Registered number: 5024429

LA DEFENSE III PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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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DIRECTORS' REPORT
For the year ended 31 December 2008

The directors present their report and the financial statements for the year ended 31 December 2008.

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 loss for the year, after taxation, amounted to €14,928,080 (2007: profit €5,110,461). The loss for the year is stated after taking into account a fair value loss on a derivative financial instrument of €14,945,191 (2007: €5,128,176 profit).

The directors recommend that no dividend should be paid (2007: €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 S Masson is an alternate director to Mr M McDermott.
Mr J-C Schroeder

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 and applicable law (UK Generally Accepted Accounting Practice).

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.

DIRECTORS' REPORT
For the year ended 31 December 2008

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 ought to have taken as a director to make himself 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 30th April 2009 and signed on its behalf.

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

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 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds 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

The Directors' Responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on pages 1 and 2.

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we 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 other transactions 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 2008 and of its loss 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
30 April 2009

8 Salisbury Square
London
EC4Y 8BB

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2008

	Note	2008 €	2007 €
Interest receivable and similar income	2	**37,730,439**	38,210,583
Interest payable and similar charges	3	**(37,304,831)**	(37,851,357)
		425,608	359,226
Finance income	4	**(14,945,191)**	5,128,176
Administrative expenses		**(400,092)**	(386,303)
OPERATING (LOSS) / PROFIT	5	**(14,919,675)**	5,101,099
Tax on ordinary activities	6	**(8,405)**	9,362
(LOSS) / PROFIT FOR THE FINANCIAL YEAR	12	**(14,928,080)**	5,110,461

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 2008

	Note	2008 €	2008 €	2007 €	2007 €
FIXED ASSETS					
Investments	7		420,225,855		427,201,894
CURRENT ASSETS					
Debtors: amounts falling due within one year	8	5,783,613		5,250,715	
Debtors: amounts falling due after more than one year	8	-		13,856,100	
Investments	7	6,976,110		6,976,181	
Cash at bank		168,116		755,633	
		12,927,839		26,838,629	
CREDITORS: amounts falling due within one year	9	(12,800,481)		(12,872,211)	
NET CURRENT ASSETS			127,358		13,966,418
TOTAL ASSETS LESS CURRENT LIABILITIES			420,353,213		441,168,312
CREDITORS: amounts falling due after more than one year	10		(421,319,763)		(427,206,782)
NET ASSETS			(966,550)		13,961,530
CAPITAL AND RESERVES					
Called up share capital	11		18,765		18,765
Profit and loss account	12		(985,315)		13,942,765
SHAREHOLDERS' FUNDS - All Equity	13		(966,550)		13,961,530

The financial statements were approved by the board on 30 April 2009 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 2008

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.

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operation for at least the next 12 months. The company has retained a loss for the year and has negative net assets of € 966,550 as at 31 December, 2008. The loss has arisen due to the movement in the fair value of the Company's derivative financial instruments - interest rate swaps which are fair valued through the profit and loss account whilst all other financial instruments are accounted for at amortised cost. The interest rate swaps are used to manage the company's interest rate risk as it receives the majority of its income on a fixed rate basis and pays floating rate interest on the notes issued; accordingly the Company has fixed the interest payments on the notes using interest rate swaps. The interest rate swaps economically hedge the cash flows on the assets to those on the liabilities. The mark to market value of the swap will reverse by maturity which will return the company to a net asset position. The transactions are structured in such a way that the net cash position of the Company will remain positive i.e. interest receipts exceeds interest payments after incorporating the cash payments or receipts to be made under the swap. For this reason the directors remain satisfied that it is appropriate for the financial statements to be prepared on a going concern basis.

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.

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transaction 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.

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'. These assets are included in the balance sheet as fixed asset investments where the maturity exceeds one year, otherwise they are included in current assets. 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. Financials 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 whose results are included in publicly available and include disclosures that comply with the FRS29.

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008	2007
	€	€
Interest receivable on units	15,534,388	19,189,836
Swap interest receivable	21,074,257	17,889,727
Other income	402,806	402,918
Amortisation of issue costs reimbursed	713,361	723,999
Bank interest receivable	5,627	4,103
	37,730,439	38,210,583

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	€	€
Interest payable on class A1 loan notes	14,679,224	13,925,151
Interest payable on class B1 loan notes	5,186,809	4,493,482
Interest payable on class C1 loan notes	3,430,353	2,993,080
Swap interest payable	13,295,084	15,715,645
Amortisation of issue costs	713,361	723,999
	37,304,831	37,851,357

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

4. FINANCE INCOME

	2008	2007
	€	€
Movement on interest rate swaps	(14,945,191)	5,128,176

The above represents the fair value movement on the derivative financial instruments. These derivative financial instruments are used to manage the Company's exposure to interest rate risk, as it receives a fixed rate of interest on its investment and pays a floating rate of interest on the notes issued (based on the 3 month EURIBOR rate plus a margin). The notional amount of the swaps at year ended 31 December 2008 is €422,125,000 and these mature in April 2010. Interest receipts/payments occur on a quarterly basis.

5. OPERATING PROFIT

The operating loss is stated after charging:

	2008	2007
	€	€
Auditors' remuneration relating to audit of the financial statements	25,690	58,135
Auditors' remuneration for other services	5,675	-

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.

6. TAXATION

	2008	2007
Analysis of tax charge / (credit) in year	€	€
UK corporation tax on (loss) / profit for the year	-	(8,123)
Prior year adjustment	8,405	(1,239)
Tax on (loss) / profit on ordinary activities	8,405	(9,362)
Factors affecting tax charge / (credit) for year	2008	2007
	€	€
(Loss) / Profit on ordinary activities before tax	(14,919,673)	5,101,099
(Loss) / Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007: 30%)	(4,177,508)	1,530,329
Effects of:		
Expenses not deductible for tax purposes	4,184,653	(1,519,728)
Utilisation of prior year losses	(7,145)	-
Prior year adjustment	8,405	(1,239)
Current tax charge / (credit) for the year (see note above)	8,405	(9,362)

There company has not recognised a deferred tax asset of € 305,045 as at 31 December, 2008 (2007: € 4,149,069 Deferred tax liability) in relation to carried forward losses and timing differences. There are unutilised losses of € 354 as at 31 December, 2008 (2007: € 25,870)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

7. INVESTMENTS:

	2008	2007
	€	€
At 1 January	**434,178,075**	499,808,242
Redemptions	**(6,976,110)**	(65,630,167)
At 31 December	**427,201,965**	434,178,075
Due within one year	**6,976,110**	6,976,181
Due after more than one year	**420,225,855**	427,201,894
	427,201,965	434,178,075

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.

8. DEBTORS:

Due within one year	2008	2007
	€	€
Other debtors	**14,663**	14,663
Prepayments and accrued income	**5,768,950**	5,236,052
	5,783,613	5,250,715
Due after more than one year		
Derivatives at fair value	-	13,856,100
	5,783,613	19,106,815

9. CREDITORS:

Amounts falling due within one year	2008	2007
	€	€
Floating rate notes	**6,976,110**	6,974,480
Interest payable	**5,710,113**	5,200,027
Corporation tax	-	1,350
Amounts owed to connected companies	**36,210**	13,663
Accruals and deferred income	**78,048**	682,691
	12,800,481	12,872,211

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

10. CREDITORS:

Amounts falling due after more than one year	**2008**	2007
	€	€
Floating rate notes less amortised cost	**418,323,241**	424,585,990
Reimbursed issue costs	**4,904,698**	4,904,698
Amortisation of reimbursed issue costs	**(2,997,267)**	(2,283,906)
Derivatives at fair value	**1,089,091**	-
	421,319,763	427,206,782

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.

	2008	2007
	€	€
Class A1 floating rate notes due 2014	**276,720,740**	281,937,871
Class B1 floating rate notes due 2014	**92,172,701**	93,249,077
Class C1 floating rate notes due 2014	**58,313,341**	58,994,314
	427,206,782	434,181,262
Issue costs	**(4,904,698)**	(4,904,698)
Amortisation of issue costs	**2,997,267**	2,283,906
	425,299,351	431,560,470
Summary of floating rate notes maturity:		
Amounts due within one year	**6,976,110**	6,974,480
Amounts due after more than one year	**418,323,241**	424,585,990
	425,299,351	431,560,470
Included within the above are amounts falling due as follows:		
Between one and two years		
Floating rate notes	**6,976,110**	6,974,480
Between two and five years		
Floating rate notes	**411,347,131**	417,611,510

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

11. SHARE CAPITAL

	2008	2007
Authorised	**€**	€
2 ordinary subscriber shares of £1 each 25p paid	**1**	1
49,998 ordinary shares of 25p paid	**18,764**	18,764
	18,765	18,765
Allotted, called up and fully paid	**€**	€
2 ordinary subscriber shares of £1 each 25p paid	**1**	1
49,998 ordinary shares of 25p paid	**18,764**	18,764
	18,765	18,765

12. PROFIT AND LOSS ACCOUNT

	2008	2007
	€	€
As at 1 January	**13,942,765**	8,832,304
Retained loss / profit for the financial year	**(14,928,080)**	5,110,461
As at 31 December	**(985,315)**	13,942,765

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008	2007
	€	€
Loss / Profit for the year	**(14,928,080)**	5,110,461
Opening shareholders' funds	**13,961,530**	8,851,069
Closing shareholders' funds	**(966,550)**	13,961,530

14. 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.

15. 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 (2007: £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 €21,226 (2007: €20,690) and €4,406 (2007: €4,406) respectively.

At 31 December 2008, €4,406 (2007: €4,406) relating to accountancy fees were outstanding and are included within current liabilities: accruals.