpose of determining impairment losses, each site is considered to be an income-generating unit under FRS 11. Future cash flows are estimated based on the remaining lease period for short leasehold sites and the estimated remaining economic life for freehold and long leasehold sites.
- (e) “Amortization” comprises the amortization on our intangible fixed assets, including patents, goodwill and negative goodwill. Goodwill on consolidation represents the excess of the fair value of consideration given and acquisition costs over the fair value of the separable net assets acquired. In accordance with FRS10, goodwill is amortized over its estimated useful economic life, which is 20 years. Negative goodwill is amortized over the period during which the non-monetary assets are recovered. The useful economic lives are periods over which the directors estimate the value of the underlying businesses to exceed the value of the underlying assets.

(2) EBITDA margin is EBITDA divided by turnover.

(3) Capital expenditure and financial investments consists of expenditures in the purchase of tangible fixed assets and financial investments, less proceeds from the sale of tangible fixed assets and financial investments. See “Management’s discussion and analysis of financial condition

and results of operations—Capital expenditures and financial investment". "Maintenance capital expenditure" consist of capital expenditures spent on certain components within existing car wash structures that have a substantially different economic life from the rest of the assets. "Expansionary capital expenditure" consists of capital expenditures spent on building new car wash sites, as well as capital expenditure spent on renovating and upgrading existing car wash facilities. Neither "Maintenance capital expenditure" nor "Expansionary capital expenditure" as presented are net of proceeds from the sale of tangible fixed assets and financial investments.

- (4) Number of sites refer to the number of sites open at the end of each relevant period, including temporary closures.
- (5) Refers to revenue per wash (in pound sterling) for each relevant period, net of commissions paid to third party operators and applicable taxes.

Pro forma financial and other information:

(£ in millions except ratios)	Twelve months ended March 31, 2014
Adjusted EBITDA ⁽¹⁾	36.8
Pro forma interest expense ⁽²⁾	(12.8)
Pro forma net debt ⁽³⁾	183.5
Ratio of EBITDA to pro forma interest expense	2.8x
Ratio of pro forma net debt to Adjusted EBITDA.....	5.0x
Ratio of Adjusted EBITDA to pro forma interest expense.....	2.9x

- (1) Adjusted EBITDA consists of operating (loss)/profit before amounts reflecting depreciation, amortization, share-based remuneration, directors' incentive scheme and costs of refinancing adjusted for management's estimates of certain normalization adjustments, and the full period impact of renovations, openings and closings of sites, as well as a constant currency exchange rate, as presented below. To calculate Adjusted EBITDA, management makes a number of estimates and assumptions, some of which are inherently uncertain and subject to significant business, economic, competitive and weather uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the Group's control. Adjusted EBITDA is not a measure of liquidity or performance calculated in accordance with UK GAAP and should not be considered as a substitute for operating profit, net profit, cash flows from operating activities or other statements of operations or cash flow data computed in accordance with UK GAAP. We believe that Adjusted EBITDA provides useful information to investors about certain material normalizing items and creates a useful indicator of our ability to finance our operations, capital expenditures and other investments and our ability to incur and service debt. Funds depicted by this measure may not be available for management's discretionary use or for service of payment of interest or principle on our outstanding indebtedness. The following table presents the calculation of Adjusted EBITDA:

(£ in thousands)	Twelve months ended March 31, 2014
Operating profit before depreciation, amortization, share-based remuneration, directors' incentive scheme and costs of refinancing	35,348
<i>Adjusted for:</i>	
Normalization adjustments ^(a)	(356)
Renovations ^(b)	1,773
Openings ^(c)	659
Closings ^(d)	(56)
Constant foreign exchange ^(e)	(600)
Adjusted EBITDA	36,768

- (a) "Normalization adjustments" comprise non-recurring one-off or non-cash charges related to (i) a release of travel accruals related to a £275,000 travel cost credit in relation to the release of prior year travel accrual, (ii) £80,000 related to one-off IT consulting costs and (iii) the directors' incentive scheme of £249,000 which was paid in April 2014.
- (b) "Renovations" comprise the impact of increased volumes and revenue per wash achieved at renovated sites. The adjustment reflects our estimate of the full period impact of the 97 sites which were renovated in 2013, as well as the full period impact in relation to the 18 sites which were renovated in the three month period ended March 31, 2014. These amounts are estimated by applying our historical analysis of our estimates of uptick in site volumes and in net revenue per wash following renovations to average volumes at the renovated sites during the period. These estimates assume a constant state of weather over the period adjusted and include some

amount of post-renovation volume in the average volumes at the renovated sites used to generate these estimates, and as a result, they may not accurately reflect the actual impact site renovations would have had on our EBITDA had they been completed at the beginning of the period.

- (c) “Openings” comprise the impact of an increase in volume and margin at new site openings compared with the average existing sites. The reflects our estimate of the full period impact of the 4 sites which were opened in 2013, as well as the full period impact of the 4 sites that were opened in the three month period ended March 31, 2014. These amounts are estimated by applying our historical analysis of our estimates of uptick in site volumes and in net revenue per wash following the opening of new sites to average volumes at the new sites during the period. These estimates assume a constant state of weather over the period adjusted and include some amount of post-new site opening volume in the average volumes at new sites used to generate these estimates, and as a result, they may not accurately reflect the actual impact new sites would have had on our EBITDA had they been completed at the beginning of the period.
- (d) “Closings” comprises the impact from loss of EBITDA at sites closed. The adjustment removes the full period results of the 29 sites that were closed between January 1, 2013 and March 31, 2014.
- (e) “Constant foreign exchange” comprises the impact of using a constant currency rather than the average prevailing rate during the period. The adjustment reflects the estimated impact of consolidation of figures at a constant currency rate, assuming an exchange rate of £1/€1.21/AUD 1.1817.

(2) Pro forma interest expense represents interest expense on debt that would have been payable in the twelve months ended March 31, 2014, after giving pro forma effect to the Transactions and the expected use of proceeds thereof as if such transactions had occurred on April 1, 2013, as described under “Use of proceeds” and “Capitalization”. The Revolving Credit Facility is expected to remain undrawn on the Issue Date and the Completion Date.

(3) Pro forma net debt represents current and non-current liabilities, (i) less assumed cash in bank and at hand on the Completion Date and (ii) less finance leases, after giving effect to the Transactions and the expected use of proceeds thereof as if such Transactions had occurred on March 31, 2014. See “Use of proceeds” and “Capitalization”.

Risk factors

An investment in the Notes involves a high degree of risk. You should carefully consider the following risks, together with other information provided to you in this offering memorandum, in deciding whether to invest in the Notes. The occurrence of any of the events discussed below could materially adversely affect our business, financial condition or results of operations. If these events occur, the trading prices of the Notes (if any) could decline, and we may not be able to pay all or part of the interest or principal on the Notes, and you may lose all or part of your investment. Additional risks not currently known to us or that we now deem immaterial could also adversely affect our businesses, financial conditions, results of operations or our ability to fulfill our obligations under the Notes and affect your investment.

This offering memorandum contains “forward looking” statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward looking statements. Factors that might cause such differences include those discussed below and elsewhere in this offering memorandum. Please see “Forward looking Statements”.

Risks related to our business

Deterioration in general macro-economic conditions, including unemployment, inflation or deflation, consumer debt levels, high fuel and energy costs, uncertain credit markets or other recessionary type conditions could have an adverse effect on our business, financial condition or results of operations.

Deterioration in general macro-economic conditions impacts us through: (i) the negative impact on our customers' discretionary spending; (ii) the negative impact on our operators and suppliers; and (iii) uncertain credit markets or increased operating expenditure.

Impact on our customers

Economic factors affecting consumer spending habits in our markets may continue, resulting in a decline in turnover and may negatively impact our business. Many economic and other factors outside our control, including consumer confidence, consumer spending levels, employment levels, consumer debt levels, inflation or deflation, real disposable income, interest rates, taxation, as well as the availability of consumer credit, affect consumer spending habits. A significant deterioration in the global financial markets and economic environment, recessions or an uncertain economic outlook could adversely affect consumer spending habits in our markets and can result in lower levels of economic activity. The domestic and international political situation also affects consumer confidence. Any of these events and factors could cause consumers to curtail spending. Such a curtailment of consumer spending may reduce our customers' willingness or ability to pay for our products and services, electing instead to utilize a cheaper alternative (such as self-washing) or to simply not wash their car as frequently. Higher fuel costs or an increase in inflation may also reduce the amount of disposable income which is available to our customers and have similar consequences.

For example, economic downturns have resulted in, and may in the future result in, a reduction in automobile travel of a discretionary nature, which can adversely impact the decision for our customers to use our car washes. Reduced traffic levels have resulted, and may in the future result, in reduced volumes at our car washes in such areas, which have had and may in the future have a negative impact on our turnover and margins.

Impact on our suppliers and operators

While there are a number of possible suppliers for the cleaning chemicals that are used throughout our network, we currently use one primary supplier for all of such supplies. Our relationship with this supplier is important and affects our ability to purchase quality products at favorable prices and terms. Many factors outside of our control may harm this relationship and the ability or willingness of this supplier to continue to sell products to us on favorable terms. One such factor is a general decline in the economy and economic conditions and prolonged recessionary conditions. These events could negatively affect our supplier's operations and make it difficult for it to obtain the credit lines or loans necessary to finance its operations in the short-term or long-term and meet our product requirements. Financial or operational difficulties that our supplier may face could also increase the cost of the products which we purchase from it or our ability to source products from it. We might not be able to pass our increased costs onto our customers. We could also be negatively impacted if our supplier experiences bankruptcy, work stoppages, labor strikes or other interruptions to or difficulties in the manufacture or supply of the products we purchase from it. Similar risks attach to the suppliers that are used throughout our network to supply electricity and water to our sites.

Our business model also relies upon individual third party operators to operate the sites which we own and lease. The continuing ability of such operators to operate the sites may be adversely affected by a general decline in

macro-economic conditions and prolonged recessionary conditions. The inability of our operators to perform their contractual duties could materially adversely affect our business, financial condition or results of operations.

A slowdown in the European and global economy, as well as problems in the credit and financial markets have had, and may in the future have, a negative effect on the availability of financing for acquisitions and working capital requirements. Problems in the credit and financial markets could limit the availability and size of alternative or additional financing for our working capital or other corporate needs and could make it more difficult and expensive to obtain waivers under or make changes to our credit arrangements if we were required to do so.

Any of these risks detailed above, among others, could materially adversely affect our business, financial condition or results of operations.

The weather (particularly rain, snow, mild winters severe and cold spells) can have a material adverse effect on our performance.

In general, our customers do not wash their vehicles during periods of adverse weather conditions, and commercial car washing is particularly affected by the local levels of precipitation (i.e., rain and snow). During rainy periods, customers do not generally wash their vehicles because rain and mud causes the vehicles to quickly become dirty again. Mild winters negatively affect demand, as the lack of overnight freezing and snow significantly reduces the need to wash cars. Furthermore, the lack of salt and gritting impact on cars in mild winters (due to the lack of need of salting roads) reduce the need of our customers to get higher priced washes (which include undercarriage or chassis waxing), thus negatively impacting our turnover and reducing our margins. The relative impact of weather conditions is further influenced by seasonal conditions and the day of the week on which the variable weather is experienced. For instance, precipitation has a higher relative impact on our performance in the winter and rainfall on Fridays and weekends has a particularly detrimental impact on our performance due to the high proportion of cars being washed during these days. In addition to levels of precipitation, periods of extreme cold result in volume variations as customers drive less and do not risk water freezing on their vehicles. Conversely, some weather conditions, such as periods of dry weather, may drive increases in car wash volumes as vehicles tend to become dirtier due to increased quantities of insects and dust. Other significant demand drivers include decaying fallen leaves and spring pollen. For the three month period ended March 31, 2014, rainfall in the United Kingdom was particularly heavy and thus had a material impact on our volumes and thus our turnover.

Thus, a significant period of cold or wet weather or a series of periods of such unfavorable weather can result in a substantial decrease in the number of customers who utilize our services. Accordingly, the weather can materially adversely affect our business, financial condition or results of operations.

Our operator model has been and may be challenged in the future and increase our exposure to legal compliance issues and tax liabilities.

Substantially all of our operators are independent contractors as opposed to employees of our Group. We do not pay or withhold any employment related taxes or make social security contributions with respect to or on behalf of our operators or their employees. From time to time since our business began, taxation authorities and our third-party operators in the jurisdictions in which we operate have sought to assert that our operators are employees, rather than independent contractors. We believe that our independent third party operators and their employees are not employees under existing interpretations of laws in the jurisdictions in which we operate. However, there can be no assurance that this position will not be challenged or that other laws or regulations, including employment tax laws, or interpretations thereof, will not change. If, as a result of any of the foregoing, we are required to pay withholding taxes or make social security contributions and pay for and administer added employee benefits to these operators, our operating costs would increase. We have made accounting provisions in our financial statements for this eventuality.

In addition, if our independent third party operators are deemed to be employees, we may not be able to continue our commission-based operator model. Our third party operator model ensures a significant proportion of costs are variable which therefore incentivizes operators to maximize output and acts as a partial hedge against downturns in performance. A disruption to this model could increase our cost base and affect the alignment of our profitability objective and those of our operators which could materially adversely affect our business, financial condition or results of operations.

Additionally, if we are required to pay retrospective taxes, social security contributions or respective withholding amounts with respect to amounts previously paid to such operators, we may also be required to pay penalties or be subject to other liabilities. Any of the foregoing circumstances could have a material adverse impact on our business, financial condition and results of operations, and/or cause us to restate financial information from prior periods.

Vehicle miles driven in our key markets impact our turnover and results of operations.

We believe that the frequency with which customers use our services is impacted by the number of vehicle miles driven. In addition to the macro-economic factors discussed above, other factors that may cause the number of vehicle miles driven to vary and, hence, affect volumes at our sites include:

- the weather—customers tend to reduce the number of miles driven during periods of inclement weather;
- travel patterns—changes in consumer travel patterns, such as reduced vehicle miles driven during holiday periods, result in volume variations; and
- rising fuel prices—increases in fuel prices may deter consumers from using their vehicles and/or may result in customers having less disposable income for discretionary items.

All of these factors could result in immediate and longer term declines in the demand for our services, which could materially adversely affect our business, financial condition or results of operations.

The size of the car parc may not continue to grow or develop as it has in the past or as our strategy assumes and this may have a materially adverse effect upon our volume and turnovers.

The growth of the automatic car wash market in each of our key markets is underpinned by growth in the size of the car parc. There are a number of reasons why the size of the car parcs in the geographies where we operate may not grow as they have done historically or as our strategy assumes, including macro-economic factors, governmental regulation and/or policy and consumer behavioral patterns. A reduction in growth of the car parc could result in a reduction in the growth of our volume which could have a materially adverse effect on our turnover, our volume growth and our financial condition.

There can be no assurance that any expansion of our car wash network will be successful.

As part of our long-term strategic plan, we intend to increase the number of our car wash sites over the coming years. We may also grow our business through further strategic acquisitions as we have done in Australia. We cannot assure you that the implementation of our growth strategy will be successful. The actual number of new sites to be opened and their success will depend on a number of factors, including, among other things:

- the availability of suitable car wash sites in optimal locations;
- the negotiation of acceptable lease or purchase terms for new locations;
- the level of existing and future competition in the areas where new car wash sites are located;
- the availability of financial resources, including access to capital at cost-effective interest rates;
- the ability to obtain relevant licenses and permits;
- our ability to identify and retain qualified operators; and
- general macro-economic conditions.

We may not be able to open and operate new sites on a timely or sufficiently profitable basis, or that opening new sites in markets we already serve will not harm existing site profitability. The newly opened and existing sites' profitability will depend on the competition we face as well as our ability to properly price the products and services desired by customers in these markets.

We may make acquisitions that prove unsuccessful or strain or divert our resources.

We may seek to grow our business by acquiring other businesses. Successful growth through future acquisitions is dependent upon our ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favorable terms and ultimately complete such transactions and integrate the acquired businesses into our group.

If we make acquisitions, there can be no assurance that we will be able to generate expected margins or cash flows, or to realize the anticipated benefits of such acquisitions, including growth or expected synergies. There can be no assurance

that our assessments of and assumptions regarding acquisition targets will prove to be correct, and actual developments may differ significantly from our expectations. We may not be able to integrate acquisitions successfully into our Group. Such integration may require more investment than we expect, and we could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees, suppliers, government authorities or to other parties, which may impact our operating results. The process of integrating businesses may be disruptive to our operations and may cause an interruption of, or a loss of momentum in, such businesses or a decrease in our results of operations as a result of difficulties or risks, including:

- unforeseen legal, regulatory, contractual and other issues;
- difficulty in standardizing information and other systems;
- difficulty in realizing operating synergies;
- diversion of management's attention from our day-to-day business; and
- failure to maintain the quality of services that we have historically provided.

Moreover, any acquisition may result in the incurrence of additional debt, which could reduce our profitability and harm our business.

If we are unable to further implement our planned renovations successfully, our growth and profitability could be harmed.

As part of our long-term strategic plan, we intend to continue to strategically invest in assets which we believe have a higher potential through a multi-tiered renovation program. The current renovation program has three separate categories: re-image, minor and major. We cannot provide any assurance that our renovation program will be successful or result in improved volumes or adequate returns on the amounts expended to complete these renovations. The success of our renovation program will depend upon a variety of factors, including our ability to implement renovations in a timely and cost-effective manner, our ability to obtain approval from landlords for leased property and the level of existing and future competition in the area. Our failure to successfully implement the renovation program could have a material adverse effect on our business, financial condition or results of operations.

Increased energy and water costs or disruptions in energy and water supplies could have a material adverse effect on our business, financial condition and results of operations.

Our business is dependent on the steady supply of significant amounts of energy, in particular electricity and water, for our washing processes. For the year ended December 31, 2013, our energy costs amounted to £8.2 million, or 6.5% of our turnover, and our water costs amounted to £5.0 million, or 4.0% of our turnover. Energy costs are affected by various factors, including the availability of supplies of particular sources of energy, energy prices and regulatory decisions. In particular, prices for oil, gas and electricity have been volatile in recent years. Such volatility may increase as a result of current political instability, such as the unrest currently occurring in Russia, the Ukraine, the Middle East and North Africa. In addition, electricity prices for industrial consumers in Germany are generally higher than in several neighboring countries. Any significant increase in market prices, transportation costs, grid fees or taxes (including by reduction of tax benefits) associated with the supply of energy would increase our operating costs and, thus, may negatively affect our results of operations if we are not able to pass the increased costs on to our customers. Any significant increase in the costs associated with the supply of water would increase our operating costs and, thus, may negatively affect our results of operations if we are not able to pass the increased costs on to our customers.

Any inability or delay in passing on increases in energy or water costs to our customers or any interruption or shortage of energy or water supply may negatively impact our business, financial condition and results of operations.

We depend on one supplier for all of our cleaning chemicals and may not be able to replace this supplier with another supplier.

We currently use one supplier for the cleaning chemicals that are used throughout our network, and we do not have a contract with this supplier. We cannot be certain that this supplier will continue to deal with us on the terms it currently does, that prices for cleaning chemicals will not increase, or that we will be able to purchase such supplies at prices which allow our car wash prices to remain competitive, if at all. Our inability to obtain sufficient quantities of cleaning chemicals, or to develop alternative sources if required, could result in delays and increased costs in our operations or our inability to properly maintain our existing level of operations. Such occurrences could adversely affect our business, financial condition and results of operations.

We may not be able to continue to develop and introduce new products, which could adversely affect our business, financial condition and results of operations.

Continuous introductions and variations of customer offerings have historically helped to drive significant increases in average revenue per wash, particularly at sites which have been renovated. Our new product offerings are introduced with the intention to increase turnover, enhance our margins and increase our return on invested capital in order to increase our earnings and cash flow. If these initiatives are unsuccessful, or if we are unable to implement the initiatives efficiently and effectively, our business, financial condition and results of operations could be materially adversely affected.

In addition, if we are unable to continue to develop and market new products and services in a timely manner, the demand for our products and services may decrease or our products and services could become obsolete, thus materially adversely affecting our business, financial condition or results of operations.

We may not be able to successfully divest under-performing sites or release higher alternative use values for our sites.

We aim to actively manage our assets to ensure that under-performing sites and sites with greater alternative uses are identified and disposed of in order to generate cash that can be reinvested or used to strengthen our balance sheet. There can be no assurance that we will be able to identify such under-performing sites and, even if such sites are identified, that we will be able to dispose of them in a timely fashion or at appropriate values. Additionally, in sites where we have agreed to long leases, it may be difficult to terminate the lease or renegotiate the lease on more favorable terms. Our inability to realize value in under-performing sites or sites with greater alternative use value could materially impact our business and financial condition.

We rely on third party operators to manage each car wash site.

Our business model requires us to identify and retain suitable individual third party operators for the management of each car wash site which we own or lease. We manage our relationship with third party operators through commercial agreements. Substantially all of these agreements require third party operators to deposit a bond of approximately £4,000 or the local currency equivalent. We depend on our third party operators to comply with the requirements of the commercial agreements, including operating the site to an acceptable standard and maintaining the posted opening hours. If our third party operators fail to operate the site to an acceptable standard, our turnover may suffer. In addition, if third party operators breach the terms of our commercial agreements with them, we may elect to exercise our termination rights. This may result in sites being closed while an appropriate operator is identified or it may hinder the development of new sites. Our inability to identify and retain high quality and reliable third party operators for our sites could materially adversely affect our business, financial condition or results of operations.

We operate in a highly competitive business environment, and our inability to compete effectively could adversely affect our business, financial condition or results of operations.

Certain of the markets in which we operate are highly competitive. The United Kingdom, in particular, suffers from particularly high levels of competition from manual hand car washes since the absence of effective enforcement of environmental regulations by UK authorities favors manual hand car washes and may continue to do so. We may not be able to offer products and services similar to, or more desirable than, those of our competitors or at a price comparable to that of our competitors. There can also be no assurance that the popularity of our products and services with end-consumers will continue to be attractive to consumers or that we will be able to continue to meet changing consumer demands in the future. Additionally, effective enforcement of environmental regulations may not occur in the future in the United Kingdom or continue in Germany or certain of our other markets. If we are unable to compete effectively, both in terms of services and product options and price, our business, financial condition and results of operations could be materially adversely affected.

If a competing car wash facility is opened in the vicinity of one of our sites, our site may lose turnover.

Competitors may develop facilities offering similar services within the vicinity of one (or more) of our sites, which could cause our car wash sites to lose turnover. While we attempt to mitigate this risk during site due diligence, such due diligence, no matter how extensive, may not always reveal any planned competing businesses in a particular area. In addition, a competing car wash site may be developed after we begin operating our site in a particular area. If competing facilities are developed in the same area as one or more of our sites, it could cause one or more of our sites to lose turnover and may require us to close one or more of our sites.

Loss of our key management and other personnel, or an inability to attract such management and other personnel, could impact our business.

We depend on our senior managers and other key personnel to run our business and on technical experts to develop new products and technologies. The loss of any of these senior managers or other key personnel could adversely affect our operations. Competition for qualified employees is intense, and the loss of qualified employees or an inability to attract, retain and motivate additional highly skilled employees required for the management, operation and expansion of our business could hinder our ability to expand, conduct research and development activities successfully and develop marketable products and services.

If we are unable to renew or replace our site leases or enter into leases for new sites on favorable terms, or if any of our current leases are terminated prior to the expiry of their stated term and we cannot find suitable alternate locations, our growth and profitability could be harmed.

We currently lease the majority of our site locations. Our current leases expire at various dates ranging from less than one year to more than 20 years. We will have a number of leases expiring in 2014 and we will determine on a case by case basis whether or not we will renew such leases. Our ability to maintain our existing rental rates during renewals or to renew any expired lease on favorable terms will depend on many factors that are not within our control, such as conditions in the local real estate market, competition for desirable properties and our relationships with current and prospective landlords. We have made certain assumptions about future rent reviews in respect of our leasehold property. If rent reviews were to be agreed at rates higher than currently anticipated, there would be an adverse impact on our business, financial condition or results of operations. In addition, there is a risk that the leases may not be renewed in due course or at all due to, among other factors, the state of the real estate market at such time. This would result in additional costs being incurred in selecting appropriate or equally suitable alternative premises and relocating to them and there is a risk that suitable alternative sites may not be available. If our lease payments increase or we are unable to renew existing leases or lease suitable alternate locations, this could have a material adverse effect on our business, financial condition or results of operations.

Our international operations expose us to risks related to conducting business in multiple jurisdictions and may cause our profitability to decline due to increased costs.

The international scope of our operations exposes us to economic, regulatory and other risks in the countries in which we operate. During the twelve months ended March 31, 2014, we derived £31.9 million, or 25.8% of our turnover, from sales of our products and services outside of the United Kingdom and Germany. We intend to continue to pursue growth opportunities in operations internationally, which could expose us to additional risks associated with international operations. Our international operations are, and will continue to be, subject to a number of risks and potential costs, including:

- differing legal and labor regulations; potential adverse tax consequences, including consequences from changes in tax laws and the imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries, which, among other things, may preclude payments or dividends from foreign subsidiaries from being used for our debt service, and exposure to adverse tax regimes; and political and economic instability;
- unexpected changes in foreign regulatory requirements, including environmental laws;
- difficulty in collecting accounts receivable and longer collection periods;
- difficulty in staffing, training and managing foreign operations;
- differing local product preferences and product requirements; and
- diminished protection of intellectual property.

We are exposed to market risk due to changes in currency exchange rates, which could increase our costs and may cause our profitability to decline.

We are subject to risks arising from currency exchange rate fluctuations. The pound sterling value of our foreign-generated turnover varies with currency exchange rate fluctuations. Measured in local currency, the majority of our foreign-generated turnover is generated in euro. Thus, our primary net foreign currency translation exposure is the euro. Exposures to foreign currency denominated net liabilities were £20.4 million and £21.4 million, as of March 31, 2014 and December 31, 2013, respectively. Significant increases in the value of the pound sterling relative to foreign currencies could have a material adverse effect on our results of operations. Our net sales were positively affected by

£2.9 million, or 2.6% of our turnover during the year ended December 31, 2013, as a result of the impact of foreign currency translation as compared to the year ended December 31, 2012. Also, we are exposed to transactional foreign currency risk as a result of purchases by our regional businesses in currencies other than their functional currencies. Our business is affected by exchange rate transaction risks to the extent our costs are incurred in currencies other than the local currency. Thus, if the value of the local currency deteriorates with respect to the transaction currency, the relative costs will increase which may have a material adverse effect on our financial position, business and results of operations. Please see “Management’s discussion and analysis of financial condition and results of operations—Qualitative and quantitative disclosures about market risks—Foreign currency risk” and our consolidated financial statements, included elsewhere in this offering memorandum.

A significant portion of our business activities is transacted in cash and our internal controls in relation to cash management may not be able to address all the risks associated with the handling of cash and cash transactions.

Due to the nature of our business, a large proportion of our turnover is collected in cash across our sites, which exposes us to potential cash loss. We have an internal audit department which maintains a comprehensive cash handling policy and ensures there is minimal cash leakage out of the business. However, our internal controls in relation to cash management may not be able to address all the risks associated with the handling of cash and cash transactions. We may therefore be exposed to risks such as loss, theft, misappropriation and forgery of the cash used in our transactions. In the event such risks materialize, our financial position, business and results of operations may be materially and adversely affected.

We have not included any IFRS or U.S. GAAP financial information in this offering memorandum.

We prepare our financial statements on the basis of UK GAAP, which differs in certain significant respects from IFRS and U.S. GAAP. We have not presented a reconciliation of our historical consolidated financial statements to IFRS or U.S. GAAP in this offering memorandum. As there are significant differences between UK GAAP, IFRS and U.S. GAAP, there may be substantial differences in our results of operations, cash flows and financial condition if we were to prepare our historical consolidated financial statements in accordance with IFRS or U.S. GAAP.

Our operations are subject to the general risks of litigation.

We may become involved in litigation arising in the ordinary course of business or otherwise. A majority of the litigation we are involved in relates to former third-party operators and employment and social security matters. In particular, we are subject to claims in a number of jurisdictions in which former third-party operators claim that they are employees, not contractors, and therefore entitled to receive social security contributions and other benefits. We do not pay or withhold any employment related taxes or make social security contributions with respect to or on behalf of our operators or their employees. If a court finds our third-party operators to be employees, we may be required to make significant retroactive payments in respect of employment related taxes or social security contributions. In the aggregate, such litigations could have a material impact on our financial positions, business and results of operations. In response to such litigation, we may suffer from the distraction of management resources, incur certain expenses and possibly face harm to our reputation. All of these factors could materially affect our business, financial condition or results of operations. See “Our business—Legal proceedings”.

We are subject to increasingly stringent environmental rules and regulations, which may significantly increase our compliance costs and require substantial investments and under which we can incur significant liabilities.

Due to the nature of our operations, we are subject to extensive laws, regulations, directives and permitting obligations of several jurisdictions relating to the protection of the environment and health and safety matters, including under German, United Kingdom, Australian and other European laws. As a result, we incur and expect to continue to incur significant costs complying with these requirements. Changes in the scope, interpretation or enforcement of environmental requirements applicable to us also could have a significant adverse impact on our financial position, business and results of operations. Furthermore, our operations generate pollutants and waste water. We are obliged to investigate and clean up environmental contamination on or from our properties and to comply with stringent waste management regulations. We are also required to obtain and comply with environmental permits, authorizations and licenses in connection with our operations, and these permits are subject to modification and renewal by issuing authorities. We may not at all times be able to operate in compliance with these laws, regulations and permits, or prevent or limit air and waste water emissions in accordance with law. Failure to comply with environmental rules and regulations can result in the imposition of civil and criminal penalties, the suspension of permits, requirements to curtail or suspend operations, and lawsuits by third parties. In addition, the failure to renew our permits, authorizations and licenses in a timely manner or at all could lead to required shutdowns.

There is a global trend towards stricter environmental controls and we anticipate that this trend will continue. Compliance with future laws or regulations, the imposition of more stringent requirements for licenses, permits and authorizations and stricter or new interpretation of existing environmental laws and regulations may require us to make additional capital expenditures, modify our operating practices, pay fines for breaches of such laws or regulations, and carry out additional reporting obligations.

Our compliance with environmental requirements needs a commitment of significant financial resources, including environmental compliance expenses. The imposition of liabilities pursuant to environmental laws and regulations, including as a result of violations of such laws and regulations or required permits and claims by third parties for property damage or personal injury, or required operating changes resulting from such rules, could have a material adverse effect on our business, financial condition and results of operations.

We may incur liability and costs in connection with hazardous substances present at certain of our facilities.

Some of our properties are located on land with a long history of use as industrial areas, gas stations and other potentially hazardous businesses by us and other companies before us, which has resulted, or may have resulted, in the release of hazardous materials (including asbestos) over time. For example, underground heating oil tanks are present on numerous sites in Germany which pose a potential contamination source to soil and groundwater. Additionally, some of our sites located on former gas stations have the risk of hydrocarbon contamination from underground fuel line and tank leaks.

Some environmental laws and regulations impose liability and responsibility on present and former owners, lessors, operators or users of such facilities and sites for environmental contamination without regard to causation or knowledge of contamination. The limited testing for contamination that has taken place at certain of our properties may not be sufficient to ascertain the extent of our current or future obligations with respect to any contamination relating to any of our facilities. Our liability for currently unknown cleanup costs could have a material adverse effect on our business, financial condition or results of operation.

Should we face claims relating to any such hazardous substances, we could incur significant costs defending such claims or damages awards arising from them as well as significant costs for any clean up measures that are required to be taken. Such expenses could have a material adverse effect on our business, financial conditions, and results of operations.

If our patents and other intellectual property rights do not adequately protect our products and car wash machine designs, we may lose market share to our competitors and may not be able to operate our business profitably.

The success of our business may be affected by the development and enforcement of intellectual property rights. We use a combination of patents, trade secrets, trademarks, license agreements and contractual provisions to establish and protect our intellectual property rights in our products and car wash machine designs. The loss of, or infringement on, such intellectual property could prevent us from manufacturing, marketing and selling our products and car wash machine designs, which in turn could have a material adverse effect on our business, financial condition or results of operations.

Additionally, we cannot assure you that our activities will not, unintentionally or otherwise, infringe on the patents or other intellectual property rights owned by others. We may spend significant time and effort and incur significant litigation costs if we are required to defend ourselves against intellectual property rights claims brought against us, regardless of whether the claims have merit, and such claims and defense may require significant management time and attention that would otherwise be devoted to our business operations. If we are found to have infringed on the patents or other intellectual property rights of others, we may be subject to substantial claims for damages, which could materially adversely affect our business, financial condition and results of operations. We may also be required to cease development, use or sale of the relevant products or processes, or we may be required to obtain a license on the disputed rights, which may not be available on commercially reasonable terms, if at all.

Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, and it may be difficult to obtain replacement insurance on acceptable terms or at all.

We maintain comprehensive liability coverage, but certain types of losses may be either uninsurable, self-insured or not economically insurable, such as losses due to earthquakes, other natural disasters, riots, acts of war or terrorism. We believe these insurance policies are generally customary for businesses of similar size that operate in our sector and markets. There can be no assurance that any claim under our insurance policies will be honored fully or timely, our insurance coverage will be sufficient in any respect or our insurance premiums will not increase substantially. If we were to incur a significant liability for which we were not fully insured, or if premiums for certain insurance policies were to increase substantially as a result of any incidents for which we are insured, our business, financial condition and results of operations could be materially adversely affected.

We may incur liabilities in connection with our pension plans.

We operate a defined benefit pension plan in Germany under which we have an obligation to provide agreed benefits to current and former employees. The defined benefit plan in Germany is unfunded. The unfunded benefit pension plan amounts to £5.0 million in respect of former, and to some extent, current employees. In the year ended December 31, 2013, we contributed £247,000 to the plan, which had an impact on our cash and cash equivalents. The actuarial valuation, which is conducted annually according to IAS 19, shows approximately the same value. We also made cash contributions of £67,000 in the year ended December 31, 2013 to several defined contribution pension plans throughout the Group. However, contributions to the defined contribution pension plan in the United Kingdom will increase by up to £37,000 in 2015 and £74,000 in 2018 due to legal requirements in the United Kingdom from £67,000 contributed in 2013.

Our net liabilities under the pension plans may be significantly affected by changes in the expected return on the plans' assets, the rate of increase in salaries and pension contributions, changes in demographic variables or other events and circumstances. Changes to local legislation and regulation relating to pension plan funding requirements may result in significant deviations in the timing and size of the expected cash contributions under such plans. There can be no assurance that we will not incur liabilities relating to our pension plans, and these additional liabilities could have a material adverse effect on our business, financial condition and results of operations.

If we do not achieve and maintain effective internal controls over financial reporting, we could fail to accurately report our financial results.

During the course of the preparation of our financial statements, we evaluate our internal controls to identify and correct deficiencies in our internal controls over financial reporting. In the event we are unable to identify and correct deficiencies in our internal controls in a timely manner, we may not record, process, summarize and report financial information accurately and within the time periods required for our financial reporting under the terms of the agreements governing our indebtedness.

It is possible that control deficiencies could be identified by our management or independent public accounting firm in the future or may occur without being identified. Such a failure could negatively impact the market price and liquidity of the Notes, cause security holders to lose confidence in our reported financial condition, lead to a default under our Revolving Credit Facility and otherwise materially adversely affect our business, financial condition or results of operations.

Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretation could have a material adverse effect on our results of operations and cash flows.

We are subject to the taxation laws, regulations and rules of the jurisdictions in which we operate. In certain countries, such as Germany, this can involve a review being carried out by the local taxation authority into tax filings which have been made in relation to previous years' performance. There can be no guarantee that any taxation authority will not seek to challenge the tax filings which we have made. For example, in Germany a structure was put in place in 2006 designed to minimize the effect of German real estate transfer tax on any subsequent sale of our business. This structure is common in Germany. Nevertheless, the German taxation authority may seek to challenge this structure and attempt to charge the real estate transfer tax on previous changes of control of the group.

Risks related to the transactions

Bidco may not be able to enforce claims with respect to the representations and warranties that the sellers have provided to Bidco under the Rose Holdco Acquisition Agreement.

In connection with the Acquisition, the sellers have given certain customary representations and warranties related to their shares, the Group and the business of the Group under the Rose Holdco Acquisition Agreement. There can be no assurance that Bidco will be able to enforce any claims against the sellers relating to breaches of such representations and warranties. The sellers' liability with respect to breaches of their representations and warranties under the Rose Holdco Acquisition Agreement is very limited.

Risks related to our indebtedness and the Notes

Our substantial leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Notes and the Note Guarantees.

We are, and following the issuance of the Notes, will continue to be, highly leveraged. As of March 31, 2014, after giving effect to the Transactions and the use of proceeds therefrom, we would have had total third-party debt of £193.8 million. We would also have had £20.0 million available to draw under the Revolving Credit Facility Agreement. See "Capitalization".

The degree to which the Group will remain leveraged following the issuance of the Notes could have important consequences to holders of the Notes offered hereby, including, but not limited to:

- making it difficult for us to satisfy our obligations with respect to the Notes;
- increasing our vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of our cash flow from operations to the payment of interest on indebtedness, thereby reducing the availability of such cash flow to fund the payment of principal of indebtedness, working capital, capital expenditures, acquisitions, joint ventures or other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the competitive environment and the industry in which we operate;
- placing us at a competitive disadvantage as compared to our competitors, to the extent that they are not as highly leveraged; and
- limiting our ability to borrow additional funds and increasing the cost of any such borrowing.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes.

Despite our high level of indebtedness, we may be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with our substantial indebtedness.

We may be able to incur substantial additional indebtedness in the future. Although the Indenture will contain and the Revolving Credit Facility Agreement currently contains restrictions on the incurrence of additional indebtedness, these restrictions will be subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of indebtedness that could be incurred in compliance with those restrictions could be substantial. In addition, the Indenture and the Revolving Credit Facility Agreement does not prevent us (and the Indenture will not prevent us) from incurring obligations that would not constitute indebtedness under those agreements.

Debt under our Revolving Credit Facility Agreement will bear interest at a floating rate that could rise significantly, increasing our interest cost and debt and reducing our cash flow.

The debt under our Revolving Credit Facility Agreement bears interest at floating rates of interest per annum equal to LIBOR, adjusted quarterly, plus an agreed margin. LIBOR could rise significantly in the future. Although we may enter into and maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurances that hedging will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements. To the extent

interest rates were to rise significantly, our interest expense associated with the debt under our Revolving Credit Facility Agreement would correspondingly increase, thus reducing cash flow.

We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities.

The Revolving Credit Facility Agreement restricts (and the Indenture will restrict), among other things, our ability to:

- incur or guarantee additional indebtedness;
- pay dividends or make other distributions or purchase or redeem our stock;
- make investments or other restricted payments;
- enter into agreements that restrict our restricted subsidiaries' ability to pay dividends;
- transfer or sell assets;
- engage in transactions with affiliates;
- create liens on assets to secure indebtedness;
- impair security interests; and
- merge or consolidate with or into another company.

The covenants to which we will be subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest. All of these limitations will be subject to significant exceptions and qualifications.

For the restrictions that will be included in the Indenture, see "Description of the Notes—Certain Covenants". For the restrictions that will be included in the Revolving Credit Facility Agreement, see "Description of other indebtedness—Revolving Credit Facility". In addition, we are subject to the affirmative covenants contained in the Revolving Credit Facility Agreement. In particular, the Revolving Credit Facility Agreement requires us to comply with a financial covenant. See "Description of other indebtedness—Revolving Credit Facility". Our ability to meet this financial covenant can be affected by events beyond our control, and we cannot assure you that we will meet it. A breach of any of those covenants, ratios, tests or restrictions could result in an event of default under the Revolving Credit Facility Agreement. Upon the occurrence of any event of default under the Revolving Credit Facility Agreement, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors could cancel the availability of the facilities and elect to declare all amounts outstanding under the Revolving Credit Facility Agreement, together with accrued interest, immediately due and payable. In addition, any default under the Revolving Credit Facility Agreement could lead to an event of default and acceleration under other debt instruments that contain cross-default or cross- acceleration provisions, including the Indenture. If our creditors, including the creditors under the Revolving Credit Facility Agreement, accelerate the payment of those amounts, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries which would be due and payable and to make payments to enable the Group to repay the Notes, in full or in part. In addition, if we are unable to repay those amounts, the Group's creditors could proceed against any collateral granted to them to secure repayment of those amounts.

We require a significant amount of cash to service our debt and sustain our operations. Our ability to generate sufficient cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our debt, and to fund working capital and capital expenditures, will depend on our future operating performance and ability to generate sufficient cash. This depends, to some extent, on the success of our business strategy and on general economic, financial, competitive, market, legislative, regulatory and other factors, as well as the other factors discussed in these "Risk factors", many of which are beyond our control. This also depends on our cash flow cycle. If our interest payment dates coincide with these periods of significant cash outflow, we may have insufficient cash to pay our obligations as they come due. We also experience seasonal fluctuations in our cash flow. Visits to our sites are affected by the weather. Persistent rain or a warmer winter can have a negative effect on our cash flow.

We cannot assure you that our business will generate sufficient cash flows from operations, that turnover growth, currently anticipated cost savings and operating improvements will be realized or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs. See “Management’s discussion and analysis of financial condition and results of operations”.

If our future cash flows from operations and other capital resources (including borrowings under the Revolving Credit Facility Agreement) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. Any failure to make payments on the Notes on a timely basis would likely result in a reduction of our credit rating, which could also harm our ability to incur additional indebtedness. In addition, the terms of our debt, including the Notes and the Revolving Credit Facility Agreement, limits, and any future debt may limit, our ability to pursue any of these alternatives. Any refinancing of our debt could be at higher interest rates and could require us to comply with more onerous covenants, which could further restrict our business, financial condition and results of operations. There can be no assurance that any assets which we could be required to dispose of could be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale would be acceptable.

Creditors under the Revolving Credit Facility Agreement and in respect of certain hedging obligations are entitled to be repaid with the proceeds of the Collateral sold in any enforcement sale in priority to the Notes.

The obligations under the Notes and the Note Guarantees will be secured on a first-ranking basis with security interests over the Collateral which also secure our obligations under the Revolving Credit Facility Agreement and in respect of certain hedging obligations. The Indenture will also permit the Collateral to be pledged to secure a substantial amount of additional indebtedness in accordance with the terms thereof and the Intercreditor Agreement.

Pursuant to the Intercreditor Agreement, the liabilities under the Revolving Credit Facility Agreement and in respect of certain hedging obligations have priority over any amounts received from the sale of the Collateral pursuant to an enforcement action taken with respect to the Collateral. See “Description of other indebtedness—Intercreditor Agreement”.

As a result, in the event of any realization or enforcement of the Collateral, you may not be able to recover on the Collateral if the then- outstanding claims under the Revolving Credit Facility Agreement and in respect of certain hedging obligations are greater than the proceeds realized.

The Notes will be secured only to the extent of the value of the Collateral that will have been granted as security for the Notes and the Note Guarantees, and such security may not be sufficient to satisfy the obligations under the Notes and the Note Guarantees.

If there is an event of default on the Notes, the holders of the Notes will be secured only by the Collateral. See “Description of the Notes—Security—The Collateral”. There is no guarantee that the value of the Collateral will be sufficient to repay the Notes in the event of a foreclosure. There is no requirement to provide funds to enhance the value of the Collateral if it is insufficient. The proceeds of any sale of the Collateral following an event of default with respect to the Notes may not be sufficient to satisfy, and may be substantially less than, amounts due on the Notes.

The amount of proceeds realized upon the enforcement of the security interests over the Collateral or in the event of liquidation will depend upon many factors, including, among other things, general market and economic conditions, the condition of the market for the Collateral, the ability to sell Collateral in an orderly sale, the fair market value of the Collateral, the timing and manner of the sale, whether or not our business is sold as a going concern, the jurisdiction in which the enforcement action or sale is completed, the ability to readily liquidate the Collateral, the availability of buyers and the condition of the Collateral and exchange rates. For example, under Australian law, the enforcement of security interests over shares, whether by means of a sale or an appropriation, is subject to certain specific requirements. Further, there may not be any buyer willing and able to purchase our business as a going concern, or willing to buy a significant portion of its assets in the event of an enforcement action. The book value of the Collateral should not be relied on as a

measure of realizable value for such assets. Portions of the Collateral may be illiquid and may have no readily ascertainable market value. In addition, not all of our assets will be secured.

In relation to real estate, legal mortgages will be granted over certain freehold properties in England and Wales. Other real estate in England and Wales will be subject to a floating charge but may be released from that charge if the relevant lease contains a prohibition on charging. No security will be granted over real estate located outside of England and Wales.

By its nature, some or all of the Collateral may not have a readily ascertainable market value or may not be saleable or, if saleable, there may be substantial delays in its disposal. To the extent that liens, security interests and other rights granted to other parties encumber assets owned by the Issuer or the Guarantors, those parties have or may exercise rights and remedies with respect to the property subject to their liens, security interests or other rights that could adversely affect the value of that Collateral and the ability of the Security Agent, the Trustee or holders of the Notes to realize or enforce that Collateral. If the proceeds of any sale of the Collateral are not sufficient to repay all amounts due on the Notes and the Note Guarantees, investors (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured claim against the Issuer's and the Guarantors' remaining assets. Each of these factors or any challenge to the validity of the Collateral or the Intercreditor Agreement could reduce the proceeds realized upon enforcement of the Collateral. In addition, there can be no assurance that the Collateral could be sold in a timely manner, if at all. Proceeds from enforcement sales of capital stock and assets that are part of the Collateral must first be applied in satisfaction of obligations under the Revolving Credit Facility Agreement and counterparties under certain hedging obligations and thereafter towards application to repay the obligations of the Issuer and the Guarantor under the Notes and other indebtedness that is secured by the Collateral on a *pari passu* basis with the Notes. The Indenture will allow incurrence of additional permitted debt in the future that is secured by the Collateral on a priority or *pari passu* basis. The incurrence of any additional debt secured by the Collateral would reduce amounts payable to you from the proceeds of any sale of the Collateral.

To the extent that other first priority security interests, pre-existing liens, liens permitted under the Revolving Credit Facility Agreement and the Indenture and other rights encumber the Collateral securing the Notes, the parties may have or may exercise rights and remedies with respect to the Collateral that could adversely affect the value of the Collateral and the ability of the Security Agent to realize or foreclose on the Collateral.

The value of the Collateral may decrease because of obsolescence, impairment or certain casualty events.

The value of the properties that the Guarantors own or lease and the real estate serving as Collateral may be adversely affected by depreciation and normal wear and tear or because of certain events that may cause damage to these properties. Although the Security Documents will contain certain covenants in relation to the maintenance and preservation of assets, the Guarantors will not be required to improve the Collateral. The Issuer will be obliged under the Security Documents to maintain insurance with respect to the Collateral, but the proceeds of such insurance may not be sufficient to rebuild or restore such properties to their original condition prior to the occurrence of certain events that caused the insured damages. Those insurance policies will most certainly not cover all the events that may conceivably result in damage to the Collateral.

The Issuer and the Guarantors have control over the Collateral securing the Notes, and the sale of particular assets could reduce the pool of assets securing the Notes.

The Security Documents will allow the Issuer and the Guarantors to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral securing the Notes. Subject to the Security Documents, so long as no acceleration right is exercised or any acceleration provision is automatically invoked under the Indenture or acceleration event under the Revolving Credit Facility Agreement would result therefrom, the Issuer and the Guarantors may, among other things, without any release or consent by the Security Agent, conduct certain ordinary course activities with respect to certain of the Collateral, such as selling, factoring, abandoning or otherwise disposing of Collateral and making ordinary course cash payments, including repayments of indebtedness.

It may be difficult to realize the value of the Collateral securing the Notes.

The Collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture or the Intercreditor Agreement and accepted by other creditors that have the benefit of first-priority security interests in the Collateral securing the Notes from time to time, whether on or after the date the Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Notes, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the first-priority ranking of security interests can be

affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or characterization under the laws of certain jurisdictions.

The security interests of the Security Agent will be subject to practical problems generally associated with the realization of security interests over real or personal property such as the Collateral. For example, the Security Agent may need to obtain the consent of a third party or, in relation to partnership interests or share pledges regarding a German entity, the consent of others who hold partnership interests or shares in the same entity, to enforce a security interest. We cannot assure you that the Security Agent will be able to obtain any such consents. We also cannot assure you that such consents will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease.

The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by local law.

The security interests in the Collateral that will secure the obligations of the Issuer under the Notes and the obligations of the Guarantors under the Note Guarantees will not be granted directly to the holders of the Notes but will be granted only in favor of the Security Agent. The Indenture will provide (along with the Intercreditor Agreement) that only the Security Agent has the right to enforce the Security Documents. As a consequence, holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent in respect of the Collateral.

Certain security is granted to secure a parallel debt obligation rather than the Notes themselves and the parallel debt has not been tested in the courts of Germany or The Netherlands.

In certain jurisdictions, including, among others, Germany and The Netherlands, due to the laws and other jurisprudence governing the creation and perfection of security interests and enforceability of such security interests, the respective Collateral will secure a so-called “parallel debt” obligation (the “Parallel Debt Obligation”) created under the Intercreditor Agreement in favor of the Security Agent as well as, or in lieu of, securing the obligations under the Notes directly. This parallel debt structure is used where certain jurisdictions have legal requirements relating to the creation and ongoing valid existence of security interests which are linked with the original secured claims and where certain actions under the finance documents, such as novation, may cause invalidity of the security interests under local law. The parallel debt is in the same amount and payable at the same time as the obligations of the Issuer and the Guarantors under the Notes and the Guarantees (the “Principal Obligations”), and any payment in respect of the Principal Obligations will discharge the corresponding parallel debt and any payment in respect of the parallel debt will discharge the corresponding Principal Obligations. Although the Security Agent will have, pursuant to the parallel debt, a claim against the Issuer and the Guarantors for the full principal amount of the Notes, the parallel debt structure has not been tested in court in Germany and The Netherlands and there is no judicial guidance as to its efficacy. Therefore, the ability of the Security Agent to enforce the Collateral may be restricted. In addition, holders of the Notes bear some risk associated with a possible insolvency or bankruptcy of the Security Agent.

Security over certain Collateral will not be in place on the Issue Date or will not be perfected on the Issue Date.

Security over certain Collateral will be in place as soon as reasonably practicable after the Completion Date, but in any case no later than 60 days after the Completion Date, and therefore the Notes and the Notes Guarantees will not be secured by certain Collateral on the Issue Date. See “Description of the Notes—Security”. If we or any Guarantor were to become subject to a bankruptcy proceeding after the Issue Date, any such creation or perfection steps would face a greater risk of being invalidated than if we had taken such steps at the Issue Date. If any such security interest is created or perfected after the Issue Date, it will be treated under bankruptcy law as if it were delivered to secure previously existing debt, which is materially more likely to be avoided as a preference by the bankruptcy court than if the steps were taken at the time of the Issue Date. To the extent that the grant or perfection of any such security interest is avoided as a preference, you would lose the benefit of such security interest. Accordingly, although we will endeavor to complete all steps necessary to perfect the security over the Collateral as soon as practicable within 60 days of the Completion Date, we cannot provide any assurances as to when the Collateral will be perfected, if at all.

Rose Holdco and the Subsidiary Guarantors will not initially guarantee the Notes and the Notes Guarantees will not initially secure the Notes.

As of the Issue Date, the Notes will be guaranteed by the Company and Bidco only and we will agree in the Indenture to take such necessary actions so that by no later than 60 days after the Completion Date and subject to the Agreed Security Principles, the Subsidiary Guarantors and Rose Holdco will become guarantors of the Notes by executing and delivering to the Trustee a supplemental indenture (or supplemental indentures) in the form attached to the Indenture. There can be

no assurance that we will be successful in procuring the foregoing additional guarantees or liens within the time period specified in the Indenture.

The Notes will be structurally subordinated to the creditors and preference shareholders (if any) of our non-guarantor subsidiaries.

Some, but not all, of our subsidiaries will guarantee the Notes. See “Description of the Notes—Note Guarantees”. Generally, claims of creditors of a non-guarantor subsidiary, including trade creditors, and claims of preference shareholders (if any) of the subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent entity. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any of our non-guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to us and our holding company subsidiaries. As such, the Notes and the Note Guarantees will be structurally subordinated to the creditors (including trade creditors) and preference shareholders (if any) of our non-guarantor subsidiaries.

For the twelve months ended March 31, 2014, the Guarantors generated £95.3 million or 77.0% of the turnover and £28.6 million or 80.7% of the EBITDA of the Group. For the twelve months ended March 31, 2014, the non-Guarantors generated £28.4 million or 23.0% of the turnover and £6.8 million or 19.3% of the EBITDA of the Group. As of March 31, 2014, the Guarantors represented £144.4 million or 78.4% of the total assets of the Group. As of March 31, 2014, the non-Guarantors represented £39.7 million or 21.6% of the total assets of the Group.

Payments under the Notes may be subject to withholding tax under the EU Directive on the taxation of savings income.

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “Savings Directive”), each Member State is required to provide to the tax authorities, or (to the extent relevant) any other competent authorities, of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or for the benefit of, an individual resident or certain limited types of entities established in that other Member State; however, for a transitional period, Austria and Luxembourg will instead apply a withholding system in relation to such payments, deducting tax at a rate of 35% (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. The transitional period is to terminate following agreement by certain non-EU countries to the exchange of information relating to such payments. The Luxembourg government has announced its intention to elect out of the withholding system in favor of an automatic information exchange with effect from January 1, 2015. A number of non-EU countries have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or for the benefit of, an individual resident or certain limited types of entities established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On March 24, 2014, the Council of the European Union adopted a directive amending the Savings Directive, which when implemented, could potentially broaden the scope of the requirements described above. It is understood that EU Member States will have until January 1, 2016 to adopt the national legislation necessary to comply with this amending directive. Investors who are in any doubt as to their position should consult their professional advisers.

If a payment to an individual were to be made or collected through an EU 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 pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to the Savings Directive or such other Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

Risks related to our structure

The Issuer is a newly formed, wholly owned finance subsidiary that has no turnover generating operations of its own and will depend on cash from operating companies to be able to make payments on the Notes.

The Issuer is a newly formed, wholly owned finance subsidiary of Bidco with no business operations or significant assets, other than the Notes and the Proceeds Loan. The Issuer will be dependent upon the cash flow from our operating companies to meet its obligations under the Notes. We intend to provide funds to the Issuer in order for the Issuer to meet

its obligations under the Notes principally through payments under the Proceeds Loan. We expect to provide funds to Bidco to service the payments under the Proceeds Loan principally through the provision of intercompany loans and dividends and other distributions. If the subsidiaries within the Group do not fulfill their obligations under any such intercompany loans and do not otherwise distribute cash to Bidco, and in turn to the Issuer, in order for the Issuer to make scheduled payments on the Notes, the Issuer will not have any other source of funds that would allow it to make payments to the holders of the Notes. The amount of cash available to the Issuer will depend on the profitability and cash flows of the operating companies in the Group and the ability of those companies to transfer funds under applicable law. The operating companies in the Group, however, may not be able to, or may not be permitted under applicable law to, make distributions or advance loans, directly or indirectly, to the Issuer in order for the Issuer to make payments in respect of the Notes. Various agreements, including agreements governing the Group's debt, may restrict, and in some cases, may prevent the ability of the members of the Group to transfer funds within the Group. In addition, the members of the Group that do not guarantee the Notes have no obligation to make payments with respect to the Notes.

We may not be able to obtain the funds required to repurchase the Notes upon a change of control.

The Indenture will contain provisions relating to certain events constituting a "change of control" of the Issuer. Upon the occurrence of a change of control, we will be required to offer to repurchase all outstanding Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the date of repurchase. If a change of control were to occur, we cannot assure you that we would have sufficient funds available at such time, or that we would have sufficient funds to provide to the Issuer to pay the purchase price of the outstanding Notes or that the restrictions in our Revolving Credit Facility Agreement, the Indenture, the Intercreditor Agreement or our other then-existing contractual obligations would allow us to make such required repurchases. A change of control may result in an event of default under, or acceleration of, our Revolving Credit Facility and other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the change of control itself does not. The ability of the Issuer to receive cash from members of the Group to allow it to pay cash to the holders of the Notes, following the occurrence of a change of control, may be limited by our then-existing financial resources. In addition, under the terms of the Revolving Credit Facility Agreement, under certain circumstances, we are required to repay an equal amount of debt under our Revolving Credit Facility Agreement if we repay all or a portion of the principal under the Notes. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a change of control occurs at a time when the Group is prohibited from providing funds to the Issuer for the purpose of repurchasing the Notes, we may seek the consent of the lenders under such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuer will remain prohibited from repurchasing any Notes. In addition, we expect that we would require third party financing to make an offer to repurchase the Notes upon a change of control. We cannot assure you that the Group would be able to obtain such financing. Any failure by the Issuer to offer to purchase the Notes would constitute a default under the Indenture, which would, in turn, constitute a default under the Revolving Credit Facility Agreement. See "Description of the Notes—Change of Control".

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the Indenture. Except as described under "Description of the Notes—Change of Control", the Indenture will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

In addition, the occurrence of certain events that might otherwise constitute a change of control will be deemed not to be a change of control if a defined consolidated net leverage ratio does not exceed a certain level in connection with such event. In the event the Company is sold to a new investor, whether or not such sale constitutes a change of control under the indenture governing the Notes, no assurance can be given that any such investor will continue to implement our current business and financial strategy. See "Description of the Notes—Change of Control" and "Description of the Notes—Certain Definitions—Specified Change of Control Event".

The definition of "Change of Control" in the Indenture includes a disposition of all or substantially all of the assets of the Company and its restricted subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the Company's and its restricted subsidiaries' assets, taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

English and other applicable local insolvency laws and other jurisdictions may provide you with less protection than U.S. bankruptcy law.

The Issuer and other members of the Group, including some of the Guarantors, are incorporated under the laws of England and Wales and the Commonwealth of Australia and other local laws. Accordingly, insolvency proceedings with respect to any of those entities would be likely to proceed under, and be governed by, English and Australian insolvency law or other local insolvency law, as applicable. English and Australian and such other insolvency laws may not be as favorable to investors as the laws of the United States or other jurisdictions with which investors are familiar. In the event that any one or more of the Issuer or Guarantors experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

Some of the Guarantors are incorporated under the laws of Australia. Under Australian law, if a liquidator was appointed to an Australian Guarantor, the liquidator would have the power to investigate the validity of past transactions and may seek various court orders, including orders to void certain transactions entered into prior to the winding up of such Guarantor and for the repayment of money. These include transactions entered into within a specified period of the winding up that a court considers uncommercial or that had the effect of preferring a creditor or creditors or otherwise defeating, delaying or interfering with the rights of creditors.

In the event that any one or more of the Issuer, the Guarantors, any future Guarantors, if any, or any other of Rose Holdco's subsidiaries were to experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Note Guarantees and Collateral provided by entities organized in jurisdictions not discussed in this offering memorandum are also subject to material limitations pursuant to their terms, by statute or otherwise. Any enforcement of the Note Guarantees or security after bankruptcy or an insolvency event in such other jurisdictions will be subject to the insolvency laws of the relevant entity's jurisdiction of organization or other jurisdictions. The insolvency and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the Note Guarantees or the Collateral in these jurisdictions and limit any amounts that you may receive. See "Certain insolvency law and local law limitations on validity and enforceability of the guarantees and security interests".

Each Note Guarantee is subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability.

Each Note Guarantee provides the holders of the Notes with a direct claim against the relevant Guarantor. However, the Indenture provides that each Note Guarantee will be limited to the maximum amount that can be guaranteed by the relevant Guarantor without rendering the relevant Note Guarantee, as it relates to that Guarantor, voidable or otherwise ineffective or limited under applicable law, and enforcement of each Note Guarantee would be subject to certain generally available defenses. See “Certain insolvency law and local law limitations on validity and enforceability of the guarantees and security interests”.

Enforcement of any of the Note Guarantees against any Guarantor will be subject to certain defenses available to Guarantors in the relevant jurisdiction, including contractually agreed limitations. Although laws differ among these jurisdictions, these laws and defenses generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, transactions at an undervalue, transactions defrauding creditors, avoidance of floating charges, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, a Guarantor may have no liability or decreased liability under its Note Guarantee depending on the amounts of its other obligations and applicable law. Limitations on the enforceability of judgments obtained in New York courts in such jurisdictions could limit the enforceability of any Note Guarantee against any Guarantor.

Although laws differ among various jurisdictions, in general, under bankruptcy or insolvency law and other laws, a court could (i) subordinate, avoid or invalidate all or a portion of a Guarantor’s obligations under its Note Guarantee, (ii) direct that the holders of the Notes return any amounts paid under a Note Guarantee to the relevant Guarantor or to a fund for the benefit of the Guarantor’s creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the relevant Note Guarantee was incurred with actual intent to give preference to one creditor over another, hinder, delay or defraud any present or future creditors or shareholders of the Guarantor or, in certain jurisdictions, when the granting of the Note Guarantee has the effect of giving a creditor a preference over another when the Guarantors contemplated filing for insolvency or the Guarantors subsequently entered into an insolvency process or when the recipient was aware that the Guarantor was insolvent or it would be rendered insolvent when it granted the relevant Note Guarantee;
- the Guarantor did not receive fair consideration or consideration of equivalent value in money or money’s worth or corporate benefit for the relevant Note Guarantee and the Guarantor was: (i) insolvent or rendered insolvent because of the relevant Note Guarantee; (ii) undercapitalized or became undercapitalized because of the relevant Note Guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the Guarantors incur debts beyond their ability to pay those debts as they mature;
- the relevant Note Guarantee was held to exceed the corporate objects of the Guarantor or not to be in the best interests or for the corporate benefit of the Guarantor; or
- the amount paid or payable under the relevant Note Guarantee was in excess of the maximum amount permitted under applicable law.

These or similar laws may also apply to any future guarantee granted by any of our subsidiaries pursuant to the Indenture.

We cannot assure you which standard a court would apply in determining whether a Guarantor was “insolvent” or was rendered “insolvent” at the relevant time or that, regardless of the method of valuation, a court would not determine that a Guarantor was insolvent or was rendered insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor was insolvent or was rendered insolvent on the date its Note Guarantee was issued, that payments to holders of the Notes constituted preferences, transactions at an undervalue, transactions defrauding creditors, fraudulent transfers or conveyances on other grounds.

The liability of each Guarantor under its Note Guarantee will be limited to the amount that will result in such Note Guarantee not constituting a preference, a transaction at an undervalue, a transaction defrauding creditors, a fraudulent transfer or conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurance as to what standard a court will apply in making a determination of the maximum liability of each Guarantor.

There is a possibility that the entire Note Guarantee may be set aside, in which case the entire liability may be extinguished.

If a court were to decide that a Note Guarantee was a preference, a transaction at an undervalue, a transaction defrauding creditors, a fraudulent transfer or conveyance and voided such Note Guarantee, or held it unenforceable for any other reason, you may cease to have any claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and, if applicable, of any other Guarantor under the relevant Note Guarantee which has not been declared void. In the event that any Note Guarantee is invalid or unenforceable, in whole or in part, or to the extent the agreed limitation of the Note Guarantee obligations apply, the Notes would be effectively subordinated to all liabilities of the applicable Guarantor, and if we cannot satisfy our obligations under the Notes or any Note Guarantee is found to be a preference, a transaction at an undervalue, a transaction defrauding creditors, a fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the Notes.

Although Collateral consisting of shares in Compagnie Parisienne de Services SAS is enforceable either by judicial or contractual foreclosure or by sale in a public auction, foreclosure may require the secured parties to pay a “soulte”.

Collateral consisting of shares in Compagnie Parisienne de Services SAS is granted by way of a French law pledge. A pledge governed by French law may only secure payment obligations, may only be enforced following a payment default and may only secure up to the secured amount which is then due and payable and remaining unpaid. Under French law, pledges over assets may generally be enforced at the option of the secured creditors either (i) in connection with a judicial process (x) by way of a sale of the pledged assets in a public auction (the proceeds of the sale being paid to the secured creditors) or (y) by way of the judicial attribution (*attribution judiciaire*) of the pledged assets or (ii) by way of non-judicial private attribution (*pacte commissoire*) of the pledged assets to the secured creditors, following which the secured creditors become the legal owner of the pledged assets. Enforcement by way of private sale may not be agreed at the time of granting of the security, and therefore, the secured creditors will not benefit from such enforcement method. If the secured creditors choose to enforce by way of attribution (whether judicial attribution or private attribution), the secured liabilities will be deemed extinguished up to the value of the attributed assets. Such value is determined either by the judge in the context of a judicial attribution or by a pre-contractually agreed expert in the context of a private attribution. In any event, if the value of the pledged assets exceeds the amount of the secured liabilities, the secured creditors will be required to pay the pledgor a “soulte” equal to the difference between the value of the pledged assets and the amount of the secured liabilities. This is true regardless of the actual amount of proceeds ultimately received by the secured creditors from a subsequent sale of the Collateral. Consequently, in the event that the Security Agent, is entitled to, and decides to, enforce the Collateral, which consists of a pledge over shares in Compagnie Parisienne de Services SAS, through judicial or private foreclosure, and the value of such shares exceeds the amount of the secured debt, the Security Agent may be required to pay immediately to the relevant pledgor a “soulte” equal to the amount by which the value of such shares exceeds the amount of the secured debt. The Security Agent will only do so if fully indemnified by the secured creditors, including the holders of the Notes. If the value of such shares is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such shares, and the remaining amount owed to such creditors will be unsecured. Alternatively, the Security Agent could decide to undertake the sale of the pledged shares by public auction. As public auction procedures are not designed for a sale of a business as a going concern, however, it is possible that the sale price received in any such auction might not reflect the value of the group as a going concern.

There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Note Guarantees will be released automatically and under which the Note Guarantees will be released automatically, without your consent or the consent of the Trustee.

Under various circumstances, Collateral securing the Notes and the Note Guarantees will be released automatically, including:

- upon payment in full of principal, interest and all other obligations on the Notes issued under the Indenture or discharge or defeasance thereof;
- upon release of a Note Guarantee (with respect to Liens securing such Note Guarantee granted by such Guarantor);
- in connection with any disposition of Collateral to any Person; *provided* that if the Collateral is disposed to the Company or a Restricted Subsidiary; the relevant Collateral becomes immediately subject to a substantially equivalent Lien in favor of the Security Agent securing the Notes (but excluding any transaction subject to “Description of the Notes—Certain Covenants—Merger and Consolidation—The Issuer and the Company); *provided*, further, that, in each case, such disposition is permitted by the Indenture;

- if the Company designates any Subsidiary Guarantor to be an Unrestricted Subsidiary (as defined in “Description of the Notes”) in accordance with the applicable provisions of the Indenture, the release of the property, assets and Capital Stock of such Unrestricted Subsidiary (as defined in “Description of the Notes”);
- in connection with certain enforcement actions taken by the creditors under certain of our Secured Indebtedness as provided under the Intercreditor Agreement, as otherwise in compliance with the Intercreditor Agreement;
- as may be permitted by the covenant described under “Description of the Notes—Certain Covenants—Impairment of security interest;” or
- in order to effectuate a merger, consolidation, conveyance or transfer conducted in compliance with the covenant described under “Description of the Notes—Certain Covenants—Merger and consolidation.”

In addition, under various circumstances, the Note Guarantees will be released automatically, including:

- except in respect of the Parent Guarantee and the Bidco Guarantee, a sale or other disposition (including by way of consolidation or merger) of capital stock of the relevant Guarantor or of a Parent thereof, such that such Guarantor ceases to be a Restricted Subsidiary, or the sale or disposition of all or substantially all the assets of the relevant Guarantor (other than to the Company or a Restricted Subsidiary), in each case in a transaction otherwise permitted by the Indenture;
- except in respect of the Parent Guarantee and the Bidco Guarantee, the designation in accordance with the Indenture of the relevant Guarantor as an Unrestricted Subsidiary;
- defeasance or discharge of the Notes, as provided (as defined in “Description of the Notes) and under the capitons “Description of the Notes—Defeasance” and “Description of the Notes—Satisfaction and discharge”;
- in the case of a Subsidiary Note Guarantee only (other than the initial Subsidiary Note Guarantees), to the extent that the relevant Guarantor is not an Immature Subsidiary (as defined in “Description of the Notes) solely due to the operation of clause (i) of the definition of “Immature Subsidiary,” (as defined in “Description of the Notes) upon the relevant release of the guarantee or discharge of Indebtedness referred to in such clause;
- upon full payment of all obligations of the Issuer and the Guarantors under the Indenture and the Notes; or
- in connection with certain enforcement actions taken by the creditors under certain of our secured Indebtedness as provided under the Intercreditor Agreement.

In addition, the Note Guarantees will each be subject to release upon enforcement sale as contemplated under the Intercreditor Agreement. Unless consented to, the Intercreditor Agreement provides that the Security Agent shall not, in an enforcement scenario, exercise its rights to release the relevant Note Guarantees or security interests in the Collateral unless the relevant sale or disposal is made:

- for consideration all or substantially all of which is in the form of cash;
- to the extent there is a release of Note Guarantees or security granted for the benefit of the holders of Notes, concurrently with the discharge or release of the indebtedness of the disposed entities to certain other creditors, including the creditors under the Revolving Credit Facility Agreement and holders of the Notes; and
- pursuant to a public auction, or a fairness opinion has been obtained from an internationally recognized investment bank or accounting firm selected by the Security Agent.

See “Description of other indebtedness—Intercreditor Agreement” and “Description of the Notes”.

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream. Interests in the global Notes will trade in book-entry form only, and Notes in definitive registered form, or definitive registered Notes, will be issued in exchange for book entry interests only in very limited circumstances. Owners of the book-entry interests will not be considered owners or holders of Notes unless and until definitive notes are issued in exchange for book-entry interests. Instead, the common depositary (or its nominee) for Euroclear and Clearstream will be the sole registered holder of the Notes in global form.

Payments of principal, interest and other amounts owing on or in respect of the Notes in global form will be made to the Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, such payments will be credited to Euroclear and Clearstream participants' accounts that hold book-entry interests in the Notes in global form and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, none of the Issuer, the Guarantors, the Trustee, the Paying Agent or any other paying agent will have any responsibility or liability for any aspect of the records relating to or payments of interest, principal or other amounts to Euroclear and Clearstream, or to owners of book-entry interests. Accordingly, if you own a book-entry interest in the Notes, you must rely on the procedures of Euroclear and Clearstream and, if you are not a participant in Euroclear and/or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the Indenture.

Owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions from holders of the Notes, including enforcement of security for the Notes and the Note Guarantees. Instead, if you own a book-entry interest, you will be reliant on the common depositary (as registered holder of the Notes) to act on your instructions and/or will be permitted to act directly only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream or, if applicable, from a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions or to take any other action on a timely basis.

There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited.

We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. The trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although an application will be made for each of the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF market, we cannot assure you that the Notes will be or remain listed. Although no assurance is made as to the liquidity of the Notes as a result of the admission to trading on the Euro MTF, failure to be approved for listing or the delisting (whether or not for an alternative admission to listing on another stock exchange) of the Notes, as applicable, from the Official List of the Luxembourg Stock Exchange may have a material effect on a holder's ability to resell the Notes, as applicable, in the secondary market.

In addition, the Indenture will allow us to issue Additional Notes in the future, which could adversely impact the liquidity of the Notes. See "Description of the Notes—Additional Notes".

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The credit ratings address our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating

assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

The transferability of the Notes may be limited under applicable securities laws.

The Notes and the Note Guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any state or any other jurisdiction and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or any other jurisdiction. See “Notice to investors”. It is the obligation of holders of the Notes to ensure that their offers and sales of the Notes within the United States and other countries comply with applicable securities laws.

Investors in and purchasers of the Notes may have limited or no recourse against our independent auditors.

See “Independent auditors” for a description of the independent auditors’ reports, including language limiting the independent auditors’ scope of responsibility in relation to their audit work. Investors in and purchasers of the Notes may have limited or no recourse against the independent auditors.

Investors in and purchasers of the Notes should understand that the independent auditors’ reports included elsewhere in this offering memorandum each state that: the report has been made solely to the Company’s members, as a body, in accordance with Chapter 2 of Part 16 of the Companies Act 2006; that the audit work has been undertaken so that the independent auditors might state to Rose Holdco’s members those matters they are required state to them in an auditor’s report and for no other purpose; and that to the fullest extent permitted by law, the independent auditors will not accept or assume responsibility to anyone other than the Rose Holdco’s members as a body for their audit work, the audit report or for the opinions they have formed in connection to such audit report. In the context of the Offering, the independent auditors have reconfirmed to us that they do not intend their duty of care in respect of their audits to extend to any party, such as investors in and purchasers of the Notes, other than the Addressees of their reports.

Without in any way or on any basis affecting or adding to or extending the independent auditors’ duties and responsibilities to the Addressees or giving rise to any duty or responsibility being accepted or assumed by or imposed on the independent auditors to any party except the Addressees, the independent auditors have provided consent to Rose Holdco’s inclusion, independently of the independent auditors, of the audit reports with the non-statutory historical financial statements to which they relate in this offering memorandum for a proposed issuance of Notes, thereby demonstrating that an audit of the non-statutory directors’ reports and financial statements for each relevant period has been undertaken for the Addressees. The consent provided by the independent auditors is different from a consent filed with the SEC under Section 7 of the Securities Act, which is applicable only to transactions involving securities registered under the Securities Act. As the Notes have not been and will not be registered under the Securities Act, the independent auditors have not filed a consent under Section 7 of the Securities Act. The independent auditors’ historical reports for the year ended December 31, 2011, 2012 and 2013 are included elsewhere in this offering memorandum.

The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the Securities Act, or in a report filed under the Exchange Act. If a U.S. court (or any other court) were to give effect to the language set out above, the recourse that investors in and purchasers of the Notes may have against the independent auditors based on their reports or the non-statutory directors’ report and financial statements to which they relate could be limited. The extent to which independent auditors may have responsibility or liability to third parties can be unclear under the laws of many jurisdictions, including the United Kingdom. The inclusion of the language referred to above, however, may limit the ability of holders of the Notes to bring any action against the independent auditors for damages arising out of an investment in or purchase of the Notes. See “Independent auditors”.

Use of proceeds

The net proceeds from the Offering will be €236,400,000, which is the gross proceeds of €240.0 million less certain fees and commissions. As the Issue Date occurred prior to the Completion Date, pending consummation of the Acquisition, the Initial Purchasers deposited the gross proceeds from the Offering less certain deductions in respect of fees and expenses into the Escrow Account for the benefit of the holders of the Notes. See “Description of the Notes—Escrow of proceeds; Special Mandatory Redemption”.

The total consideration payable under the Rose Holdco Acquisition Agreement, as well as payments made to repay the Existing Senior Facilities Agreement and the Second Lien Debt, is expected to be approximately £280 million. Certain managers and certain of their affiliates will receive a portion of the proceeds to be paid in the Acquisition and will re-invest a portion of such proceeds in equity instruments of Boing Topco Limited, an indirect parent of the Issuer. In addition, Bidco will pay transaction fees and expenses currently expected to amount to approximately £12.7 million.

We expect that the total consideration for the Acquisition, related transactions and payment of transaction fees and expenses will be financed with (i) the Equity Contribution, (ii) the proceeds from the Offering and (iii) cash of Rose Holdco and its subsidiaries.

In connection with the Transactions, we have entered into a Revolving Credit Facility Agreement, which provides for a Revolving Credit Facility in the amount of £20.0 million to be made available on the Completion Date. On the Completion Date, the Revolving Credit Facility is expected to be undrawn and fully available.

For descriptions of our anticipated indebtedness following the Offering, see “Description of the Notes” and “Description of other indebtedness”.

The expected estimated sources and uses of the funds necessary to consummate the Transactions, including the Acquisition, are shown in the table below. Actual amounts will vary from estimated amounts depending on several factors, including differences from our estimates of fees and expenses, the costs of repaying the Existing Senior Facilities Agreement and the Second Lien Debt and the actual Completion Date. Any changes in these amount may affect the amount of the Equity Contribution.

Sources	£ (equivalent) in millions	Uses	£ in millions
Notes offered hereby ⁽¹⁾	192.6	Repayment of existing facilities ⁽⁴⁾	166.7
Equity Contribution ⁽²⁾	100.00	Acquisition consideration ⁽⁵⁾	113.6
Cash on balance sheet ⁽³⁾	9.5	Transaction costs ⁽⁶⁾	12.7
		Cash to balance sheet	9.1
Total sources	302.1	Total uses.....	302.1

- (1) This amount is equivalent to €240.0 million of Notes offered hereby. See “Exchange rate information”.
- (2) Represents the indirect cash Equity Contribution made by TDR Capital to Bidco, which will be made in the form of equity (including ordinary shares) and equity-like instruments, including preference shares and shareholder loans. All equity-like instruments at the Company and Bidco will be capitalized into ordinary shares immediately following the Acquisition.
- (3) Represents the assumed available cash of Rose Holdco and its subsidiaries on the Completion Date.
- (4) Represents repayment of Existing Senior Credit Facilities and Second Lien Debt. As part of the Acquisition, the outstanding indebtedness under the Existing Senior Credit Facilities and Second Lien Debt, including estimated accrued interest through July 7, 2014 (the assumed date of discharge of the Existing Credit Facilities and Second Lien Debt) and any break costs in connection with terminating the Existing Senior Credit Facilities, will be repaid in full on the Completion Date with the proceeds of the Offering and the Equity Contribution. See “Capitalization”.
- (5) Represents the total Acquisition consideration of £113.6 million that will be paid by Bidco in connection with the Acquisition.
- (6) Represents the estimated fees and expenses associated with the Transactions, including commitment, placement, financial advisory and other transaction costs and professional fees, including certain UK, German and Australian tax costs related to the Collateral. See “Description of the Notes—Collateral.”

Capitalization

The following table sets forth, in each case, as of March 31, 2014, the cash at bank and in hand and capitalization of:

- Rose Holdco and its consolidated subsidiaries on an actual basis; and
- the Company as adjusted to give effect to the Offering, the Acquisition and the Revolving Credit Facility (and in the case of cash at bank and in hand, certain disbursements since March 31, 2014). The adjustments are based on available information and contain assumptions made by our management.

You should read this table in connection with “Summary—The Transactions”, “Use of proceeds”, “Summary consolidated financial information”, “Selected historical consolidated financial information”, “Description of other indebtedness”, “Description of the Notes” and our financial statements included elsewhere in this offering memorandum.

£ in millions	As of March 31, 2014	
	Rose Holdco Actual	Company As Adjusted
Cash at bank and in hand⁽¹⁾	13.4	9.1
Notes offered hereby ⁽²⁾	—	192.6
Revolving Credit Facility ⁽³⁾	—	—
Existing Senior Facilities Agreement ⁽⁴⁾	122.4	—
Second Lien Debt ⁽⁵⁾	43.8	—
Other debt ⁽⁶⁾	1.2	1.2
Total debt	167.4	193.8
Total equity ⁽⁷⁾	67.2	100.0
Total capitalization	234.6	293.8

- (1) Represents the assumed available cash of Rose Holdco and its subsidiaries. The Group has made certain disbursements in the period from March 31, 2014 to the date of this offering memorandum in relation to, among others, capital expenditures and financial investment, accrued interest and the repurchase of a minority stake in IMO Group Holdings Pty Ltd under the Australian Acquisition Agreement in connection with the Acquisition. See “Summary—The Transactions”, “Exchange rate information” and “Use of Proceeds.”
- (2) This amount is equivalent to €40.0 million of Notes offered hereby. See “Exchange rate information.”
- (3) On June 12, 2014, we entered into a Revolving Credit Facility Agreement in the amount of £20.0 million, which will remain undrawn on the Issue Date. As soon as reasonably practicable after the Completion Date, but in any case no later than 60 days after the Completion Date, the Revolving Credit Facility Agreement will benefit from guarantees from each of the Guarantors and from security over the same Collateral. For a description of our Revolving Credit Facility Agreement, see “Description of other indebtedness—Revolving Credit Facility Agreement”.
- (4) As part of the Acquisition, the outstanding indebtedness under the Existing Senior Credit Facilities, including accrued interest of thereon, will be repaid in full on the Completion Date. See “Use of proceeds”.
- (5) As part of the Acquisition, the outstanding indebtedness under the Second Lien Debt, including accrued interest thereon, will be repaid in full on the Completion Date. See “Use of proceeds”.
- (6) Other debt represents finance leases in the amount of £1.2 million.
- (7) Company as adjusted total equity represents £100.0 million equity contribution from TDR Capital and current management to Bidco, calculated on a consolidated basis for Rose Holdco and its subsidiaries, and is presented gross of transaction costs that will be expensed.

Selected historical consolidated financial information

The Issuer, Bidco and the Company were incorporated on June 9, 2014. The Issuer was incorporated for the principal purpose of issuing the Notes, and no historical financial information related to the Issuer, Bidco or the Company is available. None of them have business operations, material assets or liabilities and have not engaged in any activities other than those related to their formation in preparation of the Transactions, including the Offering. We do not present in this offering memorandum any financial statements of the Issuer, Bidco or the Company for the periods presented.

The following tables set forth selected historical financial information about us as of and for the periods indicated.

The selected historical financial information presented below for the Group (except for the footnotes included below the tables and except as otherwise indicated) (i) as of and for the years ended December 31, 2011, 2012 and 2013, have been derived from the audited consolidated financial statements of the Group as of and for each of the years ended December 31, 2011, 2012 and 2013, as prepared in accordance with UK GAAP and included elsewhere in this offering memorandum, and (2) as of and for the three month periods ended March 31, 2013 and 2014, have been derived from the unaudited consolidated interim financial statements of the Group as of and for the three month periods ended March 31, 2013 and 2014, included elsewhere in this offering memorandum.

The Acquisition, which will give rise to a change of control for UK GAAP accounting purposes, will be accounted for using the purchase method of accounting. Under UK GAAP, the cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred and the equity interests issued by the acquirer, including the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the acquirer's share of the identifiable net assets acquired is recorded as goodwill. Given that the Acquisition has not been consummated, we have not identified the fair value of assets acquired and liabilities to be assumed at the Completion Date. In accordance with UK GAAP, we have up to the end of the first full financial year following the Acquisition to confirm the fair values and finalize the allocation of the purchase price.

The financial information presented for the interim periods or prior years is not necessarily indicative of the results to be expected for the full year or any future period or our financial condition at any future date. The following selected historical financial information should be read in conjunction with, and is qualified in its entirety by reference to, the consolidated financial statements of Rose Holdco and the accompanying notes included elsewhere in this offering memorandum, and should also be read together with the information set forth under the heads "Presentation of financial and other information", "Use of proceeds", "Capitalization", "Summary consolidated financial information", "Our business", and "Management's discussion and analysis of financial condition and results of operations".

Consolidated income statement information:

	Year ended December 31,			Three months ended March 31,	
	2011	2012	2013	2013	2014
	122,272	112,157	124,477	33,074	32,262
Turnover					
Cost of Sales	(71,214)	(71,812)	(75,803)	(19,621)	(19,168)
Gross profit	51,058	40,345	48,674	13,453	13,094
Administrative Expenses	(33,077)	(33,193)	(35,615)	(7,385)	(8,508)
Other operating income	745	801	—	—	—
Operating Profit before depreciation, amortization, share-based remuneration, directors' incentive scheme and costs of refinancing	41,490	30,436	36,109	10,653	9,892
Share-based remuneration	(1,294)	(948)	(495)	(35)	(219)
Directors' incentive scheme	(720)	—	(249)	—	—
Costs of refinancing	(1,889)	(4,574)	(2,254)	—	—
Depreciation	(12,622)	(11,320)	(13,838)	(3,000)	(3,537)
Impairment	(40)	527	(13)	—	—
Amortization	(6,199)	(6,168)	(6,201)	(1,550)	(1,550)
Operating (loss)/profit before exceptional items	18,726	7,953	13,059	6,068	4,586
Loss on sale of fixed assets	(186)	(87)	(1,914)	(68)	(118)
(Loss)/Profit on ordinary activities before interest	18,540	7,866	11,145	6,000	4,468
Interest receivable and similar income	196	595	46	6	55
Interest payable and similar charges	(13,433)	(12,312)	(13,715)	(3,157)	(3,113)
(Loss)/Profit on ordinary activities before taxation	5,303	(3,851)	(2,524)	2,849	1,410

Tax on loss on ordinary activities.....	(3,141)	(1,705)	(3,299)	(1,530)	(892)
(Loss)/Profit on ordinary activities after taxation	2,162	(5,556)	(5,823)	1,319	518
Equity minority interests	9	(107)	(210)	(10)	(24)
Profit/(loss) for the year	2,171	(5,663)	(6,033)	1,309	494

Consolidated balance sheet information:

(£ in thousands)	As of December 31,			As of March 31,	
	2011	2012	2013	2013	2014
Fixed assets:					
Intangible assets ⁽¹⁾	108,714	102,678	96,488	101,150	94,934
Tangible assets	156,395	148,452	154,441	151,637	154,040
Investments.....	539	756	687	780	726
Total fixed assets.....	265,648	251,886	251,616	253,567	249,700
Current assets:					
Stocks	7,900	7,359	6,352	7,780	6,698
Debtors	4,398	4,428	4,524	4,447	4,222
Current asset investments	72	58	46	49	50
Cash at bank and in hand.....	13,423	10,877	13,188	17,748	13,369
Total current assets	25,793	22,722	24,110	30,024	24,339
Total assets:	291,441	274,608	275,726	283,591	274,039
Current Liabilities:					
Creditors (amounts falling due within one year)	(32,723)	(20,222)	(23,752)	(22,918)	(22,464)
Net current assets (liabilities)	(6,930)	2,500	358	7,106	1,875
Total assets less current liabilities	258,718	254,386	251,974	260,673	251,575
Non-current liabilities:					
Creditors (amounts falling due after more than one year).....	(160,655)	(162,127)	(165,215)	(166,992)	(164,667)
Provision for deferred taxes.....	(5,525)	(5,893)	(6,049)	(6,126)	(5,275)
Provisions for liabilities and charges.....	(10,545)	(9,122)	(10,038)	(9,423)	(10,009)
Pension liabilities (total defined benefit schemes) ..	(4,098)	(4,317)	(4,448)	(4,433)	(4,418)
Total non-current liabilities	(180,823)	(181,459)	(185,750)	(186,974)	(184,369)
Net assets	77,895	72,927	66,224	73,699	67,206
Capital and reserves⁽²⁾	76,727	71,688	64,775	72,450	65,733
Minority interests⁽³⁾	1,168	1,239	1,449	1,249	1,473
Equity	77,895	72,927	66,224	73,699	67,206

(1) Includes negative goodwill of £1.2 million, £1.0 million and £0.9 million as of the years ended December 31, 2011, 2012 and 2013, respectively, and £1.0 million and £0.9 million for the three month periods ended March 31, 2013 and 2014, respectively.

(2) Capital and reserves comprises called up share capital, share premium account and profit and loss account.

(3) Minority interests comprise certain historical minority interests in IMO Group Holdings Pty Ltd. The minority shareholders have agreed on June 12, 2014 to sell their shares to the Group under the Australian Acquisition Agreement as part of the Acquisition.

Consolidated cash flow information:

(£ in thousands)	Year ended December 31,			Three months ended March 31,	
	2011	2012	2013	2013	2014
Cash flow from operating activities.....					
Cash flow from operating activities.....	35,715	24,586	35,056	12,205	10,903
Cash flow from returns on investments and servicing of finance...	(12,024)	(9,184)	(11,172)	(2,945)	(3,795)
Taxation.....	(2,586)	(3,817)	(1,940)	(679)	(2,125)
Capital expenditure and financial investment.....	(7,675)	(6,135)	(19,256)	(1,931)	(4,520)
Acquisitions and disposals	(2,086)	(43)	—	—	—
Cash inflow before management of liquid resources and financing					
Cash inflow before management of liquid resources and financing	11,344	5,407	2,688	6,650	463
Management of liquid resources and financing ⁽¹⁾	(7,229)	(7,356)	(406)	(37)	(48)
Increase/(decrease) in cash in the year	4,115	(1,949)	2,282	6,613	415

(1) Management of liquid resources and financing consists of (i) increase/decrease of cash deposits, (ii) issuance of share capital, (iii) increases/decreases in short term borrowing, (iv) increases/decreases in loans repayable and (v) capitalized finance lease payments.

Management's discussion and analysis of financial condition and results of operations

The following is a discussion of the financial condition and results of operations of Rose Holdco and its consolidated subsidiaries in the periods set forth below. Accordingly, all references to "we", "us" or "our" in respect of historical consolidated financial information in this discussion are to Rose Holdco and its subsidiaries on a consolidated basis. See "Presentation of financial information and other data".

You should read the following discussion of our results of operations and financial condition in conjunction with our consolidated financial statements and the related notes included elsewhere in this offering memorandum, as well as the "Selected historical consolidated financial information". The following discussion contains forward looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this offering memorandum particularly in the sections titled "Risk factors" and "Forward looking statements".

We have prepared the consolidated financial statements in accordance with UK GAAP and the basis of preparation set out in Note 1 to the consolidated financial statements. Some of the measures used in this discussion and analysis are not measurements of financial performance under UK GAAP and have important limitations as analytical tools. You should not consider them in isolation or as substitutes for analysis of our results as reported under UK GAAP. See "Presentation of financial information and other data—Certain definitions" and "Presentation of financial information".

Introduction

Overview

We are the world's largest independent conveyor car wash company by number of sites, with the market-leading position in Germany and the United Kingdom and a significant presence in all other countries in which we operate. Our business has expanded over the course of our 49 year history, and today our network of freehold and leasehold sites consists of more than 830 car wash sites in 12 countries across Europe, as well as in Australia. The vast majority of our sites are operated on our behalf by individual third party operators. We trade under the IMO brand in Europe and Australia and the IMO and ARC brands in the United Kingdom.

We operate in the commercial car wash industry, which comprises four main types of car washes: attended conveyor wash; automated roll over wash; self-operated jet wash; and hand wash. We believe that the dynamics within our industry are favorable, with positive macro demand, market trends toward commercial car washing and greater environmental regulation in each of our key markets driving market growth for conveyor car washes such as ours.

We wash on average approximately 28 million cars per year, and we believe we have washed over 800 million cars since our inception in 1965. We are the largest independent conveyor car wash company in Germany, which is our largest and most profitable geographic market. Germany has the greatest number of passenger carrying vehicles (or car parc) in Europe, and this, combined with its strict environmental regulations that limit at-home or other alternative car washing options for consumers, makes the German market very attractive for our business. For the twelve months ended March 31, 2014, the German market accounted for 46.1% of our total turnover and 53.5% of our total EBITDA before Group overhead.

We aim to maximize turnover by optimizing volumes and pricing on a site-by-site basis and to maximize profits through our low-cost operating model. Our business model involves the use of third party operators who are remunerated on a commission basis, ensuring that they are adequately incentivized to drive turnover growth. Specifically, this commission based model incentivizes operators to "sell-up" customers to a more expensive car wash program, which results in greater turnover and margins for us. In addition, our third party operator model allows us to keep a flexible cost base.

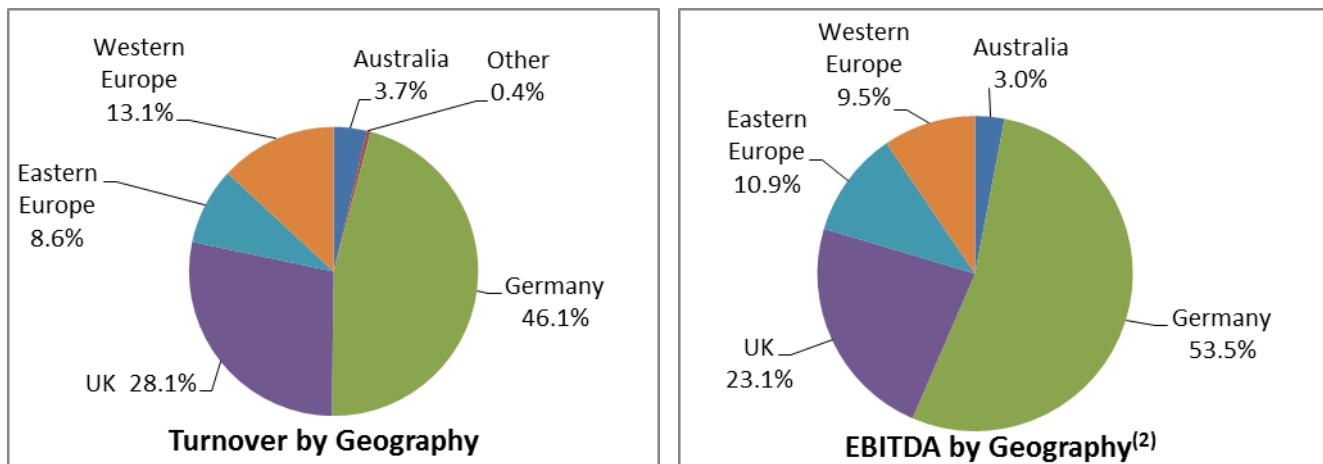
Our cost base is comprised of variable costs and fixed costs. For the year ended December 31, 2013, commissions paid to operators (which are variable in nature), and other variable wash costs, which include the cost of water, electricity, detergent and tank cleaning, amounted to 30.9% of our turnover. For the year ended December 31, 2013, fixed costs, which includes maintenance, rent, site heating, advertising, other site fixed costs and regional and group overheads amounted to 40.1% of our turnover.

Our expansive network of car wash sites across Europe and Australia also provides us with significant economies of scale, which reduces the overall operating costs for each of our car wash sites.

For example, we are able to negotiate lower prices with suppliers and other manufacturers by leveraging the size of our operations. As a result of both our third party business model and our economies of scale, we have been able to operate profitably while charging low prices, which we believe provides downside protection in challenging macro-economic conditions.

We collect a significant amount of data on a site-by-site basis which enables us to accurately monitor planned versus actual performance on a bottom-up basis and adjust our variable cost base to meet changing demand.

We are headquartered in High Wycombe, United Kingdom, and had 273 employees as of March 31, 2014. For the twelve months ended March 31, 2014 our consolidated turnover was £123.7 million, our EBITDA was £35.3 million and our EBITDA margin was 28.5%. Our turnover and EBITDA by geography for the twelve months ended March 31, 2014 are as follows:



(1) "Other" consists of sales of brush materials to third parties in countries outside of our car wash markets. EBITDA attributable to sales of brush materials is included in the Western Europe portion of the EBITDA chart above.

(2) EBITDA by geography is before group overhead costs.

Geographical organization

We manage our operations predominantly on a geographical basis. Our reporting regions are Germany, the United Kingdom, Rest of Europe and Australia. Each region is supervised by a regional managing director with local country managers in each country who supervise teams of regional managers and engineers. The size of each regional team correlates to the size of our operations in those markets. For more information on these regions see "Our Business".

Germany

Performance overview

The German market accounted for 45.2%, 43.0%, 45.2% and 46.1% of our total turnover and 49.7%, 47.7%, 51.0% and 53.5% of our EBITDA for the years ended December 31, 2011, 2012 and 2013 and for the twelve months ended March 31, 2014, respectively. Between 2011 and 2013, our turnover in Germany remained relatively constant underscoring the stability of the German market. Between 2011 and 2012, our EBITDA decreased from £20.7 million to £15.1 million, due to a decrease in wash days and a net decrease in sites during such period. However, between 2012 and 2013, our EBITDA recovered, increasing from £15.1 million to £20.0 million. Our EBITDA in Germany further increased for the three month period ended March 31, 2014, as compared to the three month period ended March 31, 2013, to £5.9 million, from £5.1 million, despite the negative impact of an unusually mild winter in Germany.

Market overview

The German automated car wash market was estimated at €1.7 billion in 2012 divided between conveyors (44%), roll over (38%) and jet wash (18%). The size of this market is a result of vigorously enforced legislative restrictions on the discharge of trade effluent, limiting alternatives to commercial automated car washes. In essence, these regulations prohibit the disposal of untreated waste water which, in turn, not only requires customers to use commercial washes, but also reduces the threat posed by commercial hand car washes because they are limited in their ability to treat waste water. In addition, we are the largest stand-alone conveyor car wash operator in Germany with a network of 320 sites, as of March 31, 2014, and are positioned as a "value player" in the market with average prices lower than both roll over and

other conveyor car washes. Furthermore, due to superior performance of conveyor systems as compared to roll over and other systems, conveyor sites significantly outperform roll over sites due to higher capacity. The German conveyor car wash market is highly fragmented and our network is greater than the combined total of the next 6 multi-site conveyor operators, the biggest of which has only 32 sites. The remainder of the conveyor car wash market is divided among approximately another 1,400 independent operators.

United Kingdom

Performance overview

The United Kingdom market accounted for 28.9%, 30.1%, 29.4% and 28.1% of our total turnover and 24.7%, 26.9%, 26.6% and 23.1% of our EBITDA for the years ended December 31, 2011, 2012 and 2013 and for the twelve months ended March 31, 2014, respectively. Between 2011 and 2013, our total annual washes in the United Kingdom decreased from 10.2 million to 9.7 million due to a net decrease of nine sites and a decrease in wash days over the same period. As a result of our re-focused strategy which seeks to reclaim volumes per site, we have experienced profit growth in 2013 with our UK sites experiencing an average increase in EBITDA per site of 4.4% compared to 2011.

Market overview

The UK automated car wash market in 2013 has been estimated at £226 million divided between conveyors (18%), roll over (52%) and jet wash (30%). Since 2003, the United Kingdom market has been dominated by commercial hand wash operators whose operations affect the competitive pricing and market share opportunities available for automated car washes. The increase of hand wash operators in the period between 2005 and 2010 occurred as a consequence of a wave of low-skilled immigration following the accession to the European Union of certain lower income Eastern European countries. The number of roll over car washes and jet wash machines has dropped consistently in recent years. Conveyor wash sites, despite a gradual increase from the year 2000 until 2008, have been declining since. However, our average United Kingdom volumes per site have risen from 29,886 to 34,529 washes per site per year from 2008 to 2013. While the United Kingdom has environmental regulations in place that restrict the operations of hand car washes, these regulations are insufficiently enforced. The United Kingdom Car Wash Association has been actively lobbying businesses and government departments to heighten awareness of the damaging environmental impact of hand washes. Furthermore, we believe that the hand wash market has stabilized and currently has reached a certain level of saturation. Nonetheless, as in Germany, we are positioned as a “value player” in the United Kingdom.

Rest of Europe

Performance overview

Our operations in the Rest of Europe, which consist of Austria, Belgium, the Czech Republic, France, Hungary, Luxembourg, the Netherlands, Poland, Portugal and Spain accounted for 25.2%, 22.8%, 21.4% and 21.7% of our total turnover and 25.5%, 23.1%, 19.5% and 20.4% of our EBITDA for the years ended December 31, 2011, 2012 and 2013 and for the twelve months ended March 31, 2014. While suffering a significant decline in 2012 and 2013 as a result of two years of poor weather, including the lowest number of annual wash days experienced over the last 13 years, turnover and volumes recovered in the three month period ended March 31, 2014, as compared to the three month period ended March 31, 2013.

Market overview

We believe the Eastern European market offers many possibilities for expansion given the resilient market conditions, growing GDP per capita, increasing car parc and underdeveloped car wash infrastructure. For example, in the Czech Republic, the car parc size has been increasing at a compound annual growth rate of 1.6% from 2008 through 2012. Furthermore, the number of service station car wash sites has grown at a compound annual growth rate of approximately 3.6% from 2008 through 2012, indicating growth in wash frequency. However, markets like Hungary and Poland are less saturated than Czech Republic, where higher penetration of conveyor sites indicates less room for growth.

Australia

Performance overview

Our operations in Australia accounted for 0.3%, 3.6%, 3.7% and 3.7% of our total turnover and 0.1%, 2.3%, 2.8% and 3.0% of our EBITDA for the years ended December 31, 2011, 2012 and 2013 and for the twelve months ended March 31, 2014. Following our acquisition of a network of 12 sites in Australia in November 2011 and the opening of one new site in 2012, our turnover in Australia has increased substantially, from AUD 6.2 million for the year ended

December 31, 2012 to AUD 7.5 million for the year ended December 31, 2013, due to increased wash volumes and the opening of a new site in 2012.

Market overview

The Australian car wash market is still in a robust growth phase, driven by an increasing car parc and an underdeveloped conveyor segment. The car wash business is heavily concentrated in metropolitan areas such as New South Wales, Victoria and Queensland. From 2002 through 2012, the commercial car wash market has been growing steadily at a compound annual growth rate of approximately 8%, driven by growing population and increasing car parc. Furthermore, the severe droughts that have been taking place since 2001 activated significant water restrictions, which limited the hand wash segment to the benefit of automated operators.

Key factors affecting our results of operations

We believe that the factors discussed below are principal factors materially affecting our results of operations.

Factors affecting demand for and turnover of our businesses

Weather conditions

Our business is highly dependent on local weather conditions, with precipitation and temperature being the key components. In particular, the demand for our services can be heavily affected by the level of precipitation on any given day as precipitation typically acts as a deterrent to car washing. Rainfall or snow on weekends has a particularly detrimental impact because a higher proportion of cars are washed on weekends than on weekdays. Extremely cold temperatures can also impact volumes because customers may not want to wash their cars if they are concerned that wash water will freeze on their car. Mild winters also negatively affect demand as the lack of overnight freezing and snow significantly reduces the need to wash cars. Furthermore, mild winters reduce the need to salt the roads which reduces the need of our customers to get higher priced washes (which include undercarriage or chassis waxing), thus negatively impacting our turnover and reducing our margins. In the summer months other factors, such as increased quantities of insects and dust, can have a positive impact on volumes. While we believe that the amount of rainfall correlates strongly with the volumes achieved, the relationship between rainfall and volumes of washes is not linear, and its predictive ability may vary. Furthermore, our business is subject to seasonality and, while our margins are usually not affected by it, our turnover is generally higher in the first and second quarters, as compared to the third and fourth quarters.

We monitor precipitation and temperature closely as a means of understanding our performance. This allows us to normalize the effect of local weather patterns and therefore assess underlying business performance excluding weather impact. This also enables us to have greater visibility on the success of strategic initiatives or, conversely, underlying operating problems at a particular moment in time. We develop our financial forecasts on the basis of wash volumes normalized for “average” weather or “wash days”, incorporating an expected number of unaffected days based on the last decade of weather patterns. The impact of other weather occurrences is not captured in this analysis, thus requiring us to make adjustments in the assessment of our performance.

Market conditions and consumer behavior

The general economic climate and variations in the cost of fuel and energy in the markets in which we operate also impact our performance. The general economic climate in our markets influences whether motorists choose to wash their cars themselves, choose to wash their cars at lower priced automatic car wash providers, choose fewer add-on car wash products or choose to wash their car less frequently. Increases in the cost of energy and fuel not only further impact consumer discretionary budgets, but also have a direct impact on the number of miles driven, which affects both the dirtiness of a car and the likelihood of passing an IMO site. However, our position as the “discourter” in each of the markets in which we operate offers us some protection from these economic effects if consumers opt to trade down.

In addition, consumer behavior patterns can also lead to volume variations. For example, during holiday periods we tend to see a decline in car wash volumes as customers typically drive less during these periods and volumes on a particular day can be affected by sporting events, such as televised football matches.

Competition

We face competition from other conveyor car wash providers, roll over car washes, jet washes and, predominantly in the United Kingdom, hand car washes. Conveyor car washes require larger parcels of land and, thus, we face competition with other retailers in securing new sites for openings, as a result of shortages of suitable land.

However, we are able to mitigate the competition for suitable land to some degree through long-term relationships with major retail partners across Europe who have significant experience and knowledge in finding and developing new sites. Roll-over car washes are smaller, automated car washes that customers drive their car through, as opposed to being on a conveyor, and are typically located at fuel stations and require less land. Jet washes require the customer to wash their own vehicle, do not dry the vehicle and require less land than both conveyor and roll over car washes. Hand car washes also require less land. However, hand car washes are predominantly only found in the United Kingdom due to various environmental regulations throughout the rest of Europe. While the availability of suitable land is a large competitive factor in terms of other conveyor car wash providers, our turnover is mainly impacted by price competition in local areas. We provide each of our sites with a standardized product and service offering; however the pricing structure of each site is determined on the basis of its own competitive landscape and its local customer base. Thus, we are able to respond to local price competition on a site-by-site basis.

New product development

Our sites offer a wide range of innovative wash products to our customers and we have a successful track record of product innovation, the latest of which includes ProShield and our foaming alloy wheel wash, which have a positive impact on our performance. As of March 31, 2014, ProShield was offered in over 400 sites across our network. Following a successful trial, we now have 53 sites in the United Kingdom offering foaming alloy wheel wash. We believe that our focus on new product development could have a positive impact on our turnover, as new premium products give us the opportunity to increase both turnover and margin through upselling by site operators, who are incentivized to sell more expensive products.

Factors affecting our costs

Costs which form part of EBITDA are driven primarily by volumes. Variable costs accounted for 43.3% of our total costs for the twelve months ended March 31, 2014.

Cost of sales

Variable costs include operator commissions, water, electricity, tank cleaning and cleaning chemical supplies. On average, 90 liters of water is required to wash one car; however, the design of our car washes enables us to recycle up to 75% of the water used. In each of our regions we engage in collective negotiations to achieve the lowest cost for utilities, including water. We expect that certain of our variable costs (including water and electricity) will increase in the future and we monitor any regulatory changes that may result in such increases in the markets in which we operate. However, we believe that we can pass through any increase in variable costs to our customers. For the year ended December 31, 2013, rent comprised 15.1% of our revenue, other site fixed costs comprised 14.9% of our revenue and overheads comprised 10.1% of our revenue.

The bulk of our fixed costs are in connection with the salaries of our regional management teams and property costs, such as rent, rates and maintenance costs. Other fixed items include heating, advertising and minor damage claims made by customers.

Other factors affecting our results of operations

Financing costs

As of March 31, 2014, our group had indebtedness of £164.6 million. As of and for the twelve months ended March 31, 2014, on a pro forma basis giving effect to the Offering of the Notes, we would have had £193.8 million of indebtedness. The degree to which we will be leveraged following the issuance of the Notes will require the dedication of a substantial portion of our cash flows from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flows for other corporate purposes.

Capital expenditures, acquisitions and renovations

We have low ongoing capital expenditure requirements, with maintenance capital expenditure of £1.5 million and expansionary capital expenditure of £22.2 million in the twelve months ended March 31, 2014. This is in addition to £7.6 million of repairs and maintenance (net of engineering capitalization costs) which are charged as an expense in the profit and loss account for the twelve months ended March 31, 2014.

Number of sites

The number of sites in our network has decreased since 2010, from over 900 as of December 31, 2009, to 832 as of March 31, 2014, as a result of a more rigorous asset management program designed to generate cash from divestment of underperforming sites. Notwithstanding these year-on-year reductions in site numbers, our EBITDA has remained relatively stable over such period. Given our current plan to roll out 17 sites in 2014 and 15 sites in 2015 (and subject to any closures of underperforming sites that we may carry out from time to time), we expect our turnover to increase due to our higher presence in the markets in which we operate.

Foreign exchange rate fluctuations

Our turnover earned in the twelve months ended March 31, 2014, was 63.1% in euro, 28.1% in pounds sterling and the balance of 8.8% spread across a variety of other currencies. Therefore, our cash flows are exposed to both translational foreign exchange risks as well as risks from the revaluation of our net monetary assets and liabilities. In addition, tax computations in certain countries in which we operate are prepared in local currency. We have a policy of not hedging foreign exchange risk, as we believe that our exposure to both euro and sterling provides us with a natural hedge.

Description of key line items in the consolidated profit and loss account

The following is a brief description of the most significant items included in the profit and loss account:

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of car washing and ancillary services, such as vacuuming and machine brush sales, to third party customers.

Cost of sales

Cost of sales comprise the direct operating expenses incurred in the operation of our car wash sites, including variable costs, such as operator commissions, water, electricity and chemicals as well as fixed costs, such as machine maintenance and repairs, engineering and property costs.

Gross profit/(loss)

Gross profit/(loss) reflects the operating profit before administration expenses, depreciation, amortization and interest.

Administrative expenses

Administrative expenses include all operating costs that are not directly attributable to the sites and the provision of car washing and ancillary services, principally central staff costs, premises costs, such as auditors' remuneration, directors' remuneration, legal and professional costs.

Other operating income

Other operating income reflects compensation for future earnings on the sale of freehold sites and the early surrender of leasehold sites. If the company receives an unsolicited offer to purchase a plot of land or is offered compensation to exit a leasehold site prematurely the company includes in other income the lower of the gain on disposal over the fair value balance sheet net book value or 7.5 times the previous twelve months EBITDA for the site.

Operating profit before depreciation, amortization, share-based remuneration, directors' incentive scheme and costs of refinancing.

Operating profit/(loss) consists of profit before any depreciation, amortization and interest.

Depreciation

Depreciation consists primarily of the write-off, on a straight-line basis, of all tangible fixed assets in use at rates calculated to write-off the cost of each asset less any estimated residual value.

Impairment

Impairment consists primarily of the charge for the shortfall of the discounted value of future operating cash inflow versus the net book value of the respective assets. For the purpose of determining impairment losses, each site is considered to be an income-generating unit under FRS 11. Future cash flows are estimated based on the remaining lease period for short leasehold sites and the estimated remaining economic life for freehold and long leasehold sites.

Amortization

Amortization consists primarily of the write-off, on a straight-line basis, of goodwill and patents amortized over a useful economic life of 20 years. Positive goodwill and patents are amortized over a useful economic life of 20 years. Negative goodwill is amortized over the period during which the non-monetary assets are recovered.

Interest receivable and similar income

Interest receivable and similar income consists of bank interest receivable and net foreign exchange gain.

Interest payable and similar charges

Interest payable and similar charges comprise interest on institutional loans and overdrafts, the interest element of finance lease payments, other finance costs and foreign exchange losses.

Tax on loss on ordinary activities

Income tax represents the sum of United Kingdom corporation tax, foreign taxes less deferred tax.

Results of operations

Summary

The following table sets forth certain of our historical turnover and expense items for each of the years ended December 31, 2011, 2012 and 2013 as well as for the three month periods ended March 31, 2013 and 2014.

	Three months ended				
	Year ended December 31,				March 31,
	(in £'000)				
	2011	2012	2013	2013	2014
Turnover	122,272	112,157	124,477	33,074	32,262
Cost of Sales	(71,214)	(71,812)	(75,803)	(19,621)	(19,168)
Gross profit	51,058	40,345	48,674	13,453	13,094
Administrative Expenses	(33,077)	(33,193)	(35,615)	(7,385)	(8,508)
Other operating income	745	801	—	—	—
Operating Profit before depreciation, amortization, share-based remuneration, directors' incentive scheme and costs of refinancing	41,490	30,436	36,109	10,653	9,892
Share-based remuneration	(1,294)	(948)	(495)	(35)	(219)
Directors' incentive scheme	(720)	—	(249)	—	—
Costs of refinancing	(1,889)	(4,574)	(2,254)	—	—
Depreciation	(12,622)	(11,320)	(13,838)	(3,000)	(3,537)
Impairment	(40)	527	(13)	—	—
Amortization	(6,199)	(6,168)	(6,201)	(1,550)	(1,550)
Operating (loss)/profit before exceptional items	18,726	7,953	13,059	6,068	4,586
Loss on sale of fixed assets	(186)	(87)	(1,914)	(68)	(118)
(Loss)/Profit on ordinary activities before interest	18,540	7,866	11,145	6,000	4,468
Interest receivable and similar income	196	595	46	6	55
Interest payable and similar charges	(13,433)	(12,312)	(13,715)	(3,157)	(3,113)
(Loss)/Profit on ordinary activities before taxation	5,303	(3,851)	(2,524)	2,849	1,410
Tax on loss on ordinary activities	(3,141)	(1,705)	(3,299)	(1,530)	(892)
(Loss)/Profit on ordinary activities after taxation	2,162	(5,556)	(5,823)	1,319	518
Equity minority interests	9	(107)	(210)	(10)	(24)
Profit/(loss) for the year	2,171	(5,663)	(6,033)	1,309	494

Three month period ended March 31, 2014 compared to the three month period ended March 31, 2013

Turnover. Turnover for the three month period ended March 31, 2014 was £32.3 million, a decrease of £0.8 million, or 2.5%, from £33.1 million for the three month period ended March 31, 2013. This decrease was primarily attributable to the factors discussed in each of the four regions below:

Turnover—Germany. Turnover in Germany for the three month period ended March 31, 2014 was £15.3 million, an increase of £0.8 million, or 5.5%, from £14.5 million for the three month period ended March 31, 2013. The £0.8 million increase in turnover is primarily attributable to a 8.3% increase in volume of cars washed per site in the three month period ended March 31, 2014, compared with the three month period ended March 31, 2013 (due to a 9.0% increase in the number of wash days), as well as an increase in revenue per wash of 3.1% in the three month period ended March 31, 2014, compared with the same period in 2013. This is due to increased margin from renovated sites and general price increases. These factors were partially offset by an unusually mild winter, the impact of exchange rate fluctuations due to a weakening of the euro, as well as by a decrease of seven sites in the three month period ended March 31, 2014 compared to the three month period ended March 31, 2013.

Turnover—United Kingdom. Turnover in the United Kingdom for the three month period ended March 31, 2014 was £8.8 million, a decrease of £1.7 million, or 16.2%, from £10.5 million for the three month period ended March 31, 2013. This decrease was primarily attributable to a 21.2% decrease in volume of cars washed per site in the three month period ended March 31, 2014, compared with the three month period ended March 31, 2013. Average volume of cars washed per site was impacted by an unusually mild winter, combined with a high level of rainfall resulting in a decrease in wash days of 38.0% in the three month period ended March 31, 2014, compared with the three month period ended March 31, 2013. These factors were partially offset by a 4.9% increase in revenue per wash in the three month period ended March 31, 2014, compared with the three month period ended March 31, 2013, due to increased margin from renovated sites and general price increases.

Turnover—Rest of Europe. Turnover attributable to our operations in the Rest of Europe for the three month period ended March 31, 2014 was £7.1 million, an increase of £0.2 million, or 2.9%, from £6.9 million for the three month period ended March 31, 2013. This increase was primarily attributable to a 14.8% increase in volume of cars washed per site in the three month period ended March 31, 2014, compared with the three month period ended March 31, 2013 (due to a 15% increase in the number of wash days). The impact on turnover on the increase in volume of cars washed per site was partially offset by a 3.8% decrease in revenue per wash which was caused by a change in the geographical mix of the volume of cars washed across the region, as revenue per wash was higher in Western Europe compared to Eastern and Southern Europe.

Turnover—Australia. Turnover attributable to our operations in Australia for the three month period ended March 31, 2014 remained unchanged at £1.0 million from the three month period ended March 31, 2013. This was due to an increase of 1.9% in volume of cars washed due to general growth of our business, combined with a 17.9% increase in revenue per wash in the three month period ended March 31, 2014, due to the introduction of new product offerings, compared with the three month period ended March 31, 2013, which was offset by the negative impact of exchange rate fluctuations.

Cost of sales. Cost of sales for the three month period ended March 31, 2014 was £19.2 million a decrease of £0.4 million, or 2.0%, from £19.6 million for the three month period ended March 31, 2013. This decrease was primarily attributable to the factors discussed in each of the four regions below:

Cost of Sales—Germany. Cost of sales in Germany for the three month period ended March 31, 2014 was £8.1 million, a slight decrease of £0.1 million or 1.2%, from £8.2 million for the three month period ended March 31, 2013. Included within our cost of sales are variable wash costs comprising water, electricity, chemicals and tank cleaning which for the three month period ended March 31, 2014 amounted to £2.2 million, an increase of £0.1 million, or 4.8% from £2.1 million for the three month period ended March 31, 2013. The increase in variable wash costs reflects an 8.3% increase in volume of cars washed per site in the three month period ended March 31, 2014, compared with the three month period ended March 31, 2013, combined with an increase of 2.7% in variable wash costs per wash (primarily due to an increase in electricity and tank cleaning costs). This was partially offset by the impact of exchange rate fluctuations. Also included within cost of sales are commissions paid to third party operators of our car wash sites. For the three month period ended March 31, 2014 commissions remained unchanged at £2.2 million. The impact of an increase in volume of cars washed per site on total commission was offset by a decrease in commissions per wash attributable to a change in sales mix and the impact of exchange rate fluctuations. Also included within cost of sales are car wash site rent and property tax expenditures, which remained unchanged at £2.2 million for the three month period ended March 31, 2014, as a slight increase in rent in local currency was offset by the impact of exchange rate fluctuations.

Cost of Sales—United Kingdom. Cost of sales in the United Kingdom for the three month period ended March 31, 2014 was £6.1 million, a decrease of £0.4 million, or 6.2%, from £6.5 million for the three month period ended March 31, 2013. Included within our cost of sales are variable wash costs comprising water, electricity, chemicals and tank cleaning which for the three month period ended March 31, 2014 amounted to £1.2 million, a decrease of £0.2 million, or 14.3% from £1.4 million for the three month period ended March 31, 2013. The decrease in variable wash costs reflects the 21.2% decrease in volume of cars washed per site in the three month period ended March 31, 2014, compared with the three month period ended March 31, 2013, offset by a 12.0% increase in variable wash costs per wash (primarily due to the increase in electricity costs). Also included within cost of sales are commissions paid to third party operators of our car wash sites. For the three month period ended March 31, 2014 commissions amounted to £1.9 million, a decrease of £0.3 million, or 13.6% from £2.2 million for the three month period ended March 31, 2013. The decrease in commissions is attributable to the decrease in the volume of cars washed, offset by a 11.9% increase in the commissions earned per wash, attributable to a change in sales mix. Also included within cost of sales are our car wash site rent and property tax expenditures, which for the three month period ended March 31, 2014 were £1.9 million, a decrease of £0.1 million, or 5.0%, from £2.0 million for the three month period ended March 31, 2013. The decrease in rent and property tax is primarily attributable to negotiation with landlords and local authorities.

Cost of Sales—Rest of Europe. Cost of sales in the Rest of Europe for the three month period ended March 31, 2014 was £4.4 million, an increase of £0.1 million, or 2.3%, from £4.3 million for the three month period ended March 31, 2013.

Included within our cost of sales are variable wash costs comprising water, electricity, chemicals and tank cleaning which for the three month period ended March 31, 2014 amounted to £0.9 million, an increase of £0.1 million, or 12.5% from £0.8 million for the three month period ended March 31, 2013. The increase in variable wash costs reflects a 14.8% increase in volumes of cars washed per site and a 1.6% increase in the variable wash costs per wash offset by the impact of exchange rate fluctuations. Also included within cost of sales are commissions paid to third party operators of our car wash sites. For the three month period ended March 31, 2014 commissions remained unchanged at £1.2 million from the three month period ended March 31, 2013, as the impact of an increase in volume of cars washed per site on total commissions was offset by a decrease in commissions per wash attributable to a change in sales mix and the impact of exchange rate fluctuations. Also included within cost of sales are our car wash site rent and property tax expenditures, which for the three month period ended March 31, 2014 were £1.0 million, a decrease of £0.1 million, or 9.1%, from £1.1 million for the three month period ended March 31, 2013. The decrease in rent and property tax is attributable to a decrease in site numbers and reductions in rent at a number of sites in Spain, following lease renegotiation with landlords.

Cost of Sales—Australia. Cost of sales in Australia for the three month period ended March 31, 2014 were £0.6 million, a decrease of £0.1 million, or 14.3%, from £0.7 million for the three month period ended March 31, 2013. Included within our cost of sales are variable wash costs comprising water, electricity, chemicals and tank cleaning which for the three month period ended March 31, 2014 remained unchanged at £0.1 million, as the impact of an increase in volume of cars washed per site, combined with a 14.1% increase in the variable wash costs per wash, which was offset by the impact of exchange rate fluctuations. Also included within cost of sales are commissions paid to third party operators of our car wash sites. For the three month period ended March 31, 2014 commissions remained unchanged at £0.2 million from the three month period ended March 31, 2013, as the impact of an increase in volume of cars washed per site on total commissions and an increase in the commissions earned per wash, attributable to a change in sales mix, was offset by the impact of exchange rate fluctuations. Also included within cost of sales are our car wash site rent and property tax expenditures, which for the three month period ended March 31, 2014 were £0.2 million, a decrease of £0.1 million, or 33.3%, from £0.3 million for the three month period ended March 31, 2013. The decrease in rent and property tax is attributable to exchange rate fluctuations.

Administrative expenses. Administrative expenses for the three month period ended March 31, 2014 were £8.5 million, an increase of £1.1 million, or 14.9%, from £7.4 million for the three month period ended March 31, 2013. Included within our administrative expenses are our central staff costs which for the three month period ended March 31, 2014 were £2.0 million, an increase of £0.2 million, or 11.1%, from £1.8 million for the three month period ended March 31, 2013. This increase reflects the resources added to key areas at group headquarters and within reorganized operations in the United Kingdom and Germany.

Operating profit before depreciation, amortization, share-based remuneration, directors' incentive scheme and costs of refinancing. Operating profit for the three month period ended March 31, 2014 was £9.9 million, a decrease of £0.8 million, or 7.5%, from a profit of £10.7 million for the three month period ended March 31, 2013.

Depreciation. Depreciation for the three month period ended March 31, 2014 was £3.5 million, an increase of £0.5 million, or 16.7%, from £3.0 million for the three month period ended March 31, 2013. This increase is primarily attributable to the increase in the value of fixed assets, due to our ongoing building and renovation programs.

Amortization. Amortization for the three month period ended March 31, 2014 remained unchanged at £1.6 million from the three month period ended March 31, 2013.

Interest receivable and similar income. Interest receivable and income for the three month period ended March 31, 2014 was slightly higher at £0.06 million for the three month period ended March 31, 2013 compared to nil for the three month period ended March 31, 2013.

Interest payable and similar charges. Interest payable and similar charges for the three month period ended March 31, 2014 remained unchanged at £3.1 million from the three month period ended March 31, 2013.

Taxation. Taxation for the three month period ended March 31, 2014 was £0.9 million, a decrease of £0.6 million from £1.5 million for the three month period ended March 31, 2014. This decrease was primarily attributable to an increase in the level of deferred tax credit in Germany.

Profit/(loss). As a result of the factors discussed above the loss for the three month period ended March 31, 2014 was £0.5 million, a decrease of £0.8 million, or 61.5%, from a profit of £1.3 million for the three month period ended March 31, 2014.

Year ended December 31, 2013 compared to the year ended December 31, 2012

Turnover. Turnover for the year ended December 31, 2013 was £124.5 million, an increase of £12.3 million, or 11.0%, from £112.2 million for the year ended December 31, 2012. This increase was primarily attributable to the factors discussed in each of the four regions below:

Turnover—Germany. Turnover in Germany for the year ended December 31, 2013 was £56.2 million, an increase of £7.9 million, or 16.4%, from £48.3 million for the year ended December 31, 2012. The £7.9 million increase in turnover is primarily attributable to a 10.4% increase in volume of cars washed per site in 2013, compared with 2012 (due to a 3% increase in wash days and increased volume at renovated sites), as well as an increase in revenue per wash of 3.8% in 2013, compared with 2012, as a result of increased margin from renovated sites and general price increases. Furthermore, our turnover was positively impacted by the effect of exchange rates fluctuations due to a stronger euro in 2013, as compared to 2012.

Turnover—United Kingdom. Turnover in the United Kingdom for the year ended December 31, 2013 was £36.5 million, an increase of £2.8 million, or 8.3%, from £33.7 million for the year ended December 31, 2012. This increase was primarily attributable to a 4.5% increase in the volume of cars washed per site in 2013, compared with 2012 (as a result of improved weather conditions and an increase in the number of wash days in 2013, compared to 2012), as well as an increase in revenue per wash of 5.0% in 2013, compared with 2012, as a result of increased margin from renovated sites and general price increases. This increase was partially offset by a 1.6% decrease in the average number of sites in 2013, compared to 2012.

Turnover—Rest of Europe. Turnover attributable to our operations in the Rest of Europe for the year ended December 31, 2013 was £26.6 million, an increase of £1.0 million, or 3.9%, from £25.6 million for the year ended December 31, 2012. This increase was primarily attributable to exchange rate fluctuations, due to a stronger euro in 2013, as compared to 2012, as well as due to a 2.6% increase in revenue per wash as a result of annual price increases. This increase was offset by a 0.6% decrease in volume of cars washed per site and a 2.5% decrease in the average number of sites in 2013, compared to 2012, due to a decrease in the number of wash days.

Turnover—Australia. Turnover attributable to our operations in Australia for the year ended December 31, 2013 was £4.6 million, an increase of £0.6 million, or 15.0%, from £4.0 million for the year ended December 31, 2012. This increase was primarily attributable to a 12.9% increase in volume of cars washed per site due to a higher number of wash days and a 4.8% increase in revenue per wash. These factors were partially offset by the negative impact of exchange rate fluctuations.

Cost of sales. Cost of sales for the year ended December 31, 2013 was £75.8 million, an increase of £4.0 million, or 5.6%, from £71.8 million for the year ended December 31, 2012. This increase was primarily attributable to the factors discussed in each of the three regions below:

Cost of sales—Germany. Cost of sales in Germany for the year ended December 31, 2013 was £30.9 million, an increase of £2.6 million or 9.2%, from £28.3 million for the year ended December 31, 2012. Included within our cost of sales are variable wash costs comprising water, electricity, chemicals and tank cleaning which for the year ended December 31, 2013 amounted to £8.0 million, an increase of £1.4 million, or 21.2% from £6.6 million for the year ended December 31, 2012. The increase in variable wash costs reflects an increase of 10.4% in the volume of cars washed per site in 2013, compared to 2012, as well as an increase of 7.2% in variable wash costs per wash (primarily due to an increase in electricity costs). Also included within cost of sales are commissions paid to third party operators of our car wash sites. For the year ended December 31, 2013, commissions amounted to £8.2 million, an increase of £1.2 million, or 17.1% from £7.0 million for the year ended December 31, 2012. The increase in commissions is attributable to an increase in the volume of cars washed per site in 2013, compared to 2012, as well as an increase in commissions per wash attributable to a change in sales mix, as an increased number of customers used our premium offerings compared to the prior period. Also included within cost of sales are our car wash site rent and property tax expenditures, which for the year ended December 31, 2013 were £8.9 million, an increase of £0.4 million, or 4.7%, from £8.5 million for the year ended December 31, 2012. The increase in rent and property tax is primarily attributable to a 0.9% increase in the level of rent in local currency.

Cost of sales—United Kingdom. Cost of sales in the United Kingdom for the year ended December 31, 2013 was £24.6 million, an increase of £0.1 million, or 0.4%, from £24.5 million for the year ended December 31, 2012. Included within our cost of sales are variable wash costs comprising water, electricity, chemicals and tank cleaning which for the year ended December 31, 2013 amounted to £5.0 million, an increase of £0.3 million, or 6.4% from £4.7 million for the year ended December 31, 2012. The increase in variable wash costs reflects an increase of 2.6% in variable wash costs per wash compared to 2012, as well as a 4.5% increase in volumes of cars washed per site (offset by a 1.6% decrease in average number of sites in 2013, compared to 2012). Also included within cost of sales are commissions paid to third party operators of our car wash sites. For the year ended December 31, 2013, commissions amounted to £8.0 million, an

increase of £0.7 million, or 9.6% from £7.3 million for the year ended December 31, 2012. The increase in commissions is attributable to a 6% increase in the commissions earned per wash, attributable to a change in sales mix. Also included within cost of sales are our car wash site rent and property tax expenditures, which for the year ended December 31, 2013 were £7.6 million, a decrease of £0.4 million, or 5.0%, from £8.0 million for the year ended December 31, 2012. The decrease in rent and property tax expenditures is primarily attributable to the reduction in number of sites and a decrease of provisions in respect of onerous leases in the year ended December 31, 2013.

Cost of sales—Rest of Europe. Cost of sales in the Rest of Europe for the year ended December 31, 2013 was £17.7 million, an increase of £1.1 million, or 6.6%, from £16.6 million for the year ended December 31, 2012. Included within our cost of sales are variable wash costs comprising water, electricity, chemicals and tank cleaning which for the year ended December 31, 2013 amounted to £3.2 million, an increase of £0.1 million, or 3.2% from £3.1 million for the year ended December 31, 2012. The increase in variable wash costs is primarily attributable to the impact of exchange rate fluctuations, as well as a 3.4% increase in the variable wash costs per wash, offset by a 0.6% decrease in volumes of cars washed per site and a 2.5% decrease in average number of sites in 2013, compared to 2012. Also included within cost of sales are commissions paid to third party operators of our car wash sites. For the year ended December 31, 2013, commissions amounted to £4.4 million, an increase of £0.2 million, or 4.8% from £4.2 million for the year ended December 31, 2012. The increase in commissions is attributable to the impact of exchange rate fluctuations, as well as an increase in the commissions earned per wash attributable to a change in sales mix. Also included within cost of sales are our car wash site rent and property tax expenditures, which for the year ended December 31, 2013 were £4.4 million, an increase of £0.2 million, or 4.8%, from £4.2 million for the year ended December 31, 2012. The increase in rent and property tax expenditures is attributable to the impact of exchange rate fluctuations, as well as a 1.5% increase in the level of rent in local currency.

Cost of sales—Australia. Cost of sales in Australia for the year ended December 31, 2013 was £2.7 million, an increase of £0.2 million, or 8%, from £2.5 million for the year ended December 31, 2012. Included within our cost of sales are variable wash costs comprising water, electricity, chemicals and tank cleaning which for the year ended December 31, 2013 amounted to £0.5 million, an increase of £0.1 million, from £0.4 million for the year ended December 31, 2012. The increase in variable wash costs reflects a 12.9% increase in volume of cars washed per site and an increase of 14% in variable cash costs per wash, primarily due to an increase in water and tank cleaning costs. Also included within cost of sales are commissions paid to third party operators of our car wash sites. For the year ended December 31, 2013, commissions amounted to £0.9 million, an increase of £0.1 million, or 12.5% from £0.8 million for the year ended December 31, 2012. The increase in commissions is primarily attributable to a 12.9% increase in volume of cars washed per site in 2013, compared with 2012. Also included within cost of sales are our car wash site rent expenditures, which for the year ended December 31, 2013 were £1.0 million, which remained unchanged as compared to the year ended December 31, 2012.

Gross profit. Gross profit for the year ended December 31, 2013 was £48.7 million, an increase of £8.4 million, or 20.8%, from £40.3 million for the year ended December 31, 2012.

Administrative expenses. Administrative expenses for the year ended December 31, 2013 were £35.6 million, an increase of £2.4 million, or 7.2%, from £33.2 million for the year ended December 31, 2012. Included within our administrative expenses are our central staff costs which for the year ended December 31, 2013 was £8.3 million, an increase of £0.6 million, or 7.8%, from £7.7 million for the year ended December 31, 2012. This increase is primarily attributable to the impact of exchange rate fluctuations, which impacted the staff costs in Germany and our operations in other countries in Europe. This increase also reflects the resources allocated to key areas within the Group to cover the increased level of activity associated with the site renovations program. Also included in administrative expenses is £1.2 million provision related to certain potential legal fees related to our restructuring in 2009, which was no longer recognized for the year ended December 31, 2013.

Other operating income. Other operating income for the year ended December 31, 2013 was nil, a decrease of £0.8 million from £0.8 million for the year ended December 31, 2012. Other operating income relates to the compensation for certain losses of future earnings related to the surrender of car wash sites during the year ended December 31, 2012, which were no longer applicable for the year ended December 31, 2013.

Operating profit before depreciation, amortization, share-based remuneration, directors' incentive scheme and costs of refinancing. Operating profit before depreciation, amortization, share-based remuneration, directors' incentive scheme and costs of refinancing for the year ended December 31, 2013 was £36.1 million, an increase of £5.7 million, or 18.8%, from a profit of £30.4 million for the year ended December 31, 2012.

Depreciation. Depreciation for the year ended December 31, 2013 was £13.8 million, an increase of £2.5 million, or 22.1%, from £11.3 million for the year ended December 31, 2012. This increase was primarily attributable to the increase in the value of fixed assets, due to our ongoing building and renovation programs, held by us for the year ended December 31, 2013.

Amortization. Amortization for the year ended December 31, 2013 remained unchanged at £6.2 million from the year ended December 31, 2012.

Interest receivable and similar income. Interest receivable and similar income for the year ended December 31, 2013 was £0.05 million, a decrease of £0.55 million, or 91.7%, from £0.6 million for the year ended December 31, 2012. This decrease was primarily attributable to the impact of exchange rate fluctuations on euro-denominated debt, due to the strengthening of the euro against the pound sterling in 2013.

Interest payable and similar charges. Interest payable and similar charges for the year ended December 31, 2013 was £13.7 million, an increase of £1.4 million, or 11.4%, from £12.3 million for the year ended December 31, 2012. This increase was primarily attributable to the impact of exchange rate fluctuations, as well as an increase in the amortization of debt issue costs related to the Existing Senior Facilities Agreement.

Tax on loss on ordinary activities. Tax on loss on ordinary activities for the year ended December 31, 2013 was £3.3 million, an increase of £1.6 million, or 94.1%, from £1.7 million for the year ended December 31, 2012. This increase was primarily attributable to the increase in tax payable in Germany as a result of our increased profits and the payment of taxes accrued in prior periods.

Profit/(loss) for the year. As a result of the factors discussed above the loss for the year ended December 31, 2013 was £6.0 million, an increased loss of £0.3 million from a loss of £5.7 million for the year ended December 31, 2012.

Year ended December 31, 2012 compared to the year ended December 31, 2011

Turnover. Turnover for the year ended December 31, 2012 was £112.2 million, a decrease of £10.1 million, or 8.3%, from £122.3 million for the year ended December 31, 2011. The factors in each of the three regions of the business as discussed below:

Turnover—Germany. Turnover in Germany for the year ended December 31, 2012 was £48.3 million, a decrease of £7.4 million, or 13.3%, from £55.7 million for the year ended December 31, 2011. This decrease was primarily attributable to a 9.7% decrease in volume of cars washed per site in 2012, compared with 2011 (as a result of a 9.0% decrease in the number of wash days), offset by an increase in revenue per wash of 3.2% in 2012, compared with 2011, as a result of increased margin from renovated sites and general price increases. Furthermore, exchange rate fluctuations had a negative impact in our turnover, due to the weakening of the euro.

Turnover—United Kingdom. Turnover in the United Kingdom for the year ended December 31, 2012 was £33.7 million, a decrease of £1.8 million, or 5.1%, from £35.5 million for the year ended December 31, 2011. This decrease was primarily attributable a 5.7% decrease in volume of cars washed per site in 2012 compared with 2011 (as a result of a 14% decrease in the number of wash days), as well as due to a reduction in the number of sites from 291 in the year ended December 31, 2011 to 287 in the year ended December 31, 2012. This decrease was offset by an increase in revenue per wash of 1.9% in 2012, compared with 2011, as a result of increased margins from renovated sites and general price increases.

Turnover—Rest of Europe. Turnover attributable to our operations in the Rest of Europe for the year ended December 31, 2012 was £25.6 million, a decrease of £5.4 million, or 17.4%, from £31.0 million for the year ended December 31, 2011. This decrease was primarily attributable to a 10% decrease in volume of cars washed per site in 2012, compared to 2011 (as a result of an 11% decrease in the number of wash days), offset by an increase in revenue per wash of 3.5% in 2012, compared to 2011, as a result of increased margins from renovated sites and general tax increases. Furthermore, exchange rate fluctuations had a negative impact in our turnover due to the weakening of the euro.

Turnover—Australia. Turnover attributable to our operations in Australia for the year ended December 31, 2012 was £4.1 million, an increase of £3.7 million, from £0.4 million for the year ended December 31, 2011. This increase was primarily attributable to the acquisition of the network of 12 sites in Australia in November 2011.

Cost of sales. Cost of sales for the year ended December 31, 2012 was £71.8 million, an increase of £0.6 million, or 0.8%, from £71.2 million for the year ended December 31, 2011. This increase was primarily attributable to the factors discussed in each of the three regions below.

Cost of sales—Germany. Cost of sales in Germany for the year ended December 31, 2012 was £28.3 million, a decrease of £2.0 million, or 6.6%, from £30.3 million for the year ended December 31, 2011. Included within our cost of sales are variable wash costs comprising water, electricity, chemicals and tank cleaning which for the year ended December 31, 2012 amounted to £6.6 million, a decrease of £0.6 million, or 8.3% from £7.2 million for the year ended December 31, 2011. The decrease in variable wash costs reflects a decrease of 9.7% in the volume of cars washed per site in 2012 compared with 2011, offset by an increase of 9.6% in variable wash costs per wash (primarily due to an increase in the cost of tank cleaning and an increase in detergent costs following the introduction of the ProShield wash). Also included within cost of sales commissions paid to third party operators of our car wash sites. For the year ended December 31, 2012 commissions amounted to £7.0 million, a decrease of £1.0 million, or 12.5% from £8.0 million for the year ended December 31, 2011. The decrease in commissions is attributable to a decrease of 9.7% in the volume of cars washed per site in 2012 compared with 2011 offset by a 3.6% increase in the commissions earned per wash, attributable to a change in sales mix. Also included within cost of sales are our car wash site rent and property tax expenditures, which for the year ended December 31, 2012 were £8.5 million, a decrease of £0.2 million, or 2.3%, from £8.7 million for the year ended December 31, 2011. The decrease in rent is primarily attributable to an increase in rent and property tax expenditures in local currency, offset by the impact of exchange rate fluctuations.

Cost of sales—United Kingdom. Cost of sales in the United Kingdom for the year ended December 31, 2012 was £24.5 million, an increase of £2.0 million, or 8.9%, from £22.5 million for the year ended December 31, 2011. Included within our cost of sales are variable wash costs comprising water, electricity, chemicals and tank cleaning which for the year ended December 31, 2012 amounted to £4.7 million, a decrease of £0.2 million, or 4.1% from £4.9 million for the year ended December 31, 2011. The decrease in variable wash costs reflects a decrease of 5.7% in the volume of cars washed per site in 2012 compared with 2011 combined with a decrease in the average number of sites and offset by an increase of 3.9% in variable wash costs per wash (primarily due to an increase in the cost of water and electricity). Also included within cost of sales are commissions paid to third party operators of our car wash sites. For the year ended December 31, 2012 commission amounted to £7.3 million, a decrease of £0.3 million, or 3.9% from £7.6 million for the year ended December 31, 2011. The decrease in commission is attributable to the decrease in wash volumes and site numbers, offset by an increase in the commission earned per wash attributable to a change in sales mix. Also included

within cost of sales are our car wash site rent and property tax expenditures, which for the year ended December 31, 2012 were £8.0 million, an increase of £2.3 million, or 40%, from £5.7 million for the year ended December 31, 2011. The increase in rent and property tax expenditures is primarily attributable to the release of a provision in respect of onerous leases (which had been created to cover potential losses arising from certain leases in underperforming sites) of £1.1 million in the year ended December 31, 2011 compared with an increase in the provision of £0.1 million in the year ended December 31, 2012. In addition, the credit for property tax rebates received and release of property tax accruals (which are obtained by negotiating rebates with the local authorities) were £1.0 million higher in the year ended December 31, 2011 than the year ended December 31, 2012.

Cost of sales—Rest of Europe. Cost of sales in the Rest of Europe for the year ended December 31, 2012 was £16.6 million, a decrease of £1.7 million, or 9.3%, from £18.3 million for the year ended December 31, 2011. Included within our cost of sales are variable wash costs comprising water, electricity, chemicals and tank cleaning which for the year ended December 31, 2012 amounted to £3.1 million, a decrease of £0.3 million, or 8.8% from £3.4 million for the year ended December 31, 2011. The decrease in variable wash costs reflects a 10% decrease in volume of cars washed per site in 2012 compared with 2011, as well as the impact of exchange rate fluctuations due to the weakening of the euro, partially offset by an increase of 7.9% in variable wash costs per wash in local currency resulting primarily from increases in costs of water and electricity. Also included within cost of sales are commissions paid to third party operators of our car wash sites. For the year ended December 31, 2012, commissions amounted to £4.2 million, a decrease of £0.6 million, or 12.5% from £4.8 million for the year ended December 31, 2011. The decrease in commissions is attributable to a decrease of 10% in the volume of cars washed per site in 2012 compared with 2011 offset by a 4.7% increase in the commissions earned per wash attributable to a change in sales mix. Also included within cost of sales are our car wash site rent expenditures, which for the year ended December 31, 2012 were £4.1 million, a decrease of £0.2 million, or 4.7%, from £4.3 million for the year ended December 31, 2011. The decrease in rent is attributable to the weakening of the euro currency partially offset by an increase of 1.5% in rent in local currency in the year ended December 31, 2012.

Cost of sales—Australia. Cost of sales Australia for the year ended December 31, 2012 was £2.5 million, an increase of £2.3 million from £0.2 million for the year ended December 31, 2011. The increase in costs was primarily attributable to the acquisition of the network of sites in Australia in November 2011.

Gross profit/(loss). Gross profit for the year ended December 31, 2012 was £40.3 million, a decrease of £10.7 million, or 21.0%, from £51.0 million for the year ended December 31, 2011.

Administrative expenses. Administrative expenses for the year ended December 31, 2012 were £33.2 million, an increase of £0.1 million, or 0.3%, from £33.1 million for the year ended December 31, 2011. Included within administrative expenses are our central staff costs which, for the year ended December 31, 2012 were £7.7 million, an increase of £0.2 million, or 2.7%, from £7.5 million for the year ended December 31, 2011. This increase is primarily a result of an increase in headcount which was primarily attributable to the acquisition of the network of sites in Australia in November 2011. Also included in administrative expenses is the provision credit in relation to warranties provided in relation to the 2009 court ruling related to our financial restructuring, which amounted to £1.2 million. Credit recognized for the same provision amounted to £0.6 million for the year ended December 31, 2012.

Other operating income. Other operating income for the year ended December 31, 2012 was £0.8 million, an increase of £0.1 million, or 14.3%, from £0.7 million for the year ended December 31, 2011. The other operating income relates to the compensation for loss of future earnings on the surrender of car wash sites during the year ended December 31, 2012 and the year ended December 31, 2011.

Operating profit before depreciation, amortization, share-based remuneration, directors' incentive scheme and costs of refinancing. Operating profit before depreciation, amortization, share-based remuneration, directors' incentive scheme and costs of refinancing for the year ended December 31, 2012 was £30.4 million, a decrease of £11.1 million, or 26.7%, from a profit of £41.5 million for the year ended December 31, 2011. This increase was primarily attributable to a decrease in turnover.

Depreciation. Depreciation for the year ended December 31, 2012 was £11.3 million, a decrease of £1.3 million, or 10.3%, from £12.6 million for the year ended December 31, 2011. This decrease was primarily attributable to a decrease in the value of fixed assets held by us during 2012.

Amortization. Amortization for the year ended December 31, 2012 remain unchanged at £6.2 million for the year ended December 31, 2011.

Interest receivable and similar income. Interest receivable and income for the year ended December 31, 2012 was £0.6 million, an increase of £0.4 million, from £0.2 million for the year ended December 31, 2011. This increase was

primarily attributable to the impact of exchange rate fluctuations on euro-denominated debt, due to the weakening of the euro against the pound sterling in 2012.

Interest payable and similar charges. Interest payable and similar charges for the year ended December 31, 2012 was £12.3 million, a decrease of £1.1 million, or 8.2%, from £13.4 million for the year ended December 31, 2011. This decrease was primarily attributable to the decrease in interest rates during the year ended December 31, 2012 compared with the year ended December 31, 2011, combined with the weakening of the euro against sterling during 2012.

Tax on loss on ordinary activities. Tax on loss on ordinary activities for the year ended December 31, 2012 was £1.7 million, a decrease of £1.4 million, or 45.2%, from £3.1 million for the year ended December 31, 2011. This decrease was primarily attributable to a lower current tax charge in Germany for the year ended December 31, 2012 and a decrease in the deferred tax charge arising in certain of our subsidiaries.

Profit/(loss) for the year. As a result of the factors discussed above the loss for the year ended December 31, 2012 was £5.7 million, a decline of £7.9 million from a profit of £2.2 million for the year ended December 31, 2011.

Liquidity and capital resources

Summary

Our primary source of liquidity is cash generated from operating activities and the targeted disposal of certain properties where the value of the property exceeds its potential value to our operations. Our liquidity requirements arise principally from our working capital requirements, tax obligations and payments of interest. We operate in an environment in which liquidity and capital resources are impacted by the performance of our business and our continuing ability to dispose of property at optimal prices.

As of March 31, 2014, we had cash at bank and at hand of £13.4 million. As of December 31, 2013, 2012 and 2011, we had cash at bank and at hand of £13.2 million, £10.9 million, and £13.4 million, respectively. Our net debt (consisting of bank loans, which will be repaid with the proceeds of this offering, and obligations under finance leases, after reduction of cash and cash equivalents) was £151.2 million as of March 31, 2014 and £151.9 million as of December 31, 2013. Our debt service obligations upon the successful completion of this Offering will consist primarily of interest and principal payable in respect of the Notes and the payment of interest and the repayment of any amounts drawn under the Revolving Credit Facility.

Analysis of cash flows

The table below shows a summary of our audited cash flow statements for the years ended December 31, 2011, 2012 and 2013 as well as for the three month periods ended March 31, 2013 and 2014.

	Year ended December 31,			Three months ended March 31,	
				(in £'000)	
	2011	2012	2013	2013	2014
Cash inflow from operating activities	35,715	24,586	35,056	12,205	10,903
Returns on investments and servicing of finance	(12,024)	(9,184)	(11,172)	(2,945)	(3,795)
Taxation	(2,586)	(3,817)	(1,940)	(679)	(2,125)
Capital expenditure and financial investment	(7,675)	(6,135)	(19,256)	(1,931)	(4,520)
Acquisitions and disposals	(2,086)	(43)	—	—	—
Cashflow/(outflow) before management of liquid resources and financing	11,344	5,407	2,688	6,650	463
Management of liquid resources	(8)	12	14	11	(4)
Financing	(7,221)	(7,368)	(420)	(48)	(44)
(Decrease)/increase in cash	4,115	(1,949)	2,282	6,613	415

Three month period ended March 31, 2014 compared to the three month period ended March 31, 2014

Cash flow from operating activities. For the three month period ended March 31, 2014, we generated net cash from operating activities of £10.9 million compared to £12.2 million for the three month period ended March 31, 2013. The decrease was primarily attributable to a decrease in turnover in the markets in which we operate.

Capital expenditure and financial investment. For the three month period ended March 31, 2014, net cash used in investing activities was £4.5 million compared to £1.9 million for the three month period ended March 31, 2013. The increase was primarily attributable to an increase in the number of site renovations and new build sites.

Year ended December 31, 2013 compared to the year ended December 31, 2012

Cash flow from operating activities. For the year ended December 31, 2013, we generated net cash from operating activities of £35.1 million compared to £24.6 million for the year ended December 31, 2012. The increase was primarily attributable to increased operating profit, due to the increase in turnover in the markets in which we operate, which more than offset our cost of sales in such markets.

Capital expenditure and financial investment. For the year ended December 31, 2013, net cash used in investing activities was £19.3 million compared to £6.1 million for the year ended December 31, 2012. The increase was primarily attributable to an increase in the number of site renovations, which amounted to 97 in the year ended December 31, 2013, compared to 19 in the year ended December 31, 2012.

Financing. For the year ended December 31, 2013, net cash flow from financing activities was an outflow of £0.4 million compared to an outflow of £7.4 million for the year ended December 31, 2012. The outflow in the year

ended December 31, 2012 related to debt issue costs in connection with the Existing Senior Facilities Agreement, which did not impact our net cash flow from financing activities for the year ended December 31, 2013.

Year ended December 31, 2012 compared to the year ended December 31, 2011

Cash flow from operating activities. For the year ended December 31, 2012, we generated net cash from operating activities of £24.6 million compared to £35.7 million for the year ended December 31, 2011. The decrease was primarily attributable to our decrease in operating profit, due to the decrease in turnover in Germany, the United Kingdom and Rest of Europe, as well as increased cost of sales in the United Kingdom. This decrease was offset by increased turnover in Australia and a decrease in cost of sales in Germany and Rest of Europe.

Capital expenditure and financial investment. For the year ended December 31, 2012, net cash used in investing activities was £6.1 million compared to £7.7 million for the year ended December 31, 2011. The decrease was primarily attributable to a decrease in cash received from the sale of fixed assets.

Financing. For the year ended December 31, 2012, net cash flow from financing activities was £7.4 million compared to £7.2 million for the year ended December 31, 2011.

Capital expenditure and financial investment

For the years ended December 31, 2011, 2012 and 2013, we spent £7.7 million, £6.1 million and £19.3 million, respectively, on capital expenditures and financial investments to support our business strategy and development plans. For the three month periods ending March 31, 2013 and 2014, we spent £1.9 million and £4.5 million, respectively, on such capital expenditures. Capital expenditures have historically comprised the costs associated with the establishment of new car wash sites, in particular the purchase of the machinery, the building and the civil engineering works for the surfaces of the property and the connection of utilities. The following table sets forth a breakdown of our capital expenditures by period.

	Three months ended March 31,				
	Year ended December 31,		(in £'000)		
	2011	2012	2013	2013	2014
Purchase of tangible fixed assets	(10,542)	(10,575)	(21,657)	(2,683)	(4,713)
of which:					
<i>Maintenance capital expenditures⁽¹⁾</i>	(1,756)	(1,858)	(1,539)	(279)	(264)
<i>Expansionary capital expenditures⁽²⁾</i>	(8,786)	(8,717)	(20,118)	(2,404)	(4,449)
Sale of tangible fixed assets	2,906	4,693	2,311	742	239
Purchase of financial investments	(51)	(292)	(58)	(34)	(58)
Sale of financial investments	12	39	148	44	12
Capital expenditure and financial investment	(7,675)	(6,135)	(19,256)	(1,931)	(4,520)

- (1) Includes capital expenditure spent on certain components within existing car wash structures that have a substantially different economic life from the rest of the asset.
- (2) Includes capital expenditure spent on building new car wash sites as well as capital expenditure spent on renovating and upgrading existing car wash facilities.

Capital expenditure for the three month period ended March 31, 2014. Purchase of tangible fixed assets in the three month period ended March 31, 2014 amounted to £4.7 million. The majority of these expenditures related to the establishment of one new site (and another five sites under construction), and the renovation and introduction of new formats at 20 existing sites.

Capital expenditure for the three month period ended March 31, 2013. Purchase of tangible fixed assets in the three month period ended March 31, 2013 amounted to £2.7 million. The majority of these expenditures related to the construction of one new site (which opened in April 2014), and the renovation and introduction of new formats at 14 existing sites.

Capital expenditure for the year ended December 31, 2013. Purchase of tangible fixed assets in the year ended December 31, 2013 amounted to £21.7 million. The majority of these expenditures related to the renovation and introduction of new formats at 97 sites, as well as the establishment of four new sites (and another five sites under construction) and the introduction of product enhancements (ProShield) at 180 sites.

Capital expenditure for the year ended December 31, 2012. Purchase of tangible fixed assets in the year ended December 31, 2012 amounted to £10.6 million. These expenditures comprised of the establishment of nine new sites (and one site under construction) and the refurbishment and introduction of new vacuum formats at 19 sites.

Capital expenditure for the year ended December 31, 2011. Purchase of tangible fixed assets in the year ended December 21, 2011 amounted to £10.5 million. These expenditures comprised the establishment of seven new sites and the refurbishment and introduction of new formats at 20 sites, including Nano and Ultimate Wax, which was commenced in 2010 and was completed at 283 sites.

Future capital expenditure and financial investment

We currently expect that our capital expenditure and financial investment in 2014 will be generally in line with that of previous years. We continually evaluate our capital needs and compare them to our estimated funds available and our actual future capital expenditure and financial investment may be higher or lower than our budgeted amounts.

Future liquidity

As noted above, our liquidity requirements arise principally from working capital requirements, tax obligations, payments of interest and repayments of debt. Our principal source of liquidity in the future will be cash generated from operating activities. Following the Offering, we believe that cash generated from operating activities, together with capacity available under the Revolving Credit Facility, will be sufficient to fund our working capital requirements, anticipated capital expenditures and payments of interest as they become due for the foreseeable future, although we cannot provide assurance that this will be the case. Our planned capital expenditures and investments may be complimented with medium-or long-term debt financing and equity financing or the sale of our freehold properties as additional capital expenditure requirements develop.

We are highly leveraged and have significant debt service obligations. As of March 31, 2014, after giving pro forma effect to the Offering of the Notes, we would have had £193.8 million of indebtedness, of which £192.6 million would have been outstanding indebtedness under the Notes. We anticipate that our high debt quantum will continue for the foreseeable future.

Contractual obligations and contingent liabilities

The following table summarizes the contractual obligations and principal payments we would have been obligated to make as of March 31, 2014 under our debt instruments and other finance agreements, and certain pro forma information giving effect to the offering of the Notes.

Contractual obligations

(£ in thousands)	Total	Payments due by period			
		Less than 1 year	1-2 years	3-5 years	More than 5 years
Notes offered hereby (euro equivalent)	192,647	—	—	—	192,647
Revolving Credit Facility	—	—	—	—	—
Obligations under finance leases	1,163	172	167	408	416
Total.....	193,810	172	167	408	193,063

The information presented in the table above reflects our estimates of the contractual maturities of our obligations. These maturities may differ significantly from the actual maturity of these obligations. The table above also mainly reflects those agreements and obligations that are customary and necessary in light of the activities in which we engage.

Off-balance sheet arrangements

We are not party to any material off-balance sheet arrangements.

Qualitative and quantitative disclosures about market risks

Foreign currency risk

Our turnover earned in the twelve month period ended March 31, 2014, was 63.1% in euro, 28.1% in pounds sterling and the balance of 8.8% spread across a variety of other currencies. Our reporting currency is pound sterling. Therefore, our cash flows are exposed to both translational foreign exchange risks as well as risks from the revaluation of our net

monetary assets and liabilities. In addition, tax computations in certain countries in which we operate are prepared in local currency.

We are also exposed to transactional foreign currency risk as a result of sales or purchases by our regional businesses in currencies other than their functional currencies. Our business is affected by exchange rate transaction risks to the extent our costs are incurred in currencies other than the local currency. Thus, if the value of the local currency deteriorates with respect to the transaction currency, the relative costs will increase.

In order to minimize our exposure to exchange rate fluctuations, the currency of our income and expenditure is matched, where at all possible, thereby creating a natural hedge against such fluctuations. In addition, we manage the currencies of our debt, cash balances and inter-company accounts in order that, as far as possible, monetary assets and liabilities in each of our main trading currencies are matched thereby reducing exposure to the translation of our net assets denominated in foreign currencies.

We have carried out a sensitivity analysis of the key figures for the year ended December 31, 2013 and the three month period ended March 31, 2014, and have concluded that a 5% rise in the pound sterling against currencies of the continental European countries in which we operate (mainly the euro) and the Australian dollar, would have reduced our turnover by £4.5 million and £1.2 million, respectively, and would have reduced our EBITDA by £1.4 million and £0.4 million, respectively.

We monitor our exposure to foreign exchange risk on an ongoing basis through analysis of the profile of our monetary assets and liabilities, and we have a policy of creating natural hedges where possible, mitigating the impact of currency movements in terms of profits, cash flow and net assets.

Interest rates

Our exposure to market risk for changes in interest rates relates primarily to our debt obligations. We will not have any cash flow exposure due to rate changes on the Notes as they will bear interest at a fixed rate. However, we will have cash flow exposure on our Revolving Credit Facility.

Pension obligations

The Group operates an unfunded defined benefit pension plan in Germany and makes some pension provisions in other markets.

The Group currently makes contributions to two defined contribution pension schemes. The assets of the schemes are held separately from the Group's assets in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period. The pension cost charge for the three month period ended March 31, 2014 represents our contributions payable to the scheme and amounted to £15,000.

In Germany, Toman Handels- und Beteiligungsgesellschaft mbH & Co KG operates a defined benefit scheme which is closed to new members. In line with common German practice, the scheme is unfunded; therefore no assets exist and the funding deficit represents the present value of the scheme liabilities. The pension scheme deficit is recognized in full. The movement in the scheme deficit is split between operating charges, finance items and, in the statement of total recognized gains and losses, actuarial gains and losses. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The funding deficit as at March 31, 2014 was £4.9 million.

Critical accounting policies

Our consolidated financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards applied consistently throughout each period presented in this offering memorandum. In accordance with FRS 8, transactions or balances between group entities that have been eliminated on consolidation are not reported. Under section 408(3) of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for turnover and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Adjustments to estimates are recognized in the period in which the estimate is revised, if the change affects only that period or in the period of the revision and subsequent periods if both periods are affected.

Further information on critical accounting policies is provided in Note 1 to our consolidated financial statements included elsewhere in this offering memorandum. The most important critical accounting policies are summarized below.

Going concern

The group collects almost all of its revenues at the time of provision of services while credit terms are available on a substantial part of its costs. As a result the group employs negative working capital (stock plus debtors less creditors) which is a feature of the Group's business model. The financial statements have been prepared on a going concern basis. Having considered cash flow forecasts for the foreseeable future, the directors consider that this is the appropriate basis for preparation of the financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of Rose Holdco and its subsidiary undertakings for the periods provided. The acquisition method of accounting has been adopted.

Goodwill

Goodwill on consolidation represents the excess of the fair value of consideration given and acquisition costs over the fair value of the separable net assets acquired. Goodwill is amortized over its estimated useful economic life, being 20 years. The useful economic lives are periods over which the directors estimate the value of the underlying businesses to exceed the value of the underlying assets.

Goodwill is assessed for impairment by comparing the carrying value of the asset to its recoverable amount, which is the higher of its net realizable value and value in use. The value in use of the Group has been established by discounting the Group's future cash flows at the Group's weighted average cost of capital. Any impairment loss is recognized immediately in the Group's consolidated profit and loss account.

Negative goodwill up to the fair values of the non-monetary assets acquired is recognized in the consolidated profit and loss account in the periods in which the non-monetary assets are recovered. Any negative goodwill in excess of the fair values of the non-monetary assets acquired is recognized in the profit and loss account in the periods expected to be benefited.

Intellectual property

Purchase by the Group of patents relating to the design of car washes are amortized on a straight-line basis over their estimated useful economic lives, being 20 years. Where representing a foreign currency asset, patents and accumulated amortization are retranslated to the closing rate at year end.

Post-retirement benefits

The group operates several defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Toman Handels- und Beteiligungsgesellschaft mbH & Co KG operates a defined benefit scheme in Germany which is closed to new members. In line with common German practice, the scheme is unfunded; therefore no assets exist and the funding deficit represents the present value of the scheme liabilities. The pension scheme deficit is recognized in full. The movement in the scheme deficit is split between operating charges, finance items and, in the statement of total recognized gains and losses, actuarial gains and losses. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme deficit is recognized in full. The movement in the scheme deficit is split between operating charges, finance items and, in the statement of total recognized gains and losses, actuarial gains and losses. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on a straight-line basis on all tangible fixed assets in use at rates calculated to write off the cost of each asset less any estimated residual value over its estimated useful life as follows:

Freehold and long leasehold land	no depreciation provided
Short leasehold land and structures	the term of the lease
Site structures	7-35 years or lease term if less
Car wash equipment	20 years
Assets in the course of construction	no depreciation provided
Motor vehicles and office equipment	5 years

For the purpose of determining impairment losses, each site is considered to be an income-generating unit under FRS 11. Future cash flows are estimated based on the remaining lease period for short leasehold sites and the estimated remaining economic life for freehold and long leasehold sites.

Restoration and other provisions

A provision is recognized when the directors consider that there is a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If these conditions are not met, no provision is recognized. Provisions are measured at the value of the expenditures expected to be required to settle the obligation.

Provision for the cost of restoring leased sites to their original state upon expiry of the lease is made to the extent that it is measurable. Such cost is capitalized at the beginning of the lease and is depreciated over each site's remaining useful economic life.

Capitalization of incremental internal costs

The Group designs and develops car wash equipment for use in its business. The associated costs are capitalized and allocated to individual fixed assets as they are installed.

Certain incremental internal costs are capitalized as part of the cost of tangible fixed assets when new sites are opened and when substantial economic enhancement is made to existing sites through renovation or upgrading. These costs include some salary costs of the employees involved in these activities.

Stocks

Stocks are valued on a first-in first-out basis and are stated at the lower of cost and net realizable value.

Investments

In the company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off. Investments are assessed for impairment by comparing the value of the asset to its recoverable amount, which is the higher of its net realizable value and value in use. The value in use of the investment has been established by discounting the investment's cash flows at the investment's weighted average cost of capital.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account.

The assets and liabilities of foreign subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the period. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

To the extent that foreign borrowings have been used to finance group investments, investments in foreign enterprises or to provide a hedge against exchange risk, exchange gains or losses on foreign currency borrowings are offset against exchange differences on the re-translation of net investments.

Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalized in the balance sheet and are depreciated over their useful lives. The interest element of the obligation is charged to the profit and loss account over the period of the agreement and represents a constant proportion of the balance of repayments outstanding. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the life of the lease.

Taxation

The charge for taxation is based on the profit/loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for all deferred tax timing differences. Provision is made for all deferred tax timing differences in accordance with FRS 19. Deferred tax assets are not recognized unless it is considered that it is more likely than not they will be recovered.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of car washing and ancillary services to third party customers.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable within 24 hours, less overdrafts payable on demand.

Current asset investments

Current asset investments represent deposits repayable after more than 24 hours.

Interest-bearing borrowings

Debt is stated at the fair value of the consideration received. The finance cost of the debt is allocated to periods over the term of the debt at a variable rate in accordance with the terms of issue.

Employee share ownership trust

Transactions of the company-sponsored ESOT are treated as being those of the company and are therefore reflected in the parent company and group financial statements.

Share based remuneration

The fair value of rights granted to the company's equity is recognized as an employee expense with a corresponding increase in equity. The expense is spread over the period between grant date and the estimated date by which the rights will become exercisable.

Industry

Due to the lack of publicly available information on the car wash industry, we commissioned the Eden McCallum Report. Generally, the industry and market data presented below is, unless otherwise indicated, taken or derived from the Eden McCallum Report. Industry and market data are subject to uncertainty and do not necessarily reflect actual industry or market conditions. They are based on industry or market research, which itself is based on sampling and subjective judgments by both the researchers and respondents, including judgments about what types of products and competitors should be included in the relevant markets and the Eden McCallum Report is qualified accordingly. We believe that this industry and market data is reliable but we have not independently verified it and cannot guarantee its accuracy or completeness. See "Industry and market data".

Overview

Commercial car washing services can be divided into two types: automated and manual. We estimate that the total automated car wash industry in Europe in 2011 was a €5.0 billion market, and can be divided into three main types: conveyor, rollover, and jet wash. Of the countries in Europe, Germany had the largest automated car wash market by revenue and number of washes in 2013.

The automated car wash market is largely fragmented. Most players in Germany, the UK and Australia are small independent operators who run facilities in concentrated geographic areas. Acquisition activity in recent years has also led to some market consolidation, particularly in the United States.

Automated car washes

The three types of automated (or semi-automated) services have distinctive features in their operating characteristics, capacities, costs and customer perception.

Conveyor car washes

Conveyor car washes operate with the driver remaining in the vehicle while the vehicle is pulled along a track with different processes being applied to the car at specific stages on the track.

Conveyor car washes have higher initial capital costs than rollover car washes or jet wash car washes, but we believe that they have a considerably longer useful life. Conveyor washes offer motorists an attended service with the key benefits of increased convenience and speed without needing to leave the comfort of their vehicle. We estimate that conveyor car washes can wash up to four vehicles at a time and can wash up to 600 cars per day.

Customer perceptions vary between types of automated car washes. Many motorists perceive the quality of conveyor car washes to be better than that of other forms of automated washing due to the speed, overall wash quality and convenience.

Rollover car washes

Rollover car washes operate by having the wash machine move backward and forward over a stationary vehicle with different wash applications being applied at each pass.

Rollover car washes require larger operating sites and have higher initial capital costs (ranging from approximately £35,000 to £100,000 for site installations) and higher maintenance costs than jet washes, but require smaller sites and have a lower initial capital costs and lower maintenance costs than conveyor car washes. We estimate that the maximum capacity of rollover car washes is up to 120 washes per day.

Jet washes

Jet washes typically involve a high pressure water hose and brush attachment allowing the owner to wash his or her own vehicle.

Usage is normally based on a "buy time" principle, with customers paying for the length of time they use the jet wash machinery. Jet washes do not have a drying function and tend to be significantly less convenient as the owner is required to wash his own vehicle. Capacity throughput is similar to that of rollover car washes but lower than that of conveyor car washes. Jet washes generally cost less to install (approximately £15,000 to install site and equipment) and maintain than either rollover car washes or conveyor car washes.

Manual washes

Manual car washes, which we also refer to as commercial hand wash operations, are predominantly found in the United Kingdom. Manual car washes grew markedly in the United Kingdom between 2005 and 2012 as a consequence of the wave of low-skilled immigration that followed the EU accession of low-income Eastern European countries and low barriers to entry.

Hand washes require less capital than automated car washes and generally do not require large operating sites. Depending on the level of labor, manual car washes may have significantly longer wash times than automated car washes. Some customers view this increased time requirement as indicative of a more thorough car wash.

Geographical overview and competition by country

The relative distribution of the car wash market between types of automated washes varies in each territory. The table below highlights the estimated breakdown of the total commercial car wash market share in Germany, the UK and Australia in 2013:

Country	% of market for conveyor	% of market for rollover	% of market for jet	% of market for manual
Germany (Value of total market: €1.7 billion)	44%	38%	18%	—
UK (Value of total market: £518.0 million)	8%	23%	13%	56%
Australia (Value of total market: AUD 740.0 million)..	4%	26%	22%	48%

Source: Eden McCallum Report

Moreover, the dynamics of the car wash industry vary considerably across geographies.

Germany

Germany is our largest market and the largest automated car wash market in Europe, with an estimated 350 million car washes per year. The German automated car wash market was estimated at €1.7 billion in 2012 divided between conveyor car washes (estimated at 44%), roll over car washes (estimated at 38%) and jet washes (estimated at 18%). Although hand washes are illegal and difficult to account for, it is widely believed that they could also account for 10-20% of all washes.

The large market share of rollover and conveyor car washes is largely driven by consumer preference for quality and strict environmental restrictions on hand washing. The German market has reached “maturity”. Since 2003, the German car parc has been growing slowly at an estimated 1% per annum, resulting in long term growth of an estimated 1% annually for the total car wash market through 2019. GDP per capita in Germany is forecasted to increase to €4,000 by 2020 from €1,000 in 2012, which may positively impact the car wash industry as customers benefit from increased disposable income. The technology shift from rollover car washes to conveyor car washes has largely leveled off, and provides modest growth and opportunistic consolidation for conveyor operators. The majority of conveyor and rollover sites in Germany are owned by petrol stations, with small independent players owning the remainder.

As of the date of this offering memorandum, we are the largest single player in the German conveyor market with an 18% market share (320 sites). Medium players then make up 6% of the market, split between four brands: Mr. Wash (30 sites), Clean Car (24 sites), Cosy Wash (22 sites) and Best Carwash (32 sites). Small independent players (those operating less than 20 sites) account for a further 43% of the market, and petrol stations account for the remainder of the conveyor market with a 33% market share.

United Kingdom

The United Kingdom is our second largest market and is defined as a mid-size market in Europe, with approximately 230 million car washes per year.

In the 1980s, rollover carwashes dominated the automatic car wash market in the UK. Over the past 24 years, the closing of petrol forecourts and decreasing margins, coupled with the rise of hand washes, caused a significant decline in rollovers. Jet washes, which make up approximately 13% of the market, have also continued to lose market share since 2000 due to the rise of hand washing.

From 2005 to 2012 hand car washes boomed in the UK as a result of the wave of low-skilled immigration that followed the EU accession of low-income Eastern European countries. In recent years, the UK automated car wash industry has continued to lose market share across all segments to commercial hand wash operators.

As a result of consumer preference for improved wash quality and the absence of legislative enforcement of environmental regulation, we estimate that as of 2013 commercial hand car washes accounted for up to 56% of the UK market, rollover car washes account for 20% of the market, jet washes accounted for 13% and conveyor car washes accounted for 8%. The heavy market dominance of commercial hand wash operators limits the ability of automated car wash operators to increase prices in the UK and makes it a competitive market for automated car wash operators offering little growth or consolidation potential.

The majority of rollover and jet car wash sites are wholly owned by petrol stations, although some independent players own a nominal share of these markets. The declining “influx of low cost labor” and the apparent “saturation” of the hand wash segment indicate that growth in the hand wash market has now stabilized. As such, the UK car wash market appears to have reached a stable plateau with no further market share shifts expected.

As of 2012, we were the largest single player in the UK conveyor market, with 76% market share. Of the remaining 40 sites in the conveyor market, Mister Clean had six sites and the rest were thinly spread across private individual operators.

Rest of Europe and Australia

Certain markets in the Rest of Europe and Australia offer significant short to mid-term growth potential in the car wash industry. This market is expected to continue to evolve over the next decade. Whereas, we believe that Western Europe already has a well-developed retail network of commercial centers and hypermarkets and offers low forecast growth in GDP and new vehicles registered, we believe that Eastern Europe is a key growth market in the car wash industry and for us. In particular, Austria, Poland, Czech Republic and Hungary have been identified as the key expansion countries by us. These four countries are principally attractive areas for network expansion given their strong growth forecasts in new car registrations, the relatively low level of market penetration by existing automated car wash providers, and the significant growth potential in retail operations in these regions. The competitive infrastructure of these countries is still underdeveloped, with a large number of key locations in the main population centers available for automated car wash installations. We estimate that as of 2012 conveyor car washes accounted for up to 17% of the commercial car washes in Poland (excluding commercial hand washes) and in 2010 conveyor car washes accounted for up to 21% and 27% of the commercial car washes in Hungary and the Czech Republic, respectively (excluding commercial hand washes). While car ownership in these countries is still behind Western European rates, it is expected to converge in the mid-term resulting in higher growth in average volumes per site through 2020. The car parc in Poland is expected to grow by 3.4% per annum through 2015; similarly the car parc in Czech Republic is expected to increase by 1.6% annually through 2015. Additionally, in Eastern European cities, the urban population is concentrated in the center of cities, with most inhabitants living in apartment blocks. This limits the possibility of car washing at home, and therefore automated car washing is the most convenient and feasible option in these locations.

The Australian car wash market, estimated at AUD 704.0 million in 2013, is highly fragmented and currently dominated by petrol company rollover washes, localized private jet washes and individually operated premium hand wash centers. Although 36% of owners currently use commercial wash facilities, it constitutes a very attractive market due to a high penetration of motor vehicles, a robust economy and one of the best climates in the world. The Australian car wash market has been growing steadily since 2002, at approximately 8% per annum, and is forecast to continue growing at 4.3% annually through to 2022, driven by rising car parc (car parc growth forecasted at 2.3% per annum through 2022) and increases in washes per car (2% growth per annum through 2022). In 2013, it was estimated that commercial hand wash represented 48% of the car wash market, rollovers 26%, jet wash 22% and conveyors 4%.

Macroeconomic drivers

General

As with other consumer-facing businesses, macroeconomic consumer drivers are key determinants of car wash market size. The most sizeable car wash markets are driven by large populations and high levels of disposable income, which lead to high degrees of car ownership. Higher income levels in any given market also drive increased frequency of car washes and have a propensity to sustain higher wash prices, both of which support the size and growth of the car wash market. Although car washing is considered a discretionary spend item by many motorists, it represents only a small proportion of total motoring spend. We believe that this ensures that car wash revenue, while positively linked to long term economic growth, is relatively insensitive to shorter term recessionary impacts on consumer spending. In particular, discounters such as IMO are at a comparative advantage in times of economic weakness.

Weather

We believe that commercial car washing is particularly sensitive to the weather on any given day, and as such prevailing weather conditions have a key positive and negative short-term impact on car wash volumes. In particular, commercial car washing is affected by the local level of precipitation (i.e., rain and snow): if there is significant rain on any given day customers are less likely to wash their cars. Furthermore, people tend to wash their cars more often in the winter and early spring and, consequently, the first quarter of each year is important for the car wash industry. All other things being equal, a day in January which is not affected by precipitation is more productive for the car wash market than a similar day in June. Weather conditions driving positive car wash demand include: reasonably cold winters, owing to the impact of salt and grit on cars, consistent periods of dry weather and dust, pollen and summer bugs. Weather conditions driving negative demand include: rain, which is the key driver of negative demand and mild winters, which negatively affect demand as they reduce the need to wash cars as frequently. Furthermore, extreme cold negatively affects demand as customers are inclined to stay home in cold weather, and car doors freeze shut if left wet.

The relative impact of weather conditions is further influenced by seasonal conditions and the day of the week on which the variable weather is experienced. Rainfall on Fridays and weekends has a particularly detrimental impact due to the high proportion of cars being washed on those days. Conversely, some weather conditions, such as drought, drive additional car wash volumes, as they dirty motor vehicles.

Car parc

Demand in a given market is directly affected by the size and make-up of the car parc. The German car parc is the largest in Europe with approximately 48 million cars in 2012, and is forecasted to reach 52 million cars by 2019. The United Kingdom's car parc is approximately 29 million cars and is expected to grow marginally in the coming years. Car parc growth in the rest of Western Europe is expected to grow at up to 1% per annum and in Eastern Europe at approximately 2% per annum through 2015, particularly in Poland where the growth rate is 2.4% per annum.

Our business

Overview

We are the world's largest independent conveyor car wash company by number of sites, with the market-leading position in Germany and the United Kingdom and a significant presence in all other countries in which we operate. Our business has expanded over the course of our 49 year history, and today our network of freehold and leasehold sites consists of more than 830 car wash sites in 12 countries across Europe, as well as in Australia. The vast majority of our sites are operated on our behalf by individual third party operators. We trade under the IMO brand in Europe and Australia and the IMO and ARC brands in the United Kingdom.

We operate in the commercial car wash industry, which comprises four main types of car washes: attended conveyor wash; automated roll over wash; self- operated jet wash; and hand wash. We believe that the dynamics within our industry are favorable, with positive macro demand, market trends toward commercial car washing and greater environmental regulation in each of our key markets driving market growth for conveyor car washes such as ours.

We wash on average approximately 28 million cars per year, and we believe we have washed over 800 million cars since our inception in 1965. We are the largest independent conveyor car wash company in Germany, which is our largest and most profitable geographic market. Germany has the greatest number of passenger carrying vehicles (or car parc) in Europe, and this, combined with its strict environmental regulations that limit at-home or other alternative car washing options for consumers, makes the German market very attractive for our business. For the twelve months ended March 31, 2014, the German market accounted for 46.1% of our total turnover and 53.5% of our total EBITDA before Group overhead.

We aim to maximize turnover by optimizing volumes and pricing on a site- by-site basis and to maximize profits through our low-cost operating model. Our business model involves the use of third party operators who are remunerated on a commission basis, ensuring that they are adequately incentivized to drive turnover growth. Specifically, this commission based model incentivizes operators to "sell-up" customers to a more expensive car wash program, which results in greater turnover and margins for us. In addition, our third party operator model allows us to keep a flexible cost base.

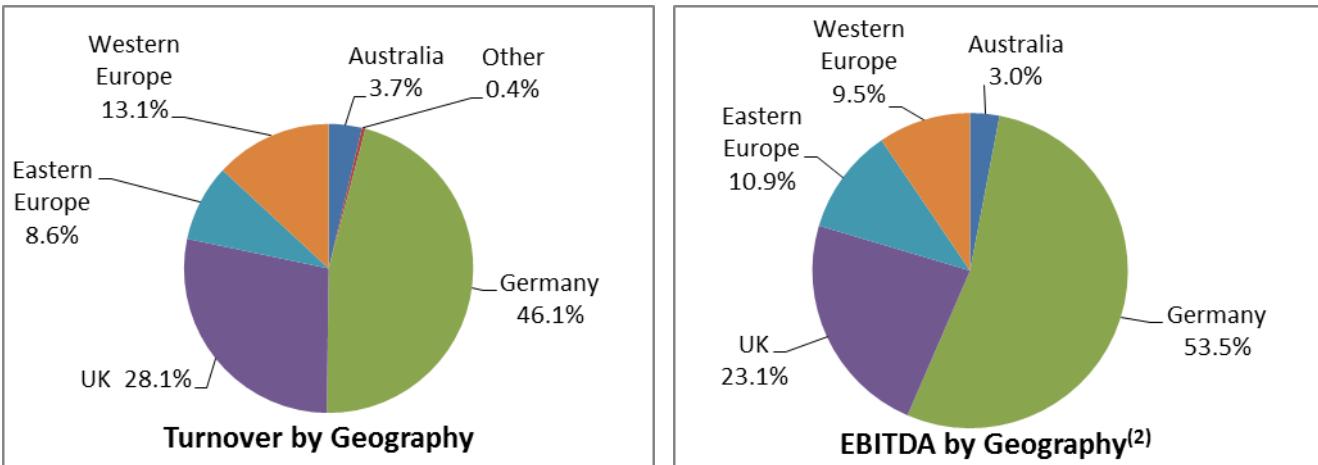
Our cost base is comprised of variable costs and fixed costs. For the year ended December 31, 2013, commissions paid to operators (which are variable in nature), and other variable wash costs, which include the cost of water, electricity, detergent and tank cleaning, amounted to 30.9% of our turnover. For the year ended December 31, 2013, our fixed costs, which includes maintenance, rent, site heating, advertising, other site fixed costs and regional and group overheads amounted to 40.1% of our turnover.

Our expansive network of car wash sites across Europe and Australia also provides us with significant economies of scale, which reduces the overall operating costs for each of our car wash sites.

For example, we are able to negotiate lower prices with suppliers and other manufacturers by leveraging the size of our operations. As a result of both our third party business model and our economies of scale, we have been able to operate profitably while charging low prices, which we believe provides downside protection in challenging macro-economic conditions.

We collect a significant amount of data on a site-by-site basis which enables us to accurately monitor planned versus actual performance on a bottom-up basis and adjust our variable cost base to meet changing demand.

We are headquartered in High Wycombe, United Kingdom, and had 273 employees as of March 31, 2014. For the twelve months ended March 31, 2014 our consolidated turnover was £123.7 million, our EBITDA was £35.3 million and our EBITDA margin was 28.5%. Our turnover and EBITDA by geography for the twelve months ended March 31, 2014 are as follows:



(1) “Other” consists of sales of brush materials to third parties in countries outside of our car wash markets. EBITDA attributable to sales of brush materials is included in the Western Europe portion of the EBITDA chart above.

(2) EBITDA by geography is before group overhead costs.

Our strengths

We are the market leader in each of our key markets

We are the world’s largest independent conveyor car wash company by number of sites, with the market-leading position in Germany and the United Kingdom, our key markets, and a significant presence in all other countries in which we operate. Our next largest independent conveyor car wash competitor in Europe has less than 4% of the number of sites that we operated as of December 31, 2013. We believe that our size and scale enable us to benefit from significantly lower capital expenditure and operating costs than our smaller competitors, which, in turn, allows us to adopt a strategy of price leadership in each market in which we operate. In addition, our scale and geographic diversification mitigates earnings volatility resulting from the impact of localized weather. Additionally, we believe that our size also enables us to employ a dedicated team of professional site finders, helping us secure attractive locations for our new sites and identify promising acquisition targets of existing sites.

We have built a comprehensive database of empirical data that enables us to analyze the impact of weather conditions on our business and, by allowing us to isolate the impact of weather from other market and competition factors, assists us in making informed decisions for shaping the strategic direction of the business.

On average, our sites offer the lowest base priced conveyor car washes in each of our markets, in addition to offering a full range of higher priced and thus higher margin washes. This discounter position increases our overall volumes and turnover and provides a level of protection against negative macro-economic factors. In addition to our discounted offering, we also offer customers a number of upgrades and add-ons to satisfy a broad range of customer demands. By offering multiple price points we are able to attract a range of customers which ultimately increases our overall turnover and margins.

As a result of the scale of our established network of car wash sites, we have been able to attract and develop relationships with several large retailers. For example, in Germany we have established relationships to operate alongside Metro/Real, Kaufland and Edeka. In the United Kingdom we have established relationships with Tesco, Asda and Sainsbury’s. In the Rest of Europe, we operate alongside Carrefour, Auchan, Cora, Tesco and Maxi Markt. These long-term relationships enable us to leverage the large customer base of these retailers and assist us in securing new attractive sites. In addition, we also have established relationships with a number of oil companies, including Conoco, Shell, Total and BP, where we operate car wash sites alongside their fuel operations.

We operate in countries with attractive market dynamics

The countries in which we operate have attractive market dynamics as a result of a number of factors, including:

Positive macro demand

We believe that as the number of cars in a given market increases, the volume of car washes also increases. Over the last few years Germany and the United Kingdom have had consistent growth in the size of their car parc. For example, in the period between 2003 and 2012, the German car parc had a compound annual growth rate of 1.0%. The consistent growth

of the car parc in our key markets presents attractive opportunities for increased volumes at existing car wash sites and the establishment of new car wash sites in underrepresented areas. In addition, while Western Europe has experienced steady growth in the size of its car parc, we believe the growth in Eastern Europe has been more rapid. We have an established presence in Hungary and the Czech Republic dating back to 1991 and in Poland since 2006. Additionally, we entered the Australian market in 2006, which we view as highly attractive to our operations due to the large car parc size and optimal weather conditions. Altogether, we view these as key growth markets given that per capita car ownership (not including Australia) in these markets was in 2011 on average less than 75% of that in Germany and 90% of that in the United Kingdom.

Furthermore, the level of development of the car wash infrastructure and the propensity and regularity of consumers in certain countries to wash their cars is low compared to Germany or the United Kingdom, which allows for potential growth opportunities in such countries. For example, recent research by Eden McCallum LLP suggests that the average number of washes per year per customer in Australia and Poland amounted to 4.1 and 2.6, respectively, as compared to 9.0 and 8.5 in Germany and the United Kingdom, respectively. Finally, penetration of conveyors is low in certain countries like Australia, where the percentage of car ownership is high compared to an underdeveloped conveyor infrastructure. For example, conveyors account only for 4% of the car wash market in Australia, as compared to a penetration rate of 44% in Germany and 8% in the United Kingdom.

Move to commercial washing

In recent years, there has been a noticeable shift toward commercial car washing as busier lifestyles mean that motorists are increasingly less likely to wash their cars themselves. This trend is further influenced by the rise in the number of female motorists who we believe are less likely than men to wash their cars themselves. In the United Kingdom, for example, female drivers now account for approximately 40% of keepers of registered cars. We expect the proportion of female car owners to continue to increase in Central and Eastern Europe.

Regulatory trends

In certain regions of Germany it is illegal for motorists to wash their cars at home because of environmental regulations regarding the treatment of waste water. Regulations such as these oblige motorists to use strictly controlled commercial car wash operations that comply with the necessary environmental regulations. Regulations also exist in the United Kingdom regarding the treatment and disposal of commercial waste water (known as trade effluent), though these are not as rigorous or as strictly enforced as in Germany. Over time, we expect regulation to become tighter in most European markets.

We have been recycling the water used in our car wash machines since 1965 and our car washes are designed to have a lesser impact on the environment as compared to alternatives, such as self-washing or hand car washes, which do not recycle water and allow effluent and chemicals to flow untreated into public or municipal water drainage systems. Strict environmental legislation in the German market and the implementation of similar legislation in other key markets limits motorists from washing their cars themselves, as well as limits commercial car washing alternatives that are not compliant.

Barriers to entry

Our network of more than 830 car wash sites across Europe was built over a span of 49 years, and our next largest independent conveyor car wash competitor in Europe has less than 4% of the number of sites that we operated as of December 31, 2013. The scale of investment required to match such a network, increased competition for roadside real estate and planning limitations, reduce the risk of new entrants and limit the growth capabilities of existing competitors.

Underdeveloped car wash infrastructure in emerging markets

The emerging markets in Eastern Europe in which we currently operate, and in which we intend to expand our operations, have historically underdeveloped car wash infrastructures. We believe that this relative lack of competition, in conjunction with an increase in the size of the car parc, and the likelihood that more consumers will use commercial car washes as the per capita GDP increases, should result in improved market dynamics in each of these countries and expand the potential opportunities for our growth in those markets.

We have an attractive product offering and a strong and proven track record for new product innovation

We currently offer a wide range of products to our customers at various price points. This allows us to position our business to maximize both turnover and margin (through up-selling by operators who are incentivized to sell more expensive products). In addition, we have a successful track record of introducing new products that generate returns on

investment. Our latest innovation is the roll out of ProShield, a polymer sealant that functions as an advanced paint protectant. The incremental net margin per wash in sites offering ProShield (that have not otherwise been renovated) for the year ended December 31, 2013 was €0.12 in Germany, €0.16 in the Rest of Europe, AUD 0.55 in Australia and £0.08 in the United Kingdom. These roll outs began in May 2012 and as of March 31, 2014, ProShield was offered in over 400 sites across our network. The project is now complete, but this wash program will be added to any forthcoming site renovations and to all newly built sites.

We operate a flexible and low-cost operating model

Our operator-driven business model further protects us from certain economic and business downsides. Each of our independent third party operators is paid a commission for every wash their car wash site provides. This commission per wash increases in relation to the retail value of the wash product they sell. As a result, our profitability objectives and those of our operators are aligned. Consequently, our operators are responsible for certain day-to-day operating costs, the largest such cost being the employment of local labor. By avoiding these types of operating costs, our cost base is reduced which affords us downside protection during periods of low demand. 43.6% of our operating costs were variable in the year ended December 31, 2013.

Due to the size of our business and its highly standardized nature, we are able to benefit from economies of scale in connection with capital expenditures and the cost of day-to-day operations.

We believe, that as the world's largest independent conveyor car wash company by number of sites, we are able to negotiate lower prices on both new and replacement machine parts for all of our sites directly with the manufacturer. We reduce costs by assembling our machines internally. Furthermore, we procure our standard building design from a single source and signage is also secured in bulk from single country suppliers. We are equally able to benefit from bulk pricing in connection with the purchase of cleaning chemical supplies which we provide to all of our car wash sites, and we negotiate our energy and waste water treatment needs on a collective basis in each of our markets. In addition, we use a standardized site format and machinery which reduces engineering and maintenance expense.

We are a cash generative business with flexible capital expenditure plans

For the twelve months ended March 31, 2014, we had a cash conversion ratio of 95.5% (based upon cash flow from operating activities before movement in provision and other non-cash generating activities) relative to EBITDA. We believe that the cash generative nature of our business (almost all of our customers pay in cash), combined with our structurally negative working capital requirements and relatively low level of maintenance capital expenditure (1.2% of turnover for the year ended December 31, 2013), improves our ability to service our debt. Even in the demanding retail environment of the last few years, our business has maintained earnings and continued to generate cash as a result of our discounter positioning and our broad geographic spread.

The nature of our business, including the limited amount of maintenance capital expenditure required, and our selective expansion strategy ensures that we have flexible capital expenditure requirements, with a high proportion of such requirements dedicated to discretionary expenditures. For the twelve months ended March 31, 2014, we had expenditures related to the purchase of tangible fixed assets of £23.7 million, of which £22.2 million was discretionary expansionary capital expenditure and £1.5 million was non-discretionary maintenance capital expenditure. This flexibility permits us to adjust our capital expenditure plans according to the performance of our business allowing us to maximize free cash flow.

Strong and diversified asset base in extensive existing network of sites

We have more than 830 sites located throughout 12 countries in Europe as well as in Australia, including 170 freehold properties with a combined net book value of land and buildings of £55.8 million as of December 31, 2013. Our network of freehold and leasehold sites has taken over 49 years to develop. The scale of investment required to match such a network, the strong competition from other forms of roadside retail and planning restrictions reduces the risk of new entrants and limits the growth capabilities of existing competitors.

We benefit from geographical diversification across our markets. In particular, having sites spread throughout much of Western, Central and Eastern Europe as well as Australia mitigates the effect of localized weather, economic and competitive conditions on our overall business. For example, according to a 2007 survey, almost 70% of each UK site's customer base comes from within a three mile radius of the site and over 53% of our German customers come from within a five kilometer radius of the relevant site. As a result, each of our sites is, in essence, a self-contained business with its own unique demographic and competitive profile.

Since January 2009, active asset management has resulted in site divestment proceeds of £15.3 million achieving an average multiple of 16.3x full year average EBITDA per site for those sites divested.

Strong management team

Our current management team has extensive experience in the car wash industry and, together, bring with them a combined 70 plus years operating in the retail sector. Our management team has developed a clear strategy which is refocused on site-by-site management of our network, reinvestment in the business, innovation and active portfolio management. Furthermore, a significant number of our management team members holds an equity stake in our business, and certain members of our senior management team are expected to subscribe for equity in connection with the completion of the Acquisition. See “Principal shareholders”.

Our strategy

Continued focus upon site-by-site performance and trading strategy

We target price leadership in each area in which we operate, both to drive turnover and to protect our competitive position. This price leadership can vary significantly depending on site locations, with our pricing strategy varying according to the local competitive environment, price-positioning of competitors and customers’ price sensitivity. In this context, pricing is continually monitored and reviewed and our procedures now incorporate a combination of regular local-level reviews of site volume and pricing and central quarterly reviews of pricing and promotional strategy. Our pricing strategy is also linked to new product roll outs which enable us to offer improved car wash programs at higher prices.

Overall pricing strategies are also supported by promotional activity. This includes short-term pricing promotions in conjunction with local advertising. This expertise and site-by-site analysis is further applied to new site openings, with projected mature volumes for new and recently opened sites being calculated with reference to the size of the local car parc, local population and the number of competitors.

In addition to focusing upon pricing on a site-by-site basis, we also ensure that site operational standards are continually reviewed. For example, we monitor and review operators’ performance for site cleanliness (as well as all other operational standards) as this has an impact upon customer perception.

New product development and innovation to enhance customer experience and increase turnover

Regular product innovation is part of our strategy, with new launches supporting higher price wash options and improved wash margins. The capital investment required to introduce additional products is relatively small and our latest product offering, ProShield, has achieved an investment payback that is on average less than one year.

As a result of our experience and expertise and our close relationships with suppliers, each product enhancement is designed for and assessed on its ability to deliver an attractive return on investment and maintain our market-leading customer offering. Each successive product roll out is designed to enhance the customer product offering and premium user experience, leading to turnover and margin benefits from the improved customer option mix.

This focus on enhancing product offerings also reflects our strategy to maintain a close focus on the quality of the customer experience. Ensuring a positive customer experience, much like a positive retail shopping experience, is key to maintaining a competitive advantage and securing repeat customer business.

Reinvestment in core estate through a strong new retail format

We have developed a strategic view in each of our markets relating to those sites which are underperforming due to historic under-investment in their retail format and those sites which are not economic to sustain in the long-term. As a result of our detailed site-by-site portfolio review, we have identified a combination of profitable, though aging, operations in strong locations. Such locations have been identified because we believe they provide an opportunity for significant returns through focused reinvestment. The current renovation program has three separate categories: re-image, minor and major. A site renovation can be undertaken within as little as four weeks, with a quick return to sales volume targets and with average uplift in contribution margin of approximately €1.00 for the year ended December 31, 2013.

We have introduced significant upgrades to our machine technology, new high power vacuum technology as well as new exterior and interior brand treatments that can be retrofitted to existing aging facilities to bring them up to date. These upgrades are modular in nature, which enables us to carefully match the extent and cost of a potential upgrade on any site in an effort to optimize the returns and yields that the location offers.

In 2010, we began implementing our renovation plan, and as of March 31, 2014 we had renovated 103 sites in Germany, 45 sites in the United Kingdom and 27 sites in the Rest of Europe. We will continue to renovate and ensure that our renovation plans are flexible and can be altered to maintain a strong cash balance at all times.

Renovations have the effect of drawing in new customers who view the new facilities as attractive and effective and also offer the opportunity to raise prices and introduce new higher value wash programs while still maintaining our price leadership and strong value for money proposition. Renovated sites re-opened during 2010, 2011 and 2012 are generally achieving average returns of approximately 21%.

Selective expansion in key growth markets into “A-grade” sites

Our roll out strategy focuses on 3 key areas: (i) Germany, with its strict regulatory environment, strong economy and extensive list of viable sites; (ii) Eastern Europe, with its expanding economies and car ownership, supported by relationship opportunities with major supermarket and other retailers and (iii) Australia, with its expanding population, increasing car parc size and optimal weather conditions. This strategy is supported by our historic roll out where the highest and most predictable returns have been delivered in these territories.

We plan to continue implementing a carefully targeted and controlled roll out of sites during 2014 and 2015, with a total of up to 17 new sites targeted in 2014 (as of the date of this offering memorandum we have rolled out 7 new sites in 2014) and a further 15 new sites currently planned for 2015.

In Germany, all openings are assumed to be new builds but there is an opportunity to acquire individual sites from family-owned independent operators which would benefit from the scale and efficiency that integration into our network offers. We have carried out a viability analysis on the number of potential “A-grade” site locations in Germany, taking into account the required catchment population, car ownership rates and incidence of local competition. There are currently expansion plans to open 12 new sites in 2014 and 10 new sites in 2015.

Within the Rest of Europe, we have strong relationships with hypermarket retailers whereby our car washes are incorporated in the design at their new retail locations. This allows us to ensure that our facility is well located on the new retail lot and gain exposure to shoppers. These strong relationships with retailers allow us to locate on “A-grade” sites in key growth markets. In the Rest of Europe, we have already opened four new sites in 2014 and a further three new sites are currently planned in 2015.

In Australia the 12 sites that we acquired in 2011 and the one new site opened in 2012 have produced a return on investment of over 30%. As of the date of this offering memorandum we have one additional site under construction with a further site planned to go under construction in 2015.

Due to the presence of leaseholds across the portfolio, a number of site leases will come up for renewal in any given year. We are, therefore, able to maintain a level of natural site churn, amounting to on average approximately 20 sites per year across our network over the last four years. Such lease expiry allows us to close under-performing sites when leases fall due and to seek to extend the leases of sites that are performing well. This provides us with additional flexibility in capital expenditure.

Active asset management generating significant capital to strengthen balance sheet or to fund investment and innovation programs

We are committed to the active management of non-core assets, allowing central and regional management to focus on driving performance at long-term viable sites and to realize under-utilized property assets. Where sites have higher alternative use values or occupy marketable freehold land then these assets will be realized and management time refocused on enhancing performing assets. Since 2009, site divestment proceeds of £15.3 million have been achieved, with £1.0 million in the year ended December 31, 2013. Divestments in the year ended December 31, 2013 achieved an average multiple of 21x the EBITDA per site for those sites for the year ended December 31, 2013. We anticipate further asset disposals of a similar nature in 2014 and in subsequent years.

Operations overview

We operate conveyor car washes on dedicated sites, generally situated next to high density residential areas or major retail sites. With an aim to deliver a high-quality, efficient and convenient car wash, we feature a multi-product offering with a range of car wash options, interior vacuuming and specialist car valeting. 95% of our customers are satisfied with our services and 93% are repeat customers. Our typical sites occupy approximately 1,500 to 2,000 square meters, housing a conveyor car wash machine, parking area, waiting area and vacuuming station. The site is run by an independent operator supported by our technical and administration staff.

Customers can choose from a range of different car wash programs ranging from a basic car wash to an under-body wash and the application of hot wax, with some sites also offering triple-foam, chassis under-wax, foaming wheel wash and ProShield. Wash options are enhanced and offerings refreshed through the development and introduction of new products and services.

It is a key focus for us to maximize site-level earnings by spanning a range of car wash offerings. Supported by local and group-level analysis of trading trends and competition, we target local price leadership with our basic car wash core product. As of December 31, 2013, prices for a basic car wash ranged from £0.99 to £3.80 at United Kingdom sites and from €2.70 to €7.50 at German sites, the variation reflecting both market-level factors (such as the more stringent German regulatory environment and consumer motoring spend) and local factors (such as site competition). Service options extend the basic wash by incorporating bundles of other wash and pre-wash services and allow us to span a range of price points. Once a customer has entered one of our sites, on-site marketing material encourages customers to upgrade their car wash choice.

Our average site revenue in the year ended December 31, 2013 was £144,209 and average commissions paid to our third-party operators in the same period amounted to £25,113. For the year ended December 31, 2013, commissions paid to operators (which are variable in nature), and other variable wash costs, which include the cost of water, electricity, detergent and tank cleaning, amounted to 30.9% of our turnover. Fixed costs, which includes maintenance, rent, site heating, advertising, other site fixed costs and regional and group overheads amounted to 40.1% of our turnover.

Sample Wash Menu—Bedburg Germany on March 31, 2014

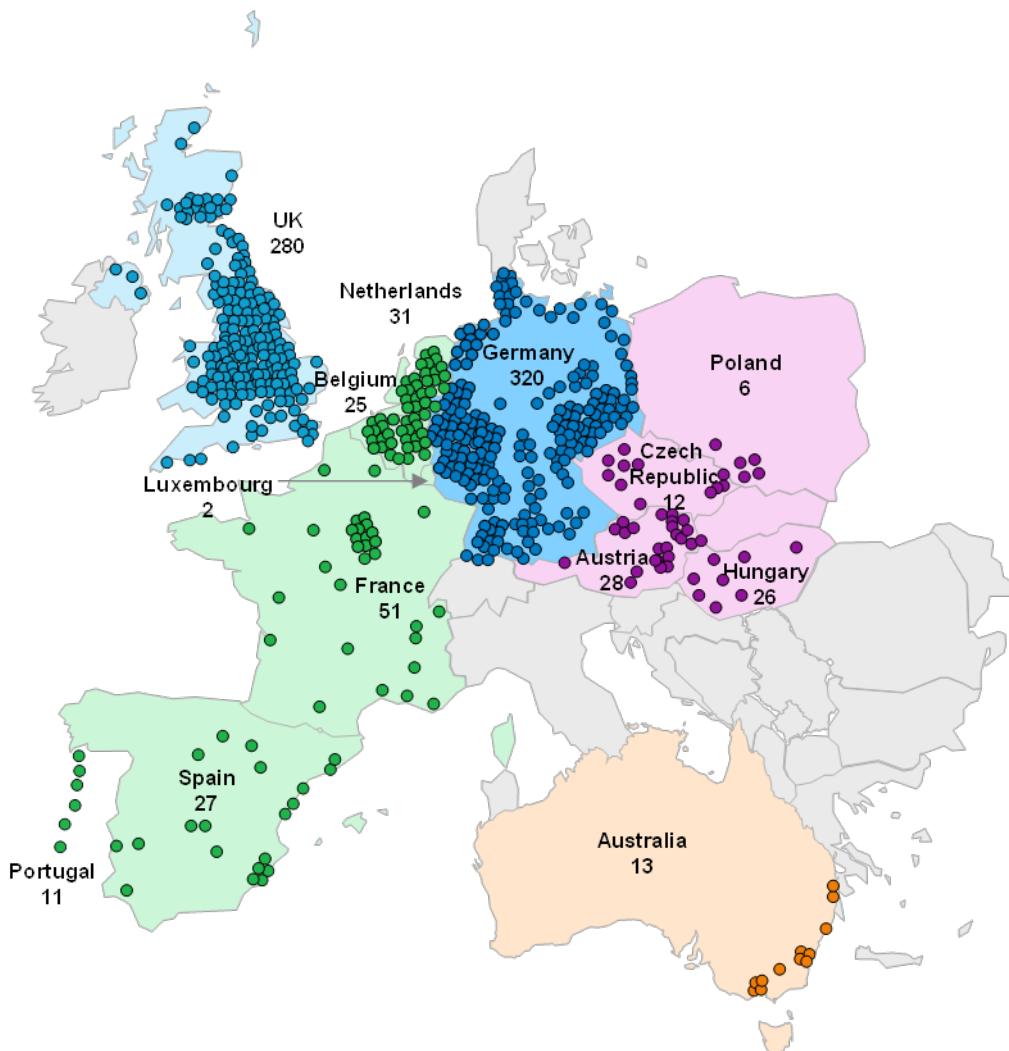
ProShield	Manual Pre Wash, Softwash with Triple Foam, Underchassis Wash and Wax, Hotwax finish, ProShield polymer sealant and Dry	€5.99
Nano Wash	Manual Pre Wash, Softwash with Triple Foam, Underchassis Wash and Wax, Hotwax finish, Nano wax and Dry	€3.99
Premium Wash	Manual Pre Wash, Softwash with Triple Foam, Underchassis Wash and Wax, Hotwax and Dry	€2.50
Complete Wash	Manual Pre Wash, Softwash with Triple Foam, Underchassis Wash and Wax, Foamwax and Dry	€1.50

Underchassis Wash.....	Manual Pre Wash, Softwash with Triple Foam, Underchassis Wash Underchassis Wax and Dry	€0.50
Normal Wash.....	Manual Pre Wash, Softwash, Foamwax and Dry	€8.99
Basic Wash.....	Softwash and Dry	€6.99

In the last twelve months, we introduced ProShield and a foaming alloy wheel wash and continued the roll out of enhanced vacuuming facilities (as part of our renovation program and development of new sites), driving increases in average revenue per wash at the outfitted sites. As of March 31, 2014, ProShield was offered in over 400 sites across our network.

Geographical presence

Since 1965, we have built an extensive network of freehold and leasehold sites and as of March 31, 2014 we operated from 832 locations across the United Kingdom, Europe and Australia.



The following table shows the distribution of our network as of March 31, 2014 and includes sites which were temporarily closed due to renovation:

Country	Number
Germany.....	320
United Kingdom.....	280
Australia.....	13
Austria.....	28
Belgium.....	25
Czech Republic	12
France.....	51
Hungary.....	26

Luxembourg	2
Netherlands	31
Poland	6
Portugal	11
Spain	27
Total sites	832

Germany

Germany is the most significant market in which we operate, by revenue, EBITDA and number of sites. Our German operations accounted for 38.5% of our total sites as of March 31, 2014 and generated 46.1% of our total turnover and 53.5% of our EBITDA for the twelve month period ended March 31, 2014.

United Kingdom

The United Kingdom is the second most significant market in which we operate, by revenue, EBITDA and number of sites. Our United Kingdom operations accounted for 33.7% of our total sites as of March 31, 2014 and generated 28.1% of our total turnover and 23.1% of our EBITDA for the twelve month period ended March 31, 2014.

Rest of Europe and Australia

Our Rest of Europe and Australia operations accounted for 27.9% of our total sites as of March 31, 2014 and generated 25.5% of our total turnover and 23.4% of our EBITDA for the twelve month period ended March 31, 2014. The following table sets out how our operations in the Rest of Europe and Australia contribute to our total EBITDA:

Rest of Europe and Australia as of and for the twelve month period ended March 31, 2014

	Number of sites	% of total sites	% of total turnover	% of total EBITDA
Australia	13	1.6	3.7	3.0
Austria	28	3.4	3.9	4.6
Belgium	25	3.0	2.8	1.9
Czech Republic.....	12	1.4	1.3	2.0
France	51	6.1	5.0	3.8
Hungary	26	3.1	2.8	3.5
Luxembourg	2	0.2	0.5	0.6
Netherlands.....	31	3.7	1.8	0.5
Poland.....	6	0.7	0.6	0.8
Portugal	11	1.3	0.9	0.6
Spain.....	27	3.2	2.2	(0.2)
Total.....	232	27.9	25.5	21.1

Operator model

We enter into contracts with individual third party operators to manage the day-to-day operations at our sites. These operators are self-employed and are responsible for employing their own staff. A bond, typically in an amount of €4,000 (or equivalent local currency), is required from all operators when they begin running a site to provide us with downside protection should the operator fail to uphold its obligations under the operator agreement. Operators are responsible for certain day-to-day operating costs, the largest such cost being the employment of local labor, and earn income from commissions, received on each car wash and the operation of approved auxiliary services such as tire cleaning, valeting and (on certain sites) vacuuming. As of March 31, 2014, we directly employed 39 country and regional full-time equivalent managers who support site operators, each being responsible for the support and monitoring of approximately 30 sites each.

Our cost base is comprised of fixed costs and variable costs. Our fixed costs include property costs, maintenance, engineering, damage to cars, heating and managing and advertising. For the year ended December 31, 2013, commissions paid to operators (which are variable in nature), and other variable wash costs, which include the cost of water, electricity, detergent and tank cleaning, amounted to 30.9% of our turnover. Fixed costs, which include maintenance, rent, site heating, advertising, other site fixed costs and regional and group overheads amounted to 40.1% of our turnover. Our EBITDA margin for the year ended December 31, 2013 was 39.0%. The operator model ensures that a significant proportion of our operating costs are variable, which we believe incentivizes operators to maximize output and helps to maintain returns even during economic downturns.

Our commission-based operator model is intended to align the operator's interests to our targets, specifically:

- Greater wash volumes at each site; and
- Higher revenue per wash (through a better product mix) at each site.

In this way, we believe our operating model encourages all stakeholders to drive earnings for the business.

Germany

In Germany, operators are paid a fixed commission per wash which varies from €0.50 for a basic wash to €2.10 for a top wash, with an average commission earned in the three month period ended March 31, 2014 of approximately €0.87 per wash. We retain the flexibility to temporarily increase the level of commission in order to incentivize operators to improve wash volumes. German operators earn additional income through manual wheel washing and on certain valeting services.

United Kingdom

In the United Kingdom, operators earn a fixed commission per wash which varies from £0.10 for a basic wash to £1.80 for a top wash, with an average commission earned in the three month period ended March 31, 2014 of approximately £0.86 per wash. As with Germany, the level of commission can be increased for a period of time to incentivize the operator to improve the performance of the site. United Kingdom operators earn additional income through a valeting service providing car interior cleaning.

Rest of Europe

The Rest of Europe operators' commissions are typically based on a percentage of the value of each wash. Commission schemes vary across the different European countries with some having fixed commission per type of wash and others based on scaled percentages per type of wash sales price. Operators in the Netherlands receive higher commission rates than those in other countries, largely because commission rates also cover the cost of utilities. Commission rates differ across jurisdictions with an average commission earned in the three month period ended March 31, 2014 of €0.71 per wash.

Australia

In Australia, operators earn a fixed commission per wash which varies from AUD 0.22 for a basic wash to AUD 4.35 for a top wash, with an average commission earned in the three month period ended March 31, 2014 of AUD 2.55 per wash. As with the United Kingdom and Germany, the level of commission can be increased for a period of time to incentivize the operator to improve the performance of the site. Australian operators earn additional income through a valeting service providing car interior cleaning.

Site classification system

During the strategic and network review which we carried out in 2009, we instituted an extensive operational review as part of our network planning strategy. Each of our sites was reviewed and classified on the basis of its earning potential as follows:

- Priority investment considerations sites (EBITDA per site greater than £/€50,000);
- Maintain and selective long-term investment sites (EBITDA per site between £/€25,000 and £/€50,000 inclusive); or
- Maintain and divestment worthy sites (EBITDA per site less than £/€25,000).

This re-assessment and stratification of the existing portfolio established the fundamental backdrop for our management strategy that has been implemented, since this review is an effort to focus our resources and capital on sites identified as having a long-term future in our business. We continue to re-evaluate our sites based on the above metrics on an annual basis.

The detailed network review and site classification exercise clearly identified a core of top-performing sites accounting for the majority of our EBITDA. For the year ended December 31, 2013, our top 83 sites (or 10% of sites) accounted for 28.4% of our site EBITDA or £14.6 million; our top 209 sites (or 25% of sites) accounted for 53.2% of our site EBITDA or £27.4 million; our top 417 sites (or 50% of sites) accounted for 79.5% of our site EBITDA or £40.9 million and our top 626 sites (or 75% of sites) accounted for 95.2% of our site EBITDA or £48.9 million. Notwithstanding relative underinvestment and the age of these sites, they generated significant profits which we believe could be grown further through priority investment and management focus. We aggressively manage a tail of underperforming assets with the bottom 33 of our sites (or 4%) of sites being loss-making.

The age of our site portfolio was also collated during the initial 2009 strategic and network review, in order to better understand underlying drivers of site volume. Given our history, many of our older sites are based in Germany, while the United Kingdom and Australia represents a greater proportion of our newer sites.

Management of effect of weather

Our business performance is highly dependent on climate conditions. Weather is a key driver of short and long term wash volumes, with rainfall and temperature being key drivers. As many cars are washed at weekends, weekend weather conditions are particularly important. Temperature impacts volumes in the winter months as it affects car cleanliness due to salt and grit on roads and in the summer months due to, among other factors, insects and dust. Weather has an impact on both year-on-year volumes and seasonality during the year.

Rainfall typically acts as a deterrent to car washing. Rainfall at weekends has a particularly detrimental impact due to the high proportion of cars being washed at weekends compared to during the week. (Friday and Saturday are more important in Germany as most car washes are closed or have limited opening times on Sunday).

We analyze site performance based on the number of days on which a site is affected by precipitation. This allows us to largely normalize the effect of local weather patterns and therefore assess underlying business performance excluding weather impact. This enables us to have much greater visibility on the success of strategic initiatives or, conversely, underlying operating problems at a particular moment in time. This analysis does not take into account whether precipitation in a certain location occurred at night or during the day, which can have a material impact on volumes at a particular site.

The impact of more qualitative weather occurrences are not captured in this analysis, thus requiring us to make further adjustments in the assessment of our performance. For instance, warm weather, very cold weather, dust and pollen in the atmosphere, accumulated snowfall and mild winters are additional weather related occurrences that affect our wash volumes but are not included in our precipitation-based analysis. The most disruptive of these is the impact of very low temperatures. While there may be little or no precipitation on a given day, settled snow and extreme freezing has a substantial negative impact on wash volumes.

We develop our financial forecasts on the basis of wash volumes normalized for 'average' weather, incorporating an expected number of unaffected days based on the last decade of weather patterns. If the weather is worse than average, our business will underperform forecasts. Conversely, if weather is better than average then our business is likely to outperform our forecasts.

Environmental policies

We have a strong commitment to environmental issues and the impact of our operations on the environment. We are also committed to maintaining high standards of health and safety, both environmental and general. After filtering, up to 85% of the water used in the car wash process is recycled and the detergents used are bio-degradable. The dirt removed from cars during the wash process is stored in tanks before being collected by contractors and we have procedures in place to ensure that all such contractors meet local registration requirements regarding environmental matters.

Regulatory environment

Currently there is no standard Europe-wide environmental legislation regarding the operation of commercial car washes, but localized environmental regulations have an impact on the car wash markets in the countries where we operate. We believe that the relative impact of environmental regulations is likely to increase as European countries recognize the detrimental effect on the environment posed by lack of water recycling and inappropriate disposal of car wash detergents and waste water.

Additionally, we navigate taxation and other regulations associated with our operator model to ensure that our third-party operators are considered self-employed or franchise operators in the relevant jurisdiction in which they operate.

Germany

Germany has some of the strictest environmental regulations impacting car washing in Europe. Many German regions place legal restrictions on the nature of chemicals that are permitted, the amount of water that can be used in the wash process and the type of sewage system that can be used for waste water. This can prohibit German motorists from washing their cars at home, thereby increasing the size of the commercial car wash market. Furthermore, this environmental legislation also places certain restrictions on new commercial hand wash operations as the stringent waste disposal requirements prohibitively increase initial entrance costs and expertise requirements for market participants.

United Kingdom

In the United Kingdom, contaminated water must be discharged to a foul sewer requiring authorization from the sewerage operator. This restriction does not generally restrict commercial hand wash operators, as the legislation is rarely strictly enforced. Automated car wash operators continue to lobby for more strict legislation as well as greater enforcement. Over the longer term, it is expected that regulations will increasingly impact less environmentally friendly operators.

Rest of Europe and Australia

All major European markets and Australia are impacted to some degree by environmental legislation. We believe that our scale and focus on environmental efficiency and regulatory compliance makes us ideally placed to take advantage of any further strengthening in environmental legislation in our European markets and Australia.

Competition

Germany

We are the largest conveyor operator in Germany with 320 sites as of March 31, 2014. Our closest competitor in the independent conveyor car wash market is Mr. Wash AG, which as of March 31, 2014 had 32 sites throughout Germany. We also face competition from Cleancar AG (which as of March 31, 2014 had 24 sites concentrated in the northern part of Germany) and Cosy Wasch (which as of March 31, 2014 had 25 sites focused in the Berlin area).

Within the German car wash market, we are positioned as a value player with average prices lower than both rollover and other competitor conveyor car washes.

United Kingdom

We are the only conveyor operator in the United Kingdom with a nationwide footprint and we have 280 sites in the United Kingdom as of March 31, 2014. The second largest operator, Mister Clean, had 6 sites as of March 31, 2014. However, we have experienced a significant increase in competition per site since 2005 as a result of the growth in hand washing resulting as a consequence of low-skilled immigration following the accession to the European Union of certain lower income Eastern European countries. The level of this competition varies depending on the region of the United Kingdom. For example, we enjoy fewer competitive pressures in the South West and Wales than in the rest of the United Kingdom.

Rest of Europe and Australia

We face competition in the majority of our markets in the Rest of Europe as well as in Australia. The markets in which we face the greatest amount of competition are:

- France-Elephant Bleu, which as of March 31, 2014 operated approximately 500 sites nationwide comprised of a combination of roll over and jet wash car washes; and
- Spain and Portugal-Elefante Azul (the Spanish arm of Elephant Bleu), which, according to a survey undertaken in 2012, operated approximately 170 sites, comprised of a combination of roll over and jet wash car washes.

Suppliers

All of the chemicals which are used throughout our network are procured from Kanor Chemicals, a wholly owned subsidiary of Altro Group plc, which also owns Autoglym. However, alternative chemical suppliers are available, both in the United Kingdom and in the local markets in which we operate. See “Risk factors—Risks relating to our business—We depend on one supplier for all of our cleaning chemicals and may not be able to replace this supplier with another supplier”.

Where possible each country in which we operate negotiates locally with the available electricity suppliers with the aim of securing a long-term fixed-price contract with the lowest cost supplier. For example, in the United Kingdom, we purchase electricity centrally for the majority of United Kingdom sites from Haven and will, from October 1, 2014, purchase the majority of our UK electricity from British Gas.

Water supply is usually available from only one local supplier and prices are regulated.

Equipment and parts are sourced from a number of suppliers that commit to pre-agreed prices based upon estimated purchase volumes. Many spare parts are, in any case, not bespoke and therefore available off the shelf from a number of suppliers.

Retail relationships

As a result of the scale of our established network of car wash sites, we have been able to attract and develop relationships with several large retailers. For example, in Germany we have established relationships where we operate alongside Metro/Real, Kaufland and Edeka. In the United Kingdom, we have relationships with Tesco, Asda and Sainsbury's. In the Rest of Europe, we operate alongside Carrefour, Auchan, Cora, Tesco and Maxi Markt. These relationships enable us to leverage the large customer base of these retailers and assist us in securing new attractive sites. In addition, we also have established relationships with a number of oil companies, including Conoco, Shell, Total and BP, where we operate car wash sites alongside their fuel operations.

Internal control processes

We have a number of processes and procedures in place to ensure the accurate recording of revenues. Approximately 83% of our sites have built-in modems which provide data hourly on site volumes. The remaining sites have built in counters which are used to verify the accuracy of the revenues reported by the site operator. The counts recorded by these counters are checked by regional managers and reconciled with the actual revenue banked by the site operator. This is then supplemented by a review of variable costs data on a site-by-site basis to further verify the volume information gathered.

New sites, renovation, maintenance and asset management

Selective new site roll out

Over the next two years, we are targeting a high-return, focused roll out of additional sites in our key investment markets in Germany, Australia and Eastern Europe. A total of 17 new sites are targeted for 2014, of which 7 have already been rolled out as of the date of this offering memorandum, and another 15 new sites are planned for 2015.

Our new site investment process evaluates potential sites based on a range of key success criteria:

- Adjacency to major retail/service outlets, including through a retailer relationship model;
- Car ownership within the catchment area of the site;
- Proximity to dense car-owning residential areas;
- Traffic flow;
- Location visibility and layout; and
- Local conveyor car wash competition.

Throughout the group we have a standardized process of site evaluation, starting at the country-level and moving through to site visits by group management, culminating with board review and approval.

Each investment decision is based upon detailed returns analysis, with approximately a five-year payback period targeted for each investment. The average cost to develop a new site over the past five years has been £544,000. For each of our new sites, we target a volume of at least 40,000 washes per year.

Renovation program

In 2010, we began implementing our renovation plan, and as of March 31, 2014 we had renovated 103 sites in Germany, 45 sites in the United Kingdom and 27 sites in the Rest of Europe. For the current renovation program, we have developed significant upgrades to our machine technology, new high power vacuum technology as well as completely new exterior and interior brand treatments which could be retrofitted to existing ageing facilities to bring them up to date. These upgrades are modular in nature enabling us to carefully match the extent and cost of a potential upgrade on any site to optimize the returns and yields that the location offers. Our sites selected for renovation must be more than 10 years old and must have an EBITDA of at least €50,000 per annum. A site renovation can be undertaken within as little as four weeks, with a quick return to sales volume targets and with average uplift in contribution margin of approximately €1.00.

For sites renovated during 2010, 2011 and 2012, we have recorded average EBITDA growth of £32,000 per site per year representing a 21.0% return on investment. The average cost to renovate a site during this period was £152,000.

For sites renovated in the year ended December 31, 2013, we have recorded average pro-rated EBITDA growth of £41,000 and return on investment of 22.9%. The average cost to renovate a site in the year ended December 31, 2013 was £177,000.

Maintenance

Our in-house designed machines and operating systems are constructed to be as robust and flexible as possible, and have a high level of standardization. They are also designed to be user-friendly with regular feedback from operators taken into account and technology closely matching the needs of the operator. This focus delivers savings in capital, maintenance and operating expenditure per machine.

In order to minimize downtime, all our operators keep an inventory of spare parts on sites and regular preventative maintenance is conducted across all sites. Our operators are also closely incentivized to minimize downtime given the commission-based operating model. Planned site downtime is limited to three days per year for tank cleaning and planned maintenance. When required, central staffed call-centers and maintenance teams respond to operator technical issues; the majority of faults are resolvable over the phone, but if a maintenance team is required, response times are typically within 24 hours.

Asset management

We continued the on-going review of our asset base in 2013 and divested a number of low EBITDA generating assets. We also looked at the alternative use value of all of our assets where they may have a higher value to a developer or other retailer relative to the contribution they make to the group. In 2013 we closed 25 sites. We expect further asset disposals of a similar nature in 2014.

Research and development

New product development

Regular product innovation is a key part of our pricing strategy, with new launches supporting higher price wash options.

As a result of our experience and expertise and our close relationships with suppliers, each product enhancement is designed for and assessed on its ability to deliver attractive return on investment and maintain our market-leading customer offering. Each successive product roll out is designed to enhance the customer product offering and premium user experience, leading to turnover and margin benefits from improved customer option mix.

This focus on enhancing product offering also reflects our strategy to maintain a close focus on the quality of the customer experience. Ensuring a positive customer experience, much like a positive retail shopping experience, is key to maintaining a competitive advantage and securing repeat customer business.

ProShield polymer sealant and foaming alloy wheel wash

The most recent innovations to be rolled out are the ProShield polymer sealant and foaming alloy wheel wash. These products enable sites to increase the price per wash for the new premium wash option to which it is attached, as well as encouraging customers to trade up. ProShield is an innovative polymer based product which acts as a protective barrier against dirt and makes it more difficult for water to stick to the vehicle allowing it to dry easier. ProShield also infills any imperfections in the paint work to produce a superior gloss and shine.

The incremental net margin per wash in sites offering ProShield (that have not otherwise been renovated) for the year ended December 31, 2013 was €0.12 in Germany, €0.16 in the Rest of Europe, AUD 0.55 in Australia and £0.08 in the United Kingdom. These roll outs began in May 2012 and as of March 31, 2014, ProShield was offered in over 400 sites across our network. The project is now complete but this wash program will be added to any forthcoming site renovations and to all newly built sites.

Sales and marketing

Brands

We operate under the IMO brand worldwide and the ARC brand in the United Kingdom. The IMO name has been trademarked since 1965 and the brands under which we operate are trademarked in the relevant operating markets.



Advertising

Advertising and promotional activity is carried out on a localized and targeted basis using a fleet of ad vans (in United Kingdom and Germany), advertising trailers, roadside banners and point of sale material. The length and type of promotion will vary from site to site depending on the local competitive market and our promotional tools allow us full flexibility in the organization and timing of promotions. Throughout our sites there were over 1,600 weekend promotions carried out during 2013.

Property real estate

We own the freehold title of a number of the sites on which we operate. This is particularly the case in the United Kingdom.

	As of March 31, 2014		
	Number of sites	Number of leaseholds	Number of freehold
Germany	320	288	32
United Kingdom	280	156	124
Australia	13	13	0
Austria	28	27	1
Belgium	25	23	2
Czech Republic	12	12	0
France	51	44	7
Hungary	26	25	1
Luxembourg	2	2	0
Netherlands	31	30	1
Poland	6	5	1
Portugal	11	10	1
Spain	27	27	0
Total.....	832	661	170

In the UK, leased sites other than those on supermarket locations are subject to the UK Landlord Tenant Act and therefore have security of tenure. In Germany and the Rest of Europe the majority of leases are initially for ten years, in some cases with options to extend after the initial term. Our strategy going forward is to seek leasehold arrangements in order to maintain a more flexible capital structure.

Other assets

In addition to the real estate assets which we own, we also own buildings, equipment and machinery used at each of the sites in our network.

Intellectual property

The IMO name has been trademarked since 1965 and the brands under which the Group operates are trademarked in all relevant operating jurisdictions. The ARC name has been trademarked since May 2002.

While we seek and hold various patents covering various products and processes, no individual patent or series of patents is considered material to the Group as a whole.

Insurance

We carry a variety of insurance coverage for our operation that we believe is customary for businesses of similar size that operate in our sector and markets. We are also partially self-insured for certain claims in amounts that we believe to be standard and reasonable. We maintain insurance for the main risks indicative of our sector: general liability, environmental liability, employee injury, property and car fleet insurance. We also maintain business interruption insurance for our key locations.

As of the date of this offering memorandum, we have not experienced any material uninsured loss or damage to any of our assets.

Employment

As of March 31, 2014, we had 273 employees with 15 in our Group head office and 258 in regional functions such as site maintenance and technical assistance. The following table summarizes the geographical breakdown of our employees as of December 31, 2011, 2012 and 2013 and as of March 31, 2014.

	As of December 31,			As of March 31,
	2011	2012	2013	2014
United Kingdom operations.....	52	51	52	54
Germany operations.....	79	83	87	91
Rest of Europe and Australia operations	62	70	71	72
MBMP (brush manufacturer)	42	42	41	41
Group Operations	14	14	13	15
Total.....	249	260	264	273

Legal proceedings

We are routinely involved in litigation, claims and disputes incidental to our business, some of which may not be covered by insurance. The majority of this litigation relates to former third-party operators and employment and social security matters. In particular, we are subject to claims in a number of jurisdictions in which former third-party operators claim that they are employees, not contractors, and therefore entitled to receive social security contributions and other benefits. As of the date of this offering memorandum none of these claims have been decided by a court against us. We do not pay or withhold any employment related taxes or make social security contributions with respect to or on behalf of our operators or their employees. From time to time since our business began, taxation authorities and our third-party operators in the jurisdictions in which we operate have sought to assert that our operators are employees, rather than independent contractors. If a court finds our third- party operators to be employees, we may be required to make significant retroactive payments in respect of employment related taxes or social security contributions. In the opinion of our management, none of the existing litigation, individually or in the aggregate, will have a material adverse effect on our financial position, results of operations or cash flows.

Management

Issuer, the Company and Bidco—Board of Directors

The Board of Directors of the Issuer, the Company and Bidco each currently consist of 2 members. The following table sets out the name, age and position for each of the directors.

Name	Age	Title
Mr. Jonathan Rosen	43	Director
Mr. Matthew Lenczner	35	Director

Rose Holdco—Board of Directors

Following the Completion Date, the Board of Directors of Rose Holdco will consist of seven members, including the Executive Chairman and Mr. David Anderson following his appointment on September 1, 2014. The following table sets out the name, age and position for each of the directors.

Name	Age	Position	Type of Director
Mr. Mike Smith	51	Executive Chairman	Executive Director
Mr. Jonathan Booth	52	Deputy CEO	Executive Director
Mr. Tim Richards	58	Chief Finance Officer	Executive Director
Mr. David Anderson ⁽¹⁾	42	Chief Operating Officer	Executive Director
Mr. Jonathan Rosen	43	Non-Executive Director	Non-Executive Director
Mr. Alexander Russell	63	Non-Executive Director	Non-Executive Director
Mr. Matthew Lenczner	35	Non-Executive Director	Non-Executive Director

(1) Mr. Anderson's appointment to the board of directors will be effective September 1, 2014.

The following is a brief description of the present and past experience of each of our directors.

Mike Smith, 51, has been Executive Chairman since 2009 when he re-joined us on a full-time basis to support it through the restructuring and participate in the development of the long-term strategic plan. Mr. Smith originally joined us in 1999 as Chief Operating Officer and in 2006 began a non-executive role as Deputy Chairman of the Group. Mr. Smith previously worked for BP where he was Head of Planning and Strategy for BP's global retail business. Mr. Smith has an honors degree in business studies from the University of Aston in Birmingham.

Jonathan Booth, 52, joined us in 2000 as United Kingdom Managing Director. Prior to joining us, Mr. Booth was at BP and Mobil Oil Company, where he held a wide variety of operational roles, most recently as head of the BP European fuel card business. Since 2007, Mr. Booth was Managing Director of our continental operations before taking up his current position. Mr. Booth received an honors degree in Economic History and Politics from Leicester University.

Tim Richards, 58, joined us in 2004 as Chief Financial Officer. Mr. Richards began his career at the Ford Motor Company, followed by a period with Ernst & Young and then subsequently held senior financial positions in various multinational companies, including Whitbread and Hertz. Prior to joining us, he was chief financial officer of a private equity backed business. Mr. Richards is a fellow of the Chartered Institute of Management Accountants, has a degree in mathematics and has a master's degree in business administration from the University of Bradford.

David Anderson, 42, will join us in September 2014 as our Chief Operating Officer. Mr. Anderson started the Australian business under a license from us in 2006. He completed a buyout of an Australian private equity owned business with us at the end of 2011. Mr. Anderson previously worked for Xansa plc as a management consultant. Mr. Anderson has an honors degree in mathematical statistics and operations research from Exeter University.

Jonathan Rosen, 43, was appointed a Director of Boing Acquisitions Limited in June 2014. Mr. Rosen has worked in private equity for 20 years and joined TDR Capital LLP in 2006. Prior to TDR Capital, Mr. Rosen was a Partner at Hampshire Equity Partners for nine years, and prior to that he worked at BT Capital Partners for five years. Over the course of his career, Mr. Rosen has sourced, managed and sat on the board of directors of many private equity investments. Mr. Rosen also serves as a director of Metis Holdco Limited, Metis Bidco Limited, Lowell Group Limited, Boing Topco Limited, the Company and the Issuer. Mr. Rosen graduated from Duke University with a degree in Economics and Public Policy.

Alexander Russell, 63, joined us in 1979 as Managing Director of the United Kingdom business and was responsible for developing 200 locations between 1985 and 1998. Mr. Russell was previously an Associate Director of Orion Bank Ltd

and is now our Non-Executive Director and a consultant to Sotheby's Europe. Mr. Russell has an honors degree in Modern Languages from Cambridge University.

Matthew Lenczner, 35, is an investment director at TDR Capital. Prior to joining TDR Capital in 2008, Mr. Lenczner worked at Och-Ziff Capital in the special investments team and previously at Lehman Brothers in leveraged finance. Mr. Lenczner graduated from Oxford University with a masters degree in Modern History and Modern Languages.

Our senior management

The following table sets forth our senior management:

Name	Age	Position
Marcel van Brakel	53	Managing Director of Germany
Tim Walton.....	40	Managing Director of UK
Wayne Munnely	43	Managing Director of Rest of Europe
Tim Livsey	52	Marketing Director
Claire Davy.....	49	HR Director

The following is a brief description of the present and past experience of each of our senior managers:

Marcel van Brakel, 53, is the Managing Director of our German business and has held this position since 2013. Mr. van Brakel has over 18 years' experience in strategic and operational retail in such businesses as Intratuin (garden centers), Kamps (bakeries), Eurobike and Hercules Farrah in international roles based in Germany and The Netherlands. He has a strong finance background qualifying as an accountant with 10 years' experience in Peat Marwick, Arthur Andersen and Pepsi-Cola. He joined us in 2012 as German managing director. Marcel is a Certified Public Accountant and has a master's degree in Economics from the University of Tilburg in The Netherlands.

Tim Walton, 40, is the Managing Director of our UK business and has held this position since 2009. Mr. Walton has over 18 years' experience in retail businesses, notably Aldi, Phones 4u, Tchibo and Marks and Spencer. He has held senior operational and strategic roles and has a degree in Retail Management from the University of Surrey.

Wayne Munnely, 43, is the Managing Director of our business in the rest of Europe and joined us in 2014. Mr. Munnely has a strong retail operations background with over 24 years' experience in Whitbread Inns, Scottish and Newcastle Retail and Travelodge Hotels. His roles have encompassed retail operations, brand delivery, property services, new site openings, procurement and he was the Head of Country in Spain for Travelodge.

Tim Livsey, 52, joined us in 1999 and is currently our Marketing Director. Prior to this he was Regional Director of our operations in Western Europe. Before joining us, Tim worked for BP as fuel card sales and marketing manager in the United Kingdom and prior to that he held a variety of roles at Mobil Oil Company. Mr. Livsey has a Bachelor of Arts degree from the University of London and a postgraduate diploma in marketing management from the University of London.

Claire Davy, 49, joined us in early 2009 providing human resources support to the Group on a part-time basis. She has been in human resources for over 20 years in companies such as British Aerospace, ICL Fujitsu, Exxon Mobil and BP, where she held a number of operational HR roles, including the HR Director for the global chemicals business. Ms. Davy left BP in 2007 and since then has been working as an independent HR consultant, providing the whole range of HR services to businesses as diverse as security printing, oil and gas consultancy, construction and aerospace. Ms. Davy has a degree in business studies and a master's degree in occupational psychology from the University of London.

Remuneration and other benefits

The aggregate compensation (including any bonuses and other benefits) paid and accrued in the year ended December 31, 2013 to the senior managers of Rose Holdco listed in this offering memorandum and the directors of Rose Holdco amounted to £2.4 million.

An investment agreement relating to Boing Topco Limited and its subsidiaries was entered into by TDR Capital and members of our management team on June 12, 2014 (the "Investment Agreement"), Certain of the key provisions of this agreement include:

- Customary tag along and drag along rights, participation and cooperation obligations of the managers;
- "Good" and "bad" leaver scheme provisions;

- Capital increases: subscription entitlements, anti-dilution rights; and
- Transfers of shares restricted except to affiliates and family members (or family-run businesses).

Remuneration Committee

At least once a year the Remuneration Committee meets to agree the salaries and bonus-related objectives of the Executive Directors.

Audit Committee

The Audit Committee meets twice a year to discuss auditors' fees and to review the annual financial statements.

Address information

The business address for each member of the board of directors of the Issuer, the Company and Bidco is One Stanhope Gate, London, W1K 1AF. The business address for the members of Rose Holdco's board of directors is 35-37 Amersham Hill, High Wycombe, Buckinghamshire HP13 6NU.

Principal shareholders

Following the Acquisition, investment funds advised by TDR Capital will indirectly own approximately 93.2% of Rose Holdco, while the remaining 6.8% will be held by certain members of the management of Rose Holdco.

TDR Capital is a private equity firm headquartered in London that was founded in 2002 by Manjit Dale and Stephen Robertson, who were previously managing partners at DB Capital Partners, Deutsche Bank AG's private equity arm in Europe. TDR Capital has an experienced team of investment professionals and operating partners and seeks to build a selective, low volume investments strategy on the principles developed by the investment team over the past decade. TDR Capital seeks to spend significant resources on each investment and to focus on operational excellence through a tested and integrated operating partner model.

TDR Capital has a strong track record in owning consumer-facing multi- site businesses, as evidenced by its current investments in David Lloyd Leisure and Stonegate Pub Company, as well as past investments in Pizza Express, Centre Parcs and Punch Taverns.

Certain relationships and related party transactions

In addition to the management arrangements described in “Management”, we are a party to the following transactions with related parties.

The Acquisition

Certain members of management and certain of their affiliates will receive a portion of the proceeds to be paid under the Rose Holdco Acquisition Agreement, and will indirectly invest a portion of such proceeds in the capital of Rose Holdco.

Investment Agreement

The Investment Agreement governs various rights of TDR Capital with regard to Boing Topco Limited and its subsidiaries. Pursuant to the Investment Agreement, TDR Capital is entitled to appoint the majority of the directors of Boing Topco Limited and its subsidiaries. The Investment Agreement requires that certain specified actions in relation to the Group not take place without the consent of TDR Capital. These include, among others, variation or transfer of the share capital of any member of the Group, the acquisition and disposal of major assets, certain capital commitments and distributions of Group profits.

Sponsor Agreements

It is currently anticipated that, on or after the closing of the Acquisition, the Group will enter into customary monitoring fee arrangements or other fee arrangements with affiliates of TDR Capital and pursuant to these arrangements such affiliates will receive a fee in connection with the Acquisition and Offering. See “Use of proceeds”.

Description of other indebtedness

The following contains a summary of the terms of the Revolving Credit Facility and the Intercreditor Agreement. Terms not otherwise defined in this section shall, unless the context otherwise requires, have the same meanings set out in the Revolving Credit Facility Agreement, the Indenture or the Intercreditor Agreement.

Revolving Credit Facility

We are party to the Revolving Credit Facility Agreement which provides for a committed £20 million senior revolving credit facility. The Revolving Credit Facility is available on or around the Completion Date for utilization by way of revolving loans and letters of credit, subject to satisfaction of certain conditions under the Revolving Credit Facility Agreement. Borrowings under the Revolving Credit Facility are used to finance or refinance the general corporate and working capital purposes of the “Restricted Group” (as defined in the Revolving Credit Facility Agreement) subject to certain prohibitions, such as repayment of any of our other indebtedness and payments of dividends.

The original borrower under the Revolving Credit Facility is Bidco. Rose Midco Limited will accede as an additional borrower. The Revolving Credit Facility is guaranteed by the Guarantors and the Issuer. The facility agent (the “Agent”) under the Revolving Credit Facility is Lloyds Bank plc.

Ancillary facilities

Subject to an aggregate limit of 50% of the total commitments (as defined in the Revolving Credit Facility Agreement) for the use of ancillary facilities under the Revolving Credit Facility, a lender may make available to a borrower under the Revolving Credit Facility all or part of that lender’s undrawn commitment in the Revolving Credit Facility by way of ancillary facilities such as overdrafts, guarantees, short-term loan facilities, derivatives and foreign exchange facilities, subject to the satisfaction of certain conditions precedent.

Repayments and prepayments

The Revolving Credit Facility will terminate on the four and a half year anniversary of the Completion Date. Any amount still outstanding at that time will be immediately due and payable.

Subject to certain conditions, we may voluntarily prepay our utilizations and/or permanently cancel all or part of the available commitments under the Revolving Credit Facility by giving five business days’ prior notice to the Agent. Amounts repaid may (subject to the terms of the Revolving Credit Facility Agreement) be reborrowed.

In addition to voluntary prepayments, the Revolving Credit Facility Agreement requires mandatory cancellation and, if applicable, prepayment in full or in part in certain circumstances, including:

- (1) with respect to any lender or any issuer of a letter of credit, if it becomes unlawful for such lender or issuer to perform any of its obligations under the Revolving Credit Facility Agreement;
- (2) upon the occurrence of a change of control. Change of control means:
 - (a) prior to an initial public offering of the Company or any holding company of the Company, the Investors cease to control or own, legally and beneficially, directly or indirectly, more than 50% of the issued share capital and voting rights of the Parent and/or the ability to determine the composition of the majority of the board of directors or equivalent body of the Parent;
 - (b) following such an initial public offering, either (i) the Investors cease to control or own, legally and beneficially, directly or indirectly, more than 30% of the issued share capital and/or voting rights of the Company; or (ii) a person or group of persons acting in concert acquires, directly or indirectly, more issued shares and/or voting rights in the Company than are held (directly or indirectly) by the Investors; or
 - (c) other than pursuant to a “permitted reorganisation” (as defined in the Revolving Credit Facility Agreement), Bidco ceases to be a direct wholly-owned subsidiary of the Company; and
 - (d) “Investors” mean TDR Capital and its affiliates or any trust, fund, company or partnership owned, managed or advised by TDR Capital or any affiliate.
- (3) upon the sale of all or substantially all of the assets of the “Restricted Group”; and

(4) subject to certain criteria, from the proceeds of Asset Dispositions (as defined under the section entitled “Description of the Notes”) and from any net insurance proceeds.

Interest and fees

The Revolving Credit Facility bears interest at a rate per annum : (i) in respect of utilisations in Euro, equal to EURIBOR and a margin of 3.50% per annum, (ii) in respect of utilisations in Sterling, equal to LIBOR plus a margin of 3.75% per annum; and (iii) in respect of utilisations in Australian Dollars, equal to BBSY plus a margin of 3.75% per annum, each subject to a margin ratchet based on the “Consolidated Net Leverage Ratio” at each quarter end. We are also required to pay a commitment fee, in arrears on the last day of each financial quarter during the availability period, on available but unused commitments under the Revolving Credit Facility at a rate of 40% of the applicable margin applicable to borrowings in Sterling under the Revolving Credit Facility Agreement.

We are also required to pay fees related to the issuance of ancillary facilities, letters of credit, and certain fees to the Agent and the Security Agent in connection with the Revolving Credit Facility.

Security and guarantees

The Revolving Credit Facility is guaranteed and is required to be guaranteed on an ongoing basis, subject to certain customary limitations and agreed security principles, on a joint and several basis, by each of our subsidiaries that is a guarantor of the Notes and by the Issuer.

The Revolving Credit Facility Agreement also provides that that as soon as practicable and in any event within 45 days of the date of delivery of a compliance certificate relating to the annual financial statements, the earnings before interest, tax, depreciation and amortization of the guarantors is required to represent not less than 80% of the Restricted Group’s Consolidated EBITDA and the consolidated gross assets is required to represent not less than 75% of the Restricted Group’s consolidated gross assets.

The Revolving Credit Facility is secured by the same security as the Notes (see “—Collateral”).

Covenants

The Revolving Credit Facility Agreement contains customary information and negative covenants (including restrictive covenants that largely replicate those contained in the Indenture), subject to certain agreed exceptions. The Revolving Credit Facility Agreement also requires the Issuer, each Borrower and each guarantor under the Revolving Credit Facility Agreement to observe certain customary affirmative covenants.

The Revolving Credit Facility Agreement contains a minimum EBITDA maintenance covenant, which requires Consolidated EBITDA on or after September 30, 2014 to be not less than £25,000,000. Non-compliance with the financial covenant when the facility is not drawn is a drawstop only and it is not an Event of Default.

The Revolving Credit Facility Agreement allows members of the “Restricted Group” (as defined in the Revolving Credit Facility Agreement) to repurchase any of the Notes, refinancing debt permitted under the Revolving Credit Facility Agreement and debt with a maturity of more than 1 year subject to (i) the aggregate value of that purchase not exceeding 35% of the total of the Restricted Group’s Notes, refinancing debt permitted under the Revolving Credit Facility Agreement and debt with a maturity of more than 1 year; and (ii) there being no event of default or non-compliance with financial covenants continuing. In the event that the 35% threshold is exceeded (and only to the extent that that threshold is exceeded), the Restricted Group is obliged to match the repurchase by a simultaneous cancellation and, if necessary, repayment of an equal amount under the Revolving Credit Facility Agreement. A repurchase of the Notes, refinancing debt permitted under the Revolving Credit Facility Agreement or debt with a maturity of more than 1 year made solely with the proceeds of “additional indebtedness” (as defined in the Intercreditor Agreement) and permitted under the Intercreditor Agreement will not be treated as a repurchase under this provision.

Events of default

The Revolving Credit Facility Agreement contains customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications), including a cross-default with respect to an event of default under, and as defined in, the Notes Indenture, the occurrence of which would allow the lenders to accelerate all or part of the outstanding utilizations and/or terminate their commitments and/or declare all or part of their utilizations payable on demand and/or declare that cash cover in respect of letters of credit and ancillary facilities is immediately due and payable.

Governing law

The Revolving Credit Facility Agreement and any non-contractual obligation arising out of or in connection with it will be governed by and construed and enforced in accordance with English law although the restrictive covenants, which are included in the Revolving Credit Facility Agreement and largely replicate those contained in the Indenture, will be interpreted in accordance with New York law (without prejudice to the fact that the Revolving Credit Facility Agreement is governed by English law).

Intercreditor Agreement

The following summary of the Intercreditor Agreement refers to the Notes and the Indenture as they are defined in this offering memorandum.

In connection with entering into the Revolving Credit Facility Agreement, and the Indenture, Boing Bidco Limited, Boing Midco Limited, and the Issuer entered into an Intercreditor Agreement on 12 June 2014.

The Intercreditor Agreement governs the relationships and relative priorities among (i) the creditors of the Revolving Credit Facility (the “Lenders”); (ii) upon execution of an Intercreditor Accession Deed, the Trustee on behalf of itself and the holders of the Notes; (iii) future hedge counterparties under certain hedging agreements (the “Hedge Counterparties”); (iv) certain future creditors of the Restricted Group; (v) certain intra-group creditors and debtors; (vi) various creditor representatives; and (vii) J.P. Morgan Europe Limited as the original Security Agent.

The Company and each of its subsidiaries that incurs any liability or provides any guarantee under the Senior Facility, the Indenture or the *Pari Passu* Debt documentation is referred to in this description as “Debtors.”

The Intercreditor Agreement sets out:

- the relative ranking of certain indebtedness of the Debtors;
- the relative ranking of certain security granted by the Debtors;
- when payments can be made in respect of certain indebtedness of the Debtors;
- when enforcement actions can be taken in respect of certain indebtedness;
- when enforcement action can be taken in respect of Collateral;
- the terms pursuant to which certain indebtedness will be subordinated upon the occurrence of certain insolvency events;
- turnover provisions; and
- when security and guarantees will be released to permit a sale of the Collateral.

The Intercreditor Agreement contains provisions relating to future indebtedness that may be incurred by the Debtors, provided that it is permitted by the terms of the Revolving Credit Facility Agreement and the Indenture, which may rank *pari passu* to the Notes and be secured by the Collateral (the “*Pari Passu* Debt”), subject to the terms of the Intercreditor Agreement. The Creditors of the *Pari Passu* Debt (the “*Pari Passu* Creditors”) have rights under the Intercreditor Agreement, which are summarized below.

The Intercreditor Agreement also allows (after all Credit Facility Liabilities (as defined below) have been fully and finally discharged) for the Debtors to enter into a new super senior credit facility, provided that the total amount outstanding under such facility is permitted under the Indenture. For the purposes of this description, any references to the Revolving Credit Facility or Lenders or Credit Facility Liabilities should be read as including any such other super senior credit facility.

By accepting a Note, the relevant holder thereof shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement.

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety nor does it describe provisions relating to the rights and obligations of holders of other classes of our debt. As such, we urge you to read the Intercreditor Agreement because it, and not the discussion that follows, defines the rights of the holders of the Notes. Copies of the Intercreditor Agreement are available to holders of the Notes upon request. See “Where to find additional information”.

Ranking and priority

The Intercreditor Agreement provides, subject to the provisions regarding permitted payments and application of proceeds below, that the right and priority of payment of all present and future liabilities and obligations under the Revolving Credit Facility (the “Credit Facility Liability”), the hedging agreements entered into by the Hedge Counterparties (the “Hedging Liabilities”), the Notes (the “Notes Liabilities”) and the *Pari Passu* Debt rank *pari passu* in right and priority of payment without any preference or payment between them.

These liabilities rank ahead of any liabilities of the Debtors to the Issuer and its subsidiaries (the “Intra-Group Liabilities”) or any debt to a holding company (the “Structural Liabilities” and together with the Intra-Group Liabilities, the “Subordinated Liabilities”). The Intercreditor Agreement does not rank the Subordinated Liabilities as between themselves.

Collateral

The Lenders, the Hedge Counterparties, the holders of the Notes and the *Pari Passu* Creditors will benefit from a common guarantee and security package and no such secured creditor may take the benefit of any guarantee or security from the Restricted Group or the Company unless such guarantee or security is also offered (to the extent legally possible and consistent with the Agreed Security Principles) for the benefit of the other secured creditors. The Collateral shall rank and secure the liabilities owed to the Lenders, the Hedge Counterparties, the holders of the Notes and the *Pari Passu* Creditors *pari passu* and without any preference between them.

In addition, the Intercreditor Agreement provides that the guarantees and Collateral will be released in certain circumstances described further below in “—Release of security and guarantees—non-distressed disposals” and “—Release of security and guarantees—distressed disposals.”

Permitted payments

Prior to an acceleration event or enforcement of the Collateral, the Intercreditor Agreement will permit payments to be made by the Debtors under the Revolving Credit Facility Agreement, the Indenture and any *Pari Passu* Debt documentation (provided that such payments are permitted under such documents) and does not limit or restrict any payment by any Debtor in the ordinary course of business. The Intercreditor Agreement also permits payments to lenders of Intra-Group Liabilities, provided that there has been no acceleration or enforcement of the Collateral. Payments may be made in respect of Structural Liabilities to the extent not expressly prohibited by the Revolving Credit Facility Agreement, the Indenture and the *Pari Passu* Debt documentation. There are also restrictions on payments to Hedge Counterparties except for certain specified permitted payments.

The Debtors may not make payments in respect of the Credit Facility Liabilities, the Hedging Liabilities, the Notes Liabilities or the *Pari Passu* Debt after an acceleration event or enforcement of the Collateral unless in accordance with the enforcement proceeds waterfall described below under “—Application of proceeds.”

An acceleration event includes the relevant creditor representative exercising any or all of its rights under the acceleration provisions of the Revolving Credit Facility Agreement (which includes placing on demand of liabilities thereunder), the Indenture or the *Pari Passu Debt* documentation.

Limitations on enforcement

For the purposes of enforcement of the Collateral, the Lenders, the Hedge Counterparties and their creditor representatives are referred to as the “Super Senior Creditors.”

If any of the Super Senior Creditors, the holders of the Notes or the *Pari Passu* Creditors wish to enforce the Collateral, either (a) $66\frac{2}{3}\%$ by commitment value of the Super Senior Creditors; or (b) the Senior Secured Required Holders must give five business days’ notice of the proposed enforcement instructions to the creditor representatives for the other creditor classes and the Security Agent. The giving of this notice triggers a 30-day consultation period during which time the creditor representatives for each of the creditor classes must discuss the proposals in good faith with a view to co-ordinating the proposed instructions.

The “Senior Secured Required Holders” are determined as follows:

- (a) if there are no *Pari Passu* Creditors, it will be holders of the Notes holding at least a majority of the principal amount of the then outstanding Notes; or
- (b) if, in addition to the holders of the Notes there are any *pari passu* creditors with undrawn commitments under a single loan, credit or guarantee facility in an amount at least equal to €75million (and provided further that at least €50 million of such liabilities are outstanding in the form of loans, credit or guarantees under such agreement) (the “*Pari Passu* Loan Creditors”), the Senior Secured Required Holders will be the first in time to submit instructions of (i) the majority (or such higher specified proportion required under the relevant debt document) of *Pari Passu* Loan Creditors and (ii) a simple majority of a combined class of the holders of the Notes and any *Pari Passu* Creditors (excluding any *Pari Passu* Loan Creditors) provided that the creditors (including the holders of the Notes) of any *pari passu* liabilities with aggregate *pari passu* liabilities owed to them and/or undrawn commitments of less than €25 million shall not be entitled to vote in such class; or
- (c) in any other case, it will be a simple majority of a combined class of holders of the Notes and *pari passu* Creditors (provided that the creditors of any tranche of *pari passu* additional indebtedness with *Pari Passu* liabilities owed to them and/or undrawn commitments under that tranche of less than €25 million shall not be entitled to vote in such combined class).

A creditor representative is not obliged to consult as described above (or shall only be obliged to consult for a shorter period) if:

- an insolvency event has occurred and is continuing in relation to a Debtor;
- there is an event of default continuing in respect of the liabilities owed to the relevant creditor group and that creditor group determines, acting reasonably and in good faith, that to do so and thereby delay enforcement could reasonably be expected to have a material adverse effect on (A) the Security Agent’s ability to enforce any of the Collateral or (B) the realization proceeds available to that creditor group of any enforcement of the Collateral in any material respect; or
- the required creditor representatives so agree on the proposed enforcement action.

Conflicting enforcement instructions

At the end of the consultation period, the Security Agent must act on the instructions of the Instructing Group. The Instructing Group consists of (i) $66\frac{2}{3}\%$ by commitment value of the Super Senior Creditors and (ii) the Senior Secured Required Holders.

If there are conflicting enforcement instructions given to the Security Agent by the different classes of creditors who can constitute the Instructing Group, then provided that the Senior Secured Required Holders have complied with the consultation obligations set out above and, those instructions are consistent with the security enforcement principles (see further below), the enforcement instructions from the Senior Secured Required Holders will prevail over those of the Super Senior Creditors and the Senior Secured Required Holders will constitute the Instructing Group. Failure by a class of creditors to give instructions will not be deemed to be an instruction that conflicts with any other enforcement instructions. After the Security Agent has commenced enforcement over the Collateral, it will not accept any subsequent

instructions from anyone other than the Instructing Group that instructed it to take such action, except as described in the paragraph below.

If the relevant creditor group is the Senior Secured Required Holders and (a) the Security Agent has not taken any enforcement action within 3 months of the date of the first enforcement instructions; or (b) the Super Senior Creditors have not been repaid in full within six months of the date of the first enforcement instructions, any enforcement instructions given by $66\frac{2}{3}\%$ by commitment value of the Super Senior Creditors will then prevail, provided that they are consistent with the security enforcement principles.

Any enforcement instructions given must comply with certain security enforcement principles including the following:

- the primary and over-riding aim of any enforcement is to achieve the security enforcement objective, namely to maximize, so far as consistent with prompt and expeditious realization of value from enforcement of the Collateral, the recovery of all of the secured parties (provided that the security enforcement objective shall cease to be operative six months after the date of the first enforcement instructions unless $66\frac{2}{3}\%$ by commitment value of the Super Senior Creditors agree);
- all enforcement proceeds will be received in cash by the Security Agent or sufficient enforcement proceeds will be received in cash by the Security Agent to ensure that after distribution in accordance with the Intercreditor Agreement, the Credit Facility Liabilities will be repaid in full;
- to the extent that the enforcement is over Collateral with an aggregate book value exceeding £2.5 million or over shares in any member of the “Restricted Group,” the Security Agent shall obtain an opinion from a recognized independent investment bank or other reputable independent third-party professional firm that is regularly engaged in providing valuations of the relevant type and size of assets, that the consideration from such enforcement is fair from a financial point of view taking into account all relevant circumstances (the “Financial Advisor Opinion”);
- the Financial Advisor’s Opinion will be conclusive evidence that the Security Enforcement Principles have been met; and
- if any enforcement action is conducted by way of public auction in any jurisdiction, no Financial Advisor needs to be appointed in respect of such enforcement action.

Turnover

Subject to certain exclusions, if any holders of the Notes, Lender, *Pari Passu* Creditor, Hedge Counterparty (or any of their respective creditor representatives) receives or recovers the proceeds of any enforcement of any Collateral except in accordance with “—Application of proceeds” below, that person must:

- in relation to amounts not received or recovered by way of set-off, hold that amount on trust for the Security Agent and promptly pay an amount equal to that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and
- in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

The Trustee shall only have an obligation to turn over or repay amounts received or recovered by it as described above (i) if it had actual knowledge that the receipt or recovery is an amount received in breach of a provision of the Intercreditor Agreement; and (ii) to the extent that, prior to receiving that knowledge, it has not distributed the amount of that receipt to the holders of the Notes in accordance with the Indenture. A similar protection exists for any trustees of *Pari Passu* Debt.

There is also a general turnover obligation on the subordinated creditors to turnover all amounts not received in accordance with the Intercreditor Agreement.

Application of proceeds

All amounts from time to time recovered by the Security Agent in connection with the realization or enforcement of all or any part of the Collateral or Distressed Disposal shall be held by the Security Agent on trust and applied in the following order:

- *first*, pro rata and *pari passu*, in payment of all unpaid costs, expenses and liabilities owing to the Trustee, the creditor representative for the *Pari Passu* Creditors, the Security Agent, each other creditor representative and any receiver or delegate;
- *second*, pro rata and *pari passu*, in payment of all costs and expenses incurred by the Super Senior Creditors in connection with the enforcement of the Collateral or any action taken at the request of the Security Agent;
- *third*, pro rata and *pari passu*, in payment to the agent of the Lenders for its own behalf and on behalf of the arrangers of the Revolving Credit Facility and the Lenders for application towards the discharge of the Credit Facility Liabilities and to each Hedge Counterparty for application toward the discharge of Hedge Liabilities;
- *fourth*, pro rata and *pari passu*, in payment of all costs and expenses incurred by the holders of the Notes and the *Pari Passu* Creditors in connection with the enforcement of the Collateral or any action taken at the request of the Security Agent;
- *fifth*, pro rata and *pari passu*, in payment to (i) the Trustee on behalf of the holders of the Notes for application towards the discharge of the Notes Liabilities in accordance with the Indenture and (ii) the creditor representatives of the *Pari Passu* Creditors for application towards the discharge of the *Pari Passu* Debt; and
- *sixth*, after all the secured creditors have been repaid in full, in payment of the surplus (if any) to the relevant Debtor or other person entitled to it.

Option to purchase

The holders of the Notes and *Pari Passu* Creditors, which are holders of certain issued debt securities, may, after the commencement of a consultation period referred to in “—Limitations on enforcement” above by any Lenders, and subject to various conditions set out in the Intercreditor Agreement (including the grant of an acceptable indemnity against clawback to the Lenders and *Pari Passu* Loan Creditors), exercise an option to purchase the Credit Facility Liabilities in full and at par.

Release of security and guarantees-non-distressed disposals

In circumstances where a disposal is not a distressed disposal (and is otherwise permitted by the terms of the Revolving Credit Facility Agreement, the Indenture and any *Pari Passu* Debt documentation), the Intercreditor Agreement will provide that the Security Agent is authorized:

- (a) to release the Collateral or any other claim over the relevant asset; and
- (b) if the relevant asset consists of shares in the capital of a Debtor or a holding company of a Debtor, to release the Collateral or any other claim over that holding company's or Debtor's assets and the assets of any of their subsidiaries,

provided that in the case of a disposal to another member of the Restricted Group, any required replacement security is granted by the transferee before or at the same time as the release.

If required by the terms of the Revolving Credit Facility Agreement, the Indenture or *Pari Passu* Documents, any proceeds from a disposal that does not constitute a distressed disposal shall be applied in mandatory prepayment of the relevant debt.

Release of security and guarantees-distressed disposals

In circumstances where a distressed disposal is being effected, the Intercreditor Agreement provides that the Security Agent is authorized:

- (a) to release the Collateral or any other claim over the relevant asset;
- (b) if the asset which is disposed of consists of shares in the capital of a Debtor, to release (a) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing liabilities, guaranteeing liabilities (including in relation to the Notes) and certain other liabilities; (b) any Collateral granted over that Debtor's assets and the assets of any of its subsidiaries; and (c) any other claim of a Debtor or intra-group lender over that Debtor's assets or over the assets of any subsidiary of that Debtor;
- (c) if the asset which is disposed of consists of shares in the capital of any holding company of a Debtor, to release (a) that holding company and any subsidiary of that holding company from all or any part of its borrowing liabilities, guaranteeing liabilities (including in relation to the Notes) and certain other liabilities; (b) any Collateral granted over the assets of any subsidiary of that holding company; and (c) any other claim of a Debtor or intra-group lender over the assets of any subsidiary of that holding company;
- (d) if the asset which is disposed of consists of shares in the capital of a Debtor or any holding company of a Debtor, to dispose of all or any part of that Debtor's or the holding company that Debtor's borrowing liabilities, guaranteeing liabilities (including in relation to the Notes) and certain other liabilities; and
- (e) if the asset which is disposed of consists of shares in the capital of a Debtor or any holding company of a Debtor, to transfer Intra-Group Liabilities and debtor liabilities owed by that Debtor or holding company of a Debtor to another Debtor.

Any net proceeds of the disposal must be applied in accordance with the enforcement proceeds waterfall described above under “—Application of proceeds.”

Amendment

The Intercreditor Agreement may be amended with the consent of only the majority Super Senior Creditors, the required percentage of the holders of the Notes (as set out in the Indenture), the required percentage of *Pari Passu* Creditors (as set out in the relevant *Pari Passu* Debt documentation), the Company and the Security Agent unless it relates to certain specified matters such as ranking, priority, subordination, turnover, enforcement, disposal proceeds, amendments or the payment waterfall. Such amendments require consent from all Super Senior Creditors, the required percentage of holders of the Notes (as set out in the Indenture), the required percentage of *Pari Passu* Creditors (as set out in the relevant *Pari Passu* Debt documentation), and each Hedge Counterparty (to the extent such amendments adversely affect it or relate to the nature or scope of Transaction Security), the Company and the Security Agent.

No amendment or waiver of the Intercreditor Agreement may impose new or additional obligations on or withdraw or reduce the rights of any party (other than in a way which affects creditors of that party's class generally) to the Intercreditor Agreement without the prior consent of that party.

The Intercreditor Agreement may be amended without the consent of the holders of the Notes in certain circumstances set out further in "Description of the Notes—Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements" below.

To the extent the Debtors wish to enter into *Pari Passu* Debt or other additional or replacement indebtedness ("Additional Indebtedness") which is permitted to share in the Collateral pursuant to the Revolving Credit Facility Agreement, the Indenture and other *Pari Passu* Debt documentation, then the parties to the Intercreditor Agreement may be required to enter into a replacement intercreditor agreement as set out further in "Description of the Notes—Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements" below on substantially the same terms as the Intercreditor Agreement.

The Intercreditor Agreement also permits the Security Agent (subject to the terms of the Revolving Credit Facility Agreement) to enter into new or supplemental security and/or release and retake Transaction Security if certain conditions are met, set out further in "Description of the Notes—Certain Covenants—Impairment of security interest" below.

The Intercreditor Agreement contains parallel debt provisions under which an independent debt in an amount equal to the total amount of the liabilities secured by the Collateral is created in favor of the Security Agent which is intended to enable a changing class of beneficiaries (being Lenders, the Hedge Counterparties, the holders of the Notes and the *Pari Passu* Creditors) to benefit from security under German, Dutch and French law.

Bridge Facility Agreement

A bridge facility agreement in the committed amount of up to £190,000,000 was entered into on June 12, 2014 between the Company and Bidco as original guarantors, the Issuer as borrower, J.P. Morgan Limited and Lloyds Bank plc as arrangers and J.P. Morgan Europe Limited as security agent. The bridge facility agreement contains covenants that are similar to the Revolving Credit Facility. It is not currently anticipated that any amount will be drawn under the bridge facility agreement.

Description of the Notes

The Issuer issued and the Guarantors will guarantee €240.0 million aggregate principal amount of 6.625% senior secured notes due 2019 (the “Notes”) in this offering. The Notes will be issued by Boing Group Financing plc (the “Issuer”), a public limited company which has been organized as a special purpose finance subsidiary to facilitate the offering of debt securities, and which has no operations and no assets other than its rights under the on-loans of proceeds to Bidco (as defined herein) pursuant to the Proceeds Loan Agreement (as defined herein). The Issuer will be dependent on payments by Bidco on the Proceeds Loan (as defined herein) in order to service the Notes.

In this Description of the Notes, the “Company” refers only to Boing Midco Limited and any successor obligor to Boing Midco Limited on the Parent Guarantee (as defined below), “Bidco” refers only to Boing Acquisitions Limited and any successor obligor to Boing Acquisitions Limited on the Bidco Guarantee (as defined herein), and, in each case, not to any of their respective subsidiaries, including the Issuer; “Rose Holdco” refers only to Rose HoldCo Limited and any successor obligor to Rose HoldCo Limited on its Subsidiary Note Guarantee (as defined below); and the “Issuer” refers only to Boing Group Financing plc, and any successor obligor to Boing Group Financing plc on the Notes. Bidco is a wholly owned subsidiary of the Company, and the Issuer is a wholly owned subsidiary of Bidco.

The proceeds of the Offering sold on the Issue Date were used by the Issuer, together with the Equity Contribution to fund, directly or indirectly, the purchase price for the Acquisition, including any adjustments under the Rose Holdco Acquisition Agreement, to repay existing indebtedness owed by the IMO Group and to pay fees, costs and expenses incurred in connection with the Transactions, as set forth in this offering memorandum under the caption “Use of Proceeds.”

The initial purchasers, concurrently with the closing of the offering of the Notes on the Issue Date, deposited the gross proceeds of this offering of the Notes less certain deductions with respect to fees and expenses into an escrow account (the “Senior Secured Notes Escrow Account”) pursuant to the terms of an escrow deed (the “Senior Secured Notes Escrow Agreement”) dated as of the Issue Date among, *inter alios*, the Issuer, U.S. Bank Trustees Limited, as trustee (the “Trustee”) and Elavon Financial Services Limited, UK Branch as Senior Secured Notes Escrow Agent (the “Escrow Agent”). If the Acquisition would not have been consummated on or prior to November 14, 2014 (the “Escrow Longstop Date”), or upon the occurrence of certain other events, then the Notes will be redeemed at a price equal to 100% of the initial issue price of such Notes plus accrued and unpaid interest and Additional Amounts, if any, from the Issue Date to the Special Mandatory Redemption Date (as defined below). See “—Escrow of proceeds; Special mandatory redemption.”

Upon the initial issuance of the Notes, the Notes became obligations of the Issuer and were guaranteed by the Company (the “Parent Guarantee”) and Bidco (the “Bidco Guarantee”). Rose Holdco and the Subsidiary Guarantors specified below will each become a party to the Indenture (as defined herein) and will guarantee the Notes on a senior secured basis as soon as reasonably practicable after the Completion Date but in any case no later than 60 days from the Completion Date. Prior to the Completion Date, the Issuer and the Company did not control the IMO Group, and the IMO Group was not subject to the covenants described in this “Description of the Notes”. As such, we were unable to assure you that prior to the Completion Date, the IMO Group did not engage in activities that would otherwise have been prohibited by the Indenture had those covenants been applicable to such entities after the Issue Date and prior to the Completion Date.

The Issuer issued the Notes under an indenture to be dated as of the Issue Date (the “Indenture”) among the Issuer, the Guarantors (as defined herein) and the Trustee. The Notes were issued in private transactions that are not subject to the registration requirements of the Securities Act. See “Notice to investors.” The terms of the Notes include those stated in the Indenture. The Indenture will not be qualified under, incorporate provisions by reference to or otherwise be subject to the Trust Indenture Act of 1939, as amended.

The Indenture, the Notes and the Note Guarantees (as defined herein) will be subject to the terms of the Intercreditor Agreement (as defined herein) and any Additional Intercreditor Agreement (as defined herein) entered into in the future pursuant to “—Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements.” The terms of the Intercreditor Agreement are important to understand the terms and ranking of the Liens on the Collateral securing the Notes and the Note Guarantees. Please see “Description of other indebtedness—Intercreditor Agreement” for a description of the material terms of the Intercreditor Agreement.

This “Description of the Notes” is intended to be an overview of the material provisions of the Indenture, the Notes, the Note Guarantees, the Senior Secured Notes Escrow Agreement and the Proceeds Loan Agreement. Since this description of the terms of the Notes is only a summary, you should refer to the Indenture for complete descriptions of the obligations of the Issuer and the Guarantors and your rights.

Copies of the Indenture, the form of Notes, the Note Guarantees and the Intercreditor Agreement are available as set forth under “Where to find additional information.”

The Indenture is unlimited in aggregate principal amount, but this issuance of Notes is limited to €240.0 million aggregate principal amount of Notes. We may issue an unlimited principal amount of Additional Notes (as defined under “—Additional Notes”) under the Indenture subject to the procedures described therein; *provided* that we will only be permitted to issue Additional Notes in compliance with the covenants contained in the Indenture, including the covenant restricting the Incurrence of Indebtedness (as described below under “—Certain Covenants—Limitation on Indebtedness”). See “—Additional Notes.” Unless the context otherwise requires, in this “Description of the Notes,” references to the “Notes” include the Notes and the Additional Notes that are actually issued.

Summary description of the Notes

The Notes

- will be senior obligations of the Issuer and rank equal in right of payment with any existing or future Indebtedness of the Issuer that is not expressly subordinated to the Notes;
- will be secured by the Collateral described below along with obligations under the Revolving Credit Facilities Agreement (although any liabilities in respect of obligations under certain Credit Facilities and certain Hedging Obligations that are secured by the Collateral will receive priority over the Holders with respect to any proceeds received upon any enforcement action over the Collateral);
- will be senior in right of payment to any future Subordinated Indebtedness (as defined herein) of the Issuer;
- will be effectively senior in right of payment to any existing or future unsecured obligations of the Issuer to the extent of the value of the Collateral that is available to satisfy the obligations under the Notes;
- will be unconditionally guaranteed on a senior secured basis by the Guarantors, which guarantees may be subject to the guarantee limitations described in this offering memorandum.

Principal and maturity

On the Issue Date, the Issuer will issue €240.0 million in aggregate principal amount of Notes. The Notes will mature on July 15, 2019 and will be redeemed at 100.00%. The Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The rights of holders of beneficial interests in the Notes to receive the payments on such Notes are subject to applicable procedures of Euroclear and/or Clearstream. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Interest

Interest on the Notes will accrue at the rate of 6.625% per annum. Interest on the Notes will be payable, in cash, semi-annually in arrears on January 15 and July 15 of each year, commencing on January 15, 2015 to holders of record on the immediately preceding January 1 and July 1, respectively. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

Additional Notes

From time to time, subject to the Company’s compliance with the covenants contained in the Indenture, including the covenants restricting the incurrence of Indebtedness (as described below under the heading “—Certain Covenants—Limitation on Indebtedness”), the Issuer is permitted to issue additional Notes, which shall have terms substantially identical to the Notes except in respect of any of the following terms which shall be set forth in an Officer’s Certificate supplied to the Trustee (the “Additional Notes”):

- (1) the title of such Additional Notes;
- (2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes will be issued;

(4) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;

(6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;

(7) if other than denominations of €100,000 and in integral multiples of €1,000 in excess thereof, the denominations in which such Additional Notes shall be issued and redeemed; and

(8) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes.

Unless the context otherwise requires, for all purposes of the Indenture and this “Description of the Notes,” references to “Notes” shall be deemed to include references to the Notes and shall be deemed to include the Notes initially issued on the Issue Date as well as any Additional Notes. Additional Notes shall be treated, along with all other Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series. For all purposes other than U.S. federal income tax purposes, Additional Notes shall be deemed to form one series with any Notes previously issued if they have terms substantially identical in all material respects to such other Notes. For U.S. federal income tax purposes, Additional Notes shall be part of the same series as any Notes previously issued if they are issued in a qualified reopening of such other Notes pursuant to the Code.

Methods of receiving payments on the Notes

Principal, premium, if any, interest and Additional Amounts (as defined under “—Additional Amounts”), if any, on the Global Notes (as defined under “—Transfer and Exchange”) will be payable at the specified office or agency of one or more Paying Agents (as defined under “—Paying Agent, Registrar and Transfer Agent for the Notes”); *provided* that all such payments with respect to Notes represented by one or more Global Notes registered in the name of or held by the common depositary for Euroclear or Clearstream or its nominee will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, premium, if any, interest and Additional Amounts, if any, on any certificated securities (“Definitive Registered Notes”) will be payable at the specified office or agency of one or more Paying Agents in the city of London maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the Person entitled thereto as shown on the register for the Definitive Registered Notes. See “—Paying Agent, Registrar and Transfer Agent for the Notes.”

Paying Agent, Registrar and Transfer Agent for the Notes

The Issuer will maintain one or more paying agents (each, a “Paying Agent”) for the Notes, including a Paying Agent in the City of London. The Issuer will also undertake to maintain a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC regarding the taxation of savings income or any other directive implementing the conclusions of the ECOFIN Council meetings of 26 and 27 November 2000 on the taxation of savings income (the “Taxation Directive”), or any law implementing, or complying with or introduced in order to conform to the Taxation Directive. The initial Paying Agent for the Notes will be Elavon Financial Services Limited, UK Branch.

The Issuer will also maintain (i) one or more registrars (each, a “Registrar”) with offices in Dublin, Ireland, and (ii) a transfer agent in London, United Kingdom (the “Transfer Agent”). The initial Registrar will be Elavon Financial Services Limited. The initial Transfer Agent will be Elavon Financial Services Limited, UK Branch. The Registrar, the Paying Agent and the Transfer Agent, as applicable, will maintain a register reflecting ownership of Definitive Registered Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of Definitive Registered Notes on behalf of the Issuer. The Transfer Agent shall perform the functions of a transfer agent.

The Issuer may change any Paying Agent, Registrar or Transfer Agent for the Notes without prior notice to the Holders. However, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in accordance with the requirements of such rules. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

Transfer and exchange

The Notes will be issued in the form of one or more registered notes in global form without interest coupons, as follows:

- Each series of Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the “144A Global Notes”).
- The 144A Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.
- Each series of Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the “Regulation S Global Notes” and, together with the 144A Global Notes, the “Global Notes”).
- The Regulation S Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes (“Book-Entry Interests”) will be limited to Persons that have accounts with Euroclear or Clearstream or Persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under “Notice to investors.” In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, as applicable, and their respective participants.

Book-Entry Interests in the 144A Global Notes may be transferred to a Person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Prior to 40 days after the date of initial issuance of the Notes, ownership of Book-Entry Interests in Regulation S Global Notes will be limited to Persons that have accounts with Euroclear or Clearstream or Persons who hold interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A under the Securities Act. Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a Person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a Person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “Notice to investors” and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Board of Directors or an Officer of the Company or the Issuer to be in

compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under “Notice to investors.”

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, as applicable, to furnish certain certificates and opinions, and to pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer is not required to register the transfer or exchange of any Notes:

- (1) for a period of 15 days prior to any date fixed for the redemption of such Notes;
- (2) for a period of 15 days immediately prior to the date fixed for selection of such Notes to be redeemed in part;
- (3) for a period of 15 days prior to the record date with respect to any interest payment date applicable to such Notes; or
- (4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer (as defined under “—Change of Control”) or an Asset Disposition Offer (as defined under “—Certain Covenants—Limitation on sales of assets and subsidiary stock”).

The Issuer, the Trustee, any Paying Agent, the Registrar and the Transfer Agent will be entitled to treat the Holder as the owner of it for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

Immediately after the issuance of the Notes and upon the Completion Date, all the Company’s Subsidiaries will be Restricted Subsidiaries. In the circumstances described below under the definition of “Unrestricted Subsidiary,” the Company will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants contained in the Indenture.

Escrow of proceeds; Special Mandatory Redemption

Concurrently with the closing of the offering of the Notes on the Issue Date, the Issuer entered into the Senior Secured Notes Escrow Agreement with, *inter alios*, the Trustee and the Escrow Agent, pursuant to which the initial purchasers deposited with the Escrow Agent an amount equal to the gross proceeds of this offering of the Notes sold on the Issue Date less certain deductions with respect to fees and expenses into the Senior Secured Notes Escrow Account. The Senior Secured Escrow Account, together with the Senior Secured Notes Escrowed Property (as defined below), was charged on a first-ranking basis in favor of the Trustee for the benefit of the holders of the Notes, pursuant to an escrow charge dated the Issue Date between the Issuer, the Escrow Agent and the Trustee (the “Senior Secured Notes Escrow Charge”). The initial funds deposited in the Senior Secured Notes Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Senior Secured Notes Escrow Account (less any property and/or funds paid in accordance with the Senior Secured Notes Escrow Agreement) are referred to, collectively, as the “Senior Secured Notes Escrowed Property.”

In order to cause the Escrow Agent to release the Senior Secured Notes Escrowed Property to the Issuer or to such account as may be designated by the Issuer (the “Release”), the Escrow Agent and the Trustee received from the Issuer, on or before the Escrow Longstop Date, an Officer’s Certificate, upon which both the Escrow Agent and the Trustee shall rely, without further investigation, to the effect that:

- (1) (i) the Equity Contribution has been made, (ii) the Acquisition will be consummated on the terms set forth in the Acquisition Agreements, promptly following the release of the Senior Secured Notes Escrowed Property and (iii) no material term or condition of the Acquisition Agreements has been amended or waived in a manner or to an extent that would be materially adverse to the interests of Holders of the Notes, other than any amendment or waiver made with the consent of Holders of a majority of the outstanding Notes;
- (2) immediately after consummation of the Acquisition, the Company will own, directly or indirectly, the entire share capital of Rose Holdco; and

(3) as of the Completion Date, there are no events of bankruptcy, insolvency or court protection with respect to the Company, Bidco or the Issuer.

The Release occurred promptly upon the satisfaction of the conditions set forth above (the date of such satisfaction, the “Completion Date”). Upon the Release, the Senior Secured Notes Escrowed Property will be paid out in accordance with the Senior Secured Notes Escrow Agreement and the Senior Secured Notes Escrow Account will be reduced to zero.

In the event that (a) the Completion Date did not take place on or prior to the Escrow Longstop Date, (b) in the reasonable judgment of the Issuer, the Acquisition will not be consummated on or prior to the Escrow Longstop Date, (c) the Acquisition Agreements terminate at any time on or prior to the Escrow Longstop Date, or (d) there was an event of bankruptcy, insolvency or court protection with respect to the Company, Bidco or the Issuer on or prior to the Escrow Longstop Date (the date of any such event being the “Special Termination Date”), the Issuer will redeem all of the Notes (the “Special Mandatory Redemption”) at a price (the “Special Mandatory Redemption Price”) equal to 100% of the aggregate issue price of the Notes, plus accrued but unpaid interest and Additional Amounts, if any, from the Issue Date to the Special Mandatory Redemption Date (as defined below) (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notice of the Special Mandatory Redemption would have been delivered by the Issuer, no later than one Business Day following the Special Termination Date, to the Trustee and the Escrow Agent, and would have provided that the Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Senior Secured Notes Escrow Agreement (the “Special Mandatory Redemption Date”). On the Special Mandatory Redemption Date, the Escrow Agent shall pay to the Paying Agent for payment to each Holder the Special Mandatory Redemption Price for such Holder’s Notes and, concurrently with the payment to such Holders, deliver any excess Senior Secured Notes Escrowed Property (if any) to the Issuer.

In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeded the amount of the Senior Secured Notes Escrowed Property, one or more of the Equity Investors will be required to fund the accrued and unpaid interest, and Additional Amounts, if any, owing to the holders of the Notes, pursuant to a commitment provided by such Equity Investors.

To secure the payment of the Special Mandatory Redemption Price, the Issuer will grant to the Trustee for the benefit of the Holders of the Notes a security interest over the Senior Secured Notes Escrow Account and the Senior Secured Notes Escrowed Property. Receipt by the Trustee from the Issuer of either an Officer’s Certificate for the release or a notice of Special Mandatory Redemption (provided funds sufficient to pay the Special Mandatory Redemption Price are in the Senior Secured Notes Escrow Account) shall constitute deemed consent by the Trustee for the release of the Senior Secured Notes Escrowed Property from the Senior Secured Notes Escrow Charge.

If at the time of such Special Mandatory Redemption, the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will notify the Luxembourg Stock Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such Special Mandatory Redemption.

Note Guarantees

The obligations of the Issuer pursuant to the Notes will be unconditionally guaranteed, jointly and severally, by the Company, by Bidco, by Rose Holdco and by certain material Wholly Owned Restricted Subsidiaries of Rose Holdco, as described below. Each Restricted Subsidiary (other than Bidco and Rose Holdco) that provides a guarantee of the Notes (a “Subsidiary Note Guarantee”) is referred to herein as a “Subsidiary Guarantor,” and together with the Company, Bidco and Rose Holdco as the “Guarantors.” The initial Subsidiary Guarantors will consist of (i) Rose Midco Limited, (ii) IMO Car Wash Group Limited, (iii) Anduff Holdings Limited, (iv) Cleanland Limited, (v) Milburn Productions Limited, (vi) Anduff Car Wash Limited, (vii) IMO Deutschland Holding GmbH, (viii) TOMAN Handels- und-Beteiligungsgesellschaft mbH & Co KG, (ix) TOMAN Handels- und Beteiligungsverwaltungsgesellschaft mbH, (x) IMO Autopflege GmbH, (xi) IMO Autopflege Beteiligungsgesellschaft mbH & Co KG, (xii) IPIC B.V., (xiii) IMO Group Holdings Pty Ltd and (xiv) IMO Car Wash Australasia Pty Ltd, and will include each entity that has guaranteed, or is a borrower under, the Revolving Credit Facilities Agreement as of the Completion Date.

For the twelve months ended March 31, 2014, the Guarantors generated £95.3 million or 77.0% of our turnover and £28.6 million or 80.7% of our EBITDA. For the twelve months ended March 31, 2014, the non-Guarantors generated £28.4 million or 23.0% of our turnover and £6.8 million or 19.3% of our EBITDA. As of March 31, 2014, the Guarantors represented £144.4 million or 78.4% of our total assets. As of March 31, 2014, the non-Guarantors represented £39.7 million or 21.6% of our total assets.

As of the Issue Date, the Company and Bidco will each grant the Parent Guarantee and the Bidco Guarantee, respectively. Rose Holdco and the initial Subsidiary Guarantors set forth above will deliver the relevant Note Guarantee as soon as practicable after the Completion Date but in any case within 60 days of the date of the Completion Date. The Subsidiary Guarantors will be subject to certain limitations.

In addition, subject to the Agreed Security Principles, if the Company or any of its Restricted Subsidiaries acquires or creates a Restricted Subsidiary (other than an Immaterial Subsidiary) after the Issue Date or any Restricted Subsidiary guarantees or becomes liable for certain Indebtedness, the Company will cause such new Subsidiary to provide a Subsidiary Note Guarantee. The new Guarantor will also, subject to the Agreed Security Principles, be required to pledge assets in favor of the Subsidiary Note Guarantee as described under “—Security.”

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Revolving Credit Facilities Agreement and the Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory limitations, financial assistance, corporate benefit, fraudulent preference, “thin capitalization” rules, retention of title claims and similar matters.

Each Note Guarantee will be limited to the maximum amount that would not render the Guarantor’s obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of foreign or state law, or as otherwise required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor’s obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Note Guarantee. See “Risk Factors—Risks related to our structure—Each Note Guarantee is subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability.”

The Parent Guarantee, the Bidco Guarantee, the Note Guarantee provided by Rose Holdco (the “Rose Holdco Guarantee” and together with the Parent Guarantee, the Bidco Guarantee and the Subsidiary Note Guarantees, the “Note Guarantees”) and the Subsidiary Note Guarantee of a Subsidiary Guarantor will terminate upon:

- (1) except in respect of the Parent Guarantee and the Bidco Guarantee, a sale or other disposition (including by way of consolidation or merger) of Capital Stock of the relevant Guarantor or of a Parent thereof, such that such Guarantor ceases to be a Restricted Subsidiary, or the sale or disposition of all or substantially all the assets of the relevant Guarantor (other than to the Company or a Restricted Subsidiary), in each case in a transaction otherwise permitted by the Indenture;
- (2) except in respect of the Parent Guarantee and the Bidco Guarantee, the designation in accordance with the Indenture of the relevant Guarantor as an Unrestricted Subsidiary;
- (3) defeasance or discharge of the Notes, as provided in “—Defeasance” and “—Satisfaction and discharge;”
- (4) in the case of a Subsidiary Note Guarantee only (other than the initial Subsidiary Note Guarantees), to the extent that the relevant Guarantor is not an Immaterial Subsidiary solely due to the operation of clause (i) of the definition of “Immaterial Subsidiary,” upon the relevant release of the guarantee or discharge of Indebtedness referred to in such clause;
- (5) upon full payment of all obligations of the Issuer and the Guarantors under the Indenture and the Notes; or
- (6) in connection with certain enforcement actions taken by the creditors under certain of our secured Indebtedness as provided under the Intercreditor Agreement.

Substantially all the operations of the Company are conducted through its Subsidiaries. Claims of creditors of non-guarantor Subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Subsidiaries, and claims of preferred and minority stockholders (if any) of those Subsidiaries will have priority with respect to the assets and earnings of those Subsidiaries over the claims of creditors of the Company, including Holders or the claims made under the Proceeds Loans. The Notes, each Note Guarantee and the Proceeds Loan therefore will be effectively subordinated to creditors (including trade creditors) and preferred and minority stockholders (if any) of any future Subsidiaries of the Company that do not become Guarantors.

Although the Indenture limits the incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Indenture does not impose any limitation on the incurrence by the Company or Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture. See “—Certain Covenants—Limitation on Indebtedness”.

Security

The Collateral

On the Issue Date, the Notes will be effectively secured on a first-priority basis by the Senior Secured Notes Escrow Charge. Subject to the operation of the Agreed Security Principles described below, fixed and floating charges on a first-priority basis over substantially all of the assets of the Company, Bidco and the Issuer, including shares of capital stock of Bidco held by the Company, shares of capital stock of the Issuer held by Bidco and upon the Completion Date, shares of capital stock of Rose Holdco held by Bidco; certain bank accounts held by the Company, Bidco and the Issuer; an assignment of (or to the extent not validly assigned, a fixed charge over) the rights of the Issuer under the Proceeds Loan; and an assignment of (or to the extent not validly executed, a charge over) the rights of Bidco under the documents governing the acquisition of Rose Holdco (together with the Senior Secured Notes Escrow Charge, the “Initial Collateral”), will be granted to the Security Agent for the benefit of the secured parties (which includes the Trustee on behalf of the Holders) on the Issue Date, pursuant to an English law governed debenture.

As soon as practicable after the Completion Date but in any case no later than 60 days after the Completion Date, subject to the operation of the Agreed Security Principles described below, security interests in all the following (collectively, the “Post-Closing Collateral” and, together with the Initial Collateral, the “Collateral”) will be granted to the Security Agent for the benefit of the secured parties (which includes the Trustee on behalf of the Holders):

- (a) Rose Holdco, Rose Midco Limited, IMO Car Wash Group Limited, Anduff Holdings Limited, Cleanland Limited, Milburn Productions Limited and Anduff Car Wash Limited (jointly, the “English Target Guarantors”), as applicable, will grant in favor of the Security Agent, fixed and floating charges on a first-priority basis over substantially all of their respective assets, including shares of capital stock of each of the English Target Guarantors (other than Rose Holdco); certain bank accounts; certain real property and certain intellectual property, pursuant to an English law governed debenture.
- (b) IMO Deutschland Holding GmbH, TOMAN Handels- und- Beteiligungsgesellschaft mbH & Co KG, TOMAN Handels- und Beteiligungsverwaltungsgesellschaft mbH, IMO Autopflege GmbH and IMO Autopflege Beteiligungsgesellschaft mbH & Co KG, as applicable, will grant in favor of the Security Agent, German law governed security on a first-priority basis over certain of their respective assets, including pledges over shares and partnership interests; assignment of certain intra-group receivables; certain bank accounts; and certain intellectual property.
- (c) IMO Group Holdings Pty Ltd and IMO Car Wash Australasia Pty Ltd, as applicable, will each grant in favor of the Security Agent, registered circulating and non-circulating security interests over all or certain of their present and after acquired property, which includes shares of capital stock and partnership interests; bank accounts; real property and intellectual property.
- (d) Anduff Car Wash Limited will grant a German law governed share pledge over the shares of IMO Deutschland Holding GmbH.
- (e) IMO Car Wash Group Limited will grant a Dutch law governed share pledge over the shares of IPIC B.V.
- (f) IPIC B.V. will grant (i) a French law governed share pledge over the shares of Compagnie Parisienne de Services SAS, and (ii) an Australian law governed share pledge over the shares of IMO Group Holdings Pty Ltd.
- (g) The relevant English Target Guarantors (other than Rose Holdco and Rose Midco Limited) will grant security interests over certain of their respective freehold properties, pursuant to an English law governed charge by way of a legal mortgage.

Notwithstanding the foregoing, certain assets may not be secured or such security may not be perfected in accordance with the Agreed Security Principles, including:

- if the cost of providing security is not proportionate to the benefit accruing to the Holders and the other secured parties;
- if providing such security requires consent of a third party and, if the asset is material, such consent cannot be obtained after the use of reasonable efforts;
- if providing such security would be prohibited by general statutory limitations, financial assistance, corporate benefit, fraudulent preference, “thin capitalization” rules or similar matters or entering into the Security Documents would conflict with fiduciary duties of directors, contravene any legal or regulatory prohibition or result in a risk of personal or criminal liability on the part of directors or officers;
- if perfecting such security would have an unreasonable adverse effect on the ability of such Subsidiary to conduct its operations and business in the ordinary course as otherwise permitted by the Indenture;
- if in certain jurisdictions it may not be possible to create security over certain assets, security will not be taken over such assets; and
- in the case of bank accounts, notices to the banks with whom the accounts are maintained will only be served after a “Relevant Acceleration Event” (as defined in the Agreed Security Principles). Under Australian law, the sending of a notice alone is not sufficient to effect control over a bank account.

Administration and enforcement of security

The Security Documents and the Collateral will be administered by a Security Agent (or in certain circumstances a receiver or delegate) pursuant to the Intercreditor Agreement for the benefit of all the secured parties. For a description of the Intercreditor Agreement, see “Description of other indebtedness—Intercreditor Agreement.”

The ability of Holders to realize the Collateral will be subject to various insolvency law limitations in the event of the Company’s insolvency and various contractual limitations set out in the Intercreditor Agreement. See “Risk factors—Risks related to our structure—English and other local insolvency laws and other jurisdictions may provide you with less protection than U.S. bankruptcy law” and “Risk factors—Risks related to our structure—Each Note Guarantee is subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability.”

The Security Documents will provide that the rights of the Holders with respect to the Collateral must be exercised by the Security Agent. Since the Holders are not a party to the Security Documents, Holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The Holders may only act through the Trustee or the Security Agent, as applicable. The Security Agent will agree to release a security interest created by the Security Documents at the direction of the Trustee that is in accordance with the Indenture and the Intercreditor Agreement without requiring any consent of the Holders. Subject to the terms of the Intercreditor Agreement and the Indenture, the Holders will, in certain circumstances, be entitled to direct the Trustee to direct the Security Agent to commence enforcement action under the Security Documents. Please see “Description of other indebtedness—Intercreditor Agreement.”

Subject to the terms of the Security Documents, the Issuer and the Guarantors will have the right to remain in possession and retain control of the Collateral securing the Notes (other than as set forth in the Security Documents), to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

No appraisals of any of the Collateral have been prepared by or on behalf of the Company in connection with the issuance of the Notes. There can be no assurance that the proceeds from the sale of the Collateral remaining after the payment of obligations under the Revolving Credit Facilities Agreement or other super priority obligations would be sufficient to satisfy the obligations owed to the Holders as well as any other obligations secured on a pari passu basis. By its nature, some or all the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral can be sold in a short period of time or at all. See “Risk factors—Risks related to our financial profile, the Notes and the Note Guarantees—The Notes will be secured only to the extent of the value of the Collateral that has been granted as security for the Notes and the Note Guarantees, and such security may not be sufficient to satisfy the obligations under the Notes and the Note Guarantees.”

The creditors under the Revolving Credit Facilities Agreement and the Trustee for the Notes have, and by accepting a Note, each Holder will be deemed to have:

- irrevocably appointed U.S. Bank Trustees Limited, as Security Agent, in each case to act as its security agent under the Intercreditor Agreement and the other relevant documents to which the security agent is a party (including, without limitation, the Security Documents);
- irrevocably authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement or other documents to which the Security Agent is a party, together with any other incidental rights, power and discretions; and (ii) execute each document expressed to be executed by the Security Agent on its behalf; and
- accepted the terms and conditions of the Intercreditor Agreement and any Additional Intercreditor Agreement (as defined herein) and each Holder will also be deemed to have authorized the Trustee to enter into any such Additional Intercreditor Agreement.

In addition, the terms of the Security Documents and/or the nature of the security interest granted may provide for (or result in) certain assets originally the subject of a security interest being released from that security without the need for a formal release (such as the disposal of floating charge assets or the exclusion of a leasehold interest in relation to which landlord consent to charge would be required). Further, assets which may not be validly secured or assets which are already subject to certain types of Permitted Lien may be excluded from the security created by certain Security Documents.

Release of Liens

To the extent a release is required by a Security Document, the Security Agent shall release, and the Trustee shall release and if so requested direct the Security Agent to release, without the need for consent of the Holders, Liens on the Collateral securing the Notes:

- (1) upon payment in full of principal, interest and all other obligations on the Notes issued under the Indenture or discharge or defeasance thereof;
- (2) upon release of a Note Guarantee (with respect to the Liens securing such Note Guarantee granted by such Guarantor);
- (3) in connection with any disposition of Collateral to any Person; *provided* that if the Collateral is disposed to the Company or a Restricted Subsidiary, the relevant Collateral becomes immediately subject to a substantially equivalent Lien in favor of the Security Agent securing the Notes (but excluding any transaction subject to “—Certain Covenants—Merger and consolidation—The Issuer and the Company”); *provided*, further, that, in each case, such disposition is permitted by the Indenture;
- (4) if the Company designates any Subsidiary Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property, assets and Capital Stock of such Unrestricted Subsidiary;
- (5) in connection with certain enforcement actions taken by the creditors under certain of our Secured Indebtedness as provided under the Intercreditor Agreement, or otherwise in compliance with the Intercreditor Agreement;
- (6) as may be permitted by the covenant described under “—Certain Covenants—Impairment of security interest;” and
- (7) in order to effectuate a merger, consolidation, conveyance or transfer conducted in compliance with the covenant described under “—Certain Covenants—Merger and consolidation.”

Each of these releases shall be effected by the Security Agent without the consent of the Holders or any action on the part of the Trustee.

Intercreditor Agreement

On the Issue Date, the Trustee shall accede to the Intercreditor Agreement. Pursuant to the terms of the Intercreditor Agreement, any liabilities in respect of obligations under the Revolving Credit Facilities Agreement and certain Hedging Obligations that are secured by Collateral that also secures our obligations under the Notes and the Note Guarantees will receive priority with respect to any proceeds received upon any enforcement action over any such assets. Any remaining proceeds received upon any enforcement action over any Collateral, after all obligations under the Revolving Credit

Facilities Agreement and certain Hedging Obligations have been repaid from such recoveries, will be applied pro rata in repayment of all obligations under the Indenture and the Notes and any other indebtedness of the Issuer and the Guarantors permitted to be Incurred and secured by the Collateral pursuant to the Indenture and the Intercreditor Agreement.

Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Company, in connection with the Incurrence or refinancing by the Issuer, the Company or its Restricted Subsidiaries of any Indebtedness secured or permitted to be secured on the Collateral, the Issuer, the Company, the relevant Restricted Subsidiaries, the Trustee and the Security Agent, as applicable, shall enter into an intercreditor or similar agreement or a restatement, amendment or other modification of the existing Intercreditor Agreement (an “Additional Intercreditor Agreement”) with the holders of such Indebtedness (or their duly authorized representatives) on substantially the same terms as the Intercreditor Agreement (or on terms that in the good faith judgment of the Board of Directors or an Officer of the Company are not materially less favorable to the Holders), including containing substantially the same terms with respect to the application of the proceeds of the collateral held thereunder and the means of enforcement, it being understood that an increase in the amount of Indebtedness being subject to the terms of the Intercreditor Agreement or Additional Intercreditor Agreement will not be deemed to be less favorable to the Holders and will be permitted by this covenant if the Incurrence of such Indebtedness and any Lien in its favor is permitted by the “—Certain Covenants—Limitation on Indebtedness” and “—Certain Covenants—Limitation on Liens” covenants; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or, in the opinion of the Trustee or the Security Agent, adversely affect the rights, duties, liabilities or immunities of the Trustee or the Security Agent under the Indenture or the Intercreditor Agreement. As used herein, the term “Intercreditor Agreement” shall include references to any Additional Intercreditor Agreement that supplements or replaces the Intercreditor Agreement entered into on June 12, 2014.

The Indenture will provide that, at the written direction of the Issuer and without the consent of the Holders, the Trustee or the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (i) cure any ambiguity, omission, defect or inconsistency of any such agreement, (ii) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer that is subject to any such agreement (*provided* that such Indebtedness is Incurred in compliance with the Indenture), (iii) add Restricted Subsidiaries to the Intercreditor Agreement, (iv) further secure the Notes (including Additional Notes Incurred in compliance with the Indenture), (v) make provision for equal and ratable pledges of the Collateral to secure Additional Notes Incurred in compliance with the Indenture or to implement any Permitted Collateral Liens or (vi) make any other change to any such agreement that does not adversely affect the Holders in any material respect. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under “—Amendments and Waivers” or as permitted by the terms of such Intercreditor Agreement, and the Issuer may only direct the Trustee or the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or the Security Agent or, in the opinion of the Trustee or the Security Agent, adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture relating to the Notes or any Intercreditor Agreement.

The Indenture will provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of any Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein), and to have authorized the Trustee to enter into any one or more amendments to any Intercreditor Agreement as contemplated above.

The Proceeds Loan

On the Completion Date, the Issuer, as lender, and Bidco, as borrower, will enter into the Proceeds Loan Agreement pursuant to which the Issuer will loan to Bidco the net proceeds from the issuance of the Notes.

The Proceeds Loan Agreement will be in euro in aggregate principal amount equal to the aggregate principal amount of the Notes less certain deductions with respect to fees and expenses. See “Use of proceeds.” The Proceeds Loan will bear interest at a rate at least equal to the interest rates of the Notes. Interest on the Proceeds Loan will be payable semi-annually in arrears on or prior to the corresponding date for the payment of interest on the Notes.

The Proceeds Loan Agreement will provide that Bidco will pay the Issuer interest and principal due and payable on the Notes and any Additional Amounts due thereunder. All amounts payable under the Proceeds Loan will be payable to such account or accounts with such Person or Persons as the Issuer may designate. The maturity date of the Proceeds Loan will be at such times as will allow the Issuer to redeem, repay or repurchase the proportion of the Notes to be redeemed, repaid or repurchased by the Issuer, pursuant to the terms of the Indenture. Except as otherwise required by law, all payments under the Proceeds Loan Agreement will be made without deductions or withholding for, or on account

of, any applicable tax. In the event that Bidco is required to make any such deduction or withholding, Bidco shall gross-up each payment to the Issuer to ensure that the Issuer receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

The Proceeds Loan will provide that Bidco will make all payments pursuant thereto on a timely basis in order to ensure that the Issuer can satisfy its payment obligations under the Notes and the Indenture, taking into account the administrative and timing requirements under the Indenture with respect to amounts payable on the Notes.

The Issuer's rights under the Proceeds Loan Agreement will be assigned by way of security to the Security Agent and comprise part of the Collateral, as described above under "—Security—The Collateral."

Optional redemption

Except as set forth herein and under “—Redemption for taxation reasons” and “—Escrow of proceeds; Special Mandatory Redemption,” the Notes are not redeemable at the option of the Issuer.

At any time and from time to time on or after July 15, 2016, the Issuer may redeem the Notes, in whole or in part, at its option, upon not less than 10 nor more than 60 days’ prior notice at a redemption price equal to the applicable percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Period commencing	Percentage
July 15, 2016	103.313%
July 15, 2017	101.656%
July 15, 2018 and thereafter	100.000%

At any time and from time to time prior to July 15, 2016, the Issuer may redeem Notes with the Net Cash Proceeds received by the Company from any Equity Offering, upon not less than 10 nor more than 60 days’ prior notice at a redemption price equal to 106.625% plus accrued and unpaid interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), in an aggregate principal amount for all such redemptions not to exceed 40% of the original aggregate principal amount of the Notes (including Additional Notes); *provided* that:

- (1) in each case the redemption takes place not later than 120 days after the closing of the related Equity Offering, and
- (2) not less than 60% of the original aggregate principal amount of the Notes (including the principal amount of any Additional Notes) remains outstanding immediately thereafter.

At any time prior to July 15, 2016, the Issuer may redeem the Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days’ prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

General

Notice of redemption will be provided as set forth under “—Selection and notice” below.

If the Issuer effects an optional redemption of Notes of a series, it will, for so long as such Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange, inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of the Notes of that series that will remain outstanding immediately after such redemption.

Any redemption and notice of redemption may, at the Issuer’s discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering).

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

Sinking fund

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Selection and notice

If less than all the Notes are to be redeemed at any time, the Trustee or the Registrar will select the Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed, as certified to the Trustee by the Issuer, and in compliance with the requirements of Euroclear and/or Clearstream, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear

and/or Clearstream or Euroclear and/or Clearstream prescribes no method of selection, on a pro rata basis or by use of a pool-factor; *provided*, however, that no Note of €100,000 in aggregate principal amount or less shall be redeemed in part. Neither the Trustee nor the Registrar shall be liable for selections made under this paragraph.

For so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer shall publish notice of redemption on the official website of the Luxembourg Stock Exchange or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and in addition to such publication, not less than 10 nor more than 60 days prior to the redemption date, mail such notice to Holders by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption, unless the redemption price is not paid on the redemption date.

Redemption for taxation reasons

The Issuer or Successor Company (as defined herein) may redeem, and a Guarantor may cause the Issuer or Successor Company to redeem, the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the Holders (which notice will be irrevocable) at a redemption price equal to 100% of the outstanding principal amount thereof, together with accrued and unpaid interest, if any, to, but excluding, the date fixed for redemption (a "Tax Redemption Date") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (see "—Additional Amounts"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if as a result of:

- (1) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined under "—Additional Amounts") affecting taxation; or
- (2) any change in, or amendment to, the application, administration or interpretation of such laws, treaties, regulations or rulings (including pursuant to a holding, judgment or order by a court of competent jurisdiction or a change in published practice) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a "Change in Tax Law");

the Issuer, Successor Company or Guarantor are, or on the next interest payment date in respect of the Notes or any Note Guarantee would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuer, Successor Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable and, in the case of a payment by a Guarantor, having the Issuer or another Guarantor make the payment, but not including assignment of the obligation to make payment with respect to the Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at the date of this offering memorandum, such Change in Tax Law must become effective on or after the date of this offering memorandum. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after the date of this offering memorandum, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction (or, in the case of a Successor Company, on or after the date of assumption by the Successor Company of the Issuer's obligations hereunder). Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—Selection and notice." Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer, Successor Company or Guarantor will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and that it would not be able to avoid the obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuer, Successor Company or Guarantor has or have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

Additional Amounts

All payments made by or on behalf of the Issuer or a Successor Company under or with respect to the Notes, or any Guarantor (each of the Issuer, Successor Company and Guarantor, a “Payor”) with respect to any Note Guarantee, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

- (1) the United Kingdom or any political subdivision or Governmental Authority thereof or therein having power to tax;
- (2) any jurisdiction from or through which payment on any such Note or Note Guarantee is made by the Issuer, Successor Company, Guarantor or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax; or
- (3) any other jurisdiction in which the Payor is incorporated or organized, engaged in business for tax purposes, resident for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a “Relevant Taxing Jurisdiction”),

will at any time be required from any payments made with respect to any Note or Note Guarantee, including payments of principal, redemption price, premium, if any, or interest, the Payor will pay (together with such payments) such additional amounts (the “Additional Amounts”) as may be necessary in order that the net amounts received in respect of such payments by the Holders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note or Note Guarantee in the absence of such withholding or deduction; *provided*, however, that no such Additional Amounts will be payable for or on account of:

- (1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or the beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, but not limited to, being a citizen or resident or national or domiciliary of, or the existence of a business, a permanent establishment, a dependent agent, a place of business or a place of management present or deemed present in the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or Note Guarantee, the enforcement of rights hereunder or under a Note Guarantee or the receipt of any payment in respect thereof;
- (2) any Taxes that are imposed, withheld or deducted by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor addressed to the Holder or the beneficial owner, after reasonable notice, to provide certification, information, documents or other evidence concerning the nationality, residence, identity or connection with the Relevant Taxing Jurisdiction of the Holder or such beneficial owners or to make any declaration or similar claim or satisfy any certification, identification, information or other reporting requirement relating to such matters, required by applicable law, regulation, treaty or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Tax *provided* in each case the Holder or beneficial owner is legally eligible to do so;
- (3) any Taxes that are payable otherwise than by deduction or withholding from a payment under or with respect to the Notes or any Note Guarantee;
- (4) any estate, inheritance, gift, value added, sales, transfer, personal property or similar Taxes;
- (5) any Taxes that are required to be imposed, deducted or withheld pursuant to the Taxation Directive or any law implementing or complying with, or introduced in order to conform to the Taxation Directive;
- (6) any Taxes imposed in connection with a Note presented for payment (where presentation is permitted or required for payment) by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another Paying Agent in a member state of the European Union;

(7) any Taxes which would not have been imposed if the Holder had presented the Note for payment (where presentation is permitted or required for payment) within 30 days after the relevant payment was first made available for payment to the Holder (except for Additional Amounts with respect to Taxes that would have been imposed had the Holder presented the Note for payment within such 30-day period);

(8) any Taxes imposed on or with respect to a payment to a Holder that is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment or Note, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment or Note would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual Holder of such Note; or

(9) any combination of the above.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, in such form as provided in the ordinary course by the Relevant Taxing Jurisdiction and as is reasonably available to the Company, and will provide such certified copies to the Trustee. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Registrar if the Notes are then listed on the Euro MTF Market of the Luxembourg Stock Exchange. The Payor will attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per €1,000 principal amount of the Notes.

If any Payor becomes aware that it will be obligated to pay Additional Amounts under or with respect to any payment made on any Note or Note Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises, or the Payor becomes aware of such obligation, less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee shall be entitled to rely solely on such Officer's Certificate without further inquiry, as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Note Guarantees or this "Description of the Notes" there are mentioned, in any context:

- (1) the payment of principal;
- (2) purchase or redemption prices in connection with a purchase or redemption of Notes;
- (3) interest; or
- (4) any other amount payable on or with respect to any of the Notes or Note Guarantee,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary Taxes, or any other excise, property or similar Taxes that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, any Note Guarantee, the Indenture, the Proceeds Loan Agreement, the Security Documents or any other document or instrument in relation thereto (other than a transfer or exchange of the Notes) excluding any such Taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction.

The foregoing obligations of this "Additional Amounts" section will survive any termination, defeasance or discharge of the Indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor to the Issuer or any Guarantor is organized or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

If a Change of Control occurs, subject to the terms hereof, each Holder will have the right to require the Issuer to repurchase all or part (equal to €100,000 principal amount, and integral multiples of €1,000 in excess thereof), as the case may be, of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to

receive interest due on the relevant interest payment date); *provided*, however, that the Issuer shall not be obliged to repurchase Notes as described under this “Change of Control” section in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes as described under “—Optional redemption” or all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all of the Notes as described under “—Optional redemption” or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will send a notice (the “Change of Control Offer”) to each Holder of any such Notes, by mail or otherwise in accordance with the procedures set forth in the Indenture, with a copy to the Trustee:

- (1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder’s Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the “Change of Control Payment”);
- (2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is sent) (the “Change of Control Payment Date”);
- (3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;
- (4) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and
- (5) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;
- (3) deliver or cause to be delivered to the Trustee an Officer’s Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer in the Change of Control Offer;
- (4) in the case of Global Notes, deliver, or cause to be delivered, to the Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and
- (5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes have been issued, the Paying Agent will promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee or an authentication agent appointed by the Trustee will promptly authenticate (or cause to be authenticated) and mail (or cause to be transferred by book entry) to each Holder of Definitive Registered Notes a new Definitive Registered Note equal in principal amount to the aggregate unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount that is at least €100,000 or an integral multiple of €1,000 in excess thereof.

If and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of such exchange so require, the Issuer will publish a public announcement with respect to the results of the Change of Control Offer as soon as practicable after the Change of Control Payment Date in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*), or, to the extent and in the manner permitted by such rules, post such notices on the official website of the Luxembourg Stock Exchange.

Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control; *provided* that the purchase date will be no earlier than 30 days from the date a notice of such Change of Control Offer is mailed.

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a Holder's right to require the Issuer to repurchase such Holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Company or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if 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 Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of the conflict.

A Change of Control will result in a mandatory prepayment under the Revolving Credit Facilities Agreement. Future debt of the Company or its Subsidiaries, including the Issuer, may prohibit the Issuer from purchasing Notes in the event of a Change of Control or provide that a Change of Control is a default or may require repurchase upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to purchase the Notes could cause a default under, or require a repurchase of, other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Company or the Issuer.

Finally, the Issuer's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by the Issuer's and the Company's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk factors—Risks related to our structure—We may not be able to obtain the funds required to repurchase the Notes upon a change of control."

In addition, the definition of "Change of Control" and "Permitted Holders" expressly permit a third party to obtain control of the Company in a transaction which is a Specified Change of Control Event without any obligation to make a Change of Control Offer.

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of the Company and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is limited case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of Holders of a majority in outstanding aggregate principal amount of the Notes under the Indenture.

Certain Covenants

Limitation on Indebtedness

The Company will not, and will not permit any of its Restricted Subsidiaries to, incur any Indebtedness (including Acquired Indebtedness); *provided*, however, that the Company and any Restricted Subsidiary may incur Indebtedness if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred would have been at least 2.0 to 1.0, *provided* that the amount of Indebtedness incurred pursuant to this paragraph by Restricted Subsidiaries that are not Guarantors shall not exceed £15.0 million.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

- (1) Indebtedness Incurred by the Company and any Restricted Subsidiary pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount of Indebtedness then outstanding not exceeding (i) the greater of (x) £30.0 million and (y) 85.7% of Consolidated EBITDA, plus (ii) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;
- (2) (a) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary, in each case, so long as the Incurrence of such Indebtedness being guaranteed is permitted under the terms of the Indenture (other than pursuant to this clause (2)); *provided* that, if Indebtedness being guaranteed is subordinated to or pari passu with the Notes or a Note Guarantee, then the guarantee must be subordinated to or pari passu with the Notes or Note Guarantees, as applicable, to the same extent as the Indebtedness guaranteed; or
(b) without limiting the covenant described under "—Certain Covenants—Limitation on Liens," Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary, in each case so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;
- (3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; *provided*, however, that:
 - (a) other than in respect of intercompany current liabilities Incurred in connection with credit management, cash management, cash pooling, netting, setting off or similar arrangements in the ordinary course of business of the Company and the Restricted Subsidiaries, if the Issuer or any Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or a Guarantor, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all obligations then due (x) in the case of the Issuer, with respect to the Notes, or (y) in the case of a Guarantor, with respect to the Note Guarantee, in each case in the manner and to the extent provided for in the Intercreditor Agreement; and
 - (b) (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company or a Restricted Subsidiary; and (ii) any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (3) by the Company or such Restricted Subsidiary, as the case may be;
- (4) Indebtedness represented by (a) the Notes (other than any Additional Notes) and the Note Guarantees, (b) any Indebtedness (other than Indebtedness described in clauses (1), (3), (4)(a) and (7) of this paragraph) of the Company or any Restricted Subsidiary entered into or outstanding on the Completion Date, (c) Refinancing Indebtedness that is Incurred in respect of any Indebtedness described in this clause (4) or clause (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant, (d) Management Advances and (e) the Proceeds Loan;
- (5) Indebtedness (i) of any Person Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any Restricted Subsidiary or (ii) Incurred to provide or refinance all or any portion of the funds utilized to consummate a transaction or series of related transactions pursuant to which a Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or otherwise in connection with or contemplation of such acquisition; *provided*, however, with respect to this clause (5)(i) and (5)(ii), that at the time of such acquisition or other transaction (x) the Company and its Restricted Subsidiaries would have been permitted to Incur £1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving pro forma effect to the relevant acquisition and Incurrence of such Indebtedness pursuant to this clause (5) or (y) the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such acquisition or other transaction;

(6) Indebtedness under Hedging Agreements entered into for bona fide hedging purposes of the Company or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or an Officer of the Company);

(7) Indebtedness consisting of (A) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or (B) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and (C) any Refinancing Indebtedness and Guarantees in respect of (A) or (B), in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) then outstanding, will not exceed the greater of (i) £10.0 million and (ii) 3.6% of Total Assets;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations, indemnities or guarantees Incurred in the ordinary course of business or for governmental or regulatory requirements, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business, *provided*, however, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business and (d) any credit management, cash management, cash pooling, netting, setting off or similar arrangements in the ordinary course of business of the Company and the Restricted Subsidiaries;

(9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness in connection with such acquisition or disposition 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 or paid by the Company and its Restricted Subsidiaries in connection with such disposition;

(10) (A) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided*, however, that such Indebtedness is extinguished within 60 Business Days of Incurrence;

(B) Indebtedness owed on a short-term basis of no longer than 60 days to banks and other financial institutions Incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Company and its Restricted Subsidiaries; and

(C) Indebtedness Incurred by a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case, Incurred or undertaken in the ordinary course of business;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness and Guarantees in respect thereof and the aggregate principal amount of all other Indebtedness Incurred pursuant to this clause (11) then outstanding, will not exceed the greater of (i) £10.0 million and (ii) 3.6% of Total Assets;

(12) Indebtedness (including any Refinancing Indebtedness and Guarantees in respect thereof) in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (12) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or its Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Company, in each case,

subsequent to the Completion Date; *provided*, however, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6), (10) and (14) of the third paragraph of the covenant described below under “—Certain Covenants—Limitation on Restricted Payments” to the extent the Company and its Restricted Subsidiaries Incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (12) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and/or clauses (1), (6), (10) or (14) of the third paragraph of the covenant described below under “—Certain Covenants—Limitation on Restricted Payments” in reliance thereon; and

(13) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

- (i) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant; *provided* that Indebtedness incurred pursuant to clause (1) of the second paragraph of this covenant may not be reclassified, and Indebtedness under the Revolving Credit Facilities Agreement incurred or outstanding on the Completion Date will be deemed to have been incurred on such date in reliance or the exception provided in clause (1) of the second paragraph of this covenant;
- (ii) Guarantees of, or obligations in respect of letters of credit, bankers’ acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;
- (iii) if obligations in respect of letters of credit, bankers’ acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (7) or (11) of the second paragraph above or the first paragraph above and the letters of credit, bankers’ acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;
- (iv) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;
- (v) for the purposes of determining “Consolidated EBITDA” under clause (1)(i)(y) of the second paragraph of this covenant, (x) pro forma effect shall be given to Consolidated EBITDA on the same basis as for calculating the Consolidated Net Leverage Ratio for the Company and its Restricted Subsidiaries and (y) Consolidated EBITDA shall be measured on the most recent date on which new commitments are obtained (in the case of revolving facilities) or the date on which new Indebtedness is Incurred (in the case of term facilities) and for the period of the most recent four consecutive fiscal quarters ending prior to the date for which such internal consolidated financial statements of the Company are available;
- (vi) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and
- (vii) the amount of any Indebtedness outstanding as of any date shall be calculated as described under the definition of “Indebtedness,” *provided* that the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of UK GAAP.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in UK GAAP, will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under “—Certain Covenants—Limitation on Indebtedness”.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date.

For purposes of determining compliance with any pound sterling-denominated restriction on the Incurrence of Indebtedness, the Sterling Equivalent of the aggregate principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Company, first committed, in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than pound sterling, and such refinancing would cause the applicable pound sterling-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such pound sterling-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the aggregate principal amount of such Indebtedness being refinanced; (b) the Sterling Equivalent of the aggregate principal amount of any such Indebtedness outstanding on the Completion Date shall be calculated based on the relevant currency exchange rate in effect on the Completion Date; and (c) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal amounts payable on such Indebtedness, the amount of such Indebtedness, if denominated in pound sterling, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Sterling Equivalent of such amount plus the Sterling Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

- (1) declare or pay any dividend or make any other distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) except:
 - (a) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Company or in Subordinated Shareholder Funding; and
 - (b) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or a Restricted Subsidiary on no more than a pro rata basis, measured by value);
- (2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any direct or indirect Parent of the Company held by Persons other than the Company or a Restricted Subsidiary (other than in exchange for Capital Stock of the Company (other than Disqualified Stock));
- (3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness");
- (4) make any payment (other than by capitalization of interest) on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Funding; or
- (5) make any Restricted Investment in any Person;

(any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a “Restricted Payment”), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

- (a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);
- (b) the Company and its Restricted Subsidiaries are not permitted to incur an additional £1.00 of Indebtedness pursuant to the first paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness” after giving effect, on a pro forma basis, to such Restricted Payment; or
- (c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Completion Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (5) (without duplication of amounts paid pursuant to any other clause of the second succeeding paragraph), (6), (10), (11) and (12) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would exceed the sum of (without duplication):
 - (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the last fiscal quarter commencing prior to the Completion Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Company are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);
 - (ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Completion Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company subsequent to the Completion Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the second succeeding paragraph and (z) Excluded Contributions since the Completion Date);
 - (iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Completion Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange) but excluding (x) Net Cash Proceeds to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the second succeeding paragraph and (y) Excluded Contributions;
 - (iv) the amount equal to the net reduction in Restricted Investments made by the Company or any of its Restricted Subsidiaries resulting from:

(A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company or any Restricted Subsidiary; or

(B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition of “Investment”) not to exceed, in the case

of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this clause (iv), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c),

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (iv); and

(v) the amount of the cash and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or of marketable securities received by the Company or any of its Restricted Subsidiaries in connection with:

(A) the sale or other disposition (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Company; and

(B) any dividend or distribution made by an Unrestricted Subsidiary or Affiliate to the Company or a Restricted Subsidiary,

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (v); *provided* further, however, that such amount under this clause (v) shall not exceed the amount included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c).

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by the Board of Directors or an Officer of the Company.

The foregoing provisions will not prohibit any of the following (collectively, "Permitted Payments"):

(1) any Restricted Payment made in exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company; *provided*, however, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the second preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made in exchange for, or out of the proceeds of the substantially concurrent Incurrence of Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "—Limitation on Indebtedness" above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made in exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "—Limitation on Indebtedness" above, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

(a) (i) from Net Available Cash to the extent permitted under "—Certain Covenants—Limitation on sales of assets and subsidiary stock" below, but only if (i) the Company shall have first complied with the terms described under "—Certain Covenants—Limitation on sales of assets and subsidiary stock" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes

required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

(b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a “change of control”), but only (i) if the Company shall have first complied with the terms of the covenant described under “—Change of Control,” if required, and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or

(c) (i) consisting of Acquired Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;

(5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Company, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Company to any Parent or any entity formed for the purpose of investing in Capital Stock of the Company or any Parent to permit any Parent or such entity to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Company, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Company, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (A) £2.0 million plus (B) £1.0 million multiplied by the number of calendar years that have commenced since the Completion Date plus (C) the Net Cash Proceeds received by the Company or its Restricted Subsidiaries since the Completion Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (C), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant;

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under “—Certain Covenants—Limitation on Indebtedness” above;

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent or any Affiliates or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; or

(b) amounts constituting or to be used for purposes of making payments (i) of fees, expenses and other payments in relation to the Transactions or (ii) to the extent specified in clauses (2), (3), (5), (7), (11), (12) and (13) of the second paragraph under “—Certain Covenants—Limitation on Affiliate Transactions,”;

(10) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by the Company of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Company or any Parent

following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Company from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company or loaned or contributed as Subordinated Shareholder Funding to the Company and (b) following the Initial Public Offering, an amount equal to the greater of (i) 6% of the Market Capitalization and (ii) 6% of the IPO Market Capitalization; *provided* that in the case of (b) of this paragraph after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio for the Company and its Restricted Subsidiaries shall be equal to or less than 3.5 to 1.0;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result from) (a) Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed £10.0 million and (b) any Restricted Payment *provided* that the Consolidated Net Leverage Ratio on a pro forma basis after giving effect to any such Restricted Payment does not exceed 2.75 to 1.0;

(12) payments by the Company, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Company or any Parent in lieu of the issuance of fractional shares of such Capital Stock; *provided*, however, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors or an Officer of the Company);

(13) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under this clause (13);

(14) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Completion Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent or Affiliate issued after the Completion Date; *provided*, however, that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (14) shall not exceed the Net Cash Proceeds received by the Company or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference Shares by a Parent or an Affiliate the issuance of Designated Preference Shares) of the Company or loaned or contributed as Subordinated Shareholder Funding to the Company, from the issuance or sale of such Designated Preference Shares;

(15) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries; and

(16) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors or an Officer of the Company acting in good faith.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the “Initial Lien”), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture (or a Note Guarantee in the case of Liens of a Guarantor) are secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured (*provided* that a Lien to secure Indebtedness pursuant to clauses (1) or (6) of such second paragraph of “—Certain Covenants—Limitation on Indebtedness” covenant may have priority not materially less

favorable to the Holders than that accorded to the Revolving Credit Facilities Agreement pursuant to the Intercreditor Agreement), and (b) in the case of any property or assets that constitute Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes pursuant to clause (a)(2) of the preceding paragraph will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates and (ii) otherwise as set forth under “Security—Release of Liens.”

Limitation on distributions from Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

- (A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock to the Company or the Issuer or pay any Indebtedness or other obligations owed to the Company or the Issuer;
- (B) make any loans or advances to the Company or the Issuer; or
- (C) sell, lease or transfer any of its property or assets to the Company or the Issuer;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

- (1) any encumbrance or restriction pursuant to (a) the Revolving Credit Facilities Agreement, (b) the Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents or (c) any other agreement or instrument in effect at or entered into on the Completion Date, including, in each case, any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings, *provided* that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements referred to in clauses (a), (b) and (c) above, as applicable (as determined in good faith by the Board of Directors or an Officer of the Company);
- (2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;
- (3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1) or (2) of this paragraph or this clause (3) (an “Initial Agreement”) or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided*, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Board of Directors or an Officer of the Company);
- (4) any encumbrance or restriction;

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

(b) contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges, charges or other security agreements; or

(c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order (including encumbrances or restrictions on making distributions in cash or Cash Equivalents as a dividend or otherwise that arise or exist by reason of applicable law or any applicable rule, regulation or order) or encumbrances or restrictions required by any regulatory authority;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Hedging Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under “—Certain Covenants—Limitation on Indebtedness” if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Revolving Credit Facilities Agreement, together with the security documents associated therewith as in effect on the Completion Date or (ii) in comparable financings (as determined in good faith by the Board of Directors or an Officer of the Company) and where, in the case of clause (ii), the Company determines at the time such Indebtedness is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuer’s ability to make principal or interest payments on the Notes or the ability of the Company to make principal or interest payments on the Proceeds Loan;

(12) any encumbrance or restriction existing by reason of any Lien permitted under “—Certain Covenants—Limitation on Liens;” or

(13) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors or an Officer of the Company, are necessary or advisable to effect such Qualified Receivables Financing.

Limitation on sales of assets and subsidiary stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors or an

Officer of the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap); and

(2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments.

Within 365 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash from an Asset Disposition, the Company or such Restricted Subsidiary, as the case may be, may apply an amount equal to such Net Available Cash at the option of the Company or such Restricted Subsidiary:

(a) (i) to prepay, repay, purchase or redeem any Indebtedness Incurred under clause (1) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness,” or any Refinancing Indebtedness in respect thereof; *provided*, however, that in connection with any prepayment, repayment, purchase or redemption of Indebtedness pursuant to this clause (a) (except in the case of any revolving Indebtedness, including but not limited to the Revolving Credit Facilities Agreement), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchased or redeemed; or (ii) to prepay, repay, purchase or redeem Bridge Loans or Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment, purchase or redemption; *provided* that the Company shall redeem, repay, repurchase or redeem Pari Passu Indebtedness that is Public Debt pursuant to this clause (ii) only if the Company makes (at such time or subsequently in compliance with this covenant) an offer to the Holders to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Notes at least equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum of the total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness; or (iii) to prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary of the Company that is not a Guarantor or any Indebtedness that is secured on assets which do not constitute Collateral (in each case, other than Subordinated Indebtedness of the Company or a Guarantor or Indebtedness owed to the Company or any Restricted Subsidiary); or (iv) to repay the Bridge Loans, or purchase the Notes pursuant to an offer to all Holders of Notes at a purchase price in cash equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of repayment or purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date);

(b) to the extent the Company or such Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) within 365 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; *provided*, however, that any such reinvestment in Additional Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors or an Officer of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 365th day;

(c) to make a capital expenditure pursuant to a definitive binding agreement or a commitment approved by the Board of Directors or an Officer of the Company; *provided*, however, that any such capital expenditure made that is executed or approved within such time will only satisfy this requirement so long as such investment is consummated within 180 days of such 365th day; or

(d) any combination of the foregoing;

provided that, pending the final application of any such Net Available Cash in accordance with clause (a), (b), (c) or (d) above, the Company and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture.

If an amount less than the Net Available Cash from Asset Dispositions is applied or invested or committed to be applied or invested, or offered to be applied or invested, as provided in the preceding paragraph, an amount equal to the difference will be deemed to constitute “Excess Proceeds” under the Indenture. On the 366th day (or the 546th day, in the case of any Net Available Cash committed to be used pursuant to a definitive binding agreement or commitment approved by the Board of Directors or an Officer of the Company pursuant to clauses (b) or (c) of the second paragraph of this covenant) after the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash

from an Asset Disposition, or at such earlier date that the Company elects, if the aggregate amount of “Excess Proceeds” under the Indenture exceeds £10.0 million, the Company will be required to make an offer (or procure an offer is made) (“Asset Disposition Offer”) to all Holders of Notes issued under the Indenture and, to the extent the Company so elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum aggregate principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the “Excess Proceeds,” at an offer price in respect of the Notes in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of such Notes and 100% of the principal amount of such Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing the Pari Passu Indebtedness, as applicable.

To the extent that the aggregate principal amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the “Excess Proceeds,” the Company may use any remaining “Excess Proceeds” for general corporate purposes, subject to the other covenants contained in the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of “Excess Proceeds,” the “Excess Proceeds” shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a pro rata basis or by use of a pool factor on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness, or by such other method in compliance with applicable legal, depositary and exchange requirements). For the purposes of calculating the aggregate principal amount of any such Indebtedness not denominated in pound sterling, such Indebtedness shall be calculated by converting any such aggregate principal amounts into their Sterling Equivalent determined as of a date selected by the Company that is within the Asset Disposition Offer Period (as defined herein). Upon completion of any Asset Disposition Offer, the amount of “Excess Proceeds” shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which the relevant Notes are denominated that is actually received upon converting such portion of Net Available Cash into such currency.

The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the “Asset Disposition Offer Period”). No later than five Business Days after the termination of the Asset Disposition Offer Period (the “Asset Disposition Purchase Date”), the Company will purchase (or procure the purchase of) the aggregate principal amount of Notes and, to the extent they so elect, any Pari Passu Indebtedness required to be purchased pursuant to this covenant (the “Asset Disposition Offer Amount”) or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Company will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and, in the case of the Notes, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Company will deliver to the Trustee an Officer’s Certificate stating that such Notes or portions thereof were accepted for payment in accordance with the terms of this covenant. The Company or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver (or procure the mail or delivery) to each tendering Holder an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted for purchase, and the Issuer will promptly issue a new Note (or amend the Global Note), and the Trustee, upon delivery of an Officer’s Certificate from the Issuer, will (via an authenticating agent) authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in an aggregate principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in an aggregate principal amount with a minimum denomination of €100,000 or in integral multiples of €1,000 in excess thereof. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Company or the Issuer to the Holder thereof.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

- (1) the assumption by the transferee of Indebtedness of the Issuer or Indebtedness of the Company or a Restricted Subsidiary (other than Subordinated Indebtedness of the Issuer or a Guarantor) and the release of the Issuer, the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Issuer, the Company or any Restricted Subsidiary from the transferee that are converted by the Issuer, the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Issuer, the Company or any Restricted Subsidiary (other than Subordinated Indebtedness of the Issuer or a Guarantor) received after the Issue Date from Persons who are not the Issuer, the Company or any Restricted Subsidiary; and

(5) any Designated Non-Cash Consideration received by the Issuer, the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non- Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of £11.0 million and 4.0% of Total Assets (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).

The Company will comply (or procure compliance), to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this covenant, the Company will comply (or procure compliance) with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of any conflict.

Maintenance of listing

The Company will use its commercially reasonable efforts to obtain and maintain the listing of the Notes on the Official List of the Luxembourg Stock Exchange for so long as such Notes are outstanding; *provided* that if the Company is unable to obtain admission to such listing or if at any time the Company determines that it will not maintain such listing, it will obtain (where the Notes are initially so listed, prior to the delisting of the Notes from the Official List of the Luxembourg Stock Exchange), and thereafter use its best efforts to maintain a listing of such Notes on another “recognized stock exchange” as defined in Section 1005 of the Income Tax Act 2007 of the United Kingdom.

Limitation on Affiliate Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with or for the benefit of any Affiliate of the Company (such transaction or series of related transactions being an “Affiliate Transaction”) involving aggregate value in excess of £2.0 million unless:

- (1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate;
- (2) in the event such Affiliate Transaction involves an aggregate value in excess of £7.5 million, the terms of such transaction or series of related transactions have been approved by a majority of the members of the Board of Directors of the Company resolving that such transaction complies with clause (1) above; and
- (3) in the event such Affiliate Transaction involves an aggregate consideration in excess of £15.0 million, the Company has received a written opinion from an Independent Financial Advisor that such Affiliate Transaction is fair, from a financial standpoint, to the Company and its Restricted Subsidiaries or that the terms are not materially less favorable than those that could reasonably have been obtained in a comparable transaction at such time on an arm's length basis from a Person that is not an Affiliate.

The provisions of the preceding paragraph will not apply to:

- (1) any Restricted Payment permitted to be made pursuant to the covenant described under “—Certain Covenants—Limitation on Restricted Payments,” any Permitted Payments (other than pursuant to clause (9)(b)(ii) of the third paragraph of the covenant described under “—Certain Covenants—Limitation on Restricted Payments”) or any Permitted Investment (other than Permitted Investments as defined in clauses (1)(b), (2), (11), (15), and (17) of the definition thereof);
- (2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;
- (3) any Management Advances and any waiver or transaction with respect thereto;
- (4) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries or any Receivables Subsidiary;
- (5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted Subsidiary or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) the Transactions and the entry into and performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect in the good faith judgment of the Board of Directors or an Officer of the Company and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;

(7) the execution, delivery and performance of any Tax Sharing Agreement and the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(8) transactions with customers, clients, landlords, suppliers or purchasers or sellers of goods or services, which, in each case, are in the ordinary course of business and are either fair to the Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or an Officer of the Company or the relevant Restricted Subsidiary or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary or any Affiliate of the Company or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors or an Officer of the Company in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement, as applicable;

(11) without duplication in respect of payments made pursuant to clause (12) hereof, (a) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual management, consulting, monitoring or advisory fees and related expenses to an aggregate amount not to exceed £1.5 million in each twelve month period commencing on the Issue Date and (b) customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this clause (b) are approved by a majority of the Board of Directors or an Officer of the Company in good faith;

(12) payment to any Permitted Holder of all reasonable out of pocket expenses incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries; and

(13) any transaction effected as part of a Qualified Receivables Financing.

Reports

For so long as any Notes are outstanding, the Company will provide to the Trustee the following reports:

(1) within 120 days after the end of the Company's fiscal year beginning with the fiscal year ending December 31, 2014, annual reports containing, to the extent applicable the following information: (a) audited consolidated balance sheets of the Company as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company for the two most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year; (c) an operating and financial review of the audited financial statements,

including a discussion of the results of operations, financial condition, EBITDA and liquidity and capital resources of the Company, and a discussion of material commitments and contingencies and critical accounting policies; (d) description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) a description of material risk factors and material recent developments;

(2) within 75 days (or in the case of the fiscal quarters ending June 30, 2014 and September 30, 2014, 90 days) following the end of the first three fiscal quarters in each fiscal year of the Company beginning with the fiscal quarter ending June 30, 2014, all quarterly reports of the Company containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such fiscal quarter and unaudited condensed statements of income and cash flow for the most recently completed fiscal quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant fiscal quarter; (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Company, and a discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and (d) material recent developments; and

(3) promptly after the occurrence of any material acquisition, disposition, restructuring, merger or similar transaction, or any senior executive officer changes at the Company or change in auditors of the Company or any other material event that the Company or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statement shall be prepared in accordance with UK GAAP as in effect on the date of such report or financial statement (or otherwise on the basis of UK GAAP as then in effect) and on a consistent basis for the periods presented; *provided*, however, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable UK GAAP, present earlier periods on a basis that applied to such periods. Except as provided for above, no report needs to include separate financial statements for any Subsidiaries of the Company. At the Company's election it may also include financial statements of a Parent in lieu of those for the Company; *provided* that, if the financial statements of a Parent are included in such report, a reasonably detailed description of the material differences between the financial statements of the Parent and the Company shall be included for any such period. Following an Initial Public Offering of the Capital Stock of an IPO Entity and/or the listing of such Capital Stock on a recognized stock exchange, the requirements of clauses (1), (2) and (3) above shall be considered to have been fulfilled if the IPO Entity complies with the reporting requirements of such stock exchange; *provided* that (x) the IPO Entity shall always provide financial statements consistent with the requirements of clause (2)(a) above for any applicable quarterly period pursuant to clause (2) above after the Completion Date and (y) to the extent such IPO Entity relies on such stock exchange reporting requirements to fulfill the requirements of clauses (1), (2) and (3) above, a reasonably detailed description of material differences between the financial statements of such IPO Entity and the financial statements of the Company shall be included for any period after the Completion Date.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by clauses (1) and (2) of the first paragraph of this covenant shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which reconciliation shall include the following items: turnover, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

Substantially concurrently with the issuance to the Trustee of the reports specified in clause (1), (2) and (3) of the first paragraph of this covenant, the Company shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such password protected website as may be then maintained by the Company and its Subsidiaries or (ii) otherwise to provide substantially comparable public availability of such reports (as determined by the Board of Directors or an Officer of the Company in good faith) or (b) to the extent the Board of Directors or an Officer of the Company determines in good faith that it cannot make such reports available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the Holders and, upon their request, prospective purchasers of the Notes.

The Issuer will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, at the offices of the Registrar or, to the extent and in the manner permitted by such rules, post such reports on the official website of the Luxembourg Stock Exchange.

In addition, so long as the Notes remain outstanding and during any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the Holders and, upon their request, prospective purchasers of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Merger and consolidation

The Issuer and the Company

Neither the Issuer nor the Company will consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless (and subject to the other terms of this Agreement):

(1) the resulting, surviving or transferee Person (the “Successor Company”) (if not the Company or the Issuer, as applicable) will be a Person organized and existing under the laws of any Permissible Jurisdiction and the Successor Company (if not the Company or the Issuer, as applicable) will expressly assume

(a) by supplemental Indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company or the Issuer, as applicable, under the Notes and the Indenture and (b) to the extent required by applicable law to effect such assumption, all obligations of the Company or the Issuer, as applicable, under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, subject in each case to any limitation contemplated by the Agreed Security Principles;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) only in case of a transaction involving the Company, immediately after giving effect to such transaction, either (a) the Successor Company would be permitted to Incur at least an additional £1.00 of Indebtedness pursuant to the first paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness” or (b) the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such transaction; and

(4) the Company shall have delivered to the Trustee an Officer’s Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental Indenture (if any) comply with the Indenture, and that all conditions precedent therein provided for relating to such transaction have been complied with and an Opinion of Counsel to the effect that such supplemental Indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company and the Notes constitute legal, valid and binding obligations of the Successor Company, enforceable in accordance with their terms (in each case, in form and substance reasonably satisfactory to the Trustee); *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer’s Certificate as to any matters of fact, including as to satisfaction of clauses (2) and (3) above.

Only in case of a transaction involving the Company, any Indebtedness that becomes an obligation of the Company or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under “—Certain Covenants—Limitation on Indebtedness.”

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company, as the case may be.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture and the Notes but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under the Indenture or the Notes.

Notwithstanding the preceding clauses (2), (3) and (4) and the provisions described below under “—Subsidiary Guarantors” (which do not apply to transactions referred to in this sentence) and, other than with respect to the second preceding paragraph, clause (4) of the first paragraph of this covenant, (a) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Company and (b) any Restricted Subsidiary that is not a Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary. Notwithstanding the preceding clauses (2) and (3) (which do not apply to the transactions referred to in this sentence), the Company may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Company, reincorporating the Company in another jurisdiction, or changing the legal form of the Company.

There is no precise established definition of the phrase “substantially all” under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this covenant) will not apply to (i) any transactions which constitute an Asset Disposition if the Company has complied with the covenant described under “—Certain Covenants—Limitation on sales of assets and subsidiary stock” or (ii) the creation of a new subsidiary as a Restricted Subsidiary of the Company.

Subsidiary Guarantors

No Subsidiary Guarantor may (other than a Subsidiary Guarantor whose guarantee is to be released in accordance with the terms of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement);

(1) consolidate with or merge with or into any Person, or

(2) sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person, or

(3) permit any Person to merge with or into such Subsidiary Guarantor,

unless

(A) the other Person is the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor; or

(B) (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Note Guarantee, to the extent required by applicable law to effect such assumption, the obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which it is a party and, if applicable, the Proceeds Loan Agreement, in each case subject to any limitation contemplated by the Agreed Security Principles; and

(2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or

(C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise permitted by the Indenture.

Notwithstanding the preceding clause (B) and the provisions described under “—The Issuer and the Company” (which do not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to a Subsidiary Guarantor and (b) if there is more than one Subsidiary Guarantor, any Subsidiary Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Subsidiary Guarantor. Notwithstanding the preceding clause B(2) (which do not apply to the transactions referred to in this sentence), a Subsidiary Guarantor may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Subsidiary Guarantor reincorporating the Subsidiary Guarantor in another jurisdiction, or changing the legal form of the Subsidiary Guarantor.

There is no precise established definition of the phrase “substantially all” under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

Suspension of covenants on achievement of Investment Grade Status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a “Suspension Event”), then, beginning on that day and continuing until the Reversion Date, the provisions of the Indenture summarized under the following captions will not apply to such Notes: “—Certain Covenants—Limitation on Restricted Payments,” “—Certain Covenants—Limitation on Indebtedness,” “—Certain Covenants—Limitation on distributions from Restricted Subsidiaries,” “—Certain Covenants—Limitation on Affiliate Transactions,” “—Certain Covenants—Limitation on sales of assets and subsidiary stock,” “—Certain Covenants—Additional Note Guarantees and Collateral” and the provisions of clause (3) of the first paragraph of the covenant described under “—Merger and consolidation—The Issuer and the Company,” and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries. Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and the “—Certain Covenants—Limitation on Restricted Payments” covenant will be interpreted as if it has been in effect since the date of the Indenture except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Company’s option, as having been Incurred pursuant to the first paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness” or one of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be Incurred under the first two paragraphs of the covenant described under “—Certain Covenants—Limitation on Indebtedness,” such Indebtedness will be deemed to have been outstanding on the Completion Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness”. The Issuer shall notify the Trustee that the conditions under this covenant have been satisfied, although such notification shall not be a condition for the suspension of the covenants set forth above to be effective. The Trustee shall not be obliged to notify Holders of such event.

Additional Note Guarantees and Collateral

Subject to the Agreed Security Principles, the Intercreditor Agreement and any Additional Intercreditor Agreement, the Company will not cause or permit any of its Restricted Subsidiaries that are not Guarantors or the Issuer, directly or indirectly, to Guarantee any Indebtedness under the Revolving Credit Facilities Agreement (or other Indebtedness that is Incurred under clauses (1) or (6) of the second paragraph of “—Certain Covenants—Limitation on Indebtedness”), any Public Debt and any Refinancing Indebtedness thereof or any other Indebtedness of the Issuer or a Guarantor exceeding £2.0 million in principal amount, in whole or in part unless, in each case, such Restricted Subsidiary becomes a Guarantor on the date on which such other Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental Indenture in the form attached to the Indenture or other appropriate agreement pursuant to which such Restricted Subsidiary will provide a Guarantee on the same terms and conditions as those set forth in the Indenture, which Guarantee will be senior to or pari passu with such Restricted Subsidiary’s Guarantee of such other Indebtedness.

A Restricted Subsidiary that is not a Guarantor may become a Guarantor if it executes and delivers to the Trustee a supplemental Indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Guarantee.

Following the provision of any additional Guarantees as described above, subject to the Agreed Security Principles, the Intercreditor Agreement and any Additional Intercreditor Agreement (if such security is being granted in respect of the other Indebtedness), any such Guarantor will provide security over certain of its material assets (excluding any assets of such Guarantor which are subject to a Permitted Lien at the time of the execution of such supplemental indenture if providing such security interest would not be permitted by the terms of such Permitted Lien or by the terms of any obligations secured by such Permitted Lien) to secure its Guarantee on a first priority basis consistent with the Collateral.

Each additional Guarantee or security will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, thin capitalization, distributable reserves, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Notwithstanding the foregoing paragraphs, the Company shall not be obligated to cause such Restricted Subsidiary to Guarantee the Notes or provide security to the extent and for so long as the Incurrence of such Guarantee could or the grant of such security would be inconsistent with the Intercreditor Agreement or the Agreed Security Principles.

Impairment of security interest

The Company shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action, which action or omission would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, any Lien over any of the Collateral that is prohibited by the covenant entitled “—Certain Covenants—Limitation on Liens;” *provided*, that the Company and its Restricted Subsidiaries may incur any Lien over any of the Collateral that is not prohibited by the covenant entitled “—Certain Covenants—Limitation on Liens,” including Permitted Collateral Liens, and the Collateral may be discharged or released in accordance with the Indenture, the applicable Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement.

Notwithstanding the above, nothing in this covenant shall restrict the discharge and release of any Lien in accordance with the Indenture, the applicable Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement.

Subject to the foregoing, the Security Documents may be amended, extended, renewed, restated or otherwise modified or released to (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; or (iv) make any other change thereto that does not adversely affect the Holders in any material respect; *provided*, however, that (except where permitted by the Indenture or the Intercreditor Agreement or to effect or facilitate the creation of Permitted Collateral Liens for the benefit of the Security Agent and holders of other Indebtedness incurred in accordance with the Indenture) no Security Document may be amended, extended, renewed, restated or otherwise modified or released, unless contemporaneously with such amendment, extension, renewal, restatement or modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), the Company delivers to the Security Agent and the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Trustee, from an Independent Financial Advisor or appraiser or investment bank which confirms the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release, (2) a certificate from an Officer of the relevant Person which confirms the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), or (3) an Opinion of Counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), the Lien or Liens created under the Security Document, so amended, extended, renewed, restated, modified or released and retaken are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, modification or release and retake and to which the new Indebtedness secured by the Permitted Collateral Lien is not subject. In the event that the Company and its Restricted Subsidiaries comply with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Holders.

Further assurances

Subject to the Agreed Security Principles, the Company and its Restricted Subsidiaries will, at their own expense, execute and do all such acts and things and provide such assurances as the Security Agent may reasonably require (i) for registering any Security Documents in any required register and for perfecting or protecting the security intended to be afforded by such Security Documents and (ii) if such Security Documents have become enforceable, for facilitating the realization of all or any part of the assets which are subject to such Security Documents and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of those assets. Subject to the Agreed Security Principles, the Company and its Restricted Subsidiaries will execute all transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give all notices, orders and directions which the Security Agent may reasonably request.

Limitation on Issuer activities

The Issuer will not engage in any business activity or undertake any other activity, except any activity (a) subject to compliance with the terms of the Indenture, related to the offering, sale or issuance of the Notes or the incurrence of Indebtedness by the Issuer represented by the Notes or any Public Debt, (b) undertaken with the purpose of, and directly related to, fulfilling its obligations under the Notes, the Indenture and any other document relating to the Notes (including the Proceeds Loan), the Security Documents, the Intercreditor Agreement and the Revolving Credit Facilities Agreement or any document relating to any Public Debt; (c) related to the establishment and maintenance of the Issuer's corporate existence, (d) related to using amounts received by the Issuer to make investments in cash or Cash Equivalents in a manner not otherwise prohibited by the Indenture or (e) reasonably related to the foregoing. The Issuer will not (a) incur any indebtedness (except to the Company or a Wholly Owned Subsidiary) other than, subject to compliance with the terms of the Indenture, the Notes or any Public Debt, (b) issue any Capital Stock (other than to the Company or a Wholly Owned Subsidiary) or (c) undertake any transaction that will require the Issuer to register as an "investment company" or an entity "controlled by an investment company" as defined in the U.S. Investment Company Act of 1940, as amended, and the rules and regulations thereunder.

The Issuer will not, and the Company will not permit the Issuer to, use the proceeds from the issuance of the Notes other than (i) to pay fees and expenses related to the offering of the Notes and (ii) to subscribe for the Proceeds Loan issued by the Company promptly upon the receipt of proceeds from the issuance of the Notes.

Payments for consent

The Indenture will provide that the Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Indenture or the Notes unless such consideration is offered to all Holders and is paid to all Holders that so consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer, the Company and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes, to exclude Holders in any jurisdiction where (i) the solicitation of such consent, waiver or amendment, including in connection with an exchange offer or an offer to purchase for cash, or (ii) the payment of the consideration therefor (A) would require the Issuer, the Company or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Issuer and the Company in their sole discretion determine (acting in good faith) would be materially burdensome; or (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Events of Default

Each of the following is an "Event of Default" under the Indenture:

- (1) default in any payment of interest or Additional Amounts, if any, on any Note when due and payable, continued for 30 days;
- (2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of at least 30% in aggregate principal amount of the outstanding Notes with any of the Company's obligations under the covenants described under "—Change of Control" above or the obligations of the Company and the Restricted Subsidiaries under the covenants described under "—Certain Covenants" above (in each case, other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above);
- (4) failure to comply by the Company or any of its Restricted Subsidiaries for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of at least 30% in aggregate principal amount of the outstanding Notes with the Issuer's or the Guarantors' other agreements contained in the Indenture;
- (5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its

Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) other than Indebtedness owed to the Company or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

(a) is caused by a failure to pay principal at Stated Maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("payment default"); or

(b) results in the acceleration of such Indebtedness prior to its maturity (the "cross acceleration provision");

and, in each case, the aggregate principal amount of any such Indebtedness, together with the aggregate principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates £15.0 million or more;

(6) certain events of bankruptcy, insolvency or court protection of the Issuer, the Company or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the "bankruptcy provisions");

(7) failure by the Issuer, the Company, a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary, to pay final judgments aggregating in excess of £15.0 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final and due (the "judgment default provision");

(8) any security interest under the Security Documents on any Collateral having a fair market value in excess of £15.0 million shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement and the Indenture) for any reason other than the satisfaction in full of all obligations under the Indenture or the release or amendment of any such security interest in accordance with the terms of the Indenture, the Intercreditor Agreement or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable in a final non-appealable decision of a court of competent jurisdiction or the Issuer shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days (the "security default provisions"); and

(9) any Note Guarantee ceases to be in full force and effect (other than in accordance with the terms of the Intercreditor Agreement and the Indenture), or a Guarantor denies or disaffirms its obligations under its Note Guarantee in writing, other than in accordance with the terms thereof or upon release of the Note Guarantee in accordance with the Indenture.

However, a default under clauses (3), (4), (5) or (7) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 30% in aggregate principal amount of the outstanding Notes notify the Company of the default and, with respect to clauses (3), (4), (5) and (7) the Company does not cure such default (or arranges that such Default has been cured) within the time specified in clauses (3), (4), (5) or (7), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (6) above) occurs and is continuing, the Trustee by notice to the Company or the Holders of at least 30% in aggregate principal amount of the outstanding Notes, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest, including Additional Amounts, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (5) of this "Events of Default" section has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (6) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

The Holders of a majority in aggregate principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to (i) nonpayment of principal, premium or interest, or Additional Amounts, if any and (ii) a covenant or provision which under the Indenture cannot be modified or amended without the consent of the Holders of at least 90% of the principal amount of the Notes then outstanding, each of which may only be waived with the consent of the Holders of at least 90% of the principal amount of the Notes then outstanding) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security (including by way of prefunding) satisfactory to it in its sole discretion against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

- (1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;
- (2) Holders of at least 30% in aggregate principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy;
- (3) such Holders have offered in writing the Trustee indemnity and/or security (including by way of prefunding) satisfactory to it in its sole discretion against any loss, liability or expense;
- (4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security and/or indemnity; and
- (5) the Holders of a majority in aggregate principal amount of the outstanding Notes have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60- day period.

Subject to certain restrictions, the Holders of a majority in aggregate principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Indenture will provide that, in the event an Event of Default, of which a responsible officer of the Trustee has received written notice, has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification and/or security (including by way of prefunding) satisfactory to it in its sole discretion against all losses, liabilities and expenses caused by taking or not taking such action.

The Indenture will provide that if a Default occurs and a responsible officer of the Trustee is informed in writing of such occurrence by the Company, the Trustee must give notice of the Default to the Holders within 90 days after being notified by the Company. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the Holders. The Company is required to deliver to the Trustee, within 120 days after the end of each fiscal year (and within 14 days upon request at any time after the 120 days), an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Company is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Company is taking or proposes to take in respect thereof.

The Notes provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified and/or secured (including by way of pre-funding) to its satisfaction in its sole discretion. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

Amendments and waivers

Subject to certain exceptions, the Note Documents may be amended, supplemented or otherwise modified with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes). However, without the consent of Holders holding not less than 90% (or, in the case of clause (8), 75%) of the then outstanding aggregate principal amount of Notes (including consents obtained in connection with a purchase of, or tender offer or exchange offer for the Notes), an amendment or waiver may not, with respect to any such Notes held by a non-consenting Holder:

- (1) reduce the principal amount of such Notes whose Holders must consent to an amendment, waiver or modification;
- (2) reduce the stated rate of or extend the stated time for payment of interest on any such Note;
- (3) reduce the principal of or extend the Stated Maturity of any such Note;
- (4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described above under "—Optional redemption" or "—Redemption for taxation reasons";
- (5) make any such Note payable in money other than that stated in such Note;
- (6) impair the right of any Holder to receive payment of principal of and interest or Additional Amounts, if any, on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;
- (7) make any change in the provision of the Indenture described under "—Additional Amounts" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;
- (8) release all or substantially all the Guarantors from their obligations under their respective Note Guarantees or the Indenture, except otherwise in accordance with the terms of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(9) release the security interest granted for the benefit of the Holders in the material Collateral, other than pursuant to the terms of the Security Document or the Indenture, as applicable, except as permitted by the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(10) waive a Default or Event of Default with respect to the nonpayment of principal, premium, interest or Additional Amounts, if any, on the Notes (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration); or

(11) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Issuer, the Guarantors, the Trustee and the other parties thereto, as applicable, may amend or supplement any Note Documents to:

(1) cure any ambiguity, omission, defect, error or inconsistency, conform any provision of the Note Documents to this "Description of the Notes," or reduce the minimum denomination of the Notes;

(2) provide for the assumption by a successor Person of the obligations of the Issuer or the Guarantors under any Note Document;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 4702(b)(1)(B) of the Code) or change the minimum denominations for the Notes;

(4) add to the covenants or provide for a Note Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer, the Company or any Restricted Subsidiary;

(5) make any change that would provide additional rights or benefits to the Trustee or the Holders or does not adversely affect the rights of or benefits to the Trustee or any Holder in any material respect;

(6) make such provisions as necessary (as determined in good faith by the Board of Directors or an Officer of the Company) for the issuance of Additional Notes;

(7) to provide for any Restricted Subsidiary to provide a Note Guarantee in accordance with the covenant described under "—Certain Covenants—Limitation on Indebtedness" and "—Certain Covenants—Additional Note Guarantees and Collateral" to add Note Guarantees, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Note Guarantee or Lien (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is permitted under the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents;

(8) to conform the text of the Indenture, the Note Guarantees, the Security Documents or the Notes to any provision of this Description of the Notes to the extent that such provision in this Description of the Notes was intended to be a verbatim recitation of a provision of the Indenture, a Note Guarantee, the Security Documents or the Notes;

(9) to evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Note Document; or

(10) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of parties to the Revolving Credit Facilities Agreement in any property which is required by the Revolving Credit Facilities Agreement (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Indenture and the covenant described under "—Certain Covenants—Impairment of security interest" is complied with.

In formulating its decisions on such matters, the Trustee shall be entitled to rely on such evidence as it deems appropriate, including Officer's Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Note Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

For so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer will publish notice of any amendment, supplement and waiver on the official website of the Luxembourg Stock Exchange or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

Acts by Holders

In determining whether the Holders of the required aggregate principal amount of the Notes have concurred in any direction, waiver or consent, any Notes owned by the Company or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Company will be disregarded and deemed not to be outstanding.

Defeasance

The Issuer at any time may terminate all its and each Guarantor's obligations under the Notes and the Indenture ("legal defeasance") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes, registrations of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate all its and each Guarantor's obligations under the covenants described under "—Certain Covenants" (other than with respect to clauses (1) and (2) of the covenant described under "—Merger and consolidation—The Issuer and the Company" and clauses (A), (B) and (C) of the covenant described under "—Certain Covenants—Merger and consolidation—Subsidiary Guarantors") and "—Change of Control" and the default provisions relating to such covenants described under "—Events of Default" above, the operation of the cross default upon a payment default, the cross acceleration provisions, the bankruptcy provisions, the judgment default provision, the guarantee default provision and the security default provision described under "—Events of Default" above ("covenant defeasance").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of the covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the covenant described under "—Certain Covenants—Merger and consolidation"), (4), (5), (6) (other than with respect to the Issuer and the Company), (7), (8) or (9) under "—Events of Default" above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee (or such other entity designated or appointed as agent by the Trustee for this purpose) cash in euro, euro-denominated European Government Obligations or a combination of cash in euro and euro-denominated European Government Obligations in such amounts as will be sufficient, in the good faith determination of the Board of Directors or an Officer of the Company, for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

- (1) an Opinion of Counsel in the United States to the effect that Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law since the Issue Date);
- (2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;

(3) an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(4) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(5) all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Document will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Trustee for cancellation; or (b) all Notes not previously delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or such other entity designated or appointed as agent by the Trustee for this purpose), cash in euros or euro-denominated European Government Obligations or a combination of cash in euros and euro- denominated European Government Obligations in an amount sufficient, in the good faith determination of the Board of Directors or an Officer of the Company to pay and discharge the outstanding aggregate principal amount of indebtedness on the Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture; (4) the Issuer has delivered irrevocable instructions to the Trustee to apply the funds deposited towards the payment of the Notes at maturity or on the redemption date, as the case may be; and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "—Satisfaction and Discharge" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

No personal liability of directors, officers, employees and shareholders

No director, officer, employee, incorporator or shareholder of the Issuer or the Company, any of the Company's Subsidiaries or any of their respective Affiliates, as such, shall have any liability for any obligations of the Issuer or the Guarantors under the Note Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee and certain agents

U.S. Bank Trustees Limited is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default of which a responsible officer of the Trustee has received written notice, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default of which a responsible officer of the Trustee has received written notice, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Trustee will be permitted to engage in other transactions with the Company, the Issuer and their respective Affiliates and Subsidiaries.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any time (a) has or acquires a conflict of interest in its capacity as Trustee that is not eliminated, (b) fails to meet certain eligibility requirements or (c) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the

Issuer may remove the Trustee, or any Holder who has been a bona fide Holder for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, taxes and expenses Incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

All notices to Holders will be validly given if mailed to them at their respective addresses in the register of the Holders, if any, maintained by the Registrar. In addition, for so long as any of the Notes are listed on the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, notices with respect to the Notes listed on the Euro MTF Market will be published on the official website of the Luxembourg Stock Exchange or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange. For so long as any Notes are represented by Global Notes, all notices to Holders will be delivered to Euroclear and Clearstream, delivery of which shall be deemed to satisfy the requirements of this paragraph, each of which will give such notices to the holders of Book-Entry Interests.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail, cause to be delivered or otherwise transmit a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, or premium, if any, on the Notes or any Note Guarantee will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed six years after the applicable due date for payment of interest.

Currency indemnity

Euro is the sole currency of account and payment for all sums payable by the Issuer and the Guarantors under or in connection with the Notes and the relevant Note Guarantees, as the case may be, including damages. Any amount received or recovered in a currency other than euros, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee under any Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint and several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be *prima facie* evidence of the matter stated therein for the Holder or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any pound sterling denominated restriction herein, the Sterling Equivalent amount for purposes hereof that is denominated in a currency other than pound sterling shall be calculated based on the relevant currency exchange rate in effect on the date such non-pound sterling amount is Incurred or made, as the case may be.

Enforceability of judgments

Since all the assets of the Issuer and the Guarantors are held or located outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, if any, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes or the Note Guarantees, may not be collectable within the United States.

Consent to jurisdiction and service

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Notes and the Note Guarantees, the Issuer and each Guarantor will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Governing law

The Indenture and the Notes, including any Note Guarantees, and the rights and duties of the parties thereunder will be governed by and construed in accordance with the laws of the State of New York.

Certain definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

“Acquired Indebtedness” means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

“Acquisition Agreements” means the Rose Holdco Acquisition Agreement and the Australian Acquisition Agreement.

“Acquisition” means the acquisition of the IMO Group pursuant to the purchase by Bidco of 100% of the shares of Rose Holdco in accordance with the Acquisition Agreements.

“Additional Assets” means:

- (1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in a Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);
- (2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary; or
- (3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary.

“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. For the purposes of this definition, “control,” when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Agreed Security Principles” means the agreed security principles as set out in an annex to the Indenture as in effect on the Issue Date, as applied reasonably and in good faith by the Board of Directors or an Officer of the Company.

“Applicable Premium” means, with respect to any Note on any redemption date, the greater of:

- (1) 1.0% of the principal amount of such Note; or
- (2) the excess of:
 - (i) the present value at such redemption date of (x) the redemption price of such Note at July 15, 2016 (such redemption price being set forth in the table appearing under the caption “—Optional redemption”), plus (y) all required interest payments due on such Note through July 15, 2016 (excluding accrued but unpaid interest), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over
 - (ii) the outstanding principal amount of such Note;

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, the calculation of the Applicable Premium shall not be an obligation or duty of the Trustee, Register, Paying Agent or Transfer Agent.

“Asset Disposition” means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors’ qualifying shares), property or other assets (each referred to for the purposes of this definition as a “disposition”) by the Company or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction; *provided* that the sale, conveyance or other disposition of all or substantially all the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption “—Change of Control” or the provisions described above under the caption “—Certain Covenants—Merger and consolidation” and not by the provisions of the Asset Disposition covenant. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

- (1) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;
- (2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (3) a disposition of inventory or other assets in the ordinary course of business;
- (4) a disposition of obsolete, surplus or worn out equipment or other assets, or equipment or other property that is no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries;
- (5) transactions permitted under “—Certain Covenants—Merger and consolidation—The Issuer and the Company” or a transaction that constitutes a Change of Control;
- (6) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Company;
- (7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Board of Directors or an Officer of the Company) of less than the greater of (i) £5.0 million and (ii) 1.8% of Total Assets;
- (8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under “—Certain Covenants—Limitation on Restricted Payments” and the making of any Permitted Payments or Permitted Investments or, solely for purposes of the second paragraph under “—Certain Covenants—Limitation on sales of assets and subsidiary stock,” asset sales, in respect of which (and only to the extent that) the proceeds of which are used to make such Restricted Payments or Permitted Investments;
- (9) dispositions in connection with Permitted Liens;

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) any disposition of Capital Stock, Indebtedness or other securities or assets of an Unrestricted Subsidiary;

(15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(16) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(17) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person; *provided*, however, that the Board of Directors or an Officer of the Company shall certify that in the opinion of the Board of Directors or such Officer, the outsourcing transaction will be economically beneficial to the Company and its Restricted Subsidiaries (considered as a whole); *provided*, further, that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (17), does not exceed £5.0 million;

(18) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Indenture; *provided* that the fair market value of the assets disposed of when taken together with all other dispositions made pursuant to this clause, does not exceed £7.5 million;

(19) sales or dispositions of receivables in connection with any Qualified Receivables Financing or any factoring transaction or in the ordinary course of business; and

(20) subject to clause (18) above in relation to a sale and leaseback transaction any dispositions in connection with the entry into a Capitalized Lease Obligation.

“Associate” means (i) any Person engaged in a Similar Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture engaged in a Similar Business entered into by the Company or any Restricted Subsidiary.

“Australian Acquisition Agreement” means the sale and purchase dated June 12, 2014, by and among IPIC B.V. as purchaser and the sellers thereunder relating to the sale and purchase of 20.4% of the shares in IMO Group Holdings Pty Ltd.

“Board of Directors” means (1) with respect to the Company or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision of the Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

“Bridge Facility Agreement” means the bridge facility agreement entered into on June 12, 2014, by and between the Company, Bidco and the Issuer, as borrowers, J.P. Morgan Europe Limited as Agent and J.P. Morgan Europe Limited, as Security Agent, for an aggregate amount of up to £190.0 million.

“Bridge Loans” means any loans extended under the Bridge Facility Agreement.

“Business Day” means each day that is not a Saturday, Sunday or other day on which banking institutions in London, United Kingdom, New York, New York, United States or Luxembourg are authorized or required by law to close; *provided*, however, that for any payments to be made under the Indenture, such day shall also be a day on which the TARGET2 payment system is open for the settlement of payments.

“Capital Stock” of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“Capitalized Lease Obligations” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of UK GAAP. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of UK GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“Cash Equivalents” means:

(1) securities issued or directly and fully Guaranteed or insured by a Permissible Jurisdiction or, in each case, any agency or instrumentality thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers’ acceptances (in each case, including any such deposits made pursuant to any sinking fund established by the Company or any Restricted Subsidiary) having maturities of not more than one year from the date of acquisition thereof issued by any lender party to a Credit Facility or by any bank or trust company (a) whose commercial paper is rated at least “A-1” or the equivalent thereof by S&P or at least “P-1” or the equivalent thereof by Moody’s (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of £500 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least “A-2” or the equivalent thereof by S&P or “P-2” or the equivalent thereof by Moody’s or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by a Permissible Jurisdiction having one of the two highest rating categories obtainable from either Moody’s or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or Preferred Stock issued by Persons with a rating of “BBB•” or higher from S&P or “Baa3” or higher from Moody’s (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in a Permissible Jurisdiction eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent); and

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above.

“Change of Control” means:

(1) the Company becomes aware that (by way of a report or any other filing pursuant to any regulatory filing, proxy, vote, written notice or otherwise) any “person” or “group” of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or has become the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, *provided* that for the purposes of this clause, (x) any holding company whose only material assets relate to ownership of the Capital Stock of the Company will not itself be considered a “person” or “group”; and (y) any Voting Stock of which any Permitted Holder is the “beneficial owner” (as so defined) shall not be included in any Voting Stock of which any such person or group is the “beneficial owner” (as so defined), unless that person or group is not an affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock than any other Permitted Holder; or

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders;

provided that, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

“Clearstream” means Clearstream Banking, société anonyme, or any successor securities clearing agency.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Commodity Hedging Agreements” means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

“Consolidated EBITDA” for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense and Receivables Fees;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization or impairment expense;

(5) any expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; *provided* that such payments are made in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the Indenture (in each case whether or not successful) (including any such fees, expenses or charges related to the Transactions), in each case, as determined in good faith by the Board of Directors or an Officer of the Company;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates, associated company or undertaking;

(7) the amount of management, monitoring, consulting, employment and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under “—Certain Covenants—Limitation on Affiliate Transactions”; and

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash

charges in any future period) or other items classified by the Company as extraordinary, exceptional, unusual or nonrecurring items, less other non-cash items of income increasing Consolidated Net Income excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

“Consolidated Financial Interest Expense” means, for any period (in each case, determined on the basis of UK GAAP), the sum of:

(1) consolidated net interest income/expense of the Company and its Restricted Subsidiaries related to Indebtedness (including (a) amortization of debt discount or premium, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) the interest component of Capitalized Lease Obligations, and (d) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness) but not including any Pension Items, debt issuance costs and premiums, commissions, discounts and other fees and charges owed or paid with respect to financings, or costs associated with Hedging Obligations (other than those described in (d));

(2) dividends on other distributions in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Company or a subsidiary of the Company; and

(3) any interest on Indebtedness of another Person that is guaranteed by the Company or any of its Restricted Subsidiaries or secured by a Lien on assets of the Company or any of its Restricted Subsidiaries, to the extent such interest is actually paid by the Company or any of its Restricted Subsidiaries.

“Consolidated Income Taxes” means Taxes or other payments, including deferred Taxes, based on income, profits or capital (including, without limitation, withholding Taxes) and Corporation Tax and franchise Taxes of any of the Company and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any Governmental Authority.

“Consolidated Interest Expense” means, for any period (in each case, determined on the basis of UK GAAP), the consolidated net interest income/expense of the Company and its Restricted Subsidiaries, whether paid or accrued, plus or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations and the interest component of deferred payment obligations;

(2) amortization of debt discount or premium, amortization of debt issuance costs, fees, premium and expenses and the expensing of any financing fees;

(3) non-cash interest expense;

(4) the net payments (if any) of Hedging Agreements (excluding amortization of fees and discounts and unrealized gains and losses, costs associated with Hedging Obligations (including termination payments), foreign currency losses and any Receivables Fees);

(5) dividends on other distributions in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Company or a subsidiary of the Company;

(6) the consolidated interest expense that was capitalized during such period;

(7) any interest on Indebtedness of another Person that is guaranteed by the Company or any of its Restricted Subsidiaries or secured by a Lien on assets of the Company or any of its Restricted Subsidiaries; and

(8) Pension Items.

“Consolidated Net Income” means, for any period, the profit/(loss) for the financial period of the Company and its Restricted Subsidiaries determined on a consolidated basis on the basis of UK GAAP; *provided*, however, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any profit/(loss) for the financial period of any Person if such Person is not a Restricted Subsidiary, except that the Company’s equity in the profit/(loss) for the financial period of any such Person will be included in such Consolidated Net Income up to

the aggregate amount of cash or Cash Equivalents (x) actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment or (y) only for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under “—Certain Covenants—Limitation on Restricted Payments,” that could have been distributed, as reasonably determined by an Officer of the Company (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under “—Certain Covenants—Limitation on Restricted Payments,” any the profit/(loss) for the financial period of any Restricted Subsidiary (other than Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to a Guarantor by operation of the terms of such Restricted Subsidiary’s charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to or permitted under the Revolving Credit Facilities Agreement, the Notes or the Indenture, and (c) restrictions not prohibited by the covenant described under “—Certain Covenants—Limitation on distributions from Restricted Subsidiaries”), except that the Company’s equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause) even if encumbrances or restrictions to make distributions in cash or Cash Equivalents arise or exist by reason of applicable law or applicable rules, regulation or order;

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or an Officer of the Company);

(4) any extraordinary, exceptional, unusual or nonrecurring gain, loss, charge or expense (as determined in good faith by the Board of Directors or an Officer of the Company), or any charges, expenses or reserves in respect of any restructuring, disposal, closing, redundancy or severance;

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any Pension Items or other provisions;

(7) all deferred financing costs written off and premiums paid or other expenses Incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary;

(11) any purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by UK GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of any consummated

acquisition, or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(12) any goodwill or other intangible asset impairment, charge, amortization or write-off, including debt issuance costs together with amounts spent on repairs and refurbishments of sites but which were not capitalized (as determined in good faith by Senior Management);

(13) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding;

(14) Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes; and

(15) to the extent covered by insurance and actually reimbursed, or, so long as the Company has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (a) not denied by the applicable insurer in writing within 180 days and (b) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses with respect to business interruption.

“Consolidated Net Leverage” means the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries (excluding Hedging Obligations) less cash and Cash Equivalents.

“Consolidated Net Leverage Ratio” means, as of any date of determination, the ratio of (x) Consolidated Net Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company are available; *provided*, however, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

(1) since the beginning of such period, the Company or any Restricted Subsidiary has closed or disposed of any company, any business or site, or any group of assets constituting an operating unit of a business or site (any such disposition, a “Sale”) or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the company, business, site or group of assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto after giving pro forma effect to such Sale as if such Sale occurred on the first day of such period; *provided* that if any such Sale constitutes “discontinued operations” in accordance with UK GAAP, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to the company, business, site or group of assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto after giving pro forma effect to such Sale as if such Sale occurred on the first day of such period;

(2) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business or site, or any group of assets constituting an operating unit of a business or site (any such Investment or acquisition, a “Purchase”), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto, including anticipated synergies and expenses and cost savings, as if such Purchase occurred on the first day of such period;

(3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto, including anticipated synergies and expenses and cost savings, as if such Sale or Purchase occurred on the first day of such period; and

(4) since the beginning of such period, a transfer of shares of, or other transaction has occurred or is contractually committed with respect to, the Company or any Restricted Subsidiary, that constitutes an event that is contemplated by the definition of “Specified Change of Control Event” (any such transaction, a “Specified Change of Control Transaction”), and solely for the purpose of making the determination pursuant to

“Specified Change of Control Event,” Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto (including anticipated synergies and expenses and cost savings expected to be obtained from the Specified Change of Control Transaction) as if such Specified Change of Control Transaction (including such synergies and expenses and cost savings) had occurred on the first day of such period.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense and Consolidated Net Income, (a) calculations will be as determined in good faith by a responsible financial or accounting officer of the Company, including in respect of synergies and expenses, cost savings and renovations, as though the full effect of such synergies and expenses, cost savings and renovations were realized on the first day of the relevant period and shall also include the reasonably anticipated full run rate costs savings or renovations effect (as calculated in good faith by a responsible financial or chief accounting officer of the Company) of cost savings programs and renovation programs that have been initiated by the Company or its Restricted Subsidiaries as though such cost savings programs or renovation programs had been fully implemented on the first day of the relevant period, and (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period. For the purpose of calculating pro forma effect pursuant to clause (2) above, the definition of Fixed Charge Coverage Ratio and for the first paragraph and clause (5) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness”, as well as clause (3) of the first paragraph of the covenant described under “—Certain Covenants—Merger and consolidation—The Issuer and the Company”, pro forma effect may also be given to anticipated acquisitions where the Indebtedness to be Incurred is to finance such acquisitions in whole or in part, which have not yet occurred but which have become subject to a definitive purchase agreement or contract.

“Consolidated Senior Secured Leverage” means the sum of the aggregate outstanding Senior Secured Indebtedness of the Company and its Restricted Subsidiaries (excluding Hedging Obligations).

“Consolidated Senior Secured Leverage Ratio” means the Consolidated Net Leverage Ratio, but calculated by excluding all Indebtedness other than Senior Secured Indebtedness.

“Contingent Obligations” means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness (“primary obligations”) of any other Person (the “primary obligor”), including any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (2) to advance or supply funds:
 - (a) for the purchase or payment of any such primary obligation; or
 - (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“Credit Facility” means, with respect to the Company or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including the Revolving Credit Facilities Agreement or commercial paper facilities and overdraft facilities) with banks, other institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended from time to time (whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or banks, other institutions or investors and whether provided under the Revolving Credit Facilities Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “Credit Facility” shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

“Currency Agreement” means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

“Default” means any event which is, or after notice or passage of time or both would be, an Event of Default.

“Designated Non-Cash Consideration” means the fair market value (as determined in good faith by the Board of Directors or an Officer of the Company) of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under “—Certain Covenants—Limitation on sales of assets and subsidiary stock.”

“Designated Preference Shares” means, with respect to the Company or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and (b) that is designated as “Designated Preference Shares” pursuant to an Officer’s Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Restricted Payments.”

“Disqualified Stock” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company or a Restricted Subsidiary); or
- (3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided*, however, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or

repurchase obligation is subject to compliance by the relevant Person with the covenant described under “—Certain Covenants—Limitation on Restricted Payments.”

“Equity Contribution” means the contribution from the Equity Investors to the Company of shareholder funds on the Completion Date as part of the Transactions.

“Equity Investors” means TDR Capital, funds managed by TDR Capital, or any of its Affiliates, or any co-investment vehicle managed by TDR Capital or any of its Affiliates.

“Equity Offering” means a sale by the IPO Entity of (x) Capital Stock (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions, or (y) other securities, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of, or as Subordinated Shareholder Funding to, the IPO Entity or any of its Restricted Subsidiaries.

“euro” means the official currency of the European Union.

“Euroclear” means Euroclear Bank SA/NV or any successor securities clearing agency.

“European Government Obligations” means any security that is (1) a direct obligation of Belgium, the Netherlands, France, Germany, or any other member of the European Union, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof;

“European Union” means all members of the European Union as of January 1, 2004 and the Czech Republic;

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“Excluded Contribution” means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer’s Certificate of the Company.

“fair market value” may be conclusively established by means of an Officer’s Certificate or a resolution of the Board of Directors of the Company setting out such fair market value as determined by such Officer or the Board of Directors of the Company in good faith.

“Fixed Charge Coverage Ratio” means, for any period, the ratio of:

- (a) Consolidated EBITDA; to
- (b) Consolidated Financial Interest Expense;

provided that in calculating the Fixed Charge Coverage Ratio or any element thereof for any period, pro forma calculations will be made in good faith by the Board of Directors or an Officer of the Company (including any pro forma synergies and expenses and cost savings that have occurred or are reasonably expected to occur within the next twelve months following the date of such calculation, including, without limitation, as a result of, or that would result from any actions taken by the Company or any of its Restricted Subsidiaries including, without limitation, in connection with any cost reduction or cost savings plan or program or in connection with any transaction, investment, acquisition, disposition, restructuring, corporate reorganization or otherwise, in the good faith judgment of the Board of Directors or an Officer of the Company (regardless of whether these synergies and expenses and cost savings could then be reflected in pro forma financial statements to the extent prepared)); *provided*, further, without limiting the application of the previous proviso, that for the purposes of calculating Consolidated EBITDA or Consolidated Financial Interest Expense for such period, if, as of such date of determination:

(1) since the beginning of such period, the Company or any Restricted Subsidiary has closed or disposed of any company, any business or site, or any group of assets constituting an operating unit of a business or site (any such disposition, a “Sale”) or if the transaction giving rise to the need to calculate the Fixed Charge Coverage Ratio is such a Sale, (a) Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the company, business, site or group of assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto after giving pro forma effect to such Sale as if such Sale occurred on the first day of such period; *provided* that if any such Sale constitutes “discontinued operations” in accordance with UK GAAP, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to the company, business, site or group of assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto after giving pro forma effect to such Sale as if such Sale occurred on the first day of such period; and (b) the Consolidated Financial Interest Expense for such period shall be reduced by an amount equal to the Consolidated Financial Interest Expense directly attributable to any Indebtedness of the Company or of any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Company and the continuing Restricted Subsidiaries in connection with such Sale for such same period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Financial Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Company and the continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such Sale);

(2) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business or site, or any group of assets constituting an operating unit of a business or site (any such Investment or acquisition, a “Purchase”), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, or has performed renovations on a site, Consolidated EBITDA and Consolidated Financial Interest Expense for such period will be calculated after giving pro forma effect thereto, including anticipated synergies and expenses and cost savings, as if such Purchase or renovations occurred on the first day of such period pro forma effect thereto as if such Purchase occurred on the first day of such period; and

(3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA and Consolidated Financial Interest Expense for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period.

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness for a period equal to the remaining term of such Indebtedness).

For the purposes of this definition, (a) calculations will be as determined in good faith by a responsible financial or accounting officer of the Company (including in respect of anticipated expense and cost reductions and synergies, and as though the full effect of synergies and cost savings were realized on the first day of the relevant period) and (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period.

“Governmental Authority” means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part),

provided, however, that the term “Guarantee” will not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning.

“Guarantor” means the Company and any Restricted Subsidiary that Guarantees the Notes.

“Hedging Agreement” means any Interest Rate Agreement, Currency Agreement, Commodity Hedging Agreement or other agreement entered into by the Company or any of its Subsidiaries to offset or balance against risks related to any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates in the ordinary course.

“Hedging Obligations” of any Person means the obligations of such Person pursuant to any Hedging Agreement.

“Holder” means each Person in whose name the Notes are registered on the Registrar’s books, which shall initially be the nominee of Euroclear or Clearstream.

“IFRS” means the International Financial Reporting Standards (formerly, International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Company or its Restricted Subsidiaries are, or may be, required to comply; *provided* that at any date after the Issue Date the Company may make an irrevocable election to establish that “IFRS” shall mean IFRS as in effect on a date that is on or prior to the date of such election. The Company shall give notice of any such election to the Trustee.

“IMO Group” means Rose Holdco together with its subsidiaries.

“Immaterial Subsidiary” means any Restricted Subsidiary that (i) has not guaranteed, or is not a co-obligor under, any other Indebtedness of the Issuer or any Guarantor and (ii) (A) has Total Assets (as determined in accordance with UK GAAP) of less than 5% of the Company’s consolidated Total Assets and (B) has Consolidated EBITDA of less than 5% of the Company’s Consolidated EBITDA (in each case, measured (i) for the four fiscal quarters ended most recently for which internal financial statements are available, (ii) on a pro forma basis giving effect to any acquisitions or dispositions of companies, division or lines of business since such balance sheet date or the start of such four fiscal quarter period, as applicable and (iii) on the basis of management accounts and excluding intercompany balances, investments in subsidiaries and joint ventures and intangible assets).

“Incur” means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided*, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms “Incurred” and “Incurrence” have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be “Incurred” at the time any funds are borrowed thereunder.

“Indebtedness” means, with respect to any Person on any date of determination (without duplication):

- (1) the principal of indebtedness of such Person for borrowed money;
- (2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all reimbursement obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;
- (4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided*, however, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Board of Directors or an Officer of the Company) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "Indebtedness" shall not include Subordinated Shareholder Funding or any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under UK GAAP as in effect on the Issue Date or any deposit made in relation thereto, any asset retirement obligations, prepayments or deposits received from clients or customers, in each case, in the ordinary course of business, any income tax or other payables, any social security or tax obligations, any obligations with regard to Pension Items or any bonds in relation thereto, or obligations under any profit sharing agreement, license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (6), (7) or (8) above) shall be (a) in the case of any Indebtedness issued with original issue discount, the amount in respect thereof that would appear on the balance sheet (excluding any notes thereto) of such Person in accordance with UK GAAP and (b) the principal amount of the Indebtedness, in the case of any other Indebtedness.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business and obligations under or in respect of Qualified Receivables Financing;

(ii) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided*, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; or

(iii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, Pension Items or similar claims, obligations or contributions or social security or wage Taxes.

"Independent Financial Advisor" means an investment banking or accounting firm or any third party appraiser; *provided*, however, that such firm or appraiser is not an Affiliate of the Company.

"Initial Public Offering" means an Equity Offering of the Capital Stock of the IPO Entity following which there is a Public Market and, as a result of which, the Capital Stock of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"Intercreditor Agreement" means the intercreditor agreement dated June 12, 2014 as amended on the Issue Date, made between the Security Agent, the agent for the Revolving Credit Facilities Agreement, certain hedging counterparties, the Trustee and the other parties named therein, as amended, restated or otherwise modified or varied from time to time.

“Interest Rate Agreement” means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

“Investment” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of UK GAAP; *provided*, however, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption “—Certain Covenants—Limitation on Restricted Payments.”

For purposes of “—Certain Covenants—Limitation on Restricted Payments”:

- (1) “Investment” will include the portion (proportionate to the Company’s equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided*, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company’s “Investment” in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company’s equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined in good faith by the Board of Directors or an Officer of the Company) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and
- (2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors or an Officer of the Company.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company’s option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

“Investment Grade Securities” means:

- (1) securities issued or directly and fully guaranteed or insured by a Permissible Jurisdiction (other than Cash Equivalents);
- (2) debt securities or debt instruments with a rating of “A•” or higher from S&P or “A3” or higher by Moody’s or the equivalent of such rating by such rating organization or, if no rating of Moody’s or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and
- (3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

“Investment Grade Status” shall occur when the Notes receive both of the following:

- (1) a rating of “BBB•” or higher from S&P; and
- (2) a rating of “Baa3” or higher from Moody’s;

or the equivalent of such rating by either such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"IPO Entity" means the Company, any Parent or any Successor Company of the Company or any Parent.

"IPO Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interest are sold in such Initial Public Offering.

"Issue Date" means July 10, 2014.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Management Advances" means loans or advances made to, or Guarantees with respect to loans or advances made to any Management Investors:

- (1) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business;
- (2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or
- (3) not exceeding £1.0 million in the aggregate outstanding at any time.

"Management Investors" means the officers, directors, employees and other members of the management of or consultants to any Parent, the Company or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company, any Restricted Subsidiary or any Parent.

"Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"Moody's" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"Nationally Recognized Statistical Rating Organization" means a nationally recognized statistical rating organization within the meaning of Rule 15c3- 1(c)(2)(vi)(F) under the Exchange Act.

"Net Available Cash" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under UK GAAP (after taking into account any available tax credits or deductions and any Tax Sharing Agreements), as a consequence of such Asset Disposition;
- (2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which are required by applicable law to be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Company or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of UK GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

“Net Cash Proceeds,” with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any Tax Sharing Agreements).

“Note Documents” means the Notes (including Additional Notes), the Indenture, the Intercreditor Agreement, the Proceeds Loan Agreement and the Security Documents.

“Officer” means, with respect to any Person, (1) any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an “Officer” for the purposes of the Indenture by the Board of Directors of such Person.

“Officer’s Certificate” means, with respect to any Person, a certificate signed by one Officer of such Person.

“Opinion of Counsel” means a written opinion from legal counsel, in form and substance reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

“Parent” means any Person of which the Company at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

“Parent Expenses” means:

(1) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;

(4) fees and expenses payable by any Parent;

(5) (a) general corporate overhead expenses, including professional fees and expenses and other operational expenses of any Parent or any Equity Investor or any of its Affiliates related to the ownership or operation of the business of the Company or any of its Restricted Subsidiaries and Equity Investor or any of its Affiliates (including, without limitation, accounting, legal, corporate reporting, and administrative expenses as well as payments made pursuant to operating partner arrangements or secondment, employment or similar agreements entered into between the Company and/or any of its Restricted Subsidiaries and/or any Parent and any Equity Investor or any of its Affiliates or any employee thereof) or (b) costs and expenses with respect to any litigation or other dispute relating to the Transactions or the ownership, directly or indirectly, of the Company by any Parent;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Company and its Subsidiaries in an amount not to exceed £1.5 million in any fiscal year; and

(7) expenses Incurred by any Parent in connection with any Public Offering or other sale of Capital Stock or Indebtedness:

(x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary,

(y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed, or

(z) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

“Pari Passu Indebtedness” means Indebtedness of the Company (other than Indebtedness of the Company pursuant to the Revolving Credit Facilities Agreement) or any Guarantor if such Indebtedness or Guarantee, as the case may be, ranks equally in right of payment to the Bridge Loans or the guarantees of the Bridge Loans, the Notes or the Note Guarantees, as the case may be, and which, in each case, is secured by Liens on the Collateral.

“Paying Agent” means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

“Pension Items” means any costs, charges or liabilities, including contributions, made in respect of any pension funds or post-retirement benefit schemes, other than administration costs.

“Permissible Jurisdiction” means any state, commonwealth or territory of the United States or the District of Columbia, Canada or any province of Canada, Japan, any member state of the European Union, Switzerland, Norway or Australia or any political subdivision, taxing authority agency or instrumentality of any such state, commonwealth, territory, union, country or member state.

“Permitted Asset Swap” means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Company or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under “—Certain Covenants—Limitation on sales of assets and subsidiary stock.”

“Permitted Collateral Liens” means (A) Liens on the Collateral described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (10), (11), (12), (13), (14), (18), (19), (20), (22), (23), (24), (27) and (29) of the definition of “Permitted Liens”; (B) Liens on the Collateral to secure Indebtedness of the Company or a Restricted Subsidiary that is permitted to be Incurred under clauses (1), (2) (in the case of (2), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (4)(a) and (c) (if the original Indebtedness was so secured), (5)(i) (covering only the shares and assets of the acquired Person the Indebtedness of which is so secured), (5)(ii), (6) or (11) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness”; *provided, however* that, in the case of Indebtedness of the Company or a Restricted Subsidiary that is permitted to be Incurred under clause (5)(i) or (5)(ii) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness,” after giving pro forma effect to such transaction, the Consolidated Senior Secured Leverage Ratio of the Company would have been less than 5.0 to 1.0 or no higher than it was immediately prior to giving effect to the transaction; (C) Liens on the Collateral securing Indebtedness Incurred under the first paragraph of “—Certain Covenants—Limitation on Indebtedness,” *provided* that, in the case of this clause (C), after giving pro forma effect to such Incurrence and the use of proceeds therefrom, the Consolidated Senior Secured Leverage Ratio of the Company would have been less than 5.0 to 1.0; or (D) Liens on Collateral securing Refinancing Indebtedness in respect of any Indebtedness secured pursuant to the foregoing clauses (A), (B) and (C); *provided, however* that such Liens securing Indebtedness pursuant to the foregoing clauses (B), (C) and (D) rank equal (with respect to the application of proceeds from any realization or enforcement of the Collateral in accordance with the Intercreditor Agreement) to all other Liens on such Collateral securing Indebtedness of the Company or such Restricted Subsidiary, as applicable (except that a Lien in favor of Indebtedness Incurred under clauses (1) or (6) of the second paragraph of “—Certain Covenants—Limitation on Indebtedness” may have super priority in respect of the application of proceeds from any realization or enforcement of the Collateral on terms not materially less favorable to the Holders than that accorded to the Revolving Credit Facilities Agreement on the Issue Date as provided in the Intercreditor Agreement as in effect on the Issue Date).

“Permitted Holders” means, collectively, (1) the Equity Investors and any Affiliate or Related Person of any of them, (2) any one or more Persons whose beneficial ownership constitutes or results in a Change of Control in respect of which

a Change of Control Offer is made in accordance with the requirements of the Indenture, (3) Senior Management and (4) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Company, acting in such capacity. Any Person or group that includes a Permitted Holder shall also be deemed to be a Permitted Holder, *provided* that the Permitted Holders (before giving effect to this sentence) shall control at least 50% of the voting power of the Voting Stock of the Company owned by such Person or group. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control which is also a Specified Change of Control Event, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

“Permitted Investment” means (in each case, by the Company or any of its Restricted Subsidiaries):

- (1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;
- (2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary;
- (3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (4) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;
- (5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (6) Management Advances;
- (7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;
- (8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with “—Certain Covenants—Limitation on sales of assets and subsidiary stock”;
- (9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date;
- (10) Hedging Agreements and related Hedging Obligations, which transactions or obligations are incurred in compliance with “—Certain Covenants—Limitation on Indebtedness”;
- (11) Investments, taken together with all other Investments made pursuant to this clause (11) and then outstanding, in an aggregate amount at the time of such Investment not to exceed the greater of 4.0% of Total Assets and £11.0 million; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under “—Certain Covenants—Limitation on Restricted Payments,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “Permitted Investment” and not this clause;
- (12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under the covenant described under “—Certain Covenants—Limitation on Liens”;
- (13) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock) or Subordinated Shareholder Funding or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Affiliate Transactions” (except those described in clauses (1), (3), (6), (8), (9) and (12) of that paragraph);

(15) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with the Indenture;

(16) Guarantees not prohibited by the covenant described under “—Certain Covenants—Limitation on Indebtedness” and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;

(17) Investments in Associates or Unrestricted Subsidiaries in an aggregate amount when taken together with all other Investments made pursuant to this clause (17) that are at the time outstanding not to exceed the greater of 2.0% of Total Assets and £5.5 million; and

(18) Investments in the Bridge Loans, the Notes and any Additional Notes and Investments pursuant to the Proceeds Loan Agreement.

“Permitted Liens” means, with respect to any Person:

- (1) Liens on assets or property of a Restricted Subsidiary that is not the Issuer or a Guarantor securing Indebtedness of any Restricted Subsidiary that is not the Issuer or a Guarantor;
- (2) pledges, deposits or Liens under workmen’s compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested Taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;
- (3) Liens imposed by law, including carriers’, warehousemen’s, mechanics’, landlords’, materialmen’s and repairmen’s or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;
- (4) Liens for Taxes not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to UK GAAP have been made in respect thereof;
- (5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers’ acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Company or any Restricted Subsidiary in the ordinary course of its business;
- (6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company and its Restricted Subsidiaries;
- (7) Liens on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations permitted under the Indenture, or over assets or property of any Restricted Subsidiary which is not required to give a Guarantee pursuant to the Agreed Security Principles and which Lien is in favor of obligations under the Indenture;
- (8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;
- (9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;
- (10) Liens on assets or property of the Company or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and (b) any such Lien may not extend to any assets or property of the Company or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;
- (11) Liens arising by virtue of any statutory or common law provisions or standard terms and procedures relating to banker’s Liens, rights of set-off or similar rights and remedies as to deposit accounts, securities accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); *provided*, however, that such Liens are not created, incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided*, further, that such Liens do not extend to or cover any property, other assets or stock of the Company and its Restricted Subsidiaries other than (A) the property, other assets or stock acquired or (B) the property, other assets or stock (plus improvements, accessions, proceeds or dividends or distributions in connection with the original property, other assets or stock) of the Person acquired, merged with or into or consolidated or combined with the Company or a Restricted Subsidiary;

(15) Liens on assets or property of the Company or any Restricted Subsidiary securing Indebtedness or other obligations of the Company or such Restricted Subsidiary owing to the Company or another Restricted Subsidiary, or Liens in favor of the Company or any Restricted Subsidiary;

(16) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens on cash accounts securing Indebtedness Incurred under clause (10)(C) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness”;

(22) Liens on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts securing cash pooling arrangements;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(25) Liens Incurred with respect to obligations which do not exceed £5.0 million at any one time outstanding;

(26) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(27) Liens on Receivables Assets Incurred in connection with a Qualified Receivables Financing;

(28) Liens securing Indebtedness permitted to be Incurred pursuant to clause (1) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness”;

(29) any “security interest” as defined in section 12(3) of the Australian Personal Property Securities Act 2009 (Cth) (the “PPSA”) which is not a “security interest” as defined in sections 12(1) or 12(2) of the PPSA; and

(30) any cash collateral arrangement securing the obligations of an ancillary lender, landlord, hedging counterparty or regulator in respect of ancillary facilities, leases, Hedging Obligations or capital, surety or other guarantee requirements under applicable regulations of the Company or its Restricted Subsidiaries.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

“Preferred Stock,” as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“Proceeds Loan” means the loan of the proceeds of the Notes pursuant to the Proceeds Loan Agreements and all loans directly or indirectly replacing or refinancing such loans or a portion thereof.

“Proceeds Loan Agreement” means one or more loan agreements made as of the Completion Date of the net proceeds of the Notes by and among the Company, as borrower and the Issuer, as lender.

“Public Debt” means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional and other investors, in each case, that are not Affiliates of the Company, in accordance with Section 4(2) of and/or Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

“Public Market” means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of £50.0 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

“Public Offering” means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar Persons).

“Purchase Money Obligations” means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

“Qualified Receivables Financing” means any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Board of Directors or an Officer of the Company shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Company and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value (as determined in good faith by the Board of Directors or an Officer of the Company), and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Board of Directors or an Officer of the Company) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Company or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility or Indebtedness in respect of the Notes and/or Bridge Loans shall not be deemed a Qualified Receivables Financing.

“Receivables Assets” means any assets that are or will be the subject of a Qualified Receivables Financing.

“Receivables Fees” means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

“Receivables Financing” means any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Company or any of its Subsidiaries), or (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Company or any such Subsidiary in connection with such accounts receivable.

“Receivables Repurchase Obligation” means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“Receivables Subsidiary” means a Wholly Owned Subsidiary of the Company (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Company in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Company and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Company (as provided below) as a Receivables Subsidiary and:

- (1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Restricted Subsidiary of the Company (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Company or any other Restricted Subsidiary of the Company, (iii) is recourse to or obligates the Company or any other Restricted Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Company or any of its Restricted Subsidiaries, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;
- (2) with which neither the Company nor any other Restricted Subsidiary of the Company has any contract, agreement, arrangement or understanding other than on terms which the Company reasonably believes to be no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company; and
- (3) to which neither the Company nor any other Restricted Subsidiary of the Company has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Company of the Company shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Company giving effect to such designation and an Officer’s Certificate certifying that such designation complied with the foregoing conditions.

“refinance” means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms “refinances,” “refinanced” and “refinancing” as used for any purpose in the Indenture shall have a correlative meaning.

“Refinancing Indebtedness” means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the Indenture or Incurred in compliance with the Indenture (including Indebtedness of the Company that refines Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refines Indebtedness of the Company or another Restricted Subsidiary) including Indebtedness that refines Refinancing Indebtedness; *provided*, however, that:

- (1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced or, if shorter, of the Notes and/or Bridge Loans;
- (2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and
- (3) if the Indebtedness being refinanced is expressly subordinated to the Notes or the Note Guarantees, such Refinancing Indebtedness is subordinated to the Notes or the Note Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

provided, however, that Refinancing Indebtedness shall not include Indebtedness of the Company or a Restricted Subsidiary that refines Indebtedness of an Unrestricted Subsidiary and *provided*, further, that the provisions of clause (3) above would not operate to preclude the refinancing of indebtedness with Indebtedness that is secured with a super priority status (or other preferential security status) if such security is otherwise permitted pursuant to the Indenture.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

“Related Person” with respect to any Equity Investor, means:

- (1) any controlling equity holder or Subsidiary of such Person;
- (2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof;
- (3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or
- (4) in the case of the Equity Investors any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

“Related Taxes” means

- (1) any Taxes (other than (x) Taxes measured by gross or net income, receipts or profits and (y) withholding Taxes), required to be paid (*provided* such Taxes are in fact paid) by any Parent by virtue of its:
 - (a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company’s Subsidiaries);
 - (b) issuing or holding Subordinated Shareholder Funding;
 - (c) being a Parent, directly or indirectly, of the Company or any of the Company’s Subsidiaries;

(d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any of the Company's Subsidiaries; or

(e) having made any payment in respect to any of the items for which the Company is permitted to make payments to any Parent pursuant to "—Certain Covenants—Limitation on Restricted Payments;" or

(2) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent or party to a Tax Sharing Agreement, any consolidated or combined Taxes measured by income for which such Parent is liable up to an amount not to exceed the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid Tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries; *provided* that distributions shall be permitted in respect of the income of an Unrestricted Subsidiary only to the extent such Unrestricted Subsidiary distributed cash for such purpose to the Company or its Restricted Subsidiaries.

"Restricted Investment" means any Investment other than a Permitted Investment.

"Restricted Subsidiary" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"Reversion Date" means, after the Notes and/or Bridge Loans have achieved Investment Grade Status, the date, if any, that such Notes and/or Bridge Loans shall cease to have such Investment Grade Status.

"Revolving Credit Facilities Agreement" means the senior secured revolving credit facility agreement dated June 12, 2014 by and among the Company, Bidco, J.P. Morgan Europe Limited as Security Agent and Lloyds Bank plc as Agent, as amended, supplemented, refinanced, replaced or otherwise modified from time to time.

"Rose Holdco Acquisition Agreement" means the share purchase agreement dated June 12, 2014, by and among Bidco and certain shareholders of Rose Holdco.

"S&P" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"SEC" means the U.S. Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness secured by a Lien.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"Security Agent" means US Bank Trustees Limited acting as security agent pursuant to the Intercreditor Agreement or such successor Security Agent or any delegate thereof as may be appointed thereunder or any such security agent, delegate or successor thereof pursuant to an Additional Intercreditor Agreement.

"Security Documents" means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Indenture.

"Senior Management" means the officers, directors, and other current or former members of senior management of the Company or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company or any Parent.

"Senior Secured Indebtedness" means, with respect to any Person as of any date of determination, any Indebtedness that is Incurred under the first paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness" or clauses (1), (4), (5), (6), (7), (12) or (13) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness" (in the case of clause (4), to the extent such Indebtedness constitutes Indebtedness under the Bridge Loans and/or Notes (excluding Additional Notes)) and any Refinancing Indebtedness in respect thereof, in each case secured by a Lien on the Collateral that is at least pari passu with the Liens securing the Notes and/or the Bridge Loans.

“Significant Subsidiary” means any Restricted Subsidiary that meets any of the following conditions:

- (1) the Company’s and its Restricted Subsidiaries’ investments in and advances to the Restricted Subsidiary exceed 10% of the Total Assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;
- (2) the Company’s and its Restricted Subsidiaries’ proportionate share of the Total Assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the Total Assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or
- (3) the Company’s and its Restricted Subsidiaries’ equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

“Similar Business” means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates on the Issue Date and (b) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

“Specified Change of Control Event” means the occurrence of any event that would constitute a Change of Control pursuant to the definition thereof; *provided* that the Consolidated Net Leverage Ratio would have been less than (x) 3.5 to 1.0 if the date of such occurrence is prior to the first eighteen months after the Issue Date or (y) 3.0 to 1.0 if the date of such occurrence is on or after the first eighteen months after the Issue Date, immediately prior to the occurrence of such event and immediately thereafter and giving pro forma effect thereto. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the Indenture after the Completion Date.

“Standard Securitization Undertakings” means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Company or any Subsidiary of the Company which the Board of Directors or an Officer of the Company has determined in good faith to be customary in a Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“Sterling Equivalent” means, with respect to any monetary amount in a currency other than pound sterling, at any time of determination thereof by the Company or the Trustee, the amount of pound sterling obtained by converting such currency other than pound sterling involved in such computation into pound sterling at the spot rate for the purchase of pound sterling with the applicable currency other than pound 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 Board of Directors or an Officer of the Company) on the date of such determination.

“Stated Maturity” means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any Contingent Obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“Subordinated Indebtedness” means, with respect to any Person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes and/or Bridge Loans and any Guarantee pursuant to a written agreement (which, for the avoidance of doubt, will not include the Notes and/or Bridge Loans or any Pari Passu Indebtedness).

“Subordinated Shareholder Funding” means, collectively, (i) the Company’s existing preference shares and shareholder loans as of the Completion Date; and (ii) any funds provided to the Company by any Parent, any Affiliate of any Parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by a Parent or a Permitted Holder, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided*, however, that such Subordinated Shareholder Funding:

- (1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes and/or Bridge Loans (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock)

of the Company or any funding meeting the requirements of this definition) or the making of any such payment prior to the date that is six months following the Stated Maturity of the Notes and/or Bridge Loans is restricted by the provisions of the Indenture as a “Restricted Payment”,

(2) does not require, prior to the first anniversary of the Stated Maturity of the Notes and/or Bridge Loans, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the date that is six months following the Stated Maturity of the Notes and/or Bridge Loans;

(4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Subsidiaries; and

(5) pursuant to the Intercreditor Agreement, any Additional Intercreditor Agreement or any other intercreditor agreement is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

provided, further, however, that upon the occurrence of any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Funding, such Indebtedness shall constitute an Incurrence of such Indebtedness by the Company, and any and all Restricted Payments made through the use of the net proceeds from the Incurrence of such Indebtedness since the date of the original issuance of such Subordinated Shareholder Funding shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Funding.

“Subsidiary” means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

(b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“Successor Company” means, with respect to any Person (other than a Parent), the resulting, surviving or transferee Person and, with respect to a Parent, means a Successor Parent.

“Successor Parent” means, with respect to a Parent, any other Person of which more than 50% of the total voting power of the Voting Stock, at the time such Parent becomes a Subsidiary of such other Person, is “beneficially owned” (as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date)) by one or more other Persons that, immediately prior to such Parent becoming a Subsidiary of such other Person, “beneficially owned” more than 50% of the total voting power of the Voting Stock of such Parent.

“TARGET2” means the second generation trans-European automated real time gross settlement express transfer payment system.

“Taxes” means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

“Tax Sharing Agreement” means any tax sharing or profit and loss pooling or similar agreement with customary or arm’s length terms or any arrangement to purchase tax losses or share group relief entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof.

“TDR Capital” means TDR Capital LLP and its successors and assigns.

“Temporary Cash Investments” means any of the following:

(1) any investment in

(a) direct obligations of, or obligations Guaranteed by, (i) any Permissible Jurisdiction or (ii) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds, or

(b) direct obligations of any country recognized by the United States of America rated at least “A” by S&P or “A-1” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers’ acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(a) any lender under the Revolving Credit Facilities Agreement,

(b) any institution authorized to operate as a bank in any of the countries or member states referred to in clause (1)(a) above, or

(c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

in each case, having capital and surplus aggregating in excess of £250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least “A” by S&P or “A-2” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of “P-2” (or higher) according to Moody’s or “A-2” (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any Permissible Jurisdiction, and rated at least “BBB” by S&P or “Baa3” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in any Permissible Jurisdiction eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least “A” by S&P or “A2” by Moody’s (or, in either case, the equivalent of

such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

“Total Assets” means the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with UK GAAP as shown on the most recent balance sheet of such Person.

“Transactions” means the transactions contemplated by the Acquisition Agreements, the Equity Contribution, the Proceeds Loan, the Bridge Facility Agreement and any other issuance of intercompany debt in connection therewith, the issuance of the Notes and the use of proceeds thereof, as described in “Use of proceeds,” the entry into the Revolving Credit Facilities Agreement and the payment or incurrence of any fees, expenses or charges associated with any of the foregoing.

“UK GAAP” means generally applied accounting principles in the United Kingdom as in effect on the date of any calculation or determination required hereunder. Except as otherwise set forth in the Indenture, all ratios and calculations based on UK GAAP contained in the Indenture shall be computed in accordance with UK GAAP. At any time after the Issue Date, the Company may elect to establish that UK GAAP shall mean UK GAAP as in effect on or prior to the date of such election; *provided* that any such election, once made, shall be irrevocable. At any time after the Issue Date, the Company may elect to apply IFRS accounting principles in lieu of UK GAAP and, upon any such election, references herein to UK GAAP shall thereafter be construed to mean IFRS (except as otherwise provided in the Indenture), including as to the ability of the Company to make an election pursuant to the previous sentence; *provided* that any such election, once made, shall be irrevocable; *provided*, further, that any calculation or determination in the Indenture that requires the application of UK GAAP for periods that include fiscal quarters ended prior to the Company’s election to apply IFRS shall remain as previously calculated or determined in accordance with UK GAAP; *provided*, further again, that the Company may only make such election if it also elects to report any subsequent financial reports required to be made by the Company, including pursuant to the covenants set forth under “—Certain Covenants—Reports,” in IFRS. The Company shall give notice of any such election made in accordance with this definition to the Trustee and the Holders.

“Uniform Commercial Code” means the New York Uniform Commercial Code.

“Unrestricted Subsidiary” means:

(1) any Subsidiary of the Company (other than the Issuer) that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Company in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein), other than the Issuer, to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Company in such Subsidiary complies with “—Certain Covenants—Limitation on Restricted Payments.”

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Company giving effect to such designation and an Officer’s Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided*, that immediately after giving effect to such designation (1) no Default or Event of Default would result

therefrom and (2)(x) the Company could incur at least £1.00 of additional Indebtedness under the first paragraph of “— Certain Covenants—Limitation on Indebtedness” or (y) the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries would not be less than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors of the Company giving effect to such designation or an Officer’s Certificate certifying that such designation complied with the foregoing provisions.

“Voting Stock” of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

“Wholly Owned Restricted Subsidiary” means a Restricted Subsidiary of the Company, all the Voting Stock of which (other than directors’ qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly Owned Subsidiary) is owned by the Company or another Wholly Owned Restricted Subsidiary.

“Wholly Owned Subsidiary” means a subsidiary of the Company, all the Voting Stock of which (other than directors’ qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly Owned Subsidiary) is owned by the Company or another Wholly Owned Subsidiary.

Book entry, delivery and form

General

The Notes sold outside the United States pursuant to Regulation S will initially be represented by a global note in registered form without interest coupons attached (the “Regulation S Global Note”). The Regulation S Global Note will be deposited, on the closing date, with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream.

The Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A will initially be represented by a global note in registered form without interest coupons attached (the “144A Global Note”, and together with the Regulation S Global Note, the “Global Notes”). The 144A Global Note will be deposited, on the closing date, with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream.

Ownership of interests in the 144A Global Note (the “144A Book-Entry Interests”) and ownership of interests in the Regulation S Global Note (the “Regulation S Book-Entry Interests”, and, together with the 144A Book-Entry Interests, the “Book-Entry Interests”) will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book entry form by Euroclear and Clearstream and their participants. The Book-Entry Interests in the Global Notes will be issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

The Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream will credit on their respective book-entry registration and transfer systems the account of a participant with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not have the Notes registered in their names, will not receive physical delivery of the Notes in certificated form and will not be considered the registered owners or “holders” of Notes under the Indenture for any purpose.

So long as the Notes are held in global form, the common depository for Euroclear and/or Clearstream (or its nominee), will be considered the sole holder of Global Notes for all purposes under the Indenture. As such, participants must rely on the procedures of Euroclear and/or Clearstream, and indirect participants must rely on the procedures of Euroclear and/or Clearstream and the participants through which they own Book-Entry Interests, in order to transfer their interests or to exercise any rights of holders under the Indenture.

Neither the Issuer nor the Trustee under the Indenture nor any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Issuance of Definitive Registered Notes

Under the terms of the Indenture, owners of Book-Entry Interests will receive definitive Notes in registered form (the “Definitive Registered Notes”):

- if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depository and a successor depository is not appointed by the Issuer within 120 days; or
- if the owner of a Book-Entry Interest requests such exchange in writing delivered through either Euroclear or Clearstream following an event of default under the Indenture and enforcement action is being taken in respect thereof under the Indenture.

In such an event, the Issuer will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear or Clearstream or the Issuer, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend referred to in “Notice to investors”, unless that legend is not required by the Indenture or applicable law.

The Issuer will not be required to register the transfer or exchange of Definitive Registered Notes for a period of 15 calendar days preceding (i) the record date for any payment of interest on the Notes; (ii) any date fixed for redemption of the Notes; or (iii) the date fixed for selection of the Notes to be redeemed in part. Also, the Issuer is not required to

register the transfer or exchange of any Notes selected for redemption. In the event of the transfer of any Definitive Registered Note, the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents as described in the Indenture. The Issuer may require a holder to pay any taxes and fees required by law and permitted by the Indenture and the Notes.

If Definitive Registered Notes are issued and a holder thereof claims that any such Definitive Registered Note has been lost, destroyed or wrongfully taken, or if any such Definitive Registered Note is mutilated and is surrendered to the registrar or at the office of the transfer agent, the Issuer will issue and the Trustee will authenticate a replacement Definitive Registered Note if the Trustee's and the Issuer's requirements are met. The Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both to protect the Issuer, the Trustee or the paying agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer may charge for any expenses incurred by it in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indenture, the Issuer, in its discretion, may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged only after the transferor first delivers to the Trustee a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes. See "Notice to investors".

Redemption of Global Notes

In the event any Global Note, or any portion thereof, is redeemed, Euroclear and/or Clearstream (or their respective nominees), as applicable, will distribute the same amount received by them or it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that under existing practices of Euroclear and Clearstream, if fewer than all the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; *provided, however*, that no Book-Entry Interest of less than €100,000 principal amount at maturity may be redeemed in part.

Payments on Global Notes

The Issuer will make payments of amounts owing in respect of the Global Notes (including principal, premium, if any, interest, additional interest and additional amounts) to the principal paying agent. The principal paying agent will, in turn, make such payments Euroclear and Clearstream, which will distribute such payments to participants in accordance with their respective procedures. The Issuer will make payments of all such amounts without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "Description of the Notes—Additional Amounts". If any such deduction or withholding is required to be made, then, to the extent described under "Description of the Notes—Additional Amounts", the Issuer will pay additional amounts as may be necessary in order that the net amounts received by any holder of the Global Notes or of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. The Issuer expects that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer, the Paying Agents, the Registrar, the Transfer Agent and the Trustee will treat the registered holders of the Global Notes (i.e., the common depositary for Euroclear or Clearstream (or its nominees)) as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;

- payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or
- Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in “street name”.

Currency and payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interest in such Notes through Euroclear and/or Clearstream in pounds sterling.

Payments will be subject in all cases to any fiscal or other laws and regulations (including any regulations of the applicable clearing system) applicable thereto. None of the Issuer, the Trustee, the Initial Purchasers or any of their respective agents will be liable to any holder of a Global Note or any other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection with any such payment.

Action by owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Global Notes. Nevertheless, if there is an Event of Default under the Notes, each of Euroclear and Clearstream reserves the right to exchange the Global Notes for Definitive Registered Notes in certificated form and to distribute such Definitive Registered Notes to their respective participants.

Transfers

The Rule 144A Global Note will bear a legend to the effect set forth in “Notice to investors”. Book-Entry Interests in the Global Notes will be subject to the restrictions on transfer discussed in “Notice to investors”.

Through and including the 40th day after the later of the commencement of the Offering and the closing of the Offering (the “40-day Period”), beneficial interests in a Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note denominated in the same currency only if such transfer is made pursuant to Rule 144A and the transferor first delivers to the Trustee a certificate (in the form provided in the Indenture) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “*Notice to investors*” and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

After the expiration of the 40-day Period, beneficial interests in a Regulation S Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Note without compliance with these certificate requirements.

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream rules and will be settled in immediately available funds. If a holder requires physical delivery of Definitive Registered Notes for any reason, including to sell the Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder must transfer its interest in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the provisions of the Indenture governing the Notes.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Note denominated in the same currency only upon receipt by the Trustee of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act or any other exemption (if available under the Securities Act).

Subject to the foregoing, and as set forth in “Notice to investors”, Book-Entry Interests may be transferred and exchanged as described under “Description of the Notes—Transfer and exchange”. Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the other Global Note of the same denomination will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in the other Global Note, and accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Definitive Registered Notes may be transferred and exchanged for Book Entry Interests in a Global Note only as described under “Description of the Notes—Transfer and exchange” and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See “Notice to investors”.

Information concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The Issuer provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither the Issuer nor the Initial Purchasers are responsible for those operations or procedures.

Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

As Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definite certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Note only through Euroclear or Clearstream participants.

Global clearance and settlement under the book entry system

Application will be made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF Market. The Issuer expects that secondary trading in any certificated Notes will also be settled in immediately available funds. Euroclear participants and Clearstream participants may not deliver instructions directly to the common depository.

Although Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, any Guarantor, the Trustee or the principal paying agent will have any responsibility for the performance by Euroclear or Clearstream, or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

Tax considerations

If you are a prospective investor, you should consult your tax advisor as to the possible tax consequences of buying, holding or selling any Notes under the laws of your country of citizenship, residence or domicile, including the effect of any local taxes applicable to you. The discussions that follow do not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase, hold or sell Notes. In particular, these discussions do not consider any specific facts or circumstances that may apply to you. The discussions that follow for each jurisdiction are based upon the applicable laws and interpretations thereof as in effect as of the date of this offering memorandum. These tax laws and interpretations are subject to change, possibly with retroactive or retrospective effect.

Certain United States federal income tax consequences

You are hereby notified that any discussion of tax matters set forth in this offering memorandum was written in connection with the promotion or marketing of the transactions or matters addressed herein and was not intended or written to be used, and cannot be used by any prospective investor, for the purpose of avoiding tax related penalties under federal, state or local tax law. Each prospective investor should seek advice based on its particular circumstances from an independent tax advisor.

The following is a summary of certain United States federal income tax consequences of the purchase, ownership and disposition of Notes as of the date hereof. This summary deals only with Notes that are held as capital assets by a U.S. holder (as defined below) who acquires our Notes upon original issuance at their “issue price” (i.e., the first price at which a substantial amount of the Notes is sold to the public for cash, excluding to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers).

As used herein, a “U.S. holder” means a person that is for United States federal income tax purposes any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury Regulations (“Treasury Regulations”) to be treated as a United States person.

This summary is based upon provisions of the United States Internal Revenue Code of 1986, as amended (the “Code”), and Treasury Regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income tax consequences different from those summarized below. This summary does not address all aspects of United States federal income taxes and does not address the effects of the Medicare contribution tax on net investment income or foreign, state, local or other tax considerations that may be relevant to U.S. holders in light of their particular circumstances. In addition, it does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws. For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark to market method of accounting for their securities, financial institutions, regulated investment companies, real estate investment trusts, investors in partnerships or other pass through entities for United States federal income tax purposes, tax exempt entities or insurance companies;
- tax consequences to persons holding the Notes as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;
- tax consequences to U.S. holders whose “functional currency” is not the United States dollar; or
- alternative minimum tax consequences, if any.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) holds our Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our Notes, you should consult your tax advisors.

If you are considering the purchase of Notes, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

Payments of interest

Subject to the discussion below, interest on a Note will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for United States federal income tax purposes. In addition to interest on the Notes (which includes any foreign tax withheld from the interest payments you receive), you will be required to include in income any Additional Amounts paid in respect of such tax withheld. You may be entitled to deduct or credit this tax, subject to certain limitations (including that the election to deduct or credit foreign taxes applies to all of your applicable foreign taxes for a particular tax year). Interest income (including any Additional Amounts) on a Note generally will be considered foreign source income and, for purposes of the United States foreign tax credit, generally will be considered passive category income. You will generally be denied a foreign tax credit for foreign taxes imposed with respect to the Notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

If you use the cash basis method of accounting for United States federal income tax purposes, you will be required to include in income the United States dollar value of the interest received, determined by translating the euros received at the spot rate on the date such payment is received regardless of whether the payment is in fact converted into United States dollars. You will not recognize exchange gain or loss with respect to the receipt of such payment of interest.

If you use the accrual method of accounting for United States federal income tax purposes, you may determine the amount of income recognized with respect to such interest in accordance with either of two methods. Under the first method, you will be required to include in income for each taxable year the United States dollar value of the interest that has accrued during such year, determined by translating such interest at the average rate of exchange for the period or periods during which such interest accrued or, in the case of an accrual period that spans two taxable years of a U.S. holder, the part of the period within the taxable year. Under the second method, you may elect to translate interest income at the spot rate on:

- the last day of the accrual period,
- the last day of the taxable year if the accrual period straddles your taxable year, or
- the date the interest payment is received if such date is within five business days of the end of the accrual period.

This election will apply to all debt obligations you hold from year to year and cannot be changed without the consent of the IRS. You should consult your own tax advisor as to the advisability of making the above election.

In addition, if you use the accrual method of accounting for United States federal income tax purposes, upon receipt of an interest payment on a Note (including, amounts received upon the sale of a Note, attributable to accrued interest previously included in income), you will recognize ordinary income or loss in an amount equal to the difference, if any, between the United States dollar value of such payment (determined by translating the euros received at the spot rate on the date such payment is received) and the United States dollar value of the interest income you previously included in income with respect to such payment.

Sale, exchange, redemption, retirement and other taxable disposition of Notes

Upon the sale, exchange, redemption, retirement or other taxable disposition of a Note, you will recognize gain or loss equal to the difference between the amount realized upon the sale, exchange, redemption, retirement or other taxable disposition (less an amount equal to any accrued but unpaid interest, which will be treated as interest income to the extent not previously included in income) and your tax basis in the Note. Your tax basis in a Note generally will be your United States dollar cost for that Note. If you purchased your Note with euros, your cost generally will be the United States dollar value of the euros paid for such Note determined at the spot rate on the date of such purchase. If your Note is sold, exchanged, redeemed, retired or otherwise disposed of in a taxable transaction for euros, the amount realized generally will be the United States dollar value of the euros received on the date of sale, exchange, redemption, retirement or other taxable disposition. If you are a cash method taxpayer and the Notes are traded on an established securities market, euros paid or received will be translated into United States dollars at the spot rate on the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment with respect to the purchase and sale of Notes traded on an established securities market, provided that the election is applied consistently to all debt instruments from year to year. Such election cannot be changed without the consent of the IRS.

Subject to the foreign currency rules discussed below, your gain or loss will generally be capital gain or loss and will be long term capital gain or loss if at the time of sale, exchange, redemption, retirement or other taxable disposition, you have held the Note for more than one year. Capital gains of non-corporate U.S. holders, including individuals, derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Gain or loss realized by you on the sale, exchange, redemption, retirement or other taxable disposition of a Note would generally be treated as United States source gain or loss.

Gain or loss recognized upon the sale, exchange, redemption, retirement or other taxable disposition of a Note that is attributable to changes in currency exchange rates relating to the principal amount of such Note will be treated as exchange gain or loss. Exchange gain or loss will be treated as ordinary income or loss and generally will be United States source gain or loss. For these purposes, the principal amount of the Note is your purchase price for the Note calculated in euros on the date of purchase, and the amount of exchange gain or loss recognized is equal to the difference between (i) the United States dollar value of the principal amount determined on the date of the sale, exchange, redemption, retirement or other taxable disposition of the Note and (ii) the United States dollar value of the principal amount determined on the date you purchased the Note. The amount of exchange gain or loss will be limited to the amount of overall gain or loss realized on the disposition of the Note.

Exchange gain or loss with respect to euros

Your tax basis in the euros received as interest on a Note will be the United States dollar value thereof at the spot rate in effect on the date the euros are received. Your tax basis in euros received on the sale, exchange, redemption, retirement or other taxable disposition of a Note will be equal to the United States dollar value of the euros, determined at the time of the sale, exchange, redemption, retirement or other taxable disposition. As discussed above, if the Notes are traded on an established securities market, a cash basis U.S. holder (or, upon election, an accrual basis U.S. holder) will determine the United States dollar value of the euros by translating the euros received at the spot rate of exchange on the settlement date of the sale, exchange, redemption, retirement or other taxable disposition. Accordingly, your basis in the euros received would be equal to the spot rate of exchange on the settlement date.

Any gain or loss recognized by you on a sale, exchange, redemption, retirement or other taxable disposition of the euros will be ordinary income or loss and generally will be United States source gain or loss.

Reportable transactions

Treasury Regulations meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury Regulations, certain transactions are required to be reported to the IRS including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a foreign currency note, or foreign currency received in respect of a foreign currency note to the extent that such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a threshold amount. Holders considering the purchase of Notes should consult with their own tax advisor to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Backup withholding and information reporting

Generally, information reporting requirements will apply to all payments of principal and interest on a Note, or the proceeds from the sale of a Note, unless you are an exempt recipient. Additionally, if you fail to provide your taxpayer identification number, or in the case of interest payments fail either to report in full dividend and interest income or to make certain certifications, you may be subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the IRS. You are urged to consult your own tax advisors regarding backup withholding and information reporting requirements relating to your ownership and disposition of the Notes.

United States return disclosure requirements for individual U.S. Holders

Certain U.S. holders are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for notes held in accounts maintained by certain financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold an interest in the Notes. You are urged to consult your own tax advisors regarding information reporting requirements relating to your ownership of the Notes.

Certain United Kingdom taxation considerations

The comments below are intended only as a general guide to current United Kingdom withholding tax law and HMRC practice (which may not be binding on HMRC) in relation to payments of principal and interest in respect of the Notes, which may be subject to change, sometimes with retrospective effect, and are not intended to be exhaustive. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their Notes and any interest payable on their Notes. In particular, they only relate to persons holding the Notes as an investment. Certain classes of persons such as dealers, certain professional investors, or persons connected with the Issuer may be subject to special rules and this summary does not apply to such holders of the Notes.

This summary is a general guide for information purposes and should be treated with appropriate caution. It does not purport to be a complete analysis or listing of all the potential United Kingdom tax consequences of acquiring, holding or disposing of Notes and is not intended to be, nor should it be considered legal or tax advice.

Any holders of Notes who are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, should consult their professional tax advisers.

Withholding or deduction of tax on payments of interest by the Issuer or under the Guarantee

Payments of interest by the Issuer

If and while the Notes continue to be “quoted Eurobonds”, being interest- bearing securities issued by a company and listed on a “recognized stock exchange” within the meaning of Section 1005 of the Income Tax Act 2007, payments of interest by the Issuer may be made without withholding or deduction for or on account of United Kingdom income tax. The Luxembourg Stock Exchange is a recognized stock exchange for these purposes. Notes will be treated for these purposes as listed on the Euro MTF market where they are both admitted to trading on the Official List of the Euro MTF Market and are officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in countries in the EEA.

If the Notes cease to be so listed, interest will generally be paid by the Issuer under deduction of United Kingdom income tax at the basic rate (currently 20%) unless (i) any other relief applies, or (ii) the Issuer has received a direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

If interest were paid under deduction of United Kingdom income tax (e.g. if the Notes lost their listing), holders of Notes 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 an applicable double taxation treaty.

Payments under a Guarantee

The United Kingdom withholding tax treatment of payments by a Guarantor under the terms of the Guarantee in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes) is uncertain. In particular, such payments by a Guarantor may not be eligible for the exemption in respect of securities listed on a recognized stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if a Guarantor makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate, 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.

Exchange of information

HMRC has powers to obtain information relating to securities in certain circumstances. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information and documents in connection with transactions relating to the Notes. Information may be required to be provided by, amongst others, the holders of the Notes, persons by (or via) whom payments derived from the Notes are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the Notes on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HMRC may be provided to tax authorities in other countries.

Taxation of disposal (including redemption) and return (including interest)

Corporate holders of Notes

Holders of the Notes within the charge to United Kingdom corporation tax (including non-resident holders of the Notes whose Notes are used, held or acquired for the purposes of a trade carried on in the United Kingdom through a permanent establishment) will be subject to United Kingdom tax as income on all profits and gains from the Notes broadly in accordance with their statutory accounting treatment. Such holders of the Notes will generally be charged in each accounting period by reference to interest and other amounts which, in accordance with generally accepted accounting practice, are recognized in determining the Noteholder's profit or loss for that period. Fluctuations in value relating to foreign exchange gains and losses in respect of the Notes will generally be brought into account as income.

Other holders of Notes

Taxation of interest

Holders of the Notes who are either individuals or trustees and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable will generally be liable to United Kingdom tax on the amount of any interest received in respect of the Notes.

Taxation of disposal

Dependent, among other things, on the discount (if any) at which the Notes are issued and the premium which is or may be payable upon redemption, the Notes may be deemed to constitute "deeply discounted securities" for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. If the Notes are so categorized, any profit made on a disposal (including redemption) of a Note by an individual or trustee (i) who is resident for tax purposes in the United Kingdom or (ii) who is subject to United Kingdom income tax by virtue of carrying on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable, will be taxed as income.

If the Notes are not deemed to constitute deeply discounted securities, (i) if the Notes are "qualifying corporate bonds" within the meaning of Section 117 of the Taxation of Chargeable Gains Act 1992 ("Qualifying Corporate Bonds"), on a disposal of the Notes neither chargeable gains nor allowable losses should arise for the purposes of taxation of capital gains, however (ii) if the Notes are not Qualifying Corporate Bonds, a disposal of a Note by a holder of the Note resident for tax purposes in the United Kingdom or who carries on a trade in the United Kingdom through a branch or agency to which the Note is attributable may give rise to a chargeable gain or allowable loss for the purposes of taxation of capital gains. A transfer (within the meaning of Chapter 2 of Part 12 of the Income Tax Act 2007 (Accrued Income Profits and Losses)) of a Note by a holder of the Notes resident for tax purposes in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Note is attributable may however give rise to a charge to tax on income in respect of an amount representing interest on the Note which has accrued since the preceding interest payment date under the provisions of Chapter 2 of Part 12 of the Income Tax Act 2007 (Accrued Income Profits and Losses).

Taxation of premium on early redemption

It is possible that the Notes may be redeemed prior to maturity at a premium (including at the option of the Issuer). Payment of such premium may constitute a payment of interest. Payments of interest are subject to UK withholding tax and reporting requirements as outlined above.

Holders of Notes are advised to consult their own professional advisers if they require any advice or further information relating to deeply discounted securities.

EU directive on the taxation of savings income

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 resident, or certain other types of entity established, 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. The Luxembourg government has announced its intention to elect out of the withholding system in favor of an automatic exchange of information with effect from 1 January 2015. 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. Investors who are in any doubt as to their position should consult their professional advisers.

The Proposed Financial Transactions Tax (“FTT”)

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”). The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Notes.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Certain insolvency law and local law limitations on validity and enforceability of the guarantees and security interests

The Issuer and other members of the Group, including some of the Guarantors are companies incorporated under the laws of England and Wales (the “English Obligors”), the laws of the Commonwealth of Australia (the “Australian Obligors”), the laws of the Netherlands (the “Dutch Obligors”) and the laws of Germany (the “German Obligors”, together with the English Obligors, the Australian Obligors and the Dutch Obligors, the “Obligors”). Therefore, any insolvency proceedings by or against the Obligors would likely be based on the local insolvency laws (assuming the centers of main interests of those companies are in the relevant jurisdiction and this remains the case, and the companies have no establishments elsewhere). Set out below is a summary of certain limitations on the enforceability of the Note Guarantees and the security interests, and a brief description of certain aspects of insolvency law, in England and Wales, Australia, Germany and the Netherlands.

The following is a summary of certain limitations on the validity and enforceability of the Notes, the agreements ancillary thereto and the security interests being provided for the Notes, and a summary of certain European Union, English, Australian, German and Dutch law considerations. The description below is only a summary and does not purport to be complete or exhaustive or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Notes, the agreements ancillary thereto or the security interests being provided for the Notes. You should consult your own legal advisors with respect to such limitations and considerations.

European Union

The Issuer and several of the Guarantors are organised under the laws of Member States of the European Union.

Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (the “EU Insolvency Regulation”), which applies within the European Union, other than Denmark (save in relation to certain credit institutions, insurance companies, investment undertakings and collective investment undertakings), the courts of the Member State in which a company’s “centre of main interests” (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated have jurisdiction to open main insolvency proceedings. The determination of where a company has its centre of main interests is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Although there is a presumption under Article 3(1) of the EU Insolvency Regulation that a company has its centre of main interests in the Member State in which it has its registered office in the absence of proof to the contrary, Preamble 13 of the EU Insolvency Regulation states that the centre of main interests of a “debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and is therefore ascertainable by third-parties”. The courts have taken into consideration a number of factors in determining the centre of main interests of a company, including in particular where board meetings are held, the location where the company conducts the majority of its business or has its head office and the perception of the company’s creditors as regards where the center of the company’s business operations is established. A company’s centre of main interests may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to open insolvency proceedings at the time of the filing of the insolvency petition or analogous document commencing the proceedings.

If the centre of main interests of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. In some Member States it is possible for such insolvency proceedings to be opened without a formal court order. Insolvency proceedings opened in one Member State under the EU Insolvency Regulation are to be recognised in the other EU Member States (other than Denmark), although secondary proceedings may be opened in another Member State.

If the centre of main interests of a company is in one Member State (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open “territorial” insolvency proceedings against that company only if such company has an “establishment” in the territory of such other Member State. An “establishment” is defined to mean a place of operations where the company carries on non-transitory economic activity with human means and goods. The effects of those insolvency proceedings opened in that other Member State are restricted to the assets of the company situated in such other Member State.

Where main proceedings have been opened in the Member State in which the company has its centre of main interests, any proceedings opened subsequently in another Member State in which the company has an establishment (secondary proceedings) are limited to “winding-up proceedings” listed in Annex B of the EU Insolvency Regulation. The effect of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other Member States.

Where main proceedings in the Member State in which the company has its centre of main interests have not yet been opened, territorial insolvency proceedings can only be opened in another Member State where the company has an establishment where either: (a) insolvency proceedings cannot be opened in the Member State in which the company's centre of main interests is situated under that Member State's law; or (b) the territorial insolvency proceedings are opened at the request of a creditor that is domiciled, habitually resident or has its registered office in the other Member State or whose claim arises from the operation of the establishment.

Irrespective of whether the insolvency proceedings are main or secondary insolvency proceedings, such proceedings will always, subject to certain exemptions, be governed by the *lex fori concursus*, i.e., the local insolvency law of the court that has assumed jurisdiction for the insolvency proceedings of the debtor.

The courts of all Member States (other than Denmark) must recognise the judgment of the court opening main proceedings that will be given the same effect in the other Member States so long as no secondary proceedings have been opened there. The insolvency office holder appointed by a court in a Member State that has jurisdiction to open main proceedings (because the company's centre of main interests is there) may exercise the powers conferred on him by the law of that Member State in another Member State (such as to remove assets of the company from that other Member State), subject to certain limitations, so long as no insolvency proceedings have been opened in that other Member State or any preservation measure taken to the contrary further to a request to open insolvency proceedings in that other Member State where the company has assets.

England and Wales

Fixed and floating charges

Fixed charge security has a number of advantages over floating charge security: (a) an administrator appointed to the company that granted the floating charge can dispose of floating charge assets for cash or collect receivables charged by way of floating charge and use the proceeds and/or cash subject to a floating charge, to meet administration expenses (which can include the costs of continuing to operate the charging company's business while in administration) in priority to the claims of the floating charge holder; (b) a fixed charge, even if created after the date of a floating charge, may have priority as against the floating charge over the charged assets; (c) general costs and expenses (including the office holder's remuneration) properly incurred in a winding-up or administration are generally payable out of floating charge assets to the extent the assets of the company available for unsecured creditors generally are otherwise insufficient to meet them in priority to floating charge claims; (d) until the floating charge security crystallizes, a company is entitled to deal with assets that are subject to floating charge security in the ordinary course of its business, meaning that such assets can be effectively disposed of by the charging company so as to give a third party good title to the assets free of the floating charge; (e) floating charge security is subject to certain challenges under English insolvency law (please see “—Challenges to guarantees and security” below); and (f) floating charge security is subject to the claims of preferential creditors (such as occupational pension scheme contributions and salaries owed to employees (subject to a cap per employee) and holiday pay owed to employees) and, where the floating charge is not a security financial collateral arrangement, to the claims of unsecured creditors in respect of a ring-fenced amount of the proceeds (please see “—Moratoria and floating charges” below).

Under English law there is a possibility that a court could recharacterize as floating charges any security interests expressed to be created by a security document as fixed charges where the chargee does not have the requisite degree of control over the relevant chargor's ability to deal with the relevant assets and the proceeds thereof or does not exercise such control in practice, as the description given to the charges in the relevant security document as fixed charges is not determinative. Where the chargor is free to deal with the secured assets without the consent of the chargee, the court is likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Moratoria and floating charges

Under English insolvency law, English courts are empowered to order the appointment of an administrator in respect of a company with its center of main interests in England in certain circumstances. An administrator can also be appointed out of court by a company with its center of main interests in England, its directors or the holder of a qualifying floating charge and different procedures apply according to the identity of the appointer. During the administration, in general no proceedings or other legal process may be commenced or continued against such company, or security enforced over such company's property, except with permission of the court or the consent of the administrator. This moratorium does not, however, apply to a “security financial collateral arrangement” (such as a charge over cash or financial instruments such as shares, bonds or tradable capital market debt instruments) under the Financial Collateral Arrangements (No. 2) Regulations 2003 (the “Financial Collateral Arrangements Regulations”). During the administration of a company, a creditor would not be able to enforce any security interest (other than valid security financial collateral arrangements) including in respect of a guarantee granted by it (although a demand for payment could be made under such guarantee)

without the consent of the administrator or the permission of the court. In addition, a secured creditor cannot appoint an administrative receiver while an administrator is in office although, in certain circumstances (principally where one of the exceptions to the general prohibition on the appointment of an administrative receiver applies as set out in the Insolvency Act 1986, as amended, or pursuant to a debenture dated earlier than September 15, 2003), the holder of a floating charge can block the appointment of an administrator where it can appoint an administrative receiver.

A moratorium is also available pursuant to Schedule A1 to the Insolvency Act 1986 for “small companies” that are proposing a company voluntary arrangement with creditors, which can be for a period of up to 28 days, with the option for creditors to extend this protection for up to a further two months (although the Secretary of State for Trade and Industry may, by order, extend or reduce the duration of either period). Small companies are those which meet eligibility criteria as regards the number of employees, turnover and balance sheet total as set out in Section 382 of the Companies Act 2006. The position as to whether or not a company is a “small company” may change from financial period to financial period, depending on its financial position and average number of employees during that particular period. The Secretary of State for Trade and Industry may, by regulations, also modify the qualifications for eligibility of a company for a moratorium and may also modify the present definition of a “small company”. Accordingly, the English Obligors may, at any given time, come within the ambit of the “small companies” provisions, such that the English Obligors may (subject to the exemptions referred to below) be eligible to seek a moratorium, in advance of a company voluntary arrangement. This moratorium is not available to companies which have entered into certain capital market arrangements (whereby the company has incurred or is expected to incur a debt of at least £10 million and the arrangement involves the issue of a capital market investment) as detailed in Schedule A1 to the Insolvency Act 1986. The definitions of “capital market arrangement” and “capital market investment” are broad and are such that, in general terms, any company which is a party to an arrangement which involves at least £10 million of debt, the granting of security to a trustee, and the issue of a rated, listed or traded debt instrument, is excluded from being eligible for a moratorium. The Secretary of State for Trade and Industry may modify the criteria by reference to which a company otherwise eligible for a moratorium is excluded from being so eligible. Further, a company voluntary arrangement itself cannot bind secured creditors without their permission. However, if the small companies’ moratorium were to apply to any of the English Obligors, its effects would include prohibitions on enforcement of security that are similar to those that arise upon an administration moratorium. Therefore, to the extent the small companies’ moratorium applies, there would be a moratorium on legal proceedings and execution or other legal process being commenced or continued and the levy of distress, against the company or its property (except with the permission of the court). No other steps may be taken to enforce any security over the company’s property except with the permission of the court. The company may dispose of charged property if the holder of the security consents or the court gives permission. Further, the company may not make any payment or disposal of its own property unless there are reasonable grounds for believing that the disposal will benefit the company and the payment or disposal is approved by the committee (if established) or, where there is no such committee, by the nominee of the company voluntary arrangement.

The Security Agent can appoint its choice of administrator by the out-of-court route or appoint an administrative receiver if it is the holder of a qualifying floating charge (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986, as amended). The essential characteristics of a qualifying floating charge are that (a) the charge must by its terms give the holder power to appoint an administrator (or an administrative receiver) and (b) the charge (or that and other charges taken together) must relate to the whole or substantially the whole of the relevant English Obligor’s property. Even if the Security Agent holds a qualifying floating charge, it can only appoint an administrative receiver if one of the exceptions to the general prohibition of appointing an administrative receiver applies. The most relevant exception to the prohibition on the appointment of an administrative receiver by the Security Agent is likely to be the ability of the Security Agent to appoint an administrative receiver under security forming part of a “capital market arrangement” (as defined in the Insolvency Act 1986, as amended), which is the case if a party incurs debt of at least £50,000,000 during the life of the arrangement and the arrangement involves the issue of a “capital markets investment” (which is defined in the Insolvency Act 1986, as amended). If an administrative receiver can be and is appointed by the Security Agent (and an administrative receiver cannot be appointed if an administrator is already in office) the company or its directors will not be able to appoint an administrator by the out-of-court route and a court will only appoint an administrator if the charge under which the administrative receiver appointed is successfully challenged or the Security Agent agrees.

An administrator, receiver (including administrative receiver) or liquidator of the company will be required to ring fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors. Under current law, this applies to 50% of the first £10,000 of floating charge realizations and 20% of the remainder over £10,000, with a maximum aggregate cap of £600,000. The obligation on such insolvency officeholder to set aside the prescribed part for unsecured parties does not apply if the net floating charge realizations are less than £10,000 and the officeholder is of the view that the costs of making a distribution to unsecured parties would be disproportionate to the benefits. The prescribed part will apply to all floating charges created on or after September 15, 2003 regardless of whether they fall within one of the exceptions or not.

Challenges to guarantees and security

There are circumstances under English insolvency law in which the granting by an English company of security and guarantees can be challenged.

The following paragraphs discuss potential grounds for challenge that may apply to guarantees and security interest.

Transaction at an undervalue

Under English insolvency law (pursuant to Section 238 of the Insolvency Act 1986, as amended), a liquidator or an administrator of a company could apply to the court for an order to set aside a security interest (in certain cases) or a guarantee granted by the company (or give other relief) on the grounds that the creation of such security interest or guarantee constituted a transaction at an undervalue. The grant of a security interest or guarantee will only be a transaction at an undervalue if the transaction constitutes a gift or is made on terms that provide that the company receives no consideration or if the company receives consideration of significantly less value, in money or in money's worth, than the consideration given by such company. For a challenge to be made, the guarantee or security must be granted within a period of two years ending with the onset of insolvency (as defined in Section 240 of the Insolvency Act 1986, as amended). In addition the company must have been "unable to pay its debts" at the time that it granted the guarantee or security or became "unable to pay its debts" as a result. A company will be "unable to pay its debts" if a statutory demand for over £750 is served on the company and remains unsatisfied for three weeks or an execution on or other process issued on a judgment, decree or order of a court in favor of a creditor is returned unsatisfied in whole or in part or if it is proved to the court's satisfaction that the company is not able to pay its debts as they fall due or that the value of the company's assets is less than the amount of its liabilities (taking into account contingent and prospective liabilities). A court will not make an order in respect of a transaction at an undervalue if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit the company. Subject to this, if the court determines that the transaction was a transaction at an undervalue the court can make such order as it thinks fit to restore the position to what it would have been if the transaction had not been entered into (which could include reducing payments under the guarantees or setting aside any security interests granted or guarantees although there is protection for a third party that benefits from the transaction and has acted in good faith and for value). In any challenge proceedings, it is for the administrator or liquidator to demonstrate that the English company was unable to pay its debts unless a beneficiary of the transaction was a "connected person" (as defined in the Insolvency Act 1986, as amended), in which case there is a presumption that the company was unable to pay its debts and the connected person must demonstrate that the company was not unable to pay its debts at the time of the transaction.

Preference

Under English insolvency law (pursuant to Section 239 of the Insolvency Act 1986, as amended), a liquidator or administrator of a company could apply to the court for an order to set aside a security interest or a guarantee granted by such company (or give other relief) on the grounds such security interest or such guarantee constituted a preference. The grant of a security interest or guarantee is a preference if it has the effect of placing a creditor (or a surety or guarantor of the company) in a better position in the event of the company's insolvent liquidation than if the security interest or guarantee had not been granted. For a challenge to be made, the decision to prefer must be made within the period of six months ending with the onset of insolvency (as defined in Section 240 of the Insolvency Act 1986, as amended) if the beneficiary of the security interest or the guarantee is not a connected person or two years if the beneficiary is a connected person. In addition, the company must have been "unable to pay its debts" at the time it gave the preference or become "unable to pay its debts" as a result. A company's "inability to pay its debts" in this scenario has the same meaning as in the case of a transaction at an undervalue save that, in the case of a preference, there is no presumption of insolvency if the parties are connected. A court may not make an order in respect of a preference of a person unless it is satisfied that the company in deciding to give the preference was influenced by a desire to put that person in a better position. If the court determines that the transaction was a preference, the court can make such order as it thinks fit to restore the position to what it would have been if that preference had not been given (which could include reducing payments under the guarantees or setting aside the security interests or guarantees). There is protection for a third party that benefits from the transaction and acted in good faith and for value. In any proceedings, it is for the administrator or liquidator to demonstrate that the company was unable to pay its debts and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a connected person, in which case there is a presumption that the company was influenced by a desire to produce the preferential effect and the connected person must demonstrate in such proceedings that there was no such influence.

Transaction defrauding creditors

Under English insolvency law, a liquidator or an administrator of a company, or a person who is a "victim" of the relevant transaction can apply to the court pursuant to Section 423 of the Insolvency Act 1986, as amended, for an order to set aside a security interest or guarantee granted by that company on the grounds the security interest or guarantee was a transaction defrauding creditors.

A transaction will constitute a transaction defrauding creditors if it is a transaction at an undervalue (as outlined above) and the court is satisfied the substantial purpose of a party to the transaction was to put assets beyond the reach of actual or potential claimants against it or to prejudice the interest of such persons.

If the court determines that the transaction was a transaction defrauding creditors, then it may make such order as it may deem fit to restore the position to what it was prior to the transaction or protect the victims of the transaction (including reducing payments under the guarantee or setting aside the security interest or guarantees) but there is protection for a third party acting in good faith and for value without notice of the relevant circumstances. Any “victim” of the transaction (with the permission of the court if the company is in liquidation or administration) may apply to court under this provision and not just liquidators or administrators. There is no time limit in the English insolvency legislation within which the company must enter insolvency proceedings and the relevant company does not need to have been unable to pay its debts at the time of the transaction.

Grant of floating charge

Under English insolvency law, if an English company is unable to pay its debts at the time of (or as a result of) granting a floating charge then such floating charge can be avoided on the action of a liquidator or administrator if it was granted in the period of one year ending with the onset of insolvency (as defined in Section 245 of the Insolvency Act 1986, as amended). The floating charge, however, will be validated to the extent of the value of the consideration provided for the creation of the charge in the form of money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English company at the same time as or after the creation of the floating charge plus interest payable on such amounts. Where the floating charge is granted to a “connected person”, the charge can be challenged if given within two years of the onset of insolvency and the prerequisite to challenge that the company is unable to pay its debts does not apply. However, if the floating charge qualifies as a “security financial collateral arrangement” under the Financial Collateral Arrangements Regulations, the floating charge will not be subject to challenge as described in this paragraph.

Australian law

Circulating and non-circulating security interests

The *Personal Property Securities Act 2009* (“PPSA”) came into full force in Australia on 30 January 2012. It substantially changed Australian law in relation to what it defines as “security interests”. These include traditional security interests, like mortgages, charges and pledges. The PPSA applies to all security interests over personal property with a relevant connection with Australia, subject to some exclusions. “Personal property” includes virtually all assets, except land and certain statutory licences like petroleum and mining titles. Among other things, the PPSA provides for priorities between PPSA security interests, for when a purchaser can take an asset free of a PPSA security interest, for the consequences of non-perfection on insolvency, and for enforcement of PPSA security interests.

Under the PPSA, it is intended that the distinction between fixed and floating charges is essentially replaced by an equivalent distinction between security interests which attach to circulating and non-circulating assets. The PPSA provides that a reference to a “fixed charge” security interest that has attached to personal property in which the grantor has title will be taken to refer to a security interest that has attached to personal property that is not a circulating asset (a “non-circulating security interest”). A reference to a “floating charge” security interest that has attached to personal property in which the grantor has title will be taken to refer to a security interest that has attached to personal property that is a circulating asset (a “circulating security interest”).

Non-circulating security interests have advantages over circulating security interests. A circulating security interest will generally allow the grantor to transfer the circulating asset, in the ordinary course of the grantor’s business, free of the security interest. In the event of insolvency, under the Australian *Corporations Act 2001* (and, in some circumstances, various Australian tax legislation), certain categories of creditor claims such as employee entitlements and a voluntary administrator’s lien and right of indemnity are “preferred” in that those claims rank ahead of secured creditors holding only a floating charge or a circulating security interest. In the context of a voluntary administration, if a PPSA security interest was a circulating security interest when the interest arose, but has stopped being a circulating security interest because the property has stopped being a circulating asset (as defined in the PPSA), then under the Australian *Corporations Act 2001*, the administrator may in most circumstances deal with any of the secured property in any way the company could deal with the secured property immediately before it stopped being a circulating asset.

The rules in the PPSA, and their ramifications, are many and complex. There are grey areas and there is little or no case law to clarify them. Despite the parties intending to designate a security interest as a “non-circulating security interest”, there is a risk that a court may find that the security interest in fact attaches to circulating assets. If this were the case, the security interest held by the Security Agent in those assets may lose priority to statutory preferred creditors in the event of insolvency.

Insolvency processes under Australian law

In the event of insolvency, insolvency proceedings may be initiated in Australia under the insolvency laws of Australia, the procedural and substantive provisions of which may differ from comparable provisions of bankruptcy law or the insolvency laws of other jurisdictions with which you may be familiar.

There are four main forms of insolvency processes in Australia: voluntary administration, deed of company arrangement, receivership and winding-up (also called liquidation). Corporate reorganizations can also be effected by schemes of arrangement.

Voluntary administration

Voluntary administration is non-terminal insolvency process begun by the appointment of an administrator to a company, during which the administrator investigates the company's affairs and recommends to its creditors whether it should enter into a Deed of Company Arrangement approved by its creditors, be wound up or revert to normal operation by its directors. A company need not be presently insolvent to enter into voluntary administration.

The most common method for appointment of an administrator is for the company's board to resolve that in the opinion of the directors voting for the resolution, the company is insolvent, or is likely to become insolvent at some future time and that an administrator should be appointed. A creditor with a charge over the whole, or substantially the whole, of the company's property can also appoint an administrator, as can a liquidator or provisional liquidator (if the company is already in liquidation or provisional liquidation).

Voluntary administration is a procedure designed to salvage insolvent or near-insolvent companies so that the company can return to trading or provide a better return for creditors and shareholders. It is the only formal process in Australia with rehabilitation as one of its express goals. The objects of Part 5.3 of the Australian *Corporations Act 2001* (which deals with voluntary administration) are set out in section 435A as follows:

The object of this part is to provide for the business, property and affairs of an insolvent company to be administered in a way that:

- (a) maximizes the chances of the company or as much as possible of its business, continuing in existence; or
- (b) if it is not possible for the company or its business to continue in existence—results in a better return for the company's creditors and members than would result from an immediate winding up of the company.

Voluntary administration is intended to provide for a short period of administration, although the administrator can seek a direction from an Australian court to lengthen the period of the administration where the circumstances justify that course. During the period of voluntary administration, the administrator controls the company (the powers of the directors are suspended). The administrator is free to carry on the business of the company and does so as the company's agent.

During the period of voluntary administration, there is also a moratorium on claims by the company's creditors, such that (with certain exceptions) no proceedings against the company, or in relation to the company's property, can be commenced or continued with, and no enforcement processes can begin or proceed other than with the consent of the administrator or the court. Similarly, a security interest cannot be enforced over the property of the company except with the consent of the administrator or the court, unless the secured creditor holds a registered security interest over the whole or substantially the whole of the company's property and enforces the registered security interest within a specified period following the appointment of the administrator. These restrictions may affect the timing of the enforcement of the security interests granted by the Australian Guarantors if a voluntary administrator were appointed to those entities. On completion of a voluntary administration, the security interest becomes capable of being enforced.

At the conclusion of the voluntary administration, creditors will be asked to vote on whether the company should execute a Deed of Company Arrangement (see below), be wound up (see below) or revert to the control of its directors.

Deed of Company Arrangement

A Deed of Company Arrangement is a deed which binds the company, its unsecured creditors and secured creditors who vote in favor of it, and provides for the restructure or rehabilitation of the company usually by compromising claims against the company in exchange for a distribution to creditors.

The content of a Deed of Company Arrangement will depend on the arrangement agreed by the company's creditors at the conclusion of a voluntary administration. There are few restrictions under Australian law on the content of a Deed of Company Arrangement—a Deed of Company Arrangement may provide for the realization of assets, the orderly winding down of the company's business, the pursuit of litigation for the benefit of creditors, and the compromise of claims against the company. It will often also provide for a moratorium on claims against the company for the period in which the Deed of Company Arrangement operates.

As stated above, the Deed of Company Arrangement will bind the company, its unsecured creditors (whether or not they voted in favor of it) and those of its secured creditors who voted in favor of it. Secured creditors who did not vote in favor of the Deed of Company Arrangement will not generally be bound by the Deed (including any moratorium provisions contained in it).

A Deed of Company Arrangement can be terminated in accordance with its terms, by an order of an Australian court, or in certain circumstances by resolution of the company's creditors.

Receivership

Receivership is a form of non-terminal insolvency process, under which a receiver is appointed in respect of a company to take control of or get in specific property, so as to protect the rights of a party (usually a secured creditor) entitled to that property. Receivers are appointed privately by a secured creditor in accordance with the terms of a security document. In certain limited circumstances, receivers may also be appointed by a court on application of a party seeking to protect its interests.

A receivership can occur concurrently with a voluntary administration, Deed of Company Arrangement or a winding up. Where a receivership occurs concurrently with a voluntary administration, the administrator's powers are subject to the functions and powers of the receiver. Where a receivership occurs concurrently with a winding up, the receiver's powers are not diminished, although there may be some restrictions on the extent to which the receiver may exercise those powers.

The manner of a receiver's appointment will depend on the terms of the security document under which he or she appointed. Depending on the extent of the assets securing the company's obligation and the terms of the security document, the secured creditor will usually have the ability to appoint either a receiver or a receiver and manager. A receiver is charged with the realization or management of the secured asset over which he or she has been appointed. A receiver and manager is empowered to take control of the debtor's business as a going concern for the purpose of repayment of the secured debt, either through realization of the debtor's assets or through the income generated by the debtor's business.

A receiver's powers are primarily found in the security document under which she or he is appointed, but also under section 420 of the Australian *Corporations Act* 2001. They will generally be very broad and will usually include the power to enter into possession and control of the secured property, lease or sell the property, and, in the case of a receiver and manager, to carry on the business of the debtor and do all things which the debtor is normally empowered to do. In carrying on the business of the debtor the receiver and manager generally acts as agent of the company.

A receiver owes her or his primary duty to the secured creditor who appointed them. The Australian *Corporations Act 2001* also imposes certain statutory duties on a receiver in the conduct of his or her administration of the debtor's assets. Of primary importance within these duties is that imposed by s 420A of that Act, which obliges receivers to take reasonable care to ensure that, if sold, the secured assets are sold for market value or, if there is no market value, for the best price reasonably obtainable.

While the directors and officers of the debtor are not formally displaced by the appointment of a receiver or receiver and manager, the powers of the receiver supersede those of the existing company management and will usually result in the directors and officers being left without an active role in the operation of the company. The directors may be required to provide the receiver with reports as to the company's affairs and to cooperate with the receiver to the extent necessary to achieve the purposes of the receivership.

In the normal course, a privately-appointed receivership will terminate where the purpose for which the receiver was appointed has been achieved. This will usually be the repayment of the debt owed to the secured creditor. If there are insufficient assets held by the debtor to repay the secured debt in full, the receivership will terminate when the receiver exhausts all of the available assets of the debtor and retires.

On termination of the receivership (assuming there is not also a voluntary administration process on foot), control of the debtor and all of its remaining assets are returned to the debtor's directors and officers.

Winding up

A winding-up (or liquidation) is a terminal insolvency process by which a company's affairs are brought to an end, and its assets are distributed among its creditors and (if there is a surplus after creditors are paid) its members.

A winding up most commonly occurs where a company is insolvent, and is commenced:

- where a court makes an order that the company be wound up in insolvency (or for some other reason); or
- by resolution of the company's members (known as a creditors' voluntary winding up).

As stated above, at the conclusion of a voluntary administration, the company's creditors may resolve to wind up the company, in which case there is an immediate transition from the voluntary administration to a creditors' voluntary winding-up. A receivership can also occur concurrently with a winding up.

During a winding up:

- individual claimants lose the right to litigate their claims in court and instead must lodge a proof of debt with the liquidator—in order to achieve this, a stay is imposed to prevent the assets of the company being wasted by litigation;
- the leave of a court must be obtained in order to bring or continue proceedings against a company, or in relation to the property of the company;
- enforcement processes in relation to the property of the company cannot be begun or continued against a company, although a secured creditor does not require the leave of the court to deal with the property charged.

On liquidation, unsecured creditors have no rights to specific items of the company's assets; they have a right to have a fund of assets protected and properly administered. Secured creditors retain the right to enforce their security and may elect to appoint a receiver.

After collecting the assets and the time fixed for the proving of claims has expired, the liquidator can distribute to creditors. Depending upon the complexity and size of the company, liquidation can last for several years and the liquidator may make several payments over that time. In an insolvent company there is a prescribed order of payment of debts as follows:

- secured creditors in relation to fixed charges or security interests which are non-circulating security interests; then
- expenses of the winding-up (including the liquidator's and any prior receiver or voluntary administrator or deed administrator's remuneration); then
- unpaid wages, unpaid superannuation contributions, and other employee entitlement (persons who advance funds to pay those claims have the priorities for those payments which the employees otherwise enjoy); then
- secured creditors in relation to a floating charge or a circulating security interest; then
- unsecured creditors; then finally
- shareholders.

In the case of winding-up, the final step to be taken in the process is the deregistration of the company. The steps for deregistration are governed by the Australian *Corporations Act 2001* and once deregistered the company ceases to exist and the liquidator's role comes to an end.

Scheme of Arrangement

A scheme of arrangement is a court-approved compromise or arrangement between a company and its creditors or members. Schemes can be utilized by companies to provide for a modification or adjustment of the rights of the company's creditors or members which, if approved, will be binding on all creditors or members.

In brief, there are two different types of schemes: members' schemes and creditors' schemes. Before either type of scheme can be implemented it must be approved by a court, the Australian Securities and Investments Commission and the members or creditors of the company.

A members' scheme will inevitably involve some restructuring of the company and the rights and obligations of its members. Once approved, the scheme will be binding on all members (including dissenting members).

A creditors' scheme involving will often involve a proposal to defer, compromise or extinguish the company's debts—a typical scenario would involve a moratorium in respect of claims against the company and a compromise of debts owed by it (and/or a modification of the rights of creditors or a class of them in relation to the company). Once approved, the scheme will be binding on all creditors (or the relevant class of creditors) including dissenting creditors.

Schemes are, however, extremely flexible and can be utilized to implement any arrangement relating to the rights and obligations of the company and its creditors, save that a scheme which is contrary to law, or not in the public interest, is unlikely to be approved by the court (even if it has the support of members and/or creditors).

Limitations on the validity and enforceability of guarantees and security interests under Australian law

Under Australian law, the enforceability of the Notes Guarantees and security interests is subject to various limitations including:

- (a) statutes of limitations, laws relating to administration, moratoria, bankruptcy, liquidation, insolvency, receivership, reorganization, schemes of arrangement and similar laws affecting generally creditors' and counterparties' rights and specific court orders that may be made under such laws;
- (b) in the case of a security interest, laws relating to the enforcement or exercise of rights under the security interest;
- (c) defenses such as set-off, laches, forbearance, election, abatement or counterclaim, the doctrine of frustration and the doctrine of estoppel and waiver and the fact that guarantees, security interests and certain other documents and obligations may be discharged as a matter of law in certain circumstances;
- (d) the fact that equitable remedies will only be granted by a court in Australia in its discretion (for example, specific performance will not normally be ordered in respect of a monetary obligation and an injunction will only be granted where it would be just to do so);
- (e) general law and statutory duties, obligations, prohibitions and limitations affecting the enforceability of, and exercise of rights under, security interests and related documents generally;
- (f) if stamp duty is payable (particularly if any secured property is located in New South Wales) and is not paid, the security interests may not be admissible as evidence in an Australian court;
- (g) the guarantee or a security interest or a transaction connected with the guarantee or a security interest may be voidable at the option of a party, or may be set aside by a court on application by a party, or a party may be entitled to rescind the guarantee or a security interest and amounts paid or property transferred under it may be recovered by that party;
- (h) if that party entered into the guarantee, security interest, or transaction as a result of a mistake or another party's misrepresentation or as a result of fraud, duress or unreasonable or unconscionable conduct or misleading or deceptive conduct on the part of another party (or of a third person of which another party has actual or constructive knowledge) or as a result of a breach by another party (or of a third person of which another party has actual or constructive knowledge) of any duty owed to that party;
- (i) a security interest that is expressed to operate as an assignment, transfer or mortgage will take effect as an equitable security interest only unless any steps necessary to transfer legal title to the relevant property are taken (or, in the case of the a mortgage over real property, it is registered);
- (j) a security interest may not be effective in relation to licenses or certain other rights arising under statute because such right may not constitute property or may require the consent of an authority in order to be dealt with;
- (k) certain rights are not assignable, because of their nature, because they are connected with other rights and obligations or for reasons of public policy, and accordingly may not be subject to the security interest;

- (l) a security interest over a right or an interest in property that arises under a contract or other instrument may not be, and in certain cases clearly will not be, effective if the grant of the security interest over, or an assignment of, the right or interest would breach or not be effective under the terms of that contract or instrument;
- (m) the restrictions on enforcing security interests when the security provider is subject to voluntary administration or winding up (as described below); and
- (n) a security interest will not arise in any personal property expressed to be subject to a security interest until the relevant security provider has rights in the personal property for the purposes of the PPSA.

Breach of directors' duties

The decision to provide the Notes Guarantees and/or security interests may also be found to have been in breach of the duties owed by the directors of the Australian Guarantors, including the duty to act in good faith in the interests of the Australian Guarantors, and for a proper purpose. The issue is particularly relevant where a company provides a guarantee in relation to the obligations of another member of its corporate family. If a court were to find that the directors of the Australian Guarantors breached those duties in connection with providing the Notes Guarantees and/or security interests, the Notes Guarantees and/or security interests may become voidable.

If any of the guarantees from an Australian Guarantor is avoided, it is possible that holders of the Notes would be left with a claim solely against the Issuer and the other Guarantors. Additionally, however, a breach of directors' duties by any person involved in the contravention (which may include any person who is involved in and aware of the essential elements of the transaction) will contravene a civil penalty provision of the Australian *Corporations Act 2001*. Such a contravention means that damage resulting from the contravention may be liable to be repaid to the company by way of damages or compensation.

Risks relating to registration

Under the PPSA, security interests over personal property (as that term is defined in the PPSA) may be susceptible to a loss of priority (or in certain circumstances extinguishment) unless the security interest has attached to the relevant collateral and has been perfected. Perfection will usually occur upon registration of the security interest on the Personal Property Securities Register ("PPSR") (but can also be effected by "possession" or "control" of the relevant collateral).

The PPSA sets out detailed rules for priority between security interests over personal property and for the circumstances in which assets may become free from security interests. To the extent to which the security interests granted by the Australian Guarantors are created over personal property, these rules will apply. The general rule is that security interests rank in order of perfection subject to a number of exceptions, which have general application. For example, a security interest perfected by "control" ranks ahead of other security interests and a purchase money security interest can rank ahead of earlier perfected security interests provided it is registered within a certain time.

Unless a security interest is perfected by “possession” or “control”, a secured party must register a security interest on the PPSR by the later of 20 business days after the agreement creating the security interest was entered into, or six months prior to the date of the grantor’s insolvency, in order to avoid the security interest being extinguished upon the appointment of a voluntary administrator or a liquidator to the grantor. There is accordingly a risk that any security interests granted by the Australian Guarantors will be extinguished upon the insolvency of the Australian Guarantors if those security interests are not registered on the PPSR within 20 business days after the agreement creating the relevant security interests was entered into. However, if a security interest is not perfected in the manner set out above, a secured party will continue to have an unsecured claim against a grantor upon the appointment of a voluntary administrator or a liquidator to the grantor.

Risks arising in a winding-up

If an Australian Guarantor is subject to a winding up, the liquidator may apply to an Australian court for orders that the entry into the Notes Guarantees and/or security document creating the security interests or a transaction in connection with the Notes Guarantees and/or security document creating the security interests constitutes a voidable transaction and should be set aside. The main types of transactions that can be deemed “voidable transactions” include the following:

- an “unfair preference”, being a transaction between the company and a creditor carried out at a time when the company was insolvent (or the company became insolvent as a result of the transaction) that results in the creditor receiving from the company, in respect of an unsecured debt, more than the creditor would receive on a winding up of the company;
- an “uncommercial transaction”, being a transaction that a reasonable person in the company’s position would not have entered into, having regard to the benefits and detriment to the company of entering into the transaction, the benefits to the other parties to the transaction of entering into it and any relevant matters;
- an “unreasonable director-related transaction” or an “unfair loan” (as those terms are defined in the Australian *Corporations Act 2001*); and
- a security interest granted by the company in respect of “circulating assets” (as defined in the PPSA) in the 6 month period leading up to the liquidator’s appointment (except, generally, where the security interest relates to a new advance).

The extent to which the entry into the Notes Guarantees and/or security interests is susceptible to challenge on the bases set out above depends on when the relevant transaction was entered into relative to the commencement of the winding up (or, if a voluntary administration precedes the winding up, the commencement of the voluntary administration). Different time periods apply depending on the circumstances of the relevant transaction and the identity of the parties to it.

Further, as noted above, in an insolvency context, payments of certain debts or other amounts may rank in priority to claims under a Notes Guarantee and/or security interest (pursuant to the provisions of the Australian *Corporations Act 2001*). These include, among others, debts or amounts owing to employees for certain claims, auditors in respect of unpaid fees and to an administrator of the security provider in respect of the administrator’s rights to indemnity.

Risks arising from financial assistance by Australian Guarantors

The Australian *Corporations Act 2001* prohibits a company from “financially assisting” a person to acquire shares in a holding company of the company subject to certain exceptions, including where the prior approval of the company’s shareholders is obtained and certain notice procedures are complied with. This prohibition generally extends to the granting of guarantees and securities in connection with the financing of the acquisition of shares in the company’s holding company, unless the company’s shareholders have approved those guarantees and securities and the required advance notice has been given. It is likely that the giving of Notes Guarantees and related securities by any Australian Guarantor will constitute “financial assistance” under the Australian *Corporations Act 2001*, and therefore prior to the Notes Guarantees and related securities being granted by the Australian Guarantors, the Australian Guarantors must comply with the requirements of the relevant exceptions to the prohibition on the giving of financial assistance.

The giving of financial assistance may be approved at a general meeting by all ordinary shareholders (or, in the case of a company with only one shareholder, by the member passing a resolution by recording it and signing the record). The proposed notices of meeting (or the proposed member’s resolution in the case of a company with one shareholder) together with any supporting documentation must be lodged with the Australian Securities and Investments Commission. The notice of meeting for a meeting to approve financial assistance must be accompanied by a statement setting out all information known to the company that is material to the decision on how to vote on the resolution, except for information that it would be “unreasonable” to require the company to disclose because it has previously disclosed the

information to its shareholders. After the proposed financial assistance has been approved by all ordinary shareholders, notice must be lodged with the Australian Securities and Investments Commission at least 14 clear days before the company gives the financial assistance.

Financial assistance given in contravention of the Australian *Corporations Act 2001* will not be invalid as a result of the contravention. Any contract or transaction connected with the financial assistance will likewise not be invalid. The contravention will not result in the company committing an offence. However, any person involved in the contravention (which may include any person who is involved in and aware of the essential elements of the transaction) will contravene a civil penalty provision of the Australian *Corporations Act 2001*. Such a contravention means that any benefit obtained from the financial assistance is liable to be repaid to the company by way of damages or compensation.

Accordingly, if a court held that any Notes Guarantees or related securities given by an Australian Guarantor contravened the Australian *Corporations Act 2001* and the court required the benefit to be repaid to the company by way of damages or compensation, any benefit obtained from those Notes Guarantees and/or security interests could be effectively nullified (although the validity of the Notes Guarantees and/or security interests should be preserved).

Germany

Insolvency

Certain of the Guarantors are incorporated or organized under German law (the “German Subsidiary Guarantors”). Consequently, if the “centre of main interests” of such Guarantors is found to be in Germany (see “—European Union” above), in the event of an insolvency of any such Guarantor, insolvency proceedings may be initiated in Germany. Such proceedings would then be governed by German law. However, pursuant to the EU Insolvency Regulation, where a German company conducts business in more than one EU Member State, the jurisdiction of the German courts may be limited if the company’s “centre of main interests” is found to be in a EU Member State other than Germany. This issue is to be determined at the time when the competent court decides on the commencement of the relevant insolvency proceedings.

The following is a brief description of certain aspects of the insolvency laws of Germany.

Under German insolvency law, there is no group insolvency concept, which means there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In case of a group of companies, each entity has, from an insolvency laws point of view, to be dealt with separately. As a consequence, there is, in particular, no pooling of claims amongst the respective entities of a group, but rather claims of and vis-à-vis each entity have to be dealt with separately.

Under German insolvency law, insolvency proceedings are not initiated by the competent insolvency court *ex officio*, but require that the debtor (*Insolvenzschuldner*) and/or a creditor files a petition for the opening of insolvency proceedings (*Antrag auf Eröffnung des Insolvenzverfahrens*). Insolvency proceedings under German law with respect to a debtor incorporated or established as a German limited liability company (*Gesellschaft mit beschränkter Haftung*) or any other corporation or partnership not having an individual as a personally liable shareholder, can be initiated by either the debtor or the creditor in the event of over-indebtedness (*Überschuldung*) or illiquidity (*Zahlungsunfähigkeit*) of the debtor. A debtor is illiquid if it is unable to pay its debts as and when they fall due. A debtor is over-indebted when its liabilities exceed the value of its assets unless a continuation of the business is predominantly likely. Whether the debtor’s liabilities exceed the value of its assets must be assessed on the basis of an over-indebtedness balance sheet to be drawn up on the basis of the liquidation values. The continuation of the business is predominantly likely if—as a decision to be taken by the company’s management at its own discretion—it is more likely than not (greater than 50%) that within, as a rule of thumb, the current and the subsequent financial year, the company will be able to pay its debts as and when they fall due. If a German limited liability company, a German stock corporation (*Aktiengesellschaft*), a European law stock corporation (*Societas Europaea*, or *SE*), any other limited liability company or any company not having an individual as personally liable shareholder gets into a situation of illiquidity and/or over-indebtedness, the management of such company is obliged to file for insolvency without undue delay (*ohne schuldhaftes Zögern*), however, at the latest within 21 days after illiquidity or over-indebtedness have occurred. Non-compliance with these obligations exposes management to both damage claims as well as sanctions under criminal law. In addition, the debtor is entitled, but not obliged, to file for insolvency proceedings if it unlikely to be able to pay its debts as and when they fall due in the future (*drohende Zahlungsunfähigkeit*).

The insolvency proceedings are administered by the competent insolvency court and the insolvency administrator. The insolvency court monitors the due performance of the proceedings. Upon receipt of the insolvency petition, the insolvency court may take preliminary measures to secure the insolvency estate (*Insolvenzmasse*) during the preliminary proceedings (*Insolvenzeröffnungsverfahren*). The insolvency court may prohibit or suspend any measures taken to

enforce individual claims against the debtor's assets other than immovable assets during these preliminary proceedings. With respect to the enforcement into immovable assets, a provisional prohibition can be ordered by the court competent for the enforcement proceedings under restricted conditions. The court will, in almost all cases, appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*), unless the debtor has applied for so-called self-administration (*Eigenverwaltung*) in which event the court will only appoint a preliminary trustee (*vorläufiger Sachwalter*) who will supervise the management of the affairs by the debtor. The duty of the preliminary administrator is, in particular, to safeguard and to preserve the insolvency estate (*Insolvenzmasse*), to verify the existence of a reason for the opening of insolvency proceedings (*Insolvenzeröffnungsgrund*) and to assess whether the debtor's net assets will be sufficient to cover the costs of the insolvency proceedings.

During preliminary insolvency proceedings a “preliminary creditors’ committee” (*vorläufiger Gläubigerausschuss*) can be appointed by the court if the debtor satisfies two of the following three requirements: a balance sheet total in excess of €4,840,000 (after deducting an equity shortfall if the debtor is over indebted), revenues of at least €9,680,000 in the 12 months prior to the last day of the financial year preceding the filing and/or fifty or more employees. The requirements apply to the respective entity without taking into account the assets of other group companies. The preliminary creditors’ committee will be able to participate in certain important decisions made in the preliminary insolvency proceedings. It will have, for example, the power to influence the following: the selection of a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*) or an insolvency administrator (*Insolvenzverwalter*), orders for “self-administration” proceedings (*Anordnung der Eigenverwaltung*), and the appointment of a preliminary trustee (*vorläufiger Sachwalter*).

The court orders the opening (*Eröffnungsbeschluss*) of main insolvency proceedings (*eröffnetes Insolvenzverfahren*) if certain requirements are met, in particular if there are sufficient assets to cover at least the cost of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only open main insolvency proceedings if third parties, for instance creditors, advance the costs themselves. In the absence of such advancement, the petition for opening of insolvency proceedings will be dismissed for insufficiency of assets (*Abweisung mangels Masse*) following which the company will be deemed dissolved and put into liquidation.

Upon the opening of formal insolvency proceedings, the right to administer and dispose over the business and assets of the debtor passes to the insolvency administrator (*Insolvenzverwalter*) who is appointed by the insolvency court unless the so-called self-administration (*Eigenverwaltung*) is ordered, in which event the court will only appoint a trustee (*Sachwalter*) who will supervise the management of the affairs by the debtor. The insolvency administrator has full administrative and disposal authority over the debtor's assets, whereas the debtor is no longer entitled to dispose of its assets. The insolvency administrator (or in case of self-administration, the debtor) may raise new financial indebtedness and incur other liabilities to continue the debtor's operations, and satisfaction of these liabilities as preferential debts of the insolvency estate (*Masseschulden*) will be preferred to any liabilities created by the debtor (or a preliminary insolvency administrator/trustee prior to the opening of formal insolvency proceedings (including secured debt, subject to rights of separate satisfaction (*Absonderungsrechte*) and other security interests). The insolvency administrator or trustee may, on the grounds of avoidance (*Insolvenzanfechtung*), also challenge transactions that are deemed detrimental to insolvency creditors and which were effected prior to the opening of main insolvency proceedings. All creditors, whether secured or unsecured (unless they have a right to segregate an asset from the insolvency estate (*Aussonderungsrecht*) as opposed to a preferential right (*Absonderungsrecht*)), wishing to assert claims against the debtor need to participate in the insolvency proceedings. German insolvency proceedings are collective proceedings and creditors may generally no longer pursue their individual claims separately, but can instead only enforce them in compliance with the rules set forth in the German Insolvency Code (*Insolvenzordnung*). Any individual enforcement action (*Zwangsvollstreckung*) already brought against the debtor by any of its creditors is subject to an automatic stay once formal insolvency proceedings have been opened (and may be subject to such stay already prior to the opening of formal insolvency proceedings). Secured creditors are generally not entitled to enforce any security interest outside the insolvency proceedings. In the insolvency proceedings, however, certain secured creditors have preferential rights (*Absonderungsrechte*) regarding the enforcement of their security interest. Depending on the legal nature of the security interest, entitlement to enforce such security is either vested with the secured creditor or the insolvency administrator. The insolvency administrator generally has the sole right (i) to realize any moveable assets within its possession which are subject to preferential rights (*Absonderungsrechte*) (e.g., pledges over movable assets and rights (*Mobilienpfandrechte*) or transfers of title by way of security (*Sicherungsübereignung*)) as well (ii) to collect any claims that have been assigned by way of security (*Sicherungsabtretungen*). In case that the enforcement right is vested in the insolvency administrator, the enforcement proceeds, less certain contributory charges for (i) assessing the value of the secured assets (*Feststellungskosten*) and (ii) realizing the secured assets (*Verwertungskosten*) which, in aggregate, usually add up to 9 percent of the gross enforcement proceeds, and less German value added tax (*Umsatzsteuer*) at a rate of currently 19% thereon (if applicable), are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims.

The unencumbered assets of the debtor serve to satisfy the creditors of the insolvency estate (*Massegläubiger*) first (including the costs of the insolvency proceedings). Typically, liabilities resulting from acts of the insolvency administrator after commencement of formal insolvency proceedings constitute liabilities of the insolvency estate.

Thereafter, all unpreferred and unsecured claims (*Insolvenzforderungen*), in particular claims of unsecured creditors, will be satisfied on a pro rata basis if and to the extent there is cash remaining in the insolvency estate of the debtor (*Insolvenzmasse*) after all security interests and prior-ranking liabilities have been settled and paid. A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and which requires, among others and subject to certain exceptions, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules. Under German insolvency laws, it is possible to implement a debt-to-equity swap through an insolvency plan. However, it will not be possible to force a creditor of debt into a debt-to-equity swap if it does not consent to such debt-to-equity swap.

The right of a creditor to preferred satisfaction (*Absonderungsrecht*) may not necessarily prevent the insolvency administrator from using a movable asset that is subject to this right. The insolvency administrator, however, may then be required to compensate the creditor for the loss in value of such movable asset.

If a company faces imminent illiquidity and/or is over-indebted (but not yet illiquid) it may also file for insolvency in the form of a protection scheme (*Schutzschildverfahren*). In such a case and upon request of the debtor, the court will prohibit enforcement measures (other than with respect to immoveable assets) and may implement other preliminary measures to protect the debtor from creditor enforcement actions for a period of up to three months. During such period, the debtor shall, together with its creditors and a preliminary trustee (*vorläufiger Sachwalter*), prepare an insolvency plan which ideally will be implemented in formal self-administration proceedings (*Eigenverwaltung*) after formal insolvency proceedings have been opened.

Under certain circumstances, restrictive covenants and undertakings in finance documents may result in the relevant creditor being considered to hold a “shareholder-like position” (*gesellschafterähnliche Stellung*) in the relevant debtor company. In that event, in an insolvency proceeding over the assets of such debtor, the claims against such debtor would be treated as a subordinated insolvency claim (*nachrangige Insolvenzforderungen*), meaning that dividends on such claim would only be made if all non-subordinated creditors’ claims have been fully satisfied. Subordinated insolvency claims are not eligible to participate in the insolvency proceedings over the assets of the debtor unless the insolvency court handling the case has granted special permission allowing these subordinated insolvency claims to be filed which is not granted in the majority of insolvency cases governed by German law as in most cases, the insolvency estate will not be sufficient to make any dividends on subordinated insolvency claims.

Under the German Insolvency Code, an insolvency administrator (or in the event self-administration has been granted, the trustee (*Sachwalter*)), may challenge acts (*Rechtshandlungen*) and transactions (*Rechtsgeschäfte*) that are deemed detrimental to the insolvency estate and have been effected prior to the opening of formal insolvency proceedings. Such challengeable transactions can include payments under any guarantee or security or the granting of any guarantee or security interest. In the event that a transaction is successfully challenged, the beneficiaries of such guarantee (such as the holders of Notes) or such security interest would be under an obligation to repay the amount already received under the relevant security or guarantee, or to waive the guarantee or security interest. In particular, a transaction detrimental to the insolvency estate may be challenged according to the German Insolvency Code in the following cases:

- any act (*Rechtshandlung*) or transaction (*Rechtsgeschäft*) granting a creditor, or enabling an insolvency creditor to obtain security (*Sicherung*) or satisfaction for a debt (*Befriedigung*) can be avoided if such act was effected (i) in the last three months prior to the filing of a petition for the opening of insolvency proceedings, if at the time of the transaction the debtor was illiquid (*zahlungsunfähig*), which means such debtor was unable to pay its debt when due and the creditor had knowledge thereof, or (ii) after a petition for the opening of insolvency proceedings has been filed and the creditor had knowledge of such illiquidity or of the filing of such petition (or knowledge of circumstances which imperatively suggesting such cash flow insolvency or filing);
- any act (*Rechtshandlung*) or transaction (*Rechtsgeschäft*) granting a creditor, or enabling an insolvency creditor to obtain security or satisfaction to which such creditor was not entitled or which was granted or obtained in a form or at a time to which or at which such creditor was not entitled to such security or satisfaction can be avoided if such act was effected in the month prior to the filing of a petition for the opening of insolvency proceedings; if such act was effected in the second and third month prior to the filing, it can be avoided if at the time of such act (i) the debtor was cash illiquid, or (ii) the creditor knew that the transaction would be detrimental to the creditors of the debtor (or knowledge of circumstances which imperatively suggesting such detrimental effects);
- any transaction (*Rechtsgeschäft*) effected by the debtor which is directly detrimental to the creditors of the debtor, or by which the debtor loses a right or the ability to enforce a right or by which a proprietary claim against a debtor is obtained or becomes enforceable if it was entered into, can be avoided if the transaction was effected (i) in the last three months prior to the filing of a petition for the opening of insolvency proceedings against the debtor, if at the time of the transaction the debtor was illiquid and the other party to the transaction had knowledge thereof or (ii) after a petition for the opening of insolvency proceedings has been filed against the debtor and the other party to the transaction had knowledge of either the debtor’s illiquidity or such filing at the time of the transaction;

- any act by the debtor without adequate consideration (e.g. whereby a debtor grants security for a third party debt) might be regarded as having been granted gratuitously (*unentgeltlich*); a gratuitous transaction can be avoided if it was effected in the four years prior to the filing of a petition for the opening of insolvency proceedings against the debtor;
- any act performed by the debtor, including the granting of guarantees and security interest, during a period of ten years prior to the filing of the petition for the opening of insolvency proceedings or at any time after such filing, if the debtor acted with the intention to prejudice its creditors can be avoided if the other party had knowledge of such intention at the time of such act;
- any non-gratuitous contract concluded between the debtor and a related party of the debtor which directly operates to the detriment of the creditors can be avoided unless such contract was concluded within two years prior to the filing for the opening of insolvency proceedings or the other party had no knowledge of the debtor's intention to disadvantage its creditors; in terms of corporate entities, the term "related party" includes, subject to certain limitations, members of the management or supervisory board, shareholders owning more than 25 percent of the debtor's share capital, persons or companies holding comparable positions that give them access to information about the economic situation of the debtor, and other persons that are spouses, relatives or members of the household of any of the foregoing persons;
- any act that provides security or satisfaction for a claim of a shareholder for repayment of a shareholder loan (*Gesellschafterdarlehen*) or an economically equivalent claim can be avoided (i) in the event it provided security, if the act was effected in the last ten years prior to the filing of a petition for opening of insolvency proceedings or thereafter or (ii) in the event it resulted in satisfaction, if the act was effected in the last year prior to the filing of a petition for opening of insolvency proceedings or thereafter; or
- a transaction whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party can be avoided if the transaction was effected in the last year prior to the filing of a petition for opening of insolvency proceedings or thereafter and if a shareholder of the debtor had granted security or was liable as a guarantor (*Bürge*) (in which case the shareholder has to compensate the debtor for the amounts paid (subject to further conditions)).

In this context, "knowledge" is generally deemed to exist if the other party is aware of the facts from which the conclusion must be drawn that the debtor (e.g., an entity subject to the German insolvency laws) was subject to illiquidity, that a petition for the opening of insolvency proceedings has been filed, or that the act was detrimental to, or intended to prejudice, the insolvency creditors, as the case may be. A person is deemed to have knowledge of the debtor's intention to prejudice the insolvency creditors if it knew of the debtor's imminent illiquidity and that the transaction prejudiced the debtor's creditors. With respect to a "related party", there is a general statutory presumption that such party had knowledge.

Apart from the examples of an insolvency administrator or a trustee avoiding transactions according to the German Insolvency Code described above, a creditor who has obtained an enforcement order (*Vollstreckungstitel*) may also challenge any security right or payment performed under the relevant security right according to the German Law of Avoidance (*Anfechtungsgesetz*) outside formal insolvency proceedings. The conditions vary to a certain extent from the rules described above and the avoidance periods are calculated from the date when a creditor exercises its rights of avoidance in the courts or has obtained the relevant enforcement order, respectively.

If any guarantee or security is avoided or held unenforceable for any other reason, the claimant would cease to have any claim in respect of the guarantee and would have a claim solely under the notes and the remaining guarantees, if any. Any amounts obtained from transactions that have been avoided would have to be repaid.

Subsidiary Guarantee

Certain German Subsidiary Guarantors are incorporated in Germany in the form of a German limited liability company (*Gesellschaft mit beschränkter Haftung* or "GmbH") and additional German Subsidiary Guarantors might be incorporated as a German limited partnership with a limited liability company as general partner ("GmbH & Co. KG"). Consequently, the grant of collateral (including the guarantees of the notes) by these companies is subject to certain provisions of the German Limited Liability Company Act (the "GmbHG").

As a general rule, sections 30 and 31 of the GmbHG ("Sections 30 and 31") prohibit a GmbH from disbursing its assets to its shareholders to the extent that the amount of the GmbH's net assets (*i.e.*, assets minus liabilities and liability reserves) is or would fall below, or increases or would increase an existing shortfall of, the amount of its stated share capital (*Begründung oder Vertiefung einer Unterbilanz*). Guarantees granted by a GmbH or by a GmbH & Co. KG in

order to guarantee liabilities of a direct or indirect parent or sister company are considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to guarantee liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31 and to protect management from personal liability, it is standard market practice for credit agreements, indentures, guarantees and security documents to contain so-called “limitation language” in relation to subsidiaries in the legal form of a GmbH or a GmbH & Co. KG incorporated or established in Germany. Pursuant to such limitation language, the beneficiaries of the guarantees agree to enforce the guarantees against the German subsidiary only to the extent that such enforcement would not result in the GmbH’s (or, in case of a GmbH & Co. KG, its general partner’s) net assets falling below, or increasing an existing shortfall of, its stated share capital (provided that the determination and calculation of such shortfall is subject to certain adjustments and exemptions). Accordingly, any security and the Guarantees provided by the German Subsidiary Guarantors will contain such limitation language in the manner described. This could lead to a situation in which the respective guarantee granted by a GmbH or a GmbH & Co. KG cannot be enforced at all.

German capital maintenance rules are subject to evolving case law. Future court rulings may further limit the access of a shareholder to assets of its subsidiaries constituted in the form of a GmbH or of a GmbH & Co. KG, the general partner or general partners of which is or are a GmbH, which can negatively affect the ability of the German Subsidiary Guarantors to make payments under the Guarantees.

Furthermore, it cannot be ruled out that the case law of the German Federal Supreme Court (*Bundesgerichtshof*) regarding so-called—destructive interference (*existenzvernichtender Eingriff*) (i.e., a situation where a shareholder deprives a German limited liability company of the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of a subsidiary guarantee granted by the German Subsidiary Guarantors. In such case, the amount of proceeds to be realized in an enforcement process may be reduced, even to nil. According to a decision of the German Federal Supreme Court (*Bundesgerichtshof*), a security agreement may be void due to tortious inducement of breach of contract if a creditor knows about the distressed financial situation of the debtor and anticipates that the debtor will only be able to grant Collateral by disregarding the vital interests of its other business partners. It cannot be ruled out that German courts may apply this case law with respect to the granting of subsidiary guarantees by the German Subsidiary Guarantors.

Creditor’s Liability

Furthermore, the beneficiary of a transaction effecting a repayment of the stated share capital of the grantor of the subsidiary guarantee could moreover become personally liable under exceptional circumstances. The German Federal Supreme Court (*Bundesgerichtshof*) ruled that this could be the case if for example the creditor were to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of *bonos mores* (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the grantor of the guarantee is close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

Subordination of the Issuer’s Claims

If a shareholder in a German company owns (directly or indirectly) more than 10% of the shares or interests in such company, then all claims of the shareholder against the company are subordinated in the event of an insolvency of the company and the shareholder can, therefore, demand repayment of such claims only as a subordinated creditor and cannot enforce its security interests which may be challenged if created within ten years prior to the filing for insolvency. In addition, the shareholder may have to repay in full any payments received on its subordinated claims (including any proceeds from the enforcement of security) if such payments were made within one year prior to the filing for insolvency or after such filing. The same could apply where (i) several shareholders that may be deemed to be acting in concert own (directly or indirectly) aggregate shareholdings in excess of 10% of the shares or (ii) the relevant lender is not a shareholder, but an affiliate of a (direct or indirect) shareholder in the relevant German company (such as the Issuer in relation to the German Subsidiary Guarantors).

The Netherlands

Applicable Insolvency Law

Where a company (incorporated in the Netherlands or elsewhere) has its “centre of main interests” or an “establishment” in the Netherlands, it may be subjected to insolvency proceedings in this jurisdiction. This is particularly relevant for the Dutch Obligors, which have their corporate seats (*statutaire zetel*) in the Netherlands, and are therefore presumed (subject to proof to the contrary) to have their “centre of main interests” in the Netherlands. Dutch insolvency law differs significantly from insolvency proceedings in the United States and other jurisdictions, and may make it more difficult for

holders of Notes to recover the amount they would normally expect to recover in a liquidation or bankruptcy proceeding in the United States or another jurisdiction.

There are two primary insolvency regimes under Dutch law applicable to legal entities: the first, suspension of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor's indebtedness and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate and distribute the proceeds of the assets of a debtor to its creditors. Both insolvency regimes are set forth in the Dutch Bankruptcy Act. The consequences of both proceedings are roughly equal from the perspective of a creditor, with creditors being treated on a *pari passu* basis subject to exceptions. A general description of the principles of both insolvency regimes is set forth below.

Unlike Chapter 11 proceedings under U.S. bankruptcy law, in which both secured and unsecured creditors are generally barred from seeking to exercise remedies against the debtor without court approval, in suspension of payments and bankruptcy proceedings under Dutch law secured creditors (and in case of suspension of payments also preferential creditors (including tax and social security authorities)) may enforce their rights against assets of the company to satisfy their claims as if there were no insolvency proceedings. A recovery under Dutch law could, therefore, involve a sale of assets that does not reflect the going concern value of the debtor. Consequently, your potential recovery could be reduced in Dutch insolvency proceedings.

Restrictions on the enforcement of security interests may apply. For instance, higher ranking rights must be respected. These may include secured creditors and tax and social security authorities. A statutory stay of execution of security rights and other rights of up to two months, extendable by another period of up to two months, may be imposed. Further, a receiver in bankruptcy can force a secured creditor to enforce its security interest within a reasonable period of time, failing which the receiver will be entitled to sell the secured assets, if any, and the secured creditor will have a preferred claim in respect of the proceeds, meaning that the secured creditor will have to share in the bankruptcy costs, which may be significant. Excess proceeds of any enforcement must be returned to the bankrupt estate; they may not be set-off against an unsecured claim of the secured creditor. Such set-off may be allowed prior to the bankruptcy, although there it may be subject to clawback in the case of fraudulent conveyance or bad faith in obtaining the claim used for set-off.

Any pending executions of judgments against the debtor will be suspended by operation of law when suspension of payments is granted and terminate by operation of law when bankruptcy is declared. In addition, all attachments on the debtor's assets will cease to have effect upon the suspension of payments having become definitive, a composition having been ratified by the court or the declaration of bankruptcy (as the case may be) subject to the ability of the court to set an earlier date for such termination. Litigation pending on the date of the bankruptcy order is automatically stayed.

In a suspension of payments and in bankruptcy, a composition (*akkoord*) may be offered to creditors. A composition will be binding on all unsecured and non-preferential creditors if it is (i) approved by a simple majority of the creditors being present or represented at the creditors' meeting, representing at least 50% of the amount of the claims that are admitted for voting purposes, and (ii) subsequently ratified (*gehomologeerd*) by the Dutch courts. Consequently, Dutch insolvency laws could preclude or inhibit the ability of the holders of the Notes to effect a restructuring and could reduce the recovery of a holder of Notes.

Claims against a company subject to Dutch insolvency proceedings will have to be verified in the insolvency proceedings in order to be entitled to vote and, in a bankruptcy liquidation, to be entitled to distributions. "Verification" under Dutch law means, in the case of a suspension of payments, that the treatment of a disputed claim for voting purposes is determined and, in the case of a bankruptcy, that the value of the claim is determined and whether and to what extent it will be admitted in the insolvency proceedings. The valuation of claims that would not otherwise have been payable at the time of the proceedings may be based on a net present value analysis. Unless secured by a pledge or a mortgage, interest accruing after the date on which insolvency proceedings are opened cannot be verified. Where interest accruing after the date of opening of the proceedings, it can be admitted *pro memoria*.

The existence, value and ranking of any claims submitted by the holders of the Notes may be challenged in the Dutch insolvency proceedings. Generally, in a creditors' meeting (*verificatievergadering*), the receiver in bankruptcy, the administrator in suspension of payment proceedings, the insolvent debtor and all verified creditors may dispute the verification of claims of other creditors. Creditors whose claims or value thereof are disputed in the creditors meeting may be referred to separate court proceedings (*renvooiprocedure*) in bankruptcy, while in suspension of payments the court will decide how a disputed claim will be treated for voting purposes. These situations could cause holders of Notes to recover less than the principal amount of their Notes. *Renvooi* procedures could also cause payments to the holders of Notes to be delayed compared to holders of undisputed claims.

The Dutch Bankruptcy Act does not in itself recognise the concept of classes of creditors. Remaining amounts, if any, after satisfaction of the secured and the preferential creditors are distributed among the unsecured non-preferential

creditors, who will be satisfied on a pro rata basis. Contractual subordination may to a certain extent be given effect in Dutch insolvency proceedings, with the actual effect largely depending on the way such subordination is construed.

Under Dutch law, bankruptcy and suspension of payment generally take effect at 00.00 hrs on the day of the judgement of the bankruptcy or the suspension of payments.

Fraudulent transfer/conveyance

Under Dutch law, a legal act performed by a person (including, without limitation, an agreement pursuant to which it agrees to provide or provides security for any of its or a third-party's obligations, enters into additional agreements benefiting from existing security and any other legal act having a similar effect) can be challenged in an insolvency proceeding or otherwise and may be nullified by any of its creditors or its receiver in bankruptcy, if (a) it performed such act without an obligation to do so (*onverplicht*), (b) the creditor concerned or, in the case of its bankruptcy, any creditor was prejudiced as a consequence of the act, and (c) at the time the act was performed both it and (unless the act was for no consideration (*om niet*)) the party with or towards which it acted, knew or should have known that one or more of its creditors (existing or future) would be prejudiced (*actio pauliana*). In the case of a bankruptcy, the beneficiary of the security interest is presumed (subject to evidence to the contrary) to have known that creditors of the debtor would be prejudiced if the bankruptcy follows within a year of the granting and for no consideration in relation to certain agreements or legal acts as listed in Section 43, paragraph 1 of the Dutch Bankruptcy Act (*Faillissementswet*). In addition, the bankruptcy receiver may challenge the security interest if it was granted on the basis of a prior existing legal obligation to do so (*verplichte rechtshandeling*), if (i) the security interest was granted at a time that the beneficiary of such security interest knew that a request for bankruptcy had been filed or (ii) if such security interest was granted as a result of deliberation between the debtor and the beneficiary of such security interest with a view to give preference to the beneficiary over the debtor's other creditors. Consequently, the validity of any security interests granted by a Dutch legal entity may be challenged and it is possible that such challenge would be successful.

Further Limitations on Enforcement

Whether or not a grantor is subject to insolvency proceedings in the Netherlands, a security document governed by Dutch law may be affected by, and a payment thereunder may be withheld based on, the principles of reasonableness and fairness (*redelijkheid en billijkheid*), force majeure (*niet-toerekenbare tekortkoming*) and unforeseen circumstances (*onvoorzienbare omstandigheden*) and other general defences available to debtors under Dutch law. Other general defenses include claims that a security interest should be avoided on grounds of abuse of circumstances (*misbruik van omstandigheden*), deceit (*bedrog*), intimidation (*bedreiging*) or mistake (*dwaling*), the right to set off (*verrekening*) and the right to suspend performance of (*opschortingsrecht*) or dissolve (*ontbinding*) a contract if the other party is in default in respect of its obligations.

The validity, binding effect and enforceability of a security interest may also be successfully contested by a Dutch company (or its receiver in bankruptcy or administrator in a suspension of payments) on the basis of an *ultra vires* claim. Such a claim will be successful if (i) the granting of a security interest is *ultra vires* (i.e. exceeds the scope the entity's objects or is not in the entity's corporate interest) and (ii) the counterparty of such Dutch company under the relevant security interest knew or should have known (without inquiry) of this fact. In determining whether the granting of such security is *ultra vires*, the Dutch courts would not only consider the text of the objects clause in the articles of association of the company but all relevant circumstances including whether the company derives certain commercial benefits from the transaction in respect of which the security was granted. If and to the extent that it is determined that there is an imbalance, to the disadvantage of the company, between the value of the commercial benefit and the amount for which the company is held liable, then irrespective of the wording of the objects clause in its articles of association the company (and any bankruptcy receiver or administrator in suspension of payments) may contest the validity or enforceability of the act and it is possible that such contestation will be honoured by the Dutch courts. Benefit may, according to Dutch case law, consist of an indirect benefit derived by the company as a consequence of the interdependence of such company with the group of companies to which it belongs. In addition, it is relevant whether, as a consequence of the granting of the security, the continuity of such company would foreseeably be endangered by the granting of such security. It remains possible that even if such strong financial and commercial interdependence exists, the transaction may be declared void if it appears that the granting of the security cannot serve the realization of the relevant company's objects. The foregoing applies mutatis mutandis to any other legal act having similar effect.

In connection with the removal of the prohibition on financial assistance for Dutch private companies with limited liability as per October 1, 2012, it was mentioned in the Dutch Parliament that the granting of security, providing of a guarantee or accepting of liability with a view to the acquisition (or the refinancing thereof) by any party of shares in the company's share capital or the shares of its (direct or indirect) parent company could, depending on the further circumstances, constitute an *ultra vires* act. At present, there is no Dutch case law on this subject.

Parallel Debt

It is generally assumed that under Dutch law security interests such as rights of pledge cannot be validly created in favour of a person who is not the creditor of the claim that the security interest intends to secure. The beneficial holders of the Notes from time to time will not be party to the security documents. In order to permit the holders of the Notes from time to time to have a secured claim, the documentation relating to the Notes will provide for the creation of a “parallel debt”. Pursuant to the parallel debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Notes. The pledges governed by Dutch law will directly secure the parallel debt. The parallel debt concept has not been tested under Dutch law, and there is no certainty that it will eliminate or mitigate the risk of unenforceability posed by Dutch law.

Plan of distribution

The Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed to purchase from the Issuer, the entire principal amount of the Notes. The sale will be made pursuant to a purchase agreement between the Issuer, the Company, Bidco and J.P. Morgan Securities plc as representative of the several Initial Purchasers to be dated on the date of the final offering memorandum (the "Purchase Agreement"). The Initial Purchasers are J.P. Morgan Securities plc and Lloyds Bank plc.

The obligations of the Initial Purchasers under the Purchase Agreement, including their agreement to purchase Notes from the Issuer, are several and not joint.

The Initial Purchasers initially propose to offer the Notes for resale at the issue price that appears on the cover of this offering memorandum. After the initial Offering, the Initial Purchasers may change the price at which the Notes are offered and any other selling terms at any time without notice. The Initial Purchasers may offer and sell Notes through certain of their affiliates, including in respect of sales into the United States. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by their counsel and our counsel. The Purchase Agreement also provides that, if an Initial Purchaser defaults, the purchase commitments of the non-defaulting Initial Purchaser may be increased or, in some cases, the Offering may be terminated.

The Purchase Agreement provides that we will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. During the period from the date the Purchase Agreement is executed through and including the date that is 90 days after such date, neither the Company nor any of its subsidiaries or other controlled affiliates will, without the prior written consent of the representative of the Initial Purchasers, offer, sell, contract to sell, issue or otherwise dispose of any debt securities, issued or guaranteed by the Issuer or any of the Guarantors and having a tenor of more than one year (other than the Notes and the Guarantees).

The Notes and the Note Guarantees have not been, and will not be, registered under the Securities Act and may not be offered or sold within the United States except to qualified institutional buyers in reliance on Rule 144A and to certain non-U.S. persons outside the United States in reliance on Regulation S. Until 40 days after the later of (i) the commencement of this Offering and (ii) the Issue Date, an offer or sale of the Notes initially sold in reliance on Regulation S within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S. Resales of the Notes are restricted as described under "Notice to investors".

Each Initial Purchaser has represented, warranted and agreed that 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 Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and
- has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This offering memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this offering memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this offering memorandum and resale of the Notes. See "Notice to investors".

The Issuer and the Guarantors have also agreed that they will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract

or disposition would cause the exemption afforded by Section 4(a)(2) of the Securities Act or the safe harbors of Rule 144A and Regulation S to cease to be applicable to the offer and sale of the Notes.

The Notes are a new issue of securities for which there currently is no market. We will apply, through our listing agent, to list the Notes on the Official List of the Luxembourg Stock Exchange and trade the Notes on the Euro MTF Market thereof. We cannot assure you that such listing will be obtained or, if obtained, maintained.

The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop or that you will be able to sell any Notes at a particular time or at a price that will be favorable to you. See “Risk factors—Risks related to our structure—There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited”.

The Initial Purchasers may engage in overallotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Overallotment involves sales in excess of the offering size, which creates a short position for the relevant Initial Purchaser. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a broker or dealer when the Notes originally sold by that broker or dealer are purchased in a stabilizing or covering transaction to cover short positions.

In connection with the Offering, the Stabilizing Manager, or a person acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Manager may bid for and purchase Notes in the open markets for the purpose of pegging, fixing or maintaining the price of the Notes. The Stabilizing Manager may also over allot the Offering, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Manager may bid for and purchase Notes in market making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for the Notes. See “Risk factors—Risks related to our structure—There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited”.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions may begin on or after the date on which adequate public disclosure of the terms of the Offering is made and, if commenced, may be discontinued at any time at the sole discretion of the Initial Purchasers. If these activities are commenced, they must end no later than the earlier of 30 days after the date of issuance of the Notes and 60 days after the date of the allotment of the Notes. These transactions may be effected in the over-the-counter market or otherwise.

The Initial Purchasers and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Initial Purchasers or their respective affiliates have from time to time in the past provided and may provide in the future investment banking, financial advisory and commercial banking services to us and our affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions. Certain affiliates of J.P. Morgan Securities plc and Lloyds Bank plc are a mandated lead arranger and the agent of and a lender under the Revolving Credit Facility Agreement and the bridge facility agreement that we have entered into as borrowers to provide financing for the Acquisition in the event the Offering is not consummated, and such entities will also act as Security Agent under the Security Documents, the Revolving Credit Facility Agreement and the Intercreditor Agreement. In connection therewith, such entities will receive customary fees and commissions. The Initial Purchasers or their affiliates may also receive allocations of the Notes.

Delivery of the Notes was made against payment therefor on the Issue Date, which was the fifth London business day (fourth New York business day) following the date of pricing of the Notes (such settlement cycle being herein referred to as “T+5”). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wished to trade Notes on the date of pricing or the next two succeeding business days were required, by virtue of the fact that the Notes initially settled T+5, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Notes who wish to trade Notes on the date of pricing or the next succeeding business day should have consulted their advisors.

Notice to investors

The Notes have not been, and will not be, registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and to non-U.S. persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

We have not registered and will not register the Notes under the Securities Act and, therefore, the Notes may not be offered or sold within the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, we are offering and selling the Notes to the Initial Purchasers for re-offer and resale only:

- in the United States to “qualified institutional buyers”, commonly referred to as “QIBs”, as defined in Rule 144A under the Securities Act in compliance with Rule 144A; and
- to non-U.S. persons outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.

We use the terms “offshore transaction”, “U.S. person” and “United States” with the meanings given to them in Regulation S under the Securities Act.

Each purchaser of the Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the Initial Purchasers as follows:

1. You understand and acknowledge that the Notes have not been registered under the Securities Act or any applicable state securities law; are being offered for resale in transactions not requiring registration under the Securities Act or any securities law, including sales pursuant to Rule 144A; and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any applicable securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below.
2. You are not an “affiliate” (as defined in Rule 144 under the Securities Act) or acting on our behalf and you are either:
 - a qualified institutional buyer, within the meaning of Rule 144A under the Securities Act, and are aware that any sale of the Notes to you will be made in reliance on Rule 144A under the Securities Act, and the acquisition of the Notes will be for your own account or for the account of another qualified institutional buyer; or
 - a non-U.S. person purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.
3. You acknowledge that neither we nor the Initial Purchasers, nor any person representing us or the Initial Purchasers, has made any representation to you with respect to us or the offering or sale of any Notes, other than the information contained in this offering memorandum, which offering memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that neither the Initial Purchasers nor any person representing the Initial Purchasers makes any representation or warranty as to the accuracy or completeness of the information contained in this offering memorandum. You have had access to such financial and other information concerning us and the Notes as you have deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions or, and request information from, us and the Initial Purchasers.
4. You are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within its or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

5. You agrees on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the “Resale Restriction Termination Date”) that is one year (in the case of Rule 144A Notes) or 40 days (in the case of Regulation S Notes) after the later of the date of the Issue Date and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) only (i) to the Issuer; (ii) pursuant to a registration statement that has been declared effective under the Securities Act; (iii) for so long as the Notes are eligible pursuant to Rule 144A under the Securities Act, to a person you reasonably believe is a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act; (iv) pursuant to offers and sales to non-U.S. persons that occur outside the United States in compliance with Regulation S under the Securities Act or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws and any applicable local laws and regulations, and further subject to the Issuer’s and the Trustee’s rights prior to any such offer, sale or transfer (I) pursuant to clause (iv) or (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the other side of the security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”)) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN “OFFSHORE TRANSACTION” PURSUANT TO RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) WHICH IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER’S AND THE TRUSTEE’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (D) AND (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

6. You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on transfer of such Notes.
7. You acknowledge that until 40 days after the commencement of the Offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A of the Securities Act.
8. You acknowledge that the Registrar will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth therein have been complied with. You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of the your acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes are no longer accurate, you shall promptly notify the Initial Purchasers. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.
9. You understand that no action has been taken in any jurisdiction (including the United States) by us or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "Plan of distribution".

Legal matters

Certain legal matters in connection with the Offering will be passed upon for the Issuer and the Guarantors by Simpson Thacher & Bartlett LLP, with respect to U.S. federal, New York state and English law, Linklaters LLP, with respect to Dutch, French and German law and Allens, with respect to Australian law. Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by Cravath, Swaine & Moore LLP, with respect to U.S. federal and New York law, and by Clifford Chance LLP, with respect to English, Dutch, French, German and Australian law.

Independent auditors

The audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013 contained herein have been audited by KPMG LLP, independent auditors, as set forth in their reports appearing herein. The independent auditors' reports for the accounting periods for the years ended December 31, 2011, 2012 and 2013 were unqualified. KPMG LLP is a member of the ICAEW, the Institute of Chartered Accountants in England and Wales. We expect that KPMG LLP will also be the independent auditors for the Issuer and Bidco.

The auditors have given and not withdrawn their consent for their reports to be included in the listing particulars in the form and context in which they are included for purposes of the listing of the Notes on the Official List of the Luxembourg Stock Exchange in accordance with its rules. A written consent under the listing rules of the Official List of the Luxembourg Stock Exchange is different from a consent filed with the SEC under Section 7 of the Securities Act, which is applicable only to transaction involving securities registered under the Securities Act. As the Notes have not been and will not be registered under the Securities Act, KPMG LLP has not filed a consent under Section 7 of the Securities Act.

In respect of the audit reports relating to the annual financial statements reproduced herein, KPMG LLP, our independent auditor, provides: "This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed".

Investors in the Notes should understand that these statements are intended to disclaim any liability to parties (such as purchasers of the Notes) other than Rose Holdco with respect to those reports. The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the Securities Act, or in a report filed under the Exchange Act. If a U.S. court (or any other court) were to give effect to the language quoted above, the recourse that investors in the Notes may have against the independent auditors based on their reports or the consolidated financial statements to which they relate could be limited. The extent to which auditors have responsibility or liability to third parties is unclear under the laws of many jurisdictions, including the United Kingdom, and the legal effect of these statements in the audit reports is untested. The inclusion of the language referred to above, however, may limit the ability of holders of the Notes to bring any action against our auditors for damages arising out of an investment in the Notes. See "Risk factors—Risks related to our structure—Investors in and purchasers of the Notes may have limited or no recourse against our independent auditors".

Where to find additional information

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of this offering memorandum and, to the extent provided to the Initial Purchasers by us for such purpose, any related amendments or supplements to this offering memorandum. Each person receiving this offering memorandum and any related amendments or supplements to this offering memorandum acknowledges that:

- (1) such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- (2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its decision to invest in the Notes; and
- (3) except as provided pursuant to (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

Each person receiving this offering memorandum and any related amendments or supplements to this offering memorandum may make a written request to receive a copy of the Intercreditor Agreement. Moreover, for so long as any of the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are not subject to Section 13 or 15(d) under the Exchange Act, nor exempt from reporting thereunder pursuant to Rule 12g3-2(b) of the Exchange Act, make available to any holder or beneficial holder of a Note, or to any prospective purchaser of a Note designated by such holder or beneficial holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act upon the written request of any such holder or beneficial owner. Any such request should be directed to the Registrar. All the above documents will be available at the offices of the Registrar.

We are not currently subject to the periodic reporting and other information requirements of the Exchange Act. However, pursuant to the Indenture and so long as the Notes are outstanding, we will furnish periodic information to holders of the Notes. See “Description of the Notes—Certain Covenants—Reports”.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market thereof, and the rules of that exchange so require, copies of the organizational documents of the Issuer and the Guarantors, our most recent audited consolidated financial statements, the Indenture (which includes the Note Guarantees and the form of the Notes) and the Intercreditor Agreement will be available for review during the normal business hours on any business day at the office of the listing agent. See “Listing and general information—Listing information”.

Enforcement of civil liabilities

The Issuer is a public limited company incorporated in England and Wales and its registered offices are at One Stanhope Gate, London, W1K 1AF. The Guarantors of the Notes are incorporated in and have their respective principal executive offices in Australia, Germany, the Netherlands and the United Kingdom. The directors and executive officers of the Issuer and the Guarantors are not residents of the United States, and all of the assets of the Issuer and the Guarantors and such persons are located outside the United States. It may not be possible for investors to effect service of process within the United States upon the Issuer, a Guarantor or such persons or to enforce against any of the judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States, and there is doubt as to the enforceability in England and Wales, Australia, Germany and the Netherlands of civil liabilities predicated upon the federal securities laws of the United States, either in original actions or in actions for enforcement of judgments of U.S. courts.

England

The United States and England currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in England. In order to enforce any such U.S. judgment in England, proceedings must first be initiated before a court of competent jurisdiction in England. In such an action, the English court would not generally reinvestigate the merits of the original matter decided by the U.S. court (subject to what is described below) and it would usually be possible to obtain summary judgment on such a claim (assuming that there is no good defense to it). Recognition and enforcement of a U.S. judgment by an English court in such an action is conditional upon (among other things) the following:

- the U.S. court having had, at the time when proceedings were served, jurisdiction over the original proceedings according to English rules of international law;
- the U.S. judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a definite sum of money; and
- the U.S. judgment not being for a sum payable in respect of taxes, or other charges of a like nature or in respect of a penalty or fine or otherwise based on a U.S. law that an English court considers to relate to penal, revenue or other public law.

An English court may refuse to enforce such a judgment if the judgment debtor satisfies the court that:

- the U.S. judgment contravenes English public policy;
- the U.S. judgment has been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained, is otherwise specified in Section 5 of the Protection of Trading Interests Act 1980 or is based on measures designated by the Secretary of State under Section 1 of the Act;
- the U.S. judgment has been obtained by fraud or in breach of English principles of natural or substantial justice;
- the U.S. judgment is a judgment on a matter previously determined by an English court or another court whose judgment is entitled to recognition in England or conflicts with an earlier judgment of such court;

the English enforcement proceedings were not commenced within the relevant limitation period; or

- the U.S. judgment was obtained contrary to an agreement for the settlement of disputes under which the dispute in question was to be settled otherwise than by proceedings in a United States court (to whose jurisdiction the judgment debtor did not submit).

Only subject to the foregoing may investors be able to enforce in England judgments that have been obtained from U.S. federal or state courts. Notwithstanding the preceding, we cannot assure you that those judgments will be recognized or enforceable in England. In addition, we cannot assure you whether an English court would accept jurisdiction and impose civil liability if the original action was commenced in England, instead of the United States, and predicated solely upon U.S. federal securities laws.

Australia

While the Australian *Foreign Judgments Act 1991* (Cth) makes provision for the enforcement of certain overseas judgments in Australia, that Act does not apply to United States judgments. In order to enforce a United States judgment in Australia, the judgment creditor must rely on common law principles which can be summarized as follows:

- the U.S. court must have exercised jurisdiction which is recognized by Australia—this requirement will usually be satisfied where the judgment debtor was ordinarily resident or present in the U.S. at the time the proceeding was served, or otherwise voluntarily submitted to the jurisdiction of the U.S. court;
- the U.S. judgment must be final and conclusive, in that it must end the proceeding and the dispute to which the proceeding relates (note: An appeal from the U.S. judgement will generally not affect the question of whether the U.S. judgement is final and conclusive, in the absence of a stay of execution of the judgement.);
- the parties to the U.S. judgment must be identical to the parties to the Australian enforcement proceeding;
- the U.S. judgment must be for a fixed, or readily calculable, sum and not in the nature of a penalty;
- the U.S. judgment must not be wholly satisfied (and enforcement must only be sought to the extent the judgment is not satisfied);
- the enforcement proceeding must have been commenced within any applicable limitation periods; and
- the U.S. judgment must not have been obtained by fraud or duress, contravene public policy, offend against notions of natural justice or fairness, or otherwise be in respect of the same subject matter as an earlier Australian judgment. The Australian Attorney-General may also make a declaration under the Australian *Foreign Proceedings (Excess of Jurisdiction) Act 1984* (Cth) in respect of a U.S. judgment, in which case the judgment will not be enforceable in Australia.

Germany

The United States and Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters.

A final and conclusive judgment for payment of a specific amount of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be enforceable in Germany. It may be recognized and enforced by a separate action of *exequatur* by a competent German court in accordance with the proceedings set forth in the German Code of Civil Procedure (*Civilprozeßordnung*), without review of the merits of the original matter decided by a U.S. court, provided that none of the following applies:

- the relevant U.S. courts did not have jurisdiction in accordance with the principles on jurisdictional competence according to German law;
- the judgment was given in default of appearance and the defendant invokes such default or the defendant was not served with the document which instituted the proceedings properly or within sufficient time to enable him to arrange for his or her defense;
- the judgment is irreconcilable with a judgment given in Germany or a previous, recognizable foreign judgment or the proceedings leading to such judgment are irreconcilable with proceedings that were filed (*rechtshängig*) previously;
- such recognition entails results which are obviously irreconcilable with fundamental principles of German law (*ordre public*), including without limitation, fundamental rights under the constitution of Germany (*Grundrechte*); or
- the reciprocity of enforcement of judgments is not guaranteed.

Enforcement and foreclosure based on U.S. judgments may be sought against German defendants after having received an enforcement decision from a competent German court in accordance with the above principles. Subject to the foregoing, investors may be able to enforce judgments in Germany in civil and commercial matters obtained from U.S. Federal or state courts. However, we cannot assure you that those judgments will be enforceable. In particular, the remedies need to be of a specific kind and type for which an enforcement procedure exists under German law. Also, if

circumstances have arisen after the date on which such foreign judgment became *res iudicata*, a defence against execution may arise.

Although this cannot be excluded on a general basis, it is doubtful whether a German court would assume jurisdiction and impose civil liability in an original action predicated solely upon U.S. Federal securities laws. However, if an original action is brought before a German court, and the court does not decline jurisdiction, the court may apply not only EU and German rules of civil procedure, but also certain substantive provisions of the EU and the German law that are regarded to as mandatory and may refuse to apply U.S. law provisions, particularly those relating to certain remedies, if the relevant application violates German public policy.

Enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization, liquidation or moratorium as well as other similar laws affecting creditor's rights generally.

German courts usually deny the recognition and enforcement of punitive damages or any other damages which do not serve a compensatory purpose, such as treble damages. They are regarded to be in conflict with fundamental principles of German law. Moreover, a German court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages.

German civil procedure differs substantially from U.S. civil procedure in a number of respects. In as far as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may prior to the trial compel the production of documents by adverse or third parties and the deposition of witnesses.

Evidence obtained in this manner may be decisive in the outcome of any proceeding. No equivalent pre-trial discovery process exists under German law.

Listing and general information

Listing information

An application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF Market, in accordance with the rules of that exchange. Notice of any change of control, change in the rate of interest payable on the Notes or optional redemption of the Notes will be published in a Luxembourg newspaper of general circulation (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange, at www.bourse.lu.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the exchange so require, copies of the following documents (together with English translations thereof, as applicable) may be inspected and obtained by holders (free of charge) at the specified office of the listing agent in Luxembourg during normal business hours on any weekday (public holidays excepted):

- the organizational documents of the Issuer;
- the organizational documents of each of the Guarantors;
- the Indenture (which includes the form of the Notes);
- the Intercreditor Agreement and the documents creating the security interests in the Collateral as contemplated by the Indenture;
- the financial statements included in this offering memorandum;
- other material agreements described in this offering memorandum as to which we specify that copies thereof will be made available;
- this offering memorandum; and
- the future financial statements of the Issuer and Bidco which will be prepared on an annual basis.

We accept responsibility for the information contained in this offering memorandum. To the best of our knowledge, the information contained in this offering memorandum is in accordance with the facts and does not omit anything likely to affect the import of this offering memorandum.

Except as disclosed in this offering memorandum:

- there has been no material adverse change in Rose Holdco's consolidated financial position since March 31, 2014; and
- neither we, the Issuer, Bidco nor any of our subsidiaries is a party to any litigation, administrative proceeding or arbitration relating to claims or amounts that are material in the context of the Offering, and, so far as we are aware, no such litigation, administrative proceeding or arbitration is pending or threatened.

The Issuer has appointed Société Générale Securities Services Luxembourg S.A. as our Luxembourg registrar and transfer agent. The Issuer will maintain a registrar and transfer agent in Luxembourg for as long as any of the Notes are listed on the Official List of the Luxembourg Stock Exchange. The Issuer reserves the right to vary such appointment and it will publish notice of such change of appointment in a newspaper having a general circulation in the Grand Duchy of Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange, at www.bourse.lu.

Clearing information

The Notes sold pursuant to Regulation S and the Notes sold pursuant to Rule 144A in the Offering have been accepted for clearance and settlement through the facilities of Euroclear and Clearstream under common codes 102895100 and 102895118, respectively. The international securities identification number (the "ISIN Number") for the Notes sold pursuant to Regulation S is XS1028951009 and the ISIN for the Notes sold pursuant to Rule 144A is XS1028951181.

Issuer legal information

The share capital of the Issuer is £50,000 divided into 50,000 ordinary shares with nominal value of £1.00, of which £0.25 per share is paid up and £0.75 per share remains unpaid.

Boing Group Financing PLC, the “Issuer”, is incorporated as a public limited liability company under the laws of England and Wales on June 9, 2014. The registered office of the Issuer is at One Stanhope Gate, London, W1K 1AF.

The Issuer has obtained all necessary consents, approvals and authorizations in the jurisdiction of its incorporation in connection with the issuance and performance of the Notes. The creation and issuance of the Notes have been authorized by the Issuer’s board of directors on June 25, 2014.

Bidco legal information

The share capital of Bidco is £1 divided into 1 ordinary share with nominal value of £1.00, of which £1.00 per share is paid up.

Boing Acquisitions Limited, is incorporated as a limited company under the laws of England and Wales on June 9, 2014. The registered office of Bidco is at One Stanhope Gate, London, W1K 1AF.

Bidco has obtained all necessary consents, approvals and authorizations in the jurisdiction of its incorporation in connection with the issuance and performance of the Notes. The creation and issuance of the Notes have been authorized by Bidco’s board of directors on June 25, 2014.

Company legal information

The share capital of the Company is £1 divided into 1 ordinary share with nominal value of £1.00, of which £1.00 per share is paid up.

Boing Midco Limited (the “Company”), is incorporated as a limited company under the laws of England and Wales on June 9, 2014. The registered office of the Company is at One Stanhope Gate, London, W1K 1AF.

The Company has obtained all necessary consents, approvals and authorizations in the jurisdiction of its incorporation in connection with the issuance and performance of the Notes. The creation and issuance of the Notes have been authorized by the Company’s board of directors on June 25, 2014.

Rose Holdco legal information

Rose Holdco was incorporated as limited company by shares under the laws of England and Wales. The registered office of Rose Holdco is at 35-37 Amersham Hill, High Wycombe, Buckinghamshire HP13 6NU.

Subsidiary Guarantor legal information

Rose Midco Limited: situated in England and Wales—35-37 Amersham Hill, High Wycombe, Buckinghamshire HP13 6NU.

IMO Car Wash Group Limited: situated in England and Wales—35-37 Amersham Hill, High Wycombe, Buckinghamshire HP13 6NU.

Anduff Holdings Limited: situated in England and Wales—35-37 Amersham Hill, High Wycombe, Buckinghamshire HP13 6NU.

Cleanland Limited: situated in England and Wales—35-37 Amersham Hill, High Wycombe, Buckinghamshire HP13 6NU.

Milburn Productions Limited: situated in England and Wales—35-37 Amersham Hill, High Wycombe, Buckinghamshire HP13 6NU.

Anduff Car Wash Limited: situated in England and Wales—35-37 Amersham Hill, High Wycombe, Buckinghamshire HP13 6NU.

IMO Deutschland Holding GmbH: situated in Germany—Friedrich-Ebert- Strasse 144, 45473 Muelheim an der Ruhr.

TOMAN Handels- und- Beteiligungsgesellschaft mbH & Co KG: situated in Germany—Friedrich-Ebert Strasse 144, 45473 Muelheim an der Ruhr.

TOMAN Handels- und Beteiligungsverwaltungsgesellschaft mbH: situated in Germany—Friedrich-Ebert-Strasse 144, 45473 Muelheim an der Ruhr.

IMO Autopflege GmbH: situated in Germany—Friedrich-Ebert Strasse 144, 45473 Muelheim an der Ruhr.

IMO Autopflege Beteiligungsgesellschaft mbH & Co KG: situated in Germany—Friedrich-Ebert Strasse 144, 45473 Muelheim an der Ruhr.

IPIC B.V.: situated in the Netherlands- 1082 MD Amsterdam, Claude Debussyalaan 24

IMO Group Holdings Pty Ltd: situated in Australia—87-89 Whiting Street, Artarmon NSW 2064

IMO Car Wash Australasia Pty Ltd: situated in Australia—87-89 Whiting Street, Artarmon NSW 2064.

Apart from the the Company and Bidco, which are holding companies, the field of activity of all Subsidiary Guarantors listed above is the conveyor car wash business.

Financial year and accounts

Commencing with the current financial year, our financial year for future financial years begins on January 1 and ends on December 31 of each year. We will prepare and publish annual audited financial statements. Any future published financial statements prepared by the Company will be available, during normal business hours, at our executive offices.

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**Rose HoldCo Limited
and its subsidiary companies**

**Unaudited Interim report and
financial statements**

31 March 2014

Registered in England and Wales number 06892966

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Statement of directors' responsibilities

We confirm that to the best of our knowledge:

- This set of financial statements has been prepared in accordance with the recognition and measurement requirements of UK Generally Accepted Accounting Practice; and
- The financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 December 2013.

Signed
T J Richards
Director

Signed
M A J Smith
Director

26 June 2014

Unaudited consolidated profit and loss account

	Period from 1 January 2014 to 31 March 2014 £'000	Period from 1 January 2013 to 31 March 2013 £'000
Turnover	32,262	33,074
Cost of sales.....	(19,168)	(19,621)
Gross Profit	13,094	13,453
Administrative expenses.....	(8,508)	(7,385)
Operating profit before depreciation, amortisation and share-based remuneration	9,892	10,653
Share-based remuneration	(219)	(35)
Depreciation	(3,537)	(3,000)
Amortisation.....	(1,550)	(1,550)
Operating profit	4,586	6,068
Profit/(loss) on sale of assets	(118)	(68)
Profit on ordinary activities before interest	4,468	6,000
Interest receivable and similar income	55	6
Interest payable and similar charges.....	(3,113)	(3,157)
Profit on ordinary activities before taxation	1,410	2,849
Tax on profit.....	(892)	(1,530)
Profit/(loss) for the period	518	1,319
Minority interest	(24)	(10)
Retained profit/(loss)	494	1,309

Unaudited consolidated balance sheet

	£'000	£'000	£'000	£'000
	31 March 2014	31 March 2014	31 March 2013	31 March 2013
Fixed assets				
Intangible assets		94,934		101,150
Tangible assets		154,040		151,637
Investments.....		726		780
		249,700		253,567
Current assets				
Stocks	6,698		7,780	
Debtors	4,222		4,447	
Current asset investments	50		49	
Cash at bank and in hand.....	13,369		17,748	
	24,339		30,024	
Creditors: amounts falling due within one year ...	(22,464)		(22,918)	
Net current assets/(liabilities)	1,875			7,106
Creditors: amounts falling due after more than				
one year		(164,667)		(166,992)
Provision for deferred tax		(5,275)		(6,126)
Provisions for liabilities and charges.....		(10,009)		(9,423)
Net assets excluding pension liabilities	71,624			78,132
Pension liabilities				
Total defined benefit schemes				
• with net liabilities		(4,418)		(4,433)
Net assets including pension liabilities	67,206			73,699
Capital and reserves				
Called up share capital.....		4		4
Share premium account		82,460		82,460
Profit and loss account.....		(16,731)		(10,014)
		65,733		72,450
Minority interest		1,473		1,249
Equity	67,206			73,699

These financial statements were approved by the board of directors on 26 June 2014 and were signed on its behalf by:

T J Richards
Director

M A J Smith
Director

Unaudited consolidated cash flow statement

	Period from 1 January 2014 to 31 March 2014 £'000	Period from 1 January 2013 to 31 March 2013 £'000
Cash flow from operating activities.....	10,903	12,205
Returns on investments and servicing of finance	(3,795)	(2,945)
Taxation.....	(2,125)	(679)
Capital expenditure and financial investment.....	(4,520)	(1,931)
Cash inflow before management of liquid resources and financing	463	6,650
Management of liquid resources.....	(4)	11
Financing	(44)	(48)
Increase in cash for the period	415	6,613

**Unaudited reconciliation of consolidated operating profit to
consolidated operating cash flow**

	Period from 1 January 2014 to 31 March 2014 £'000	Period from 1 January 2013 to 31 March 2013 £'000
Operating profit	4,586	6,068
Depreciation and amortisation charges	5,087	4,550
Decrease in other provisions and other non-cash operating activities	(119)	(240)
Increase in stocks	(351)	(199)
Decrease in debtors	565	37
Increase in creditors	916	1,954
Charge in respect of share-based remuneration	219	35
Net cash inflow from operating activities	10,903	12,205

Accounting policies

Basis of preparation

This set of financial statements has been prepared in accordance with the recognition and measurement requirements of UK Generally Accepted Accounting Practice.

The financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2013.

The comparative figures for the financial year ended 31 March 2013 are not the Company's statutory accounts for that financial year.

The Board approved the unaudited quarterly financial statements on 26 June 2014.

Going concern

The group collects almost all of its revenues at the time of provision of services while credit terms are available on a substantial part of its costs. As a result the group employs negative working capital (stock plus debtors less creditors) which is a feature of the group's business model. The financial statements have been prepared on a going concern basis. Having considered cash flow forecasts for the foreseeable future, the directors consider that this is the appropriate basis for preparation of the financial statements.

Rose HoldCo Limited
and its subsidiary companies

**Annual report and
financial statements**

31 December 2013

Registered in England and Wales number 06892966

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**Independent auditor's report to the members of
Rose HoldCo Limited**

We have audited the financial statements of Rose HoldCo Limited for the year ended 31 December 2013 set out on pages 15 to 42. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

**Andrew Stevenson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**
Chartered Accountants
Arlington Business Park

Theale
Reading
RG7 4SD

27 March 2014

Consolidated profit and loss account

for the year ended 31 December 2013

	Notes	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Turnover	2	124,477	112,157
Cost of sales.....		(75,803)	(71,812)
Gross profit		48,674	40,345
Administrative expenses.....	3 - 6	(35,615)	(33,193)
Other operating income		—	801
Operating profit before depreciation, amortisation, share based remuneration, directors' incentive scheme and costs of refinancing		36,109	30,436
Share based remuneration.....	6	(495)	(948)
Directors' incentive scheme	3	(249)	—
Costs of refinancing.....	3	(2,254)	(4,574)
Depreciation	11	(13,838)	(11,320)
Impairment	11	(13)	527
Amortisation.....	10	(6,201)	(6,168)
Operating profit before exceptional items		13,059	7,953
Loss on sale of fixed assets	3	(1,914)	(87)
Profit on ordinary activities before interest		11,145	7,866
Interest receivable and similar income	7	46	595
Interest payable and similar charges.....	8	(13,715)	(12,312)
Loss on ordinary activities before taxation	3	(2,524)	(3,851)
Tax on loss on ordinary activities.....	9	(3,299)	(1,705)
Loss on ordinary activities after taxation		(5,823)	(5,556)
Equity minority interests		(210)	(107)
Loss for the year		(6,033)	(5,663)

There is no difference between the group's results as reported and on an historical cost basis. Accordingly no note of historical cost profit and loss has been prepared.

Consolidated balance sheet

at 31 December 2013

	Notes	£'000	£'000	£'000	£'000
		<u>31 December 2013</u>		<u>31 December 2012</u>	
Fixed assets					
Intangible assets (including negative goodwill (£936,000) 2012: £(995,000)).....	10	96,488		102,678	
Tangible assets	11	154,441		148,452	
Investments.....	12	687		756	
		251,616		251,886	
Current assets					
Stocks	13	6,352		7,359	
Debtors (including £32,000 due after one year 2012: £38,000).....	14	4,524		4,428	
Current asset investments		46		58	
Cash at bank and in hand.....		13,188		10,877	
		24,110		22,722	
Creditors: amounts falling due within one year	15	(23,752)		(20,222)	
Net current assets		358		2,500	
Total assets less current liabilities		251,974		254,386	
Creditors: amounts falling due after more than one year					
.....	16	(165,215)		(162,127)	
Provision for deferred tax	17	(6,049)		(5,893)	
Provisions for liabilities and charges ...	18	(10,038)		(9,122)	
Net assets excluding pension liabilities		70,672		77,244	
Pension liabilities					
Total defined benefit schemes:					
• with net liabilities	19,23	(4,448)		(4,317)	
Net assets including pension liabilities		66,224		72,927	
Capital and reserves					
Called up share capital.....	20	4		4	
Share premium account	21	82,460		82,460	
Profit and loss account.....	21	(17,689)		(10,776)	
		64,775		71,688	
Minority interests	24	1,449		1,239	
Equity		66,224		72,927	

These financial statements were approved by the board of directors on 27 March 2014 and were signed on its behalf by:

T J Richards
Director

M A J Smith
Director

Company balance sheet

at 31 December 2013

	Notes	£'000	£'000	£'000	£'000
		31 December 2013		31 December 2013	31 December 2012
Fixed assets					
Tangible assets	11	220			4
Investments.....	12		82,703		82,703
			82,923		82,707
Current assets					
Debtors	14	16,761		13,213	
Cash at bank and in hand.....		674		257	
		17,435		13,470	
Creditors: amounts falling due within one year					
one year	15	(26,025)		(19,003)	
Net current liabilities			(8,590)		(5,533)
Net assets			74,333		77,174
Capital and reserves					
Called up share capital.....	20	4			4
Share premium account	21		82,460		82,460
Profit and loss account.....	21		(8,131)		(5,290)
Equity			74,333		77,174

The loss of the parent company for the year was £3,276,000 (2012: loss of £3,771,000) which is derived from continuing operations.

These financial statements were approved by the board of directors on 27 March 2014 and were signed on its behalf by:

T J Richards
Director

M A J Smith
Director

Consolidated cash flow statement
for the year ended 31 December 2013

	Notes	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Cash inflow from operating activities.....	26	35,056	24,586
Returns on investments and servicing of finance	27	(11,172)	(9,184)
Taxation.....	27	(1,940)	(3,817)
Capital expenditure and financial investment.....	27	(19,256)	(6,135)
Acquisitions and disposals	27	—	(43)
Cash inflow before management of liquid resources and financing		2,688	5,407
Management of liquid resources.....	27	14	12
Financing	27	(420)	(7,368)
Increase/(decrease)/ in cash in the year		2,282	(1,949)

Reconciliation of net cash flow to movement in net debt

for the year ended 31 December 2013

	Notes	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Increase/(decrease) in cash in the year		2,282	(1,949)
Cash outflow from decrease in debt	28	420	7,377
Cash inflow from increase in liquid resources.....	28	(14)	(12)
Change in net debt resulting from cash flows.....		2,688	5,416
Acquisition of subsidiary undertakings		—	—
Translation differences		(2,706)	2,637
Other non cash items		(719)	(171)
New finance leases		(104)	(15)
Movements in net debt in the year		(841)	7,867
Net debt at the start of the year.....	28	(151,108)	(158,975)
Net debt at the end of the year.....	28	(151,949)	(151,108)

Reconciliation of movement in shareholders' funds

for the year ended 31 December 2013

	Group Year ended 31 December 2013 £'000	Company Year ended 31 December 2013 £'000	Group Year ended 31 December 2012 £'000	Company Year ended 31 December 2012 £'000
Loss for the year	(6,033)	(3,276)	(5,663)	(3,771)
Actuarial losses on pension scheme liabilities	(18)	—	(494)	—
Deferred tax movement on actuarial losses.....	6	—	161	—
Credit in respect of share-based remuneration.	495	435	948	799
Issue of ordinary shares	—	—	9	9
Foreign exchange adjustment on consolidation.....	<u>(1,363)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net decrease in shareholders' funds	(6,913)	(2,841)	(5,039)	(2,963)
Opening shareholders' funds	<u>71,688</u>	<u>77,174</u>	<u>76,727</u>	<u>80,137</u>
Closing shareholders' funds	<u>64,775</u>	<u>74,333</u>	<u>71,688</u>	<u>77,174</u>

Consolidated statement of total recognised gains and losses

for the year ended 31 December 2013

Group	Notes	Year ended	
		31 December 2013	31 December 2012
		£'000	£'000
Loss for the year		(6,033)	(5,663)
Actuarial losses on pension scheme liabilities.....	23	(18)	(494)
Deferred tax movement on actuarial losses on pension scheme liabilities		6	161
Credit in respect of share-based remuneration		495	948
Foreign exchange adjustment on consolidation.....		(1,363)	—
Total recognised gains and losses for the year		(6,913)	(5,048)

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards applied consistently throughout the year. The directors consider that the accounting policies are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates. In accordance with FRS 8, transactions or balances between group entities that have been eliminated on consolidation are not reported. Under section 408(3) of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Going concern

The group collects almost all of its revenues at the time of provision of services while credit terms are available on a substantial part of its costs. As a result the group employs negative working capital (stock plus debtors less creditors) which is a feature of the group's business model. The financial statements have been prepared on a going concern basis. Having considered cash flow forecasts for the foreseeable future, the directors consider that this is the appropriate basis for preparation of the financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings for the year ended 31 December 2013. The acquisition method of accounting has been adopted.

Goodwill

Goodwill on consolidation represents the excess of the fair value of consideration given and acquisition costs over the fair value of the separable net assets acquired. In accordance with FRS10, goodwill is amortised over its estimated useful economic life, being 20 years. The useful economic lives are periods over which the directors estimate the value of the underlying businesses to exceed the value of the underlying assets.

Goodwill is assessed for impairment by comparing the carrying value of the asset to its recoverable amount, which is the higher of its net realisable value and value in use. The value in use of the group has been established by discounting the group's future cash flows at the group's weighted average cost of capital. Any impairment loss is recognised immediately in the group's consolidated profit and loss account.

Negative goodwill up to the fair values of the non-monetary assets acquired is recognised in the consolidated profit and loss account in the periods in which the non-monetary assets are recovered. Any negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised in the profit and loss account in the periods expected to be benefited.

Intellectual property

Purchase by the group of patents relating to the design of car washes are amortised on a straight-line basis over their estimated useful economic lives, being 20 years. Where representing a foreign currency asset, patents and accumulated amortisation are retranslated to the closing rate at year end.

Post-retirement benefits

The group operates several defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Toman Handels- und Beteiligungsgesellschaft mbH & Co KG operates a defined benefit scheme in Germany which is closed to new members. In line with common German practice, the scheme is unfunded; therefore no assets exist and the funding deficit represents the present value of the scheme liabilities.

The pension scheme deficit is recognised in full. The movement in the scheme deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on a straight-line basis on all tangible fixed assets in use at rates calculated to write off the cost of each asset less any estimated residual value over its estimated useful life as follows:

Freehold and long leasehold land	no depreciation provided
Short leasehold land and structures	the term of the lease
Site structures	7 - 35 years or lease term if less
Car wash equipment	20 years
Assets in the course of construction	no depreciation provided
Motor vehicles and office equipment	<u>5 years</u>

For the purpose of determining impairment losses, each site is considered to be an income-generating unit under FRS 11. Future cash flows are estimated based on the remaining lease period for short leasehold sites and the estimated remaining economic life for freehold and long leasehold sites.

Restoration and other provisions

A provision is recognised when the directors consider that there is a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If these conditions are not met, no provision is recognised.

Provisions are measured at the value of the expenditures expected to be required to settle the obligation. Provision for the cost of restoring leased sites to their original state upon expiry of the lease is made to the extent that it is measurable. Such cost is capitalised at the beginning of the lease and is depreciated over each site's remaining useful economic life.

Capitalisation of incremental internal costs

The group designs and develops car wash equipment for use in its business. The associated costs are capitalised and allocated to individual fixed assets as they are installed.

Certain incremental internal costs are capitalised as part of the cost of tangible fixed assets when new sites are opened and when substantial economic enhancement is made to existing sites through renovation or upgrading. These costs include some salary costs of the employees involved in these activities as set out in note 6.

Stocks

Stocks are valued on a first-in first-out basis and are stated at the lower of cost and net realisable value.

Investments

In the company's financial statements investments in subsidiary undertakings are stated at cost less amounts written off. Investments are assessed for impairment by comparing the value of the asset to its recoverable amount, which is the higher of its net realisable value and value in use. The value in use of the investment has been established by discounting the investment's cash flows at the investment's weighted average cost of capital.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account.

The assets and liabilities of foreign subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

To the extent that foreign borrowings have been used to finance group investments, investments in foreign enterprises or to provide a hedge against exchange risk, exchange gains or losses on foreign currency borrowings are offset against exchange differences on the re-translation of net investments.

Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the obligation is charged to the profit and loss account over the period of the agreement and represents a constant proportion of the balance of repayments outstanding. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the life of the lease.

Taxation

The charge for taxation is based on the profit/loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for all deferred tax timing differences in accordance with FRS 19. Deferred tax assets are not recognised unless it is considered that it is more likely than not they will be recovered.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of car washing and ancillary services to third party customers.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable within 24 hours, less overdrafts payable on demand.

Current asset investments

Current asset investments represent deposits repayable after more than 24 hours.

Interest-bearing borrowings

Debt is stated at the fair value of the consideration received. The finance cost of the debt is allocated to periods over the term of the debt at a variable rate in accordance with the terms of issue.

Employee Share Ownership Trust

Transactions of the company-sponsored ESOT are treated as being those of the company and are therefore reflected in the parent company and group financial statements.

Share based remuneration

In accordance with FRS 20, the fair value of rights granted to the company's equity is recognised as an employee expense with a corresponding increase in equity. The expense is spread over the period between grant date and the estimated date by which the rights will become exercisable.

2 Turnover

An analysis of revenue from external customers by location of customer for the year is as follows:

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Germany	56,249	48,280
United Kingdom	36,542	33,722
Belgium, Netherlands and Luxembourg	6,713	6,652
France	6,308	6,362
Hungary, Czech Republic and Poland	5,210	4,583
Austria	4,578	4,005

Spain and Portugal.....	3,820	3,963
Australasia	4,639	4,060
Rest of world	418	530
	124,477	112,157

3 Loss on ordinary activities before taxation

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
<i>Loss on ordinary activities before taxation is stated after charging/(crediting):</i>		
Impairment / (reversal of) of tangible fixed assets (note 11).....	13	(527)
Depreciation and other amounts written off tangible fixed assets—owned (note 11)	13,700	11,207
Depreciation and other amounts written off tangible fixed assets—leased (note 11)	138	113
Amortisation of goodwill and other intangible fixed assets (note 10).....	6,201	6,168
Gain on disposal of fixed assets	(183)	(1,075)
Loss on disposal of fixed assets.....	2,097	1,162
Exceptional costs of refinancing.....	2,254	4,574
Hire of land and buildings—operating leases.....	19,028	18,434
Hire of other assets—operating leases.....	898	801

Loss on ordinary activities before taxation for the year ended 31 December 2012 includes £948,000 relating to the release of an accrual recognised as part of the net assets acquired from the administrator of Bluebrook Limited in 2009 and relating to an indemnity issued by certain members of the group to certain members of the predecessor group headed by Bluebrook Limited. During that year the liquidators of Bluebrook Limited and Spirecove Limited confirmed their acknowledgment that the indemnity had expired.

Payments under the directors' incentive scheme in respect of 2013 of £249,000 have been accrued in 2013 and will be made in 2014. There were no payments under the directors' incentive scheme in respect of 2012.

The exceptional costs of refinancing relate primarily to fees and taxes paid to or on behalf of the lenders prior to the refinancing, fees paid to legal advisors and the group's auditors, and bonuses paid in connection with the new lending facility entered into during the year as set out in note 16.

4 Auditors' remuneration

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Audit of these financial statements.....	83	96
Amounts receivable by auditors and their associates in respect of:		
• Audit of financial statements of subsidiaries pursuant to legislation	205	199
• Services relating to taxation	211	192
• Services relating to corporate finance transactions entered into or proposed to be entered into by or on behalf of the company or the group	—	337

Of the fees for services relating to corporate finance transactions in the year ended 31 December 2012, £336,000 relates to the refinancing referred to in note 3 and is included in the £4,574,000 exceptional costs of refinancing in that year.

5 Remuneration of directors

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Directors' emoluments	910	915
Bonuses paid in connection with establishment of new lending facility	855	—

Amounts receivable under long term incentive schemes.....	563	644
Pension contributions	228	192
	2,556	1,751

The emoluments of the highest paid director were £1,107,806 (2012: £599,651) including £400,000 (2012: £nil) bonus paid in connection with establishment of new lending facility and £253,168 (2012: £241,307) receivable under long term incentive schemes. The pension contributions of the highest paid director were £51,000 (2012: £90,000). Contributions were made to defined contribution and personal pension schemes in respect of three directors (2012: *three*). The highest paid director did not exercise any share options during either year nor were any shares received or receivable by that director in respect of qualifying services under a long term incentive scheme (2012: £nil).

6 Staff numbers and costs

During the year ended 31 December 2013 and the year ended 31 December 2012, the average number of persons employed by the group (including directors), analysed by category, was as follows:

	Year ended 31 December 2013 Number of employees	Year ended 31 December 2012 Number of Employees
Production and assembly operators	35	36
Car wash site operators.....	13	13
Administration.....	170	166
Technical	46	45
	264	260

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Wages and salaries	11,905	10,114
Share-based remuneration	495	948
Social security costs	1,997	1,756
Other pension costs.....	248	126
	14,645	12,944

These costs include costs that have been capitalised in accordance with the group's accounting policy on capitalisation of incremental internal costs as set out in note 1. The company had no employees during the year.

7 Other interest receivable and similar income

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Bank interest receivable	46	61
Net foreign exchange gain.....	—	534
	46	595

8 Interest payable and similar charges

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Interest on institutional loans and overdrafts.....	11,597	11,505
Interest element of finance lease payments	68	67
Other finance costs:		
– interest charge on pension liabilities	165	184
– unwinding of discount on restoration provision	398	382
– indexation of discounted onerous lease provision	(8)	3
– amortisation of debt issue costs	719	171
Foreign exchange losses	776	—
	13,715	12,312

9 Taxation

Analysis of charge in year

	£'000	£'000	£'000	£'000
	Year ended 31 December 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2012
<i>UK corporation tax</i>				
Current tax on income for the year	12	8	—	—
Double taxation relief	(12)	—	(8)	—
<i>Foreign tax</i>				
Current tax on income for the year	3,587	2,257	—	—
Adjustment in respect of prior period.....	(321)	(1,073)	—	—
Total current tax	3,266	1,184	—	—
<i>Deferred tax (see note 17)</i>				
Origination and reversal of timing differences	33	528	—	—
Effect of increases and decreases in tax rates	—	(7)	—	—
Total deferred tax	33	521	—	—
Tax on loss on ordinary activities.....	3,299	1,705	—	—

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2012: *higher*) than the standard UK corporation tax rate of 23.25% (2012: 24.5%). The differences are explained below.

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Current tax reconciliation		
Loss on ordinary activities before tax.....	(2,524)	(3,851)
Current tax at 23.25% (2012: 24.5%).....	(587)	(943)
<i>Effects of:</i>		
Non-taxable translation gains or losses	(21)	218
Other expenses not deductible for tax purposes (primarily goodwill amortisation).....	2,110	2,598
Capital allowances for period in excess of depreciation.....	877	58
Other timing differences.....	(191)	13
Addition to/ (utilisation) of tax losses	566	(114)
Different tax rates in foreign countries	833	427
Adjustment in respect of prior period.....	(321)	(1,073)
Total current tax charge (see above).....	3,266	1,184

Factors that may affect future current and total tax charges

New tax legislation in the countries in which the group operates may affect future current and total tax charges.

10 Intangible fixed assets

Group	Patents £'000	Goodwill £'000	Negative goodwill £'000	Total £'000
Cost				
At beginning of year.....				
At beginning of year.....	1,337	123,912	(1,092)	124,157
Exchange adjustment.....	34	—	(8)	26
At end of year.....	1,371	123,912	(1,100)	124,183
<i>Amortisation</i>				
At beginning of year.....	629	20,947	(97)	21,479
Charged in year	70	6,198	(67)	6,201
Exchange adjustment.....	15	—	—	15
At end of year.....	714	27,145	(164)	27,695
<i>Net book value</i>				
At 31 December 2013.....	657	96,767	(936)	96,488
<i>Net book value</i>				
At 31 December 2012.....	708	102,965	(995)	102,678

The negative goodwill arose on the acquisition of 79.625% of the share capital of IMO Group Holdings Ply Ltd during the year ended 31 December 2011. The fair value of patents is the book value on acquisition since the directors consider this to represent replacement cost.

Positive goodwill and patents are amortised over a useful economic life of 20 years. Negative goodwill is amortised over the period during which the non-monetary assets are recovered. Where representing a foreign currency asset, patents are retranslated to the closing rate at the year end.

11 Tangible fixed assets

Group	Land £'000	Buildings £'000	Equipment and machinery £'000	Assets in course of construction £'000	Other £'000	Total £'000
Cost						
At beginning of year.....						
At beginning of year.....	50,475	177,783	115,394	402	3,159	347,213
Additions during the year	207	10,952	10,285	1,418	260	23,122
Transfers between categories.....	—	(195)	548	(353)	—	—
Disposals	(3,010)	(4,664)	(7,620)	(8)	(68)	(15,370)
Exchange adjustment.....	621	432	2,057	(67)	(18)	3,025
At end of year.....	48,293	184,308	120,664	1,392	3,333	357,990
<i>Depreciation</i>						
At beginning of year.....	1,203	119,491	75,486	—	2,581	198,761
Charge for year	41	7,913	5,653	—	231	13,838
Impairment (reversal)/charge	—	(521)	534	—	—	13
Disposals	(6)	(4,422)	(6,663)	—	(54)	(11,145)
Exchange adjustment.....	14	767	1,293	—	8	2,082
At end of year.....	1,252	123,228	76,303	—	2,766	203,549
<i>Net book value</i>						
At 31 December 2013.....	47,041	61,080	44,361	1,392	567	154,441
<i>Net book value</i>						
At 31 December 2012.....	49,272	58,292	39,908	402	578	148,452

The net book value of land and buildings comprises:

	31 December 2013 £'000	31 December 2012 £'000
Freehold.....	55,756	56,392
Long leasehold	6,965	7,174
Short leasehold	45,400	43,998
	108,121	107,564

Included in freehold and leasehold land is an amount of £46,748,000 (2012: £49,172,000) relating to freehold and long leasehold land on which no depreciation is charged. Included in the net book value of buildings is an amount of £753,000 (2012: £790,000), after charging depreciation of £138,000 (2012: £106,000) and crediting impairment reversal of £(70,000) (2012: £(57,000)) during the year, relating to buildings held under finance leases.

Impairment of car wash sites is calculated by reference to the present value of expected future cash flows, using discount rates of 9.33% (2012: 9.44%) for sites in the UK, 9.29% (2012: 9.36%) for sites in mainland Europe, and 9.29% (2012: 9.36%) for sites in Australia.

Company

	Leasehold improvements £'000	Office equipment £'000	Total £'000
Cost			
At beginning and end of year	—	12	12
Additions during the year	200	21	221
At end of year	200	33	233
Depreciation			
At beginning of year	—	8	8
Charge for the year	1	4	5
At end of year	1	12	13
Net book value at 31 December 2013	199	21	220
Net book value at 31 December 2012	—	4	4

12 Fixed asset investments

	Deposits and guarantees £'000	Other investments £'000	Total £'000
Group			
Cost			
At beginning of year	565	191	756
Acquisitions	25	39	64
Disposals	(33)	(115)	(148)
Exchange adjustments	8	7	15
At end of year	565	122	687

The undertakings in which the group's interest at the year end is more than 20% are shown below. All subsidiaries are held indirectly apart from Rose Finance Co PLC and Rose MidCo Limited. All of the companies below are included in the consolidation.

Subsidiary undertakings	Country of incorporation	Principal activity	Group	Company Percentage of ordinary shares held
AML (Automobilove myci linky, spol SRO)	Czech Republic	Car wash operator	100.0%	—
Anduff Car Wash Limited	UK	Car wash operator	100.0%	—
Anduff Holdings Limited	UK	Holding company	100.0%	—
Artego Autowasch- und Servicegesellschaft mbH	Austria	Car wash operator	100.0%	—
Brossecar Industria e Com. de Escovas Auto Lda.....	Portugal	Car wash brush assembler	100.0%	—
Cleanland Limited	UK	Property holding company	100.0%	—
Compagnie Parisienne de Services SAS.....	France	Car wash operator	100.0%	—
IMO Autolavados SA and subsidiaries.....	Spain	Car wash operator	100.0%	—
IMO-Auto-Lavagens SA	Portugal	Car wash operator	100.0%	—
IMO Autopflege GmbH	Germany	Car wash operator	100.0%	—
IMO Car Wash Australasia Pty Ltd.....	Australia	Car wash operator	79.6%	—
IMO Car Wash BV	Netherlands	Property holding company	100.0%	—
IMO Deutschland Holding GmbH	Germany	Holding company	100.0%	—
IMO Group Holdings Pty Ltd.....	Australia	Holding company	79.6%	—
IMO Hungary Autómosó Kft	Hungary	Car wash operator	100.0%	—
IMO Polska Sp. z. o. O	Poland	Car wash operator	100.0%	—
IPIC BV	Netherlands	Holding company	100.0%	—
IPIC Luxembourg Sarl	Luxembourg	Car wash operator	100.0%	—
IPIC Nederland BV	Netherlands	Car wash operator	100.0%	—
Le Roseau SA	Luxembourg	Holding company	100.0%	—
Manufacture des Brosses du Marais Poitevin SAS.....	France	Car wash brush producer	100.0%	—
Milburn Productions Limited	UK	Property holding company	100.0%	—
Neptune Benelux SA	Belgium	Property holding company	100.0%	—
Rose FinanceCo PLC	UK	Dormant	100.0%	100.0%
Rose MidCo Limited	UK	Holding company	100.0%	100.0%
SNC IMO France.....	France	Property holding company	100.0%	—
Sodeal SA	Belgium	Car wash operator	100.0%	—
Toman Handels- und Beteiligungsverwaltungs- GmbH	Germany	Holding company	100.0%	—
Topas Chemie GmbH	Germany	Dormant	100.0%	—

The group has 100% partnership interests in Toman Handels- und Beteiligungsgesellschaft mbH & Co KG (Germany) and IMO Autopflege Beteiligungsgesellschaft mbH & Co KG (Germany).

Company	Shares in group undertakings 31 December 2013 £'000
Cost	
At beginning and end of year	82,703
Net book value at 31 December 2013 and 2012.....	82,703

13 Stocks

	Group 31 December 2013 £'000	Group 31 December 2012 £'000
Equipment and spare parts.....	5,080	5,723
Production inventory	476	552
Consumables	796	1,084
	6,352	7,359

The book value of stocks is not materially different from replacement cost.

14 Debtors

	Group 31 December 2013 £'000	Company 31 December 2013 £'000	Group 31 December 2012 £'000	Company 31 December 2012 £'000
Trade debtors.....	1,082	—	809	—
Current accounts—operators	1,098	—	934	—
Amounts due from group undertakings	—	16,761	—	13,213
Corporation tax recoverable	70	—	120	—
Prepayments and accrued income.....	2,074	—	2,096	—
VAT.....	161	—	437	—
Other debtors	39	—	32	—
	4,524	16,761	4,428	13,213

Total group debtors include prepayments of £32,000 (2012: £38,000) in respect of periods more than one year in the future.

15 Creditors: amounts falling due within one year

	Group 31 December 2013 £'000	Company 31 December 2013 £'000	Group 31 December 2012 £'000	Company 31 December 2012 £'000
Trade creditors.....	5,309	102	5,877	764
Amounts due to group undertakings	—	25,501	—	17,657
Obligations under finance leases	176	—	179	—
Corporation tax.....	3,098	—	1,822	—
Other taxation and social security	1,315	65	775	62
Accruals and deferred income	13,785	357	11,480	520
Other creditors.....	69	—	89	—
	23,752	26,025	20,222	19,003

16 Creditors: amounts falling due after more than one year

	Group 31 December 2013 £'000	Group 31 December 2012 £'000
Institutional loans	163,973	160,757
Obligations under finance leases	1,034	1,107
Other creditors.....	208	263
	165,215	162,127

Analysis of institutional loans and obligations under finance leases

Debt is analysed as follows:

Falling due between one and two years		
Falling due between two and five years	166,898	164,179
Debt issuance costs (£3,593,000 amortised over 5 years)	(2,925)	(3,422)
	163,973	160,757
Obligations under finance leases fall due as follows:		
Between one and two years	214	212
Between two and five years	526	529
Over five years	517	609
	1,257	1,350
Less: future finance charges	(223)	(243)
	1,034	1,107

Institutional loans and financing

On 5 October 2012 the group entered into financing arrangements under which the previous senior debt was repaid in full and a new five year facility was issued in sterling (£42,000,000) and euros (€7,293,252). The new senior debt is repayable on the 5 October 2017 or on a second change of control. The debt is non-amortising. The margin on the senior debt for both currencies is LIBOR or EURIBOR plus 7.50%, subject to a minimum LIBOR or EURIBOR of 1.25%. As at 31 December 2013 the senior debt outstanding was £42,000,000 and €7,293,252 (2012: £42,000,000 and €9,293,252). Interest on the senior debt is payable at one-, two-, three- or six monthly intervals at the company's choice.

The terms of the new senior debt required certain terms and conditions of the existing second lien debt to be modified. The margin of 0.5% on the second lien debt was not changed, but the repayment date was changed to 5 April 2018. Completion of the modified terms of the second lien, to which all second lien holders consented, was on 18 March 2013. As at 31 December 2013 the outstanding second lien debt was £14,839,779 and €5,083,907 (2012: £14,839,779 and €35,083,907). Under the modified terms interest is payable at six monthly intervals.

On 12 December 2012 an interest rate cap was purchased which limits the LIBOR and EURIBOR cost elements of £28,000,000 and €65,000,000 of the group's debt to 2.00% until 5 January 2016.

Prior to 5 October 2012 the financing arrangements entered into on 13 August 2009 remained in place, under which senior and second lien debt were issued in sterling (£61,008,000) and euros (€144,234,000). The amounts of sterling and euro senior debt which were due and repaid as at 5 October 2012 were £39,493,243 and €33,368,743 respectively.

Interest on the senior loans in place until 5 October 2012 was charged at 7.25% over LIBOR for sterling denominated loans and 7.25% over EURIBOR for euro denominated loans. Interest was payable at one-, two-, three- or six monthly intervals at the company's choice or at other intervals of less than six months agreed between the company and the lenders. An interest rate cap and collar swap was in place which hedged the LIBOR and EURIBOR cost elements of the senior and second lien debt in full until 11 September 2012 at between 1.76% and 4.20% for sterling and 1.20% and 3.80% for the euro.

Institutional loans are secured by a fixed and floating charge over the assets of the group.

17 Provisions for deferred tax liability

	£'000	£'000	£'000	£'000
	Group	Group	Group	Group
	31 December 2013	31 December 2013	31 December 2012	31 December 2012
At beginning of year		5,893		5,525
Charge/(credit) to the profit and loss for the year:				
Additional amounts provided		417		1,091
Unwinding of previously provided amount		(384)		(563)
Deferred tax charge added to pension deficit		(28)		—
Effect of tax rate change		—		(7)
		5		521
Exchange differences		151		(153)
At end of year		6,049		5,893

In addition to the amounts shown above there are unprovided deferred tax assets of £11,561,000 (2012: £11,053,000). These amounts are unprovided because it is considered more unlikely than likely that the assets will be realised.

The elements of the deferred taxation provision are as follows:

	Provided £'000 Group 31 December 2013	Unprovided £'000 Group 31 December 2013	Provided £'000 Group 31 December 2012	Unprovided £'000 Group 31 December 2012
Difference between accumulated depreciation and amortisation and capital allowances.....	6,617	(5,243)	6,998	(5,560)
Other timing differences.....	(111)	(434)	(579)	(434)
Tax losses	(457)	(5,884)	(526)	(5,059)
	6,049	(11,561)	5,893	(11,053)

New tax legislation in the countries in which the group operates may affect the future value of deferred tax assets and liabilities.

The main rate of UK corporation tax was reduced to 24% with effect from 1 April 2012 and further to 23% from 1 April 2013. These tax changes became substantively enacted on 26 March 2012 and 3 July 2012 respectively.

The main rate of UK corporation tax will be further reduced to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes were enacted in the Finance Act 2013 in July 2013.

The effect of these rate reductions on the deferred tax balances has been included in the figures above.

18 Provisions for liabilities and charges

Group	Legal dispute £'000	Restoration provision £'000	Other provisions £'000	Total £'000
At beginning of year.....	1,677	5,071	2,374	9,122
Utilised during year	(3)	(403)	(370)	(776)
(Credit)/charge for the year	(21)	926	276	1,181
Interest.....	—	398	(8)	390
Exchange difference	29	77	15	121
At end of year.....	1,682	6,069	2,287	10,038

The amount provided for legal disputes relates to claims against the group incurred in the normal course of business. The restoration provision relates to the estimated costs of restoring leased sites to their original state upon expiry of the leases. Other provisions relate primarily to future payments under onerous leases. To reflect the time value of money significant provisions are discounted at the present rate of inflation.

The expected utilisation of the provisions is as follows:

	Legal dispute £'000	Restoration provision £'000	Other provisions £'000	Total £'000
Within one year	49	187	347	583
Within two to three years	—	327	677	1,004
Within four to five years.....	—	418	386	804
Within five to ten years	544	812	486	1,842
After more than ten years	1,089	4,325	391	5,805
	1,682	6,069	2,287	10,038

19 Pension liabilities

Group	31 December 2013 £'000	31 December 2012 £'000
At beginning of year.....	4,317	4,098
Utilised during the year	(247)	(233)
Credit for the year.....	82	549
Interest.....	165	184

Deferred tax charge/(credit).....	22	(161)
Exchange difference	109	(120)
At end of year.....	4,448	4,317

Further disclosure on the movements during the year on the pension provision appears in note 23.

20 Called up share capital

	31 December 2013 £	31 December 2012 £
<i>Authorised</i>		
Equity: 438,750,000 'A' ordinary shares of £0.00001 each.....	4,388	4,388
Equity: 11,250,000 'B' ordinary shares of £0.00001 each.....	112	112
Equity: 866,968 'C' ordinary shares of £0.00001 each.....	9	9
	4,509	4,509
<i>Allotted, called up and fully paid</i>		
Equity: 438,750,000 'A' ordinary shares of £0.00001 each.....	4,388	4,388
Equity: 9,738,990 'B' ordinary shares of £0.00001 each.....	97	95
Equity: 866,968 'C' ordinary shares of £0.00001 each.....	9	9
	4,494	4,492

The 'A', 'B' and 'C' ordinary shares are voting shares and carry the same rights to voting and income. In the event of a 'valuation event', as defined in the company's articles of association (for example a listing of the shares on a recognised stock exchange), a proportion of the 'A' ordinary shares could be redesignated as non-equity 'deferred shares' according to calculations based on the circumstances at the time. Deferred shares are non-voting, not entitled to any dividend or distribution, redeemable only at the company's behest and in the event of a return of assets entitled only to the amount paid up on the shares after repayment of the capital paid up on the ordinary shares and after the payment of £10,000,000 on each ordinary share. Until 31 December 2014 the 'B' ordinary shares are subject to 'bad leaver' provisions, as set out in the company's articles of association, which require the shares to be transferred in defined circumstances.

During the year ended 31 December 2012 a further 225,000 'B' ordinary shares of £0.00001 each were issued for consideration of £9,000. The premium on issue of £8,998 was credited to the share premium account.

21 Share premium and reserves

Group	Share premium account £'000	Profit and loss account £'000
At beginning of year.....	82,460	(10,776)
Loss for the year.....	—	(6,033)
Actuarial losses on pension scheme liabilities.....	—	(18)
Deferred tax movement on actuarial losses	—	6
Credit in respect of share-based remuneration	—	495
Exchange movement on consolidation	—	(1,363)
At end of year.....	82,460	(17,689)
Company		
At beginning of year.....	82,460	(5,290)
Loss for the year.....	—	(3,276)
Credit in respect of share-based remuneration	—	435
At end of year.....	82,460	(8,131)

22 Commitments

At the end of the year the group had capital commitments of £nil (2012: £nil) for which provision has been made and of £3,738,000 (2012: £1,359,000) for which no provision has been made. The company had no capital commitments (2012: £nil).

The group's annual commitments under non-cancellable operating leases are as follows:

	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
	31 December 2013		31 December 2012	
Operating leases which expire:				
Within one year	2,438	226	1,791	206
Within two to five years	6,726	616	6,671	585
After more than five years	8,938	5	9,428	15
	18,102	847	17,890	806

The company has no non-cancellable operating lease commitments (2012: £nil).

23 Pension schemes

The group operates several defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £67,000 (2012: £53,000). At the end of the year there were £8,000 (2012: £6,000) of outstanding contributions. There were no prepaid contributions at the end of the year (2012: £nil). In addition contributions amounting to £117,000 (2012: £18,000) were made to personal pension schemes.

Toman Handels- und Beteiligungsgesellschaft mbH & Co KG and its subsidiaries operate a defined benefit scheme in Germany. A full actuarial valuation was carried out at 31 December 2013 by a qualified independent actuary. The funding deficit as at 31 December 2013 was £4,947,000 (2012: £4,824,000). In line with common German practice, the scheme is unfunded; therefore no assets exist and the funding deficit represents the present value of the scheme liabilities.

The major assumptions used in this valuation were:

	31 December 2013 %	31 December 2012 %
Rate of increase in pensions in payment.....	1.50	1.50
Discount rate applied to pensions in payment	3.30	3.00
Discount rate applied to deferred pensions.....	3.90	4.10
Inflation assumption	—	—

The actuarial valuation was not affected by assumptions for increases in salaries or general inflation since such factors do not change the pension amounts for which the scheme is liable.

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Scheme assets

The fair value of the scheme's assets and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Value at 31 December 2013 £'000	Value at 31 December 2012 £'000	Value at 31 December 2011 £'000	Value at 31 December 2010 £'000	Value at 31 December 2009 £'000
Total market value of assets	—	—	—	—	—
Present value of scheme liabilities.....	(4,947)	(4,824)	(4,454)	(4,403)	(3,699)
Deficit in the scheme—pension liability.....	(4,947)	(4,824)	(4,454)	(4,403)	(3,699)

Related deferred tax asset.....	499	507	356	319	99
Net pension liability	(4,448)	(4,317)	(4,098)	(4,084)	(3,600)

Movement in deficit during the year

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Deficit in scheme at beginning of year	(4,824)	(4,454)
Current service cost	(64)	(55)
Pension payments	247	233
Other finance cost.....	(165)	(184)
Actuarial loss.....	(18)	(494)
Foreign exchange	(123)	130
Deficit in the scheme at the end of the year.....	(4,947)	(4,824)

The exchange gain arising on the revaluation of the deficit is included in foreign currency translation shown in the consolidated statement of total recognised gains and losses.

Analysis of other pension costs charged in arriving at operating profit

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Current service cost	(64)	(55)

Analysis of amounts included in other finance costs

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Interest on pension scheme liabilities	(165)	(184)

Analysis of amount recognised in consolidated statement of total recognised gains and losses

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Experience losses arising on scheme liabilities	(18)	(494)
Actuarial loss recognised in consolidated statement of total recognised gains and losses	(18)	(494)

History of experience gains and losses

	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011	Year ended 31 December 2010	Period from 30 April 2009 to 31 December 2009
Experience (losses) and gains on scheme liabilities:					
Amount (£'000)	(18)	(494)	(148)	(716)	30
Percentage of year end present value of scheme liabilities	0.4%	10.3%	3.3%	16.3%	0.8%
Total amount recognised in consolidated statement of total recognised gains and losses:					
Amount (£'000)	(18)	(494)	(148)	(716)	30

Percentage of year end present value of scheme liabilities	0.4%	10.3%	3.3%	16.3%	0.8%
--	------	-------	------	-------	------

24 Minority interests

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000	Group
At beginning of year	1,239	1,168	
Acquisition of subsidiary undertakings	—	(36)	
Share of profit for the year	210	107	
At end of year	1,449	1,239	

25 Employee Share Ownership Trust and employee share schemes—group and company

The Employee Share Ownership Trust holds a residual cash balance remaining from previous transactions in the former group holding companies Rose Realisations 1 Limited (formerly IMO Car Wash Holding Limited) and Rose Realisations 2 Limited (formerly IMO Car Wash Group Limited). The Trust holds no shares in the company or any of its subsidiaries. The trust may, on the recommendation of the company's directors and at the trustees' discretion, distribute to certain group employees gains arising from time to time on the value of the shares it holds.

In accordance with UITF 38 the assets and liabilities of the Employee Share Ownership Trust have been recognised in the financial statements of the company and the group as the directors consider that Rose HoldCo Limited is the effective sponsoring entity of the trust.

26 Reconciliation of consolidated operating profit to consolidated operating cash flows

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Operating profit	13,059	7,953
Depreciation, amortisation and impairment charges/reversals	20,052	16,961
Decrease in other provision	(702)	(587)
Decrease in stocks	1,094	224
(Increase) in debtors	(214)	(244)
Increase / (decrease) in creditors	1,272	(669)
Charge in respect of share-based remuneration.....	495	948
Net cash inflow from operating activities.....	35,056	24,586

27 Analysis of cash flows

	Year ended 31 December 2013 £'000	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000	Year ended 31 December 2012 £'000
Returns on investments and servicing of finance				
Interest received	46		62	
Interest paid	(11,150)		(9,179)	
Interest element of finance lease payments	(68)		(67)	
Net cash outflow for returns on investments and servicing of finance		(11,172)		(9,184)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(21,657)		(10,575)	
Sale of tangible fixed assets.....	2,311		4,693	
Purchase of financial investments	(58)		(292)	
Sale of financial investments.....	148		39	
Net cash outflow for capital expenditure and financial investment		(19,256)		(6,135)

Acquisitions and disposals			
Purchase of subsidiary undertakings	—		(43)
Net cash outflow for acquisitions and disposals	—	—	(43)
Management of liquid resources			
Decrease/(Increase) of cash deposit.....	14		12
Net cash inflow/(outflow) from management of liquid resources.....	14		12
Financing			
Issue of share capital	—		9
Decrease in short-term borrowing (within 1 year).....	—		(21,108)
Increase in loan repayable between 1 and 5 years	(223)		13,905
Capital element of finance lease payments.....	(197)		(174)
Net cash outflow from financing	(420)		(7,368)

The amount shown above for the year ended 31 December 2012 under acquisitions and disposals for purchase of subsidiary undertakings relates to the acquisition of 79.625% of the share capital of IMO Group Holdings Pty Ltd.

28 Analysis of net debt

	At beginning of year £'000	Cash flow £'000	Translation differences and other non-cash changes £'000	At end of year £'000
Cash in hand, at bank.....	10,877	2,282	29	13,188
Debt due after one year.....	(160,757)	223	(3,439)	(163,973)
Debt due within one year.....	—	—	—	—
Finance leases.....	(1,286)	197	(121)	(1,210)
		420		
Current asset investments	58	(14)	2	46
Total	(151,108)	2,688	(3,529)	(151,949)

29 Related party transactions

The company is not controlled by any single party. The lenders to the group's former holding company Bluebrook Limited became shareholders in Rose HoldCo Limited as part of a Scheme of Arrangement in the period ended 31 December 2009.

The Shareholders' Agreement entered into as part of the Scheme of Arrangement entitles any holder of more than 6% of the 'A' ordinary shares in issue from time to time to appoint a representative to attend meetings of the board as an observer, subject to an intention on the part of the shareholders that no more than two such observers attend any one board meeting.

Details of the subsidiary companies are shown in note 12. In accordance with FRS 8, transactions or balances between group entities that have been eliminated on consolidation are not reported.

Rose HoldCo Limited
and its subsidiary companies

Directors' report and consolidated

financial statements

31 December 2012

Registered in England and Wales number 06892966

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**Independent auditor's report to the members of
Rose HoldCo Limited**

We have audited the financial statements of Rose HoldCo Limited for the year ended 31 December 2012 set out on pages 18 to 46. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

**Andrew Stevenson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**
Chartered Accountants
Arlington Business Park

Theale
Reading
RG7 4SD
25 April 2013

Consolidated profit and loss account

for the year ended 31 December 2012

	Notes	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Turnover	2	112,157	122,272
Cost of sales.....		(71,812)	(71,214)
Gross profit		40,345	51,058
Administrative expenses.....	3 - 6	(33,193)	(33,077)
Other operating income		801	745
Operating profit before depreciation, amortisation, share based remuneration, directors' incentive scheme and costs of refinancing		30,436	41,490
Share based remuneration.....		(948)	(1,294)
Directors' incentive scheme	3	—	(720)
Costs of refinancing (proposed and executed).....	3	(4,574)	(1,889)
Depreciation	11	(11,320)	(12,622)
Impairment	11	527	(40)
Amortisation.....	10	(6,168)	(6,199)
Operating profit before exceptional items		7,953	18,726
Loss on sale of fixed assets	3	(87)	(186)
Profit on ordinary activities before interest		7,866	18,540
Interest receivable and similar income	7	595	196
Interest payable and similar charges.....	8	(12,312)	(13,433)
(Loss)/profit on ordinary activities before taxation	3	(3,851)	5,303
Tax on (loss)/profit on ordinary activities	9	(1,705)	(3,141)
(Loss)/profit on ordinary activities after taxation		(5,556)	2,162
Equity minority interests		(107)	9
(Loss)/profit for the year		(5,663)	2,171

There is no difference between the group's results as reported and on an historical cost basis. Accordingly no note of historical cost profit and loss has been prepared.

During the year ended 31 December 2011 the group acquired a majority holding in IMO Car Wash Australasia Pty Limited, a business based in Australia. The turnover and operating profit above for the year ended 31 December 2011 include turnover of £274,000 and an operating loss of £40,000 in respect of the acquired operations.

Consolidated balance sheet

at 31 December 2012

Notes	31 December 2012		31 December 2011	
	£'000	£'000	£'000	£'000
Fixed assets				
Intangible assets (including negative goodwill (£1,003,000) 2011: £(1,247,000))	10	102,678		108,714
Tangible assets	11	148,452		156,395
Investments.....	12	756		539
		251,886		265,648
Current assets				
Stocks	13	7,359		7,900
Debtors (including £38,000 due after one year 2011: £46,000).....	14	4,428		4,398
Current asset investments		58		72
Cash at bank and in hand.....		10,877		13,423
		22,722		25,793
Creditors: amounts falling due within one year	15	(20,222)		(32,723)
Net current assets/(liabilities)		2,500		(6,930)
Total assets less current liabilities		254,386		258,718
Creditors: amounts falling due after more than one year	16	(162,127)		(160,655)
Provision for deferred tax.....	17	(5,893)		(5,525)
Provisions for liabilities and charges	18	(9,122)		(10,545)
Net assets excluding pension liabilities		77,244		81,993
Pension liabilities				
Total defined benefit schemes:				
– with net liabilities	19,24	(4,317)		(4,098)
Net assets including pension liabilities		72,927		77,895
Capital and reserves				
Called up share capital.....	21	4		4
Share premium account	22	82,460		82,451
Profit and loss account.....	22	(10,776)		(5,728)
		71,688		76,727
Minority interests	25	1,239		1,168
Equity		72,927		77,895

These financial statements were approved by the board of directors on 25 April 2013 and were signed on its behalf by:

T J Richards
Director

M A J Smith
Director

Company balance sheet

at 31 December 2012

	Notes	£'000	£'000	£'000	£'000
		<u>31 December 2012</u>		<u>31 December 2011</u>	
Fixed assets					
Tangible assets	11		4		8
Investments.....	12		<u>82,703</u>		82,653
			<u>82,707</u>		82,661
Current assets					
Debtors	14	<u>13,213</u>		10,463	
Cash at bank and in hand.....		<u>257</u>		340	
		<u>13,470</u>		10,803	
Creditors: amounts falling due within one year					
one year	15	<u>(19,003)</u>		(13,327)	
Net current liabilities			<u>(5,533)</u>		(2,524)
Net assets			<u>77,174</u>		80,137
Capital and reserves					
Called up share capital.....	21		4		4
Share premium account	22		<u>82,460</u>		82,451
Profit and loss account.....	22		<u>(5,290)</u>		(2,318)
Equity			<u>77,174</u>		80,137

The loss of the parent company for the year was £3,771,000 (2011: loss of £3,704,000) which is derived from continuing operations.

These financial statements were approved by the board of directors on 25 April 2013 and were signed on its behalf by:

T J Richards
Director

M A J Smith
Director

**Consolidated cash flow statement
for the year ended 31 December 2012**

	Notes	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Cash inflow from operating activities.....	27	24,586	35,715
Returns on investments and servicing of finance	28	(9,184)	(12,024)
Taxation.....		(3,817)	(2,586)
Capital expenditure and financial investment.....	28	(6,135)	(7,675)
Acquisitions and disposals	28	(43)	(2,086)
Cash inflow before management of liquid resources and financing		5,407	11,344
Management of liquid resources.....	28	12	(8)
Financing	28	(7,368)	(7,221)
(Decrease)/increase in cash in the year		(1,949)	4,115

Reconciliation of net cash flow to movement in net debt

for the year ended 31 December 2012

	Notes	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
(Decrease)/increase in cash in the year		(1,949)	4,115
Cash outflow from decrease in debt	29	7,377	7,221
Cash (inflow)/outflow from (increase)/decrease in liquid resources	29	(12)	8
Change in net debt resulting from cash flows.....		5,416	11,344
Acquisition of subsidiary undertakings		—	(297)
Translation differences		2,637	2,764
Other non cash items		(171)	156
New finance leases		(15)	—
Movements in net debt in the year		7,867	13,967
Net debt at the start of the year.....	29	(158,975)	(172,942)
Net debt at the end of the year.....	29	(151,108)	(158,975)

Reconciliation of movement in shareholders' funds

for the year ended 31 December 2012

	Group Year ended 31 December 2012 £'000	Company Year ended 31 December 2012 £'000	Group Year ended 31 December 2011 £'000	Company Year ended 31 December 2011 £'000
(Loss)/profit for the year	(5,663)	(3,771)	2,171	(3,704)
Actuarial losses on pension scheme liabilities	(494)	—	(148)	—
Deferred tax movement on actuarial losses.....	161	—	48	—
Credit in respect of share-based remuneration.	948	799	1,294	1,078
Issue of ordinary shares	9	9	—	—
Net (decrease)/increase in shareholders' funds	(5,039)	(2,963)	3,365	(2,626)
Opening shareholders' funds	76,727	80,137	73,362	82,763
Closing shareholders' funds	71,688	77,174	76,727	80,137

Consolidated statement of total recognised gains and losses

for the year ended 31 December 2012

		Year ended 31 December 2012	Year ended 31 December 2011
	Notes	£'000	£'000
Group			
(Loss)/profit for the year		(5,663)	2,171
Actuarial losses on pension scheme liabilities.....	24	(494)	(148)
Deferred tax movement on actuarial losses on pension scheme liabilities		161	48
Credit in respect of share-based remuneration		948	1,294
Total recognised gains and losses for the year		(5,048)	3,365

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards applied consistently throughout the year. The directors consider that the accounting policies are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates. In accordance with FRS 8, transactions or balances between group entities that have been eliminated on consolidation are not reported. Under section 408(3) of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Going concern

The group collects almost all of its revenues at the time of provision of services while credit terms are available on a substantial part of its costs. As a result the group employs negative working capital (stock plus debtors less creditors) which is a feature of the group's business model. The financial statements have been prepared on a going concern basis. Having considered cash flow forecasts for the foreseeable future, the directors consider that this is the appropriate basis for preparation of the financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings for the year ended 31 December 2012. The acquisition method of accounting has been adopted.

Goodwill

Goodwill on consolidation represents the excess of the fair value of consideration given and acquisition costs over the fair value of the separable net assets acquired. In accordance with FRS 10, goodwill is amortised over its estimated useful economic life, being 20 years. The useful economic lives are periods over which the directors estimate the value of the underlying businesses to exceed the value of the underlying assets.

Goodwill is assessed for impairment by comparing the carrying value of the asset to its recoverable amount, which is the higher of its net realisable value and value in use. The value in use of the group has been established by discounting the group's future cash flows at the group's weighted average cost of capital. Any impairment loss is recognised immediately in the group's consolidated profit and loss account.

Negative goodwill up to the fair values of the non-monetary assets acquired is recognised in the consolidated profit and loss account in the periods in which the non-monetary assets are recovered. Any negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised in the profit and loss account in the periods expected to be benefited.

Intellectual property

Purchase by the group of patents relating to the design of car washes are amortised on a straight-line basis over their estimated useful economic lives, being 20 years. Where representing a foreign currency asset, patents and accumulated amortisation are retranslated to the closing rate at year end.

Post-retirement benefits

The group operates several defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Toman Handels- and Beteiligungsgesellschaft mbH & Co KG operates a defined benefit scheme in Germany which is closed to new members. In line with common German practice, the scheme is unfunded; therefore no assets exist and the funding deficit represents the present value of the scheme liabilities.

The pension scheme deficit is recognised in full. The movement in the scheme deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on a straight-line basis on all tangible fixed assets in use at rates calculated to write off the cost of each asset less any estimated residual value over its estimated useful life as follows:

Freehold and long leasehold land	no depreciation provided
Short leasehold land and structures	the term of the lease
Site structures	7 - 35 years or lease term if less
Car wash equipment	20 years
Assets in the course of construction	no depreciation provided
Motor vehicles and office equipment	<u>5 years</u>

For the purpose of determining impairment losses, each site is considered to be an income-generating unit under FRS 11. Future cash flows are estimated based on the remaining lease period for short leasehold sites and the estimated remaining economic life for freehold and long leasehold sites.

Restoration and other provisions

A provision is recognised when the directors consider that there is a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If these conditions are not met, no provision is recognised.

Provisions are measured at the value of the expenditures expected to be required to settle the obligation. Provision for the cost of restoring leased sites to their original state upon expiry of the lease is made to the extent that it is measurable. Such cost is capitalised at the beginning of the lease and is depreciated over each site's remaining useful economic life.

Capitalisation of incremental internal costs

The group designs and develops car wash equipment for use in its business. The associated costs are capitalised and allocated to individual fixed assets as they are installed.

Certain incremental internal costs are capitalised as part of the cost of tangible fixed assets when new sites are opened and when substantial economic enhancement is made to existing sites through renovation or upgrading. These costs include some salary costs of the employees involved in these activities as set out in note 6.

Stocks

Stocks are valued on a first-in first-out basis and are stated at the lower of cost and net realisable value.

Investments

In the company's financial statements investments in subsidiary undertakings are stated at cost less amounts written off. Investments are assessed for impairment by comparing the value of the asset to its recoverable amount, which is the higher of its net realisable value and value in use. The value in use of the investment has been established by discounting the investment's cash flows at the investment's weighted average cost of capital.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account.

The assets and liabilities of foreign subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

To the extent that foreign borrowings have been used to finance group investments, investments in foreign enterprises or to provide a hedge against exchange risk, exchange gains or losses on foreign currency borrowings are offset against exchange differences on the re-translation of net investments.

Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the obligation is charged to the profit and loss account over the period of the agreement and represents a constant proportion of the balance of repayments outstanding. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the life of the lease.

Finance lease assets

Amounts receivable under finance leases, net of finance charges, are included in debtors. The interest element of these amounts is credited to the profit and loss account over the period of the agreement and represents a constant proportion of the outstanding debtor.

Taxation

The charge for taxation is based on the profit/loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for all deferred tax timing differences in accordance with FRS 19. Deferred tax assets are not recognised unless it is considered that it is more likely than not they will be recovered.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of car washing and ancillary services to third party customers.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable within 24 hours, less overdrafts payable on demand.

Current asset investments

Current asset investments represent deposits repayable after more than 24 hours.

Interest-bearing borrowings

Debt is stated at the fair value of the consideration received. The finance cost of the debt is allocated to periods over the term of the debt at a variable rate in accordance with the terms of issue.

Employee Share Ownership Trust

Transactions of the company-sponsored ESOT are treated as being those of the company and are therefore reflected in the parent company and group financial statements.

Share based remuneration

In accordance with FRS 20, the fair value of rights granted to the company's equity is recognised as an employee expense with a corresponding increase in equity. The expense is spread over the period between grant date and the estimated date by which the rights will become exercisable.

2 Turnover

An analysis of revenue from external customers by location of customer for the year is as follows:

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
--	--	--

Germany	48,280	55,654
United Kingdom	33,722	35,492
Belgium, Netherlands and Luxembourg	6,652	7,861
France	6,362	7,602
Hungary, Czech Republic and Poland	4,583	5,455
Austria	4,005	4,650
Spain and Portugal	3,963	4,657
Australasia	4,060	400
Rest of world	530	501
	112,157	122,272

The figures for 2011 include the turnover of December 2011 only for IMO Group Holdings Pty Ltd and IMO Car Wash Australia Pty Ltd which were acquired on 30 November 2011.

3 Loss/profit on ordinary activities before taxation

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
<i>Loss/profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
(Reversal) of impairment of tangible fixed assets (note 11)	(527)	40
Depreciation and other amounts written off tangible fixed assets—owned (note 11)	11,207	12,484
Depreciation and other amounts written off tangible fixed assets—leased (note 11)	113	138
Amortisation of goodwill and other intangible fixed assets (note 10)	6,168	6,199
Gain on disposal of fixed assets	(1,075)	(1,045)
Loss on disposal of fixed assets	1,162	1,231
Exceptional costs of proposed and executed refinancing	4,574	1,889
Hire of land and buildings—operating leases	18,434	16,641
Hire of other assets—operating leases	801	804

Profit on ordinary activities before taxation for the year ended 31 December 2012 includes £948,000 relating to the release of an accrual recognised as part of the net assets acquired from the administrator of Bluebrook Limited in 2009 and relating to an indemnity issued by certain members of the group to certain members of the predecessor group headed by Bluebrook Limited. During the year the liquidators of Bluebrook Limited and Spirecove Limited confirmed their acknowledgment that the indemnity had expired.

Profit on ordinary activities before taxation for the year ended 31 December 2011 includes £471,000 relating to the release of accruals for business rates for which the deadline for assessment passed during the year without assessment being received. It also includes £953,000 resulting from settlement during the year of appeals against business rates valuations which were made before the deadline for such appeals passed during the previous year. In both cases the credit to the consolidated profit and loss account represents a reversal of costs that had been charged in earlier years to the consolidated profit and loss account of the group and the predecessor groups headed by Bluebrook Limited and IMO Car Wash Holding Limited. Such credits are cyclical in nature as a result of the quinquennial valuation regime for business rates in England and Wales.

Payments under the directors' incentive scheme in respect of 2011 of £720,000 were accrued in 2011 and made in 2012. No payments have been agreed in respect of 2012.

The exceptional costs of proposed refinancing in 2011 relate to fees paid primarily to the group's auditors, legal advisors and lenders' agent bank in connection with a proposed refinancing of the group's debt by means of a high yield bond. The refinancing was not carried out because of market movements before it could be implemented. The exceptional costs of the refinancing executed in 2012 relate primarily to fees and taxes paid to or behalf of the lenders prior to the refinancing and fees paid to legal advisors and the group's auditors in connection with the new lending facility entered into during the year as set out in note 16.

4 Auditors' remuneration

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Audit of these financial statements.....	96	83
Amounts receivable by auditors and their associates in respect of:		
• Audit of financial statements of subsidiaries pursuant to legislation	199	199
• Services relating to taxation	192	83
• Services relating to corporate finance transactions entered into or proposed to be entered into by or on behalf of the company or the group	<u>337</u>	850

Of the fees for services relating to corporate finance transactions in the year ended 31 December 2012, £336,000 relates to the proposed refinancing referred to in note 3 and is included in the £4,574,000 exceptional costs of refinancing executed.

Of the fees for services relating to corporate finance transactions in the year ended 31 December 2011, £825,000 relates to the proposed refinancing referred to in note 3 and is included in the £1,889,000 exceptional costs of proposed refinancing.

5 Remuneration of directors

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Directors' emoluments	915	1,096
Amounts receivable under long term incentive schemes.....	644	1,481
Pension contributions	192	36
	<u>1,751</u>	2,613

The emoluments of the highest paid director were £599,651 (2011: £1,124,099) including £241,307 (2011: £697,099) receivable under long term incentive schemes. The pension contributions of the highest paid director were £90,000 (2011: £nil). Contributions were made to defined contribution pension schemes in respect of three directors (2011: one). The highest paid director did not exercise any share options during either year nor were any shares received or receivable by that director in respect of qualifying services under a long term incentive scheme (2011: £nil).

6 Staff numbers and costs

During the year ended 31 December 2012 and the year ended 31 December 2011, the average number of persons employed by the group (including directors), analysed by category, was as follows:

	Year ended 31 December 2012 Number of employees	Year ended 31 December 2011 Number of employees
Production and assembly operators	36	35
Car wash site operators.....	13	12
Administration.....	166	159
Technical	45	43
	<u>260</u>	249

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Wages and salaries	10,114	10,556
Share-based remuneration	948	1,294
Social security costs	1,756	1,870
Other pension costs.....	126	119
	<u>12,944</u>	13,839

These costs include costs that have been capitalised in accordance with the group's accounting policy on capitalisation of incremental internal costs as set out in note 1. The company had no employees during the year.

7 Other interest receivable and similar income

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Bank interest receivable	61	132
Net foreign exchange gain.....	534	64
	595	196

8 Interest payable and similar charges

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Interest on institutional loans and overdrafts.....	11,505	12,827
Interest element of finance lease payments	67	74
Other finance costs:		
• interest charge on pension liabilities	184	202
• unwinding of discount on restoration provision	382	403
• indexation of discounted onerous lease provision	3	(73)
• amortisation of debt issue costs	171	—
	12,312	13,433

9 Taxation

Analysis of charge in year

	£'000	£'000	£'000	£'000
		Year ended 31 December 2012		Year ended 31 December 2011
<i>UK corporation tax</i>				
Current tax on income for the year	8		21	
Double taxation relief.....	(8)		(21)	
<i>Foreign tax</i>				
Current tax on income for the year	2,257		3,825	
Adjustment in respect of prior period....	(1,073)		(1,811)	
Total current tax		1,184		2,014
<i>Deferred tax (see note 17)</i>				
Origination and reversal of timing differences	528		1,130	
Effect of increases and decreases in tax rates	(7)		(3)	
Total deferred tax	521			1,127
Tax on (loss)/profit on ordinary activities.....	1,705			3,141

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2011: *higher*) than the standard UK corporation tax rate of 24.5% (2011: 26.5%). The differences are explained below.

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(3,851)	5,303
Current tax at 24.5% (2011: 26.5%).....	(943)	1,405
<i>Effects of;</i>		
Non-taxable translation gains or losses	218	178

Other expenses not deductible for tax purposes (primarily goodwill amortisation).....	2,598	2,117
Capital allowances for period in excess of depreciation.....	58	378
Other timing differences.....	13	—
Utilisation of tax losses	(114)	(612)
Different tax rates in foreign countries.....	427	359
Adjustment in respect of prior period.....	(1,073)	(1,811)
Total current tax charge (see above).....	1,184	2,014

Factors that may affect future current and total tax charges

New tax legislation in the countries in which the group operates may affect future current and total tax charges.

10 Intangible fixed assets

Group	Patents £'000	Goodwill £'000	Negative goodwill £'000	Total £'000
Cost				
At beginning of year.....				
At beginning of year.....	1,377	123,912	(1,247)	124,042
Additions during the year (note 20).....	—	—	155	155
Exchange adjustment.....	(40)	—	—	(40)
At end of year.....	1,337	123,912	(1,092)	124,157
Amortisation				
At beginning of year.....				
At beginning of year.....	579	14,749	—	15,328
Charged in year	67	6,198	(97)	6,168
Exchange adjustment.....	(17)	—	—	(17)
At end of year	629	20,947	(97)	21,479
Net book value				
At 31 December 2012.....	708	102,965	(995)	102,678
Net book value				
At 31 December 2011.....	798	109,163	(1,247)	108,714

The determination of the fair value of the negative goodwill acquired during the year ended 31 December 2011 is as set out in note 20. The fair value of patents is the book value on acquisition since the directors consider this to represent replacement cost.

Positive goodwill and patents are amortised over a useful economic life of 20 years. Negative goodwill is amortised over the period during which the non-monetary assets are recovered. Where representing a foreign currency asset, patents are retranslated to the closing rate at the year end.

11 Tangible fixed assets

Group	Land £'000	Buildings £'000	Equipment and machinery £'000	Assets in course of construction £'000	Other £'000	Total £'000
Cost						
At beginning of year.....						
At beginning of year.....	55,893	177,632	116,359	692	3,025	353,601
Additions during the year	2	5,228	4,258	370	241	10,099
Transfers between categories.....	—	417	202	(619)	—	—
Disposals	(4,779)	(2,331)	(2,934)	—	(71)	(10,115)
Exchange adjustment.....	(641)	(3,163)	(2,491)	(41)	(36)	(6,372)
At end of year	50,475	177,783	115,394	402	3,159	347,213
Depreciation						
At beginning of year.....						
At beginning of year.....	1,300	118,329	75,109	—	2,468	197,206
Charge for year	29	6,112	4,971	—	208	11,320
Impairment reversal.....	—	(211)	(316)	—	—	(527)
Disposals	(107)	(2,599)	(2,724)	—	(69)	(5,499)
Exchange adjustment.....	(19)	(2,140)	(1,554)	—	(26)	(3,739)

At end of year	1,203	119,491	75,486	—	2,581	198,761
<i>Net book value</i>						
At 31 December 2012.....	49,272	58,292	39,908	402	578	148,452
<i>Net book value</i>						
At 31 December 2011.....	54,593	59,303	41,250	692	557	156,395

The net book value of land and buildings comprises:

	31 December 2012 £'000	31 December 2011 £'000
Freehold.....	56,392	64,039
Long leasehold	7,174	7,601
Short leasehold	43,998	42,256
	107,564	113,896

Included in freehold and leasehold land is an amount of £49,172,000 (2011: £54,474,000) relating to freehold and long leasehold land on which no depreciation is charged. Included in the net book value of buildings is an amount of £790,000 (2011: £862,000), after charging depreciation of £106,000 (2011: £138,000) and crediting impairment reversal of £(57,000) (2011: £(117,000)) during the year, relating to buildings held under finance leases.

Impairment of car wash sites is calculated by reference to the present value of expected future cash flows, using discount rates of 9.44% (2011: 10.67%) for sites in the UK, 9.36% (2011: 10.18%) for sites in mainland Europe, and 9.36% (2011: 10.18%) for sites in Australia.

Company

	Equipment and machinery £'000
<i>Cost</i>	
At beginning and end of year	12
<i>Depreciation</i>	
At beginning of year	4
Charge for the year	4
At end of year	8
Net book value at 31 December 2012.....	4
Net book value at 31 December 2011.....	8

12 Fixed asset investments

Group	Deposits and guarantees £'000	Other investments £'000	Total £'000
<i>Cost</i>			
At beginning of year	514	25	539
Acquisitions.....	60	206	266
Disposals	—	(39)	(39)
Exchange adjustments	(9)	(1)	(10)
At end of year.....	565	191	756

The undertakings in which the group's interest at the year end is more than 20% are shown below. All subsidiaries are held indirectly apart from Rose FinanceCo PLC and Rose MidCo Limited. All of the companies below are included in the consolidation.

Subsidiary undertakings	Country of incorporation	Principal activity	Group Percentage of ordinary shares held	Company Percentage of ordinary shares held

AML (Automobilove myci linky, spol SRO)....	Czech Republic	Car wash operator	100.0%	—
Anduff Car Wash Limited.....	UK	Car wash operator	100.0%	—
Anduff Holdings Limited	UK	Holding company	100.0%	—
Artego Autowasch- und Servicegesellschaft mbH.....	Austria	Car wash operator	100.0%	—
Brossecar Industria e Com. de Escovas Auto Lda.....	Portugal	Car wash brush assembler	100.0%	—
Cleanland Limited	UK	Property holding company	100.0%	—
Compagnie Parisienne de Services SAS.....	France	Car wash operator	100.0%	—
IMO Autolavados SA and subsidiaries.....	Spain	Car wash operator	100.0%	—
IMO-Auto-Lavagens SA	Portugal	Car wash operator	100.0%	—
IMO Autopflege GmbH	Germany	Car wash operator	100.0%	—
IMO Car Wash Australasia Pty Ltd.....	Australia	Car wash operator	79.6%	—
IMO Car Wash Group Limited.....	UK	Holding company	100.0%	—
IMO Deutschland Holding GmbH	Germany	Holding company	100.0%	—
IMO Group Holdings Pty Ltd.....	Australia	Holding company	79.6%	—
IMO Hungary Autómosó Kft	Hungary	Car wash operator	100.0%	—
IMO Polska Sp. z. o. o.....	Poland	Car wash operator	100.0%	—
IPIC BV	Netherlands	Holding company	100.0%	—
IPIC Luxembourg Sarl	Luxembourg	Car wash operator	100.0%	—
IPIC Nederland BV	Netherlands	Car wash operator	100.0%	—
Le Roseau SA	Luxembourg	Holding company	100.0%	—
Manufacture des Brosses du Marais Poitevin SAS.....	France	Car wash brush producer	100.0%	—
Milburn Productions Limited	UK	Property holding company	100.0%	—
Neptune Benelux SA	Belgium	Property holding company	100.0%	—
Rose FinanceCo PLC	UK	Dormant	100.0%	100.0%
Rose MidCo Limited	UK	Holding company	100.0%	100.0%
SNC IMO France.....	France	Property holding company	100.0%	—
Sodeal SA	Belgium	Car wash operator	100.0%	—
Toman Handels- und Beteiligungsverwaltungs- GmbH	Germany	Holding company	100.0%	—
Topas Chemie GmbH	Germany	Dormant	100.0%	—

The group has 100% partnership interests in Toman Handels- und Beteiligungsgesellschaft mbH & Co KG (Germany) and IMO Autopflege Beteiligungsgesellschaft mbH & Co KG (Germany).

Company		Shares in group undertakings	
		31 December 2012	£'000
<i>Cost</i>			
At beginning of year.....		82,653	
Addition.....		50	
Net book value at 31 December 2012.....		82,703	
Net book value at 31 December 2011.....		82,653	

13 Stocks

	Group 31 December 2012 £'000	Group 31 December 2011 £'000
Equipment and spare parts.....	5,723	6,415
Production inventory	552	487
Consumables	1,084	998
	7,359	7,900

The book value of stocks is not materially different from replacement cost.

14 Debtors

	Group 31 December 2012 £'000	Company 31 December 2012 £'000	Group 31 December 2011 £'000	Company 31 December 2011 £'000
Trade debtors.....	809	—	961	—
Current accounts—operators	934	—	861	—
Amounts due from group				
undertakings	—	13,213	—	10,463
Corporation tax recoverable.	120	—	95	—
Prepayments and accrued				
income	2,096	—	1,785	—
VAT.....	437	—	288	—
Other debtors.....	32	—	408	—
	4,428	13,213	4,398	10,463

Total group debtors include prepayments of £38,000 (2011: £46,000) in respect of periods more than one year in the future.

15 Creditors: amounts falling due within one year

	Group 31 December 2012 £'000	Company 31 December 2012 £'000	Group 31 December 2011 £'000	Company 31 December 2011 £'000
Institutional loans	—	—	11,924	—
Obligations under finance leases	179	—	177	—
Trade creditors	5,877	764	5,091	472
Amounts due to group undertakings	—	17,657	—	11,753
Other creditors	89	—	83	—
Corporation tax	1,822	—	4,606	—
Other taxation and social security	775	62	1,056	59
Accruals and deferred income	11,480	520	9,786	1,043
	20,222	19,003	32,723	13,237

16 Creditors: amounts falling due after more than one year

	Group 31 December 2012 £'000	Group 31 December 2011 £'000
Institutional loans	160,757	159,059
Obligations under finance leases	1,107	1,310
Other creditors	263	286
	162,127	160,655

Analysis of institutional loans and obligations under finance leases

Debt is analysed as follows:

Falling due between one and two years	—	7,846
Falling due between two and five years	164,179	151,213
Debt issuance costs (£3,593,000 amortised over 5 years)	(3,422)	—
	160,757	159,059

Obligations under finance leases fall due as follows:

Between one and two years	212	241
Between two and five years	529	612
Over five years	609	791
	1,350	1,644
Less: future finance charges	(243)	(334)
	1,107	1,310

Institutional loans and financing

On 5 October 2012 the group entered into financing arrangements under which the previous senior debt was repaid in full and a new five year facility was issued in sterling (£42,000,000) and euros (€97,293,252). The new senior debt is repayable on the 5 October 2017 or on a second change of control. The debt is non-amortising. The margin on the senior debt for both currencies is LIBOR or EURIBOR plus 7.50%, subject to a minimum LIBOR or EURIBOR of 1.25%. As at 31 December 2012 the senior debt outstanding was £42,000,000 and €97,293,252. Interest on the senior debt is payable at one-, two-, three- or six monthly intervals at the company's choice.

The terms of the new senior debt required certain terms and conditions of the existing second lien debt to be modified. The margin of 0.5% on the second lien debt was not changed, but the repayment date was changed to 5 April 2018. Completion of the modified terms of the second lien, to which all second lien holders consented, was on 18 March 2013. As at 31 December 2012 the outstanding second lien debt was £14,839,779 and €35,083,907. Under the modified terms interest is payable at six monthly intervals.

On 12 December 2012 an interest rate cap was purchased which limits the LIBOR and EURIBOR cost elements of £28,000,000 and €65,000,000 of the group's debt to 2.00% until 5 January 2016.

Prior to 5 October 2012 the financing arrangements entered into on 13 August 2009 remained in place, under which senior and second lien debt were issued in sterling (£61,008,000) and euros (€144,234,000). The amounts of sterling and euro senior debt which were due and repaid as at 5 October 2012 were £39,493,243 and €9,368,743 respectively.

Interest on the senior loans in place until 5 October was charged at 7.25% over LIBOR for sterling denominated loans and 7.25% over EURIBOR for euro denominated loans. Interest was payable at one-, two-, three- or six monthly intervals at the company's choice or at other intervals of less than six months agreed between the company and the lenders. An interest rate cap and collar swap was in place which hedged the LIBOR and EURIBOR cost elements of the senior and second lien debt in full until 11 September 2012 at between 1.76% and 4.20% for sterling and 1.20% and 3.80% for the euro.

Institutional loans are secured by a fixed and floating charge over the assets of the group.

17 Provisions for deferred tax liability

	£'000	£'000	£'000	£'000
	Group		Group	
	31 December 2012		31 December 2011	
At beginning of year		5,525		4,588
Charge/(credit) to the profit and loss for the year:				
Additional amounts provided	1,091		1,532	
Unwinding of previously provided amount	(563)		(402)	
Effect of tax rate change	(7)		(3)	
		521		1,127
Exchange differences.....		(153)		(190)
At end of year		5,893		5,525

In addition to the amounts shown above there are unprovided deferred tax assets of £11,053,000 (2011: £11,481,000). These amounts are unprovided because it is considered more unlikely than likely that the assets will be realised.

The elements of the deferred taxation provision are as follows:

	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
	Group		Group	
	31 December 2012		31 December 2011	
Difference between accumulated depreciation and amortisation and capital allowances	6,998	(5,560)	6,470	(6,051)
Other timing differences.....	(579)	(434)	(572)	(448)
Tax losses	(526)	(5,059)	(373)	(4,982)
	5,893	(11,053)	5,525	(11,481)

New tax legislation in the countries in which the group operates may affect the future value of deferred tax assets and liabilities.

On 21 March 2012 a reduction in the main rate of UK corporation tax to 24 per cent was announced with effect from 1 April 2012 and further to 23% from 1 April 2013. These tax changes became substantively enacted on 26 March 2012 and 3 July 2012 respectively and therefore the effect of the rate reductions on the deferred tax balances as at 31 December 2012 has been included in the figures above.

Also on 21 March 2012 it was proposed to further reduce the main rate of corporation tax by one per cent to 22 per cent from 1 April 2014. On 5 December 2012 it was announced that, from 1 April 2014, the main rate of corporation tax would be reduced by an additional 1% to 21%, and on 20 March 2013 a further reduction from 1 April 2015 to 20% was proposed. These changes have not yet been substantively enacted and therefore are not included in the figures above. These changes would have no effect on the deferred tax liability provided but the overall effect of the reduction from

23 per cent to 20 per cent, if this applied to the deferred tax balance at 31 December 2012, would be to reduce the unprovided deferred tax asset shown above by £766,000.

18 Provisions for liabilities and charges

Group	Legal dispute £'000	Restoration provision £'000	Other provisions £'000	Total £'000
At beginning of year	2,001	5,110	3,434	10,545
Utilised during year	(2)	(370)	(421)	(793)
(Credit)/charge for the year	(260)	78	(599)	(781)
Interest	—	382	3	385
Exchange difference	(62)	(129)	(43)	(234)
At end of year	1,677	5,071	2,374	9,122

The amount provided for legal disputes relates to claims against the group incurred in the normal course of business. The restoration provision relates to the estimated costs of restoring leased sites to their original state upon expiry of the leases. Other provisions relate primarily to future payments under onerous leases. To reflect the time value of money significant provisions are discounted at the present rate of inflation.

The expected utilisation of the provisions is as follows:

	Legal dispute £'000	Restoration provision £'000	Other provisions £'000	Total £'000
Within one year	68	155	386	609
Within two to three years	—	247	603	850
Within four to five years	—	512	435	947
Within five to ten years	536	477	657	1,670
After more than ten years	1,073	3,680	293	5,046
At end of year	1,677	5,071	2,374	9,122

19 Pension liabilities

Group	31 December 2012 £'000	31 December 2011 £'000
At beginning of year	4,098	4,084
Utilised during the year	(233)	(234)
Credit for the year	549	212
Interest	184	202
Deferred tax credit	(161)	(48)
Exchange difference	(120)	(118)
At end of year	4,317	4,098

Further disclosure on the movements during the year on the pension provision appears in note 24.

20 Acquisitions

On 30 November 2011 the company's subsidiary IPIC BV acquired 79.625% of the share capital of IMO Group Holdings Pty Ltd, thus increasing its holding in IMO Car Wash Australasia Pty Ltd to 79.625% as set out in note 12 at an incremental cost of £1,982,000. On that date IMO Group Holdings Pty Ltd and IMO Car Wash Australasia Pty Ltd became subsidiaries of the group. 15% of the participating shares and 11.15% of the voting shares had previously been held as an investment of £1,371,000.

Under the acquisition method of accounting the resulting provisional negative goodwill of £1,247,000 was capitalised and will be recognised in the consolidated profit and loss account in the periods in which the non-monetary assets are recovered. Following revaluation adjustments during the year ended 31 December 2012 in the table below, the negative goodwill has been adjusted to £1,100,000.

	Provisional fair value 31 December 2011 £'000	Revaluation adjustment in 2012 £'000	Fair value £'000
Fixed assets			
Tangible.....	6,731	—	6,731
Current assets			
Stocks	237	(143)	94
Debtors	194	(8)	186
Cash.....	226	—	226
Total assets	7,388	(151)	7,237
Liabilities			
Creditors	(334)	(3)	(337)
Accruals.....	(579)	—	(579)
Loans	(523)	—	(523)
Provisions	(175)	—	(175)
Total liabilities	(1,611)	(3)	(1,614)
Net assets/(liabilities)	5,777	(154)	5,623
Minority interest	(1,177)	31	(1,146)
Negative goodwill	(1,247)	155	(1,092)
	3,353	32	3,385
Purchase consideration			
Existing holding transferred	1,371	—	1,371
Consideration paid at balance sheet date	1,976	38	2,014
Cash consideration not yet paid at balance sheet date	6	(6)	—
Purchase consideration and costs of acquisition	3,353	32	3,385

The revaluation adjustments are made to reflect the fair value of the net assets acquired and consist primarily of adjustments to the net realisable value of stocks and debtors.

21 Called up share capital

	31 December 2012 £	31 December 2011 £
Authorised		
Equity: 438,750,000 'A' ordinary shares of £0.00001 each.....	4,388	4,388
Equity: 11,250,000 'B' ordinary shares of £0.00001 each	112	112
Equity: 866,968 'C' ordinary shares of £0.00001 each	9	9
	4,509	4,509
Allotted, called up and fully paid		
Equity: 438,750,000 'A' ordinary shares of £0.00001 each.....	4,388	4,388
Equity: 9,738,990 'B' ordinary shares of £0.00001 each (2011: 9,513,990 shares)	97	95
Equity: 866,968 'C' ordinary shares of £0.00001 each	9	9
	4,494	4,492

The 'A', 'B' and 'C' ordinary shares are voting shares and carry the same rights to voting and income. In the event of a 'valuation event', as defined in the company's articles of association (for example a listing of the shares on a recognised stock exchange, or otherwise 31 December 2014), a proportion of the 'A' ordinary shares could be redesignated as non-equity 'deferred shares' according to calculations based on the circumstances at the time. Deferred shares are non-voting, not entitled to any dividend or distribution, redeemable only at the company's behest and in the event of a return of assets entitled only to the amount paid up on the shares after repayment of the capital paid up on the ordinary shares and after the payment of £10,000,000 on each ordinary share. The 'B' ordinary shares are subject to 'bad leaver' provisions, as set out in the company's articles of association, which require the shares to be transferred in defined circumstances.

During the year a further 225,000 'B' ordinary shares of £0.00001 each were issued for consideration of £9,000. The premium on issue of £8,998 has been credited to the share premium account (note 22).

22 Share premium and reserves

	Share premium account £'000	Profit and loss account £'000
Group		
At beginning of year	82,451	(5,728)
Loss for the year	—	(5,663)
Actuarial losses on pension scheme liabilities	—	(494)
Deferred tax movement on actuarial losses	—	161
Credit in respect of share-based remuneration	—	948
Premium on shares issued in year	9	—
At end of year	82,460	(10,776)
Company		
At beginning of year	82,451	(2,318)
Loss for the year	—	(3,771)
Credit in respect of share-based remuneration	—	799
Premium on shares issued in year	9	—
At end of year	82,460	(5,290)

23 Commitments

At the end of the year the group had capital commitments of £nil (2011: £nil) for which provision has been made and of £1,359,000 (2011: £2,009,000) for which no provision has been made. The company had no capital commitments (2011: £nil).

The group's annual commitments under non-cancellable operating leases are as follows:

	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Operating leases which expire:				
Within one year	1,791	206	1,945	255
Within two to five years	6,671	585	6,982	496
After more than five years	9,428	15	8,931	8
	17,890	806	17,858	759

The company has no non-cancellable operating lease commitments (2011: £nil).

24 Pension schemes

The group operates several defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £71,000 (2011: £55,000). At the end of the year there were £6,000 (2011: £6,000) of outstanding contributions. There were no prepaid contributions at the end of the year (2011: £nil).

Toman Handels- und Beteiligungsgesellschaft mbH & Co KG and its subsidiaries operate a defined benefit scheme in Germany. A full actuarial valuation was carried out at 31 December 2012 by a qualified independent actuary. The funding deficit as at 31 December 2012 was £4,824,000 (2011: £4,454,000). In line with common German practice, the scheme is unfunded; therefore no assets exist and the funding deficit represents the present value of the scheme liabilities.

The major assumptions used in this valuation were:

	31 December 2012 %	31 December 2011 %
Rate of increase in pensions in payment.....	1.50	1.50
Discount rate applied to pensions in payment	3.00	4.28
Discount rate applied to deferred pensions.....	4.10	4.45
Inflation assumption	—	—

The actuarial valuation was not affected by assumptions for increases in salaries or general inflation since such factors do not change the pension amounts for which the scheme is liable.

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Scheme assets

The fair value of the scheme's assets and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Value at 31 December 2012 £'000	Value at 31 December 2011 £'000	Value at 31 December 2010 £'000	Value at 31 December 2009 £'000
Total market value of assets	—	—	—	—
Present value of scheme liabilities	(4,824)	(4,454)	(4,403)	(3,699)
Deficit in the scheme— pension liability	(4,824)	(4,454)	(4,403)	(3,699)
Related deferred tax asset.....	507	356	319	99
Net pension liability	(4,317)	(4,098)	(4,084)	(3,600)

Movement in deficit during the year

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Deficit in scheme at beginning of year	(4,454)	(4,403)
Current service cost	(55)	(64)
Pension payments	233	234
Other finance cost.....	(184)	(202)
Actuarial loss.....	(494)	(148)
Foreign exchange	130	129
Deficit in the scheme at the end of the year.....	(4,824)	(4,454)

The exchange gain arising on the revaluation of the deficit is included in foreign currency translation shown in the consolidated statement of total recognised gains and losses.

Analysis of other pension costs charged in arriving at operating profit

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Current service cost	(55)	(64)

Analysis of amounts included in other finance costs

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Interest on pension scheme liabilities	(184)	(202)

Analysis of amount recognised in consolidated statement of total recognised gains and losses

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Experience losses arising on scheme liabilities	(494)	(148)
Actuarial loss recognised in consolidated statement of total recognised gains and losses	(494)	(148)

History of experience gains and losses

	Year ended 31 December 2012	Year ended 31 December 2011	Year ended 31 December 2010	Period from 30 April 2009 to 31 December 2009
Experience (losses) and gains on scheme liabilities:				
Amount (£'000)	(494)	(148)	(716)	30
Percentage of year end present value of scheme liabilities	10.3%	3.3%	16.3%	0.8%
Total amount recognised in consolidated statement of total recognised gains and losses:				
Amount (£'000)	(494)	(148)	(716)	30
Percentage of year end present value of scheme liabilities	10.3%	3.3%	16.3%	0.8%

25 Minority interests

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000	Group
At beginning of year	1,168	—	
Acquisition of subsidiary undertakings	(36)	1,177	
Share of loss for the year	107	(9)	
At end of year	1,239	1,168	

26 Employee Share Ownership Trust and employee share schemes—group and company

The Employee Share Ownership Trust holds a residual cash balance remaining from previous transactions in the former group holding companies Rose Realisations 1 Limited (formerly IMO Car Wash Holding Limited) and Rose Realisations 2 Limited (formerly IMO Car Wash Group Limited). The Trust holds no shares in the company or any of its subsidiaries. The trust may, on the recommendation of the company's directors and at the trustees' discretion, distribute to certain group employees gains arising from time to time on the value of the shares it holds.

In accordance with UITF 38 the assets and liabilities of the Employee Share Ownership Trust have been recognised in the financial statements of the company and the group as the directors consider that Rose HoldCo Limited is the effective sponsoring entity of the trust.

27 Reconciliation of consolidated operating profit to consolidated operating cash flows

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Operating profit	7,953	18,726
Depreciation, amortisation and impairment charges/reversals	16,961	18,861
Decrease in other provision	(587)	(3,130)
Decrease/(increase) in stocks	224	(801)
(Increase)/decrease in debtors	(244)	1,057
Decrease in creditors	(669)	(292)
Charge in respect of share-based remuneration.....	948	1,294
Net cash inflow from operating activities	24,586	35,715

28 Analysis of cash flows

	Year ended 31 December 2012 £'000	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2011 £'000
Returns on investments and servicing of finance				
Interest received	62		149	
Interest paid	(9,179)		(12,099)	
Interest element of finance lease payments	(67)		(74)	
Net cash outflow for returns on investments and servicing of finance		(9,184)		(12,024)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(10,575)		(10,542)	
Sale of tangible fixed assets.....	4,693		2,906	
Purchase of financial investments	(292)		(51)	
Sale of financial investments.....	39		12	
Net cash outflow for capital expenditure and financial investment		(6,135)		(7,675)
Acquisitions and disposals				
Purchase of subsidiary undertakings	(43)		(1,999)	
Sale of subsidiary undertaking	—		(87)	
Net cash outflow for acquisitions and disposals		(43)		(2,086)
Management of liquid resources				
Decrease/(Increase) of cash deposit.....	12		(8)	
Net cash inflow/(outflow) from management of liquid resources		12		(8)
Financing				
Issue of share capital	9		—	
Decrease in short-term borrowing (within 1 year).....	(21,108)		(7,048)	
Increase in loan repayable between 1 and 5 years	13,905		—	
Capital element of finance lease payments.....	(174)		(173)	
Net cash outflow from financing		(7,368)		(7,221)

Of the amount shown above for the year ended 31 December 2011 under acquisitions and disposals for purchase of subsidiary undertakings, £23,000 relates to payments made during the year ended 31 December 2011 in respect of the acquisition during 2009 of Anduff Holdings Limited, Cleanland Limited, IPIC BV and Le Roseau SA and their respective subsidiary companies from the Administrator of the Bluebrook Limited group of companies. The remaining £1,976,000 in the year ended 31 December 2011 and the £43,000 in the year ended 31 December 2012 relate to the acquisition of 79.625% of the share capital of IMO Group Holdings Pty Ltd.

29 Analysis of net debt

	At beginning of year £'000	Cash flow £'000	Translation differences and other non- cash changes £'000	At end of year £'000
Cash in hand, at bank.....	13,423	(1,949)	(597)	10,877
Debt due after one year.....	(159,059)	(13,905)	12,207	(160,757)
Debt due within one year.....	(11,924)	21,108	(9,184)	—
Finance leases.....	(1,487)	174	27	(1,286)
		7,377		
Current asset investments.....	72	(12)	(2)	58
Total.....	(158,975)	5,416	2,451	(151,108)

30 Related party transactions

The company is not controlled by any single party. The lenders to the group's former holding company Bluebrook Limited became shareholders in Rose HoldCo Limited as part of a Scheme of Arrangement in the period ended 31 December 2009.

The Shareholders' Agreement entered into as part of the Scheme of Arrangement entitles any holder of more than 6% of the 'A' ordinary shares in issue from time to time to appoint a representative to attend meetings of the board as an observer, subject to an intention on the part of the shareholders that no more than two such observers attend any one board meeting.

Details of the subsidiary companies are shown in note 12. In accordance with FRS 8, transactions or balances between group entities that have been eliminated on consolidation are not reported.

As at 1 January 2011 the group had a minority holding in IMO Car Wash Australasia Pty Ltd. During the period from 1 January 2011 to 30 November 2011 (the date from which transactions and balances with IMO Car Wash Australasia Pty Ltd have been eliminated on consolidation) the group recorded sales to that company of £nil and royalty income from it of £122,000.

**Rose HoldCo Limited
and its subsidiary companies**

Directors' report and consolidated

financial statements

31 December 2011

Registered in England and Wales 06892966

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**Independent auditors' report to the members of
Rose HoldCo Limited**

We have audited the financial statements of Rose HoldCo Limited for the year ended 31 December 2011 set out on pages 17 to 48. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.trc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2011 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

**R A Stevenson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**
Chartered Accountants
Arlington Business Park

Theale
Reading
RG7 4SD

29 March 2012

Consolidated profit and loss account

for the year ended 31 December 2011

	Notes	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Turnover	3	122,272	114,099
Cost of sales.....		(71,214)	(71,863)
Gross profit		51,058	42,236
Administrative expenses.....	4 - 7	(33,077)	(35,654)
Other operating income		745	979
Operating profit before depreciation, amortisation, share based remuneration, directors' incentive scheme and cost of proposed refinancing		41,490	33,115
Share based remuneration.....		(1,294)	(2,397)
Directors' incentive scheme	4	(720)	—
Costs of proposed refinancing.....	4	(1,889)	—
Depreciation	12	(12,622)	(11,873)
Impairment	12	(40)	(4,906)
Amortisation.....	11	(6,199)	(6,378)
Operating profit before exceptional items		18,726	7,561
Loss on sale of fixed assets	4	(186)	(1,559)
Profit on sale of subsidiary undertaking		—	711
Profit on ordinary activities before interest		18,540	6,713
Interest receivable and similar income	8	196	1,228
Interest payable and similar charges.....	9	(13,433)	(13,790)
Profit/(loss) on ordinary activities before taxation	4	5,303	(5,849)
Tax on profit/(loss) on ordinary activities	10	(3,141)	(1,070)
Profit/(loss) on ordinary activities after taxation		2,162	(6,919)
Equity minority interests		9	—
Profit/(loss) for the year		2,171	(6,919)

There is no difference between the group's results as reported and on an historical cost basis. Accordingly no note of historical cost profit and loss has been prepared.

During the year ended 31 December 2011 the group acquired a majority holding in IMO Car Wash Australasia Pty Limited, a business based in Australia. The turnover and operating profit above include turnover of £274,000 and an operating loss of £40,000 in respect of the acquired operations. A detailed analysis is included in note 2.

During the year ended 31 December 2010 the group disposed of AWS Auto- Waschstrassen AG, a subsidiary based in Switzerland. This disposal is reflected in the detailed analysis shown in note 2. There were no discontinued operations in 2011.

Consolidated balance sheet

at 31 December 2011

	Notes	£'000	£'000	£'000	£'000
		<u>31 December 2011</u>		<u>31 December 2010</u>	
Fixed assets					
Intangible assets (including negative goodwill (£1,247,000) 2010 £nil).....	11	108,714		116,158	
Tangible assets	12	156,395		157,938	
Investments.....	13	539		1,896	
		265,648		275,992	
Current assets					
Stocks	14	7,900		6,950	
Debtors (including £46,000 due after one year 2010 £115,000).....	15	4,398		5,795	
Current asset investments		72		67	
Cash at bank and in hand.....		13,423		9,498	
		25,793		22,310	
Creditors: amounts falling due within one year	16	(32,723)		(28,417)	
Net current liabilities		(6,930)		(6,107)	
Total assets less current liabilities		258,718		269,885	
Creditors: amounts falling due after more than one year	17	(160,655)		(174,345)	
Provision for deferred tax	18	(5,525)		(4,588)	
Provisions for liabilities and charges ...	19	(10,545)		(13,506)	
Net assets excluding pension liabilities		81,993		77,446	
Pension liabilities					
Total defined benefit schemes					
—with net liabilities	20,26	(4,098)		(4,084)	
Net assets including pension liabilities		77,895		73,362	
Capital and reserves					
Called up share capital.....	23	4		4	
Share premium account	24	82,451		82,451	
Profit and loss account.....	24	(5,728)		(9,093)	
		76,727		73,362	
Minority interests	27	1,168		—	
Equity		77,895		73,362	

These financial statements were approved by the board of directors on 29 March 2012 and were signed on its behalf by

T J Richards
Director

M A J Smith
Director

Company balance sheet

at 31 December 2011

	Notes	£'000	£'000	£'000	£'000
			31 December 2011		31 December 2010
Fixed assets					
Tangible assets	12		8		11
Investments.....	13		82,653		82,653
			82,661		82,664
Current assets					
Debtors	15	10,463		7,680	
Cash at bank and in hand.....		340		657	
		10,803		8,337	
Creditors: amounts falling due within one year					
one year	16	(13,327)		(8,238)	
Net current (liabilities)/assets		(2,524)			99
Net assets		80,137			82,763
Capital and reserves					
Called up share capital.....	23		4		4
Share premium account	24		82,451		82,451
Profit and loss account.....	24		(2,318)		308
Equity			80,137		82,763

The loss of the parent company for the year was £3,703,762 (*2010 loss of £1,686,915*) which is derived from continuing operations.

These financial statements were approved by the board of directors on 29 March 2012 and were signed on its behalf by

T J Richards
Director

M A J Smith
Director

Consolidated cash flow statement
for the year ended 31 December 2011

	Notes	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Cash inflow from operating activities.....	29	35,715	27,513
Returns on investments and servicing of finance	30	(12,024)	(12,922)
Taxation.....		(2,586)	17
Capital expenditure and financial investment.....	30	(7,675)	(7,366)
Acquisitions and disposals	30	(2,086)	(3,841)
Cash inflow before management of liquid resources and financing		11,344	3,401
Management of liquid resources.....	30	(8)	—
Financing	30	(7,221)	(4,006)
Increase/(decrease) in cash in the year		4,115	(605)

Reconciliation of net cash flow to movement in net debt

for the year ended 31 December 2011

		Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
	Notes		
Increase/(decrease) in cash in the year		4,115	(605)
Cash outflow from decrease in debt	31	7,221	4,135
Cash outflow from decrease in liquid resources		8	—
Change in net debt resulting from cash flows.....		11,344	3,530
Acquisition of subsidiary undertakings	31	(297)	—
Disposal of subsidiary undertaking	31	—	(69)
Translation differences	31	2,764	3,579
Other non cash items	31	156	—
Movements in net debt in the year		13,967	7,040
Net debt at the start of the year.....	31	(172,942)	(179,982)
Net debt at the end of the year.....	31	(158,975)	(172,942)

**Reconciliation of movement in shareholders' funds
for the year ended 31 December 2011**

	Group Year ended 31 December 2011 £'000	Company Year ended 31 December 2011 £'000	Group Year ended 31 December 2010 £'000	Company Year ended 31 December 2010 £'000
Profit/(loss) for the year.....	2,171	(3,704)	(6,919)	(1,687)
Actuarial losses on pension scheme liabilities	(148)	—	(716)	—
Deferred tax movement on actuarial losses.....	48	—	232	—
Credit in respect of share-based remuneration.	1,294	1,078	2,397	1,998
Issue of ordinary shares	—	—	130	130
Net increase/(decrease) in shareholders' funds	3,365	(2,626)	(4,876)	441
Opening shareholders' funds	73,362	82,763	78,238	82,322
Closing shareholders' funds	76,727	80,137	73,362	82,763

Consolidated statement of total recognised gains and losses

for the year ended 31 December 2011

Group	Notes	Year ended	
		31 December 2011	31 December 2010
		£'000	£'000
Profit/(loss) for the year		2,171	(6,919)
Actuarial losses on pension scheme liabilities.....	26	(148)	(716)
Deferred tax movement on actuarial losses on pension scheme liabilities		48	232
Credit in respect of share-based remuneration		1,294	2,397
Total recognised gains and losses for the year		3,365	(5,006)

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards applied consistently throughout the period. The directors consider that the accounting policies are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates. In accordance with FRS 8, transactions or balances between group entities that have been eliminated on consolidation are not reported. Under section 408(3) of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Going concern

The group collects almost all of its revenues at the time of provision of services while credit terms are available on a substantial part of its costs. As a result the group employs negative working capital (a net current liability position) which is a feature of the group's business model. The financial statements have been prepared on a going concern basis. Having considered cash flow forecasts for the foreseeable future, the directors consider that this is the appropriate basis for preparation of the financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings for the year ended 31 December 2011. The acquisition method of accounting has been adopted.

Goodwill

Goodwill on consolidation represents the excess of the fair value of consideration given and acquisition costs over the fair value of the separable net assets acquired. In accordance with FRS10, goodwill is amortised over its estimated useful economic life, being 20 years. The useful economic lives are periods over which the directors estimate the value of the underlying businesses to exceed the value of the underlying assets.

Goodwill is assessed for impairment by comparing the carrying value of the asset to its recoverable amount, which is the higher of its net realisable value and value in use. The value in use of the group has been established by discounting the group's future cash flows at the group's weighted average cost of capital. Any impairment loss is recognised immediately in the group's consolidated profit and loss account.

Negative goodwill up to the fair values of the non-monetary assets acquired is recognised in the consolidated profit and loss account in the periods in which the non-monetary assets are recovered. Any negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised in the profit and loss account in the periods expected to be benefited.

Intellectual property

Purchase by the group of patents relating to the design of car washes are amortised on a straight-line basis over their estimated useful economic lives, being 20 years. Where representing a foreign currency asset, patents and accumulated amortisation are retranslated to the closing rate at year end.

Post-retirement benefits

The group operates several defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Toman Handels- und Beteiligungsgesellschaft mbH & Co KG operates a defined benefit scheme in Germany which is closed to new members. In line with common German practice, the scheme is unfunded, therefore no assets exist and the funding deficit represents the present value of the scheme liabilities.

The pension scheme deficit is recognised in full. The movement in the scheme deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on a straight-line basis on all tangible fixed assets in use at rates calculated to write off the cost of each asset less any estimated residual value over its estimated useful life as follows:

Freehold and long leasehold land	no depreciation provided
Short leasehold land and structures	the term of the lease
Site structures	7 - 35 years or lease term if less
Car wash equipment	20 years
Assets in the course of construction	no depreciation provided
Motor vehicles and office equipment	<u>5 years</u>

In accordance with the requirement for component accounting under FRS15, the directors consider that with the passage of time sufficient information now exists to allow a realistic estimate to be made of certain components within a car wash site structure that have a substantially different economic life from the rest of the asset, such that the depreciation profile of the whole asset more accurately reflects the consumption of economic benefits. Accordingly the accounting estimate for depreciation has been changed to adopt a component accounting approach. Costs have been allocated to major separable physical components for each car wash site structure resulting in an accelerated depreciation charge on such components. Accordingly subsequent expenditure in respect of replacing these components is capitalised, having previously been expensed in prior periods. The directors consider that there is no financial impact on the prior year balance sheet from this change in accounting estimate and that the impact of the change has been a reduction in cost of sales of £1,068,000 and an increase in depreciation charges for the year of £53,000.

For the purpose of determining impairment losses, each site is considered to be an income-generating unit under FRS 11. Future cash flows are estimated based on the remaining lease period for short leasehold sites and the estimated remaining economic life for freehold and long leasehold sites.

Restoration and other provisions

A provision is recognised when the directors consider that there is a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If these conditions are not met, no provision is recognised.

Provisions are measured at the value of the expenditures expected to be required to settle the obligation. Provision for the cost of restoring leased sites to their original state upon expiry of the lease is made to the extent that it is measurable. Such cost is capitalised at the beginning of the lease and is depreciated over each site's remaining useful economic life.

Capitalisation of incremental internal costs

The group designs and develops car wash equipment for use in its business. The associated costs are capitalised and allocated to individual fixed assets as they are installed.

Certain incremental internal costs are capitalised as part of the cost of tangible fixed assets when new sites are opened and when substantial economic enhancement is made to existing sites through renovation or upgrading. These costs include some salary costs of the employees involved in these activities as set out in note 7.

Stocks

Stocks are valued on a first-in first-out basis and are stated at the lower of cost and net realisable value.

Investments

In the company's financial statements investments in subsidiary undertakings are stated at cost less amounts written off. Investments are assessed for impairment by comparing the value of the asset to its recoverable amount, which is the

higher of its net realisable value and value in use. The value in use of the investment has been established by discounting the investment's cash flows at the investment's weighted average cost of capital.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account.

The assets and liabilities of foreign subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the period. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

To the extent that foreign borrowings have been used to finance group investments, investments in foreign enterprises or to provide a hedge against exchange risk, exchange gains or losses on foreign currency borrowings are offset against exchange differences on the re-translation of net investments.

Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the obligation is charged to the profit and loss account over the period of the agreement and represents a constant proportion of the balance of repayments outstanding. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the life of the lease.

Finance lease assets

Amounts receivable under finance leases, net of finance charges, are included in debtors. The interest element of these amounts is credited to the profit and loss account over the period of the agreement and represents a constant proportion of the outstanding debtor.

Taxation

The charge for taxation is based on the profit/loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for all deferred tax timing differences in accordance with FRS 19. Deferred tax assets are not recognised unless it is considered that it is more likely than not they will be recovered.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of car washing and ancillary services to third party customers.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable within 24 hours, less overdrafts payable on demand.

Current asset investments

Current asset investments represent deposits repayable after more than 24 hours.

Interest-bearing borrowings

Debt is stated at the fair value of the consideration received. The finance cost of the debt is allocated to periods over the term of the debt at a variable rate in accordance with the terms of issue.

Employee Share Ownership Trust

Transactions of the company-sponsored ESOT are treated as being those of the company and are therefore reflected in the parent company and group financial statements.

Share based remuneration

In accordance with FRS 20, the fair value of rights granted to the company's equity is recognised as an employee expense with a corresponding increase in equity. The expense is spread over the period between grant date and the estimated date by which the rights will become exercisable.

2 Turnover, cost of sales, gross profit, administrative expenses and operating profit

	Continuing £'000	Acquired £'000	Total £'000	Continuing £'000	Discontinued £'000	Total £'000
	Year ended 31 December 2011			Year ended 31 December 2010		
Turnover	121,998	274	122,272	112,985	1,114	114,099
Cost of sales.....	(71,005)	(209)	(71,214)	(71,030)	(833)	(71,863)
Gross profit	50,993	65	51,058	41,955	281	42,236
Administrative expenses.....	(32,972)	(105)	(33,077)	(35,478)	(176)	(35,654)
Other operating income	745	—	745	979	—	979
Operating profit before depreciation, amortisation, share based remuneration, directors' incentive scheme and cost of proposed refinancing	41,465	25	41,490	32,924	191	33,115
Share based remuneration.....	(1,294)	—	(1,294)	(2,397)	—	(2,397)
Directors' incentive scheme	(720)	—	(720)	—	—	—
Costs of proposed refinancing	(1,889)	—	(1,889)	—	—	—
Depreciation	(12,557)	(65)	(12,622)	(11,787)	(86)	(11,873)
Impairment	(40)	—	(40)	(4,906)	—	(4,906)
Amortisation.....	(6,199)	—	(6,199)	(6,378)	—	(6,378)
Operating profit/(loss)	18,766	(40)	18,726	7,456	105	7,561
Exceptional items:						
Loss on sale of fixed assets	(186)	—	(186)	(1,559)	—	(1,559)
Profit on sale of subsidiary undertaking.....	—	—	—	—	711	711
Profit/(loss) on ordinary activities before interest	18,580	(40)	18,540	5,897	816	6,713

The amounts for the year ended 31 December 2011 include, as acquired operations, the results of IMO Car Wash Australasia Pty Limited, a subsidiary based in Australia which was acquired during the year.

The prior year amounts shown above include the results of AWS Auto- Waschstrassen AG, a subsidiary based in Switzerland which was sold during the year.

3 Turnover

An analysis of revenue from external customers by location of customer for the year is as follows:

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Germany	55,654	50,020
United Kingdom.....	35,492	35,113
Belgium, Netherlands and Luxembourg.....	7,861	7,176
France	7,602	6,966
Austria and Switzerland	4,650	5,208
Hungary, Czech Republic and Poland.....	5,455	4,260
Spain and Portugal.....	4,657	4,568
Rest of world	901	788
	122,272	114,099

4 Profit/loss on ordinary activities before taxation

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Profit/loss on ordinary activities before taxation is stated after charging		
Impairment of tangible fixed assets (note 12)	40	4,906
Depreciation and other amounts written off tangible fixed assets—owned (note 12)	12,407	16,476
Depreciation and other amounts written off tangible fixed assets—leased (note 12)	255	303
Amortisation of goodwill and other intangible fixed assets (note 11)	6,199	6,378
Gain on disposal of fixed assets	1,045	475
Loss on disposal of fixed assets	1,231	2,034
Exceptional costs of proposed refinancing	1,889	—
Hire of land and buildings—operating leases	16,641	16,993
Hire of other assets—operating leases	804	749

Profit on ordinary activities before taxation for the year includes £471,000 relating to the release of accruals for business rates for which the deadline for assessment passed during the year without assessment being received. It also includes £953,000 resulting from settlement during the year of appeals against business rates valuations which were made before the deadline for such appeals passed during the previous year. In both cases the credit to the consolidated profit and loss account represents a reversal of costs that had been charged in earlier years to the consolidated profit and loss account of the group and the predecessor groups headed by Bluebrook Limited and IMO Car Wash Holding Limited. Such credits are cyclical in nature as a result of the quinquennial valuation regime for business rates in England and Wales.

In 2009 the shareholders of Rose HoldCo Limited designed an incentive scheme for the executive directors specifically to drive the long term value of the business by enhancing the enterprise value, and consequently the share value. The objectives set for the directors included the long term development of the brand through targeted capital investments, divestment of underperforming assets, reduction of net debt and sustainable EBITDA. Any payments made through the scheme are at the discretion of the remuneration committee chaired by one of the investor directors on behalf of the shareholders. For 2011 payments of £360,000 in respect of capital investment performance, £270,000 in respect of enhancement of enterprise value, and £90,000 in respect of reduction of net debt have been agreed and will be made in 2012.

The exceptional costs of proposed refinancing relate to fees paid primarily to the group's auditors, legal advisors and lenders' agent bank in connection with a proposed refinancing of the group's debt by means of a high yield bond. The refinancing was not carried out because of market movements before it could be implemented.

5 Auditors' remuneration

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Audit of these financial statements	83	113
Amounts receivable by auditors and their associates in respect of		
• Audit of financial statements of subsidiaries pursuant to legislation	199	222
• Services relating to taxation	83	129
• Services relating to corporate finance transactions entered into or proposed to be entered into by or on behalf of the company or the group	850	98

Of the fees for services relating to corporate finance transactions, £825,000 relate to the proposed refinancing referred to in note 4 and is included in the £1,889,000 exceptional costs of proposed refinancing.

6 Remuneration of directors

Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
---	---

Directors' emoluments	1,096	986
Amounts receivable under long term incentive schemes.....	1,481	1,628
Pension contributions	36	18
	2,613	2,632

The emoluments of the highest paid director were £1,124,099 (2010: £1,090,065) including £697,099 (2010: £711,917) receivable under long term incentive schemes. The pension contributions of the highest paid director were £nil in both periods. Retirement benefits accrued to one director under a defined contribution scheme (2010: *one*). The highest paid director did not exercise any share options during either period nor were any shares received or receivable by that director in respect of qualifying services under a long term incentive scheme (2010: £nil).

7 Staff numbers and costs

During the year ended 31 December 2011 and the year ended 31 December 2010, the average number of persons employed by the group (including directors), analysed by category, was as follows:

	Year ended 31 December 2011	Year ended 31 December 2010
	Number of employees	Number of employees
Production and assembly operators	35	34
Car wash site operators.....	12	23
Administration.....	159	148
Technical	43	43
	249	248

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Wages and salaries	10,556	9,245
Share-based remuneration	1,294	2,397
Social security costs	1,870	1,682
Other pension costs.....	119	143
	13,839	13,467

These costs include costs that have been capitalised in accordance with the group's accounting policy on capitalisation of incremental internal costs as set out in note 1. The company had no employees during the period.

8 Other interest receivable and similar income

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Bank interest receivable	132	110
Interest element of finance lease receipts	—	108
Net foreign exchange gain.....	64	1,010
	196	1,228

9 Interest payable and similar charges

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Interest on bank loans and overdrafts	12,827	13,121
Interest element of finance lease payments	74	81
Other finance costs		
• interest charge on pension liabilities	202	209
• unwinding of discount on restoration provision	403	366
• indexation of discounted onerous lease provision	(73)	13
	13,433	13,790

10 Taxation

Analysis of charge in year

	£'000 Year ended 31 December 2011	£'000 Year ended 31 December 2010
<i>UK corporation tax</i>		
Current tax on income for the year	21	19
Double taxation relief	(21)	—
<i>Foreign tax</i>		
Current tax on income for the year.....	3,825	1,260
Adjustment in respect of prior period....	(1,811)	924
Total current tax	2,014	2,184
<i>Deferred tax (see note 18)</i>		
Origination and reversal of timing differences	1,130	(1,102)
Effect of increases and decreases in tax rates	(3)	(12)
Total deferred tax	1,127	(1,114)
Tax on profit/loss on ordinary activities..	3,141	1,070

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (*2010 higher*) than the standard UK corporation tax rate of 26.5% (*2010 28%*). The differences are explained below:

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	5,303	(5,849)
Current tax at 26.5% (<i>2010 28%</i>).....	1,405	(1,638)
<i>Effects of</i>		
Non-taxable translation gains or losses	178	176
Other expenses not deductible for tax purposes (primarily goodwill amortisation).....	2,117	2,597
Capital allowances for period in excess of depreciation.....	378	778
Utilisation of tax losses	(612)	(638)
Different tax rates in foreign countries	359	(15)
Adjustment in respect of prior period.....	(1,811)	924
Total current tax charge (see above).....	<u>2,014</u>	<u>2,184</u>

Factors that may affect future current and total tax charges

New tax legislation in the countries in which the group operates may affect future current and total tax charges.

11 Intangible fixed assets

Group	Patents £'000	Goodwill £'000	Negative goodwill £'000	Total £'000
<i>Cost</i>				
At beginning of year	1,416	123,889	—	125,305
Additions during the year (note 21).....	—	23	(1,247)	(1,224)
Exchange adjustment.....	(39)	—	—	(39)
At end of year	<u>1,377</u>	<u>123,912</u>	<u>(1,247)</u>	<u>124,042</u>
<i>Amortisation</i>				
At beginning of year	525	8,622	—	9,147
Charged in year	72	6,127	—	6,199
Exchange adjustment.....	(18)	—	—	(18)
At end of year	<u>579</u>	<u>14,749</u>	<u>—</u>	<u>15,328</u>
<i>Net book value</i>				
At 31 December 2011	798	109,163	(1,247)	108,714
<i>Net book value</i>				
At 31 December 2010	891	115,267	—	116,158

The determination of the fair value of the negative goodwill acquired during the year is as set out in note 21. The fair value of patents is the book value on acquisition since the directors consider this to represent replacement cost.

Positive goodwill and patents are amortised over a useful economic life of 20 years. Negative goodwill is amortised over the period during which the non-monetary assets are recovered. Where representing a foreign currency asset, patents are retranslated to the closing rate at the period end.

12 Tangible fixed assets

Group	Land £'000	Buildings £'000	Equipment and machinery £'000	Assets in course of construction £'000	Other £'000	Total £'000
<i>Cost</i>						

At beginning of year	58,689	167,850	115,716	1,526	2,841	346,622
Acquisitions during the year	—	11,761	—	112	122	11,995
Additions during the year	13	4,041	6,042	725	150	10,971
Transfers between categories	228	649	789	(1,667)	1	—
Disposals	(2,273)	(3,182)	(3,162)	—	(43)	(8,660)
Exchange adjustment	(764)	(3,487)	(3,026)	(4)	(46)	(7,327)
At end of year	55,893	177,632	116,359	692	3,025	353,601
Depreciation						
At beginning of year	1,312	111,154	73,909	—	2,309	188,684
Acquisitions during the year	—	5,232	—	—	32	5,264
Charge for year	31	6,866	5,542	—	183	12,622
Impairment charge/(reversal)	—	133	(93)	—	—	40
Disposals	(24)	(2,863)	(2,485)	—	(20)	(5,392)
Exchange adjustment	(19)	(2,193)	(1,764)	—	(36)	(4,012)
At end of year	1300	118,329	75,109	—	2,468	197,206
Net book value						
At 31 December 2011	54,593	59,303	41,250	692	557	156,395
Net book value						
At 31 December 2010	57,377	56,696	41,807	1,526	532	157,938

The net book value of land and buildings comprises:

	31 December 2011 £'000	31 December 2010 £'000
Freehold	64,039	67,786
Long leasehold	7,601	7,792
Short leasehold	42,256	38,495
	113,896	114,073

Included in freehold and leasehold land is an amount of £54,474,000 (2010: £57,251,000) relating to freehold and long leasehold land on which no depreciation is charged. Included in the net book value of buildings is an amount of £862,000 (2010: £908,000), after charging depreciation of £138,000 (2010: £135,000) and crediting impairment reversal of £(117,000) (2010: *charging impairment of £168,000*) during the year, relating to buildings held under finance leases.

Impairment of car wash sites is calculated by reference to the present value of expected future cash flows, using discount rates of 10.67% (2010: 10.67%) for sites in the UK, 10.18% (2010: 10.18%) for sites in mainland Europe, and 10.18% for sites owned by the Australian business acquired during the year.

Company

	Equipment and machinery £'000
Cost	
At beginning and end of year	12
Depreciation	
At beginning of year	1
Charge for the year	3
At end of year	4
Net book value at 31 December 2011	8
Net book value at 31 December 2010	11

13 Fixed asset investments

Group	Investments in unquoted companies £'000	Deposits and guarantees £'000	Other investments £'000	Total £'000
Cost				
At beginning of year	1,371	507	18	1,896

Acquisitions.....	—	31	20	51
Disposals	—	—	(12)	(12)
Transfer arising from investment becoming a subsidiary undertaking.....	(1,371)	—	—	(1,371)
Exchange adjustments	—	(24)	(1)	(25)
At end of year.....	—	514	25	539

The investments in unquoted companies at the beginning of the year represented a minority holding in IMO Car Wash Australasia Pty Ltd. As part of a restructuring of the ownership of that company which took place on 30 November 2011, this holding was transferred to a new holding company, IMO Group Holdings Pty Ltd. Under the restructuring, IMO Car Wash Australasia Pty Ltd became a wholly-owned subsidiary of IMO Group Holdings Pty Ltd, and IPIC BV, a group undertaking, became a 79.625% shareholder in IMO Group Holdings Pty Ltd.

The undertakings in which the group's interest at the year end is more than 20% are shown below. All subsidiaries are held indirectly apart from Rose MidCo Limited. All of the companies below are included in the consolidation.

Subsidiary undertakings	Country of incorporation	Principal activity	Group	Company Percentage of ordinary shares held
AML (Automobilove myci linky, spol SRO).....	Czech Republic	Car wash operator	100.0%	—
Anduff Car Wash Limited	UK	Car wash operator	100.0%	—
Anduff Holdings Limited	UK	Holding company	100.0%	—
Artego Autowasch- und Servicegesellschaft mbH	Austria	Car wash operator	100.0%	—
Brossecar Industria e Com de Escovas Auto Lda.....	Portugal	Car wash brush assembler	100.0%	—
Cleanland Limited	UK	Property holding company	100.0%	—
Compagnie Parisienne de Services SAS.....	France	Car wash operator	100.0%	—
IMO Autolavados SA and subsidiaries.....	Spain	Car wash operator	100.0%	—
IMO-Auto-Lavagens SA	Portugal	Car wash operator	100.0%	—
IMO Autopflege GmbH	Germany	Car wash operator	100.0%	—
IMO Car Wash Australasia Pty Ltd.....	Australia	Car wash operator	79.6%	—
IMO Car Wash Group Limited.....	UK	Holding company	100.0%	—
IMO Deutschland Holding GmbH	Germany	Holding company	100.0%	—
IMO Group Holdings Pty Ltd.....	Australia	Holding company	79.6%	—
IMO Hungary Automosö Kft	Hungary	Car wash operator	100.0%	—
IMO Polska Sp z o o.....	Poland	Car wash operator	100.0%	—
IPIC BV	Netherlands	Holding company	100.0%	—
IPIC Luxembourg Sarl	Luxembourg	Car wash operator	100.0%	—
IPIC Nederland BV	Netherlands	Car wash operator	100.0%	—
Le Roseau SA.....	Luxembourg	Holding company	100.0%	—
Manufacture des Brosses du Marais Poitevin SAS ...	France	Car wash brush producer	100.0%	—
Milburn Productions Limited	UK	Property holding company	100.0%	—
Neptune Benelux SA	Belgium	Property holding company	100.0%	—
Rose MidCo Limited	UK	Holding company	100.0%	100.0%
SNC IMO France.....	France	Property holding company	100.0%	—
Sodeal SA	Belgium	Car wash operator	100.0%	—
Toman Handels- und Beteiligungsverwaltungs- GmbH	Germany	Holding company	100.0%	—
Topas Chemie GmbH	Germany	Dormant	100.0%	—

The group has 100% partnership interests in Toman Handels- und Beteiligungsverwaltungs- mbH & Co KG (Germany) and IMO Autopflege Beteiligungsverwaltungs- mbH & Co KG (Germany).

	Shares in group undertakings
	31 December 2011
	£'000
Company	
<i>Cost</i>	
At beginning and end of year	82,653
<i>Net book value</i>	
At 31 December 2011 and 2010	82,653

14 Stocks

	Group 31 December 2011 £'000	Company 31 December 2011 £'000	Group 31 December 2010 £'000	Company 31 December 2010 £'000
Equipment and spare parts....	6,415	—	5,243	—
Production inventory	487	—	568	—
Consumables	998	—	1,139	—
	7,900	—	6,950	—

The book value of stocks is not materially different from replacement cost.

15 Debtors

	Group 31 December 2011 £'000	Company 31 December 2011 £'000	Group 31 December 2010 £'000	Company 31 December 2010 £'000
Trade debtors.....	961	—	1,077	—
Current accounts—operators	861	—	830	—
Amounts due from group undertakings	—	10,463	—	7,525
Corporation tax recoverable .	95	—	418	—
Prepayments and accrued income	1,785	—	1,986	155
Other debtors	408	—	277	—
VAT.....	288	—	1,207	—
	4,398	10,463	5,795	7,680

Total group debtors include the following amounts due after one year trade debtors £nil (2010: £60,000) and prepayments £46,000 (2010: £55,000).

16 Creditors: amounts falling due within one year

	Group 31 December 2011 £'000	Company 31 December 2011 £'000	Group 31 December 2010 £'000	Company 31 December 2010 £'000
Bank loans	11,924	—	7,993	—
Obligations under finance leases	177	—	169	—
Trade creditors.....	5,091	472	4,923	52
Amounts due to group undertakings	—	11,753	—	7,621
Other creditors.....	83	—	100	26
Corporation tax	4,606	—	5,629	—
Other taxation and social security	1,056	59	1,073	59
Accruals and deferred income	9,786	1,043	8,530	480
	32,723	13,327	28,417	8,238

17 Creditors: amounts falling due after more than one year

	Group 31 December 2011 £'000	Company 31 December 2011 £'000	Group 31 December 2010 £'000	Company 31 December 2010 £'000
Bank loans	159,059	—	172,853	—
Obligations under finance leases	1,310	—	1,492	—
Other creditors.....	286	—	—	—

160,655	—	174,345	—
----------------	---	----------------	---

	Group 31 December 2011 £'000	Company 31 December 2011 £'000	Group 31 December 2010 £'000	Company 31 December 2010 £'000
<i>Analysis of bank loans and obligations under finance leases</i>				
Debt is analysed as follows:				
Falling due between one and two years.....	7,846	—	7,993	—
Falling due between two and five years	151,213	—	164,860	—
	159,059	—	172,853	—
Obligations under finance leases fall due as follows:				
Between one and two years	241	—	216	—
Between two and five years.....	612	—	537	—
Over five years	791	—	957	—
	1,644	—	1,710	—
Less future finance charges	(334)	—	(218)	—
	1,310	—	1,492	—

Bank loans and financing

On 13 August 2009 the group entered into financing agreements under which senior and second lien debt were issued in sterling (£61,008,000) and euros (€44,234,000). As at 31 December 2011 the remaining debt is £57,051,000 and €36,437,000 respectively (2010 £59,689,000 and €41,115,000 respectively).

The senior debt of £126,846,000 (2010 £135,884,000) is repayable upon a change of control or flotation or otherwise in fifteen quarterly instalments of £660,000 and €1,559,000 starting on 30 September 2010 and the final payment is due on 13 August 2014. Interest on the senior loans is charged at 7.25% over LIBOR for sterling denominated loans and 7.25% over EURIBOR for euro denominated loans. Interest is payable at one-, two-, three- or six monthly intervals at the company's choice or at other intervals of less than six months agreed between the company and the lenders. No element of interest is rolled up into principal.

The second lien debt of £44,137,000 (2010 £44,962,000) is repayable on 12 February 2015 or upon a change of control or flotation if earlier. Interest on the second lien debt is charged at 0.50% over LIBOR for sterling denominated loans and 0.50% over EURIBOR for euro denominated loans. Interest is payable at one-, two-, three- or six monthly intervals at the company's choice or at other intervals of less than six months agreed between the company and the lenders. No element of interest is rolled up into principal.

On 11 September 2009 an interest rate cap and collar swap in sterling and euros was entered into which hedged the LIBOR and EURIBOR cost elements of the senior and second lien debt in full until 11 September 2012 at between 1.76% and 4.20% for sterling and between 1.20% and 3.80% for the euro.

The financing agreements require the group to comply with certain financial and non-financial covenants, the financial covenants include the requirement to maintain certain minimum ratios of earnings before interest, tax, depreciation and amortisation to both net interest payable and net debt.

Bank loans are secured by a fixed and floating charge over the assets of the group.

18 Provisions for deferred tax liability/(asset)

	£'000	£'000	£'000
	Group 31 December 2011	Company 31 December 2011	Company 31 December 2011
At beginning of year.....	4,588	—	—
Charge/(credit) to the profit and loss for the year			
Additional amounts provided	1,532	—	—

Unwinding of previously provided amount	(402)	—
Effect of tax rate change	(3)	—
	1,127	—
Exchange differences	(190)	—
At end of year	5,525	—

	£'000	£'000	£'000
	Group	Company	
	31 December 2010	31 December 2011	
At beginning of year	5,791	—	—
Charge/(credit) to the profit and loss for the period			
Additional amounts provided	427		
Unwinding of previously provided amount	(1,530)		
Effect of tax rate change	(12)		
	(1,115)		
Deferred tax charge added to pension deficit	(9)		—
Sale of subsidiary undertaking	(46)		—
Exchange differences	(33)		—
At end of year	4,588		—

In addition to the amounts shown above there are unprovided deferred tax assets of £11,953,000 (2010 £6,829,000). These amounts are unprovided because it is considered more unlikely than likely that the assets will be realised.

The elements of the deferred taxation provision are as follows:

	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
	Group	Company		
	31 December 2011	31 December 2011		
Difference between accumulated depreciation and amortisation and capital allowances	6,470	(6,051)	—	—
Other timing differences	(572)	(448)	—	—
Tax losses	(373)	(4,982)	—	—
	5,525	(11,481)	—	—

	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
	Group	Company		
	31 December 2010	31 December 2010		
Difference between accumulated depreciation and amortisation and capital allowances	7,243	(5,234)	—	—
Other timing differences	(1,669)	(54)	—	—
Tax losses	(986)	(1,541)	—	—
	4,588	(6,829)	—	—

New tax legislation in the countries in which the group operates may affect the future value of deferred tax assets and liabilities.

On 23 March 2011 it was announced that the main rate of UK corporation tax would reduce from 28% to 26% with effect from 1 April 2011 and further to 25% from 1 April 2012. This tax change became substantively enacted on 5 July 2011 and therefore the effect of the rate reduction on the deferred tax balances as at 31 December 2011 has been included in the figures above.

On 21 March 2012 a further reduction in the main rate of UK corporation tax to 24 per cent was announced with effect from 1 April 2012. This change of rate would have no effect on the deferred tax liability provided but would reduce the unprovided deferred tax asset shown above by £256,000. This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date.

Also on 21 March 2012 additional changes were proposed to further reduce the main rate of corporation tax by one per cent per annum to 22 per cent by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above. These changes would have no effect on the deferred tax liability provided but the overall effect of the reductions from 25 per cent to 22 per cent, if these applied to the deferred tax balance at 31 December 2011, would be to reduce the unprovided deferred tax asset shown above by £767,000.

19 Provisions for liabilities and charges

Group	Legal dispute £'000	Restoration provision £'000	Other provisions £'000	Total £'000
At beginning of year	2,399	4,930	6,177	13,506
Acquisitions	—	144	31	175
Utilised during year	(45)	(252)	(1,195)	(1,492)
(Credit)/charge for the year	(302)	41	(1,479)	(1,740)
Interest	—	403	(73)	330
Exchange difference	(51)	(156)	(27)	(234)
At end of year	2,001	5,110	3,434	10,545

The amount provided for legal disputes relates to claims against the group incurred in the normal course of business. The restoration provision relates to the estimated costs of restoring leased sites to their original state upon expiry of the leases. Other provisions relate primarily to future payments under onerous leases. To reflect the time value of money significant provisions are discounted at the present rate of inflation.

The expected utilisation of the provisions is as follows:

Group	Legal dispute £'000	Restoration provision £'000	Other provisions £'000	Total £'000
Within one year	206	164	1,388	1,758
Within two to three years	135	212	626	993
Within four to five years	—	537	380	917
Within five to ten years	553	552	626	1,731
After more than ten years	1,107	3,625	414	5,146
At end of year	2,001	5,110	3,434	10,545

20 Pension liabilities

Group	31 December 2011 £'000	31 December 2010 £'000
At beginning of year	4,084	3,600
Acquisitions	—	—
Utilised during the year	(234)	(201)
Credit for the year	212	817
Interest	202	209
Deferred tax credit	(48)	(223)
Exchange difference	(118)	(118)
At end of year	4,098	4,084

Further disclosure on the movements during the year on the pension provision appears in note 26.

21 Acquisitions

On 30 November 2011 the company's subsidiary IPIC BV acquired 79.625% of the share capital of IMO Group Holdings Pty Ltd, thus increasing its holding in IMO Car Wash Australasia Pty Ltd to 79.625% as set out in note 13 at an incremental cost of £1,982,000. On that date IMO Group Holdings Pty Ltd and IMO Car Wash Australasia Pty Ltd became subsidiaries of the group. 15% of the participating shares and 11.15% of the voting shares had previously been held as an investment of £1,371,000.

Under the acquisition method of accounting the resulting negative goodwill of £1,247,000 was capitalised and will be recognised in the consolidated profit and loss account in the periods in which the non-monetary assets are recovered.

	Book value £'000	Revaluation £'000	Fair Value £'000
Fixed assets			
Tangible.....	10,040	(3,309)	6,731
Current assets			
Stocks	237	—	237
Debtors	194	—	194
Cash.....	226	—	226
Total assets	10,697	(3,309)	7,388
Liabilities			
Creditors	(334)	—	(334)
Accruals.....	(579)	—	(579)
Loans	(523)	—	(523)
Provisions	(144)	(31)	(175)
Total liabilities	(1,580)	(31)	(1,611)
Net assets/(liabilities)	9,117	(3,340)	5,777
Minority interest			(1,177)
Negative goodwill			(1,247)
			3,353
Purchase consideration			
Transfer from investments in unquoted companies (note 13)			1,371
Consideration paid at balance sheet date			1,976
Cash consideration not yet paid at balance sheet date			6
Purchase consideration and costs of acquisition			3,353

The fair value of the identifiable assets and liabilities has been determined on a provisional basis at this stage because the value of certain liabilities, while estimated with reasonable accuracy, remains uncertain.

The combined results of the acquired undertakings for the period from 1 July 2010 (the beginning of their financial year) to the date of acquisition are as follows:

	£'000
Turnover	4,412
Operating profit before depreciation, amortisation, exceptional costs and share-based remuneration.....	396
Operating loss.....	(991)
Loss before taxation	(1,314)
Loss after taxation	(1,314)

The loss after tax of IMO Car Wash Australasia Pty Ltd for its previous financial year was £1,959,000. IMO Group Holdings Pty Ltd was formed in October 2011 and so had no activity during this period.

From the beginning of its financial year to the date of acquisition, the combined total recognised gains and losses of the acquired undertakings are as follows:

	£'000
Loss for the period.....	(1,314)
Foreign currency translation.....	1,083
Total recognised gains and losses from the beginning of the year to the date of acquisition	(231)

22 Sale of subsidiary undertaking

During the year payments of £87,000 were made, as shown in note 30, in respect of costs of disposal of the group's former subsidiary AWS Auto- Waschstrassen AG, which was disposed of on 8 December 2010. These costs were accrued for in the year ended 31 December 2010.

23 Called up share capital

	31 December 2011 £	31 December 2010 £
Authorised		

Equity 438,750,000 'A' ordinary shares of £0.00001 each	4,388	4,388
Equity 11,250,000 'B' ordinary shares of £0.00001 each	112	112
Equity 866,968 'C' ordinary shares of £0.00001 each	9	9
	4,509	4,509
Allotted, called up and fully paid		
Equity 438,750,000 'A' ordinary shares of £0.00001 each	4,388	4,388
Equity 9,513,990 'B' ordinary shares of £0.00001 each (2010 7,938,990 shares)	95	79
Equity 866,968 'C' ordinary shares of £0.00001 each	9	9
	4,492	4,476

The 'A', 'B' and 'C' ordinary shares are voting shares and carry the same rights to voting and income. In the event of a 'valuation event', as defined in the Company's Articles of Association (for example a listing of the shares on a recognised stock exchange, or otherwise 31 December 2014), a proportion of the 'A' ordinary shares could be redesignated as non-equity 'deferred shares' according to calculations based on the circumstances at the time. Deferred shares are non-voting, not entitled to any dividend or distribution, redeemable only at the company's behest and in the event of a return of assets entitled only to the amount paid up on the shares after repayment of the capital paid up on the ordinary shares and after the payment of £10,000,000 on each ordinary share. The 'B' ordinary shares are subject to 'bad leaver' provisions, as set out in the Company's Articles of Association, which require the shares to be transferred in defined circumstances.

24 Share premium and reserves

	Share premium account £'000	Profit and loss account £'000
Group		
At beginning of year	82,451	(9,093)
Profit for the year	—	2,171
Actuarial losses on pension scheme liabilities.....	—	(148)
Deferred tax movement on actuarial losses	—	48
Credit in respect of share-based remuneration	—	1,294
At end of year.....	82,451	(5,728)
Company		
At beginning of year	82,451	308
Loss for the year	—	(3,704)
Credit in respect of share-based remuneration	—	1,078
At end of year.....	82,451	(2,318)

25 Commitments

At the end of the year the group had capital commitments of £nil (2010 £nil) for which provision has been made and of £2,009,000 (2010 £826,000) for which no provision has been made. The company had no capital commitments (2010 £nil).

The group's annual commitments under non-cancellable operating leases are as follows.

	31 December 2011		31 December 2010	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
Within one year	1,945	255	1,259	186
Within two to five years	6,982	496	5,303	508
After more than five years	8,931	8	9,506	12
	17,858	759	16,068	706

The company has no non-cancellable operating lease commitments (2010: £nil).

26 Pension schemes

The group operates several defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £55,000 (2010: £41,000). At the end of the year

there were £6,000 (2010: £nil) of outstanding contributions. There were no prepaid contributions at the end of the year (2010: £nil).

Toman Handels- and Beteiligungsgesellschaft mbH & Co KG and its subsidiaries operate a defined benefit scheme in Germany. A full actuarial valuation was carried out at 31 December 2011 by a qualified independent actuary. The funding deficit as at 31 December 2011 was £4,454,000 (2010: £4,403,000). In line with common German practice, the scheme is unfunded, therefore no assets exist and the funding deficit represents the present value of the scheme liabilities.

The major assumptions used in this valuation were:

	31 December 2011 %	31 December 2010 %
Rate of increase in pensions in payment.....	1.50	1.50
Discount rate applied to pensions in payment	4.28	4.54
Discount rate applied to deferred pensions.....	4.45	4.75
Inflation assumption	—	—

The actuarial valuation was not affected by assumptions for increases in salaries or general inflation since such factors do not change the pension amounts for which the scheme is liable.

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Scheme assets

The fair value of the scheme's assets and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Value at 31 December 2011 £'000	Value at 31 December 2010 £'000	Value at 31 December 2009 £'000
Total market value of assets	—	—	—
Present value of scheme liabilities.....	(4,454)	(4,403)	(3,699)
Deficit in the scheme—pension liability	(4,454)	(4,403)	(3,699)
Related deferred tax asset.....	356	319	99
Net pension liability	(4,098)	(4,084)	(3,600)

Movement in deficit during the year

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Deficit in scheme at beginning of year.....	(4,403)	(3,699)
Current service cost	(64)	(47)
Past service cost for vested benefits recognised	—	(54)
Pension payments	234	201
Other finance cost.....	(202)	(209)
Actuarial loss.....	(148)	(716)
Foreign exchange	129	121
Deficit in the scheme at the end of the year.....	(4,454)	(4,403)

The exchange gain arising on the revaluation of the deficit is included in foreign currency translation shown in the consolidated statement of total recognised gains and losses.

Analysis of other pension costs charged in arriving at operating profit

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Current service cost	(64)	(47)
Past service cost for vested benefits recognised	—	(54)
	(64)	(101)

Analysis of amounts included in other finance costs

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Interest on pension scheme liabilities	(202)	(209)

Analysis of amount recognised in statement of total recognised gains and losses

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Experience losses arising on scheme liabilities	(148)	(716)
Actuarial loss recognised in statement of total recognised gains and losses .	(148)	(716)

History of experience gains and losses

	Year ended 31 December 2011	Year ended 31 December 2010	Period from 30 April 2009 to 31 December 2009
Experience (losses) and gains on scheme liabilities.			
Amount (£'000)	(148)	(716)	30
Percentage of period end present value of scheme liabilities	3.3%	16.3%	0.8%
Total amount recognised in consolidated statement of total recognised gains and losses. Amount (£'000)	(148)	(716)	30
Percentage of period end present value of scheme liabilities	3.3%	16.3%	0.8%

27 Minority interests

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000	Group
At beginning of year	—	—	—
Acquisition of subsidiary undertakings	1,177	—	—
Share of loss for the year	(9)	—	—
At end of year	1,168	—	—

28 Employee Share Ownership Trust and employee share schemes— group and company

The Employee Share Ownership Trust holds a residual cash balance remaining from previous transactions in the former group holding companies Rose Realisations 1 Limited (formerly IMO Car Wash Holding Limited) and Rose Realisations 2 Limited (formerly IMO Car Wash Group Limited). The Trust holds no shares in the company or any of its subsidiaries. The trust may, on the recommendation of the company's directors and at the trustees' discretion, distribute to certain group employees gains arising from time to time on the value of the shares it holds.

In accordance with UITF 38 the assets and liabilities of the Employee Share Ownership Trust have been recognised in the financial statements of the company and the group as the directors consider that Rose HoldCo Limited is the effective sponsoring entity of the trust.

29 Reconciliation of consolidated operating profit to consolidated operating cash flows

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Operating profit	18,726	7,561

Depreciation, amortisation and impairment charges	18,861	23,157
Decrease in other provision	(3,130)	(2,442)
Increase in stocks	(801)	(1,733)
Decrease/(increase) in debtors	1,057	(2,211)
Decrease in debtors—finance leases	—	1,015
Decrease in creditors	(292)	(231)
Charge in respect of share-based remuneration	1,294	2,397
Net cash inflow from operating activities	35,715	27,513

30 Analysis of cash flows

	Year ended 31 December 2011 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000	Year ended 31 December 2010 £'000
Returns on investments and servicing of finance				
Interest received	149	106		
Interest element of finance lease receipts	—	108		
Interest paid	(12,099)	(13,055)		
Interest element of finance lease payments	(74)	(81)		
Net cash outflow for returns on investments and servicing of finance		(12,024)		(12,922)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(10,542)	(10,035)		
Sale of tangible fixed assets	2,906	2,658		
Purchase of financial investments	(51)	(28)		
Sale of financial investments	12	39		
Net cash outflow for capital expenditure and financial investment		(7,675)		(7,366)
Acquisitions and disposals				
Purchase of subsidiary undertakings (see note 21)	(1,999)	(5,817)		
Sale of subsidiary undertaking (see note 22)	(87)	1,976		
Other acquisitions	—	—		
Net cash outflow for acquisitions and disposals		(2,086)		(3,841)
Management of liquid resources				
Increase of cash deposit	(8)	—		
Net cash outflow from management of liquid resources		(8)		—
Financing				
Issue of share capital	—	130		
Decrease in short-term borrowing (within 1 year)	(7,048)	(3,972)		
Capital element of finance lease payments	(173)	(164)		
Net cash outflow from financing		(7,221)		(4,006)

Of the amount shown under acquisitions and disposals above for purchase of subsidiary undertakings, £23,000 relates to payments made during the year in respect of the acquisition during 2009 of Anduff Holdings Limited, Cleanland Limited, IPIC BV and Le Roseau SA and their respective subsidiary companies from the Administrator of the Bluebrook Limited group of companies. The remaining £1,976,000 relates to the acquisition of 79.625% of the share capital of IMO Group Holdings Pty Ltd as set out in note 21.

31 Analysis of net debt

	At beginning of year £'000	Acquisitions £'000	Cash flow £'000	Other non- cash changes £'000	At end of year £'000
Cash in hand, at bank	9,498	226	4,115	(416)	13,423
Debt due after one year	(174,345)	—	173	13,803	(160,369)
Debt due within one year	(8,162)	(523)	7,048	(10,464)	(12,101)
			7,221		
Current asset investments	67	—	8	(3)	72
Total	(172,942)	(297)	11,344	2,920	(158,975)

32 Related party transactions

The company is not controlled by any single party. The lenders to the group's former holding company Bluebrook Limited became shareholders in Rose HoldCo Limited as part of a Scheme of Arrangement in the period ended 31 December 2009.

The Shareholders' Agreement entered into as part of the Scheme of Arrangement entitles any holder of more than 6% of the 'A' ordinary shares in issue from time to time to appoint a representative to attend meetings of the board as an observer, subject to an intention on the part of the shareholders that no more than two such observers attend any one board meeting.

Details of the subsidiary companies are shown in note 13. In accordance with FRS 8, transactions or balances between group entities that have been eliminated on consolidation are not reported.

As disclosed in note 13, at the end of the year ended 31 December 2010 the group had a minority holding in IMO Car Wash Australasia Pty Ltd. During the year ended 31 December 2010 the group recorded sales to that company of £157,000 and royalty income from it of £129,000. Debtors at 31 December 2010 included amounts due to the group from IMO Car Wash Australasia Pty Ltd of £75,000. During the period from 1 January 2011 to 30 November 2011 (the date from which transactions and balances with IMO Car Wash Australasia Pty Ltd have been eliminated on consolidation) the group recorded sales to that company of £nil and royalty income from it of £122,000.

BOING GROUP FINANCING PLC
OPENING BALANCE SHEET AS AT JUNE 9, 2014

(Unaudited)

GBP
(Unaudited)

ASSETS

Fixed assets

Financial assets

Shares in affiliated undertakings

Current assets

Cash at bank and in hand	12,500
	<u>12,500</u>

LIABILITIES

Capital and reserves

Subscribed capital	12,500
Result for the financial period	—
	<u>12,500</u>

Non subordinated debts

Tax and social security	—
Tax	—
Trade creditors	—
becoming due and payable after less than one year	—
	<u>12,500</u>

BOING ACQUISITIONS LIMITED
OPENING BALANCE SHEET AS AT JUNE 9, 2014

(Unaudited)

GBP
(Unaudited)

ASSETS

Fixed assets

Financial assets

Shares in affiliated undertakings

Current assets

Cash at bank and in hand	1.00
	1.00

LIABILITIES

Capital and reserves

Subscribed capital	1.00
Result for the financial period	—
	1.00

Non subordinated debts

Tax and social security	—
Tax	—
Trade creditors	—
becoming due and payable after less than one year	—
	1.00

BOING MIDCO LIMITED
OPENING BALANCE SHEET AS AT JUNE 9, 2014

(Unaudited)

GBP
(Unaudited)

ASSETS

Fixed assets

Financial assets

Shares in affiliated undertakings

Current assets

Cash at bank and in hand	1.00
	<u>1.00</u>

LIABILITIES

Capital and reserves

Subscribed capital	1.00
Result for the financial period	—
	<u>1.00</u>

Non subordinated debts

Tax and social security	—
Tax	—
Trade creditors	—
becoming due and payable after less than one year	—
	<u>1.00</u>

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