Cable and Wireless International Finance B.V.

Annual report 2012/2013

Amsterdam, the Netherlands

Cable and Wireless International Finance B.V.
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Cable and Wireless International Finance B.V.
Annual report 2012/2013

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Annual report 2012/2013

1.1 Directors' report

General

Management hereby presents to the shareholder the financial statements of Cable and Wireless International Finance B.V. (the "Company") for the year April 1, 2012 up to and including March 31, 2013.

Activities and results

The Company was incorporated on September 28, 1989. The objective of the Company is to act as a finance company.

Activities and results

During the year under review the Company continued its activities with respect to the bonds. These bonds are listed on the London, Hong Kong and Frankfurt stock exchanges and are due for redemption in 2019. The bonds are secured by a guarantee given by the shareholder of the Company, Cable & Wireless Limited. In turn, Cable & Wireless Limited is fully owned by Cable & Wireless Communications Plc, one of the world's leading telecommunications companies.

During the year under review, the Company realized a net profit of USD 209.858 and the equity ratio increased from 3,01% to 3,21%. The activities of the Company developed in line with expectations.

Future outlook

No material change in activities is contemplated for the coming year. It is expected that the result will be in line with that of the reporting period. Furthermore, management has no current plans which would have a significant influence on expectations concerning future activities, investments, financing, staffing and profitability.

Financial risks

Financial risks arising from the ordinary business activities of the Company consist mainly of default and liquidity risks if Cable & Wireless Limited would not be able to meet its obligations in respect of the loan and the secured bond loan. Management is of the opinion that there is no reason to believe that Cable & Wireless Limited will not be able to meet its obligations in the foreseeable future.

The Company concluded agreements in GBP for both the loans due from the shareholder and the bond loan, each in the principal amount of GBP 200.000.000. The loans due from shareholder carries a fixed interest at 8,75% per annum whilst the bond loan carries a fixed interest rate at 8,625% per annum. The Company therefore deems the foreign currency and interest risk not significant.

The Company does not enter into derivative financial instruments to protect itself against changes in exchange rates or interest rates. Risks in connection with anticipated significant classes of transactions are not hedged.

Cable and Wireless International Finance B.V.
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1.1 Directors' report

Statement ex Article 5:25c Paragraph 2 sub c Financial Markets Supervision Act ("Wet op het Financieel Toezicht")

To our knowledge,

1. the financial statements give a true and fair view of the assets, liabilities, financial position and profit of the Company;

2. the directors' report gives a true and fair view of the position as per 31 March 2013 and the developments during the financial year 2012/2013 of the Company; and

3. the directors' report describes the material risks that the Company is facing.

Amsterdam, July 18, 2013

Managing directors,

C.P. Underwood

Rokin Corporate Services B.V.

ATC Management B.V.

2.1 Balance sheet as at March 31, 2013

(Before result appropriation)

	Note	March 31, 2013		March 31, 2012	
ASSETS		USD	USD	USD	USD
Fixed assets					
Financial fixed assets	[1]				
Loans due from shareholder		304,785,126		319,335,782	
Due from shareholder		9,724,122		8,718,295	
			314,509,248		328,054,077
Current assets					
Receivables	[2]				
Due from shareholder		828,128		867,663	
Corporate income tax receivable		42,497		45,838	
			870,625		913,501
Cash and cash equivalents	[3]		13,601		794,235
			315,393,474		329,761,813

2.1 Balance sheet as at March 31, 2013

(Before result appropriation)

SHAREHOLDER'S EQUITY AND LIABILITIES		March 31, 2013 USD	March 31, 2013 USD	March 31, 2012 USD	March 31, 2012 USD
Shareholder's equity	[4]				
Share capital		946,783		970,521	
Share premium		23,747,102		23,747,102	
Other reserve		18,008		(5,730)	
Accumulated deficit		(14,798,113)		(15,002,590)	
Unappropriated result		209,858		204,477	
			10,123,638		9,913,780
Long-term liabilities	[5]				
Bond and subordinated loans		304,785,126		319,335,782	
			304,785,126		319,335,782
Current liabilities	[6]				
Interest payable to bond holders		321,368		336,709	
Interest payable shareholder		116,761		122,336	
Accrued expenses and other liabilities		46,581		53,206	
			484,710		512,251
			315,393,474		329,761,813

2.2 Statement of income for the year April 1, 2012 up to and including March 31, 2013

		01-04-2012 / 31-03-2013		01-04-2011 / 31-03-2012	
		USD	USD	USD	USD
Income	[7]				
Interest income		26,630,167		27,748,499	
Other financial income		731		1,108	
			26,630,898		27,749,607
Expense	[8]				
Interest expense		(26,202,587)		(27,317,525)	
Currency exchange results		(3,652)		(27,475)	
			(26,206,239)		(27,345,000)
Net operating result			424,659		404,607
Management and administration fee		(85,189)		(69,578)	
Tax advisory fee		(9,326)		(9,608)	
Audit fees		(34,304)		(36,977)	
Legal fees		(245)		-	
Bank charges		(3,105)		(4,330)	
Other operating expenses		(3,959)		(8,631)	
			(136,128)		(129,124)
Income before taxation			288,531		275,483
Renunciation of bond interest	[9]	6,982,596		-	
Waiver loan interest receivable	[10]	(6,982,596)		-	
			-		-
Taxation	[11]		(78,673)		(71,006)
Net result			209,858		204,477

2.3 Cash flow statement for the year April 1, 2012 up to and including March 31, 2013

The cash flow statement is prepared according to the indirect method.

	01-04-2012 / 31-03-2013		01-04-2011 / 31-03-2012	
	USD	USD	USD	USD
Net result		209,858		204,477
Adjusted for changes in:				
- Corporate income tax receivable	79,062		71,084	
- Interest payable	(20,916)		(1,250)	
- Accrued expenses and other liabilities	(6,625)	51,521	(10,231)	59,603
		261,379		264,080
Corporate income tax (paid)/received		(75,721)		4,547
Cash flow from operating activities		185,658		268,627
Cash flow from investing activities		-		-
Cash flow from financing activities				
Amounts due from shareholder		(966,292)		(25,859)
Net (decrease)/increase in cash and cash equivalents		(780,634)		242,768
Cash and cash equivalents at April 1		794,235		551,467
Cash and cash equivalents at March 31		13,601		794,235

2.4 Notes to the financial statements

General information

Cable and Wireless International Finance B.V. (the "Company") was incorporated with limited liability under the laws of the Netherlands on September 28, 1989. The registered office of the Company is in Amsterdam, the Netherlands.

The objectives of the Company are to act as a finance company.

Based on Article 1, par 1, sub l "Wet toezicht accountantsorganisaties" the Company is considered as an "Organisatie van Openbaar Belang" and following the Royal Decree of July 26, 2008, concerning the implementation of Article 41 of EC directive 2006/43 the Company is required to have an Audit Committee. The Company uses the exception granted in Article 3 of this Royal Decree which stipulates that the Royal Decree is not applicable for consolidated companies in cases where the parent company (Cable & Wireless Communications Plc) has instituted an Audit Committee, which is the case.

Group structure

The Company is a subsidiary of Cable & Wireless Limited, London, United Kingdom, which owns 100% of the Company's shares. The Company's figures are taken up in the consolidated accounts of Cable & Wireless Communications Plc, London, United Kingdom. The consolidated accounts of Cable & Wireless Communications Plc can be obtained from their website: www.cwc.com.

Related parties

The Company is engaged in the financing of its shareholder out of bond loans secured by its shareholder. The conditions of these loans are all at-arms-length. Please refer to the Notes to the balance sheet items for further details.

The spouse of a Director of the ultimate parent company held bonds issued by the Company. These bonds had a nominal value at 31 March 2013 of USD 731.472 (GBP 480.000) (31 March 2012 – USD 766.416 (GBP 480.000)). The interest earned on the bonds during the year was USD 65.404 of which USD 1.037 remained unpaid at 31 March 2013 (2011/2012 – USD 66.132 of which USD 903 remained unpaid at 31 March 2012).

During the prior year, two children of a Director of the ultimate parent company purchased bonds issued by the Company. These bonds had a nominal value at 31 March 2013 of USD 761.950 (GBP 500.000) (31 March 2012 – USD 798.350 (GBP 500,000)). The interest earned on those bonds during the year was USD 68.128 of which USD 1.080 remained unpaid at 31 March 2013 (2011/12 – USD 25.410 of which USD 940 remained unpaid at 31 March 2012).

Solvency

The Company acts as a group financing company. As such, the Company is economically and organizationally linked to the ultimate parent company, Cable & Wireless Communications Plc. Therefore the solvency of the parent company and that of the group should be included when assessing the Company's solvency.

Comparison previous year

The accounting principles remained unchanged compared to previous year.

2.4 Notes to the financial statements

Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Functional and presentation currency

The functional currency of the ultimate Parent Company, Cable & Wireless Communications Plc, and the majority of trading and financing companies of the Group, of which the Company is a member, is the US Dollar. In respect of the Company, the directors consider the US Dollar to be the functional currency reflecting the economic effects of the underlying transactions, events and conditions for the Company. The Company therefore presents its financial statements in US Dollars. The Company's presentation currency is also the US Dollar.

Basis of preparation

The Company qualifies as a large sized company and the financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The financial statements are prepared under the historical cost convention and presented in US Dollar ("'USD"). Assets and liabilities are stated at nominal value, unless otherwise stated. If deemed necessary, a provision is deducted from the nominal amount of accounts receivable.

Payables and receivables

Payables are included at face value. Receivables are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables. Short term payables and receivables are reclassified to long term if it is expected that the amounts will not be repaid or recovered within twelve months after the balance sheet date.

Revenue recognition

Interest income and expense are recognized in the income statement based on accrued amounts. Operating expenses are accounted for in the period in which these are incurred. Losses are accounted for in the year in which they are identified.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions: gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement. Non-monetary balance sheet items, which are valued at cost and resulting from transactions in foreign currencies, are translated at the rate prevailing on the date of the transaction.

The Company concluded agreements in GBP for both the loans due from the shareholder and the bond loan, each in the principal amount of GBP 200.000.000. The loans due from the shareholder carries a fixed interest at 8,75% per annum whilst the bond loan carries a fixed interest rate at 8,625% per annum. The Company therefore deems the foreign currency risk not significant.

Financial fixed assets

Financial fixed assets are valued at nominal value.

2.4 Notes to the financial statements

Corporate income tax

Permanent and temporary differences may exist between the result before taxation as presented in these financial statements and the fiscal result for corporate income tax purposes. Temporary differences between the reporting for tax purposes and the financial statements are recognized as deferred taxes based on the statutory tax rate expected to exist in the future. Deferred tax assets and liabilities are netted. Net deferred tax assets will be included in the balance sheet if actual recovery is assumed possible by the Company's management.

Estimates

The preparation of the financial statements requires management to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

Principles for preparation of the cash flow statement

The cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered highly liquid investments. Cash flows in foreign currencies are translated at at the exchange rates prevailing at the date of the transactions.

2.5 Notes to the balance sheet

ASSETS

Fixed assets

Financial fixed assets [1]

	2012/2013 USD	2011/2012 USD
Loans due from shareholder		
Opening balance as April 1	319,335,782	320,204,931
Foreign exchange	(14,550,656)	(869,149)
Balance as at March 31	304,785,126	319,335,782

The loans due from shareholder relates to a loan due from Cable & Wireless Limited, London, United Kingdom in the amount of GBP 200.000.000 (USD 304.785.126). The loan is fully repayable on March 25, 2019 and carries fixed interest at 8,75% per annum.

Financial risks arising from the ordinary business activities of the Company consist mainly of default and liquidity risks if Cable & Wireless Limited would not be able to meet its obligations in respect of the loan and the secured bond loan. Management is of the opinion that there is no reason to believe that Cable & Wireless Limited will not be able to meet its obligations in the foreseeable future.

The Company concluded agreements in GBP for both the loans due from shareholder and the bond loan, each in the principal amount of GBP 200.000.000. The loans due from shareholder carry a fixed interest at 8,75% per annum whilst the bond loan carries a fixed interest rate at 8,625% per annum. The Company therefore deems the foreign currency and interest risk not significant.

Due from shareholder

The amount due from shareholder can be detailed as follows:

	2012/2013 USD	2011/2012 USD
Opening balance as April 1	8,718,295	8,690,074
Drawn during during the year	978,963	-
Repaid during during the year	(21,000)	-
Interest for the year	47,864	28,221
Balance as at March 31	9,724,122	8,718,295

The amount due from shareholder relates to a loan due from Cable & Wireless Limited, London, UK which is unsecured and subject to 3m LIBOR USD. The average interest rate during the year was 0,45813%. Unpaid interest is added to the principal sum.

The loan is lent for a definite period of time, being three months. The loan is classified under Financial fixed assets since it is expected that the loan will not be repaid within one year after the balance sheet date.

The fair value of the loans due from shareholder cannot be determined with sufficient certainty.

2.5 Notes to the balance sheet

Current assets

Receivables [2]

Due from shareholder

The amount due from shareholder can be detailed as follows:

	March 31, 2013 USD	March 31, 2012 USD
Accrued interest due from Cable & Wireless Limited, London, UK	444,478	465,698
Other amounts due from Cable & Wireless Limited, London, UK	383,650	401,965
	828,128	867,663

It is expected that the amounts due from Cable & Wireless Limited, London, UK will be repaid within one year after the balance sheet date.

	March 31, 2013 USD	March 31, 2012 USD
Corporate income tax receivable		
Dutch CIT receivable for the period 01/04/11 – 31/03/12	44,719	45,838
Dutch CIT payable for the period 01/04/12 – 31/03/13	(2,222)	-
	42,497	45,838

The latest final Dutch Corporate Income Tax (CIT) assessment which the Company received was for the year 2011/2012.

Cash and cash equivalents [3]

The cash relates to bank balances and are available on demand.

2.5 Notes to the balance sheet

SHAREHOLDER'S EQUITY AND LIABILITIES

Shareholder's equity [4]

Share capital

The authorized capital amounts to EUR 3.640.000 consisting of 8.000 ordinary shares of EUR 455 each, of which 1.601 shares are issued and paid-up.

In accordance with article 373, section 5, Book 2 of the Dutch Civil Code, the issued and paid-up capital is translated at the year-end rate of EUR 1 = USD 1,2997 (prior year; EUR 1 = USD 1,3323). Gains or losses resulting from this translation are recorded in the Other reserve.

Details of shareholder's equity are as follows:

	2012/2013 USD	2011/2012 USD
Share capital		
Opening balance as April 1	970,521	1,027,585
Other reserve movement	(23,738)	(57,064)
Balance as at March 31	946,783	970,521

	2012/2013 USD	2011/2012 USD
Share premium		
Balance as at April 1	23,747,102	23,747,102
Movement during the year	-	-
Balance as at March 31	23,747,102	23,747,102

	2012/2013 USD	2011/2012 USD
Other reserve		
Opening balance as of April 1	(5,730)	(62,794)
Movement during the year	23,738	57,064
Balance as at March 31	18,008	(5,730)

	2012/2013 USD	2011/2012 USD
Accumulated deficit		
Opening balance as of April 1	(15,002,590)	(15,799,947)
Appropriation of result	204,477	797,357
Balance as at March 31	(14,798,113)	(15,002,590)

2.5 Notes to the balance sheet

	2012/2013 USD	2011/2012 USD
Unappropriated result		
Opening balance as of April 1	204,477	797,357
Proposal profit appropriation	209,858	204,477
Appropriation result prior year	(204,477)	(797,357)
Balance as at March 31	209,858	204,477

Long-term liabilities [5]

Bond and subordinated loans

In June 1994 the Company issued GBP 200.000.000 8,625% bonds due in 2019 secured by a guarantee given by Cable & Wireless Limited, which has Cable & Wireless Communications Plc as its ultimate parent company. The proceeds of the bonds were lent to Cable & Wireless Limited. The bonds are listed on the London, Hong Kong and Frankfurt stock exchanges.

The movements in the long-term liabilities can be detailed as follows:

	2012/2013 USD	2011/2012 USD
Opening balance as of April 1	319,335,782	320,204,931
Foreign exchange	(14,550,656)	(869,149)
Balance as at March 31	304,785,126	319,335,782

As at March 31, 2013 Cable & Wireless Limited is one of the bond holders for a face value of GBP 53.300.000. Cable & Wireless Limited was entitled to receive interest in a total amount of USD 6.982.596 (GBP 4.597.125) on March 25, 2013. Cable & Wireless Limited irrevocably renounced its right to receive payment of interest. As a result of the renunciation of interest the Company realized a net gain on bond interest of USD 6.982.596 (GBP 4.597.125).

Movement summary from the date of issuing till March 31, 2013 is as follows:

	Currency	Interest rate	Maturity date	GBP
Issued in 1994	GBP	8,625%	25-03-2019	200,000,000
Repurchased in 2005	GBP	8,625%	25-03-2019	(19,900,000)
Repurchased in 2007	GBP	8,625%	25-03-2019	(1,500,000)
Repurchased in 2008	GBP	8,625%	25-03-2019	(31,900,000)
Sold during 2008/2009	GBP	8,625%	25-03-2019	53,300,000
				200,000,000

The amounts presented as repurchased in the relevant years are stated at par value. Any differences between the par value and market price were expensed by Cable & Wireless Limited.

The market value of the bonds at the balance sheet date amounts to USD 348.064.614 (GBP 228.400.000). As at March 31, 2012 the market value of the bonds amounted to USD 312.470.062 (GBP 195.700.000).

2.5 Notes to the balance sheet

Current liabilities [6]

Interest payable to bond holders

The interest payable to bond holders of USD 321.368 (GBP 210.881) relates to interest due to the holders of the bond loan, which is payable at March 25, 2014.

Interest payable to shareholder

The interest payable to shareholder of USD 116.761 (GBP 76.619) relates to interest due on the bond loan, which is payable at March 25, 2014.

	March 31, 2013 USD	March 31, 2012 USD
Accrued expenses and other liabilities		
Management fee payable	4,119	7,142
Tax advisory fee payable	7,863	9,992
Audit fee payable	34,599	34,639
Other accrued expenses	-	1,433
	46,581	53,206

2.6 Notes to the statement of income

Financial income and expense

Income [7]

	2012/2013	2011/2012
	USD	USD
Interest income		
Interest income group companies	26,630,167	27,747,062
Other interest income	-	1,437
	26,630,167	27,748,499

Expense [8]

	2012/2013	2011/2012
	USD	USD
Interest expense		
Interest expense - bonds	26,202,556	27,317,525
Interest expense - banks	31	-
	26,202,587	27,317,525

	2012/2013	2011/2012
	USD	USD
Currency exchange results		
Exchange loss on amounts due from group companies	(14,574,901)	(870,978)
Exchange gain others	14,571,249	843,503
	(3,652)	(27,475)

Renunciation of bond interest [9]

As at March 31, 2013 Cable & Wireless Limited is one of the bond holders for a face value of GBP 53.300.000 as a result of past market repurchases. Cable & Wireless Limited was entitled to receive interest in a total amount of USD 6.982.596 (GBP 4.597.125) on March 25, 2013. Cable & Wireless Limited irrevocably renounced its right to receive payment of interest. As a result of the renunciation of interest the Company realized a net gain on bond interest of USD 6.982.596 (GBP 4.597.125).

Waiver loan interest receivable [10]

The waiver of loan interest receivable relates to the interest due from Cable & Wireless Limited on the GBP 200.000.000 loan. The Company was entitled to receive interest in a total amount of USD 6.982.596 (GBP 4.597.125) on March 25, 2013. The Company waived its right to receive payment of interest.

2.6 Notes to the statement of income

	2012/2013	2011/2012
	USD	USD
Corporate income tax [11]		
Charge for the year	78,674	53,279
Amendments to prior year tax position	(1)	17,727
	78,673	71,006

The Company concluded a tax ruling with the Dutch tax authories on January 28, 2011 wherewith the method of the determination of the taxable result was agreed. This tax ruling will expire on December 31, 2014. This ruling causes a difference between the effective tax rate and the nominal tax rate of 20%/25%.

Audit fee disclosure

The following fees for 2012/2013 have been or will be charged by KPMG to the Company:

	KPMG Accountants 2012/2013	KPMG network 2012/2013	Total KPMG
	USD	USD	USD
Statutory audit of annual accounts	34,304	-	34,304
Tax advisory services	-	9,326	9,326
	34,304	9,326	43,630

Employees and directors

During the year under review the Company did not employ any personnel (previous year: nil). The Company has three statutory directors. Two directors received a total remuneration of USD 9.932 in that capacity (previous year: USD 9.438). One director did not receive a remuneration during the year under review.

Amsterdam, July 18, 2013

Managing directors,

C.P. Underwood

Rokin Corporate Services B.V.

ATC Management B.V.

3. Other information

3.1 Audit of the financial statements

The Company qualifies as a large sized company. Therefore, based on Part 9 of Book 2 of the Dutch Civil Code, the Company is required to have its financial statements audited.

3.2 Statutory provisions concerning appropriation of result

In accordance with article 23 of the Articles of Association, the profit for the year is at the disposal of the Annual Meeting.

Management proposes to credit the profit for the year to the accumulated deficit brought forward from the previous accounting period.

3.3 Appropriation of result for the year ended March 31, 2012

The 2011/2012 annual accounts were adopted at the Annual Meeting held on July 24, 2012. The Annual Meeting determined the appropriation of the result in accordance with the motion tabled for that purpose.

3.4 Post-balance sheet events

Management is not aware of events that took place after balance sheet date that could have a material effect on the financial position of the Company.

3.5 Auditors' report

KPMG

Independent auditor's report

To: the General Meeting of Shareholders of Cable & Wireless International Finance B.V.

Report on the financial statements

We have audited the accompanying financial statements for the year ended on 31 March 2013 of Cable & Wireless International Finance B.V., Amsterdam, which comprise the balance sheet as at 31 March 2013, the statement of income for the year then ended, the statement of cash flows for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

KPMG Accountants N.V., registered with the trade register in the Netherlands under number 33263683, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Cable & Wireless International Finance B.V. as at 31 March 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

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

Amsterdam, 18 July 2013

KPMG Accountants N.V.

R.W. van Dijk RA