Condensed Interim Financial Information of

EDAM FUNDING ONE LIMITED

As at 30 June 2011

(Compiled without audit or review)

EDAM FUNDING ONE LIMITED

Table of Contents

Management's Statement of Responsibility for Financial Reporting

The Condensed Interim Financial Information of Edam Funding One Limited (the Company), has been compiled by the Company's administrator for use by the management. The management is responsible for the preparation and fair presentation of the Condensed Interim Financial Information in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Condensed Interim Financial Information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Statement on true and fair view

The Directors of the Company state that, to the best of their knowledge:

- the Condensed Interim Financial Information as at June 30, 2011, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company

- the Interim Management Report gives a true and fair view of the state of affairs as at the reporting date and of the course of affairs during the financial period of the Company together with a description of the principal risks the Company faces.

The Condensed Interim Financial Information includes limited recourse notes valued at €215,345,152 (2010: €195,499,662), derivative financial instruments valued at €4,909,176 assets (2010: €4,232,633), derivative financial instruments valued at €4,681,317 liabilities (2010: €23,864,579) and investments valued at €215,254,616 (2010: €215,254,723) whose values are estimated using the valuation method adopted by the Company in the absence of readily ascertainable market values. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for these financial instruments existed or another valuation method been adopted, and the differences could be material.

Interim Management Report

The business of the Company is principally limited to the issuance of limited recourse notes linked to a reference portfolio and the investment of the proceeds thereof.

The Company has not issued any such notes during the financial period ending June 30, 2011. The Company has terminated Series 05-02 (2010: Series 06-09)Notes during the period. It is not intended that the business of the Company will diversify. The Company does not engage in the field of research and development.

The principal risks the Company faces include (i) credit risk within the various reference portfolios as well as counterparty risk; (ii) liquidity risk because an illiquid secondary market could have an adverse effect on the value of the reference portfolios and the notes and (iii) market risk including changes in interest rates and foreign exchange rates.

The Company does not have any employees. Its administration is delegated to MaplesFS Limited (formerly Maples Finance Limited) which also provides directors to the Company from its employees for a fixed annual fee.

For and on behalf of the Board of Directors of Edam Funding One Limited on______________, 2011

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Aileen Sargent, Director

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Andrew Dean, Director

EDAM FUNDING ONE LIMITED

Condensed Statements of Financial Position *(compiled without audit or review)*

June 30, 2011 and December 31, 2010.
(stated in Euro)

	Note		June 30, 2011 (Unaudited)	December 31, 2010 (Audited)
Assets				
Cash and cash equivalents	3		14,860	16,098
Investments	4(d), 8		215,254,616	215,254,723
Derivative financial instruments	4(d), 8		4,909,176	4,232,633
Interest receivable	4(d), 8		2,506,235	1,765,172
Total assets		€	222,684,887	221,268,626
Liabilities and shareholder's equity				
Liabilities				
Limited recourse notes	4(d),5,10		215,345,152	195,499,662
Derivative financial instruments	4(d), 8		4,681,317	23,864,579
Interest payable	5		2,643,558	1,888,287
			222,670,027	221,252,528
Shareholder's equity				
Share capital	9		962	962
Retained earnings			13,898	15,136
			14,860	16,098
Total liabilities and shareholder's equity		€	222,684,887	221,268,626

See accompanying Notes to Condensed Interim Financial Information.
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Approved on behalf of the Board of Directors on _____________ , 2011

ANDREW DEAN
_______________________Director

AILEEN SARGENT
_______________________Director

EDAM FUNDING ONE LIMITED

Condensed Statements of Comprehensive Income *(compiled without audit or review)*

Period ended June 30, 2011 and year ended December 31, 2010
(stated in Euro)

	Note		June 30 2011 (Unaudited)	December 31 2010 (Audited)
Income				
Interest income	7,8		4,009,026	7,306,658
Foreign exchange gain			(1,238)	1,050
			4,007,788	7,307,708
Expenses				
Interest expense	7		(4,752,767)	(8,481,381)
			(4,752,767)	(8,481,381)
Net gain /(loss) on financial instruments				
Net gain on derivative financial instruments	8		24,293,852	21,291,224
Net loss on limited recourse notes	5		(23,550,004)	(20,371,223)
Net (loss)/gain on investments			(107)	254,723
			743,741	1,174,724
Net Comprehensive (loss)/income for period/year		€	(1,238)	1,051

See accompanying Notes to Condensed Interim Financial Information.

EDAM FUNDING ONE LIMITED

Condensed Statements of Changes in Shareholder's Equity *(compiled without audit or review)*

Period ended June 30, 2011 and year ended December 31, 2010
(stated in Euro)

		Share capital	Retained earnings	Total
Balance at December 31, 2009 (Audited)		962	14,085	15,047
Comprehensive income for year		0	1,051	1,051
Balance at December 31, 2010 (Audited)	€	962	15,136	16,098
Comprehensive loss for period		0	(1,238)	(1,238)
Balance at June 30, 2011 (Unaudited)	€	962	13,898	14,860

See accompanying Notes to Condensed Interim Financial Information.

EDAM FUNDING ONE LIMITED

Condensed Statements of Cash Flows *(compiled without audit or review)*

Period ended June 30, 2011 and year ended December 31, 2010
(stated in Euro)

		June 30 2011 (Unaudited)	December 31 2010 (Audited)
Cash provided by/ (applied in):			
Operating activities			
Net Comprehensive (loss)/income for period/year		(1,238)	1,051
Add/(deduct) items not involving cash:			
Net movement on unrealised gain on derivative financial instruments		(19,859,805)	(11,130,983)
Net loss on limited recourse notes		23,550,004	20,371,223
Net movement in unrealised loss on investments		107	(254,723)
Net changes in non-cash operating balances:			
Interest receivable		(741,063)	(7,759)
Interest payable		755,271	60,628
		3,703,276	9,039,437
Financing activities			
Principal repaid on limited recourse notes		(3,704,514)	(9,038,387)
		(3,704,514)	(9,038,387)
(Decrease)/increase in cash and cash equivalents during period/year		(1,238)	1,050
Cash and cash equivalents at beginning of period/year		16,098	15,048
Cash and cash equivalents at end of period/year	€	14,860	16,098
Supplementary information on cash flows from operating activities:			
Interest received		3,267,963	7,298,899
Interest paid	€	3,997,496	8,420,753

See accompanying Notes to Condensed Interim Financial Information.

1. Incorporation and background information

Edam Funding One Limited ("the Company") was incorporated on April 30, 1999 as an exempted company with limited liability under the laws of the Cayman Islands. The Ordinary Shares were issued to MaplesFS Limited (formerly Maples Finance Limited) under the terms of a Declaration of Trust on June 3, 1999.

The objectives for which the Company has been established are unlimited as set out in its Memorandum of Association. The principal activity of the Company is limited to the issuance of limited recourse instruments and the investment of the proceeds thereof as described below.

The Company issues various types of limited recourse notes (the "Notes") in accordance with the terms of a US$10,000,000,000 Limited Recourse Secured Note Programme (the "Programme"). The Programme involves substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. The Programme permits the Company and any other company which accedes to the Programme as an "Additional Issuer" to issue Notes denominated in any currency subject to a maximum aggregate principal amount of all Notes outstanding to the value of US$10,000,000,000 (or its equivalent in other currencies at the time of agreement to issue).

Whilst the Programme is not rated, the Notes may or may not be rated, with respect to principal and coupon by rating agencies such as Standard & Poors Rating Services ("S&P").

The performance of each series of Notes is linked to a reference portfolio by way of the Company entering into credit derivative transactions (usually credit default swaps). The reference portfolio usually comprises a basket of reference corporate names, asset backed securities or collateralised debt obligations, synthetically created collateralised debt obligations or a combination of such instruments.

The amount of principal and coupon that holders of any Notes shall receive on the maturity date (through out the term of the Note) depends in part on whether credit events occur in relation to a reference portfolio. The Notes are not principal protected. Noteholders may lose, in part or in whole, amounts invested in the Notes as the result of a credit event occurring with respect to one or more reference entities/obligations within the reference portfolio.

(stated in Euro)

1. Incorporation and background information (continued)

During the period ended June 30, 2011 the following notes were outstanding or terminated

Notes	ISIN	Issued	Listed	S&P Rating*
EUR 70,000,000 Limited Recourse Variable Coupon Credit-Linked and Inflation-Linked Notes 2004 due 2011 (the "Series 04-02 Notes")	XS0198580812	September 16, 2004	Euronext	AAA
EUR 18,554,000 Limited Recourse Secured Instalment Notes due 2017 [1)] (the "Series 05-01 Notes")	XS0216053875	March 31, 2005	Eurnonext	AAA
USD 15,960,000 Limited Recourse Secured Instalment Notes due 2017 [1)] (the "Series 05-02 Notes")	XS0216922475	April 11, 2005** May 11, 2005**	Terminated	
EUR 30,000,000 Limited Recourse Floating Rate Credit-Linked Notes due 2012 (the "Series 05-03 Notes")	XS0224223593	July 22, 2005*** January 30, 2007***	Not listed	AAA
EUR 50,000,000 Limited Recourse Credit-Linked Notes 2006 due 2011 (the "Series 2006-01 Notes")	XS0262721656	July 28, 2006**** October 13, 2006**** January 30, 2007****	Not listed	AAA
EUR 25,000,000 Limited Recourse Credit-Linked Notes 2006 due 2011 (the "Series 06-02 Notes")	XS0271319724	October 13, 2006	Not listed	AAA
EUR 20,000,000 Limited Recourse Credit-Linked Notes 2006 due 2011 (the "Series 06-03 Notes"):	XS0269145404	September 26, 2006	Not listed	AAA

(stated in Euro)

1. Incorporation and background information (continued)

Notes	ISIN	Issued	Listed	S&P Rating *
EUR 5,938,000 Limited Recourse Secured Instalment Notes due 2022 [2] (the “Series 06-07 Notes”)	XS0272209163	October 27, 2006	Euronext	AAA
GBP 5,000,000 Limited Recourse Secured Instalment Notes due 2022 [2] (the “Series 2006-08 Notes”)	XS0272208785	October 27, 2006	Euronext	AAA
USD 17,750,000 Limited Recourse Secured Instalment Notes due 2022 [2] (the “Series 2006-09 Notes”)	XS0272211656	October 27, 2006	Terminated	
EUR 20,000,000 Limited Recourse Floating Rate Credit-Linked Notes due 2012 (the “Series 07-01 Notes”)	XS0287825789	February 23, 2007	Not listed	AAA

1) Linked to subordinated notes issued by Prospero CLO I B.V.
2) Linked to subordinated notes issued by Prospero CLO II B.V.
* This rating reflects that assigned on the issuance date based among other factors on the credit quality of the reference portfolio at the time of issue.

** USD 11,400,000 original series 05-02 Notes issued April 11, 2005 with additional notes of USD 4,560,000 fungible with the original series issued on May 11, 2005.

***EUR 15,000,000 Original Series 05-03 Notes issued July 22, 2005 with additional notes of EUR 15,000,000 fungible with the original series issued on January 30, 2007.

****EUR 20,000,000 Original Series 06-01 Notes issued July 28, 2006 with additional notes of EUR 15,000,000 issued on October 13, 2006 and EUR 15,000,000 on January 30, 3007, both issues fungible with the original series.

1. Incorporation and background information (continued)

The proceeds from the Note issues are placed into a deposit pursuant to the terms of a Guaranteed Investment Contract (“the GIC”), Credit-Linked Deposit (the “CLD”) or equivalent instruments, entered into between the Company and Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the “GIC Counterparty”, the “Deposit Bank”, the “Bank”). The GIC Counterparty pays the Company interest calculated at a predetermined rate of interest on the notional amount of funds standing to the credit of the GIC Account or an equivalent instrument. The amounts deposited pursuant to the GIC or equivalent instrument may be depleted by amounts withdrawn to meet Cash Settlements Amounts determined in accordance with the terms of the credit derivative transactions.

The proceeds from the issuance of Series 05-01 and 05-02 Notes were utilised by the Company to acquire Subordinated Notes of Prospero CLO I B.V. as a charged asset.

The proceeds from the issuance of Series 06-07, 06-08 and 06-09 Notes were utilised by the Company to acquire Subordinated Notes of Prospero CLO II B.V. as a charged asset.

The operations of the Company are conducted primarily in Euro. Consequently the functional and presentation currency of the financial statements is Euro and not the local currency of the Cayman Islands.

The financial statements are presented in Euro.

Please refer to note 13 for considerations related to current market conditions. Note holders and other stakeholders should be aware that reduced liquidity and increased volatility have continued to be features of the market since the year end.

In preparing the debt instruments fair value estimates the Company has taken account of recent events in financial markets. Current market conditions in the debt security market include restricted trading and greater price volatility, which have given rise to difficulties in pricing the portfolio of such instruments.

2. Significant accounting policies

These Condensed Interim Financial Information have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2010. The accounting policies applied by the Company in these Condensed Interim Financial Information are the same as those applied by the Company its financial statements as at and for the year ended 31 December 2010.

3. Cash and cash equivalents

Current account balances amounting to €14,860 (2010: €16,098) are held at Queensgate Bank Ltd (Queensgate Bank & Trust Co Ltd. (Cayman Islands)).

4. Financial instruments and associated risks

The Company's investment activities expose the Noteholders to various types of risk that are associated with the financial instruments and markets in which it invests. The most significant types of financial risk to which the Company is typically exposed include credit risk, liquidity risk and market risk. Market risk includes interest rate risk and foreign exchange risk. The nature and extent of the financial instruments outstanding at the reporting dates and the risk management policies employed by the Company are discussed below:

(a) Credit risk

The most significant risk to the Company and Noteholders is credit risk. The Noteholders are exposed to the credit risk of the reference portfolios specified in each stand-alone or embedded CDS.

The principal amounts outstanding and scheduled interest payments for the Company's Notes are exposed to the credit risk associated with the asset classes within the reference portfolios referenced to in the underlying CDS contracts.

To appreciate the level of credit risk associated with the relevant CDS contracts, it is necessary to consider various factors including the notional amounts, reference portfolio sizes, potential for correlated credit events within reference portfolios, actual degrees of overlap and threshold amounts (subordination) of the synthetic CDOs, one of the protection asset classes within the CDSs, as well as the notional amount reference portfolio size and threshold amount of the CDS contract as a whole entered into between the Company and the Swap Counterparty.

The principal will be repaid in full as long as the aggregate losses as a result of credit events in the reference portfolio remain below the pre-determined threshold limits. Unlike other reference obligations/protection asset classes, losses arising as a result of credit events impacting reference entities within the synthetic CDOs, will not impact upon the threshold capacity of the CDS as a whole unless such losses breach the threshold limits specific to the relevant CDOs.

(stated in Euro)

4. Financial instruments and associated risks (continued)

(a) Credit risk (continued)

Taking into account historical data, average recovery rates, threshold limits set and an estimated degree of overlap (number of times on average a reference entity is included in more than one synthetic CDO), at the time of issue, S&P provide a rating for the Notes. The rating is based ultimately on the estimated number of credit events that the reference portfolio can absorb prior to a principal reduction for the Notes, a measure of credit risk associated with each series of Notes.

Notes	S&P rating at June 30, 2011	S&P rating at August 18, 2011
Series 04-02	B	B
Series 05-01	AAA	AAA
Series 05-03	CCC-Positive Watch	B-
Series 06-01	B+	B+
Series 06-02	B+	B+
Series 06-03	B+	B+
Series 06-07	AAA	AAA
Series 06-08	AAA	AAA
Series 07-01	CCC- Positive Watch	B-

Credit Events and Concentration risk

The Noteholders are at risk that payments on the Notes could be adversely affected by credit events in the reference portfolios. This probability is likely to be increased to the extent that the reference entities are concentrated in any one industry, region or country which provides an increased potential for correlated credit events in respect of a single entity, industry, region or country as a result of an economic downturn.

As referred to in detail in the respective Information Memorandums, a credit event applicable to one reference entity may impact more than one synthetic CDO given a degree of overlap i.e reference entities may be included in more then one of the synthetic CDO portfolios. The Information Memorandums for each Note series contain estimates of the number of credit events the synthetic CDO portfolio could withstand and the reference portfolios in their entirety before principal repayments are reduced to zero. Such estimates are based on the "Actual Degree of Overlap", investment grade of reference entities at the date of Note issuance, average recovery rates and historical data all of which are referred to in additional detail in the Information Memorandums.

4. Financial instruments and associated risks (continued)

(a) Credit risk (continued)

The Company is required, subject to a specific threshold amount specified in the CDS contracts to compensate the Swap Counterparty for certain credit events occurring in the reference portfolios. These events usually include a failure to pay principal, a failure to pay interest, restructuring of the reference obligation issuer, bankruptcy of the reference obligation issuer, principal write down and in the case of reference obligations comprising CDSs, a notional write down. Credit events will create a loss that will be determined in each case by the Determination Agent (also the Swap Counterparty). The loss will be the difference by which the par value of the reference entity or obligation exceeds its recoverable value or a contractually agreed loss amount.

During the period ended June 30, 2011 and year ended December 31, 2010, no credit events impacting principal of the Notes occurred in the reference portfolios. As a result, 100% of the principal value of the Notes and investments remained outstanding (see note 5).

Counterparty risk

The Company enters into substantially all of its GIC, CLD and CDS contracts with the Bank, the primary counterparty to the Company’s transactions. The Company is subject to counterparty credit risk to the extent that this institution may be unable to fulfil its obligations either to return the Company’s securities or repay amounts owed. The Company does not anticipate any material losses as a result of this concentration. CDS, GIC and CLD contracts contain provisions providing for, amongst other remedies, the replacement of the Bank as the Swap Counterparty if, its short-term issuer credit rating by S&P falls below A-1+.

(b) Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates or commodity prices will make an instrument less valuable or more onerous.

Although the majority of the Company’s financial assets and liabilities are interest bearing, this risk is minimised by the nearly perfect match (in terms of nominal/notional value, interest amounts and maturity) between the interest bearing assets and liabilities.

The Company is not exposed to any significant interest rate risk arising from an exposure to an open interest rate gap position and mismatch of fixed and floating interest rate bearing assets and liabilities.

The Company is not exposed to any significant foreign currency risk arising from exposure to fluctuations in foreign exchange rates. The Company has issued Notes outstanding denominated in EUR, USD, GBP and invested the proceeds in EUR and USD denominated financial instruments. Realised and unrealised foreign currency gains and losses arise on translation of associated transactions to the reporting currency and are recorded in the Statement of Comprehensive Income.

(stated in Euro)

4. Financial instruments and associated risks (continued)

(c) Liquidity risk

There is not at present an active and liquid secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity or that it will continue for the entire life of the Notes. This may leave Noteholders with an illiquid investment. The Noteholder may not be able to realise its anticipated yield. Illiquidity can have an adverse effect on the market value of the Notes. Consequently, any purchaser of Notes must be prepared to hold such Notes until final redemption or maturity of the Notes.

(d) Specific instruments

(i) Guaranteed investment contracts

Pursuant to the terms of the GICs between the Company and the GIC Counterparty, the Company deposits the proceeds received from the issue of the Notes with the GIC Counterparty. The amount deposited is held in a segregated account ("the GIC Account") with the GIC Counterparty.

The GIC Counterparty is obliged to pay the Company interest calculated at a predetermined rate of interest on the nominal amount of funds standing to the credit of the GIC Account, such interest to be paid on each interest payment date to and including the scheduled maturity date. If the scheduled maturity date is extended, the interest will be paid in accordance with certain provisions contained in the GIC contract. On the maturity date, the GIC Counterparty is obliged to repay any deposited funds standing to the credit of the GIC Account back to the Company.

The GICs contain provisions whereby, in the event that there is a credit event under the CDSs, amounts standing to the credit of the GIC Account may be withdrawn to pay any Cash Settlement Amounts payable to the Swap Counterparty in accordance with the terms of the CDSs. The principal amount repaid at maturity of the GICs depends on the extent the GIC Account may have been depleted by the value of Cash Settlement Amounts due on the CDSs.

The following is a summary of the GIC investments at period/year end:

Associated Note Series	Maturity	Interest Rate	Principal Value at Inception	Cash Settlement Amounts	Principal Value at June 30, 2011	Principal Value at Dec 31, 2010
04-02	16/09/2011	3M Euribor-7bsp	70,000,000	(0)	70,000,000	70,000,000
		€	70,000,000	(0)	70,000,000	70,000,000

(stated in Euro)

4. Financial instruments and associated risks (continued)

(d) Specific instruments (continued)

(ii) Credit-linked deposits ("CLDs")

Pursuant to the terms of the CLD for the Series 05-03, 06-01, 06-02, 06-03 and 07-01 Notes made between the Company and the Deposit Bank, (being the same entity as GIC Counterparty) the Company deposited the proceeds received from the issue of the Notes with the Deposit Bank in a segregated account ("the Deposit Account"). The Deposit Bank is obliged to pay the Company interest calculated at a pre-determined rate on the notional amount of funds standing to the credit of the Deposit Account, such interest to be paid on each interest payment date to and including the scheduled maturity date. If the scheduled maturity date is extended, the interest will be paid in accordance with certain provisions contained in the agreement. On the maturity date, the Deposit Bank is obliged to repay any deposited funds standing to the credit of the Deposit Account back to the Company.

The CLD agreements contain provisions whereby, in the event that there is a credit event in the specified reference asset, amounts standing to the credit of the Deposit Account will be withdrawn to pay any Deposit Amount Reductions payable to the Deposit Bank under this agreement. The CLD contains an embedded credit derivative and the credit risk of the CLD is linked to the credit risk of a reference asset. As such the embedded derivative is separated from its host contract and presented separately on the Statement of Financial Positions under derivative financial instruments. See note 4(d)(iv) for details pertaining to the embedded credit derivatives.

The following is a summary of the CLD host contract at June 30, 2011 and December 31, 2010:

CLD	Maturity	Rate	Opening Deposit Amount	Deposit Amount Additions	Deposit Amount Reductions	Deposit Amount at year end
Series 05-03 Notes	27/3/2012	Euribor + 1.4%	30,000,000	0	(0)	30,000,000
Series 06-01 Notes	9/9/2011	Euribor + 1.6%	50,000,000	0	(0)	50,000,000
Series 06-02 Notes	9/9/2011	5.3%	25,000,000	0	(0)	25,000,000
Series 06-03 Notes	9/9/2011	5.7%	20,000,000	0	(0)	20,000,000
Series 07-01 Notes	5/3/2012	5.0%	20,000,000	0	(0)	20,000,000
		€	145,000,000	0	(0)	145,000,000

(stated in Euro)

4. Financial instruments and associated risks (continued)

(d) Specific instruments (continued)

(iii) Prospero Notes

Part of the proceeds received from the issuance of the Series 05-01 and 05-02 Notes were used to purchase the Subordinated Notes issued by Prospero CLO I B.V. and part of the proceeds received from the issuance of the Series 06-04, 06-05, 06-06, 06-07, 06-08, 06-09 Notes were used to purchase the Subordinated Notes issued by Prospero CLO II B.V. The Company receives distributions and instalments from Prospero Notes as determined by the Calculation Agent.

The following is a summary of the Prospero Notes at June 30, 2011:

Associated Note Series	Maturity	Rate	Principal Value at Inception	Fair value at June 30, 2011
05-01	31/3/2017	Distribution	8,185,000	0
06-07	20/10/2022	Distribution	3,500,000	69,486
06-08	20/10/2022	Distribution	4,700,000	185,130
			US$ 16,385,000	€ 254,616

(stated in Euro)

4. Financial instruments and associated risks (continued)

(d) Specific instruments (continued)

(iv) Derivative financial instruments

The following is a summary of the stand-alone derivative financial instruments at June 30, 2011:

Associated Note/ Derivative Type	Maturity	Initial CDS Notional	Cash Settlement Amounts	Fair value
04-02 CDS	1 to 5 years – liability	70,000,000	(0)	(494,007)
05-01 Swap agreement	5 to 10 years – asset	n/a	(0)	337,349
06-07 Swap agreement	10 to 15 years – asset	n/a	(0)	1,579,193
06-08 Swap agreement	10 to 15 years – asset	n/a	(0)	2,992,634
		€70,000,000	(0)	4,415,169

The income streams in the form of interest earned on the CDS premiums received from the Swap Counterparty have been structured in such a way to ensure that such interests cover/compensate for the scheduled interest payments on the Notes and CDS expense payments due to the Swap Counterparty.

The following is a summary of the embedded credit derivatives separated from the host at June 30, 2011:

CDS	Maturity		Initial CDS Notional	Cash Settlement Amounts	Fair value
05-03 Notes	1 to 5 years – liability		30,000,000	(0)	(1,610,051)
06-01 Notes	1 to 5 years – liability		50,000,000	(0)	(688,353)
06-02 Notes	1 to 5 years – liability		25,000,000	(0)	(260,376)
06-03 Notes	1 to 5 years – liability		20,000,000	(0)	(194,095)
07-01 Notes	1 to 5 years – liability		20,000,000	(0)	(1,434,435)
		€	145,000,000	(0)	(4,187,310)

(stated in Euro)

5. Limited recourse notes

At June 30, 2011 the carrying value of the Notes comprised:

Notes	Maturity	Principal	Cash Settlement Amounts	Premium	Fair Value of the Notes "clean"
Series 04-02	16/09/2011	70,000,000	(0)	0	69,368,673
Series 05-01	31/3/2017	2,669	(0)	0	337,349
Series 05-03	7/3/2012	30,000,000	(0)	0	28,389,949
Series 06-01	9/9/2011	50,000,000	(0)	0	49,311,648
Series 06-02	9/9/2011	25,000,000	(0)	0	24,739,624
Series 06-03	9/9/2011	20,000,000	(0)	200,000	19,805,905
Series 06-07	20/10/2022	1,724,560	(0)	0	1,648,679
Series 06-08	20/10/2022	2,591,976	(0)	0	3,177,762
Series 07-01	05/03/2012	20,000,000	(0)	0	18,565,563
		€ 219,319,205	(0)	200,000	215,345,152

(a) Principal of the Notes

The amount of principal that Noteholders shall receive on the maturity date depends in part on whether credit events have occurred in relation to the reference portfolios (note 4(a)) that the Notes are credit linked to. The Notes are not principal protected and investors in the Notes may lose, in part or in whole, amounts invested in the Notes as the result of a credit event occurring with respect to one or more reference entities or obligations within a specified reference portfolio. The principal will be repaid in full as long as the aggregate losses as a result of credit events in the reference portfolio remain below the pre-determined threshold. If cumulative losses in the reference portfolio exceed the threshold of the Notes, repayment will be partial or even zero. The threshold has been set as a % or fixed amount, at a level which is deemed by S&P to be sufficiently high for the Notes to warrant the assigned credit rating.

See note 4(a) for further detail regarding the credit risk impacting each series of Notes via the relevant CDS contracts.

During the period/year, no credit events occurred in the reference portfolios relevant to the principal CDSs that impacted the notional of the Notes. As a result 100% of the principal value of the Notes remained outstanding at end of the period/year.

The Company invested the principal proceeds from the Notes into the investments. Any premium over par received on the issue of specific Note series was paid to the Swap Counterparty as premium for entrance into specific CDSs.

Unless previously redeemed or purchased and cancelled earlier, the Company is obliged to redeem the Notes on the scheduled maturity date.

(stated in Euro)

5. Limited recourse notes (continued)

(b) Limited recourse

All payments to be made by the Company in respect of the Notes and the Swap Agreement will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Company in respect of the Charged Assets.

6. Operating expenses

The Company entered into an Expenses Agreement dated April 30, 1999 with Rabobank International, London branch, whereby any and all operating expenses incurred by the Company are assumed by Rabobank International, London branch.

7. Interest income and expense

		June30 2011	Dec 31 2010
Interest income			
Interest income on investments		4,009,026	7,306,658
	€	4,009,026	7,306,658
Interest expense			
Limited recourse notes		4,752,767	8,481,381
	€	4,752,767	10,127,214

(stated in Euro)

8. Related party balances and transactions

The following transactions and balances with related parties are disclosed below:

		30 June 2011	31 Dec 2010
Statement of Financial Position :			
Investments		215,254,616	215,254,723
Derivative financial instruments - assets		4,909,176	4,232,633
Interest receivable		2,506,235	1,765,172
Derivative financial instruments - liabilities		(4,681,317)	(23,864,579)
Statement of Comprehensive Income:			
Interest income		4,009,026	7,306,658
Net (loss)/gain on derivative financial instruments	€	24,293,852	21,291,224

All related party transactions are with the affiliates of Rabobank International, London branch acting as the Programme sponsor, Swap Counterparty and GIC/CLD Counterparty.

Operating expenses, including management fees paid to Directors are paid by Rabobank International, London branch, on behalf of the Company.

9. Share capital

		30 June 2011	31 Dec 2010
Authorised			
50,000 shares of US$1 each	US$	50,000	50,000
Allotted, called up and fully paid:			
1,000 shares	€	962	962

10. Fair value information

For certain of the Company’s financial instruments not carried at fair value including cash and cash equivalents, interest receivable and interest payable, the carrying amount approximates fair value due to the immediate or short term nature of these financial instruments. The carrying amounts of all the Company’s financial assets and financial liabilities at the reporting dates approximated their fair values.

(stated in Euro)

10. Fair value information (continued)

At June 30, 2011, the following price quote estimates for the Notes were used in determining fair values for the Notes and consequently the CDSs.

Notes	Maturity	Principal	Issue Price	Period End Revaluation Price (“dirty” price)
Series 04-02	16/09/2011	70,000,000	100.0%	99.34%
Series 05-03	7/3/2012	30,000,000	100.0%	94.80%
Series 06-01	9/9/2011	50,000,000	100.0%	98.79%
Series 06-02	9/9/2011	25,000,000	100.0%	103.30%
Series 06-03	9/9/2011	20,000,000	101.0%	103.70%
Series 06-07	25/10/2022	1,724,560	100.0%	95.60%
Series 06-08	25/10/2022	2,591,977	100.0%	122.60%
Series 07-01	05/03/2012	20,000,000	100.0%	94.43%

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

11. Taxation

There are no taxes on income or gains in the Cayman Islands and the Company has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from all local income, profits and capital taxes until 2024 should such taxes be enacted. Accordingly, no provision for income taxes is included in these financial statements.

12. Commitments and contingencies

Under the terms of an Amended and Restated Put Option Agreement dated February 28, 2003 entered into between, inter alios, the Company and the Dealers, each Dealer has an option at any time to require the Company by notice to the Company to redeem Notes held by such Dealer. Upon receipt of any notice pursuant to the Put Option Agreement, the Company shall promptly, and in any event within three Business Days, give notice of such optional redemption to the Trustee, the Redemption Agent (if applicable), the Swap Counterparty (if any) and the Credit Support Provider (if any). The Redemption Agent shall, if applicable, as soon as reasonably practicable arrange for and administer the sale and/or, as the case may be, delivery of the Charged Assets. Upon any redemption pursuant to the Put Option Agreement, the Charged Agreements will be terminated and the security constituted by the Trust Deed and/or any Charging Document will be released against receipt by or to the order of the Trustee of such Charged Assets and/or the net proceeds of realization of any of such Charged Assets for application by or to the order of the Trustee.

13. Subsequent events

Current market conditions have had a direct impact on structured products, resulting in changes in liquidity, prices and credit quality of such financial instruments. As a consequence, the credit ratings and market prices of the Notes issued by the Company have changed subsequently.

14. Compilation of the condensed interim financial information

The Condensed Interim Financial Information distributed by the Company is the sole responsibility of the Company. The Condensed Interim Financial Information has been compiled without audit or review by MaplesFS Limited (formerly Maples Finance Limited)in its capacity as the Administrator to the Company. The information regarding the valuation of the Company's financial instruments, on which the information in these Condensed Interim Financial Information is based, has been provided to the Administrator by the Company or its agents, and the Administrator expresses no assurance on the information contained therein.

15. Comparative information

The Statements of Comprehensive Income as at June 30, 2011 and December 31, 2010 have been presented for periods of 6 months and 12 months respectively, and are not comparable.