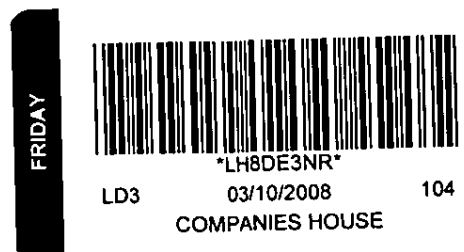


Registered number 5024429

LA DEFENSE III PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007



LA DEFENSE III PLC

COMPANY INFORMATION

DIRECTORS	Wilmington Trust SP Services Limited Mr M McDermott Mr S Masson Mr J-C Schroeder
SECRETARY	Wilmington Trust SP Services (London) Ltd
COMPANY NUMBER	5024429
REGISTERED OFFICE	c/o Wilmington Trust SP Services (London) Limited Fifth Floor 6 Broad Street Place London EC2M 7JH
AUDITORS	KPMG Audit Plc Chartered Accountants 8 Salisbury Square London EC4Y 8BB

LA DEFENSE III PLC

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LA DEFENSE III PLC

DIRECTORS' REPORT For the year ended 31 December 2007

The directors present their report and the financial statements for the year ended 31 December 2007

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company's principal activity, which remained unchanged during the year, is to acquire units in the FCC La Defense III fund and to raise or borrow money and to grant security over its assets for such purpose and to lend money. The FCC La Defense III fund in France acquires receivables derived from real property financing together with ancillary rights and other investments.

The company issued €5,700,000 and €635,000,000 of floating rate loan notes on 3 March 2004 and 4 March 2004 respectively.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to €5,109,220 (2006 profit €18,208,615). The profit for the year is stated after taking into account a fair value profit on a derivative financial instrument of €5,128,176 (2006 €18,163,638).

The directors recommend that no dividend should be paid (2006 €nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the period and up to the date of this report and their interests' were

Wilmington Trust SP Services (London) Limited

Mr M McDermott

Mr R G Baker (Resigned 20 July 2007, Reappointed 3 September 2007 and resigned 28 February 2008)

Mr S Masson is an alternate director to Mr M McDermott

Mr J-C Schroeder

(Appointed 28 February 2008)

None of the directors received any remuneration from the company for their services during the period. Under the terms of a corporate services agreement, Wilmington Trust SP Services (London) Limited is contracted to receive fees of €21,150 per annum for the provision of corporate services.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

LA DEFENSE III PLC

DIRECTORS' REPORT
For the year ended 31 December 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS (CONTINUED)

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political contributions or charitable donations during the current year or prior period.

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

The company's policy concerning the payment of its trade creditors is to pay in accordance with its contractual and other legal obligations. Due to the nature of the business, the main creditors are the note-holders.

DISCLOSURE OF INFORMATION TO THE AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board on 30 September 2008 and signed on its behalf



On behalf of Wilmington Trust SP Services (London) Limited
Director

Date 30 September 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LA DEFENSE III PLC

We have audited the financial statements of La Defense III Plc for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the Statement of Directors' Responsibilities on pages 1 and 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements.

In addition, we also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
1 October 2008

8 Salisbury Square
London
EC4Y 8BB

LA DEFENSE III PLC

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2007

		2007	2006
	Note	€	€
Interest receivable and similar income	2	38,210,583	37,074,552
Interest payable and similar charges	3	<u>(37,851,357)</u>	<u>(36,665,080)</u>
		359,226	409,472
Other operating income	4	-	28,763
Finance income	5	5,128,176	18,163,638
Administrative expenses		<u>(386,303)</u>	<u>(382,484)</u>
OPERATING PROFIT	6	<u>5,101,099</u>	<u>18,219,389</u>
Tax on ordinary activities	7	9,362	(10,774)
PROFIT FOR THE FINANCIAL YEAR	13	<u>5,110,461</u>	<u>18,208,615</u>

All amounts relate to continuing operations

There are no recognised gains or losses other than the result for the year

The notes on pages 6 to 12 form part of these financial statements

LA DEFENSE III PLC

BALANCE SHEET
As at 31 December 2007

	Note	2007		2006	
		€	€	€	€
FIXED ASSETS					
Investments	8		427,201,894		490,283,242
CURRENT ASSETS					
Debtors amounts falling due within one year	9	5,250,715		5,010,336	
Debtors amounts falling due after more than one year	9	13,856,100		8,727,923	
Investments	8	6,976,181		9,525,000	
Cash at bank		755,633		144,718	
		<u>26,838,629</u>		<u>23,407,977</u>	
CREDITORS amounts falling due within one year	10	<u>(12,872,211)</u>		<u>(14,556,908)</u>	
NET CURRENT ASSETS			<u>13,966,418</u>		<u>8,851,069</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			441,168,312		499,134,311
CREDITORS amounts falling due after more than one year	11		<u>(427,206,782)</u>		<u>(490,283,242)</u>
NET ASSETS			<u>13,961,530</u>		<u>8,851,069</u>
CAPITAL AND RESERVES					
Called up share capital	12		18,765		18,765
Profit and loss account	13		13,942,765		8,832,304
SHAREHOLDERS' FUNDS - All Equity	14		<u>13,961,530</u>		<u>8,851,069</u>

The financial statements were approved by the board on 30 September 2008 and signed on its behalf

Wilmington Trust SP Services (London) Limited



Director

The notes on pages 6 to 12 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2007

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below together with an explanation of where changes have been made to previous policies on the adoption of new standards during the year.

The company has adopted the presentation of the profit and loss account and has adopted a format which differs from those presented by Schedule 4 of the Companies Act which, in the opinion of the directors, is more representative in order to show a true and fair view of the company's activities.

The financial statements have been prepared on the historical cost convention except for financial instruments at fair value through profit and loss which are measured at fair value.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Functional currency

As the company's functional currency and reporting currency are primarily the Euro, the financial statements have been prepared using the Euro.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into euros at the rates of exchange ruling at the balance sheet date. Generally, transactions in foreign currencies are translated into euros at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Income and expense

Interest income and expense are accounted for in the profit and loss account on the EIR method.

Cash flow statement

The company has taken advantage of the exemption in FRS 1 from producing a cash flow statement on the grounds that it is a wholly owned subsidiary company of an EC parent company which produces its own cash flow statement.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less tax in the future, have occurred at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates and laws enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2007

1. ACCOUNTING POLICIES (continued)

Amortisation of issue costs

Issue costs relating to the issue of the loan notes are amortised to the profit and loss account in proportion to the expected closing balances of loans outstanding at the end of each interest payment date until the expected date of redemption. The loan notes are stated at amortised cost and amortisation of the issue cost is the part of the calculation which is performed on EIR basis.

Financial instruments

All the financial assets are classified as 'loans and receivables' except for the derivatives which are classified as 'held for trading'. Derivatives with a negative value are classified as held for trading financial liabilities. All other financial liabilities are classified as 'financial liabilities at amortised cost'.

Loans and receivables are initially recognised at contractual amounts and subsequently measured at amortised cost. Financial assets and liabilities classified as held for trading are initially and subsequently measured at fair value. Financial liabilities at amortised cost are initially recognised at contractual amounts and subsequently measured at amortised cost.

The company has taken advantage of the exemption from producing disclosures required by FRS 29 'Financial Instrument Disclosures' as it is a wholly owned subsidiary company of a parent company where results of the company is included in publicly available consolidated financial statements which include disclosures that comply with the FRS29.

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2007	2006
	€	€
Interest receivable on units	19,189,836	18,999,283
Swap interest receivable	17,889,727	12,875,666
Other income	402,918	4,462,181
Amortisation of issue costs reimbursed	723,999	734,573
Bank interest receivable	4,103	2,849
	<u>38,210,583</u>	<u>37,074,552</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	€	€
Interest payable on class A1 loan notes	13,925,151	12,856,630
Interest payable on class B1 loan notes	4,493,482	3,398,085
Interest payable on class C1 loan notes	2,993,080	2,302,060
Swap interest payable	15,715,645	17,373,732
Amortisation of issue costs	723,999	734,573
	<u>37,851,357</u>	<u>36,665,080</u>

4. OTHER OPERATING INCOME

	2007	2006
	€	€
Issue costs reimbursed	-	28,763
	<u>-</u>	<u>28,763</u>

The costs incurred by the company are reimbursed by the FCC La Defense III fund

LA DEFENSE III PLC

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2007

5. FINANCE INCOME

	2007	2006
	€	€
Movement on interest rate swap	13,856,100	18,232,291
Movement on interest rate cap	<u>(8,727,924)</u>	<u>(68,653)</u>
	<u>5,128,176</u>	<u>18,163,638</u>

The above represents the fair value movement on the derivative financial instruments

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2007	2006
	€	€
Auditor's remuneration relating to audit of these financial statements	58,135	28,762
Auditors' remuneration for other services	<u>·</u>	<u>15,075</u>

During the year no director received any emoluments. Under the terms of a corporate services agreement dated 4 March 2004, Wilmington Trust SP Services (London) Limited is contracted to receive fees of €21,150 per annum for the provision of corporate services.

7. TAXATION

	2007	2006
	€	€
Analysis of tax (credit) / charge in year		
UK corporation tax on profits for the year	(8,123)	10,774
Prior year adjustment	<u>(1,239)</u>	<u>-</u>
Tax on profit on ordinary activities	<u>(9,362)</u>	<u>10,774</u>
Factors affecting tax charge for year		
	2007	2006
	€	€
Profit on ordinary activities before tax	5,101,099	18,219,389
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 19%)	1,530,329	3,461,684
Less disallowed expenses	(1,519,728)	(3,450,910)
Less prior year adjustment	<u>(1,239)</u>	<u>-</u>
Current tax (credit) / charge for period (see note above)	<u>(9,362)</u>	<u>10,774</u>

There were no factors that may affect future tax charges

LA DEFENSE III PLC

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2007

8. INVESTMENTS:

	2007	2006
	€	€
At 1 January	499,808,242	608,971,831
Redemptions	<u>(65,630,167)</u>	<u>(109,163,589)</u>
At 31 December	<u>434,178,075</u>	<u>499,808,242</u>
Due within one year	6,976,181	9,525,000
Due after more than one year	<u>427,201,894</u>	<u>490,283,242</u>
	<u>434,178,075</u>	<u>499,808,242</u>

Investments represent units acquired in the FCC La Defense III fund which acquires receivables derived from real property financing together with ancillary rights and other investments

The investments are repayable in instalments and are expected to be repaid by April 2014

9. DEBTORS:

	2007	2006
	€	€
Due within one year		
Other debtors	14,663	14,663
Prepayments and accrued income	<u>5,236,052</u>	<u>4,995,673</u>
	<u>5,250,715</u>	<u>5,010,336</u>
Due after more than one year		
Derivatives at fair value	<u>13,856,100</u>	<u>8,727,923</u>
	<u>19,106,815</u>	<u>13,738,259</u>

10. CREDITORS:

	2007	2006
	€	€
Amounts falling due within one year		
Floating rate notes	6,974,480	9,525,000
Interest payable	5,200,027	4,454,548
Corporation tax	1,350	10,713
Amounts owed to connected companies	13,663	9,504
Accruals and deferred income	<u>682,691</u>	<u>557,143</u>
	<u>12,872,211</u>	<u>14,556,908</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2007

11. CREDITORS:

Amounts falling due after more than one year	2007	2006
	€	€
Floating rate notes less amortised cost	424,585,990	486,938,451
Reimbursed issue costs	4,904,698	4,904,698
Amortisation of reimbursed issue costs	(2,283,906)	(1,559,907)
	<u>427,206,782</u>	<u>490,283,242</u>

The floating rate notes' outstanding principal balance declines over time as the proceeds from redemptions on loans made by the FCC fund are used to repay note-holders, along with accrued interest, on each quarterly interest payment date. Costs relating to the issue of the floating rate notes are deducted from the principal balance on the notes. These costs are charged to the profit and loss account in line with the expected redemptions of the underlying floating rate notes. Costs are fully amortised by the earliest date at which the option to redeem the floating rate notes may be exercised.

The notes were issued in March 2004 to fund investment in a French fund which acquires receivables derived from real property financing together with ancillary rights and other investments. Interest on the notes is a floating rate of three month EURIBOR plus a margin of 0.27%, 0.60% and 0.85% per annum for A1, B1 and C1 loan notes respectively. The notes are secured by fixed and floating charges on the assets of the company. The floating rate notes fall due for repayment in full in April 2014.

	2007	2006
	€	€
Class A1 floating rate notes due 2014	281,937,871	345,643,092
Class B1 floating rate notes due 2014	93,249,077	94,426,154
Class C1 floating rate notes due 2014	58,994,314	59,738,996
	434,181,262	499,808,242
Issue costs	(4,904,698)	(4,904,698)
Amortisation of issue costs	2,283,906	1,559,907
	431,560,470	496,463,451
Summary of floating rate notes maturity		
Amounts due within one year	6,974,480	9,525,000
Amounts due after more than one year	424,585,990	486,938,451
	431,560,470	496,463,451
Included within the above are amounts falling due as follows		
Between one and two years		
Floating rate notes	6,974,480	9,525,000
Between two and five years		
Floating rate notes	417,611,510	28,575,000
Over five years		
Floating rate notes	-	448,838,451

Creditors include amounts not wholly repayable within 5 years as follows

	2007	2006
	€	€
Repayable by instalments	-	448,838,451

LA DEFENSE III PLC

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2007

12. SHARE CAPITAL

	2007	2006
Authorised	€	€
2 ordinary subscriber shares of £1 each 25p paid	1	1
49,998 ordinary shares of 25p paid	<u>18,764</u>	<u>18,764</u>
	<u>18,765</u>	<u>18,765</u>
Allotted, called up and fully paid	€	€
2 ordinary subscriber shares of £1 each 25p paid	1	1
49,998 ordinary shares of 25p paid	<u>18,764</u>	<u>18,764</u>
	<u>18,765</u>	<u>18,765</u>

13. PROFIT AND LOSS ACCOUNT

	2007	2006
	€	€
As at 1 January	8,832,304	(9,376,311)
Retained profit for the financial year	<u>5,110,461</u>	<u>18,208,615</u>
As at 31 December	<u>13,942,765</u>	<u>8,832,304</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007	2006
	€	€
Profit for the year	5,110,461	18,208,615
Opening shareholders' funds	<u>8,851,069</u>	<u>(9,357,546)</u>
Closing shareholders' funds	<u>13,961,530</u>	<u>8,851,069</u>

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is La Defense III (Holdings) Limited, a company registered in England and Wales. The smallest and largest group into which the company is consolidated is that of La Defense III (Holdings) Limited.

The shares in La Defense III (Holdings) Limited are held by Wilmington Trust SP Services (London) Limited under a declaration of trust for charitable purposes. The directors regard La Defense III (Holdings) Limited as the ultimate parent and controlling undertaking.

Copies of the consolidated financial statements may be obtained from La Defense III (Holdings) Limited, c/o Wilmington Trust SP Services (London) Limited, Fifth Floor, 6 Broad Street Place, London, EC2M 7JH.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2007

16. RELATED PARTY TRANSACTIONS

The Company is a special purpose entity controlled by its Board of Directors. No director received any remuneration other than Wilmington Trust SP Services (London) Limited, which receives a fee for the provision of corporate services under the terms of a corporate services agreement. Under the terms of the agreement, Wilmington Trust SP Services (London) Limited is entitled to receive annual fees of £21,150 (2006 £21,150).

Included within the profit and loss account are corporate services fees and accountancy fees charged by Wilmington Trust SP Services (London) Limited totalling €20,690 (2006 €21,390) and €4,406 (2006 €4,406) respectively.

At 31 December 2007, €4,406 (2006 €4,406) relating to accountancy fees were outstanding and are included within current liabilities accruals.