



CPUK Finance Limited

(incorporated in Jersey with limited liability under registration number 108635)

£560,000,000 7.000% Class B2 Fixed Rate Secured Notes due 2042

BSREP II Center Parcs Jersey 2 Limited, a limited liability company incorporated under the laws of Jersey (in such capacity, the “**Exchangeable Note Issuer**”), issued £560,000,000 aggregate principal amount of 7.000% Exchangeable Notes due 2016 (the “**Exchangeable Notes**”) on 30 July 2015 (the “**Exchangeable Note Issue Date**”). The Exchangeable Notes were offered in connection with the financing of the Acquisition (as defined below) and related transactions. On 3 August 2015 (the “**Third Closing Date**” or the “**Completion Date**”), the date the Acquisition was consummated, the Exchangeable Notes were exchanged for £560,000,000 aggregate principal amount of 7.000% Class B2 Fixed Rate Secured Notes due 2042 (the “**Class B2 Notes**”, and together with the Exchangeable Notes, the “**Offered Notes**”) issued by CPUK Finance Limited (the “**Issuer**”) in accordance with the terms and conditions of the Exchangeable Notes (the “**Mandatory Exchange**”).

The Escrowed Funds released from the Escrow Account are being used in part to finance the proposed acquisition (the “**Acquisition**”) of CP MGMT Limited and CP Cayman Midco 1 Limited (the “**Target Companies**”) and certain shares in the capital of Topco (as defined herein) by BSREP II Center Parcs Jersey 2 Limited (“**Bidco**”) and ultimately to refinance the existing £280,000,000 11.625% Class B Fixed Rate Secured Notes due 2042 (the “**Original Class B Notes**”), and, in each case, for the payment of fees, costs and expenses related thereto.

Interest on the Class B2 Notes will accrue at a rate of 7.000% per annum (the “**Class B2 Note Interest Rate**”) from (and including) the Exchangeable Note Issue Date to (but excluding) 28 August 2020 (“**Class B2 Note Step-Down Date**”) and thereafter will accrue at a reduced rate of 5.000% per annum. Interest on the Class B2 Notes will be payable semi-annually in arrears on 28 February and 28 August (subject to adjustment as specified herein for non-Business Days) (each, a “**Note Interest Payment Date**”) in each year commencing on 28 February 2016. The Issuer’s obligations to pay principal and interest on the Class B2 Notes are intended to be met from the payments by the Borrowers of principal and interest in the corresponding periods on the £560,000,000 Class B2 Loan (as defined herein) granted by the Issuer to the Borrowers on the Third Closing Date pursuant to the terms of the Class B Issuer/Borrower Loan Agreement (each as defined herein). If on any Note Interest Payment Date, the amount received by the Issuer in respect of a payment of interest on the Class B2 Loan is not sufficient to pay the interest accrued on the Class B2 Notes during the immediately preceding Note Interest Period in full, the amount of interest accrued up to any such Note Interest Payment Date that is not paid by the Issuer on such Note Interest Payment Date will be deferred (any such accrued but deferred interest, being a “**Deferred Interest Amount**”) and such Deferred Interest Amount shall continue to accrue interest at the then applicable Class B2 Note Interest Rate until it is paid by the Issuer in full. Interest paid on the Class B2 Loans will be payable in cash on each Loan Interest Payment Date (as defined herein) to (but not including) 25 August 2020 (the “**Class B2 Loan Expected Maturity Date**”) and thereafter accruing interest shall be deferred.

The Class B2 Notes are expected to be redeemed in full on 28 August 2020 (the “**Class B2 Expected Maturity Date**”). The Class B2 Notes will be subject to mandatory redemption and/or may be subject to optional redemption before such dates in certain circumstances, including if and to the extent the Borrowers make principal repayments or prepayments to the Issuer in respect of the Class B2 Loan. See “*Terms and Conditions of the Class B2 Notes — Condition 5 (Redemption, Purchase and Cancellation)*”.

The Borrowers may prepay the Class B2 Loan in whole or in part at any time on or after 28 August 2017 at the prepayment prices specified herein. Prior to 28 August 2017, the Borrowers may prepay the Class B2 Loan in whole or in part at a prepayment price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, and additional amounts, if any, up to the prepayment date plus the applicable “make-whole” premium, as described herein. In addition, prior to 28 August 2017, the Borrowers may use the net proceeds of specified equity offerings to prepay up to 40% of the aggregate principal amount of the Class B2 Loan at a prepayment price equal to 107.000% of the principal amount of the Class B2 Loan prepaid, plus accrued and unpaid interest, and additional amounts, if any, up to the prepayment date, provided that at least 60% of the original aggregate principal amount of the Class B2 Loan remains outstanding following the prepayment. Additionally, the Borrowers may prepay all, but not less than all, of the Class B2 Loan at a prepayment price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, deferred interest amounts, if any, and any accrued but unpaid interest thereon, if any, and additional amounts, if any, up to the prepayment date upon the occurrence of certain changes in applicable tax law. Upon certain events constituting a change of control, the Borrower may be required to make an offer to repurchase all the Class B2 Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, deferred interest amounts, if any, and any accrued but unpaid interest thereon, if any, and additional amounts, if any, up to the purchase date. In the event of any prepayment by the Borrowers of the Class B2 Loan, in whole or in part, the Issuer will be required to apply the proceeds received from such prepayment to redeem a corresponding principal amount of Class B2 Notes, plus accrued and unpaid interest, deferred interest amounts, if any, and any accrued but unpaid interest thereon, if any, and additional amounts, if any, at a redemption price corresponding to the applicable prepayment price set forth in the Class B Issuer/Borrower Loan Agreement.

The Class B2 Notes rank *pari passu* with the Original Class B Notes which will be refinanced with the proceeds of the Exchangeable Notes. The Class B2 Notes are contractually subordinated to, among others, the Class A Notes (as defined herein) and are not guaranteed by any person, except that the Class B2 Notes benefit indirectly from the Topco Payment Undertaking (as defined below). The Class B2 Loan is contractually subordinated to, among others, the Class A Loans (as defined herein), the Liquidity Facility (as defined herein) and certain hedging arrangements, as described further herein. The Class B2 Loan is guaranteed by the Borrowers and certain subsidiaries of CP Cayman Midco 2 Limited (“**Topco**”), as further described herein. Pursuant to a deed of undertaking entered into on the Third Closing Date (the “**Topco Payment Undertaking**”), Topco has undertaken to procure payment of all principal, interest and other amounts outstanding under the Class B Issuer/Borrower Loan Agreement in the circumstances described herein, including in the event that the Class B2 Loan is not repaid in full on the Class B2 Loan Expected Maturity Date.

The Class B2 Notes are secured by substantially all the Issuer’s property and assets (including its rights against each Obligor under the Class B Issuer/Borrower Loan Agreement), which security will also be shared with, among others, the Class A Notes. The Class B2 Notes rank junior to the Class A Notes with respect to the application of enforcement proceeds, other than in respect of the Topco Security. The Class B2 Loan ranks junior to the foregoing with respect to the application of enforcement proceeds, other than in respect of the Topco Security (as defined herein). The Topco Payment Undertaking is secured by first-ranking security in respect of all the issued and

outstanding shares of CP Cayman Limited and of Center Parcs (Holdings 1) Limited, as further described herein. The Topco Security has been granted for the sole benefit of holders of the Class B Notes.

This document constitutes the listing particulars in respect of the admission of the Class B2 Notes to the Official List (the “**Official List**”) of the Irish Stock Exchange plc (the “**Irish Stock Exchange**”) and to trading on the Global Exchange Market of the Irish Stock Exchange (the “**Global Exchange Market**”) and has been approved by the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC. Admission of the Class B2 Notes to the Official List and trading on the Global Exchange Market is not an indication of the merits of the Issuer, the Guarantors or the Class B2 Notes. There can be no assurance that a trading market in the Class B2 Notes will develop or be maintained. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Class B2 Notes and is not itself seeking admission of the Class B2 Notes to the Official List or to trading on the Global Exchange Market.

Investing in the Class B2 Notes involves risks. See “*Risk Factors*” beginning on page 34.

The Class B2 Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or the securities laws of any other jurisdiction. The Class B2 Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to persons that are qualified institutional buyers (“QIBs”, and each a “QIB”) as defined in, and in reliance on, Rule 144A of the Securities Act (“Rule 144A”) acting for their own account or for the account of another QIB and to certain persons who are not U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act (“Regulation S”). Prospective purchasers are hereby notified that sellers of the Class B2 Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See “*Notice to Investors and Transfer Restrictions*” for additional information about eligible offerees and transfer restrictions.

Class B Global Coordinator and Arranger

Deutsche Bank

Joint Bookrunners

Deutsche Bank

Barclays

HSBC

J.P. Morgan

The date of these Listing Particulars is 10 August 2015

TABLE OF CONTENTS

SECTION	PAGE
IMPORTANT INFORMATION ABOUT THESE LISTING PARTICULARS	II
FORWARD-LOOKING STATEMENTS	VII
USE OF CERTAIN TERMS IN THESE LISTING PARTICULARS	IX
PRESENTATION OF FINANCIAL INFORMATION	XI
INDUSTRY AND MARKET INFORMATION.....	XIV
SUMMARY	1
RISK FACTORS.....	34
THE TRANSACTIONS	72
USE OF PROCEEDS	73
CAPITALISATION	74
UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION	75
SELECTED CONSOLIDATED FINANCIAL INFORMATION	79
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	84
INDUSTRY	100
BUSINESS	104
MANAGEMENT.....	126
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	130
PRINCIPAL SHAREHOLDERS	131
DESCRIPTION OF OTHER INDEBTEDNESS	132
DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS.....	141
TERMS AND CONDITIONS OF THE CLASS B2 NOTES.....	229
DESCRIPTION OF THE CLASS B2 LOAN.....	252
BOOK-ENTRY, DELIVERY AND FORM.....	323
TAXATION.....	327
CERTAIN ERISA CONSIDERATIONS	334
LIMITATION ON VALIDITY AND ENFORCEABILITY OF THE SECURITY INTERESTS.....	337
PLAN OF DISTRIBUTION	347
NOTICE TO INVESTORS AND TRANSFER RESTRICTIONS.....	349
LEGAL MATTERS	354
INDEPENDENT AUDITORS	355
WHERE YOU CAN FIND ADDITIONAL INFORMATION	356
SERVICE OF PROCESS AND ENFORCEMENT OF FOREIGN JUDGMENTS.....	357
THE ISSUER OF THE CLASS B2 NOTES.....	359
ISSUER PARENT.....	362
PRINCIPAL OBLIGORS.....	363
LISTING AND GENERAL INFORMATION	368
INDEX OF DEFINED TERMS	I-1
INDEX TO FINANCIAL STATEMENTS.....	F-1

IMPORTANT INFORMATION ABOUT THESE LISTING PARTICULARS

These Listing Particulars are being provided only to prospective purchasers of the Class B2 Notes.

You are responsible for making your own examination of us and our business and your own assessment of the merits and risks of investing in the Class B2 Notes. You may contact us if you need any additional information. By purchasing the Class B2 Notes, you will be deemed to have acknowledged that:

- you have reviewed these Listing Particulars;
- you have had an opportunity to request any additional information that you need from us; and
- none of Deutsche Bank AG, London Branch, Barclays Bank PLC, HSBC Bank plc and J.P. Morgan Securities plc (together, the “**Joint Bookrunners**”) are responsible for, and are making any representation to you concerning the accuracy or completeness of these Listing Particulars.

We, the Issuer and the Joint Bookrunners are not providing you with any legal, business, tax or other advice in these Listing Particulars. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Class B2 Notes.

The Issuer accepts responsibility for the information contained in these Listing Particulars. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in these Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer accepts responsibility for the information set out in the sections entitled “*Presentation of Financial Information*”, “*Trademarks*”, “*Risk Factors*”, “*Capitalisation*”, “*Selected Consolidated Financial Information*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Industry*”, “*Business*”, “*Management*”, “*Principal Shareholders*”, “*Certain Relationships and Related Party Transactions*”, “*Principal Obligors*” and the financial statements and related notes included elsewhere in these Listing Particulars. To the best of the Issuer’s knowledge and belief (having taken all reasonable care to ensure that such is the case) the information in the relevant sections is in accordance with the facts and does not omit anything likely to affect the accuracy of such information.

These Listing Particulars do not constitute an offer to sell or an invitation to subscribe for or purchase any of the Class B2 Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Class B2 Notes or possess these Listing Particulars. You must also obtain any consents or approvals that you need in order to purchase any Class B2 Notes. We, the Issuer and the Joint Bookrunners are not responsible for your compliance with these legal requirements.

The Class B2 Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “**SEC**”), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of these authorities passed upon or endorsed the merits of investing in the Class B2 Notes or the accuracy or adequacy of these Listing Particulars. Any representation to the contrary is a criminal offense in the United States.

The Class B2 Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration thereunder or exemption therefrom. See “*Notice to Investors and Transfer Restrictions*”. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

The Issuer is of the opinion that the requirements of Article 405 of the European Union Capital Requirements Regulation (“**Article 405**”) do not apply to the Class B2 Notes.

On issue, it is expected that the Class B2 Notes will be assigned the respective ratings of Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”) and Fitch Ratings Ltd. (“**Fitch**” and, together with S&P, the “**Rating Agencies**” and each, a “**Rating Agency**”). As of the date of these Listing Particulars, both Rating Agencies are established in the European Union and are registered under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”). As such, each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. A suspension, reduction or withdrawal of any rating may adversely affect the market price of such securities.

A copy of these Listing Particulars has been delivered to the Registrar of Companies in Jersey in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002 and he has given, and has not withdrawn, his consent to its circulation.

The Jersey Financial Services Commission has given, and has not withdrawn, or will have given prior to the issuance of the Class B2 Notes and not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958 to the issuance of the Class B2 Notes.

It must be distinctly understood that, in giving these consents, neither the Registrar of Companies in Jersey nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinion expressed, with regard to it.

The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law.

It should be remembered that the price of securities and the income from them can go down as well as up.

If you are in any doubt about the contents of these Listing Particulars you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

In connection with the issuance of the Exchangeable Notes, Deutsche Bank AG, London Branch (the “**Stabilisation Manager**”) or any person acting on its behalf may, to the extent permitted by all applicable laws, regulations, rules and directives, over-allot and effect transactions in any over-the-counter market or otherwise in connection with the distribution of the Class B2 Notes with a view to supporting the market price of the Class B2 Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or any agent of the Stabilisation Manager) will undertake any stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Exchangeable Notes was made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issuance of the Exchangeable Notes and 60 days after the date of allotment of the Exchangeable Notes and must be brought to an end after a limited period in compliance with applicable laws, regulations and rules.

These Listing Particulars do not constitute an offer to sell or an invitation to subscribe for or purchase any of the Class B2 Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. Laws in certain jurisdictions may restrict the distribution of these Listing Particulars and the offer and sale of the Class B2 Notes. Persons into whose possession these Listing Particulars or any of the Class B2 Notes are delivered must inform themselves about and observe those restrictions. Each prospective purchaser of the Class B2 Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Class B2 Notes or possesses or distributes these Listing Particulars. In addition, each prospective purchaser must obtain any consent, approval or permission required under the regulations in force in any jurisdiction to which it is subject or in which it purchases, offers or sells the Class B2 Notes. We, the Issuer and the Joint Bookrunners shall not have any responsibility for obtaining such consent, approval or permission.

The information contained under “*Exchange Rate Information*” includes extracts from information and data publicly released by official and other sources. While the Issuer accepts responsibility for accurately summarizing the information concerning exchange rate information, the Issuer accepts no further responsibility in respect of such information.

Notice to New Hampshire Residents

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

Notice to U.S. Investors

The Class B2 Notes have not been registered, approved or disapproved by the U.S. Securities and Exchange Commission (the “SEC”), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Class B2 Notes or the accuracy or the adequacy of these Listing Particulars. Any representation to the contrary is a criminal offence in the United States.

Each purchaser of the Class B2 Notes will be deemed to have made the representations, warranties and acknowledgments that are described in these Listing Particulars under “*Notice to Investors and Transfer Restrictions*”. The Class B2 Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any other jurisdiction. The Class B2 Notes may be offered, sold or delivered only (i) outside the United States to persons who are not “U.S. persons” as defined in Regulation S (each, a “**U.S. person**”) in offshore transactions in reliance on Regulation S (the “**Regulation S Notes**”), and/or (ii) within the United States in reliance on Rule 144A only to persons that are QIBs acting for their own account or for the account of another QIB (the “**Rule 144A Notes**”). Prospective purchasers are hereby notified that sellers of the Class B2 Notes may be relying on the exemption from the provision of Section 5 of the Securities Act provided by Rule 144A.

Notice to Investors in the European Economic Area

These Listing Particulars has been prepared on the basis that all offers of the Class B2 Notes will be made pursuant to an exemption under the Prospectus Directive, as amended, as implemented in member states of the European Economic Area (“**EEA**”), from the requirement to produce a prospectus for offers of the Class B2 Notes. Accordingly, any person making or intending to make any offer within the EEA of the Class B2 Notes which are subject of the offering contemplated in these Listing Particulars must only do so in circumstances in which no obligation arises for the Issuer, the Obligors or any of the Joint Bookrunners to produce a prospectus for such offer. None of the Issuer, the Obligors nor any of the Joint Bookrunners has authorized, nor do they authorize, the making of any offer of the Class B2 Notes through any financial intermediary, other than offers made by the Joint Bookrunners which constitute the final placement of the Class B2 Notes contemplated in these Listing Particulars. The expression “**Prospectus Directive**” means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State (as defined below).

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), no offer has been made and no offer will be made of the Class B2 Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Class B2 Notes that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of the Class B2 Notes may be made to the public in that Relevant Member State at any time to:

- (a) “**qualified investors**” as defined in the Prospectus Directive;
- (b) fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in any Relevant Member State subject to obtaining the prior consent of the Issuers; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the Class B2 Notes shall result in a requirement for the publication by the Issuers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression “offer of the Class B2 Notes to the public” in relation to any Class B2 Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Class B2 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Class B2 Notes, as such expression may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Each subscriber for or purchaser of the Class B2 Notes in the offering located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive. The Issuer, the Guarantors, our legal advisors and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

United Kingdom

These Listing Particulars are directed solely at persons who (i) are investment professionals, as such term is defined in Article 19(5) of the Financial Promotion Order, (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”)) in connection with the issue or sale of any Class B2 Notes may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). These Listing Particulars must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which these Listing Particulars relate is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on these Listing Particulars or any of their contents.

Germany

In the Federal Republic of Germany, the Class B2 Notes may only be offered and sold in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany (the “**Securities Prospectus Act, Wertpapierprospektgesetz, WpPG**”) and any other applicable German law. No application has been made under German law to offer the Class B2 Notes to the public in or out of the Federal Republic of Germany. The Class B2 Notes are not registered or authorized for distribution under the Securities Prospectus Act and accordingly may not be, and are not being, offered or advertised publicly or by public promotion. These Listing Particulars are strictly for private use and the offer is only being made to recipients to whom these Listing Particulars are personally addressed and does not constitute an offer or advertisement to the public. In Germany, the Class B2 Notes will only be available to, and these Listing Particulars and any other offering material in relation to the Class B2 Notes is directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No. 6 of the Securities Prospectus Act or who are subject of another exemption in accordance with Section 3 para. 2 of the Securities Prospectus Act. Any resale of the Class B2 Notes in Germany may only be made in accordance with the Securities Prospectus Act and other applicable laws.

Austria

The Class B2 Notes may only be offered in the Republic of Austria in compliance with the provisions of the Austrian Capital Market Act (*Kapitalmarktgesetz*) and other laws applicable in the Republic of Austria governing the offer and sale of the Class B2 Notes in the Republic of Austria. The Class B2 Notes are not authorized for public offer under either the Austrian Capital Market Act (*Kapitalmarktgesetz*) or Investment Fund Act 2011 (*Investmentfondsgesetz 2011*) and these Listing Particulars have not been and/or will not be published pursuant to the Austrian Capital Market Act (*Kapitalmarktgesetz*) or Investment Fund Act 2011 (*Investmentfondsgesetz 2011*). The recipients of these Listing Particulars and other selling material with respect to the Class B2 Notes have been individually selected and identified before the offer is made and are targeted exclusively on the basis of a private placement. Accordingly, the Class B2 Notes may not be, and are not being, offered or advertised publicly or offered similarly under either the Austrian Capital Market Act (*Kapitalmarktgesetz*) or Investment Fund Act 2011 (*Investmentfondsgesetz 2011*). No offer will be made to any persons in Austria other than the recipients to whom these Listing Particulars are personally addressed.

France

The Class B2 Notes may not be offered or sold, directly or indirectly, to the public in France and offers and sales of Class B2 Notes shall only be made in France to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

These Listing Particulars or any other circular, prospectus, form of application, advertisement, communication or other material relating to the Class B2 Notes will not be distributed or caused to be distributed to the public in France other than to those investors (if any) to whom offers and sales of the Class B2 Notes in France may be made, as described above.

Grand Duchy of Luxembourg

The terms and conditions relating to these Listing Particulars have not been approved by and will not be submitted for approval to the Luxembourg Financial Services Authority (Commission de Surveillance du Secteur Financier) for purposes of public offering or sale in the Grand Duchy of Luxembourg (“**Luxembourg**”). Accordingly, the Class B2 Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither these Listing Particulars nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except in circumstances which do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with the Luxembourg Act of 10 July 2005 on prospectuses for securities, as amended.

FORWARD-LOOKING STATEMENTS

These Listing Particulars include statements that are, or may be deemed to be, “**forward-looking statements**” within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “plans”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout these Listing Particulars and include statements regarding the intentions, beliefs or current expectations of the Center Parcs Group concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies of the Center Parcs Group and the industry in which the Center Parcs Group operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Center Parcs Group believes that these risks and uncertainties include, but are not limited to, those described in the “*Risk Factors*” section of these Listing Particulars. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements in these Listing Particulars.

The forward-looking statements are not guarantees of future performance and that the Center Parcs Group’s actual results of operations, financial condition and liquidity, and the development of the industry in which the Center Parcs Group operate, may differ materially from those made in or suggested by the forward-looking statements set out in these Listing Particulars. In addition, even if the results of operations, financial condition and liquidity of the Center Parcs Group, and the development of the industry in which the Center Parcs Group operates, are consistent with the forward-looking statements set out in these Listing Particulars, those results or developments may not be indicative of results or developments in subsequent periods. Many factors could cause the Center Parcs Group’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements including, but not limited to:

- failure to manage villages effectively or any significant business interruption;
- adverse impacts on the Center Parcs brand;
- changes in the UK holiday market as well as in general economic and business conditions;
- failure, inadequacy, interruption or breach of security of information technology;
- competition with other holiday centres, recreation parks and other holiday alternatives;
- weather conditions;
- seasonal fluctuations;
- instances of illness or epidemics and the negative publicity relating thereto;
- inadequate insurance coverage;
- substantial leverage and debt service obligations;
- failure to make requisite maintenance capital expenditure or investment capital expenditure in a timely manner;
- failure to realise the anticipated benefits of Woburn Village (as defined herein) and any new village developed or acquired;
- failure to attract and/or retain qualified personnel;
- failure of one or more third party suppliers and contractors to deliver or provide the requisite services;
- changes in laws and regulations and regulatory compliance;
- employee problems;
- risks associated with the transactions in connection with the Acquisition; and
- other risk factors listed in these Listing Particulars.

The above list is not exhaustive and should be considered together with the risks described under “*Risk Factors*”.

Any forward-looking statements which are made in these Listing Particulars speak only as of the date of such statements. Neither the Issuer nor the Center Parcs Group intends or undertakes any obligation, to revise the forward-looking statements included in these Listing Particulars to reflect any future events or circumstances. Actual results, performance or achievements could differ materially from the results expressed or

implied by these forward-looking statements. Factors that could cause or contribute to such differences include those discussed under “*Risk Factors*” in these Listing Particulars.

USE OF CERTAIN TERMS IN THESE LISTING PARTICULARS

Unless otherwise indicated or the context otherwise requires, references in these Listing Particulars to:

- “**Center Parcs**” or “**Center Parcs Group**” refers to Center Parcs (Holdings 1) Limited and its subsidiaries (including CP Woburn Opco), unless the context requires otherwise.
- “**Center Parcs (Holdings 1) Limited**” refers to Center Parcs (Holdings 1) Limited, a private limited company, and an indirect subsidiary of Topco.
- “**Class A Global Coordinator and Arranger**” means (a) on the Closing Date, The Royal Bank of Scotland plc; and (b) on the Second Issue Date, Deutsche Bank AG, London Branch.
- “**Class B Global Coordinator and Arranger**” refers to Deutsche Bank AG, London Branch.
- “**Class A Noteholders**” refers to the holders of the Class A Notes.
- “**Class B Notes**” refers to the Class B2 Notes and any Class B Notes issued pursuant to “*Terms and Conditions of the Class B2 Notes — Condition 19 (Class B2 Further Notes and Class B New Notes)*”.
- “**Class B2 Notes**” refers to the £560,000,000 aggregate principal amount of 7.000% Class B2 Fixed Rate Secured Notes due 2042 issued by the Issuer upon the mandatory exchange of the Exchangeable Notes.
- “**Class B Loans**” refers to the Class B2 Loan and any other loans advanced under a subordinated secured facility pursuant to the terms of the Class B Issuer/Borrower Loan Agreement.
- “**Closing Date**” refers to 28 February 2012, the date the Issuer issued the Original Class A Notes and Original Class B Notes and the Original Class A Loans and the Original Class B Loan were advanced under the Original Class A Issuer/Borrower Loan Agreement and the Original Class B Issuer/Borrower Loan Agreement, respectively.
- “**Guarantors**” refers to the Obligors.
- “**Issuer/Borrower Loan Agreements**” refers to the Class A Issuer/Borrower Loan Agreement and the Class B Issuer/Borrower Loan Agreement.
- “**Notes**” refers to the Class A Notes and the Class B Notes.
- “**Obligors**” refers to the Borrowers and certain subsidiaries of Topco that guarantee the Class B2 Notes.
- “**Restricted Group**” refers to Topco and its Restricted Subsidiaries which constitute the Obligors and the Topco Obligors.
- “**Restricted Subsidiaries**” refers to all subsidiaries of Topco other than the Unrestricted Subsidiaries (each being a “**Restricted Subsidiary**”).
- “**Second Closing Date**” refers to 11 June 2015, the date the Second Class A Loans were advanced under the Class A Issuer/Borrower Loan Agreement.
- “**Second Issue Date**” refers to 1 June 2015, the date on which the Issuer issued the Second Class A Notes.
- “**Third Closing Date**” refers to the date the Issuer issued the Class B2 Notes, immediately following the Acquisition and in connection with the Mandatory Exchange and Class B2 Loan was advanced pursuant to the Class B Issuer/Borrower Loan Agreement.
- “**Topco Obligors**” refers to Topco and CP Cayman Limited.
- “**Transaction Documents**” means: (a) the Borrower Transaction Documents; (b) the Issuer Transaction Documents; and (c) the Topco Transaction Documents,
- “**we**”, “**us**”, “**our**” and other similar terms refer to Center Parcs (Holdings 1) Limited and its subsidiaries (including CP Woburn Opco), unless the context otherwise requires.
- “**Unrestricted Subsidiaries**” refers to the subsidiaries of Topco specified as such in the Class B Issuer/Borrower Loan Agreement (on the Third Closing Date, the only Unrestricted

Subsidiary was Forest Cayco Topco Limited, a liquidated non-trading entity whose dissolution will be effective as of September 4, 2015).

For a complete list of terms defined elsewhere in these Listing Particulars and used herein see “*Index of Defined Terms*” at the end of these Listing Particulars.

PRESENTATION OF FINANCIAL INFORMATION

Historical Financial Information

The financial information presented and discussed in these Listing Particulars has been derived from the following financial statements included elsewhere in these Listing Particulars:

- The audited consolidated financial statements of Center Parcs (Holdings 1) Limited as at and for each of the 52-week periods ended 23 April 2015, 24 April 2014 and 25 April 2013, in each case prepared in accordance with IFRS; and
- The audited financial statements of CP Woburn (Operating Company) Limited (“**CP Woburn Opco**”) as at and for each of the 52-week periods ended 23 April 2015, 24 April 2014 and 25 April 2013, in each case prepared in accordance with IFRS.

Cost of sales and administrative expenses for the 52 weeks ended 24 April 2014 have been restated in the audited consolidated financial statements for the 52 weeks ended 23 April 2015 in order to more accurately reflect the nature of expenses incurred by Center Parcs (Holdings 1) Limited. For the 52-week period ended 24 April 2014, costs of £53.0 million have been transferred from Administrative expense to Cost of sales, principally in respect of payroll costs. In addition, Cost of sales and Administrative expenses for the 52 weeks ended 25 April 2013 have been restated throughout these Listing Particulars from the audited consolidated financial statements of Center Parcs (Holdings 1) Limited for the same period in order to present the financial information on a consistent basis across the historical financial periods. These restatements have no impact on Adjusted EBITDA or Operating profit.

Unaudited Pro Forma Combined Financial Information

As of 23 April 2015, Center Parcs (Holdings 1) Limited and CP Woburn Opco did not constitute a combined group. Accordingly, consolidated financial statements have not been prepared for Center Parcs as a consolidated group. These Listing Particulars include unaudited pro forma combined financial information of Center Parcs as at and for the 52-week period ended 23 April 2015 (the “**Unaudited Pro Forma Combined Financial Information**”) because Center Parcs believes that such information is important to an investor’s understanding of its combined results of operations.

The Unaudited Pro Forma Combined Financial Information has been prepared to illustrate the effect of the Woburn Acquisition and Accession as well as to illustrate the effect of the Class A Notes Refinancing on the income statement and balance sheet of Center Parcs (Holdings 1) Limited on the basis set forth in the notes to the Unaudited Pro Forma Combined Financial Information in “*Unaudited Pro Forma Combined Financial Information*”. The Unaudited Pro Forma Combined Financial Information does not reflect the impact of the Acquisition or the Financing Transactions on the trading or financial position of either Center Parcs (Holdings 1) Limited or CP Woburn Opco for the period presented. The Unaudited Pro Forma Combined Financial Information is presented for illustrative purposes only and should not be considered a presentation of the actual results of operations that would have been attained had Center Parcs operated as a combined group during the periods presented and had consolidated financial statements been prepared in accordance with IFRS for those periods.

The Unaudited Pro Forma Combined Financial Information should be read in conjunction with the information presented in “*Unaudited Pro Forma Combined Financial Information*”, “*Selected Consolidated Financial Information*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and the audited Center Parcs (Holdings 1) Limited consolidated financial statements and the audited CP Woburn Opco financial statements and notes thereto included elsewhere in these Listing Particulars.

Unaudited “as adjusted” financial information

These Listing Particulars include unaudited pro forma combined financial information as adjusted to reflect the impact of the Financing Transactions as at and for the 52-week period ended 23 April 2015. The “as adjusted” financial data has been included to illustrate the effect of the Financing Transactions on the unaudited pro forma combined balance sheet of Center Parcs as if the Financing Transactions had occurred on 23 April 2015, and to illustrate the effect of the Financing Transactions on the unaudited pro forma combined income statement of the Center Parcs as if the Financing Transactions had occurred on 25 April 2014. The “as adjusted” financial data does not reflect the impact of the Acquisition on the trading or financial position of the Center Parcs.

The “as adjusted” financial data is presented for illustrative purposes only and should not be considered a presentation of the actual results of operations that would have been attained had Center Parcs operated as a combined group during the periods presented and had the Financing Transactions actually occurred at an earlier period.

The “as adjusted” financial data should be read in conjunction with the information presented in “*Unaudited Pro Forma Combined Financial Information*”, “*Capitalisation*” and the audited Center Parcs (Holdings 1) Limited consolidated financial statements and the audited CP Woburn Opco financial statements and notes thereto included elsewhere in these Listing Particulars.

Reporting Terms

The financial year of Center Parcs (Holdings 1) Limited and CP Woburn Opco is divided into 13 four-week periods to enable more meaningful conclusions to be drawn when periods are compared as all accounting periods contain the same number of days and an equal number of weekend and mid-week breaks. For existing quarterly reporting purposes, Center Parcs (Holdings 1) Limited reports at the end of periods three, six, nine and thirteen. This reporting corresponds to three periods of 12 weeks and one period of 16 weeks in each financial year.

References in these Listing Particulars to:

- “**Financial year 2015**” or the “**2015 financial year**” are to the 52-week period ended 23 April 2015;
- “**Financial year 2014**” or the “**2014 financial year**” are to the 52-week period ended 24 April 2014; and
- “**Financial year 2013**” or the “**2013 financial year**” are to the 52-week period ended 25 April 2013.

Non-IFRS Financial Measures

EBITDA, Adjusted EBITDA and Annualised Adjusted EBITDA

These Listing Particulars contain certain non-IFRS measures and ratios, including EBITDA, Adjusted EBITDA, Annualised Adjusted EBITDA and leverage and coverage ratios. These measures are not measures of Center Parcs’ financial performance or liquidity under IFRS and should not be considered as an alternative to (a) operating profit or profit/(loss) for the period as a measure of operating performance, (b) cash flows from operating, investing and financing activities as a measure of Center Parcs’ ability to meet their cash needs or (c) any other measures of performance under IFRS.

Center Parcs believe that EBITDA, Adjusted EBITDA and Annualised Adjusted EBITDA are useful indicators of Center Parcs’ ability to incur and service its indebtedness and may assist investors, security analysts and other interested parties in evaluating Center Parcs’ financial performance. Management uses Adjusted EBITDA as the primary profit measure to assess the performance of the operating segments and discloses it within the consolidated financial statements included elsewhere in these Listing Particulars. As all companies do not calculate EBITDA, Adjusted EBITDA or Annualised Adjusted EBITDA on a consistent basis, Center Parcs’ presentation of EBITDA, Adjusted EBITDA and Annualised Adjusted EBITDA may not be comparable to measures under the same or similar names used by other companies. Accordingly, undue reliance should not be placed on EBITDA, Adjusted EBITDA or Annualised Adjusted EBITDA in these Listing Particulars. EBITDA, Adjusted EBITDA and Annualised Adjusted EBITDA have limitations as analytical tools and investors should not consider them in isolation. Some of these limitations are that:

- they do not reflect Center Parcs’ cash expenditures or future requirements for capital commitments;
- they do not reflect the changes in, or cash requirements for, Center Parcs’ working capital needs;
- they do not reflect the interest expense or cash requirements necessary to service interest or principal payments on Center Parcs’ debt;
- they do not reflect any cash income taxes that Center Parcs may be required to pay;
- they are not adjusted for all non-cash income or expense items that are reflected in Center Parcs’ combined income statement;
- in the case of Adjusted EBITDA (but not EBITDA), it does not reflect the impact of earnings or charges resulting from certain matters Center Parcs consider not to be indicative of its on-going operations;

- assets are depreciated or amortised over differing estimated useful lives and often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements; and
- other companies in Center Parcs' industry may calculate these measures differently from the manner Center Parcs does, limiting their usefulness as comparative measures.

In these Listing Particulars, except where otherwise indicated, Adjusted EBITDA is presented before exceptional and other non-underlying items. Exceptional and other non-underlying items comprise Woburn pre-opening losses and other exceptional and non-underlying items. Woburn pre-opening losses relate to EBITDA and Adjusted EBITDA losses incurred during the 52 weeks ended 25 April 2013, the 52 weeks ended 24 April 2014 and the 8 weeks ended 19 June 2014 in respect of Woburn Village. Woburn opened to guests on 6 June 2014, but did not operate at full capacity until after 19 June 2014. Other exceptional and non-underlying items relate to, among other things, costs incurred in respect of the Blackstone Funds' exit from Center Parcs.

For a reconciliation of EBITDA, Adjusted EBITDA and Annualised Adjusted EBITDA to profit for the period, see *"Summary Historical and Unaudited Pro Forma Combined Financial Information"*.

In addition, these Listing Particulars include the following key performance indicators that Center Parcs' Directors use to set targets and measure performance against those targets.

Occupancy

Occupancy is the average number of units of accommodation occupied as a percentage of the total number available. Units of accommodation are deemed to be occupied when utilised during the relevant period under review. When units of accommodation are out of service for refurbishment, they are still included in the occupancy calculations. Center Parcs is focused on driving occupancy levels to optimise the number of guests, which in turn increases accommodation revenue and optimises on-site expenditure.

Average Daily Rate ("ADR")

ADR is the average rent (excluding VAT) achieved based on total accommodation income for the period divided by the total number of accommodation nights sold. Center Parcs uses ADR to help measure and maximise its yield.

Rent Per Available Lodge night ("RevPAL")

RevPAL is the average daily rent (excluding VAT) achieved based on the total accommodation income divided by the total available number of accommodation nights. Center Parcs' management believes RevPAL to be the most meaningful key performance indicator because it takes into account both occupancy and ADR.

Net on-site spend per lodge night

Net on-site spend per lodge night is calculated as on-site spend at Center Parcs-operated units and the rent received from concession partners (i.e. on-site revenue) for a period, divided by the sum of the number of guest-occupied lodges during each night of such period.

Forward bookings as a percentage of available capacity

Forward bookings as a percentage of available capacity means the number of accommodation nights sold divided by total available accommodation nights for the defined period. This indicator provides management with forward visibility of future occupancy levels.

General

Certain numerical figures set out in these Listing Particulars, including financial information presented in millions or thousands and percentages describing market shares, have been subject to rounding adjustments and, as a result, the totals of such numerical figures in these Listing Particulars may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other information set out in *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* are calculated using the numerical information in the section *"Selected Consolidated Financial Information"* or the tabular presentation of other information (subject to rounding) set out in these Listing Particulars, as applicable, and not using the numerical information in the narrative description thereof.

INDUSTRY AND MARKET INFORMATION

These Listing Particulars include market share and industry data and forecasts that the Center Parcs Group has obtained from industry publications, valuation reports, surveys and internal company sources. The market data and industry information used in these Listing Particulars is based on Center Parcs' own internal surveys, reports and studies, together with market research, industry publications, publicly available information and third party sources, including market research reports published by Mintel Group Limited (formerly known as Mintel International Group Limited) ("**Mintel**") — Holiday Centres, UK (June 2013); Holiday Review, UK (January 2014); Domestic Tourism, UK (September 2014); The Premium vs. Budget Traveller, UK (February 2015) and Holiday Review, UK (March 2015) and PricewaterhouseCoopers LLP ("**PwC**") — Growth beds in UK hotels forecast 2015 (September 2014); UK hotels forecast 2011 and 2012: How big a party for hotels in 2012? (March 2011) and PricewaterhouseCoopers November 2008 Forecast Hotel Statistics for London, Provinces, Manchester, Birmingham and Edinburgh (November 2008). Mintel makes use of annual surveys by United Kingdom Tourism Survey and Target Group Index. PwC makes use of data provided by STR Global and information from the Office of National Statistics and the Organisation for Economic Co-operation and Development. Industry publications and surveys and forecasts generally state that the information set out therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. The PwC publications have been prepared for general guidance and do not constitute professional advice, and therefore investors should not act upon the information contained in the publications without obtaining specific professional advice. The market research reports were not produced for the purposes of inclusion within any prospectus for a transaction of the nature contemplated herein or for securing financing of any nature. Furthermore, information has been extracted from historic market research reports and whilst data that has been published remains valid, it may not necessarily reflect market conditions as of the date of these Listing Particulars. Mintel and PwC do not accept any responsibility for the accuracy of the information made available in or based on their market research reports. Mintel also does not accept responsibility for any part of these Listing Particulars. The market research reports have been accurately reproduced and so far as the Issuer and the Obligors are aware and are able to ascertain from the market research reports, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Center Parcs Group has not independently verified any of the data from third party sources nor has it ascertained the underlying economic assumptions relied upon therein. Statements or estimates as to the market position, which are not attributable to independent sources, are based on market data currently available to the Center Parcs Group and internal estimates. The Center Parcs Group cannot assure investors that any of these statements or estimates is accurate or correctly reflects the position of the Center Parcs Group in the industry, and none of its internal surveys or information has been verified by any independent sources. While the Center Parcs Group is not aware of any misstatements regarding its industry data presented herein, its estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under "*Forward-Looking Statements*" and "*Risk Factors*" in these Listing Particulars.

TRADEMARKS

Center Parcs (Operating Company) Limited ("**CP Opco**") and Center Parcs Limited, together, own 39 registered trademarks. These include trademarks for the Center Parcs® name and logo; restaurants such as The Pancake House® and Hucks®; leisure venues such as The Venue®; activities such as Action Challenge® and Aqua Sana® spa; ParcMarket® on-site supermarket; and Jardin Des Sports® sports centre. Center Parcs also makes use of some non-registered trademarks, including Vitalé Café Bar™ spa restaurant and Dining In™ takeaway and delivery restaurants. All other trademarks appearing in these Listing Particulars that are not identified as marks owned by Center Parcs are the property of their respective owners.

CURRENCY PRESENTATION

In these Listing Particulars, unless otherwise indicated, all references to "£," "pound," "pounds," "pounds sterling," "sterling," and "GBP" are to the lawful currency of the United Kingdom, all references to "€," "euro," "euros," and "EUR" are to the single currency of the Members States of the European Union participating in the European Monetary Union and all references to "\$," "U.S. dollars" and "USD" are to the United States dollar, the lawful currency of the United States of America.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated, certain information concerning the exchange rate for pounds sterling based upon the Bloomberg Composite Rate, expressed in U.S. dollars per £1.00 (rounded to three decimal places). The Bloomberg Composite Rate is a “best market” calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in these Listing Particulars. “Average” means the average of the exchange rates on the last business day of each month for annual averages and the average of the exchange rates on each business day during the relevant period for monthly averages. These exchange rates are provided only for the convenience of the reader. No representation is made that amounts in pounds sterling have been, could have been, or could be converted into U.S. dollars, or vice versa. As of 22 July 2015, the mid-rate was USD 1.55941 per £1.00.

	U.S. DOLLARS PER £1.00			
	Period End	Average	High	Low
Year				
2010	1.5591	1.5431	1.6377	1.4324
2011	1.5509	1.6104	1.6694	1.5390
2012	1.6242	1.5925	1.6276	1.5295
2013	1.6566	1.5664	1.6566	1.4858
2014	1.5581	1.6458	1.7165	1.5515
2015 (through 22 July 2015)	1.5594	1.5271	1.5872	1.4654
Month				
January 2015	1.5020	1.5159	1.5579	1.5018
February 2015	1.5440	1.5332	1.5509	1.5027
March 2015	1.4834	1.4958	1.5382	1.4722
April 2015	1.5334	1.4966	1.5457	1.4654
May 2015	1.5271	1.5454	1.5762	1.5115
June 2015	1.5725	1.5573	1.5872	1.5187
July 2015 (through 22 July 2015)	1.5594	1.5545	1.5628	1.5335

The following table sets forth, for the periods indicated, certain information concerning the exchange rate for pounds sterling based upon the Bloomberg Composite Rate, expressed in euros per £1.00 (rounded to three decimal places). “Average” means the average of the exchange rates on the last business day of each month for annual averages and the average of the exchange rates on each business day during the relevant period for monthly averages. These exchange rates are provided only for the convenience of the reader. No representation is made that amounts in pounds sterling have been, could have been, or could be converted into euros, or vice versa. As of 22 July 2015, the mid-rate was Euro 1.43028 per £1.00.

	EUROS PER £1.00			
	Period End	Average	High	Low
Year				
2010	1.1665	1.1691	1.2358	1.0961
2011	1.1967	1.1512	1.2042	1.1071
2012	1.2307	1.2340	1.2863	1.1789
2013	1.2014	1.1775	1.2328	1.1431
2014	1.2874	1.2470	1.2874	1.1912
2015 (through 22 July 2015)	1.4303	1.3709	1.4399	1.2726
Month				
January 2015	1.3305	1.3036	1.3388	1.2726
February 2015	1.3792	1.3508	1.3792	1.3216
March 2015	1.3835	1.3829	1.4160	1.3568
April 2015	1.3674	1.3831	1.4010	1.3579
May 2015	1.3917	1.3850	1.4136	1.3452
June 2015	1.4100	1.3870	1.4107	1.3620
July 2015 (through 22 July 2015)	1.4303	1.4145	1.4399	1.3878

The rates in each of the foregoing tables may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in these Listing Particulars. We have provided these exchange rates solely for the convenience of potential investors. The rates should not be construed as a representation that pounds sterling amounts could have been, or could be, converted into euro or

U.S. dollars at the rates set forth herein or at any other rate. No representation is made that amounts in pounds sterling have been, could have been, or could be converted into euros, or vice versa.

SUMMARY

This summary highlights certain information about the Center Parcs Group and the Class B2 Notes described elsewhere in these Listing Particulars. This overview is not complete and does not contain all the information the investors should consider before investing in the Class B2 Notes. The summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information included elsewhere in these Listing Particulars, including the consolidated and pro forma combined financial information. The Listing Particulars should be read carefully to understand the business, the nature and terms of the Class B2 Notes and the tax and other considerations which are important to the decision to invest in the Class B2 Notes, including, without limitation, the risks discussed under “Risk Factors”. In addition, certain statements in this overview include forward-looking information that involves risks and uncertainties. See “Forward-Looking Statements”.

OVERVIEW

Center Parcs is a leading UK short-break holiday business, attracting approximately 2 million guests in financial year 2015. Center Parcs operates five specially constructed holiday villages in the United Kingdom: Sherwood Forest in Nottinghamshire, Longleat Forest in Wiltshire, Elveden Forest in Suffolk, Whinfell Forest in Cumbria (together, the “**Original Villages**”) and the more recent addition of Woburn Village in Bedfordshire (“**Woburn Village**”), which opened to guests on 6 June 2014. Each village is set in a forest environment amongst approximately 400 acres of forest around a lake and is open 365 days per year.

Woodland, water and a natural environment are the essential elements of a Center Parcs break. Within this comfortable, quiet, car-free and family-friendly setting, each of the Center Parcs villages provides guests with high quality accommodation and more than 150 leisure and spa activities. In total, there are 4,127 units of accommodation across its five villages, which can accommodate 21,712 guests per day at 100% occupancy. The focal point and key attraction of each village is an all-weather indoor sub-tropical swimming paradise, featuring a selection of water activities including a wave pool, river slides and rides, children’s pools and jacuzzis. Center Parcs’ on-site experiences also include outdoor activities such as cycling, boating and zip wires; indoor activities such as ten-pin bowling, badminton and pottery; and amenities such as spas, food and beverage and retail. A significant proportion of Center Parcs’ revenue is generated from guests’ on-site spending, including for leisure and spa activities, food and beverage and retail, representing 41% of total revenue in financial year 2015.

Center Parcs has a well-established brand in the UK for providing high quality experiences and facilities and targets a primary guest base of affluent families. Center Parcs benefits from strong guest loyalty with approximately 35% of guests returning within 14 months and approximately 60% returning over a five-year period. In addition, Center Parcs believes that its business model is difficult to replicate due to the lack of suitable locations for the development of holiday parks and high development costs and Center Parcs is well positioned to continue to grow its business. In March 2015, Center Parcs was named “Best UK Family Holiday Provider” in the Tommy’s Awards for the twelfth year in a row, in addition to receiving a Globe Travel Award in 2015, “Investor in People” accreditation in 2013 and retaining its “Hospitality Assured” Premier status in 2014, achieving the highest score in its sector.

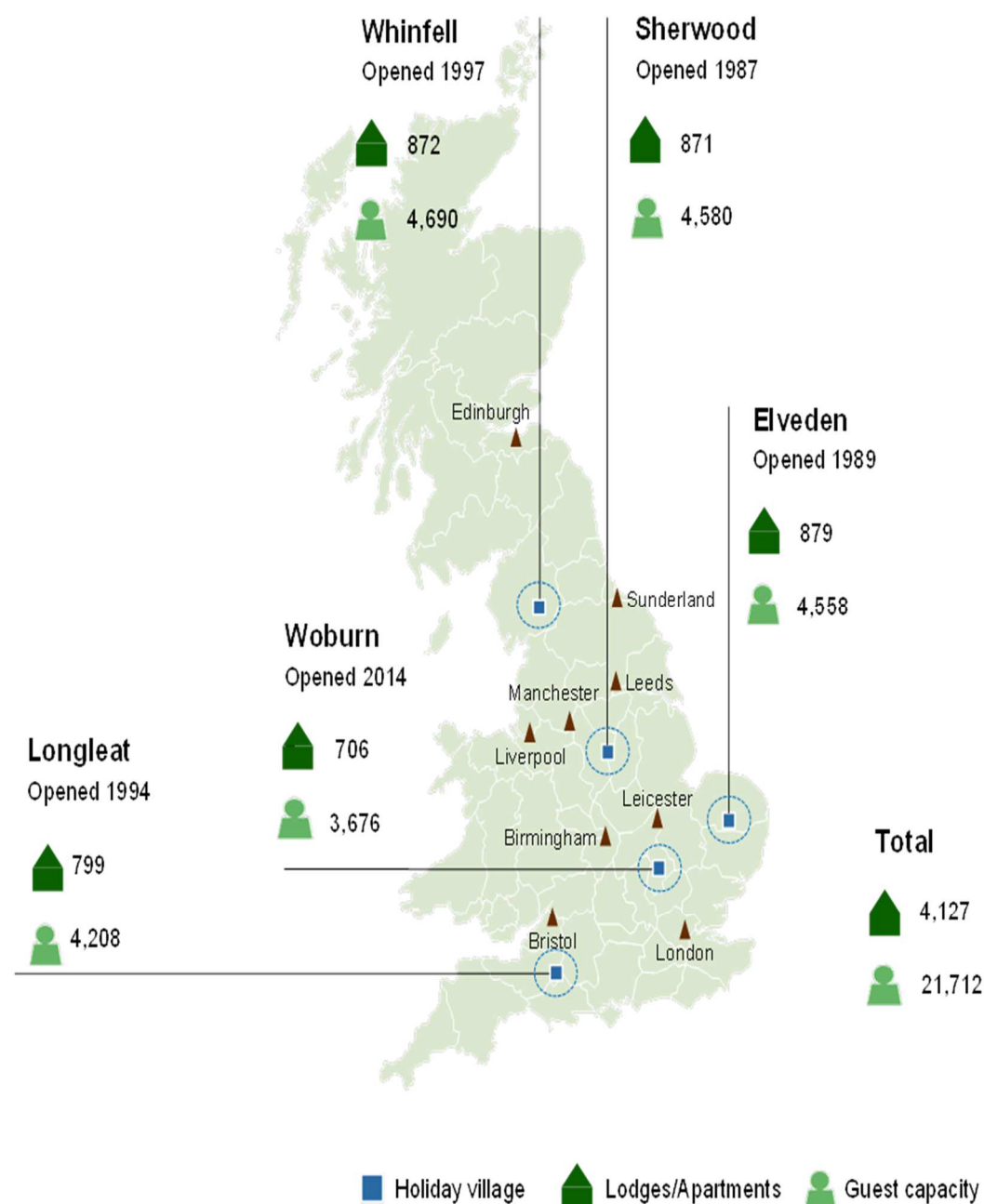
Center Parcs’ villages typically draw on a regional population of guests who are attracted to the convenience of being within a relatively short driving distance from home. Over 80% of the UK population lives within a 2.5 hour drive of at least one of Center Parcs’ villages, and the majority of Center Parcs’ guests live within a two hour drive of the village they choose to visit. Center Parcs believes that the proximity of the majority of guests to its villages combined with the easy accessibility of the villages by car make Center Parcs a popular and convenient holiday option. Occupancy levels at Center Parcs’ Original Villages have been consistently high: 97.2% in each of financial years 2013 and 2014 and 97.5% in financial year 2015. Occupancy levels have averaged over 94% in the last 15 years and approximately 97% in the last five years despite the expansion of existing accommodation offerings at Center Parcs’ Original Villages and the recent opening of Woburn Village. Woburn Village achieved 94.1% occupancy in the 44 weeks ended 23 April 2015 following a short ramp-up period since opening to guests on 6 June 2014.

For the financial year 2015, on an unaudited pro forma combined basis, giving effect to the Woburn Acquisition and Accession, Center Parcs had revenue of £386.9 million and Annualised Adjusted EBITDA of £186.1 million, representing an Annualised Adjusted EBITDA margin of 48.1%. For a reconciliation of Annualised Adjusted EBITDA to loss/profit see “Summary Historical and Unaudited Pro Forma Combined Financial Information”.

Revenue and Adjusted EBITDA are broadly evenly split amongst Center Parcs’ villages (including

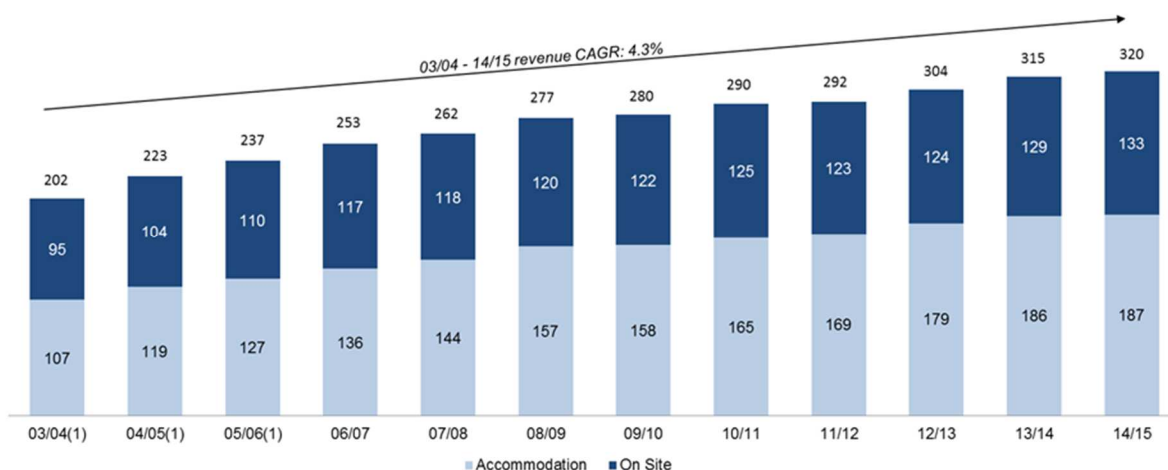
Woburn), reflecting both the individual strength of each village and the diversity of Center Parcs' asset base.

The map below shows the location of each of Center Parcs' villages.



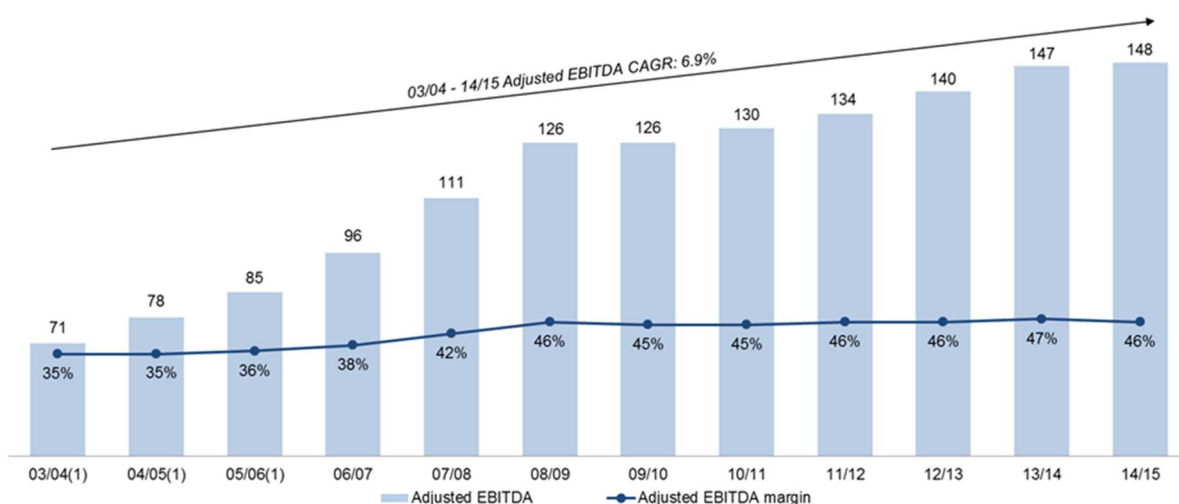
Revenue and Adjusted EBITDA for Center Parcs' Original Villages have consistently grown over the past ten years. Revenue for the Original Villages was £319.6 million for financial year 2015. EBITDA and Adjusted EBITDA margins for the Original Villages grew from 35.2% and 45.5%, respectively, in 2004 to 43.6% and 46.2%, respectively, in 2015.

The following graph shows revenue for the Original Villages for financial years 2004 to 2015.



- (1) Revenue calculated in accordance with UK GAAP for financial years 2004 through 2005 and in accordance with IFRS for financial years 2006 through 2015. IFRS differs in certain respects from UK GAAP, and accordingly data presented in accordance with UK GAAP may not be comparable to data prepared in accordance with IFRS.

The following graph shows Adjusted EBITDA and Adjusted EBITDA margin for the Original Villages for financial years 2004 to 2015.



- (1) Calculated in accordance with UK GAAP for financial years 2004 through 2005 and in accordance with IFRS for financial years 2006 through 2015. IFRS differs in certain respects from UK GAAP, and accordingly data presented in accordance with UK GAAP may not be comparable to data prepared in accordance with IFRS.

For the 44 weeks ended 23 April 2015, Woburn reported total revenue of £65.6 million and Adjusted EBITDA of £32.5 million, representing an Adjusted EBITDA margin of 49.5%.

History of the Center Parcs Group

The Center Parcs concept was pioneered by Piet Derksen in the late 1960s in the Netherlands as a new form of self-catering, high-comfort holiday village, complemented with heated bungalows, open fires, central heating, colour TVs and covered swimming pools. Derksen expanded the chain over the course of the following two decades into Belgium, France and Germany, and, in 1987, the first Center Parcs opened in the United Kingdom at Sherwood. The first British village was closely followed by a second at Elveden in 1989. In 1994, Center Parcs further expanded with the creation of the third village, Longleat, near Bath. In 2001, Center Parcs acquired the Oasis Holiday Village (now called Whinfell) in the northwest of England from the Bourne Leisure Group, thus enhancing Center Parcs' geographic footprint in the UK.

Certain investment funds advised by affiliates of The Blackstone Group L.P. (the "**Blackstone Funds**") bought the operating business in May 2006 and subsequently delisted it from the London Stock Exchange where

it had been listed on the AIM in 2003 and on the Main Market in 2005. Shortly thereafter, Blackstone Funds purchased the property companies owning the four Original Villages in June 2006. The overall combined business was refinanced in December 2006 and February 2012, with a partial refinancing in June 2015.

Since 2006, Center Parcs has implemented programmes to upgrade accommodation and to upgrade and expand on-site offerings. In November 2010, Center Parcs received reserved matters planning approval of its plan to develop and build a fifth village situated near Woburn in Bedfordshire. The development of Woburn Village commenced in May 2012 and opened to guests on 6 June 2014 as planned. In June 2015, Woburn Village acceded to the Class A Issuer/Borrower Loan Agreement and other Transaction Documents as a Borrower and an Obligor.

In June 2015, certain funds managed by affiliates of Brookfield Asset Management Inc. (the “**Brookfield Funds**” or the “**Sponsor**”) agreed to acquire Center Parcs from the Blackstone Funds.

Key Strengths

Unique, market-leading short break holiday business.

Center Parcs believes that it provides a unique product in the UK holiday market in terms of scale, quality and standard of accommodation and amenities. Center Parcs is a market leader with an approximate 20% market share of the UK holiday centres market in 2013. Each Center Parcs village is set in approximately 400 acres of forest around a lake, with numerous retail and food and beverage offerings, as well as approximately 150 leisure and spa related activities and an indoor sub-tropical swimming paradise. Each village has on average 825 lodges with capacity for 4,300 guests. Center Parcs believes that it is the only large-scale UK business offering this type of family-focused, year-round, all-weather, short-break package, in a forest environment.

Difficult to replicate concept with well-known brand and loyal, affluent customer base.

The Center Parcs villages are characterised by a number of qualities that Center Parcs believes make its business model difficult to replicate in the United Kingdom. These include:

- limited appropriate sites for villages, which require large forested areas near major population centres;
- long lead time needed to develop new villages due to the stringent requirements for obtaining planning permits;
- significant initial investment cost in addition to on-going capital expenditure required for further development and operations of the business; and
- a wide range of specialised operations and planning expertise required to develop and operate a village.

Center Parcs’ unique product offering has generated strong brand recognition and guest loyalty. Center Parcs believes that it has high brand recognition in the UK and is considered among the top brands for high quality short breaks in the UK.

Center Parcs’ “intention to return” score was 95% in financial year 2015. Approximately 35% of Center Parcs’ guests return within 14 months and approximately 60% return over a five-year period. Its active guest base grew to approximately 460,000 households in 2015.

Center Parcs is also an award-winning brand, having recently been named “Best UK Family Holiday Provider” in the Tommy’s Awards for the twelfth year in a row, in addition to receiving Globe Travel Award in 2015, “Investor in People” accreditation in 2013 and retaining its “Hospitality Assured” Premier status in 2014, achieving the highest score in its sector.

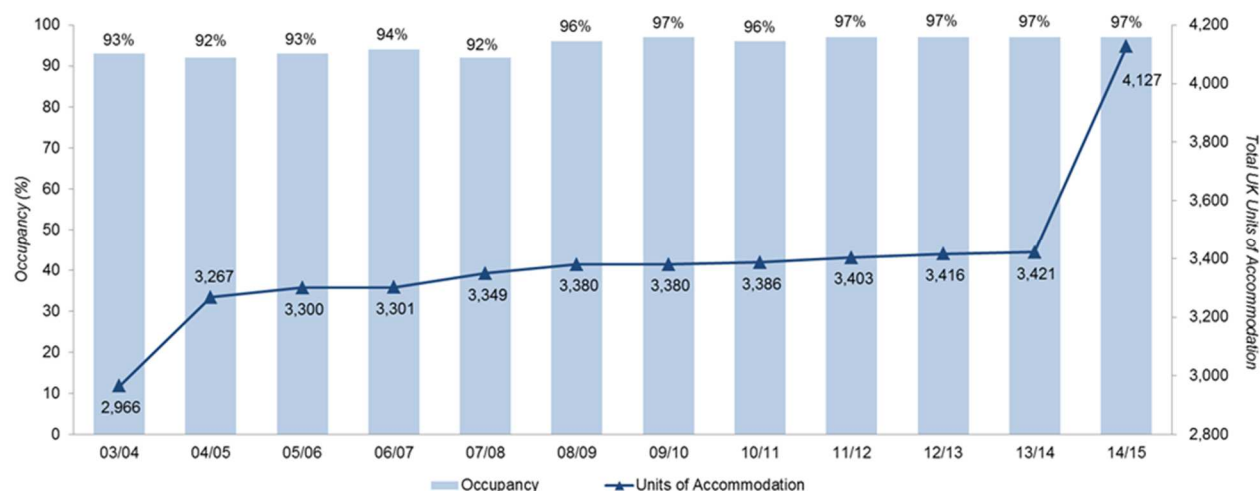
Center Parcs’ guest profile has remained stable over time and consists of the highest earning categories of the UK population. According to management estimates, 84% of guests are identified under the ACORN classification as “affluent achievers”, “rising prosperity” or “comfortable communities” based on postcode analysis.

Resilient growth through economic cycles.

Resilient performance through economic cycles, during both downturns and recoveries, and also through additions in capacity, has resulted in Center Parcs’ occupancy levels averaging over 94% in the last 15 years and approximately 97% in the last five years, with occupancy levels at the Original Villages of 97.2%,

97.2% and 97.5% in 2013, 2014 and 2015, respectively. Woburn Village achieved 94.1% occupancy in the 44 weeks ended 23 April 2015 following a short ramp-up period since opening to guests on 6 June 2014.

The following chart shows Center Parcs' occupancy rates for financial years 2004 to 2015.



High occupancy levels drive a significant proportion of revenue from guests' on-site spending, which represented 41% of Center Parcs' total revenue in financial year 2015.

ADR for Center Parcs' Original Villages on average also consistently grew above inflation between financial year 2004 and financial year 2015, at a CAGR of 3.6%. During this period, growth in Center Parcs' RevPAL outpaced inflation by 1.7 times and UK Revenue per Available Room ("UK RevPAR") by four times. The growth in Center Parcs' ADR has been driven by yield management initiatives, demand and on-site investment, including in new types of accommodation and upgrades to existing accommodation.

The following table shows RevPAL and ADR for Center Parcs' Original Villages as compared to UK RevPAR and the consumer price index ("CPI") for financial years 2004 to 2015.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Center Parcs' RevPAL ⁽¹⁾ (£)...	97.6	99.8	105.9	112.9	118.4	125.4	128.6	131.4	136.6	144.2	149.4	150.0
Center Parcs' ADR ⁽¹⁾ (£)...	104.6	108.0	113.7	120.0	129.3	131.4	132.2	136.5	140.7	148.4	153.7	153.9
UK RevPAR ⁽²⁾⁽³⁾ (£).....	42.0	44.7	45.8	47.3	45.9	40.1	41.2	41.4	41.1	43.4	46.4	49.1
CPI change over previous year ⁽⁴⁾ (%).....	1.1%	1.9%	2.0%	2.8%	3.0%	2.3%	3.7%	4.5%	3.0%	2.4%	1.8%	(0.1)%

(1) Revenue used in these calculations was reported in accordance with UK GAAP for financial years 2004 and 2005 and in accordance with IFRS for financial years 2006 through 2015.

(2) UK RevPAR excludes London.

(3) Source: PwC.

(4) Source: Office of National Statistics.

Unbroken revenue growth with strong visibility through forward-booking model.

Center Parcs has experienced revenue growth each year over the last ten years, with revenue growing at a CAGR of 6.1% from financial year 2004 to financial year 2015. In addition, Center Parcs' Adjusted EBITDA has grown at a CAGR of 8.8% from financial year 2004 to financial year 2015. Center Parcs places a strong emphasis on advance prepaid bookings, which result in significant revenue visibility, with an average of 16 weeks booking-to-arrival time. For each of the financial years 2013, 2014 and 2015, an average of 40% of the available accommodation nights at its Original Villages had been booked by the beginning of the financial year, an average of 56.6% by the end of the first quarter, an average of 76.9% halfway through the financial year, and an average of 95% two months before the end of the financial year.

Center Parcs collects 30% of the accommodation cost at the time of booking if completed more than ten weeks in advance of the short break. The balance of the cost is collected ten weeks prior to the start of the break. If a guest books less than ten weeks prior to the arrival date, the accommodation cost is payable in full on booking. Similarly, in financial year 2015, approximately 60% of leisure and spa activities were pre-booked and pre-paid prior to arrival. This significant revenue visibility allows Center Parcs to optimise its cost structure according to anticipated occupancy levels and demand throughout the year.

Sustainable cash flow generation.

Center Parcs' EBITDA margins have been underpinned by high occupancy levels and consistent growth in ADR. EBITDA and Adjusted EBITDA margins for the Original Villages grew significantly over the past ten years from 35.2% and 45.5%, respectively, in financial year 2004 to 43.6% and 46.2%, respectively, in financial year 2015. Relatively high EBITDA margins combined with the negative working capital characteristics of the business due to its forward-booking model and the relatively low maintenance capital expenditure requirements, which averaged £18 million per financial year from financial year 2007 to financial year 2015, has enabled Center Parcs to be highly cash generative, with an average free cash flow margin (defined as EBITDA less total capital expenditure divided by revenue) of approximately 30% from financial year 2013 to financial year 2015.

Well-invested, diversified and high quality asset base.

Center Parcs owns all five of its villages on either freehold titles or long leasehold titles, and with remaining lease terms of between 58 years and 984 years, Center Parcs' asset base has a long life and is diversified and stable. Revenue and EBITDA are broadly evenly split amongst its villages, located in different parts of the UK, reflecting both the individual strength of each village and the diversity of Center Parcs' asset base.

Center Parcs has an on-going capital expenditure programme to maintain and enhance the quality of its asset base, pursuant to which it has invested approximately £388 million at the Original Villages from financial year 2007 through financial year 2015. Of this investment, £159 million represents maintenance capital expenditures. The remainder represents investment capital expenditure, of which £139 million was invested to upgrade existing accommodation (historically, ADR achieved on upgraded accommodation has typically been between 10% and 20% higher than the equivalent non-upgraded accommodation as measured by sampled upgraded lodges compared against the equivalent non-upgraded lodges during financial years 2012 to 2014), £34 million was invested to build new developments and £56 million went toward on-site development, including new leisure activities, food and beverage offerings and facilities upgrades. In addition, Center Parcs has incurred approximately £250 million of total initial development costs in respect of building Woburn Village ("Woburn Phase 1").

Experienced management team with a track record of innovation.

Center Parcs has an experienced management team with a proven ability to execute its business plans and achieve results. In addition, Center Parcs' management team has a track record of innovation reflected in its yield management initiatives, innovation in on-site activities and food and beverage offerings, as well as development of new types of accommodation to help drive ADR. Most recently, the management team successfully opened Woburn Village on time and on budget. For the 44 weeks ended 23 April 2015, Woburn Village achieved an ADR of approximately 25% above the average of the Original Villages. Woburn Village reached 95% occupancy within the first full quarter of trading since opening to guests on 6 June 2014. With an average length of service of over ten years by individual members of its management team, the management team is highly experienced in providing the services that set Center Parcs apart from other UK leisure and holiday providers. We also expect to benefit from the operational expertise, relationships, and management experience of the Brookfield group.

Strategy

Continue to grow revenue through yield management, flexible pricing, targeted marketing and customer relationship management.

Center Parcs actively manages pricing across its villages to maintain its high level of occupancy and to optimise yield during periods of high demand. 100% of bookings are made directly with Center Parcs, with approximately 83% of accommodation bookings made online in financial year 2015. Together with its strong emphasis on advance bookings (average 16-week booking-to-arrival time period), this provides Center Parcs with significant operational information, allowing it to respond quickly to customer trends in order to optimise its pricing. Center Parcs plans to continue to develop its yield management and flexible pricing structure to further grow revenue, and to develop its customer relationship management initiatives to increase demand from the affluent families that form its core guest base.

Center Parcs is investing in its systems to improve its digital capabilities, with the aim of optimising revenue growth (the "**Digital Roadmap**"). Through this process, Center Parcs plans to introduce more

sophisticated pricing tools in order to increase demand through improved customer relationship management and targeted marketing. Center Parcs' guest database of approximately one million contacts allows it to undertake targeted marketing campaigns using a range of channels, including direct mailings, online and digital marketing, television campaigns and email programmes focused on existing customers. The Digital Roadmap comprises revenue optimisation tools to create automated price suggestions and intra-day price changes, the creation of data hubs to enable Center Parcs to better target and tailor their guest services and identify individual preferences, and the introduction of an improved booking platform. For more information on the Digital Roadmap, see "*Business — Information Technology*".

Continue to invest in revenue-enhancing upgrades of Center Parcs accommodation offering and to expand available capacity.

Center Parcs plans to continue to invest in upgrading the accommodation and facilities in its villages, and to introduce new accommodation and on-site activities. Since 2007, Center Parcs has opened 110 new units of accommodation at its Original Villages, and significantly upgraded 2,778 units (accounting for approximately 84% of total units), with the remaining 533 units expected to be upgraded in the near to medium term at an average estimated cost of approximately £50,000 per lodge.

There is also capacity for additional new builds of premium lodges at Center Parcs' villages, which typically achieve a premium over the rate achieved on standard lodges. Center Parcs believes that such premium lodges attract affluent guests who are more likely to be high on-site spenders. Center Parcs plans to build approximately 100 new premium lodges at Woburn Village. Under its existing planning decision, Center Parcs has planning permission for more than two-thirds of these premium lodges, which are expected to open in 2017 ("**Woburn Phase 2**") with the remaining premium lodges expected to follow thereafter. In addition, Center Parcs currently plans to build around 100 new premium lodges and one-bedroom apartments, subject to planning permission and other factors, at the Original Villages. The new premium lodges are expected to include treehouses, waterside lodges, spa suites and other executive lodges. Center Parcs currently has planning permission for more than a quarter of these new builds.

Disciplined investment in village experience.

Center Parcs believes that there are several substantial development projects that could profitably expand Center Parcs' offering, including Project Atlantis, which involves the strategic enhancement of the signature sub-tropical swimming paradise that features at each village. Center Parcs spent over £10 million between 2012 and 2015 on implementing Project Atlantis. Improvements included the addition of a new raft ride, the Tropical Cyclone, and a new play area featuring numerous slides and water feature at Elveden, in 2012 and 2013, respectively. The introduction of the Tropical Cyclone at Elveden delivered a meaningful ADR increase. Over the next five years, Center Parcs plans to make similar upgrades to the pool facilities at Longleat, Sherwood and Whinfell villages.

Center Parcs also intends to introduce new, as well as innovate upon, leisure activities at each village on a regular basis. Development opportunities include introducing electric boats and expanding indoor climbing activities to all villages. Center Parcs believes that such investments provide an enriched holiday experience particularly for the affluent families that form its core guest base, and that an improved on-site offering helps to drive both accommodation and on-site revenue.

Grow on-site spend.

Center Parcs' on-site revenue at the Original Villages grew at a CAGR of 3.4% from financial year 2013 to financial year 2015. As Center Parcs' guests typically remain on-site for the duration of their stay, Center Parcs believes that there are opportunities to grow on-site spend further. For example, Center Parcs is currently developing a programme of enhanced differentiation in pricing. Through the programme, prices of various offerings are expected to become flexible across villages or seasons to more accurately reflect guest demand. In addition, Center Parcs expects to increase the range of products and services available to guests. Further, Center Parcs aims to continue enhancing ease of payment for its guests by expanding cashless payment options, currently available at selected areas at Woburn Village and Whinfell Village, across all its villages.

Center Parcs has franchise, licensing and concession agreements with various providers, such as Starbucks, Casual Dining Group (formerly Tragus) (whose offering includes Café Rouge and Bella Italia) and SSP (whose offering includes gastro pubs and fast food outlets). These concession partners enable guests to benefit from high street brand offerings and Center Parcs to increase profitability through increased on-site spend. Center Parcs reviews these agreements periodically to ensure that they remain economically attractive

and meet its guests' requirements. Center Parcs believes that there is also an opportunity to increase revenue from its outside guests, especially through its Aqua Sana spa facilities, which Center Parcs continues to upgrade and expand.

Continue to increase profitability through controlling costs.

Center Parcs benefits from having a flexible cost base. Because of the high level of forward booking visibility of the business, Center Parcs is able to manage its cost base effectively to meet its business requirements. As part of the strategy to seek profitable growth, it intends to generate cost savings through increased efficiency at each village and at its head office. Center Parcs also plans to continue to improve and streamline booking options. For example, it recently launched an app that allows guests to book activities, check their itinerary and find their way around the villages.

RECENT DEVELOPMENTS

Refinancing of the Class A1 Loan and the redemption of the Class A1 Notes

On 11 June 2015, the Center Parcs Group refinanced the Class A1 Loan granted by the Issuer to the Borrowers on the Closing Date under the Original Class A Issuer/Borrower Loan Agreement. The Borrowers of the Class A1 Loan fully prepaid the Class A1 Loan (together with accrued interest on the Class A1 Loan up to the Second Closing Date and an amount equal to the Class A make-whole payment due in respect of the Class A1 Notes) using £323 million of the proceeds of the Second Class A Loans granted by the Issuer to the Borrowers on the Second Closing Date under the Class A Issuer/Borrower Loan Agreement. The Issuer used the proceeds of the repayment of the Class A1 Loan to fund the corresponding redemption of the Class A1 Notes. The repayment of the Class A1 Loan and the corresponding redemption of the Class A1 Notes are referred to in these Listing Particulars as the “**Class A Notes Refinancing**”. See “*Unaudited Pro Forma Combined Financial Information*”, “*Description of Certain Financing Arrangements*” and “*Description of Other Indebtedness*”.

Acquisition of CP Woburn Opco

In November 2010, Center Parcs received reserved matters planning approval of its plan to develop and build a fifth village situated near Woburn in Bedfordshire. In 2012, new corporate entities, including CP Woburn Opco and its holding company, CP Woburn Holdco S.à r.l. (“**CP Woburn Holdco**”), were established outside of the Obligor Group to facilitate the ownership, development and financing of Woburn Village. The development of Woburn Village was completed and, on 6 June 2014, Woburn Village opened to guests.

Concurrently with the Class A Notes Refinancing, Center Parcs (Holdings 3) Limited acquired the entire issued share capital of CP Woburn Opco from CP Woburn Holdco and CP Woburn Opco acceded to the Class A Issuer/Borrower Loan Agreement and the other Transaction Documents as a Borrower and an Obligor (the “**Woburn Acquisition and Accession**”). On the Second Closing Date and in connection with the Woburn Acquisition and Accession, (a) Center Parcs (Holdings 3) Limited borrowed £19 million of the proceeds of the Second Class A Notes from the Issuer and used such funds towards the purchase price for the shares in CP Woburn Opco and (b) CP Woburn Opco borrowed £142 million of the proceeds of the Second Class A Notes from the Issuer to repay its existing loan facility.

Following the completion of the Woburn Acquisition and Accession, the business of CP Woburn Opco may be reorganised to transfer the business and operation of Woburn Village to CP Opco and to transfer the legal title in the property for Woburn Village to another Obligor (the “**Reorganisation**”). If the Reorganisation takes place, it will involve, among other things, transfers of shares, properties and leases between certain members of the Center Parcs Group and the novation of the indebtedness incurred by CP Woburn Opco under the Class A Issuer/Borrower Loan Agreement to other members of the Center Parcs Group. If undertaken, the Reorganisation will not have any impact on the financing structure or the security package for the Class B2 Notes.

Trading Update

Center Parcs (Holdings 1) Limited's results of operations for the 8 weeks ended 18 June 2015 have been in line with management's expectations.

Forward bookings for the Original Villages are ahead of the prior year, with 58.9% of the capacity for financial year 2016 booked as of 16 July 2015 (as compared to 54.9% as of 17 July 2014 in financial year 2015). ADR for the first trading quarter (being the first twelve weeks) of financial year 2016 was marginally ahead of the ADR for the first trading quarter of financial year 2015, reflecting a modest impact from the opening of

Woburn Village. As of 16 July 2015, ADR for forward bookings for the Original Villages for the final 40 weeks (representing the last three trading quarters) of financial year 2016 indicates a level of ADR growth comparable to that prior to the opening of Woburn Village.

Occupancy for Woburn Village for the first trading quarter of financial year 2016 is in line with that for the Original Villages. For the remaining three trading quarters of financial year 2016, forward bookings for Woburn Village are in line with such bookings for the same period in the prior financial year (representing the trading quarters in financial year 2015 when Woburn Village was fully operational).

THE TRANSACTIONS

The Acquisition

On 2 June 2015, BSREP II Cayman Blocker Pooling L.P. (the “**Purchaser**”), an entity managed by affiliates of Brookfield Asset Management Inc., entered into a sale and purchase deed (the “**Acquisition Agreement**”) with CP Cayman Topco, CP MGMT Nominee Limited and others (the “**Sellers**”) to acquire the entire issued share capital of CP MGMT Limited and CP Cayman Midco 1 Limited (together, the “**Target Companies**”) and certain shares in the capital of Topco (the “**Acquisition**”). The consummation of the Acquisition pursuant to the Acquisition Agreement was not subject to any anti-trust, regulatory or other conditions and occurred on 3 August 2015 (the “**Completion Date**”). The Acquisition Agreement contains customary closing obligations. The Purchaser assigned and novated its rights and obligations under the Acquisition Agreement and other documents entered into in connection with the Acquisition to BSREP II Center Parcs Jersey 2 Limited, or Bidco, an indirect subsidiary of the Purchaser.

In connection with the Acquisition, certain employees and members of management reinvested part of their shareholding in CP MGMT Limited in BSREP II Center Parcs Jersey Limited and, as of the Completion Date, certain employees and members of management indirectly held approximately 0.7% of the share capital of Bidco.

The Acquisition was financed through a combination of the proceeds of the Exchangeable Notes offering, which, pursuant to the terms of the Mandatory Exchange, were mandatorily exchanged for the Class B2 Notes, and by equity provided by the investors in the Brookfield Funds.

The issuance of the Exchangeable Notes and the issuance and exchange of the Class B2 Notes

The Exchangeable Notes were offered in connection with the financing of the Acquisition and related transactions and were issued before the closing of the Acquisition. Pending the Completion Date, the gross proceeds from the offering of the Exchangeable Notes, or Escrowed Funds, were deposited into the Escrow Account pursuant to the terms of the Escrow Agreement among, *inter alios*, the Exchangeable Note Issuer and the Escrow Agent dated as of the Exchangeable Note Issue Date for the account of the Exchangeable Noteholders.

In accordance with the terms of the Escrow Agreement and the Exchangeable Note Trust Deed, the Exchangeable Notes were mandatorily exchanged for an aggregate nominal amount of the Class B2 Notes equal to the aggregate nominal amount of the Exchangeable Notes on the Third Closing Date, immediately following the consummation of the Acquisition.

Refinancing of the Original Class B Loan and repurchase of the Original Class B Notes

The Center Parcs Group refinanced the Original Class B Loan granted by the Issuer to the Borrowers under the Original Class B Issuer/Borrower Loan Agreement on the Third Closing Date. The Borrowers of the Class B2 Loan will use part of the proceeds thereof to (a) repay the Original Class B Loan (including the payment of any prepayment premium and any accrued and unpaid interest) or (b) to fund a tender offer for the Original Class B Notes as described below. On 20 July 2015, Bidco launched a tender offer to purchase or procure the purchase of the Original Class B Notes in full, together with accrued interest up to the date of purchase. All of the Original Class B Notes properly tendered prior to the expiration of the tender offer were purchased by the Borrowers on the Third Closing Date. The remaining outstanding amount of Original Class B Notes are expected to be redeemed thereafter. The Borrower will deliver to the Issuer the purchased Original Class B Notes in satisfaction, prepayment and discharge of a pro rata portion of each Borrower’s liability under the Original Class B Loan. The repayment of the Original Class B Loan and the purchase of the Original Class B Notes are referred to in these Listing Particulars as the “**Refinancing**”.

In connection with the Refinancing, Topco intends to declare and pay a dividend to Bidco in an amount equal to the interest which would have accrued on the Original Class B Notes purchased on the Third Closing

Date from (and including) the Third Closing Date to (but excluding) the interest payment date falling on 28 August 2015 (the “**Original Class B Notes Dividend**”).

The Acquisition, the issuance of the Exchangeable Notes, the issuance and exchange of the Class B2 Notes, the Refinancing and the payment of the Original Class B Notes Dividend are collectively referred to as the “**Transactions**”. The issuance of the Exchangeable Notes, the issuance and exchange of the Class B2 Notes and the Refinancing are collectively referred to as the “**Financing Transactions**”.

THE ISSUER OF THE CLASS B2 NOTES

CPUK Finance Limited, or the Issuer, is a limited liability company incorporated under the laws of Jersey. The Issuer has conducted no operations or other material activities other than in relation to the issuance of the Class A Notes, the Original Class B Notes, the contemplated Class B2 Notes and activities incidental thereto. Its registered number is 108635. The registered office of the Issuer is at 47 Esplanade, St Helier, Jersey JE1 0BD.

OUR PRINCIPAL SHAREHOLDER

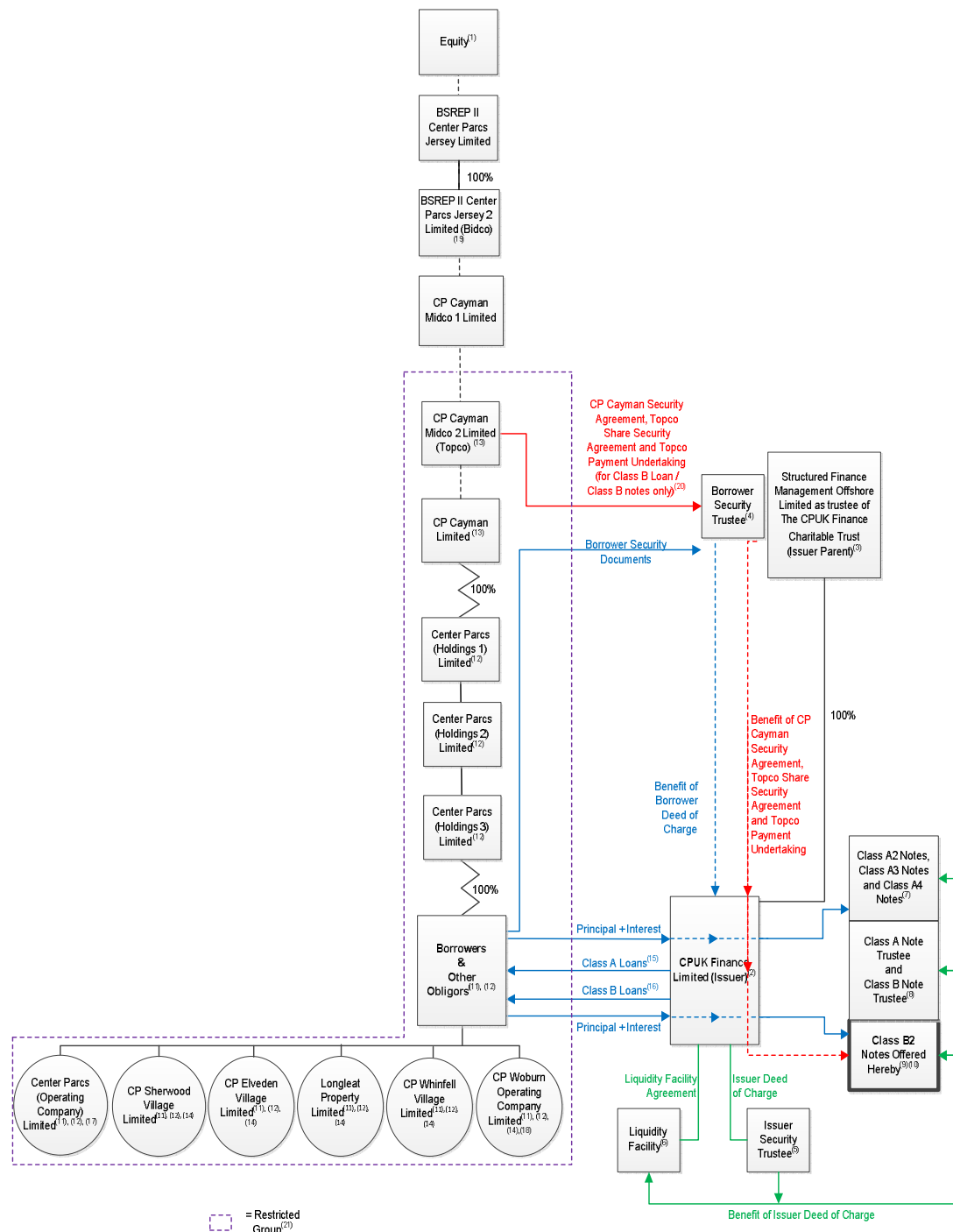
Following the Acquisition, the Target Companies are indirectly owned by the Brookfield Funds and certain employees and members of management.

Brookfield Asset Management Inc. is a global alternative asset manager with over \$200 billion in assets under management. The company has over a 100-year history of owning and operating assets with a focus on property, renewable energy, infrastructure and private equity. Brookfield owns and manages one of the largest portfolios of premier office properties and renewable energy generating facilities as well as long-life infrastructure assets that include utilities, transport and energy and timberlands in North and South America, Australasia and Europe. Its assets are held through a growing portfolio of private funds and public, listed entities. Brookfield is publicly listed on the NYSE, TSX and Euronext Amsterdam under the symbol BAM, BAM.A and BAMA, respectively.

In addition to Center Parcs, Brookfield is invested in multiple hotel and leisure assets and companies. Brookfield’s hotel and leisure investment strategy is to acquire premier assets in attractive markets and use operational expertise to drive shareholder returns. Key assets within Brookfield’s hotel segment include the Atlantis Paradise Island Resort in the Bahamas and the Diplomat Resort in Miami. In 2014, Brookfield acquired Thayer Lodging Group, a private hotel investor/operator and asset management firm.

Corporate Structure and Certain Financing Arrangements

This following diagram shows a summary of our corporate and principal financing structure on a pro forma basis giving effect to the Transactions. For further details of our financing structure, see “Terms and Conditions of the Class B2 Notes”, “Description of the Class B2 Loan”, “Description of Other Indebtedness” and “Description of Certain Financing Arrangements”.



- (1) Following the Transactions, (i) the Brookfield Funds indirectly owns, through wholly-owned intermediate holding companies, approximately 99.3% of the entire share capital of the Center Parcs Group and (ii) certain employees and members of management indirectly own the remainder of the share capital of the Center Parcs Group.
- (2) CPUK Finance Limited, a limited liability company incorporated under the laws of Jersey, was established as a special purpose vehicle whose principal activities are the issuing of the Notes, the acquiring, holding and managing of its rights and assets under

the Issuer/Borrower Loan Agreements in connection with the execution and performance of the Transaction Documents, the execution and performance of all documents to which it is expressed to be a party and the exercise of related rights and powers and other activities reasonably incidental thereto. See “*The Issuer*”.

- (3) Structured Finance Management Offshore Limited, as trustee of The CPUK Finance Charitable Trust, holds the entire share capital of the Issuer (directly and indirectly through Crestbridge Corporate Nominees Limited (formerly Dominion Corporate Nominees Limited) as nominee of the Issuer Parent), being two fully paid up shares of £1.00 each. The business of Structured Finance Management Offshore Limited is to provide corporate administration and management services to special purpose vehicles in structured finance transactions.
- (4) HSBC Corporate Trustee Company (UK) Limited, as Borrower Security Trustee, holds (a) the security granted by the Obligors under the Borrower Security Documents, as security trustee for all the Borrower Secured Creditors (including the Issuer), and is entitled to enforce the security granted in its favour under the Borrower Security Documents subject to the terms of the Intercreditor Agreement and (b) the security granted by Topco under the Topco Share Security Agreement and by CP Cayman Limited under the CP Cayman Security Agreement as security trustee for the Class B Noteholders, and is entitled to enforce security under Topco Security Documents subject to the terms of the Intercreditor Agreement. See “*Description of Certain Financing Arrangements — Borrower Security Documents*”.
- (5) HSBC Corporate Trustee Company (UK) Limited, as Issuer Security Trustee, holds the security granted under the Issuer Deed of Charge for all of the Issuer Secured Creditors and is entitled to enforce the security granted in its favour under the Issuer Deed of Charge. See “*Description of Certain Financing Arrangements — Issuer Deed of Charge*”.
- (6) The Issuer previously entered into the Liquidity Facility Agreement with, amongst others, Barclays Bank PLC and Deutsche Bank AG, London Branch, each as a Liquidity Facility Provider, and the Issuer Security Trustee in order to enable the Issuer to service interest due on the Class A Notes in the event of insufficient funds being received from the Obligors under the Class A Issuer/Borrower Loan Agreement to ensure that the Issuer meets its interest payments due to the Class A Noteholders. Under the terms of the Liquidity Facility Agreement, the Liquidity Facility Providers provide a 364-day commitment in an aggregate amount of £80 million to permit drawings to be made to service interest due on the Class A Notes, as well as certain other senior ranking expenses, in the event there is insufficient cash flow being received by the Issuer under the Class A Issuer/Borrower Loan Agreement. See “*Description of Other Indebtedness — Liquidity Facility Agreement*”.
- (7) The Class A Notes are comprised of (i) £440,000,000 aggregate principal amount of 7.239% Class A2 Notes (the “**Class A2 Notes**”), (ii) £350,000,000 aggregate principal amount of 2.666% Class A3 Notes (the “**Class A3 Notes**”) and (iii) £140,000,000 aggregate principal amount of 3.588% Class A4 Notes (the “**Class A4 Notes**”). As part of the Class A Refinancing, the Issuer redeemed the £300,000,000 aggregate principal amount of 4.811% Class A1 Notes issued on the Closing Date (the “**Class A1 Notes**”). See “*Description of Other Indebtedness — Class A Notes*”.
- (8) Pursuant to the terms of the Note Trust Deed, HSBC Corporate Trustee Company (UK) Limited serves (i) as trustee for the Class A Noteholders, representing the interests of the holders of the Class A Notes, and (ii) as trustee for the Class B Noteholders, representing the interests of the holders of the Class B2 Notes. See “*Description of Certain Financing Arrangements — Note Trust Deed*”.
- (9) On the Third Closing Date, the Issuer issued the £560,000,000 aggregate principal amount of 7.000% Class B2 Notes in exchange for the £560,000,000 aggregate principal amount of Exchangeable Notes issued on the Exchangeable Note Issue Date, pursuant to the Mandatory Exchange. The £560,000,000 aggregate principal amount Class B2 Loan was funded on the Third Closing Date under the terms of the Class B2 Facility pursuant to the Class B Issuer/Borrower Loan Agreement. The Issuer has funded the Class B2 Facility in part from the proceeds it received pursuant to the Mandatory Exchange (which were used to fund the Refinancing) with the remainder being funded by a transfer to the Borrowers of a portion of the Exchangeable Notes received by the Issuer in satisfaction of the obligation to advance an equivalent amount under the Class B2 Facility. The remaining amount of gross proceeds from the issuance of the Exchangeable Notes were used to fund the cash consideration for the Acquisition and pay related fees and expenses.
- (10) On the Exchangeable Note Issue Date, the Exchangeable Note Issuer issued £560,000,000 aggregate principal amount of 7.000% Exchangeable Notes due 2016.

Pending consummation of the Acquisition, the gross proceeds from the offering of the Exchangeable Notes were deposited into the Escrow Account pursuant to the terms of the Escrow Agreement. On the Completion Date, the Exchangeable Notes were exchanged for the Class B2 Notes issued by the Issuer in accordance with the Mandatory Exchange.
- (11) CP Opco, Longleat Property Limited, CP Elveden Village Limited, CP Sherwood Village Limited, CP Whinfell Village Limited, and CP Woburn Opco are Borrowers under both the Class A Issuer/Borrower Loan Agreement and Class B Issuer/Borrower Loan Agreement.
- (12) The Borrowers, Carp (CP) Limited, Carp (E), Carp (H) Limited, Carp (Jersey) 2 Limited, Carp (L) Limited, Carp (NW) Limited, Carp (O) Limited, Carp (S) Limited, Carp (UK) 1 Limited, Carp (UK) 2 Limited, Carp (UK) 3 Limited, Carp (UK) 3A Limited, Center Parcs (Block 1) Limited, Center Parcs (Block 2) Limited, Center Parcs Card Services Limited, Center Parcs Energy Services Limited, CP Cayman Midco 2 Limited, Center Parcs (Holdings 1) Limited, Center Parcs (Holdings 2) Limited, Center Parcs (Holdings 3) Limited, Center Parcs (Jersey) 1 Limited, Center Parcs Limited, Center Parcs (Nominees) Limited, Center Parcs Spa Division Holdings Limited, Center Parcs (UK) Group Limited, Centrepark Limited, Comet Refico Limited, CP Comet Bidco Limited, CP Comet Holdings Limited, CP (Oasis Property) Limited, CP Longleat Village Limited, CP (Sherwood Property) Limited, Elveden Property Limited, Forest Bidco Limited, Forest Holdco Limited, Forest Midco Limited, Forest Refico Limited, SPV1 Limited, SPV2 Limited, Sun CP Asset Management Limited, Sun CP Midco Limited, Sun CP Newmidco Limited, Sun CP Newportco Limited, Sun CP Properties Limited, Sun CP Topco Limited and UK Parcs Holdings S.à r.l. are Obligors under both the Class A Issuer/Borrower Loan Agreement and Class B Issuer/Borrower Loan Agreement. Center Parcs

(Holdings 3) Limited is a borrower under the Class A Issuer/Borrower Loan Agreement but not the Class B Issuer/Borrower Loan Agreement.

- (13) Topco and CP Cayman Limited are referred to herein as the Topco Obligors. The Topco Obligors are only obligors under the Class B Issuer/Borrower Loan Agreement.
- (14) The Original Villages are owned by the Propcos CP Elveden Village Limited, CP Sherwood Village Limited, CP Whinell Village Limited and Longleat Property Limited. CP Woburn Opco, as the owner of the Woburn Village, became a Propco in connection with the Woburn Acquisition and Accession.
- (15) The Class A Loans are comprised of (i) the £440,000,000 aggregate principal amount Class A2 Loan, (ii) the £350,000,000 aggregate principal amount A3 Loan and (iii) the £140,000,000 aggregate principal amount Class A4 Loan. The £300,000,000 aggregate principal amount Class A1 Loan was repaid in connection with the Class A Refinancing.
- (16) The £560,000,000 aggregate principal amount Class B2 Loan was funded on the Third Closing Date under the terms of the Class B2 Facility pursuant to the Class B Issuer/Borrower Loan Agreement. The Issuer has funded the Class B2 Facility in part from the proceeds it received pursuant to the Mandatory Exchange with the remainder being funded by a transfer to the Borrowers of a portion of the Exchangeable Notes received by the Issuer in satisfaction of the obligation to advance an equivalent amount under the Class B2 Facility. The Borrowers will apply the cash proceeds of the Class B2 Loan made to it under the Class B Issuer/Borrower Loan Agreement to fund the Refinancing.
- (17) Center Parcs (Operating Company) Limited, or CP Opco, is a private limited company incorporated in England and Wales. Its principal activities are to carry on all or any businesses of a general commercial company and to carry on any other business activity in connection or conjunction with such business, including the holding of its five subsidiaries.
- (18) The business of CP Woburn Opco may be reorganised to transfer the business and operation of Woburn Village to CP Opco and to transfer the legal title in the property for Woburn Village to another Obligor. If the Reorganisation takes place, it will involve, among other things, transfers of shares, properties and leases between certain members of the Center Parcs Group and the novation of the indebtedness incurred by CP Woburn Opco under the Class A Issuer/Borrower Loan Agreement to other members of the Center Parcs Group. If undertaken, the Reorganisation will not have any impact on the financing structure or the security package for the Class B2 Notes.
- (19) The Purchaser assigned and novated its rights and obligations under the Acquisition Agreement and other documents entered into in connection with the Acquisition to BSREP II Center Parcs Jersey 2 Limited, or Bidco. Following the Transactions, Bidco is the indirect parent of Topco and the Borrowers. BSREP II Center Parcs Jersey 2 Limited was also the issuer of the Exchangeable Notes.
- (20) Pursuant to the Topco Security Documents, the obligations of Topco under the Topco Payment Undertaking are secured in favour of the Borrower Security Trustee with (a) a mortgage, charge and other security interests granted by Topco over the shares of CP Cayman Limited, together with a floating charge granted over all of Topco's other assets, and (b) a pledge granted by CP Cayman Limited over the shares of Center Parcs (Holdings 1) Limited together with a floating charge over all of CP Cayman Limited's other assets. See "*Description of Certain Financing Arrangements — Topco Share Security Agreement*" and "*Description of Certain Financing Arrangements— CP Cayman Security Agreement*".
- (21) The Restricted Group comprises the Topco Obligors and the Obligors. On the Third Closing Date, the only Unrestricted Subsidiary under the Class B Issuer/Borrower Loan Agreement will be Forest Cayco Topco Limited, a liquidated non-trading entity whose dissolution will be effective as of September 4, 2015. Forest Cayco Topco Limited did not have any revenue, Adjusted EBITDA or significant assets for the financial year 2015.

The Offering

The following is a brief summary of certain terms of the Listing Particulars, the Class B2 Notes and the Class B2 Loan. It is not intended to be complete and may not contain all the information that is important to you. For additional information regarding the Class B2 Notes and the Class B2 Loan, see “Terms and Conditions of the Class B2 Notes”, “Description of the Class B2 Loan” and “Description of Certain Financing Arrangements”.

Except as otherwise stated, the summary below has been prepared on the basis that the Transactions have been consummated.

Key Characteristics of the Class B2 Notes and the Class B2 Loans

Issuer:	CPUK Finance Limited, a limited liability company incorporated under the laws of Jersey. The Issuer is a bankruptcy-remote special purpose vehicle whose primary purpose is to issue the Notes and to lend the proceeds thereof to the Borrowers. The Issuer has no subsidiaries.
Class B2 Notes:	£560,000,000 aggregate principal amount of 7.000% Class B2 Fixed Rate Secured Notes due 2042, to be issued by the Issuer.
Issue Date:	The Class B2 Notes were issued in exchange for the Exchangeable Notes pursuant to the Mandatory Exchange (such date referred to herein as the Third Closing Date).
Issue Price:	100.000% plus accrued interest from and including the Exchangeable Note Issue Date.
Class B2 Loan:	<p>On the Third Closing Date, the Issuer funded the Class B2 Loan in the aggregate principal amount of £560 million under a subordinated secured facility (the “Class B2 Facility”) pursuant to the terms of the Class B Issuer/Borrower Loan Agreement. The Issuer has funded the Class B2 Facility in part from the proceeds has received pursuant to the Mandatory Exchange, with the remainder being funded by a transfer to the Borrowers of a portion of the Exchangeable Notes received by the Issuer in satisfaction of the obligation to advance an equivalent amount under the Class B2 Facility.</p> <p>The economic terms and conditions of the Class B2 Facility (including, among other things, in relation to the payment of interest and the repayment and prepayment of principal) are broadly similar to the terms and conditions of the Class B2 Notes. The Class B2 Loan is contractually subordinated to the Class A Loans as to payment and security (other than the Topco Share Security). Further details in respect of this agreement are set out in “<i>Description of the Class B2 Loan</i>”.</p>
Borrowers:	CP Opco, Longleat Property Limited, CP Elveden Village Limited, CP Sherwood Village Limited and CP Whinfell Village Limited (collectively, the “ Initial Borrowers ”) and CP Woburn Opco (collectively, the “ Borrowers ”)
Topco:	CP Cayman Midco 2 Limited, an exempted company incorporated in the Cayman Islands.
Obligors/Guarantors:	The Borrowers, Carp (CP) Limited, Carp (E), Carp (H) Limited, Carp (Jersey) 2 Limited, Carp (L) Limited, Carp (NW) Limited, Carp (O) Limited, Carp (S) Limited, Carp (UK) 1 Limited, Carp (UK) 2 Limited, Carp (UK) 3 Limited, Carp (UK) 3A Limited, Center Parcs (Block 1) Limited, Center Parcs (Block 2) Limited, Center Parcs Card Services Limited, Center Parcs Energy Services Limited, Center Parcs (Holdings 1) Limited, Center Parcs (Holdings 2) Limited, Center Parcs (Holdings 3) Limited, Center Parcs (Jersey) 1 Limited, Center Parcs Limited, Center Parcs (Nominees) Limited, Center Parcs Spa Division Holdings Limited, Center Parcs (UK) Group Limited, Centrepark Limited, Comet Refico Limited, CP Comet Bidco Limited, CP Comet Holdings Limited, CP (Oasis Property) Limited, CP Longleat Village Limited, CP (Sherwood Property) Limited, Elveden Property Limited, Forest Bidco Limited,

Forest Holdco Limited, Forest Midco Limited, Forest Refico Limited, SPV1 Limited, SPV2 Limited, Sun CP Asset Management Limited, Sun CP Midco Limited, Sun CP Newmidco Limited, Sun CP Newportco Limited, Sun CP Properties Limited, Sun CP Topco Limited and UK Parks Holdings S.à r.l. (collectively, the “**Obligors**” or the “**Obligor Group**” and each an “**Obligor**”). The Obligors are also referred to herein as, collectively, the “**Guarantors**” and each a “**Guarantor**”).

Ranking:

The Class B2 Notes are constituted by the Second Supplemental Note Trust Deed, are contractually subordinated to the Class A Notes as to payment and rank junior with respect to security, other than with respect to the security created under the Topco Security Documents.

The Class B2 Loan is contractually subordinated to, among others, the Class A Loans, the Liquidity Facility and certain hedging arrangements as to payment and ranks junior with respect to security, other than with respect to the security created under the Topco Security Documents.

Class B Issuer/Borrower Loan Agreement:

On the Closing Date, the Issuer, the Initial Borrowers, the Guarantors and the Borrower Security Trustee, among others, entered into a junior loan agreement (the “**Original Class B Issuer/Borrower Loan Agreement**”). Pursuant to the Original Class B Issuer/Borrower Loan Agreement, the Issuer lent to the Initial Borrowers a subordinated secured facility in an aggregate principal amount of £280.0 million (the “**Original Class B Facility**” and the advance thereunder, the “**Original Class B Loan**”). On the Second Closing Date, the Issuer, the Borrowers of the Original Class B Loan, the Guarantors and the Borrower Security Trustee amended and restated the Original Class B Issuer/Borrower Loan Agreement to reflect the accession of CP Woburn Opco as a Guarantor of the Original Class B Loan.

On the Third Closing Date, the Issuer funded the Class B2 Loan under the Class B2 Facility pursuant to the terms of a second amended and restated junior loan agreement between, among others, the Issuer, the Borrowers, the Guarantors and the Borrower Security Trustee (the “**Class B Issuer/Borrower Loan Agreement**”).

Guarantees:

The Class B2 Notes are not guaranteed by any person, except that the Class B2 Notes will have the indirect benefit of the Topco Payment Undertaking.

The Class B2 Loan are guaranteed by the Guarantors.

Expected maturity of the Class B2 Notes:

28 August 2020 (the “**Class B2 Note Expected Maturity Date**”).

Expected maturity of the Class B2 Loan:

The Class B2 Loan is expected to be redeemed in full by the date falling three Business Days prior to the Class B Note Expected Maturity Date (the “**Class B2 Loan Expected Maturity Date**”).

If, on the Class B2 Loan Expected Maturity Date, the Class B2 Loan remains outstanding, Topco will undertake, under the terms of the Topco Payment Undertaking, to procure the payment of an amount equal to the aggregate of: (a) the then principal balance on any Class B Loans; (b) accrued but unpaid interest outstanding in respect of any Class B Loans; and (c) all other amounts outstanding under the Class B Issuer/Borrower Loan Agreement. Failure by Topco to pay such amount will give the right to the Borrower Security Trustee (on instruction from the Class B Note Trustee as directed by the Class B Noteholders) to enforce the security granted to it pursuant to the Topco Security Documents (on trust for the Issuer), including the security granted by Topco over the shares Topco holds in CP Cayman Limited and the security granted by CP Cayman Limited over the shares CP Cayman Limited holds in Center Parks (Holdings 1) Limited. See “*Description of Certain Financing Arrangements — Topco Payment Undertaking*”. The Borrowers will use such funds to repay the Class B Loans. The Issuer will then redeem Class B Notes in an amount corresponding to the amount of the Class B Loans which have been so repaid.

Final maturity of the Class B2 Notes:

The Issuer is required to redeem the Class B2 Notes in full on the Class B2 Note Final Maturity Date, being 28 February 2042.

Final maturity of the Class B2 Loan:

The final maturity date in respect of the Class B2 Loan will be the later of (a) the Class B2 Loan Expected Maturity Date; and (b) the earliest of: (i) the date on which all amounts outstanding under the Class A Issuer/Borrower Loan Agreement have been irrevocably paid or discharged in full; (ii) the date on which the Class A Loans are accelerated; and (iii) the Loan Interest Payment Date falling in February 2042 (the “**Class B2 Loan Final Maturity Date**”).

Interest on the Class B2 Notes:

7.000% per annum from (and including) the Exchangeable Note Issue Date up to (but excluding) the Note Interest Payment Date falling on 28 August 2020 (the “**Class B2 Note Step-Down Date**”) and, thereafter, 5.000% per annum (each, as applicable, a “**Class B2 Interest Rate**”).

If on any Loan Interest Payment Date, the Issuer receives a payment of interest (whether in whole or in part) on the Class B2 Loan from the Borrowers in accordance with the Class B Issuer/Borrower Loan Agreement, then the Issuer will be obliged to make a corresponding payment of interest (in whole or in part, as the case may be) on the Class B2 Notes on the corresponding Note Interest Payment Date. If on any Note Interest Payment Date, the amount received by the Issuer in respect of a payment of interest on the Class B2 Loan is not sufficient to pay the interest accrued on the Class B2 Notes during the immediately preceding Note Interest Period in full, the amount of interest accrued up to any such Note Interest Payment Date that is not paid by the Issuer on such Note Interest Payment Date will be deferred (any such accrued but deferred interest, being a “**Deferred Interest Amount**”) and such Deferred Interest Amount shall continue to accrue interest at the then applicable Class B2 Note Interest Rate until it is paid by the Issuer in full.

If on any Loan Interest Payment Date:

- (i) the Issuer receives a payment of interest on the Class B2 Loan from the Borrower in accordance with the Class B Issuer/Borrower Loan Agreement in excess of the amount of interest accrued on the Class B2 Notes during the immediately preceding Note Interest Period; and
- (ii) on such Note Interest Payment Date, a Deferred Interest Amount in respect of any prior Note Interest Period remains outstanding,

then the Issuer shall apply such excess to reduce the then outstanding Deferred Interest Amount. Interest and the aggregate amount of all Deferred Interest Amounts then unpaid on the Class B2 Notes and any accrued but unpaid interest thereon shall be due and payable by the Issuer in pounds sterling on the Class B2 Note Final Maturity Date.

Interest on the Class B2 Loan:

7.000% per annum from (and including) the Exchangeable Note Issue Date up to (but excluding) the Loan Interest Payment Date falling in 2020 (the “**Class B2 Loan Step-Down Date**”) and, thereafter, 5.000% per annum (each, as applicable, a “**Class B2 Interest Rate**”).

From (and including) the Class B2 Loan Expected Maturity Date, interest will accrue on the Class B2 Loan at the applicable Class B2 Interest Rate until (but excluding) the Class B2 Loan Final Maturity Date but such accruing interest will be deferred (any such accrued but deferred interest being a “**Class B2 Loan Deferred Interest Amount**”) and such Class B2 Loan Deferred Interest Amount will accrue interest at the applicable Class B2 Interest Rate until paid by the Borrowers in full. On each Loan Interest Payment Date, interest accrued on the Class B2 Loan Deferred Interest Amount during the immediately preceding Loan Interest Period will be added to the then outstanding Class B2 Loan Deferred Interest Amount and thereafter paid at the times and in the same manner as the Class B2 Loan Deferred Interest Amount. The Class B2 Loan Deferred Interest Amount and any accrued but unpaid interest thereon will be

payable by the Borrowers only on the earlier of (x) the date on which the Class A Loans are repaid in full (the “**Initial Payment Date**”) and (y) the Class B2 Note Final Maturity Date; provided that if on the Initial Payment Date, the Borrowers do not have sufficient cash to pay the Class B2 Loan Deferred Interest Amount and any accrued but unpaid interest thereon in full on such date in accordance with the Borrower Priorities of Payments, any unpaid Class B2 Loan Deferred Interest Amount and any accrued but unpaid interest thereon will not fall due then but will continue to be deferred and will only fall due for payment on any subsequent Loan Interest Payment Date to the extent of the cash available to the Borrowers for such purpose determined in accordance with the Borrower Priorities of Payments.

Notwithstanding the foregoing, if (i) the Borrowers receive New Equity Funds, (ii) the Topco Security is enforced and proceeds thereof are available for this purpose and/or (iii) the Transaction Security is enforced and funds are available for this purpose pursuant to the applicable Priorities of Payments as described under “*Description of Certain Financing Arrangements — Intercreditor Agreement*”, then the Borrowers will be required to make payment of interest on all of the Class B Loans, any Class B Loan Deferred Interest Amounts and any accrued but unpaid interest thereon, and the Issuer will be required to make the corresponding payments of interest on the Class B Notes using the proceeds of such payments made by (directly or indirectly, or on behalf of) the Borrowers.

Cash Lock-Up:.....

If at any time the Class A Restricted Payment Condition is not satisfied (including if the Class A FCF DSCR falls below 135%) then no payments (including payments of interest), unless funded out of new equity, may be made in respect of the Class B2 Loan and, consequently, the Class B2 Notes. See “*Description of other Indebtedness – Class A IBLA*”.

Class B2 Note Interest Payment Dates:

Semi-annually in each year on 28 February and 28 August, subject to adjustment for non-Business Days (starting 28 February 2016) (the “**Note Interest Payment Date**”). Interest on the Class B2 Notes will accrue from (and including) the Exchangeable Note Issue Date.

Class B2 Loan Interest Payment Dates:

Each day falling three Business Days prior to a Note Interest Payment Date (the “**Loan Interest Payment Dates**”).

Security for the Class B2 Notes:

The Class B2 Notes are secured on a subordinated basis by first-ranking security in respect of substantially all of the Issuer’s property and assets, which also secures the Class A Notes, including the Issuer’s rights against each Obligor under the Class B Issuer/Borrower Loan Agreement, the Borrower Deed of Charge (including the security trusts created thereunder), the Liquidity Facility Agreement, the Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Jersey Corporate Services Agreement, the Issuer Account Bank Agreement and the Agency Agreement and its rights in respect of its bank accounts and “Eligible Investments”. In addition, the Class B2 Notes have the benefit of the Topco Security created under the Topco Security Documents in favour of the Borrower Security Trustee. For details of the security for the Class B2 Notes, see “*Terms and Conditions of the Class B2 Notes — Condition 2.2 (Security)*.”

Security for the Class B2 Loan:

The Class B2 Loan is secured on a subordinated basis by first-ranking security in respect of, among other things, all of the Obligors’ right, title and interest in its assets pursuant to the Borrower Deed of Charge and will have the benefit of security interests created by the Topco Security Documents.

The Class B2 Loan shares security with, among others, the Class A Loans, the Liquidity Facility and certain hedging arrangements; provided that the Class B2 Loan ranks junior to the foregoing with respect to the application of enforcement proceeds, other than in respect of the Topco Security.

The shared security package includes first ranking mortgages or fixed charges of, among other things, the freehold and leasehold interests in the properties which are owned by the Obligors, including CP Woburn Opco, and fixed or floating charges over all other property, undertakings and assets of each Obligor, including CP Woburn Opco. In addition, each Obligor has granted a first-ranking legal mortgage over the shares it owns in any English Obligor. *See Description of Certain Financing Arrangements — Borrower Security Documents — Borrower Deed of Charge* and *“Description of Certain Financing Arrangements — Borrower Security Documents — Woburn Deed of Charge”*.

Topco Payment Undertaking; Topco Security:

Pursuant to an amended and restated deed of undertaking entered into on the Third Closing Date between the Issuer, Topco, CP Opco and the Borrower Security Trustee, Topco undertakes to procure the payment of an amount equal to the aggregate of (a) the then principal balance of any Class B Loans; (b) accrued and unpaid interest outstanding in respect of any Class B Loans; and (c) all other amounts outstanding under the Class B Issuer/Borrower Loan Agreement (the **“Topco Payment Undertaking”**) in the specified circumstances described therein. The Borrowers will be obliged to use such amount to prepay a corresponding amount of the Class B Loans and the Issuer will then redeem a corresponding amount of Class B Notes. Further details in respect of this deed are set out in *“Description of Certain Financing Arrangements — Topco Payment Undertaking”*.

The obligations of Topco under the Topco Payment Undertaking are secured in favour of the Borrower Security Trustee with (a) a mortgage, charge and other security interests granted by Topco over the shares of CP Cayman Limited, together with a floating charge granted over all of Topco’s other assets pursuant to a share security agreement, to be entered into on the Third Closing Date (the **“Topco Share Security Agreement”**) and (b) a pledge granted by CP Cayman Limited over the shares of Center Parcs (Holdings 1) Limited together with a floating charge over all of CP Cayman Limited’s other assets pursuant to a security agreement, entered into on the Third Closing Date (the **“CP Cayman Security Agreement”**). The security interests created under the Topco Share Security Agreement, the CP Cayman Security Agreement and the other Topco Security Documents constitute the **“Topco Security”**. The Class A Notes and the Class A Loans will not have the benefit of the Topco Payment Undertaking and the security interests created under the Topco Security Documents.

Further details in respect of these agreements are set out in *“Description of Certain Financing Arrangements- Intercreditor Agreement”*, *“Description of Certain Financing Arrangements—Topco Share Security Agreement”* and *“Description of Certain Financing Arrangements— CP Cayman Security Agreement”*.

Optional and mandatory redemption:

The Class B2 Notes are pass-through notes, and will be subject to mandatory redemption prior to the Class B2 Note Final Maturity Date if and to the extent that the Borrowers make principal repayments or prepayments to the Issuer in respect of the Class B2 Loan, either at the option of the Borrowers or following any enforcement of the Topco Share Security or the Transaction Security.

Any such redemption of the Class B2 Notes will be on the same terms and at the same prices (including any applicable premium) as for the prepayment of the Class B2 Loan.

It is expected that, because of the terms of the Topco Payment Undertaking and the Topco Security Documents, the Borrowers will elect to prepay the Class B2 Loan on or before the Class B2 Loan Expected Maturity Date, but they are not obliged to do so and the Issuer is therefore not obliged to redeem the Class B2 Notes on the Class B2 Note Expected Maturity Date.

At any time on or after 28 August 2017, the Class B2 Loans will be prepayable at the option of the Borrowers, in whole or in part, at the

purchase prices set out in “*Description of the Class B2 Loan—Prepayment—Optional Prepayment*”.

At any time prior to 28 August 2017, the Borrowers may prepay some or all of the Class B2 Loans at a prepayment price equal to 100% of their principal amount outstanding plus (i) accrued and unpaid interest and Additional Amounts, if any, and (ii) a make-whole premium as specified in the Class B Issuer/Borrower Loan Agreement.

In addition, prior to 28 August 2017, the Borrowers may on one or more occasions use the net proceeds of specified equity offerings to prepay up to 40% of the aggregate principal amount of the Class B2 Loan, at a purchase price equal to 107.000% of the aggregate principal amount of the Class B2 Loan, plus accrued and unpaid interest, and additional amounts, if any, up to the prepayment date, provided that at least 60% of the original aggregate principal amount of the Class B2 Loan in issue remains outstanding after the prepayment.

The funds received by the Issuer from the prepayment of the Class B2 Loan will be used by the Issuer to redeem a corresponding principal amount of outstanding Class B2 Notes in accordance with the Class B2 Conditions. See “*Terms and Conditions of the Class B2 Notes — Condition 5 (Redemption, Purchase and Cancellation)*”.

***Mandatory offers to Purchase for Class B2
Change of Control and Asset Sales:***

The terms of the asset sales covenant in the Class B Issuer/Borrower Loan Agreement require the Borrowers to use the proceeds of certain asset sales to either invest in additional assets or repay certain other indebtedness, and if they do not, to use such excess proceeds since such asset sale to make an offer to repurchase the Class B2 Notes at a repurchase price equal to 100% of their principal amount, plus accrued and unpaid interest, Class B2 Loan Deferred Interest Amount, if any, any accrued but unpaid interest thereon and additional amounts, if any, to the date of purchase.

Following a Class B2 Change of Control (as defined in the Class B Issuer/Borrower Loan Agreement), the Borrowers will be required to offer to repurchase all or any part of the Class B2 Notes at a repurchase price equal to 101% of their principal amount, plus accrued and unpaid interest, Class B2 Loan Deferred Interest Amount, if any, any accrued but unpaid interest thereon and Additional Amounts, if any, to the date of purchase. See “*Description of the Class B2 Loan*”.

Early redemption for tax and other reasons: .

The Class B2 Notes and the Class B2 Loan may be redeemed or repaid at the option of the Issuer, in whole but not in part, at any time following certain changes in tax laws and/or other laws at a price equal to 100% of their principal amount plus accrued and unpaid interest, deferred interest amounts, if any, and accrued and unpaid interest thereon, if any, and additional amounts if any, provided certain conditions are satisfied, including that the Issuer has sufficient funds to make such redemption or repayment. See “*Description of the Class B2 Loan — Taxes — Repayment for Tax Reasons*” and “*Terms and Conditions of the Class B2 Notes — Condition 5 (Redemption, Purchase and Cancellation)*”.

Class B2 Loan Financial Covenants:

Under the Class B Issuer/Borrower Loan Agreement, the Obligors are required to maintain a ratio (expressed as a percentage) of free cash flow to total debt service charges (the “**Class B FCF DSCR**”) equal to 100% on each Financial Covenant Test Date.

The Obligors will have the benefit of certain cure rights in the event that the Class B FCF DSCR is less than 100%. See “*Description of the Class B2 Loan*”.

Certain other Class B2 Loan covenants:

The Class B Issuer/Borrower Loan Agreement limits, amongst other things, Topco and the Obligors with respect to:

- the incurrence or guarantee of additional indebtedness;
- the payment of dividends or other distributions on, and the

redemption or repurchase of, its equity;

- the making of certain restricted payments and investments;
- the incurrence of certain liens;
- the imposition of restrictions on the ability of subsidiaries to pay dividends and other payments to members of the Group;
- the transfer, lease, sale or other disposition of certain assets;
- the merger, consolidation with, or sale of substantially all of the Group's assets to, other entities;
- the entry into certain transactions with affiliates; and
- the impairment of the security interest for the holders of Class B Notes.

Each of the covenants is subject to a number of important exceptions and qualifications. See "*Description of the Class B2 Loan*".

Events of Default:

No Class B Note Event of Default or Class B Loan Event of Default may occur with respect to the Class B Notes or any Class B Loans while the Class A Notes or Class A Loans are outstanding (until after an acceleration of the Class A Notes or Class A Loans, respectively). However the Class B Noteholders have the ability to demand repayment by Topco pursuant to the Topco Payment Undertaking and direct the Borrower Security Trustee to enforce the security granted pursuant to the Topco Security Documents upon the occurrence of any Share Enforcement Event.

Share Enforcement Event:

Each of the following will constitute a Share Enforcement Event under the Class B Issuer/Borrower Loan Agreement, among others:

- any default in the payment of interest or additional amounts, if any, on a Class B Loan (subject to a 30-day grace period);
- any amount remaining outstanding under a Class B Loan at the close of business on the Class B Loan Expected Maturity Date of such Class B Loan;
- any failure to pay principal or premium on a Class B Loan upon any optional redemption, required repurchase or declaration;
- any failure to comply with the covenant described under the heading "*Description of the Class B2 Loan — Class B2 Change of Control*" (other than a failure to purchase Class B Notes which will constitute a Share Enforcement Event per the above) (subject to 30 day grace period);
- any failure to comply with the covenant described under the heading "*Description of the Class B2 Loan—Certain Covenants—Limitation on Holding Company Activities*";
- any failure to comply with certain other covenants under Class B Issuer/Borrower Loan Agreement (subject to a 60-day grace period);
- default under any indebtedness that results from a failure to pay principal when due or results in acceleration of such indebtedness (subject to a £10 million threshold);
- certain bankruptcy events of default;
- certain judgment defaults (subject to a £10 million threshold and 60-day grace period);
- any impairment of the security interest granted in respect of material collateral (subject to a 10-business day grace period); and

- any impairment of a guarantee.

If a Share Enforcement Event occurs and is continuing, the Borrower Security Trustee acting upon instructions of the Issuer Security Trustee as directed by the Class B Note Trustee, who shall be required to act if directed by the holders of at least 30% in principal amount of the outstanding Class B Notes, will be able to enforce the Topco Security, subject to certain requirements being met. See “*Description of Certain Financing Arrangements—Intercreditor*” and “*Description of the Class B2 Loan—Share Enforcement Event*”.

If at any time either (i) no amounts remain outstanding under any Class A Notes or (ii) an acceleration of the amounts outstanding under any Class A Loans has occurred, each of the Share Enforcement Events specified above will also constitute a Class B Loan Event of Default.

Withholding tax on Notes:

All payments in respect of the Class B2 Notes will be made without withholding or deduction for or on account of any present or future taxes, levies, duties, imposts, assessments or charges of whatsoever nature unless the Issuer or any Paying Agent is required by applicable law to make any payment in respect of the Class B2 Notes subject to any such withholding or deduction.

If any deduction or withholding for, or on account of, any taxes imposed or levied by or on behalf of a relevant tax jurisdiction will at any time be required to be made from any payments made in respect to the Class B2 Notes, including payments of principal, redemption price, purchase price, interest or premium, the Issuer will, subject to certain exceptions, be obliged to pay additional amounts in respect of any such withholding or deduction, such that the net amount received by the holders of the Class B2 Notes is not less than the amount they would have received in the absence of such withholding.

Use of Proceeds:

The proceeds from the issuance of the Exchangeable Notes were used to fund the cash consideration for the Acquisition and ultimately are being used to fund the Refinancing and in each case, the payment of fees, costs and expenses related thereto. See “*Use of Proceeds*”.

Governing law:

The Class B2 Notes, the Class B2 Loan, the Note Trust Deed, the Class B Issuer/Borrower Loan Agreement and the Issuer Deed of Charge will be governed by English law.

Absence of public market for the Class B Notes:

The Class B2 Notes will be new securities for which there is currently no market. Accordingly there can be no assurance as to the development or liquidity of any market for the Class B2 Notes or that a liquid market will be maintained.

Listing:

Application has been made to list the Class B2 Notes on the Official List of the Irish Stock Exchange and to admit the Class B2 Notes for trading on the Global Exchange Market thereof.

Security Codes:

Class B2 Rule 144A Notes

Common Code: 126216742
ISIN: XS1262167429

Class B2 Regulation S Notes

Common Code: 126216777
ISIN: XS1262167775

Transfer restrictions:

The Class B2 Notes have not been, and will not be, registered under the Securities Act. The Class B2 Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to persons that are QIBs within the meaning of Rule 144A, acting for their own account or for the account of another QIB and to certain persons who are not U.S. persons in offshore transactions in reliance on Regulation S. Prospective purchasers are hereby notified that sellers of

the Class B2 Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For further details of transfer restrictions please see “*Notice to Investors and Transfer Restrictions*”.

Class B Note Trustee:

HSBC Corporate Trustee Company (UK) Limited (in this capacity, the “**Class B Note Trustee**”), acting through its office at 8 Canada Square, London E14 5HQ, has been appointed as trustee for the Class B Noteholders pursuant to the Note Trust Deed entered into on the Closing Date between the Issuer, HSBC Corporate Trustee Company (UK) Limited (the “**Class A Note Trustee**”), acting through its office at 8 Canada Square, London, E14 5HQ, as trustee for the holders from time to time of the Class A Notes and the Class B Note Trustee (as trustee for the holders from time to time of the Class B Notes) (the “**Original Note Trust Deed**”), which is supplemented by a first supplemental note trust deed dated the Second Issue Date (the “**First Supplemental Note Trust Deed**”) and will, pursuant to a second supplemental trust deed between the Issuer, the Class A Note Trustee and the Class B Note Trustee (the “**Second Supplemental Note Trust Deed**” and, together with the Original Note Trust Deed and the First Supplemental Note Trust Deed, the “**Note Trust Deed**”), represent the interests of the holders of the Class B2 Notes. See “*Description of Certain Financing Arrangements — Note Trust Deed*”.

The Note Trust Deed contains provisions requiring the Class B Note Trustee to have regard to the interests of the holders of the Class B Notes (the “**Class B Noteholders**”), including holders of the Class B2 Notes (the “**Class B2 Noteholders**”).

Borrower Security Trustee:

HSBC Corporate Trustee Company (UK) Limited (in this capacity, the “**Borrower Security Trustee**”), acting through its office at 8 Canada Square, London E14 5HQ, holds and will hold the security granted by the Obligors under the Borrower Security Documents, as security trustee for all the Borrower Secured Creditors (including the Issuer), and is and will be entitled to enforce the security granted in its favour under the Borrower Security Documents subject to the terms of the Intercreditor Agreement and the security granted by Topco under the Topco Share Security Agreement. See “*Description of Certain Financing Arrangements — Borrower Security Documents*”.

Principal Paying Agent:

HSBC Bank plc (in this capacity, the “**Principal Paying Agent**”), acting through its branch at 8 Canada Square, London E14 5HQ, provides certain services pursuant to the Agency Agreement.

Class B Transfer Agent:

HSBC Bank plc, appointed as Class B Transfer Agent pursuant to the Agency Agreement.

Class B Registrar:

HSBC Bank plc, appointed as Class B Registrar pursuant to the Agency Agreement.

Issuer Security Trustee:

HSBC Corporate Trustee Company (UK) Limited (in this capacity, the “**Issuer Security Trustee**”), acting through its office at 8 Canada Square, London E14 5HQ, holds the security granted under the Issuer Deed of Charge, as the Issuer Security Trustee, for all the Issuer Secured Creditors, and will be entitled to enforce the security granted in its favour under the Issuer Deed of Charge. See “*Description of Certain Financing Arrangements — Issuer Deed of Charge*”.

Issuer Corporate Services Provider:

Structured Finance Management Limited (in this capacity, the “**Issuer Corporate Services Provider**”), acting through its office at 35 Great St. Helen’s, London EC3A 6AP, provides directors to the Issuer and certain administration services to the Issuer subject to and in accordance with the Issuer Corporate Services Agreement. See “*Description of Certain Financing Arrangements — Issuer Corporate Services Agreement*”.

Issuer Jersey Corporate Services Provider:

Structured Finance Management Limited (in this capacity, the “**Issuer Jersey Corporate Services Provider**”), acting through its office at 47 Esplanade, St Helier, Jersey JE1 0BD, provides certain secretarial and

administration services to the Issuer subject to and in accordance with the Issuer Jersey Corporate Services Agreement. See “*Description of Certain Financing Arrangements — Issuer Jersey Corporate Services Agreement*”.

Issuer Parent:

Structured Finance Management Offshore Limited is a limited liability company incorporated under the Companies (Jersey) Law 1991. Structured Finance Management Offshore Limited provides corporate administration and management services to special purpose vehicles in structured finance transactions, such as the Issuer. Structured Finance Management Offshore Limited as trustee of The CPUK Finance Charitable Trust (the “**Issuer Parent**”) holds the entire issued share capital of the Issuer (directly and indirectly through Crestbridge Corporate Nominees Limited (formerly Dominion Corporate Nominees Limited) as nominee of the Issuer Parent) being two fully paid up shares, each of £1. The authorised and issued share capital of Structured Finance Management Offshore Limited is £25,000 comprising 12,500 ‘A’ ordinary shares of £1 each and 12,500 ‘B’ ordinary shares of £1 each as at the date of these Listing Particulars.

CP Opco:

Center Parcs (Operating Company) Limited.

Propcos:

CP Elveden Village Limited, CP Sherwood Village Limited, CP Whinell Village Limited, Longleat Property Limited and CP Woburn Opco.

Certain Additional Transaction Documents and Parties

Borrower Deed of Charge:

The obligations of the Obligors under, among other things, the Class B Issuer/Borrower Loan Agreement, are secured in favour of the Borrower Security Trustee pursuant to, among other things, a deed of charge and assignment entered into on the Closing Date between the Obligors, the Issuer and the Borrower Security Trustee, as supplemented by a supplemental deed of charge entered into on the Second Closing Date by the Obligors, the Issuer and the Borrower Security Trustee and as further supplemented on the Third Closing Date (as so supplemented, the “**Borrower Deed of Charge**”), and a deed of charge and assignment entered into between CP Woburn Opco, the Issuer and the Borrower Security Trustee (the “**Woburn Deed of Charge**”) on the Second Closing Date. Such security includes first ranking mortgages or fixed charges of, among other things, the freehold and leasehold interests in the properties which are owned by the Obligors, including CP Woburn Opco, and fixed or floating charges over all other property, undertakings and assets of each Obligor, including CP Woburn Opco. In addition, each Obligor has granted a first-ranking legal mortgage over the shares it owns in any Obligor which is incorporated in England and Wales (the “**English Obligors**”).

The Borrower Security Trustee holds the benefit of the security created in its favour pursuant to the Borrower Deed of Charge and the Woburn Deed of Charge (and the other Borrower Security Documents) on trust for the benefit of itself, any receiver appointed thereunder, the Issuer, the Borrower Account Bank and any other party designated as having the benefit of the security in writing by the Borrowers, the Issuer and the Borrower Security Trustee from time to time (collectively, the “**Borrower Secured Creditors**” and each a “**Borrower Secured Creditor**”). See “*Description of Certain Financing Arrangements — Borrower Security Documents — Borrower Deed of Charge*” and “*Description of Certain Financing Arrangements — Borrower Security Documents — Woburn Deed of Charge*”.

Class A Issuer/Borrower Loan Agreement:

On the Closing Date, the Issuer, the Borrowers, the other Obligors and the Borrower Security Trustee, among others, entered into a senior loan agreement (the “**Original Class A Issuer/Borrower Loan Agreement**”). Pursuant to the Original Class A Issuer/Borrower Loan Agreement, the Issuer lent to the Initial Borrowers:

(a) a secured Class A1 facility in an aggregate principal amount of £300

million (the “**Class A1 Facility**” and the advance thereunder, the “**Class A1 Loan**”); and

(b) a secured Class A2 facility in an aggregate principal amount of £440 million (the “**Class A2 Facility**” and the advance thereunder, the “**Class A2 Loan**”).

The Class A1 Facility and the Class A2 Facility are together referred to as the “**Original Class A Facilities**”.

On the Second Closing Date, the proceeds of the issuance of the Second Class A Notes were applied by the Issuer in making advances to the Borrowers in an aggregate principal amount of £490 million pursuant to the terms of an amended and restated senior loan agreement between, among others, the Issuer, the Borrowers, the other Obligors and the Borrower Security Trustee (the “**Class A Issuer/Borrower Loan Agreement**”).

The following Second Class A Facilities were made available by the Issuer to the Borrowers pursuant to the Class A Issuer/Borrower Loan Agreement:

(a) a secured Class A3 facility in an aggregate principal amount of £350,000,000 million (the “**Class A3 Facility**” and the advance thereunder, the “**Class A3 Loan**”); and

(b) a secured Class A4 facility in an aggregate principal amount of £140,000,000 million (the “**Class A4 Facility**” and the advance thereunder, the “**Class A4 Loan**”).

The Initial Borrowers of the Class A1 Loan prepaid the Class A1 Loan in full (together with accrued interest and any Class A make- whole payment due in respect of the Class A1 Notes) on the Second Closing Date using some of the proceeds of the Class A3 Loan and the Class A4 Loan.

The Class A3 Loan and the Class A4 Loan are together referred to as the “**Second Class A Loans**”.

The Class A2 Loan, the Class A3 Loan and the Class A4 Loan are together referred to as the “**Class A Loans**”.

The Class A3 Facility and the Class A4 Facility are together referred to as the “**Second Class A Facilities**”.

The Class A2 Facility, the Class A3 Facility and the Class A4 Facility are together referred to as the “**Class A Facilities**”.

Liquidity Facility Agreement:

On the Second Issue Date, the Issuer entered into a liquidity facility agreement with, amongst others, the Liquidity Facility Providers and the Issuer Security Trustee in order to enable the Issuer to service interest due on the Class A Notes in the event of insufficient funds being received from the Obligors under the Class A Issuer/Borrower Loan Agreement to ensure that the Issuer meets its interest payments due to the Class A Noteholders (the “**Liquidity Facility Agreement**”). See “*Description of Certain Financing Arrangements — Liquidity Facility Agreement*”.

Issuer Deed of Charge:

The obligations of the Issuer are, or as the case may be, will be secured in favour of the Issuer Security Trustee pursuant to a deed of charge and assignment entered into on the Closing Date between the Issuer and the Issuer Security Trustee, as supplemented by a first supplemental deed of charge and assignment entered into on the Second Issue Date by the Issuer and the Issuer Security Trustee, as further supplemented by a second supplemental deed of charge and assignment entered into on the Second Closing Date by the Issuer and the Issuer Security Trustee and as further supplemented by a third supplemental deed entered into on the Third Closing Date (as so supplemented, the “**Issuer Deed of Charge**”). The Issuer Deed of Charge creates security interests over, among other things, the Issuer’s rights against each Obligor under the Class B Issuer/Borrower Loan Agreement, the Class A Issuer/Borrower Loan Agreement, the Borrower Deed of Charge (including the security trusts

created thereunder), the Liquidity Facility Agreement, the Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Jersey Corporate Services Agreement, the Issuer Account Bank Agreement and the Agency Agreement and its rights in respect of its bank accounts and “Eligible Investments”.

Except in relation to the Prefunding Account, the Issuer Security Trustee holds the benefit of the security created in its favour pursuant to the Issuer Deed of Charge on trust for the benefit of, amongst others, itself, the Class B Note Trustee, the Class A Note Trustee, the Class A Noteholders, the Class B Noteholders, the Cash Manager, the Liquidity Facility Agent, the Issuer Account Bank, the Issuer Corporate Services Provider, the Issuer Jersey Corporate Services Provider, each Liquidity Facility Provider and the Principal Paying Agent and any other person according to the Issuer Deed of Charge as a secured creditor of the Issuer from time to time (together, the “**Issuer Secured Creditors**”).

The Issuer Security Trustee holds the benefit of the security created in its favour over the Prefunding Account pursuant to the Issuer Deed of Charge on trust for the benefit of the holders of the Original Class B Notes (the “**Original Class B Noteholders**”) until the funds held therein are applied in redemption of the Original Class B Notes.

For a more detailed description of the provisions of the Issuer Deed of Charge, including the Priorities of Payments (as defined herein) by the Issuer both prior and subsequent to the enforcement of the security thereunder, see “*Description of Certain Financing Arrangements — Issuer Deed of Charge*”.

Cash Management Agreement:

Pursuant to a second amended and restated cash management agreement entered into on the Third Closing Date between the Issuer, the Cash Manager and the Issuer Security Trustee, the Cash Manager agreed to provide the Issuer and the Issuer Security Trustee with certain notification and reporting services and certain cash management services in relation to the monies standing from time to time to the credit of the Issuer’s bank accounts (the “**Cash Management Agreement**”). In return for the services provided, the Issuer Account Bank and the Cash Manager will receive certain fees payable by the Issuer. See “*Description of Certain Financing Arrangements — Cash Management Agreement*”.

Borrower Account Bank Agreement:

Pursuant to a borrower account bank agreement entered into on the Closing Date between, amongst others, CP Opco, Longleat Property Limited, CP Elveden Village Limited, CP Sherwood Village Limited, CP Whinell Village Limited, the Borrower Security Trustee and the Borrower Account Bank, the Borrower Account Bank maintains the Borrower Accounts (the “**Borrower Account Bank Agreement**”). On the Second Closing Date, CP Woburn Opco acceded to the Borrower Account Bank Agreement. See “*Description of Certain Financing Arrangements — Borrower Account Bank Agreement*”.

Issuer Account Bank Agreement:

Pursuant to a second amended and restated issuer account bank agreement entered into on the Third Closing Date between the Issuer, the Issuer Security Trustee, the Issuer Account Bank and the Cash Manager, the Issuer Account Bank maintains the Issuer Accounts (the “**Issuer Account Bank Agreement**”). See “*Description of Certain Financing Arrangements — Issuer Account Bank Agreement*”.

Tax Deed of Covenant:

Pursuant to a deed of covenant relating to certain tax matters entered into on the Closing Date between, amongst others, Topco, CP Cayman Limited, the Obligors and the Issuer (collectively, the “**Covenantors**” and each a “**Covenantor**”) and the Issuer Parent, the Issuer Security Trustee and the Borrower Security Trustee, as supplemented by a first supplemental deed of covenant (the “**First Supplemental Tax Deed of Covenant**”) entered into on the Second Issue Date and as further supplemented by a second supplemental deed of covenant (the “**Second Supplemental Tax Deed of Covenant**”) entered into on the Third Closing Date (as so supplemented, the “**Tax Deed of Covenant**”), each of the Covenantors covenant not to undertake any activities or carry out

any acts which could give rise to certain tax liabilities in the Group. On the Second Closing Date, CP Woburn Opco acceded to the Tax Deed of Covenant and to the First Supplemental Tax Deed of Covenant as a Covenantor and on consummation of the Acquisition, pursuant to the Acquisition Agreement, Bidco acceded to the Tax Deed of Covenant as a Covenantor. See “*Description of Certain Financing Arrangements— Tax Deed of Covenant*”.

Liquidity Facility Providers:.....

Barclays Bank PLC and Deutsche Bank AG, London Branch (in this capacity, each a “**Liquidity Facility Provider**”) provides the Liquidity Facility to the Issuer. The Issuer is required to maintain a liquidity facility with a bank which must have a rating assigned for its unsecured, unsubordinated and unguaranteed long-term debt obligations of at least “BBB” by S&P and “BBB” by Fitch (or such other lower rating as is consistent with Rating Agency criteria). See “*Description of Certain Financing Arrangements — Liquidity Facility Agreement*”.

Liquidity Facility Agent:

Barclays Bank PLC (in this capacity, the “**Liquidity Facility Agent**”) as facility agent for the Liquidity Facility Providers.

Cash Manager:

HSBC Bank plc (in this capacity, the “**Cash Manager**”), acting through its office at 8 Canada Square, London E14 5HQ, provides cash management and investment services on behalf of the Issuer pursuant to the Cash Management Agreement. See “*Description of Certain Financing Arrangements — Cash Management Agreement*”.

Issuer Account Bank:

HSBC Bank plc (in this capacity, the “**Issuer Account Bank**”), acting through its branch at 8 Canada Square, London E14 5HQ, maintains certain bank accounts on behalf of the Issuer pursuant to the Issuer Account Bank Agreement. See “*Description of Certain Financing Arrangements — Issuer Account Bank Agreement*”.

Borrower Account Bank:

The Royal Bank of Scotland plc (in this capacity, the “**Borrower Account Bank**”) maintains certain bank accounts on behalf of the Obligors pursuant to the Borrower Account Bank Agreement. See “*Description of Certain Financing Arrangements — Borrower Account Bank Agreement*”.

SUMMARY HISTORICAL AND UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following tables present summary historical consolidated financial information of Center Parcs (Holdings 1) Limited and CP Woburn Opco and summary Unaudited Pro Forma Combined Financial Information of Center Parcs for the periods indicated. The following summary historical consolidated financial information and the Summary Unaudited Pro Forma Combined Financial Information should be read in conjunction with “*Unaudited Pro Forma Combined Financial Information*”, “*Selected Consolidated Financial Information*”, “*Presentation of Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, as well as the consolidated financial statements and related notes of Center Parcs (Holdings 1) Limited and the financial statements and related notes of CP Woburn Opco included elsewhere in these Listing Particulars.

The summary historical consolidated financial information and the Summary Unaudited Pro Forma Combined Financial Information included below and elsewhere in these Listing Particulars is not necessarily indicative of, and does not constitute projections for, the financial results for the Center Parcs Group for any future period. The summary Unaudited Pro Forma Combined Financial Information is not necessarily indicative of the financial position or results of operations that would have been realised had the Transactions occurred on the dates indicated.

Summary Unaudited Pro Forma Combined Financial Information

The summary Unaudited Pro Forma Combined Financial Information has been prepared to illustrate the effect of the Woburn Acquisition and Accession as well as to illustrate the effect of the Class A Notes Refinancing on the income statement and balance sheet of Center Parcs (Holdings 1) Limited on the basis of the notes to the Unaudited Pro Forma Combined Financial Information set forth in “*Unaudited Pro Forma Combined Financial Information*”. As Woburn Village opened to guests on 6 June 2014, the financial information in respect of the periods ended prior to such date does not contain any trading information and relates to start-up costs only.

The summary Unaudited Pro Forma Combined Financial Information is provided for illustrative purposes only and does not present what Center Parcs' actual results of operations would have been had (i) Center Parcs operated as a combined commercial group during the periods presented in the summary Unaudited Pro Forma Combined Financial Information or (ii) consolidated financial statements of Center Parcs as a consolidated group been prepared for the periods presented in accordance with IFRS. See “*Unaudited Pro Forma Combined Financial Information*” and “*Selected Consolidated Financial Information*”.

The Unaudited Pro Forma Combined Financial Information does not reflect the impact of the Acquisition or the Financing Transactions on the trading or financial position of either Center Parcs (Holdings 1) Limited or CP Woburn Opco for the period presented.

Summary Unaudited Pro Forma Combined Income Statement Information

	52 weeks ended 23 April 2015 £m unaudited
Revenue	386.9
Cost of sales	(106.1)
Gross profit	280.8
Administrative expenses	(110.5)
Depreciation and amortisation.....	(41.0)
Owners’ costs	(2.0)
Operating profit	127.3
Movement in fair value of financial derivatives	17.0
Finance income	0.7
Finance expense	(115.4)
Profit before taxation	29.6
Taxation	(11.7)
Profit for the period	17.9

Unaudited Annualised Adjusted EBITDA for the 52 weeks ended 23 April 2015

Annualised Adjusted EBITDA reflects the annualisation of Woburn's Adjusted EBITDA in the unaudited pro forma combined Adjusted EBITDA. Woburn opened to guests on 6 June 2014. The annualisation effect is calculated by dividing Woburn's Adjusted EBITDA of £32.5 million for the 44 weeks ended 23 April 2015 by 44 and multiplying it by 52.

Annualised Adjusted EBITDA for financial year 2015 was £186.1 million, resulting in an Annualised Adjusted EBITDA margin of 48.1%.

The following table provides a reconciliation of Annualised Adjusted EBITDA to EBITDA, Adjusted EBITDA and Profit for the period, in each case on a pro forma combined basis for the 52 weeks ended 23 April 2015. See also "Unaudited Pro Forma Combined Financial Information":

	52 weeks ended 23 April 2015
	£m
	unaudited
Profit for the period	17.9
Taxation.....	11.7
Movement in fair value of financial derivatives	(17.0)
Finance income	(0.7)
Finance expense	115.4
Depreciation and amortisation.....	41.0
EBITDA ^(a)	168.3
Exceptional and non-underlying items ^(b)	9.9
Owners' costs ^(c)	2.0
Adjusted EBITDA ^(a)	180.2
Run-rate impact ^(d)	5.9
Annualised Adjusted EBITDA ^(a)	186.1

- (a) Center Parcs defines Adjusted EBITDA as EBITDA adjusted to remove the effects of owners' costs and certain exceptional and non-underlying items that Center Parcs believes are not indicative of its underlying operating performance. EBITDA, Adjusted EBITDA and Annualised Adjusted EBITDA are not measures under IFRS and investors should not consider EBITDA or Adjusted EBITDA as alternatives to (a) operating profit or profit/(loss) for the period as a measure of Center Parcs' operating performance, (b) cash flows from operating, investing and financing activities as a measure of Center Parcs' ability to meet its cash needs or (c) any other measures of performance under IFRS. Investors should evaluate each adjustment and the reasons Center Parcs considers it appropriate as a method of supplemental analysis. In evaluating EBITDA, Adjusted EBITDA and Annualised Adjusted EBITDA, investors should be aware that, as an analytical tool, EBITDA, Adjusted EBITDA and Annualised Adjusted EBITDA are each subject to certain limitations. See "Presentation of Financial Information — Non-IFRS Financial Measures". In addition, investors should be aware that Center Parcs is likely to incur expenses similar to the adjustments in this presentation in the future and that certain of these items could be considered recurring in nature. Center Parcs' presentation of Adjusted EBITDA and Annualised Adjusted EBITDA should not be construed as an inference that its future results will be unaffected by unusual or non-recurring items. For further information, see the discussions on exceptional items in the Center Parcs (Holdings 1) Limited financial statements and related notes included elsewhere in these Listing Particulars.
- (b) Exceptional and non-underlying items comprise Woburn pre-opening losses and other exceptional and non-underlying items. Woburn pre-opening losses relate to losses of £3.6 million incurred during the 8 weeks ended 19 June 2014 in respect of Woburn Village. Woburn opened to guests on 6 June 2014, but did not operate at full capacity until after 19 June 2014. Other exceptional and non-underlying items relate to £6.3 million of costs incurred in respect of the Blackstone Funds' exit from Center Parcs.
- (c) Owners' costs comprise of management charges payable to the Blackstone Funds and associated entities prior to their exit from Center Parcs.
- (d) Run Rate Impact represents the adjustment required to show the full 52-week impact of the Woburn Acquisition and Accession. It represents £5.9 million of additional Adjusted EBITDA to show the full year impact of the opening of Woburn. It was calculated by dividing Woburn's Adjusted EBITDA of £32.5 million for the 44 weeks ended 23 April 2015 by 44 and multiplying it by 52.

Summary Unaudited Pro Forma Combined Balance Sheet Data Information

	As at
	23 April 2015
	£m
	unaudited
Property, plant and equipment.....	1,393.1
Cash and cash equivalents.....	13.3
Total assets.....	1,733.3

Total net debt ⁽¹⁾	(1,171.5)
-------------------------------------	-----------

(1) Total net debt represents total combined third party debt, net of combined unamortised deferred issue costs, less combined cash and cash equivalents.

Certain Pro Forma Combined Operating Data

	52 weeks ended 23 April 2015
Average number of units of accommodation.....	4,127
Number of available accommodation nights (thousands)	1,463
Occupancy (%).....	97%
ADR (£).....	£159.4
RevPAL (£).....	£154.6

Unaudited Pro Forma Combined Financial Data as adjusted to reflect the Financing Transactions ⁽¹⁾

	As at and for the 52 weeks ended 23 April 2015 £m unaudited
Pro forma combined total debt as adjusted ⁽²⁾	1,491.5
Pro forma combined cash and cash equivalents as adjusted ⁽³⁾	13.3
Pro forma combined total net debt as adjusted ⁽⁴⁾	1,478.2
Pro forma combined net senior secured debt as adjusted ⁽⁵⁾	916.7
Pro forma combined total interest payable ⁽⁶⁾	85.8
Pro forma combined Class A FCF DSCR as adjusted ⁽⁷⁾	3.9x
Pro forma combined Class B FCF DSCR as adjusted ⁽⁸⁾	2.1x
Ratio of pro forma combined total net debt to pro forma combined Annualised Adjusted EBITDA	7.9x
Ratio of pro forma combined net senior secured debt to pro forma combined Annualised Adjusted EBITDA	4.9x
Ratio of pro forma combined Annualised Adjusted EBITDA to pro forma total interest payable	2.2x

- (1) The “as adjusted” financial data has been included to illustrate the effect of the Financing Transactions on the unaudited pro forma combined balance sheet of Center Parcs as if the Financing Transactions had occurred on 23 April 2015, and to illustrate the effect of the Financing Transactions on the unaudited pro forma combined income statement of Center Parcs as if the Financing Transactions had occurred on 25 April 2014. The “as adjusted” financial data does not reflect the impact of the Acquisition on the trading or financial position of Center Parcs.
- (2) Pro forma combined total debt as adjusted represents the outstanding amounts of the Class A Notes, the Class B2 Notes and the Head Office Mortgage as adjusted to give effect to the Financing Transactions as if they had occurred on 23 April 2015.
- (3) Pro forma combined cash and cash equivalents represents total pro forma combined cash at bank and in hand as of 23 April 2015, as adjusted to give effect to the Financing Transactions as if they had occurred on 23 April 2015.
- (4) Pro forma combined total net debt as adjusted represents pro forma combined total debt, less pro forma combined cash and cash equivalents, as adjusted to give effect to the Financing Transactions as if they had occurred on 23 April 2015.
- (5) Pro forma combined net senior secured debt as adjusted represents the outstanding amounts of the Class A Notes, less pro forma combined cash and cash equivalents, as adjusted to give effect to the Financing Transactions as if they had occurred on 23 April 2015.
- (6) Pro forma combined total interest payable represents (i) interest payable in relation to the Class A Notes and the Class B2 Notes based upon the interest payable in connection with each of the Class A Notes and Class B2 Notes, as if the Transactions occurred on 25 April 2014; and (ii) commitment fees on undrawn amounts under the Liquidity Facility, which was not drawn on the Third Closing Date.
- (7) Pro forma combined Class A FCF DSCR represents the ratio of (i) Annualised Adjusted EBITDA, reduced by pro forma combined cash tax payments, pro forma combined movement in working capital, pro forma combined owners’ costs and maintenance capital expenditure of £18.5 million, each for the year ended 23 April 2015, as if the Financing Transactions had occurred on 25 April 2014, to (ii) pro forma combined total interest payable, but excluding pro forma combined interest payable in relation to the Class B2 Notes.
- (8) Pro forma combined Class B FCF DSCR represents the ratio of (i) Annualised Adjusted EBITDA, reduced by pro forma combined cash tax payments, pro forma combined movement in working capital, pro forma combined owners’ costs and maintenance capital expenditure of £18.5 million, each for the year ended 23 April 2015, as if the Financing Transactions had occurred on 25 April 2014, to (ii) pro forma combined total interest payable.

Center Parcs (Holdings 1) Limited (the four Original Villages, which excludes Woburn Village)

The financial information presented below as at and for the 52-week periods ended 23 April 2015, 24 April 2014 and 25 April 2013 has been derived from the audited consolidated financial statements of Center Parcs (Holdings 1) Limited, prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and included elsewhere in these Listing Particulars.

The financial statements of Center Parcs (Holdings 1) Limited presented below reflect the financial results of the Original Villages only as Center Parcs (Holdings 1) Limited and CP Woburn Opco did not constitute a combined group as at 23 April 2015. Consolidated financial statements for Center Parcs, including Woburn Village, will be prepared in the first accounting period following the Transactions.

Income Statement Data

	52 weeks ended 25 April 2013	52 weeks ended 24 April 2014	52 weeks ended 23 April 2015
	£m	£m	£m
Revenue	303.5	314.6	319.6
Cost of sales ⁽²⁾	(83.4)	(84.3)	(86.5)
Gross profit	220.1	230.3	233.1
Administrative expenses ⁽²⁾	(80.1)	(83.5)	(85.4)
Adjusted EBITDA	140.0	146.8	147.7
Exceptional administrative expenses ⁽¹⁾	-	-	(6.3)
Depreciation and amortisation	(27.2)	(31.0)	(32.6)
Owners' costs	(1.7)	(1.5)	(2.0)
Operating profit	111.1	114.3	106.8
Movement in fair value of financial derivatives	-	-	16.8
Finance income	0.3	0.4	0.7
Finance expense	(92.8)	(94.1)	(96.5)
Exceptional finance expense ⁽³⁾	-	-	(4.3)
Profit before taxation	18.6	20.6	23.5
Taxation	0.6	(4.0)	(2.5)
Profit for the period attributable to equity shareholders	19.2	16.6	21.0

Balance Sheet Data

	As at 25 April 2013	As at 24 April 2014	As at 23 April 2015
	£m	£m	£m
Assets			
Non-current assets			
Goodwill	157.5	157.5	157.5
Other intangible assets	126.0	126.9	126.3
Property, plant and equipment	1,087.4	1,095.1	1,103.9
Deferred tax asset	14.2	15.1	14.1
	1,385.1	1,394.6	1,401.8
Current assets			
Inventories	2.8	2.9	2.8
Trade and other receivables	4.3	4.1	8.3
Current tax asset	-	3.1	4.3
Derivative financial instruments	-	-	16.8
Cash and cash equivalents	28.7	58.2	84.8
	35.8	68.3	117.0
Liabilities			
Current liabilities			
Borrowings	(0.3)	(0.3)	(0.3)
Trade and other payables	(106.4)	(114.6)	(136.3)
Current tax liability	(0.3)	-	-
	(107.0)	(114.9)	(136.6)
Net current liabilities	(71.2)	(46.6)	(19.6)

	As at 25 April 2013	As at 24 April 2014	As at 23 April 2015
	£m	£m	£m
Non-current liabilities			
Borrowings	(991.5)	(995.3)	(1,002.7)
Trade and other payables	(98.5)	(113.1)	(119.7)
Retirement benefit obligations	(1.4)	(0.9)	(2.7)
Deferred tax liability	(113.7)	(112.8)	(111.6)
	(1,205.1)	(1,222.1)	(1,236.7)
Net assets	108.8	125.9	145.5
Equity attributable to owners of the parent			
Share premium	199.9	-	-
Other reserve	10.0	10.0	10.0
Retained earnings	(101.1)	115.9	135.5
Total equity	108.8	125.9	145.5

Cash Flow Statement Information

	52 weeks ended 25 April 2013	52 weeks ended 24 April 2014	52 weeks ended 23 April 2015
	£m	£m	£m
Cash flows from operating activities			
Operating profit	111.1	114.3	106.8
Depreciation and amortisation.....	27.2	31.0	32.6
EBITDA	138.3	145.3	139.4
Owners' costs	1.7	1.5	2.0
Exceptional administrative expenses ⁽¹⁾	-	-	6.3
Adjusted EBITDA	140.0	146.8	147.7
Exceptional administrative expenses ⁽¹⁾	-	-	(6.3)
Owners' costs	(1.7)	(1.5)	(2.0)
Movement in working capital	3.9	3.0	9.3
Profit on disposal of property, plant and equipment	(0.1)	(0.2)	(0.2)
Difference between the pension charge and the contributions	(0.1)	0.1	0.1
Cash generated from operations	142.0	148.2	148.6
Corporation tax paid.....	(1.1)	(2.0)	(1.2)
Net cash from operating activities	140.9	146.2	147.4
Cash flows from investing activities			
Purchase of property, plant and equipment	(40.0)	(34.5)	(38.9)
Purchase of intangible assets	(2.1)	(2.4)	(2.5)
Sale of property, plant and equipment	0.1	0.2	0.2
Net cash used in investing activities	(42.0)	(36.7)	(41.2)
Cash flows from financing activities			
Issue costs paid on securitised debt	(1.7)	-	-
Interest received	0.3	0.4	0.7
Interest paid	(80.2)	(80.1)	(80.1)
Repayment of external borrowings	(0.3)	(0.3)	(0.2)
Net cash used in financing activities	(81.9)	(80.0)	(79.6)
Net increase in cash and cash equivalents	17.0	29.5	26.6
Cash and cash equivalents at the beginning of the period	11.7	28.7	58.2
Cash and cash equivalents at the end of the period	28.7	58.2	84.8

CP Woburn Opco (Woburn Village)

The financial information set forth below as at and for the 52 weeks ended 23 April 2015 has been derived from the audited financial statements of CP Woburn Opco prepared in accordance with IFRS and included elsewhere in these Listing Particulars. Woburn Village opened to guests on 6 June 2014, therefore financial information relating to periods prior to the 52 weeks ended 23 April 2015 has not been presented in this section.

Income Statement Data

	52 weeks ended 23 April 2015		
	Before exceptional and non-underlying items	Exceptional and non-underlying items ⁽¹⁾	Total
	£m	£m	£m
Revenue	65.6	1.7	67.3
Cost of sales	(16.8)	(2.8)	(19.6)
Gross profit/(loss)	48.8	(1.1)	47.7
Administrative expenses	(16.3)	(2.5)	(18.8)
Adjusted EBITDA	32.5	(3.6)	28.9
Depreciation and amortisation	(7.8)	(0.6)	(8.4)
Operating profit/(loss)	24.7	(4.2)	20.5
Movement in fair value of financial derivatives	0.2	-	0.2
Finance expense	(19.4)	(2.1)	(21.5)
Profit/(loss) before taxation	5.5	(6.3)	(0.8)
Taxation	(4.7)	(3.1)	(7.8)
Profit/(loss) for the period	0.8	(9.4)	(8.6)

Balance Sheet Data

	As at 23 April 2015 £m
Assets	
Non-current assets	
Intangible assets	1.0
Property, plant and equipment	297.7
	298.7
Current assets	
Inventories	0.7
Trade and other receivables	12.2
Cash and cash equivalents	19.2
	32.1
Liabilities	
Current liabilities	
Trade and other payables	(24.6)
	(24.6)
Net current assets	7.5
Non-current liabilities	
Borrowings	(310.9)
Deferred tax liability	(7.2)
	(318.1)
Net liabilities	(11.9)
Equity attributable to owners of the parent	
Equity share capital	-
Share premium	1.2
Retained earnings	(13.1)
Total equity	(11.9)

Cash Flow Statement Information

	52 weeks ended 23 April 2015 £m
Cash flows from operating activities	
Operating profit	20.5
Depreciation and amortisation	8.4
EBITDA	28.9
Exceptional and non-underlying items ⁽¹⁾	3.6
Adjusted EBITDA	32.5

Exceptional and non-underlying items ⁽¹⁾	(3.6)
Movement in working capital	6.3
Net cash from operating activities	35.2
Cash flows from investing activities	
Purchase of property, plant and equipment	(29.8)
Purchase of intangible assets	(1.3)
Net cash used in investing activities	(31.1)
Cash flows from financing activities	
Interest paid	(7.0)
Proceeds from external borrowings	20.8
Proceeds from related party loans	0.3
Repayment of external borrowings	(2.1)
Repayment of related party loans	(2.5)
Net cash from financing activities	9.5
Net increase in cash and cash equivalents	13.6
Cash and cash equivalents at the beginning of the period	5.6
Cash and cash equivalents at the end of the period	19.2

- (1) Exceptional and non-underlying items comprise Woburn pre-opening losses and other exceptional and non-underlying items. Woburn pre-opening losses relate to losses incurred during the 8 weeks ended 19 June 2014 in respect of Woburn Village. Woburn opened to guests on 6 June 2014, but did not operate at full capacity until after 19 June 2014. Other exceptional and non-underlying items of Center Parcs (Holdings 1) Limited relate to £6.3 million of exceptional administrative expenses incurred in respect of the Blackstone Funds' exit from Center Parcs in financial year 2015.
- (2) Cost of sales and administrative expenses for the 52 weeks ended 24 April 2014 have been restated in the audited consolidated financial statements for the 52 weeks ended 23 April 2015 in order to more accurately reflect the nature of expenses incurred by Center Parcs (Holdings 1) Limited. Costs of £53.0 million have been transferred from Administrative expense to Cost of sales, principally in respect of payroll costs. This restatement has no impact on Adjusted EBITDA or Operating profit. Cost of sales and administrative expenses for the 52 weeks ended 25 April 2013 have been restated throughout these Listing Particulars from the audited consolidated financial statements of Center Parcs (Holdings 1) Limited for the same period in order to present the financial information on a consistent basis across the historical financial periods.
- (3) Exceptional finance expense represents the accelerated amortisation of deferred issue costs relating to the Class A1 Notes to reflect the Class A Notes Refinancing.

RISK FACTORS

An investment in the Class B2 Notes involves a high degree of risk. Investors should carefully consider the following risk factors and the other information contained in these Listing Particulars before making an investment decision. The risks described below are not the only ones the Center Parcs Group faces. Additional risks not presently known to the Center Parcs Group or that it currently believes to be immaterial may also adversely affect its business. If any such risks or any other matters or unforeseen events actually occur, Center Parcs' business, financial condition and results of operations could be materially adversely affected. In any of such cases, the value of the Class B2 Notes could decline, and the Center Parcs Group may not be able to pay all or part of the interest or principal on the Class B2 Notes and investors may lose all or part of their investment. These Listing Particulars also contain forward-looking statements that involve risks and uncertainties. The Center Parcs Group's actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including the risks faced by the Center Parcs Group described below and elsewhere in these Listing Particulars. See "Forward-Looking Statements".

RISKS RELATING TO CENTER PARCS' BUSINESS AND INDUSTRY

Center Parcs derives its revenue from operating its villages. Any failure to manage its villages effectively or any significant business interruption or other event affecting the operation of one or more of its villages may have a material adverse effect on Center Parcs' business, financial condition and results of operations.

Center Parcs currently operates five holiday villages in England. Any significant business interruption at any of its villages may have a material adverse effect on Center Parcs' financial condition and results of operations. Although Center Parcs has risk management arrangements, including business continuity plans in place, such risk management arrangements, or any insurance may not adequately protect Center Parcs from significant interruption of business at any one or more of the villages. In addition, Center Parcs may not be able to obtain planning permission or planning consent to rebuild properties if destroyed, regardless of the availability of insurance proceeds. A significant interruption or event could be created by any number of internal or external factors, including fire (as occurred at the Elveden village in 2002, resulting in a 15-month closure), extreme weather conditions, accidents, loss of utilities or other interruptions. Due to the full service, self-contained nature of its villages, Center Parcs maintains significant infrastructure, including water supply, electricity and waste water treatment, and any failure to adequately develop and maintain these facilities could also result in a significant business interruption. Such interruptions and events may have a material adverse effect on Center Parcs' business, financial condition and results of operations.

In addition, Center Parcs' business, financial condition and results of operations may be materially adversely affected by a number of factors relating to the operation of any village or the guest perception or expectation of the operating activities in a particular village. Factors that relate specifically to a particular village could include, amongst others:

- the age, design, construction quality and maintenance of the village;
- perceptions regarding the attractiveness of the village;
- the proximity and attractiveness of competing UK holiday centres;
- the proximity of other developments and infrastructure projects, for example, power stations or road projects, which adversely impacts guest experiences;
- increases in operating expenses;
- inability to pass on to guests any significant unforeseen input costs, such as utility costs, that would erode Center Parcs' margins;
- an increase in the capital expenditure needed to maintain the village or make improvements, or to maintain the competitiveness of the villages;
- an outbreak of notifiable illness, food poisoning or drinking water contamination at any village;
- major village damage or disruption including natural or environmental disasters;
- bad or extreme weather conditions;
- an illness, disease or event that damages the forest, fauna and natural environment surrounding a village;
- guest health and safety issues, such as inadequate or untimely first aid responses, accidents, personal injuries or child abuse or abduction;
- burglaries or thefts of personal belongings from village accommodation or facilities;
- a fluctuation or decline, seasonal or otherwise, in demand for the facilities that the village offers;
- increases in development and construction costs or delays in completion schedules;

- disturbances to guests' experiences caused by new build, maintenance or refurbishment projects; and
- negative publicity or guest perceptions about any village due to the above-mentioned factors or otherwise.

Center Parcs' effective management and operation of the villages has a significant impact on the revenues, expenses and value of the villages. Any failure to manage Center Parcs' operations effectively, including any failure to anticipate and react to the above-mentioned factors may have a material adverse effect on Center Parcs' business, financial condition and results of operations.

Center Parcs' business depends on the public perception of its brand. Any event at any village negatively affecting guest perception or expectation will likely negatively affect guest perception of the other Center Parcs villages.

The success of Center Parcs' business depends on the public perception of the Center Parcs brand. Any event or occurrence at any one village that negatively affects guest perceptions is likely to negatively affect guest perceptions of the other Center Parcs villages. Center Parcs villages feature attractions such as water activities, paintballing, laser combat, horse riding, abseiling, zip wiring and quadbiking that pose a potential risk of accident and serious personal injury. If a serious personal injury were to occur at one of the holiday villages, attendance at the holiday villages and, consequently, revenues might be materially adversely affected. In addition, holidays at Center Parcs' villages involve guest services and guest interactions, including with respect to bookings, accommodation services, on-site activities and food and beverage provisions. A pattern of poor or unsatisfactory guest service, guest complaints or poor reviews on social media at any of the villages could result in reputational harm to the Center Parcs brand. Furthermore, certain animal rights activists are known to campaign against certain organisations that may be guests at Center Parcs. If Center Parcs were to become the subject of such campaigns, this could impact public opinion about or interfere with Center Parcs' operations. The considerable expansion in the use of social media over recent years has compounded the potential scope and speed of the negative publicity that could be generated by such incidents or events. Any accident, interruption, serious disturbance or negative publicity at Center Parcs' holiday villages, or a perception that the facilities are unsafe or operate in an unsafe manner, may reduce attendance at or demand for its holiday villages, which would have a material adverse effect on its business, financial condition and results of operations.

If any such accidents or injuries do occur, Center Parcs' insurance may not adequately cover the costs stemming from such accidents and injuries or other disturbances and incidents. Center Parcs could also face legal claims related to these events, as well as adverse publicity that could be generated by such incidents. Accidents or injuries could also require upgrades, modifications or demolition of affected facilities, which could result in significant costs to Center Parcs and disrupt operations, which could have a material adverse effect on Center Parcs' business, financial condition and results of operations.

In addition, Center Parcs sells food and beverages, toys and other retail products, the sale of which involves legal and other risks. As a reseller of food and retail merchandise, Center Parcs may be liable if the consumption or purchase of any of the products it sells causes illness or injury. Furthermore, any product recall could result in losses due to the cost of the recall, the destruction of product and lost sales due to the unavailability of product for a period of time. A significant food, toy, gift or other retail product recall could also result in adverse publicity, damage to Center Parcs' reputation and loss of consumer confidence in its villages, which could have a material adverse effect on Center Parcs' business, financial condition and results of operations.

Center Parcs targets affluent family-focused guests with approximately 77% of Center Parcs' guests currently being families with children. In order to provide an environment that is attractive to this core group of guests, Center Parcs strives to maintain a balanced guest profile of, amongst others, families, adult groups and corporate events. If guests' behaviour is disruptive or otherwise affects the enjoyment of other guests, this could result in adverse publicity and damage to Center Parcs' reputation. A failure to attract Center Parcs' core demographic of affluent guests with families could have a material adverse effect on Center Parcs' business, financial conditions and results of operations.

Center Parcs' business is currently located entirely in England. As a result, changes in the UK holiday market may have a more significant adverse effect on Center Parcs' business, financial condition and results of operations than on more geographically diverse holiday businesses.

Center Parcs' business, financial condition and results of operations may be significantly adversely affected by a number of factors that affect the UK holiday market, including:

- national, regional or local economic conditions (including rates of pay and unemployment rates);
- socioeconomic and demographic factors;
- consumer confidence and personal disposable income;
- exchange rate fluctuations or other factors which impact tourism or travel to or within the UK;
- significant increases in utility and fuel costs;
- local holiday market conditions from time to time (such as an over-supply or under-supply of holiday resort centre accommodation and facilities);
- consumer tastes and preferences;
- changes in governmental regulations, fiscal policy, planning/zoning or tax laws and building codes as well as other regulatory changes;
- changes in minimum wage legislation or other factors increasing operational costs;
- potential environmental legislation or liabilities or other legal liabilities;
- acts of terrorism, natural disasters and direct political action; or
- instances of illness, an epidemic or a pandemic.

All Center Parcs' villages are currently located in England and, consequently, the level of revenue and profit generated by the villages could be substantially influenced by general economic conditions in the United Kingdom. While Center Parcs' revenues increased in each of financial years 2013, 2014 and 2015, such growth may not be sustained in future periods and revenue may decline. The villages have certain fixed operating costs, and as a result decreases in revenue may result in a significant decline in net cash flow. In addition, a significant or sustained decline in economic conditions or rates of high inflation, including as a result of uncertainty in the Eurozone, could adversely affect Center Parcs' ability to obtain goods and services from suppliers or credit from financing sources and could impact the ability of third parties, including insurance carriers and credit providers, to meet their obligations to Center Parcs. Weak economic conditions generally in the United Kingdom, or in any regional market from which a particular village attracts guests, may adversely affect holiday centre occupancy, guest spending patterns and Center Parcs' general business and financial condition. Conversely, if general economic conditions in the United Kingdom were to improve significantly, there may be greater consumer preference for holidays abroad.

The disposable income of Center Parcs' guests and/or their holiday preferences may be affected by changes in the general economic environment. Any decrease in disposable income of Center Parcs' guests may result in a decline in the number of guests and/or a decrease in on-site spending. Even if economic conditions are stable or improving, a negative economic outlook, including the fear of another recession and/or concerns regarding falling living standards, may adversely affect consumer spending and, as a result, have a material adverse effect on Center Parcs' business, financial condition and results of operations.

Center Parcs relies on information technology in its operations and any material failure, inadequacy, interruption or breach of security of that technology could harm its ability to effectively operate its business and subject it to data loss, litigation, liability and reputational harm.

Center Parcs relies on its information systems across its operations, such as in the processing of payment details, and on those of its third parties service providers, including the online booking system provided by ATCORE (formerly Anite) and its guest database provided by The Database Group. Its ability to effectively manage its business depends significantly on the reliability and capacity of these systems. Extended or widespread outages of the online accommodation or activities booking system (including the self-service booking points on-site) could adversely affect Center Parcs' ability to take guest bookings.

The provision of convenient, trusted, fast and effective payment processing services to Center Parcs' guests is critical to its business. If there is any deterioration in the quality of the payment processing services provided to Center Parcs' guests or any interruption to those services, or if such services are only available at an increased cost to Center Parcs or its guests or are terminated and no timely and comparable replacement services are found, Center Parcs' guests may be deterred from booking Center Parcs breaks.

Center Parcs, and third party service providers on its behalf, collect, process and retain large volumes of guest data, which, together with employee data and other confidential information, is entered into, processed, summarised and reported by various information systems. Center Parcs also uses video surveillance in certain public areas for security purposes. The footage from such surveillance is also subject to data protection and privacy laws.

Notwithstanding the efforts and technology of Center Parcs and its third party service providers to secure their computer networks, the security of those networks could be compromised. Third parties may have

the technology or know-how to breach the security of Center Parcs' guest, employee and other confidential information, and Center Parcs' security measures (or those of its third party service providers) may not effectively prohibit others from obtaining improper access to this information, destroying or stealing valuable information or disrupting Center Parcs' operations. In addition, Center Parcs or any of its third party service providers may lose data, including guest data and payment details, or may fail to transmit such data online in a secure manner. In each case, if any theft or loss of personal guest data were to occur, Center Parcs could face liability (including fines) under data protection or privacy laws and lose the goodwill of its guests, incurring significant reputational harm. Such security breaches could have a material adverse effect on Center Parcs' business, financial condition and results of operations.

If the guest, employee or other data held by Center Parcs is not accurate or complete, there is a risk that Center Parcs could make incorrect decisions regarding marketing, pricing, cost management or other factors that impact its financial performance.

Any virus, security breach, loss, or theft of company, guest or employee data could expose Center Parcs to adverse publicity, loss of sales and profits, regulatory action, or cause Center Parcs to incur significant costs to reimburse third parties for damages, which could impact its results of operations.

Center Parcs competes for discretionary spending with other holiday offerings and holiday or leisure alternatives.

The UK domestic holiday market is diverse and largely unregulated. Center Parcs' main competitors are high-end, self-catering cottage accommodation and leisure hotels and resorts, primarily in the UK and to a lesser extent abroad. Center Parcs' holiday villages compete for guests' discretionary spending with other holiday offerings, including other holiday villages (both UK traditional holiday villages and holiday parks and UK and international destination parks). In addition, while at present there is only one other forest village holiday provider in the UK, other holiday providers could open forest villages in the UK in the future. A village's ability to attract guests depends, among other things, on the quality of the accommodation, competitiveness of prices, amenities and facilities offered and the convenience and location of the village. If competing UK holiday centres provide a better offering to guests, this may have a material adverse effect on Center Parcs' business, financial condition and results of operations, which may in turn affect the ability of the Obligor to meet their obligations under the loans and the Issuer's ability to meet its obligations under the Notes.

Since the majority of Center Parcs' guests live within a two hour drive of the village they choose to visit, the effects of competition would be more pronounced if a new holiday centre or other guest attraction opened within close proximity to one of Center Parcs' holiday villages or if an existing holiday centre expanded into its market or began conducting activities aimed at capturing Center Parcs' market share.

In addition, Center Parcs may face increased competition from holiday offerings outside the UK as a result of an increase in the convenience or reduction in the cost of air travel, particularly due to the decline in global oil prices, appreciation of the pound relative to other currencies, particularly the euro, or inclement weather in the UK. In addition, as macroeconomic conditions are expected to recover and inflation in the UK declines, there may be greater consumer preference for holidays abroad.

Center Parcs also competes more broadly with other types of leisure activities and forms of entertainment, such as sports and other recreational activities, restaurants, bars, retail outlets and spa facilities.

One or more of Center Parcs' competitors for holiday or leisure activities may be more successful in attracting and retaining guests. If Center Parcs does not compete successfully for discretionary spending with other holiday villages and other leisure alternatives, its business, financial condition and results of operations could be materially adversely affected.

Center Parcs could be adversely affected by changes in consumer tastes and expectations or its failure to maintain and improve its villages and amenities to appeal to changing guest tastes and expectations.

The success of Center Parcs' holiday villages depends substantially on consumer tastes and preferences that can change in unpredictable ways, and on Center Parcs' ability to ensure that its holiday villages meet the changing preferences of its target guests. Rising standards of accommodation and amenities and higher guest expectations may also affect the revenues and popularity of Center Parcs' villages, which require continued investment to ensure that the accommodation and amenities in the villages are attractive and appeal to Center Parcs' guests. Center Parcs carries out significant research and analysis before constructing new holiday villages or opening new facilities at its villages and often invests substantial amounts in investigating how these new

holiday villages and new facilities may be perceived by guests. If Center Parcs' facilities or new entertainment and leisure activity offerings do not achieve targeted guest volumes, revenues may decline. Any failure to invest, innovate or continue to improve Center Parcs' offering in a timely manner to meet changing consumer preferences or to retain long-term guest loyalty or provide satisfactory guest service may have a material adverse effect on Center Parcs' business, financial condition and result of operations.

Bad or extreme weather conditions, road, rail or other transportation disruptions or closures and other conditions out of Center Parcs' control could negatively affect occupancy at Center Parcs' villages.

Center Parcs' holiday villages provide both indoor and outdoor activities, with the natural setting of the villages and the outdoor activities a major draw for guests. Bad weather or forecasts of bad or mixed weather conditions can reduce the number of people who come to the holiday villages or who book stays, which may require Center Parcs to lower prices thus reducing ADR even if occupancy remains stable. In addition, due to the often unexpected nature of bad or extreme weather conditions, Center Parcs may fail to predict or undertake the appropriate advanced planning to maintain business operations in the event of a disruption due to bad or extreme weather conditions. Any such condition could also adversely affect guests' experiences during their stay at Center Parcs and thereby affect their willingness to return to Center Parcs as repeat guests. Bad or extreme weather conditions (for example, floods, storms or high winds) or other occurrences outside of Center Parcs' control (such as fires) could also lead to the loss of use of one or more of Center Parcs' villages, or damage the natural environment in which the villages are situated, and disrupt its ability to attract guests to certain of Center Parcs' villages or facilities.

The occurrence of extreme winter weather conditions could cause significant damage to Center Parcs' holiday villages, which could materially and adversely affect its overall business. Similarly, unseasonably high temperatures and high winds could exacerbate forest fires. In addition, prolonged drought conditions may cause water shortages, which could adversely impact the operation of Center Parcs' water amenities. Center Parcs' insurance may not be sufficient to cover the costs of repairing or replacing damaged property or equipment, and Center Parcs may suffer a significant decline in revenues if any of its holiday villages is closed or unable to operate all of its facilities for an extended period of time.

Road closures or detours as a result of bad weather conditions may also prevent or delay Center Parcs' guests, who primarily drive to the villages, from reaching the villages. Road closures and detours have the potential of extending the effects of bad weather beyond the particular storm or weather condition as damaged roads and highways may take significant time to repair. Additionally, road closures and detours as a result of non-weather factors, such as government repair works, may also reduce the number of guests.

In addition, if transport links to Center Parcs' holiday villages and related infrastructure are damaged or become inadequate, guests may face difficulty in traveling to the villages, or may face significant delays and increased travel times, which could have a material adverse effect on Center Parcs' business, financial condition and results of operations.

Center Parcs' revenues are highest during school holidays and public holidays, which could magnify the impact of adverse conditions or events that occur during peak demand periods.

Center Parcs' revenues are subject to seasonal factors and guest demand for breaks increases during school holidays, public holidays and periods of expected favourable weather conditions, among other things, during which Center Parcs is generally able to charge higher prices. As a result, if extreme weather, accidents or other adverse conditions or events occur, particularly during peak holiday periods, Center Parcs' business, financial condition and results of operations may be materially adversely affected. Additionally, changes in school holiday schedules or a switch to a uniform year-round schedule could adversely affect Center Parcs' guest bookings, and consequently its attendance levels or target pricing levels during the peak holiday periods, which may adversely affect Center Parcs' business, financial condition and results of operations. In addition, any such adverse effect or condition may make it difficult for Center Parcs to predict its operating results, which may materially and adversely affect Center Parcs' ability to implement planned capital expenditures.

Instances of illness or epidemics, as well as negative publicity relating thereto, could result in reduced guest attendance and materially and adversely impact Center Parcs' business.

Instances of illness or injury in general or claims of illness relating to food or drinking water quality or handling at restaurants, food preparation centres or holiday centres, whether or not affecting Center Parcs' villages, or in relation to water quality within pools and spas could reduce guest attendance materially, either through cancellations of existing bookings or by reducing consumer willingness to visit Center Parcs. In

addition, any negative publicity relating to these and other health-related matters might affect consumers' perceptions of Center Parcs' holiday villages and reduce guest visits to its holiday villages.

The outbreak of a prolonged pandemic or epidemic disease or the occurrence of any other public health concern could negatively impact the public's willingness to gather in public spaces or travel or result in health or other government authorities imposing restrictions on travel, which individually or together could reduce guest volumes or revenues at Center Parcs' holiday villages. In addition, any such public health concerns may severely restrict the level of economic activity in affected areas. Any of these events, particularly if they occur during the peak holiday periods, or the booking periods thereof, could have a material adverse effect on Center Parcs' business, financial condition and results of operations.

Center Parcs' insurance coverage may not be adequate to cover all possible losses that it could suffer, and its insurance costs may increase.

Companies engaged in the holiday centre business may be sued for substantial damages in the event of an actual or alleged accident. A catastrophic loss or accident occurring at Center Parcs' holiday villages or at competing holiday villages may increase insurance premiums, and negatively impact Center Parcs' operating results. Although Center Parcs carries annual liability insurance to cover this risk, its coverage may not be adequate to cover liabilities, and it may not be able to obtain adequate coverage should a catastrophic incident occur.

Center Parcs utilises a combination of self-insurance (through the use of large excesses payable by Center Parcs) and insurance coverage programmes for property, business interruption, employer's liability, public/products liability and health care insurance. Pursuant to such programmes, Center Parcs is responsible for a specified amount of claims and insures for claims above such limits.

Potential liabilities that Center Parcs self-insures or buys commercial insurance for could increase in the future. In addition, insurance may not be available to Center Parcs on commercially acceptable terms or at all, or Center Parcs could experience increases in the cost of such insurance. Any increase in the number of claims or amount per claim or increase in the cost of insurance could materially and adversely affect Center Parcs' results of operations.

The Obligors are required by the terms of the Issuer/Borrower Loan Agreements to insure the villages against the risk of material damage or destruction and resulting business interruption, acts of terrorism, public and product liabilities and such other risks as a prudent owner and operator of similar properties would insure against.

The Obligors have granted security to the Borrower Security Trustee under the terms of the Borrower Deed of Charge and the Woburn Deed of Charge for amounts which are or may become payable under all of its insurance policies relating to material damage or destruction and resulting business interruption taken out by the relevant Obligor in respect of the relevant village.

A failure by any of the Obligors to renew the relevant insurance policies in respect of a village may, upon damage to the village or loss of revenue in respect to the village (which would otherwise have been recoverable under such insurance policy), result in a corresponding loss in the value of such village or payment recovery under the loan made to the relevant Borrower. Similarly, even where the relevant insurance policy is current, there could be an administrative delay in the receipt of payment by the Obligors from the insurers which could affect the ability of the Obligors to meet their respective payment obligations during that period of delay.

Certain types of risks and losses (such as losses resulting from war, terrorism, nuclear radiation, radioactive contamination and heaving or settling of structures) may be or become either uninsurable or uneconomical to insure or may not be covered by the relevant insurance policies. Other risks might become uninsurable (or uneconomical to insure) in the future. The occurrence of significant uninsured or uninsurable losses could materially and adversely affect the Group's business, financial condition and results of operations, which could result in the Obligors not having sufficient funds to repay in full amounts owing under or in respect of the Issuer/Borrower Loan Agreements.

Any adverse impact on guest perceptions of Center Parcs Holding B.V. or Center Parcs Europe N.V., with whom Center Parcs shares its brand, could adversely affect Center Parcs' business, financial condition and results of operations.

The successor to the founder of the Center Parcs brand is Center Parcs Holding B.V., a subsidiary of French listed company Pierre & Vacances, which operates a holiday business in France, the Netherlands,

Belgium and Germany. Under the terms of a brand sharing agreement relating to trademarks and marketing services with, among others, CP Opco, Center Parcs Holding B.V. and Center Parcs Europe N.V. (“**CP Continental Europe**”), the parties agreed that CP Opco is exclusively entitled to use the trademark registrations for the Center Parcs brand that it owns in its territory (UK, the Channel Islands and the Republic of Ireland) and CP Continental Europe is exclusively entitled to use the trademark registrations for the Center Parcs brand that it owns in its territory (Albania, Austria, the Benelux, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Israel, Italy, Latvia, Liechtenstein, Lithuania, Macedonia, Monaco, Norway, Poland, Portugal, Romania, Serbia, Slovak Republic, Slovenia, Spain, Sweden, Switzerland and Ukraine). Under the brand sharing agreement, each party has exclusive rights to operate holiday centres in its respective territory using its registered marks.

CP Continental Europe’s parent company, Pierre & Vacances, has announced plans to develop tourism sites in China inspired by the Center Parcs concept, in addition to expanding its offerings in France. With respect to the China sites, under the brand sharing agreement, CP Continental Europe is required to invite Center Parcs to participate in all aspects of the development if it wishes to use the Center Parcs name or other related trademarks. If Center Parcs does not accept the invitation, CP Continental Europe would have the exclusive right to open and operate holiday centres in China under the Center Parcs brand.

Any event or circumstance that has an adverse impact on guest perceptions of the Center Parcs brand and holiday business outside the UK, the Channel Islands and the Republic of Ireland could have a material adverse effect on the reputation of the Center Parcs brand in the UK.

Center Parcs’ future performance depends on continued maintenance capital expenditure and investment capital expenditure, which may be significant. Any failure to make the requisite maintenance capital expenditure or investment capital expenditure in a timely manner could have a material adverse effect on Center Parcs’ business, financial condition and results of operations.

Center Parcs’ future performance depends on making continued maintenance capital expenditure and investment capital expenditure, which may be significant. A principal competitive factor for a holiday village is the uniqueness and perceived quality of its accommodation, amenities and facilities. Accordingly, the regular addition of new or improved accommodation, amenities and facilities and the repair or maintenance of those in existence are key to the continued competitiveness of Center Parcs’ holiday villages.

Maintenance capital expenditures include refurbishments to existing facilities, including ensuring health and safety standards are met. Although the Obligors are required under the terms of the Class A Issuer/Borrower Loan Agreement to spend a minimum of £18.5 million per year on maintenance capital expenditure, there can be no assurance that this amount will be sufficient for Center Parcs’ requirements. Center Parcs’ maintenance capital expenditure for the Original Villages for the 52-week period ended 24 April 2014 and the 52-week period ended 23 April 2015 was approximately £22.2 million and £21 million, respectively.

Investment capital expenditures include building new accommodation, upgrading existing accommodation and adding, upgrading or expanding cafes, restaurants and other facilities. Center Parcs’ investment capital expenditure for the Original Villages for the 52-week period ended 24 April 2014 and the 52-week period ended 23 April 2015, were £19 million and £18.6 million, respectively. To date, Center Parcs’ current investment capital expenditure programme to upgrade its accommodation across its villages, which commenced in 2007, has resulted in an upgrade of approximately 84% of its total accommodation stock at the Original Villages, with the remainder expected to be upgraded in the near to medium term. Historical and future investment capital expenditure may not yield the anticipated revenue or ADR growth or improve the attractiveness of Center Parcs’ holiday villages. Even if revenues do increase, the additional revenues may not be sufficient to recover the amounts invested by Center Parcs and to provide a return on such investments. In addition, if Center Parcs does not have sufficient liquidity to finance these upgrades or if insufficient amounts are spent on capital expenditure on the villages, Center Parcs’ villages may not remain competitive.

There could be a material adverse effect on Center Parcs’ business, financial condition and results of operations if it fails to maintain the planned approach to its maintenance and investment cycle and/or if any investment that does not result in revenue growth does not otherwise recover the amount invested or does not maintain the long-term attractiveness or good and safe condition of the relevant holiday village. Moreover, delays in the addition of new or improved accommodation, amenities and facilities or the closure of any of its amenities and facilities for repairs could adversely affect occupancy levels and Center Parcs’ ability to realise revenue growth, which could have a material adverse effect on its business, financial condition and results of operations.

Failure to keep pace with developments in technology or any problems with maintaining or implementing upgrades to Center Parcs' IT systems could impair Center Parcs' operations or competitive position.

The holiday centre industry continues to demand the use of sophisticated technology and systems, including those systems and technologies used for Center Parcs' bookings, revenue management and property management platforms. These technologies and systems must be refined, updated and/or replaced with more advanced systems on a regular basis. If Center Parcs is unable to do so as quickly as its competitors, within budget cost and time frames or at all, its business could suffer. Center Parcs is in the process of introducing new IT systems and technologies aimed at improving pricing for bookings, targeting new and repeat customers and strengthening and integrating customer relationship management processes. Any problems with transitioning to or integrating its new systems could adversely affect Center Parcs' business. In particular, the implementation of the new IT systems could take longer than expected, disrupt Center Parcs' current systems and/or result in cost overruns. Center Parcs also may not achieve the benefits that it anticipates from these systems or any other new technology or system in the future. If any of these risks were to be realised, this could have a material adverse effect on Center Parcs' business, financial conditions and results of operations.

Center Parcs may not realise all of the anticipated benefits of Woburn Village.

Woburn Village opened to guests on 6 June 2014. Given the short period since it opened, there is limited historical information upon which to evaluate its performance. There is therefore no assurance that Woburn Village will be able to accomplish its business objectives, that it will continue to achieve its objectives or that it will be able to continue to operate profitably. Woburn Village is located within a 90-minute drive of London households and, although this area covers a largely untapped market for Center Parcs, a significant proportion of households that fall within a 2.5 hour estimated drive of Woburn Village also fall into the catchment areas of one or more of the Original Villages, creating a risk that some guests who may have visited one of the Original Villages may choose to visit Woburn instead. Since Woburn Village opened to guests, Center Parcs has maintained high levels of occupancy at all five villages. However, in line with Center Parcs' expectations, the Woburn Village opening has had a modest impact on accommodation revenue at the Original Villages, with a lower level of increase in ADR than in previous years. This has mainly been the case for the southern villages Elveden and Longleat. If Woburn Village attracts guests away from Center Parcs' Original Villages who are not replaced by new guests instead of developing its own guest base, this could have a material adverse impact on Center Parcs' business, financial condition and results of operations.

Center Parcs may not be able to successfully develop new villages and it may not realise desired returns from new villages or other villages it may acquire.

Center Parcs may not be able to successfully identify and secure suitable locations for new villages to develop or acquire or may not be able to successfully execute opening such villages.

New villages may fail to become operational on a timely basis or at all due to setbacks including but not limited to delays or failure to receive planning permissions or other consents, inability to meet development requests from local authorities, infrastructure issues, construction delays, inadequate or delayed financing, the delay or inability to recruit or manage appropriately skilled employees or the inability to identify or secure agreements with key suppliers or development partners. Furthermore, once opened, new villages may not attract anticipated volumes of guests, either in the short or long term, as a result of differing customer expectations and preferences in these new locations or due to other factors.

The integration of a new village is a complex and time-consuming process. Center Parcs may not be able to integrate effectively any village it develops or acquires or successfully implement appropriate operational, financial and management systems and controls to achieve the benefits expected to result from such developments or acquisitions. Center Parcs may also be subject to unexpected claims and liabilities arising from such developments or acquisitions. These claims and liabilities could be costly to defend, could be material to its financial position and might exceed either the limitations of any applicable indemnification provisions or the financial resources of the indemnifying parties. The diversion of management's attention and any delays or difficulties encountered in connection with the integration of the businesses Center Parcs develops or acquires could negatively impact its business and results of operations. Further, the benefits that it anticipates from these new developments or acquisitions may not be realised.

Any expansion into a new country would result in Center Parcs being subject to the laws and regulations of that country. As a result, Center Parcs' risk exposure to political and regulatory changes will increase as a result of opening a village in another country. The impact of, and costs associated with, complying with changes in interpretation of existing, or the adoption of new, legislation, regulations or other laws or

licensing and authorisation regimes in the jurisdictions in which Center Parcs has plans to operate can be difficult to anticipate or estimate and could have a material adverse effect on Center Parcs' business, financial condition and results of operations. Expansion into a new country could also subject Center Parcs to risks related to adverse fluctuations in currency exchange rates.

Additionally, if Center Parcs wishes to use the Center Parcs brand for a village located outside of the United Kingdom, the Channel Islands and the Republic of Ireland, it must invite CP Continental Europe to participate in all aspects of the development, funding, ownership and future management of such village. If CP Continental Europe accepts the invitation, Center Parcs and CP Continental Europe would have to participate in the development and management of the village on terms identical to each other. As a result, Center Parcs may not be able to effectively integrate such village into its existing business structure, which may have a material adverse effect on Center Parcs' business, financial condition and results of operations.

The occurrence of any of these factors could negatively impact the ability of Center Parcs to generate the desired returns from its strategy of international expansion, which could have a material adverse effect on its business, financial condition and results of operations.

Class B2 Noteholders will not have recourse to any additional village outside the United Kingdom, its assets, revenues or cash flow while the Class A Notes are outstanding. Development of any such village may divert management's time from villages in the United Kingdom.

The Class A Issuer/Borrower Loan Agreement permits management to devote up to 25% of its time towards any additional villages located outside the United Kingdom and does not require any additional Center Parcs villages that may be developed outside the United Kingdom to accede to the Obligor Group (as is the case for any additional villages in the United Kingdom). Center Parcs currently plans to open its first village outside of the United Kingdom in Ireland. Subject to obtaining planning permission, financing and other relevant consents and approvals, Center Parcs currently expects the new village in Ireland to open in 2019. Under the Class A Issuer/Borrower Loan Agreement, none of the Obligors will own assets relating to, or derive revenues from, a village in Ireland or any other additional village outside the United Kingdom. Unless an additional village accedes to the Obligor Group, Class B2 Noteholders will not have recourse to any such village outside the United Kingdom, its assets, revenues or cash flow. In addition, the development of additional villages outside the United Kingdom could divert management's time from the five existing villages or from any additional villages in the United Kingdom and may impose additional burdens on Center Parcs' limited management resources. This could have a material adverse effect on Center Parcs' financial condition, results of operations and business.

Center Parcs' business could be harmed if it loses the services of its key management personnel or is unable to attract and retain qualified employees.

Center Parcs' business depends upon the efforts and dedication of its senior management team and its staff, both in the villages and at its head office. Competition for highly-qualified personnel is intense, and the loss of the services of any of these key personnel without adequate replacement or the inability to attract new qualified personnel could have a material adverse effect on investor confidence and on Center Parcs' business, financial condition and results of operations. In addition, its success depends on its ability to attract, motivate and retain qualified employees to keep pace with its needs. If Center Parcs is unable to do so, its results of operations may be adversely affected.

In addition, Center Parcs' future business success depends in part on its ability to continue to recruit, train, motivate and retain employees and on its ability to continue to employ creative employees and consultants. The loss of service of any key personnel, or an inability to attract and retain qualified employees and consultants, could have a material adverse impact on its business, financial condition and results of operations.

Center Parcs depends on third party suppliers and contractors.

Center Parcs has key contractual relationships with a number of third parties, including suppliers, insurers, partners, banks and payment processors. In particular, Center Parcs relies on key suppliers to carry on its operations. These include Casual Dining Group (formerly Tragus), whose offering includes Café Rouge and Bella Italia; Select Service Partners ("SSP"), whose offering includes gastro pub and fast food outlets; and the Nuance Group, Center Parcs' retail partner. The Center Parcs business model incorporates a range of service relationships, with some food and beverage and retail offerings operated on a concession basis, others, such as Starbucks, being licensed to Center Parcs and some "back-of-house" services provided by third parties,

including laundry services and food and beverage supplies. Center Parcs also relies on third party service providers and IT systems such as payment processing services and ATCORE (formerly Anite), a non-affiliated third party company, which provides TourRes, the booking system used by Center Parcs.

The failure of one or more of the third party suppliers and contractors to deliver or provide the services when needed by Center Parcs or at the desired quality may have an adverse impact on Center Parcs' operations and business. Similarly, the failure of one or more of these third parties to fulfil its obligations to Center Parcs for any other reason, or the termination of such agreements by any of the third party suppliers or contractors, may also cause significant disruption and have a material adverse effect on its result of operations, financial performance and prospects.

Furthermore, third party suppliers may seek to increase prices for their services. If Center Parcs is unable to negotiate limits to any price increases or find alternative third party suppliers providing services at lower prices, such increases may negatively impact Center Parcs' business. In addition, material disputes may arise between Center Parcs and third party service providers and suppliers, which could adversely affect the relationship between Center Parcs and such third parties. Any or all such developments could have a material adverse effect on Center Parcs' business, results of operations and financial condition.

The operation and development of Center Parcs' holiday villages are subject to planning and other consents, laws and regulations, which may constrain future development or new attractions. In addition, changes in use or planning consents relating to property neighbouring the villages may have a material detrimental effect on guests' enjoyment of the villages.

Center Parcs' villages are required to be constructed in accordance with the relevant planning permission to ensure that the current use of the holiday villages is a lawful one. If the construction or use of a holiday village is not in accordance with the relevant planning permission, the council may, in certain circumstances, require that use to cease. Further, a council can require compliance with the conditions of any planning permission or planning agreement, or, in certain circumstances, the alteration or reinstatement of any construction carried out without planning permission.

All of Center Parcs' villages are in rural locations. Center Parcs may experience material difficulties or failures in obtaining or renewing the necessary licences or approvals for its holiday villages, which could delay planned holiday centre openings or result in holiday centre or attraction closures or fines. Stringent and varied requirements of local regulators with respect to zoning, land use and environmental factors could also delay or prevent development of new holiday villages in particular locations. In the future, obtaining planning permission for future developments or new attractions may be difficult. In addition, if any such planning permissions cannot be obtained, there are limited alternative uses for rural sites of the size of the villages where base land values are low and alternative planning permissions are unlikely.

The operation, development and redevelopment of recreational facilities and other structures at Center Parcs' holiday villages and the development of new or additional villages may require consent from the relevant local planning authorities as well as from third parties, such as landlords, development partners, finance providers and regulatory bodies. Center Parcs may not be able to obtain the requisite planning or other consents as and when required in respect of developments or redevelopments or the roll-out of new or additional holiday villages, and planning or other consents may be withdrawn in relation to existing offerings at any of its holiday villages. In addition, our properties may be subject to certain restrictive covenants in favour of third parties.

In particular, Center Parcs currently plans to build around 100 new premium lodges at Woburn Village and around 100 new premium lodges and one-bedroom apartments at the Original Villages. Center Parcs only has planning permission for approximately two-thirds of the new premium lodges at Woburn Village and approximately a quarter of the new builds planned for the Original Villages. If Center Parcs is unable to obtain the requisite planning permissions for these additional lodges at the existing villages, it would be unable to construct these additional lodges, which would have an adverse effect on Center Parcs' expansion plans for these sites.

Center Parcs works with and engages its local planning authorities with regard to issues of shared concern that impact the development and redevelopment of its properties and the roll-out of new holiday villages, including sensitivities to site noise, listed structures, road congestion and other traffic issues, and health and safety issues. If it were to fail to cooperate with local planning authorities or if Center Parcs' work relationship with such authorities were to be adversely affected for any reason, this could negatively impact its ability to obtain the planning and other consents necessary for the development and redevelopment of current villages or expanding into new villages, or it could result in the withdrawal of existing consents. Additionally,

possible changes to planning rules (such as the categorisation of flood zones), or by-law distances which prohibit development within a certain distance of flood defence structures) would, if made, adversely affect Center Parcs' ability to develop a holiday village. Additional constraints on future development could have an adverse effect on guest numbers, which could have a material adverse effect on its business.

Any refusal to grant, or delay in granting Center Parcs' requested planning or other consents, or the application of any special conditions to such consents (or breach by Center Parcs of such conditions), could have a material adverse effect on its business, financial condition and results of operations. Furthermore, future planning consents are likely to impose further conditions and/or require Center Parcs to enter into new planning agreements. In addition, proposed regeneration schemes may adversely impact guest access to, or the operation of, individual facilities. The constraints placed on Center Parcs' operations by future planning consents or regeneration schemes may be more onerous than those currently applying, and could have a material adverse effect on its business, financial condition and results of operations.

Changes in use or planning consents relating to property neighbouring the villages may have a material detrimental effect on guests' enjoyment of the villages. For example, changes in use or planning consents could permit owners or occupiers of property adjoining or close to Center Parcs' villages to use their property in a way that disturbs or diminishes guests' enjoyment of the villages or the natural setting in which the villages are located. These uses would include the installation or use of plant and equipment (e.g. electricity pylons) or activities that emit noise or smell, or that are inconsistent with guests' enjoyment of a holiday in a natural environment. Any such detrimental change, or negative publicity regarding such a change, may have a material adverse effect on Center Parcs' business, financial condition and results of operations.

Center Parcs may be subject to liabilities and costs associated with its intellectual property.

Center Parcs relies on trademarks to protect its brand. Many of these trademarks have been a key part of establishing its business in the UK holiday market, including Center Parcs and Aqua Sana. Center Parcs believes these trademarks have significant value and are important to the marketing of its villages. The steps Center Parcs has taken or will take to protect its proprietary trademark rights may not provide adequate protection, and Center Parcs may not have adequate resources to enforce its trademarks if third parties infringe its trademarks. In addition, although Center Parcs owns its trademarks, these trademarks may infringe the proprietary rights of others and may not be upheld if challenged. If its trademarks infringe the rights of others, Center Parcs may be prevented from using its trademarks, any of which occurrences could harm its business. In any such event, Center Parcs could be forced to rebrand its products and services, which could result in loss of brand recognition and may require Center Parcs to devote significant resources to advertising and marketing new brands. Further, any claims of trademark infringement may require Center Parcs to enter into a royalty or licensing agreement to obtain the right to use a third party's intellectual property, which may not be available on terms acceptable to Center Parcs.

From time to time, Center Parcs enters into agreements with third parties that permit it to use the intellectual property of such third parties at its holiday villages. The third parties owning such intellectual property may not renew such agreements with Center Parcs or may increase the cost for it to use such intellectual property to levels that make it cost prohibitive or economically unfavourable for it to continue such arrangements.

Potential liabilities and costs from litigation could adversely affect Center Parcs' business.

From time to time, Center Parcs may become involved in litigation and regulatory actions as part of its ordinary course of business. There is no guarantee that it will be successful in defending against civil suits or regulatory actions, such as matters related to public and employee safety, food safety, employment and environmental laws and regulations. Even if a civil litigation claim or regulatory investigation or claim is meritless, does not prevail or is not pursued, any negative publicity surrounding assertions against Center Parcs' holiday villages could adversely affect its reputation. Regardless of their outcome, litigation and regulatory actions may result in substantial costs and expenses and divert the attention of Center Parcs' management. In addition to pending matters, future litigation, government proceedings, labour disputes or environmental matters could lead to increased costs or interruption of Center Parcs' normal business operations, which may have a material adverse effect on Center Parcs' business, financial condition and results of operations.

Changes in privacy or data protection laws could adversely affect Center Parcs' ability to market its products effectively.

Center Parcs' holiday villages rely on its guest base and a variety of direct marketing techniques, including email marketing. Any expansion of existing, and/or implementation of new, laws and regulations regarding marketing, solicitation, privacy or data protection could adversely affect Center Parcs' ability to utilise its guest database for email and other marketing techniques and could result in changes to its marketing strategy. If this occurs, Center Parcs may not be able to develop adequate alternative marketing strategies, which could materially adversely impact its attendance levels and revenues.

Center Parcs may be adversely affected by environmental requirements and liabilities.

Center Parcs is subject to extensive and frequently changing national and local environmental laws and regulations, including laws and regulations governing air and noise emissions; water use and wastewater and stormwater discharges; the maintenance of above-ground and underground storage tanks; the use, release, storage, disposal, handling and transportation of, and exposure to, oil, chemicals and hazardous substances; energy usage and emissions; the management and disposal of waste; and otherwise relating to health and safety and the protection of the environment, natural resources and the remediation of contaminated soil and groundwater. The development and operation of Center Parcs' facilities require various permits and licences pursuant to environmental laws and regulations, which can result in challenges in the applications process, constraints in on-site operations, and costs in compliance.

Center Parcs may be found to be in violation of some environmental regulations in the future. Violations of environmental laws and regulations can lead to significant fines and penalties and requirements for rectification, which could require expenditure, changes in site operations or temporary closures of all or part of the relevant holiday centre. Sanctions for alleged or actual non-compliance with environmental regulations could have a material adverse effect on Center Parcs' business, financial condition and results of operations. Such laws and regulations can impose clean-up responsibility and liability without regard to whether the owner knew of or caused the presence of contaminants. Historical land uses on parts of the village sites, such as quarrying, timber treatment, an electrical substation, sewage discharge/treatment, and a small part of the Whinfell site that is a registered landfill (which is now closed, but is relatively close to an off-site potable water abstraction point), may have introduced pollution or contamination into the soil and/or groundwater in parts of the Center Parcs village sites or may have migrated beyond the boundaries of these sites. Center Parcs is also subject to certain contractual requirements relating to the environment and may incur liabilities arising from historical, existing and future environmental contamination at properties it owns or operates now or in the future or has owned or operated in the past. The presence of hazardous substances on a property or the failure to meet environmental regulatory requirements may cause Center Parcs to incur substantial remediation or compliance costs or temporarily close the relevant holiday centre. In addition, if hazardous substances are located on or released from any of its properties, Center Parcs could incur substantial liabilities through a private party personal injury claim, a claim by an adjacent property owner for property damage or a claim by a governmental entity for other damages, such as natural resource damages. Center Parcs is also required to purchase carbon allowances annually commensurate with energy consumption (with allowance prices increasing each year), and to audit energy use, both of which are subject to financial penalties for non-compliance.

Center Parcs may incur additional expenditure and other commercial and financial impacts to comply with existing as well as new or revised environmental legislation and regulations, new interpretations of existing laws and regulations or more rigorous enforcement of such laws and regulations, as well as in connection with fulfilling contractual obligations, which could have a material adverse impact on Center Parcs' business, financial condition and results of operations. A conviction for an environment offence could also negatively affect Center Parcs' ability to contract with certain third parties in the future.

If an environmental liability arises in relation to any of the holiday villages and it is not remedied, or is not capable of being remedied, this may adversely affect Center Parcs' business or financial condition. This may be either because of cost or value implications for Center Parcs and its properties or because of disruption to services provided at the relevant holiday village.

Center Parcs may be unable to renew headleases at the end of their lease periods or obtain new leases on acceptable terms, and the existing leases are subject to early termination risks.

All of the properties save for Longleat and Woburn are, in whole or in part, owned by the Center Parcs Group on headleases granted by third party landlords. The main part of the site at Longleat (the holiday village) together with an ancillary part of the site are held by the Center Parcs Group on two underleases, the headlease being held by SPV2 Limited, which is a subsidiary of the Center Parcs Group. The Center Parcs Group also holds a headlease of the outdoor activity centre at Longleat known as Keeper's Cottage. For the purposes of

these Listing Particulars, the two underleases and the headlease held by the Center Pars Group in relation to Longleat are referred to as headleases. The Woburn headlease is held by CP Woburn Opco.

The headleases for Elveden Forest and Sherwood Forest expire in 2999, the headleases for Longleat expire in 2073, the headleases for Whinfell Forest expire in 2120 and the headlease for Woburn expires in 2109.

There is a risk that the landlord of the relevant property may terminate the headlease (or in the case of Longleat, the superior landlord may forfeit the superior leases causing the two headleases to terminate) before the expiry of the contractual term for failure to pay rent or other breach of tenant obligation.

The rent payable under each of the headleases for Whinfell Forest, Elveden Forest and Sherwood Forest is a nominal sum. The yearly rent payable under the headleases for Longleat is currently £656,758 in aggregate subject to upwards-only review every five years by reference to the historic increase in revenue at Longleat. The 2014 rent review discussions in respect of Longleat have been agreed in principle, with the revised yearly rent payable under the headleases agreed at £784,758. The rent review is subject to the signing of the relevant rent review memorandum with respect to each lease. Center Parcs continues to pay rent at the level set at the previous rent review; the landlord is accepting the existing rent pending the review and Center Parcs is accruing the amounts due following the rent review so that they are fully accounted for. The rent payable under the Woburn lease is currently £557,750 per annum subject to upwards only review every five years (the next review date is in 2018) by reference to the greater of an increase in rent in line with the retail price index, a fixed percentage increase in the passing rent or the historic increase in revenue at Woburn. Other tenant obligations in the headleases include, but are not limited to, an obligation to keep the properties in good and substantial repair. Any early termination, delay in or inability to renew Center Parcs' existing leases may negatively impact its ability to operate its villages.

Each Obligor has undertaken in the Issuer/Borrower Loan Agreements to pay, when due, all sums payable by it under each headlease, to perform and observe all of its material covenants under each headlease and not to commit a material breach of any headlease.

The headleases for Whinfell and Longleat do not contain mortgagee protection provisions in the event of forfeiture. The Woburn headlease does contain mortgagee protection provisions and therefore, before the landlord can forfeit the headlease, it is obliged to notify the mortgagee of its intention to do so, giving the mortgagee, within a period of three months, the opportunity to i) enter into a deed of covenant with the landlord to comply with the tenant obligations in the lease or ii) procure an assignment of the lease to a third party in accordance with the terms of the headlease. If a landlord were to seek to forfeit a headlease, the Obligor owning the property and the Borrower Security Trustee would have a right to apply to the English courts to seek relief from forfeiture. The headleases for Elveden and Sherwood contain a proviso in the forfeiture clause that in the event of the landlord serving notice on the tenant alleging breach of any material covenant by the tenant, the landlord must contemporaneously serve a copy of the notice on any mortgagee of which the landlord has notice and the landlord must give not less than ten days' prior notice to any mortgagee to exercise any right of re-entry.

Any property on which the villages are located may be subject to compulsory purchase.

The only recent compulsory purchase order affecting any of the Center Parcs villages is a compulsory purchase order in respect of Elveden relating to small parcels of land forming part of the road side verge next to the highway. An amount of compensation will be payable to Center Parcs as a result. The compulsory purchase of this land does not have a detrimental effect on the operation of Elveden Village and, given the size of land compulsorily purchased, the quantum of any compensation will be nominal. However, any property in the United Kingdom may at any time be compulsorily acquired by a public authority possessing compulsory purchase powers (for instance, local authorities and statutory undertakings (including electricity, gas, water and railway undertakers) in respect of their statutory functions) if it can demonstrate that the acquisition is required.

Any promoter of a compulsory purchase order would need to demonstrate that compulsory purchase was necessary or desirable for the promoter's statutory functions and for, or in, the public interest. As a general rule, in the event of an order being made in respect of all or any part of any holiday village, compensation would normally be payable on the basis that it be broadly equivalent to the open market value of all owners' and tenants' proprietary interests in the portion of the village subject to compulsory purchase at the time of the related purchase, so far as those interests are included in the order. Compensation would normally be payable in respect of the land acquired and the diminution in value of any retained land, reduction in rent and other adverse impacts of the compulsory purchase scheme.

There is often a delay between the compulsory purchase of a property and the payment of compensation, although advance payment of compensation is available representing 90% of the amount of compensation which the acquiring authority considers is due (where the acquiring authority takes possession before compensation has been agreed).

Compulsory purchase of all or any significant portion of property relating to the villages, or the payment of compensation that does not reflect the value to Center Parcs of affected land, may have a material adverse effect on Center Parcs' financial condition and results of operations.

Governmental regulation may adversely affect Center Parcs' existing and future operations and results.

Center Parcs is subject to various national and local regulations that have affected, and will continue to affect, its operations. Each of its holiday villages is subject to national and local licensing and regulation by health, sanitation, food and workplace safety, and other agencies. Its operations are also subject to regulations which govern such matters as the minimum wage, overtime and other working conditions, along with parental leave and a variety of similar laws enacted to govern these and other employment law matters. Currently, Center Parcs pays a base rate that is higher than the existing national minimum wage in the United Kingdom. However, Center Parcs' results of operations may be impacted by the introduction in the 2015 UK budget of the national living wage for employees aged 25 and over from April 2016 and subsequent increases in the national living wage over time together with increases in the current national minimum wage for those under the age of 25. The introduction of the national living wage could also lead to wage inflation on a broader basis as employees who earn more than the national living wage may seek higher pay increases to maintain a differential with the national living wage.

Center Parcs is also subject to the Equality Act 2010, which gives civil rights protections to individuals with disabilities in the context of employment, public accommodation and other areas. Center Parcs may in the future have to modify its villages to provide service to or make reasonable accommodations for disabled persons. The expenses associated with these modifications could be material. Regulations and laws, or the way in which they are interpreted, may become more stringent over time, which could require new capital expenditures and result in an increase in its operating costs.

Work stoppages, increased staff costs, and other employee problems could negatively impact Center Parcs' future profits.

A lengthy strike or other work stoppage at one of the holiday villages could have an adverse effect on Center Parcs' business and results of operations. Center Parcs' employees are not unionised, but some of Center Parcs' employees are, or may in the future be, represented by works councils. Center Parcs may experience union activity in the future which could negatively impact Center Parcs' business, financial condition and results of operations.

In addition, staff costs are a primary cost component in operating Center Parcs. Increased staff costs, due to competition for available workers, increased minimum wage or employee benefit costs, changes in labour laws or otherwise, could adversely impact Center Parcs' operating expenses. For example, costs of medical benefits may increase significantly due to regulations, macroeconomic conditions and other factors beyond Center Parcs' control.

Acts of terrorism may negatively impact Center Parcs' business.

Terrorist attacks have created many economic and political uncertainties. Center Parcs cannot predict the extent to which terrorism or security alerts may directly or indirectly impact demand for its holiday parks, or otherwise impact its business and operating results. The occurrence of any such terrorist event near or at a village could have a material adverse effect on Center Parcs' business, financial condition and results of operations.

Class B2 Noteholders will have recourse to any additional villages that Center Parcs constructs or acquires in the United Kingdom only if and when certain conditions under the Class A Issuer/Borrower Loan Agreement are satisfied following completion of the development of such additional villages. These conditions may not be satisfied when expected, or at all.

The Class A Issuer/Borrower Loan Agreement provides that the Borrowers must use all reasonable endeavours to procure the accession of the relevant additional village site in the United Kingdom within three years of either the acquisition of the relevant additional village or the additional village becoming operational and starting to receive paying guests, whichever is later. The Class A Issuer/Borrower Loan Agreement further

provides (among other things) that if the market conditions are such that the accession of the relevant additional village to the Obligor Group would not be executable in a “commercially reasonable manner (having regard to the then expected pricing for such acquisition)” then the Borrowers will not be required to procure accession at that time but as soon as possible after that time. See “*Description of Other Indebtedness — Class A IBLA — Additional Site Entities*”.

While the Class B Issuer/Borrower Loan Agreement does not require the satisfaction of similar conditions, so long as the Class A Notes are outstanding, the Class B2 Noteholders will not have recourse to any additional villages unless the conditions under the Class A Issuer/Borrower Loan Agreement are satisfied. Accordingly, unless and until the accession conditions are satisfied and any relevant additional village is transferred to the Obligor Group in accordance with the Class A Issuer/Borrower Loan Agreement the business that supports interest and principal on the Notes may be negatively impacted by any such additional village without receiving any benefits or income expected to be derived from the additional village. Accordingly, development and operation of any additional village in the United Kingdom may materially and adversely affect the Obligors’ financial condition, results of operations and the Obligors’ ability to pay interest and principal on the Notes.

RISKS RELATING TO THE FINANCING STRUCTURE

The Obligors’ ability to meet their obligations in respect of the Class B Issuer/Borrower Loan Agreement will depend primarily on the performance of their businesses and Center Parcs may not be able to generate sufficient cash flows to meet such obligations

The Obligors’ ability to meet their scheduled payment obligations under the Class B Issuer/Borrower Loan Agreement will depend upon the financial condition and performance of the Center Parcs business as a whole and their general financial condition and operating performance, which in turn will be affected by general economic conditions and by financial, competitive, regulatory and other factors beyond their control. The obligations of the Obligors to make payments under the Class B Issuer/Borrower Loan Agreement are in each case full-recourse obligations and are not limited. Future performance of Center Parcs’ business may not be similar to the performance results of operations of Opco and the Propcos to date described in these Listing Particulars.

Unless previously repaid in full, the Borrowers will be required to repay (i) the Class A Loans on the Class A2 Loan Final Maturity Date (in respect of the Class A2 Loan), the Class A3 Loan Final Maturity Date (in respect of the Class A3 Loan) and the Class A4 Loan Final Maturity Date (in respect of the Class A4 Loan), respectively, and (ii) the Class B2 Loan on the Class B2 Loan Final Maturity Date (together with the Class A2 Loan Final Maturity Date, the Class A3 Loan Final Maturity Date and the Class A4 Loan Final Maturity Date, the “**Loan Repayment Dates**”).

The ability of the Issuer to redeem the Class B2 Notes on the Class B2 Note Expected Maturity Date is dependent on the repayment in full of the corresponding Class B2 Loan by the Borrowers. Center Parcs cannot assure holders that its business will generate sufficient cash flow from operations or that future sources of capital will be available to it in an amount sufficient to enable the Obligors to service their indebtedness, including the Class B2 Loan, or to fund their other liquidity needs.

Further, a failure to repay the Class B2 Loan on the Class B2 Loan Expected Maturity Date will not constitute an event of default but will only give rise to a Share Enforcement Event.

Center Parcs has significant leverage which could adversely affect its financial condition and its ability to service its payment obligations under the Issuer/Borrower Loan Agreements and therefore the ability of the Issuer to service its payment obligations under the Notes including the Class B2 Notes.

Center Parcs has consolidated indebtedness that is substantial in relation to its shareholders’ equity. After giving pro forma effect to the Financing Transactions, Center Parcs’ pro forma combined total debt as at the Third Closing Date amounted to approximately £1.49 billion. In addition, as stated in the risk factor above, Center Parcs may incur further indebtedness under, or permitted by, the terms and conditions of the Class A Notes (the “**Class A Conditions**”), the terms and conditions of the Class B Notes (the “**Class B Conditions**”) and the Issuer/Borrower Loan Agreements. Center Parcs’ relatively high level of debt could:

- make it more difficult for Center Parcs to satisfy its obligations with respect to the Issuer/Borrower Loan Agreements and ultimately for the Issuer to satisfy its obligations with respect to the Notes;
- increase Center Parcs’ vulnerability to general adverse economic and industry conditions, including rises in interest rates;
- restrict Center Parcs from making strategic acquisitions or exploiting business opportunities;

- along with the financial and other restrictive covenants under Center Parcs' indebtedness, limit its ability to obtain additional financing, dispose of assets or pay cash dividends other than as permitted in accordance with the Issuer/Borrower Loan Agreements;
- require Center Parcs to dedicate a substantial portion of its cash flow from operations to service its indebtedness, thereby reducing the availability of its cash flow to fund future working capital, capital expenditures, other general corporate requirements and dividends;
- require Center Parcs to sell or otherwise transfer assets used in its business in order to fund its debt service obligations;
- limit Center Parcs' flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- place Center Parcs at a competitive disadvantage compared to its competitors that have less debt; and
- increase its cost of borrowing.

Any failure to pay amounts due and payable under the Issuer/Borrower Loan Agreements could give rise to an event of default or a Share Enforcement Event (in the case of the Class B2 Loan) and the Borrower Security Trustee may, in such circumstances, elect to declare all amounts outstanding under those agreements to be immediately due and payable and initiate enforcement proceedings against the collateral provided by Center Parcs to secure its obligations under such agreements.

The consequences of a Share Enforcement Event are that the Borrower Security Trustee will be entitled, by notice, to enforce the Topco Share Security in accordance with the Intercreditor Agreement for the benefit of the Class B Noteholders. See *"Risks relating to Security, Enforcement and Insolvency"*.

Center Parcs' head office is subject to a first ranking mortgage which will not form part of the security package granted pursuant to the Transaction, and if enforced could result in Center Parcs losing the use of its head office.

Pursuant to a term loan facility agreement dated 8 November 2005 made between CP Opco and The Royal Bank of Scotland plc (the **"Head Office Loan"**), Center Parcs Limited granted a fixed charge dated 8 November 2005 over all of its legal interests in the head office (the **"Head Office Mortgage"**). As at 23 April 2015, £1.5 million remains outstanding under the Head Office Loan. The Head Office Mortgage does not form part of the security package granted pursuant to the Transaction. If CP Opco fails to meet its repayment obligations under the Head Office Loan then the Head Office Mortgage could be enforced, resulting in the sale of the head office to a third party. Center Parcs has in place business interruption procedures to minimise the impact of a loss of its head office; however, should such an event occur there may be administrative and financial implications which will impact on the ability of Center Parcs to meet its payment obligations under the Loans and ultimately for the Issuer to satisfy its obligations with respect to the Notes.

Center Parcs is exposed to the creditworthiness of third party financial institutions.

The creditworthiness of many financial institutions may be closely interrelated as a result of credit, derivative, trading, clearing or other relationships among the institutions. As a result, concerns about, or a default or threatened defaults by, one institution (or more) could lead to significant market-wide liquidity and credit problems, losses or defaults by other institutions. This may adversely affect the financial institutions, such as banks and insurance providers, with which Center Parcs interacts on a regular basis, and therefore could adversely affect its ability to raise needed funds or access liquidity. See *"Forward-Looking Statements"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources"* and *"Description of other Indebtedness."*

Restrictive covenants in the Transaction Documents governing the Class A Loans and the Class B Loans may adversely affect the operations of Center Parcs.

The Transaction Documents limit the Obligors' ability, among other things, with respect to:

- the incurrence or guarantee of additional indebtedness;
- the payment of dividends or other distributions on, and the redemption or repurchase of, its equity;
- the making of certain restricted payments and investments;
- the incurrence of certain liens;
- the imposition of restrictions on the ability of subsidiaries to pay dividends and other payments to members of the Group;

- the transfer, lease, sale or other disposition of certain assets;
- the merger, consolidation with, or sale of substantially all of the Group's assets to, other entities;
- the entry into certain transactions with affiliates;
- the entry into sale and leaseback transactions; and
- the impairment of the security interest for the noteholders.

In addition, the Class A Issuer/Borrower Loan Agreement includes other more restrictive covenants and may restrict the Obligors' ability to prepay their other indebtedness, including the Class B2 Loan, while indebtedness under the Class A Loans remain outstanding. The ability to comply with these covenants may be affected by events beyond the Borrowers' control.

The restrictions contained in the Issuer/Borrower Loan Agreements could:

- limit the Obligors' ability to plan for, or react to, market conditions or meet capital needs or otherwise restrict their respective activities or business plans; and
- adversely affect the ability to finance the Obligors' operations, strategic acquisitions, investments or alliances or other capital needs or to engage in other business activities that would be in Center Parcs' interest.

A breach of any of these restrictive covenants or the inability to comply with the minimum FCF DSCR requirement in the Issuer/Borrower Loan Agreements could result in a default.

Loan Events of Default may occur without the knowledge of the Borrower Security Trustee if the Borrowers fail to notify the Borrower Security Trustee of such event.

The Borrower Deed of Charge provides that the Borrower Security Trustee will be entitled to assume, unless it is otherwise disclosed in any investor report or compliance certificate or the Borrower Security Trustee is expressly informed otherwise, that no Loan Event of Default or Potential Loan Event of Default has occurred and is continuing. The Borrower Security Trustee will not itself monitor whether any such event has occurred. As the Issuer is a special purpose company, it will fall to the Obligors themselves to make these determinations as well as the determinations of the financial and operational positions underlying them, which may be subjective. The Borrower Security Trustee shall not be obliged to make any such determinations and shall be able to conclusively rely on any investor report or compliance certificate provided to it without being obliged to enquire as to the accuracy or validity of any such investor report or compliance certificate.

The Class B2 Notes are contractually subordinated to the Class A Notes as to payment and rank junior to the Class A Notes with respect to the application of enforcement proceeds, other than in respect of the Topco Security. As a result, the Issuer may be unable to make payments on the Class B2 Notes when due.

Pursuant to the applicable payment waterfall set forth in the Intercreditor Agreement, payments to be made to the holders of the Class B2 Notes in respect of principal and interest thereon will be contractually subordinated to corresponding payments to be made to holders of the Class A Notes. Likewise, principal and interest payments to be made on the Class B2 Loan will be contractually subordinated to payments to be made on or under the Class A Loans and the Liquidity Facility, among other things. Furthermore, subject to certain limited exceptions, the Obligors will not be permitted to make any payments, including interest payments, under the Class B Issuer/Borrower Loan Agreement unless funded out of new equity, and consequently the Issuer will not be able to make corresponding interest payments on the Class B2 Notes, if the Class A Restricted Payment Condition is not satisfied including if the Class A FCF DSCR falls below 1.35x.

Furthermore, the Class B2 Notes rank junior to the Class A Notes, and debt outstanding under the Class B Issuer/Borrower Loan Agreement ranks junior to debt outstanding under the Class A Issuer/Borrower Loan Agreement and the Liquidity Facility, among others, in each case in respect of the application of any amounts realised through the enforcement of the security granted under the Issuer Security Documents and the Borrower Security Documents, respectively. Accordingly, the proceeds of any enforcement of such security may not be sufficient to meet the Obligors' payment obligations under the Class B Issuer/Borrower Loan Agreement or the Issuer's payment obligations with respect to the Class B2 Notes following the application of such proceeds towards the full repayment of our prior ranking debt described above. However, the Class B2 Notes benefit from the Topco Payment Undertaking and the Topco Security, which security will not be shared with the Class A Notes. See "Description of Certain Financing Arrangements—Topco Payment Undertaking" and "Description of Certain Financing Arrangements—Topco Security Agreement."

In addition, for so long as the Class A Notes and the Class A Loans are outstanding, the holders of the Class B2 Notes will not be able to declare a Class B Note Event of Default and a Class B Loan Event of Default.

See “—Risks Relating to Security, Enforcement and Insolvency,” “Description of Certain Financing Arrangements—Class A Issuer/Borrower Loan Agreement” and “Description of the Class B2 Loan” for further details.

Topco is a holding company and will depend upon cash flow from subsidiaries to meet its obligations under the Topco Payment Undertaking.

Topco is a holding company with no independent business operations or significant assets other than investments its subsidiaries. Topco will depend upon the receipt of sufficient funds from its subsidiaries to meet its obligations under the Topco Payment Undertaking, pursuant to which Topco has undertaken to pay to the Borrower Security Trustee all principal, interest and other amounts outstanding under the Class B Loans then outstanding in certain circumstances, including in the event that the Class B2 Loan is not repaid in full on the Class B2 Loan Expected Maturity Date. If Topco’s subsidiaries do not, or are unable to, distribute cash to Topco in an amount sufficient to enable Topco to meet its obligations under the Topco Payment Undertaking, Topco will not have any other source of funds that would allow it to make the necessary payments to the Borrower Security Trustee. Failure by Topco to make such payments will give the right to the Borrower Security Trustee (on instruction from the Class B Note Trustee or, as the case may be, the Class B Noteholders) to enforce the Topco Share Security over the shares Topco holds in CP Cayman Limited and the share security granted to the Borrower Security Trustee by CP Cayman Limited over the shares it holds in Center Parcs (Holdings 1) Limited. The Class A Issuer/Borrower Loan Agreement and the Class B Issuer/Borrower Loan Agreement will also restrict the ability of Topco’s subsidiaries to move cash within the Group. Applicable law may also limit the amounts that some of Topco’s subsidiaries will be permitted to pay as dividends or distributions on their equity interests, or even prevent such payments. Any such inability to transfer cash within the Group may mean that even though the relevant entities, in aggregate, may have sufficient resources to enable Topco to meet its obligations under the Topco Payment Undertaking, they may not be permitted to make the necessary transfers from one entity to another in order to make payments, directly or indirectly, to Topco. Accordingly, we can provide no assurances that Topco will be able meet its obligations under the Topco Payment Undertaking should the need arise. In addition, the Topco Payment Undertaking is limited in recourse to the Topco Secured Property and after enforcement of the Topco Security Documents, Topco’s obligations under the Topco Payment Undertaking will be deemed to be discharged in full. If amounts outstanding under the Class B Issuer/Borrower Loan Agreement have not been paid in full following the enforcement of the Topco Security, such amounts will remain outstanding and Class B2 Noteholders will not be entitled to call a Class B Loan Event of Default until the earlier of the day on which all amounts outstanding under the Class A Issuer/Borrower Loan Agreement are paid in full or the Class B2 Note Final Maturity Date.

We may not be able to redeem the Class B2 Notes in full on the Class B2 Note Expected Maturity Date, which falls 21.5 years earlier than the Class B2 Note Final Maturity Date, and thereafter, interest on the Class B2 Notes will be deferred.

Following the Class B2 Note Step-Down Date, which falls in 2020, interest will accrue on the Class B2 Notes at a reduced rate.

Our ability to redeem the Class B2 Notes in full on the Class B2 Note Expected Maturity Date will depend on the repayment in full of the Class B2 Loan by the Borrower on the Class B2 Loan Expected Maturity Date. This, in turn, will depend on many factors beyond our control, including general economic conditions and financial, competitive, legislative, regulatory and other factors, together with the other risks described in these Listing Particulars. As a result, there can be no guarantee that we will have sufficient funds available to repay the Class B2 Loan on the Class B2 Loan Expected Maturity Date and consequently redeem the Class B2 Notes in full on the Class B2 Note Expected Maturity Date. The Class B2 Note Expected Maturity Date is on 28 August 2020, while the Class B2 Note Final Maturity Date is on 28 February 2042. The Class B2 Loan and the Class B2 Notes will accrue interest at a fixed rate of 7.000% per annum until the Class B2 Note Step-Down Date, which is on 28 August 2020, after which the interest rate will continue to accrue at a reduced rate of 5.000% per annum.

Furthermore, the yield to maturity of the Class B2 Notes will depend on, among other things, the amount and timing of repayment and prepayment of principal on the Class B2 Loan and the price paid by the holders of the Class B2 Notes. Such yield may be adversely affected by a higher or lower than anticipated rate of prepayment on the Class B2 Loan. Timing for prepayment of the Class B2 Loan cannot be predicted and will be influenced by a wide variety of factors, as described above.

Accordingly, we can provide no assurance with respect to timing of prepayments on the Class B2 Loan or as to amounts to be prepaid and consequently the yield to maturity of the Class B2 Notes.

Sale of a Propco may have an adverse effect on the ability of the Borrowers to meet their obligations under the Loans and ultimately affect the repayments on the Notes by the Issuer.

Under the Class A Issuer/Borrower Loan Agreement, the Obligors are permitted, subject to certain conditions, to undertake sale and leaseback transactions in respect of one or more holiday parks. In each such case, provided that the relevant conditions are satisfied, the Borrower Security Trustee will be required to give its consent to the disposal, to the release of the property interest held by the relevant Propco, and (if the relevant Propco is also being disposed of at the same time) to the release of the relevant Propco from its obligations, and from the security interests granted by it, under the Transaction Documents.

Under the Class A Issuer/Borrower Loan Agreement, these conditions include (but are not limited to) (a) the requirement to prepay, pro rata, the then outstanding Class A Loans, together with any applicable premium payable at that time in respect of a consequential redemption of the Class A Notes and (b) that the Class A Noteholders (voting as a single class) have approved the entry into the relevant transaction in accordance with the terms of the Intercreditor Agreement and the Note Trust Deed. A further condition which must be met is that the Borrower Security Trustee is satisfied (by virtue of a Rating Agency Confirmation or a Ratings Assessment) that the then ratings of the Class A Notes will not be (i) downgraded (ii) withdrawn or (iii) publicly placed on review for possible downgrade, as a result of the relevant sale and leaseback transaction. See “*Description of Other Indebtedness—Class A Issuer/Borrower Loan Agreement*” for a fuller description of the conditions which must be satisfied in order for the Obligors to be entitled to undertake sale and leaseback transactions in respect of the holiday parks. There are no restrictions under the Class B Issuer/Borrower Loan Agreement to undertake a sale and leaseback.

There is a risk that the potential benefits (in particular financial de-leveraging) of any sale and leaseback transaction may not be fully realised as initially anticipated. In particular, there is a risk that rent increases (although required to be capped at an average of 4% per annum) may become a financial burden for the Obligors which eventually affects the Issuer’s ability to make payments of principal and interest under the Class A Notes and the Class B2 Notes.

Further, there is a risk that following a sale and leaseback of a Propco or a holiday park to a third party, such lease might be terminated or forfeited by the relevant landlord with negative consequences for the Obligors. Risks might arise such as the Obligors losing the use of a site and finding difficulty in locating a comparable replacement, loss of income from the relevant holiday park and the introduction of competition to the remaining holiday parks secured in favour of the Borrower Security Trustee through the development of the forfeited site as an alternative holiday destination.

Challenges by secured creditors of the financing transactions described in these Listing Particulars could have a negative impact on other secured creditors.

The financing transactions described in these Listing Particulars have been structured based on English law and practice as in effect on the date of these Listing Particulars. It is possible that a secured creditor which is subject to laws other than the laws of England and Wales may seek to challenge the validity and/or enforceability of one or more features of the financing structure under the local laws of such creditor’s jurisdiction. Potential investors should be aware that the outcome of any such challenge may depend on a number of factors, including but not limited to, the application of the laws of a jurisdiction other than England and Wales. There can be no assurance that any challenge would not adversely affect directly or indirectly the rights of the other secured creditors, including the Class B2 Noteholders, the market value of the Class B2 Notes and/or the ability of the Issuer to make interest and principal payments on the Class B2 Notes.

RISKS RELATING TO TAXATION

Change of tax law and practice might have an adverse effect on the financial position of the Issuer or the Obligors.

The structure of the transaction, the issuance of the Class B2 Notes, the ratings that are to be assigned to them and the statements in relation to taxation set out in these Listing Particulars are based on current law and the published practice of the relevant authorities in force or applied as at the date of these Listing Particulars. Any changes in such law or practice might have an adverse effect on the financial position of the Issuer or the

Obligors and no assurance can be given as to the effect of any possible judicial decision or change of law or the administrative practice of any jurisdiction after the date of these Listing Particulars.

Potential secondary tax liabilities of the members of the Obligor Group may result in a deterioration of the Borrowers' financial condition which may, in turn, result in a deterioration of the Issuer's financial condition.

Where a company fails to discharge certain tax liabilities due and payable by it within a specified time period, UK tax law imposes, in certain circumstances (including where that company has been sold so that it becomes controlled by another person), secondary liability for those overdue taxes on other companies that are or have been members of the same group of companies, or are or have been under common control, for tax purposes with the company that has not discharged its tax liabilities.

Bidco, CP Cayman Midco 1 Limited and the Obligors have each undertaken in the Tax Deed of Covenant that no steps have been or will be taken by it or any other member of the Group which could be expected to give rise to a secondary tax liability for the Borrowers. If any secondary tax liabilities arise in the Borrowers (whether in respect of a primary tax liability of a member of the Obligor Group or of another company with which the Borrowers are or have been grouped or under common control for UK tax purposes), and those secondary tax liabilities are not discharged by Bidco, CP Cayman Midco 1 Limited or any other member of the Obligor Group, and are of significant amounts, the financial condition of the Borrowers could be adversely affected.

As a general matter, where companies are treated as members of a VAT group, any supply of goods or services made by or to any member of the group (other than any such supply which is made by or to another member of the group) is treated as made by or to the representative member of that group. Center Parcs (UK) Group Limited (in its capacity as the representative member of the VAT group) is, therefore, the person required to account to H.M. Revenue & Customs ("HMRC") for any VAT chargeable on any supply made by or to any member of the VAT group (to or by any person other than another member of the VAT group). All the other members of the VAT group are jointly and severally liable for any VAT due from Center Parcs (UK) Group Limited to HMRC during their period of membership of the group. Center Parcs (UK) Group Limited (in its capacity as the representative member of the VAT group) has undertaken in the Tax Deed of Covenant that it has paid and will continue to pay all VAT payable by it to HMRC and to comply with all laws and regulations relating to VAT. However, if such payments are not made and are of significant amounts, this may have a material adverse effect on Center Parcs' financial condition and results of operations. No company which is not an Obligor is a member of the VAT group of which Center Parcs (UK) Group Limited is the representative member.

Borrowers' UK tax position may change which may adversely affect the ability of the Borrowers to repay the Class A Loans and Class B Loans and so the ability of the Issuer to repay the Notes.

There can be no assurance that UK tax law and practice will not change in a manner (including, for example, an increase in the rate of corporation tax) that would adversely affect the ability of the Borrowers to repay amounts of principal and interest under the Issuer/Borrower Loan Agreements. Similarly, UK tax law and practice can be subject to differing interpretations and the Borrowers' interpretation of the relevant tax law as applied to their transactions and activities may not coincide with that of HMRC. As a result, transactions of the Borrowers may be challenged by HMRC and any profits of the Borrowers from their activities in the UK may be assessed to additional tax which may adversely affect the ability of the Borrowers to repay amounts of principal and interest under the Issuer/Borrower Loan Agreements. If, in turn, the Issuer does not receive all amounts due from the Borrowers under the Issuer/Borrower Loan Agreements, the Issuer may not have sufficient funds to enable it to meet its payment obligations under the Notes and/or any other payment obligations ranking in priority to, or equally with, the Notes.

The payments on the Loans may be subject to withholding tax which may result in a prepayment of the Loans, and so an early redemption of the Notes, and may also impact on the Borrowers' ability to repay the Loans in full, and so the Issuer's ability to repay the Notes in full.

The Borrowers will be required to make payments of interest to the Issuer under the Issuer/Borrower Loan Agreements without deduction or withholding for or on account of UK income tax if and for so long as the Issuer is and continues to be a person who is entitled to receive such payments gross of such a deduction or withholding. The Issuer has been advised that it was such a person as at the Closing Date and the Third Closing Date.

In the event that any withholding or deduction for or on account of tax is required to be made from any payment due to the Issuer under the Class A Issuer/Borrower Loan Agreement, the amount of that payment will be increased so that, after such withholding or deduction has been made, the Issuer will receive a cash amount equal to the amount that it would have received had no such withholding or deduction been required to be made.

If a Borrower is obliged to increase any sum payable by it to the Issuer as a result of such Borrower being required to make a withholding or deduction from that payment under an Issuer/Borrower Loan Agreement, the Borrower will have the option (but not the obligation) to prepay all relevant outstanding advances made under an Issuer/Borrower Loan Agreement in full. If the Borrower chooses to prepay the advances made under the Class A Issuer/Borrower Loan Agreement, the Issuer will then be required to redeem the Class A Notes. Such a redemption would be for a redemption price equal to the Principal Amount Outstanding on the Class A Notes together with any accrued but unpaid interest. If the Borrower chooses to prepay the advances made under the Class B Issuer/Borrower Loan Agreement, the Issuer will then be required to redeem the Class B Notes. Such a redemption would be for a redemption price equal to the Principal Amount Outstanding on the Class B Notes together with any accrued but unpaid interest. Investors should be aware that no break costs would be payable to the Class B Noteholders in such circumstances. If the Borrower does not have sufficient funds to enable it either to repay the Issuer/Borrower Loan Agreement or to make increased payments to the Issuer, the Issuer's ability to make timely payments of interest and principal under the Notes could be adversely affected.

If the Issuer were to cease to qualify as a securitisation company, this may have an adverse effect on the Issuer's UK tax position, which could adversely affect the Issuer's ability to make timely payment of interest and principal under the Notes.

The Issuer is incorporated in Jersey and resident for tax purposes in the UK and has been advised that it should be a "securitisation company" for the purposes of the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296). Accordingly, the Issuer should be subject to corporation tax in the UK on its "retained profit" only, in accordance with the special regime for securitisation companies as provided for by those regulations.

If the Issuer were to cease to qualify as a securitisation company for the purposes of those regulations, this may have an adverse effect on the Issuer's UK tax position, which could adversely affect the Issuer's ability to make timely payment of interest and principal under the Notes.

The reorganisation of the Center Parcs Group in 2012 and historical tax position of the Obligor Group gave rise to certain contingent tax liabilities, which could affect the Borrowers' ability to meet their payment obligations under the Issuer/Borrower Loan Agreements and could affect amounts realised on enforcement.

The reorganisation and historical tax position of the group gave rise to certain contingent tax liabilities, in particular potential substantial "degrouching charges" in respect of (i) the transfers of the headleases to CP Elveden Village Limited, CP Sherwood Village Limited and CP Whinfell Village Limited and (ii) the transfer of the shares in CP Opco by Center Parcs (Jersey) 1 Limited to Center Parcs (Holdings 3) Limited. Should these contingent tax liabilities crystallise, they could have an impact upon the ability of the Borrowers to make payments of interest and principal under the Issuer/Borrower Loan Agreements (and so impact upon the ability of the Issuer to make payments of interest and principal on the Notes) and could affect the amounts realised on enforcement.

Broadly speaking, degrouching charges arise where an asset held, otherwise than as trading stock, has been transferred between members of the same group and the company which acquired the asset then ceases to be a member of that group within six years of the date of the acquisition. If, when it leaves the group, that company, or another company with which that company is grouped for tax purposes and which is also leaving the group, owns, otherwise than as trading stock, the asset which was transferred intra-group, then the company leaving the group is treated as if, immediately after it acquired the asset intra-group, it had sold and reacquired the asset for market value at that time. The broad effect of this deemed disposal and reacquisition is to bring into charge to tax any gain deferred on the earlier intra-group transfer. Whether the degrouching charge arises in the asset owning company leaving the group, or a group company disposing of the company or companies leaving the group depends on the nature of the transaction.

Where two companies cease to be members of the group at the same time, no tax charge will arise in relation to any previous intra-group transfer of assets between those two companies if, broadly speaking, either (i) the companies are both grouped for tax purposes with another company on the date of the acquisition and remain so grouped with that other company until immediately after they cease to be members of the group or (ii)

one of the companies is a subsidiary (as defined for the purpose of the applicable tax legislation) of the other company on the date of the acquisition and remains a subsidiary of the other company until immediately after the companies cease to be members of the group.

Advice has been obtained that these contingent tax liabilities should only crystallise in the event that security is realised by an administrative receiver or liquidator in certain ways in respect of certain assets (including the Headleases and shares referred to above) or in the event that an Obligor fails to discharge a liability to tax for which it is primarily liable. Furthermore, advice has also been obtained as to how security should be realised (to the extent necessary) in order to avoid or mitigate such liabilities. As such, it is expected to be possible to avoid or mitigate these contingent tax liabilities. However, it is possible that realising security in a way which avoids or mitigates these contingent liabilities may, depending on the specific circumstances, have an adverse effect on the amounts realised for the benefit of the Class B Noteholders.

Withholding under the EU Savings Directive may affect payments on Class B2 Notes.

Under EC Council Directive 2003/48/EC (the “**EU Savings Directive**”) on the taxation of savings income, member states of the European Union (each a “**Member State**”) are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above (the “**EU Amending Directive**”). Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The EU Amending Directive will also apply a “look through approach” to payments made via certain persons, entities or legal arrangements (including trusts and partnerships), where certain conditions are satisfied, where an individual resident in a Member State is regarded as the beneficial owner of the payment for the purposes of the EU Savings Directive. This approach may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is instead required (unless during such period it elects otherwise) to operate a withholding tax in relation to such payments (Luxembourg, which before 1 January 2015 also operated a withholding tax under the transitional rules, has now replaced such withholding tax with the information reporting regime described above). The transitional period will end after agreement on exchange of information is reached between the EU and certain non-EU states.

A number of non-EU countries and territories, including Switzerland, have adopted equivalent measures (a withholding system in the case of Switzerland).

However, the European Commission has proposed the repeal of the EU Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the EU Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Offered Note as a result of the imposition of such withholding tax. For so long as any Offered Note is outstanding, the Issuer is required to maintain a Paying Agent in a Member State that does not impose an obligation to withhold or deduct tax pursuant to the EU Savings Directive.

The Class B2 Notes may not be qualifying corporate bonds for UK tax purposes.

In the case of *Trigg v Revenue and Customs Comrs* [2014] UKFTT 967 (TC) HM Revenue and Customs argued that the inclusion of euro redenomination clauses in certain bonds prevented them from being qualifying corporate bonds for UK tax purposes. The First-tier tribunal found against the Revenue, and the Revenue’s appeal is currently scheduled to be heard by the Upper-tier tribunal in 2016.

The Class B2 Notes contain euro redenomination clauses similar to those considered in the case mentioned above. If the euro redenomination clauses in the Class B2 Notes mean the Class B2 Notes are not qualifying corporate bonds, Noteholders within the charge to UK tax (other than Noteholders who are UK corporation taxpayers) may be subject to tax on chargeable gains in respect of a disposal of Class B2 Notes.

Prospective Noteholders who may be unsure as to their tax position should seek their own professional advice.

The market value of the Class B2 Notes may be adversely affected if Class B2 Further Notes are issued other than in a qualified reopening for U.S. federal income tax purposes.

The Issuer may issue Class B2 Further Notes in additional offerings and these Class B2 Further Notes may not be fungible with the Class B2 Notes for U.S. federal income tax purposes. Whether Class B2 Further Notes would be fungible depends on whether the issuance of Class B2 Further Notes would be treated as a qualified reopening for U.S. federal tax purposes. This determination will depend on the date when the Class B2 Further Notes are issued, the yield of the Class B2 Notes at that time (based on their fair market value), whether the Class B2 Notes were issued with OID and whether the Class B2 Notes are publicly traded or quoted at the time of the Class B2 Further Notes issuance. If issuance of the Class B2 Further Notes is not a qualified reopening, the Class B2 Further Notes may have a different amount of OID, which may adversely affect the market value of the Class B2 Notes, unless the Class B2 Further Notes can be distinguished from the Class B2 Notes.

RISKS RELATING TO SECURITY, ENFORCEMENT AND INSOLVENCY

Enforcement of the Topco Share Security is subject to certain conditions which if not met could affect the ability of the Class B Noteholders to realise the value of the security

Pursuant to the Topco Share Security Agreement, the enforcement of the Topco Share Security is conditional on the Borrower Security Trustee receiving a tax opinion that confirms that there will not be any actual or contingent tax liability arising in the Obligor Group as a result of such enforcement of more than £10 million. As at the Third Closing Date, it is not expected that such enforcement would give rise to any tax liability. However, such a liability may arise in the future due to (among other things) a change in tax law or practice. Should a tax opinion not be provided giving the requisite confirmations, the Topco Share Security may only be enforced if the Borrower Security Trustee is provided with sufficient funds, other collateral or other support arrangement to mitigate any such tax liability to the extent it exceeds £10 million. While the structure of the transaction has been established to minimise the risk of this event occurring, no assurance can be given by the Obligors that such conditions will be satisfied at the time of enforcement of the Topco Share Security. As a result the amounts realised by the Class B Noteholders through enforcement may be significantly reduced and/or delayed.

The enforcement and disposal of the Borrower Secured Property by the Borrower Security Trustee may impact the amounts realised by the Class B2 Noteholders.

Pursuant to the term of the Intercreditor Agreement, whilst the Class A Notes are outstanding only the Class A Noteholders are entitled to direct the Class A Note Trustee which in turn will direct the Issuer Security Trustee and then the Borrower Security Trustee with regard to the enforcement of any Borrower Security. Neither the Class A Note Trustee nor the Issuer Security Trustee will be obliged to take into consideration the interests of the Class B Noteholders when acting in accordance with the directions received from the Class A Noteholders or in exercising their discretion in relation to enforcement. Both the Class B Noteholders and any other Secured Creditors will be required to take any action (for example, release security and/or guarantees) that the Class A Noteholders and/or the Class A Note Trustee and/or the Issuer Security Trustee (as the case may be) require of them to enforce the Borrower Security including the extinguishment of all amounts due under the Class B Issuer/Borrower Loan Agreement in connection with an enforcement of the Borrower Security. All amounts realised by the enforcement of the Borrower Security will be applied in accordance with the relevant Priorities of Payments as stipulated in the Intercreditor Agreement. There is therefore a risk that the Class B Noteholders' interests will not be aligned to those of the Class A Noteholders and that the Class B Note Trustee will be directed to act against the wishes of the Class B Noteholders, and without their control for so long as the Class A Notes remain outstanding. See "Description of Certain Financing Arrangements — Intercreditor Agreement".

For so long as there are any Class B Notes outstanding, the Borrower Security Trustee may only dispose of any Borrower Secured Property with a value above £10 million if a fairness opinion from a financial

advisor is first obtained. However, the appointment of a financial advisor in such circumstances by the Borrower Security Trustee may be directed by the Issuer Security Trustee on behalf of the Class A Noteholders only, and the Borrower Security Trustee shall not be obliged to take into account the interests of any Secured Creditor (other than the Class A Noteholders) and may only seek direction from the Issuer Security Trustee on behalf of the Class A Noteholders in relation to the method and timing of the enforcement of such Borrower Secured Property and any matter relating to the fairness opinion. In the event that a fairness opinion is not able to be produced, the disposal of any Borrower Secured Property will be undertaken by way of a competitive marketing and sales process typical for such type of assets. Amounts realised by such a sales process could be less than amounts recovered in a sale by the Borrower Security Trustee. The fairness opinion will only be required if there are Class B Notes outstanding.

In addition, upon the occurrence of a Loan Event of Default, the Borrower Security Trustee has the power to appoint an administrative receiver who would take control of all the assets of the English Obligors. Such receiver has wide powers that would enable him to control the English Obligors and manage Center Parcs' business in order to repay the secured debt. In relation to the Propcos, the receiver could endeavour to dispose of the properties, in whole or in part, either (1) through the sale of the Borrower Secured Property itself or (2) by the sale of the shares in the Propco through enforcing the share pledge over the shares in the Propco.

In respect of any proposed disposal of the Borrower Secured Property, whether by an administrative receiver appointed in respect of a Propco or otherwise, the relevant Borrower Secured Property could be sold subject to the terms of the relevant headlease and the related documentation.

In respect of Longleat, the related documentation provides that the headleases (except the headlease of the Keepers Cottage activity centre) may be transferred with the consent of the immediate landlord and the superior landlord. However, in the case of the superior landlord, the documentation does not provide that such consent may not be unreasonably withheld or delayed. Prior to any transfer of the Keepers Cottage activity centre headlease, the Borrower Security Trustee is required to offer to surrender the headlease to the superior landlord who has ten working days to accept a surrender of the Keepers Cottage headlease at the price stipulated in the surrender offer. Therefore, a receiver or the Borrower Security Trustee may not be able to dispose of the Longleat property directly through a sale of the property itself or via a special purpose vehicle unless the superior landlord was prepared to give its consent to the assignment of the Longleat headleases on reasonable terms and does not exercise its pre-emption right in respect of the Keepers Cottage activity centre. However, there is no restriction on a sale of the shares in the Longleat Propco. Therefore, in such a scenario, the options available to an administrative receiver could be limited and this could adversely affect the value which could be achieved on a sale of the Longleat property, although, as noted, this would not prevent the disposal of the shares in the Longleat Propco to a purchaser.

Enforcement and/or acceleration of security.

The Intercreditor Agreement provides that the relevant Instructing Group will be entitled to direct the relevant trustee to enforce and/or accelerate the Borrower Security or Issuer Security (as applicable). In the case of any enforcement and/or acceleration of any Borrower Security and Issuer Security, if the Instructing Group is the Class A Noteholders, then a direction may only be given if such direction is in writing by the holders of at least 25% representing in aggregate principal amount outstanding of any class of the Class A Notes then outstanding or if so directed by a resolution of any class of the Class A Noteholders. In the case of the Topco Security (and the Borrower Security and the Issuer Security, if the Instructing Group is the Class B Noteholders), then a direction may only be given if such direction is in writing by the holders representing at least 30% in aggregate principal amount outstanding of the Class B Notes then outstanding. The Intercreditor Agreement provides that the proceeds of the enforcement of any Borrower Security or Issuer Security may be distributed to the Issuer and the Class A Noteholders in a form other than in cash.

Guarantees and security may constitute a transaction at an undervalue or preference.

A liquidator or administrator appointed in England over an Obligor could apply to the court to unwind the issuance of its guarantee if such liquidator or administrator believed that issuance of such constituted a transaction at an undervalue. The Obligor Group believes that each guarantee will not be a transaction at an undervalue and that each guarantee will be provided in good faith for the purposes of carrying on the business of each Obligor and its subsidiaries and that there are reasonable grounds for believing that the transactions will benefit each such Obligor. However, there can be no assurance that the provision of the guarantees will not be challenged by a liquidator or administrator or that a court would support the Obligor Group analysis.

If the liquidator or administrator can show that any of the Obligor Group or one of the Obligors have given a “preference” to any person within six months of the onset of liquidation or administration (or two years if the preference is to a “connected person”) and, at the time of the preference, that Obligor Group or that Obligor were unable to pay their debts within the meaning of section 123 of the Insolvency Act 1986 or became so as a result of the preferential transaction, a court has the power, among other things, to void the preferential transaction. For these purposes, a company gives preference to a person if that person is one of the company’s creditors (or a surety or guarantor for any of the company’s debts or liabilities) and the company takes an action which has the effect of putting that person into a position which, in the event of the company going into insolvent liquidation, will be better than the position that person would have been in if that thing had not been done. The court may not make an order avoiding a preferential transaction unless it is satisfied that the company was influenced by a desire to put that person in a better position. This provision of English insolvency law may affect transactions entered into or payments made by any of the Obligors during the relevant period prior to the liquidation or administration of such Obligor.

In addition, if it can be shown that a transaction entered into by a company was made for less than fair value and was made to shield assets from creditors, then the transaction may be set aside as a transaction defrauding creditors. Any person who is a “victim” of the transaction, and not just liquidators or administrators, may assert such a claim. There is no statutory time limit within which a claim must be made (although the normal provisions under the Limitation Act 1980 will apply) and the company need not be insolvent at the time of the transaction. The Obligors do not believe that they have entered into any transactions which may be regarded as being for less than fair value or to shield assets from their creditors.

The Borrower Security Trustee may be liable to third parties if recharacterised as a mortgagee in possession.

The Borrower Security Trustee may be deemed to be a mortgagee in possession if there is physical entry into possession of any village, a step-in enforcement of security or an act of control or influence which may amount, in effect, to possession.

A mortgagee in possession may incur liabilities to third parties in nuisance and negligence and, under certain statutes (including environmental legislation), can incur the liabilities of a property owner. The Borrower Security Trustee has the absolute discretion, at any time, to refrain from taking any action under the Transaction Documents, including becoming a mortgagee in possession in respect of a village unless it is satisfied at that time that it is adequately indemnified. Subject to being adequately indemnified under the terms of the Intercreditor Agreement, the Borrower Security Trustee ranks first in respect of the Priorities of Payments, both prior to and following an event of default thereunder, in respect of payment of any amounts owed to it under its indemnity, including in respect of the liabilities described in this paragraph.

Topco and CP Cayman Limited are Cayman Islands companies and the Topco Share Security Agreement is governed by Cayman Islands law and therefore Cayman Islands law is applicable to the enforcement of the Topco Security.

Pursuant to the Cayman Islands law-governed Topco Share Security Agreement, shares in CP Cayman Limited (which is incorporated under the laws of the Cayman Islands) are charged in favour of the Borrower Security Trustee. Accordingly, insolvency proceedings with respect to Topco and CP Cayman Limited would be likely to proceed under, and be governed by, Cayman Islands insolvency law. Cayman Islands law may not be as favourable to Class B Noteholders’ interests as the laws of other jurisdictions with which Class B Noteholders are familiar. The application of these laws could adversely affect the ability of the Borrower Security Trustee to enforce its rights under the security interests granted by a Cayman Obligor and limit any amounts that may be received by the Class B Noteholders upon such enforcement.

In certain circumstances, there is a risk that a Cayman Islands court could deem that the charging of such security is being made with a view to giving creditors a preference if it is a “related party” of the company. A creditor shall be treated as a related party if it has the ability to control the company or exercise significant influence over the company in making financial and operating decisions.

If any business of a company has been carried on with intent to defraud creditors of the company or creditors of any other person or for any fraudulent purpose, the Cayman Islands court may declare that any persons who were knowingly parties to the carrying on of the business are liable to make contributions to the company’s assets as the Cayman Islands court thinks proper.

There is an additional risk in that a Cayman Islands court would not necessarily recognise or enforce security against the relevant secured asset, in this case the shares, in the absence of a court order obtained pursuant to foreclosure proceedings. A Cayman Islands court may treat a purported fixed charge over assets as a floating charge if the Cayman Islands company has sufficient authority to deal with its assets in the course of its

business and/or if the holder of security does not exercise sufficient control over the relevant assets. Any charge in the nature of a floating charge will not take priority in ranking over any subsequent fixed mortgage or charge or lien which is created prior to the crystallisation of the floating charge. However, advice has been taken from Cayman Islands counsel that subject to standard reservations and assumptions, the Topco Share Security Agreement will create a valid security interest over the property intended to be secured by such agreement in favour of the Borrower Security Trustee and the courts in the Cayman Islands will recognise such security interests.

In the case of a winding-up of a Cayman Islands company in a jurisdiction other than the Cayman Islands, the priority of any security granted by or over the assets of that Cayman Islands company may be affected by any provision of the laws of that jurisdiction as to the priority of claims in a winding-up. To the extent that the security is held in the Cayman Islands, failure to comply with any restrictions or provisions applicable to the granting of security over any such security or the transfer thereof, whether arising under Cayman Islands law generally or pursuant to specific documentation relating to such security, may, among other things, invalidate any purported security interest.

Certain Obligors and the Issuer are incorporated in jurisdictions other than England and Wales and therefore may be subject to overseas insolvency law on the security enforcement process.

While Center Parcs (Jersey) 1 Limited and Carp (Jersey) 2 Limited (the “**Jersey Obligors**”) and the Issuer are incorporated in Jersey, they will each be a tax resident in the United Kingdom (from where they will be controlled and all management functions will be operated).

Under the EC Regulation No 1346/2000 on Insolvency Proceedings 2000 (the “**EUIR**”), “main” insolvency proceedings in respect of a debtor should be opened in the member state in which its centre of main interests (“**COMI**”) is located. However, decisions by the European Court of Justice have held that this presumption can only be rebutted if factors which are both objective and ascertainable by third parties are present. Given the fact that the Issuer and the Jersey Obligors are managed and operated from England, and that this is ascertainable to a third party creditor (such that the creditor would assume their COMI was in England), it is likely that the Issuer’s and the Jersey Obligors’ COMI is in England as opposed to Jersey. If this is the case, the Issuer and the Jersey Obligors may be subject to English administration, company voluntary arrangement, and certain liquidation proceedings. Alternatively, English insolvency law may also be applicable to the Issuer and the Jersey Obligors if a request for assistance is made by the Jersey court to the English court under section 426 of the Insolvency Act 1986.

Even if the Issuer’s or the Jersey Obligors’ COMI were in England, or section 426 of the Insolvency Act 1986 applied, it is unlikely that it will be possible to appoint an administrative receiver in respect of the Issuer or the Jersey Obligors in England (so as to prevent the appointment of an English administrator) using the capital market exemption described in more detail below. This is because notwithstanding the fact that their COMI may be in England, none of the Issuer or the Jersey Obligors is likely to be considered to be a “company” for the purposes of section 29 of the Insolvency Act 1986 since it is not formed under one of the UK Companies Acts.

In respect of any insolvency proceedings in relation to Topco and CP Cayman Limited, the UNCITRAL Implementing Regulations (as defined below) may apply. This may inhibit the ability of the relevant trustee to appoint a receiver in respect of Topco and/or CP Cayman Limited or may impose a mandatory stay on insolvency proceedings in the English courts which ultimately could lead to a delay in the realisation of security and/or a reduction in the amounts received from such realisation.

The UNCITRAL Model Law on Cross-Border Insolvency was implemented in Great Britain and Northern Ireland on 4 April 2006 by The Cross-Border Insolvency Regulations 2006, SI 2006/1030 (the “**UNCITRAL Implementing Regulations**”). Under the UNCITRAL Implementing Regulations, if foreign insolvency proceedings are commenced in respect of a company, then, upon application by the foreign insolvency officeholder and provided that certain requirements are met, the English courts are required to recognise such proceedings. Any such recognition may in effect impact upon the availability of certain types of creditor action in England and Wales and/or, provided certain further requirements are met, result in the application of English avoidance (including claw-back) provisions.

In addition, if the relevant foreign insolvency proceedings are recognised as “foreign main proceedings” (and there is no conflict with the EUIR), then an automatic mandatory stay on certain types of creditor action (including the commencement of certain legal proceedings) and the disposal by the company of its assets will apply in England and Wales. In general, this stay will not restrict rights relating to the enforcement of security or set-off (so long as these rights could be exercised in an English winding-up). However, the foreign

officeholder may also make an application to an English court to exercise its discretion to provide further relief, including the imposition of a wider stay (which may extend to restrictions on the rights referred to above), particularly if the foreign proceedings in question are reorganisation proceedings which, under the foreign insolvency law, give rise to a stay on security enforcement.

UK Parcs Holding S.à r.l. is incorporated in Luxembourg and will not have tax residency or be controlled or managed within the United Kingdom. It is therefore likely that UK Parcs Holdings S.a.r.l.'s COMI will be presumed to be in Luxembourg and (if this presumption is not rebutted) it would be likely to enter into Luxembourg insolvency proceedings. The UNCITRAL Implementing Regulations may also apply in respect of any insolvency proceedings in relation to UK Parcs Holding S.à r.l., although to the extent there is any conflict under the EUIR and the UNCITRAL Implementing Regulations, the requirements of the EUIR will prevail.

Fixed security interests may be recharacterised as floating security interests due to the degree of control exercised over certain underlying assets, including over bank accounts, and as a result the full proceeds of enforcement may not be available to repay the Class B2 Notes.

There is a possibility that a court could find that the fixed security interests expressed to be created by the security documents governed by English law could take effect as floating charges as the description given to them as fixed charges is not determinative.

Whether the fixed security interests will be upheld as fixed security interests rather than floating security interests will depend, among other things, on whether the Borrower Security Trustee or, as the case may be, the Issuer Security Trustee has the requisite degree of control over the relevant assets and exercises that control in practice.

Each Borrower has established a number of bank accounts into which, among other things, rental income and disposal proceeds in respect of the relevant villages must be paid. Each Borrower has, pursuant to the terms of the Borrower Deed of Charge and the Woburn Deed of Charge, granted security over all of its interests in its relevant accounts, which security is, other than in the case of certain operating accounts, expressed to be a first fixed charge. Furthermore, under the Issuer Deed of Charge, the Issuer has granted security over all of its bank accounts, which security is also expressed to be fixed security.

Although the various bank accounts are stated to be subject to various degrees of control, there is a risk that, if the Issuer Security Trustee or the Borrower Security Trustee (as applicable) does not exercise the requisite degree of control over the relevant accounts in practice, a court could determine that the security interests granted in respect of those accounts take effect as floating security interests only and that the security interests granted over the assets from which the monies paid into the accounts are derived also take effect as floating security interests only, notwithstanding that the security interests are expressed to be fixed. In such circumstances, monies paid into accounts or derived from those assets could be diverted to pay preferential creditors, the costs of the insolvency process, and certain other liabilities were a receiver, liquidator or administrator to be appointed in respect of the relevant company in whose name the account is held.

If the fixed security interests are recharacterised as floating security interests, the claims of (i) the unsecured creditors of the relevant Obligor incorporated in England and Wales (or otherwise subject to insolvency proceedings in England and Wales) or, as the case may be, the Issuer in respect of that part of the relevant Obligor's net property which is ring-fenced as a result of the Enterprise Act 2002 and (ii) certain statutorily defined preferential creditors of the relevant English Obligor, may have priority over the rights of the Borrower Security Trustee or the Issuer Security Trustee, as the case may be, to the proceeds of enforcement of such security in accordance with s176A of the Insolvency Act 1986. To the extent that the assets of the Issuer or any Obligor are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge), in certain circumstances under the provisions of section 176A of the Insolvency Act 1986, certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Issuer Deed of Charge or the Borrower Deed of Charge or the Woburn Deed of Charge may be first used to satisfy any claims of unsecured creditors, up to an amount equal to £600,000 in respect of each relevant Obligor. As a result, the full amount of the proceeds of enforcement of the security may not be available to repay Notes.

Further, the costs and expenses of a liquidation or administration (including corporation tax on capital gains) will be payable out of floating charge assets in priority to the claims of the floating charge-holder. As a result of the changes described above, upon the enforcement of the floating charge security granted by an Obligor subject to an English liquidation or administration, floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Issuer Deed of Charge and/or the Borrower Deed

of Charge and/or the Woburn Deed of Charge will be reduced by at least a significant proportion of any liquidation or administration expenses.

Floating charges given by the English Obligors may be deemed invalid for lack of consideration which would hinder the appointment of an administrative receiver.

Section 245 of the Insolvency Act 1986 provides that, in certain circumstances, a floating charge granted by a company may be invalid in whole or in part. If a floating charge is held to be wholly invalid then it will not be possible to appoint an administrative receiver of such company and, therefore, it will not be possible to prevent the appointment of an administrator of such company. The risk is, if a liquidator or administrator is appointed to the Issuer or the relevant Obligor within a period of two years (the “relevant time”) commencing upon the date on which the Issuer or that Obligor, as the case may be, grants a floating charge, the floating charge granted by the Issuer or that Obligor, as the case may be, will be invalid pursuant to section 245 of the Insolvency Act 1986 except to the extent of the consideration received by the relevant chargor at the time of or after the creation of the floating charge. The Issuer received consideration (namely, the Issuer issued the Original Class A Notes and the Original Class B Notes on the Closing Date and the Second Class A Notes on the Second Issue Date and issued the Class B2 Notes on the Third Closing Date and has received the subscription monies therefor) and each of the Obligors will have received such consideration (namely, the Borrowers made a drawing under the Issuer/Borrower Loan Agreements on the Closing Date and under the Class A Issuer/Borrower Loan Agreement on the Second Closing Date and under the Class B Issuer/Borrower Loan Agreement on the Third Closing Date). As such, during the relevant time the floating charge granted by the Issuer will be valid to the extent of the amount of Notes issued by the Issuer, the floating charges granted by the Borrowers will be valid to the extent of the amount drawn by the Borrowers under the Issuer/Borrower Loan Agreements and the floating charge granted by each of the other Obligors will be valid to the extent of the fee paid to the other Obligors but not valid for the full amount of the property charged. However, such limitation on the validity of the floating charges will not necessarily affect the ability of the Borrower Security Trustee to appoint an administrative receiver, provided that the floating charge still extends and is valid in relation to substantially all of the respective Obligor’s property, in respect of the English Obligors — however, this will be a factual question to be determined at the time of a potential appointment. After the relevant time it will not be possible for the floating charges granted by each of the Issuer, the Borrowers or the English Obligors to be invalidated under section 245 of the Insolvency Act 1986.

It should be noted that, since the Jersey Obligors, UK Parcs Holding S.à r.l. (together the “**Foreign Obligors**”) and the Issuer are incorporated in jurisdictions other than England and Wales, it is unlikely that it will be possible to appoint an administrative receiver in respect of these entities in England (so as to prevent the appointment of an English administrator) using the capital markets provisions referred to below. Accordingly, if the Issuer’s and the Foreign Obligors’ COMI were found to be in England, they could be placed into administration. However, it should be noted that the Issuer is structured to be “bankruptcy remote” so therefore it should not be subject to any insolvency proceedings. The main asset-owning Obligors (namely CP Opco, CP Woburn Opco and the Propcos) and their immediate parent companies are all English companies so therefore administrative receivership is possible for these companies.

The ability of the Borrower Secured Creditors to appoint an administrative receiver may be hindered by the application of the Enterprise Act 2002 in respect of floating charges.

The provisions of the Enterprise Act 2002 (the “**Enterprise Act**”) restrict the right of the holder of a floating charge to appoint an administrative receiver (unless the security was created prior to 15 September 2003 or an exception applies) and instead give primacy to collective insolvency procedures (in particular, administration).

The Insolvency Act 1986 contains provisions that continue to allow for the appointment of an administrative receiver in relation to certain transactions in the capital markets. The relevant exception provides that the appointment of an administrative receiver is not prohibited if it is made in pursuance of an agreement which is or forms part of a capital market arrangement (as defined in the Insolvency Act 1986) under which a party incurs or, when such agreement was entered into was expected to incur, a debt of at least £50,000,000 and if the arrangement involves the issue of a capital market investment (also defined in the Insolvency Act 1986, but generally a rated, listed or traded debt instrument). Whilst there is no case law, as yet, on how these provisions will be interpreted, it should be applicable to floating charges created by the English Obligors and assigned by way of security to the Borrower Security Trustee. However, as this issue is partly a question of fact, were it not possible to appoint an administrative receiver in respect of one or more of the English Obligors, they would be subject to administration if they were to become insolvent.

The UK Secretary of State may, by secondary legislation, modify the exceptions to the prohibition on appointing an administrative receiver and/or provide that the exception shall cease to have effect. No assurance can be given that any such modification or provision in respect of the capital market exception, or its ceasing to be applicable to the transactions described in these Listing Particulars, will not be detrimental to the interests of the Class B Noteholders.

Certain members of the Obligor Group may fall within the “small companies” threshold allowing them the right to seek a moratorium which could restrict creditors’ ability to enforce security.

Certain small companies, as part of the company voluntary arrangement procedure in England, may seek court protection from their creditors by way of a moratorium (which will, amongst other things, restrict a creditor’s ability to enforce security, prevent the appointment of an administrator or liquidator and restrict proceedings being commenced or continued against the company) for a period of up to 28 days, with the option for creditors to extend this protection for up to a further two months (although the UK Secretary of State for Business, Innovation and Skills may, by order, extend or reduce the duration of either period).

A “small company” is defined for these purposes by reference to whether the company meets certain tests contained in section 382(3) of the Companies Act 2006, relating to a company’s balance sheet, total turnover and average number of employees in a particular period. The position as to whether or not a company is a small company may change from period to period, depending on its financial position and average number of employees during that particular period. The UK Secretary of State for Business, Innovation and Skills may by regulations also modify the qualifications for eligibility of a company for a moratorium and may also modify the present definition of a small company. Accordingly, any of the Obligors may, at any given time, come within the ambit of the small companies provisions, such that any such Obligor may (subject to the exemptions referred to below) be eligible to seek a moratorium, in advance of a company voluntary arrangement.

Certain companies which qualify as small companies for the purposes of these provisions may, nonetheless, be excluded from being so eligible for a moratorium under the provisions of the Insolvency Act 1986 (Amendment No. 3) Regulations 2002. Companies excluded from eligibility for a moratorium include those which are party to a capital market arrangement, under which a debt of at least £10 million is incurred and which involves the issue of a capital market investment. The definitions of capital market arrangement and capital market investment are broad and are such that, in general terms, any company which is a party to an arrangement which involves at least £10 million of debt, the granting of security to a note trustee, and the issue of a rated, listed or traded debt instrument, is excluded from being eligible for a moratorium. The UK Secretary of State for Business, Innovation and Skills may modify the criteria by reference to which a company otherwise eligible for a moratorium is excluded from being so eligible.

Accordingly, the provisions described above will serve to limit the Borrower Security Trustee’s ability to enforce the Borrower Security to the extent that, first, any of the Obligors fall within the criteria for eligibility for a moratorium at the time a moratorium is sought; second, if the directors of any such Obligor seeks a moratorium in advance of a company voluntary arrangement; and, third, if any such Obligor is considered not to fall within the capital market exception (as expressed or modified at the relevant time) or any other applicable exception at the relevant time; in those circumstances, the enforcement of any security by the Borrower Security Trustee will be for a period prohibited by the imposition of the moratorium. In addition, the other effects resulting from the imposition of a moratorium described above may impact the transaction in a manner detrimental to the holders of the Class B2 Notes.

RISKS RELATING TO THE TRANSACTIONS AND THE ESCROW OF PROCEEDS

Our business could be adversely impacted as a result of uncertainty related to the Transactions and significant costs, expenses and fees

The Transactions could cause disruptions to our business or business relationships, which could have an adverse impact on our financial condition, results of operations and cash flows. For example:

- the attention of management has been and may continue to be directed to ongoing transaction-related considerations and may be diverted from the day-to-day operations of our business;
- other employees may experience uncertainty about their future roles with us, which might adversely affect our ability to retain and hire key personnel and other employees; and
- suppliers or other parties with which we maintain business relationships may experience uncertainty about our future and seek alternative relationships with third parties or seek to alter their business relationships with us.

In addition, we incurred significant costs, expenses and fees for professional services and other transaction costs in connection with the negotiation of the Transactions.

RISKS RELATING TO THE CLASS B2 NOTES

The Class B2 Notes may not be a suitable investment for all investors.

Each potential investor in the Class B2 Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Class B2 Notes, the merits and risks of investing in the Class B2 Notes and the information contained in these Listing Particulars;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Class B2 Notes and the impact the Class B2 Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Class B2 Notes, including Class B2 Notes where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Class B2 Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible economic and interest rate scenarios and other factors that may affect its investment and its ability to bear the applicable risks.

The Class B2 Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Class B2 Notes that are complex financial instruments unless it has the expertise (either alone or with a financial advisor) to evaluate how the Class B2 Notes will perform under changing conditions, the resulting effects on the value of the Class B2 Notes and the impact this investment will have on the potential investor's overall investment portfolio.

In addition, the market value of the Class B2 Notes may fluctuate for a number of reasons including due to prevailing market conditions, current interest rates and the perceived creditworthiness of the Issuer and the Obligors. Any perceived threat of insolvency or other financial difficulties of the Obligors or a less favourable outlook of the holiday industry in the UK could result in a downgrade of ratings and/or a decline in market value of the Class B2 Notes.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent (1) the Class B2 Notes are legal investments for it; (2) the Class B2 Notes can be used as security for indebtedness; and (3) other restrictions apply to its purchase or pledge of any of the Class B2 Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Class B2 Notes under any applicable risk-based capital or similar rules.

The Issuer is a special purpose company with no business operations or assets.

The Class B2 Notes are limited recourse obligations of the Issuer. The Issuer is a special purpose company with no business operations other than the issuance of the Notes and the transactions ancillary thereto. The Class B2 Notes are not obligations or responsibilities of, or guaranteed by, any other entity.

The Class B2 Notes are not obligations or responsibilities of, and are not guaranteed by, the Class A Note Trustee, the Class B Note Trustee, the Issuer Security Trustee, the Class A Global Coordinator and Arranger, the Class B Global Coordinator and Arranger, the Joint Bookrunners, the Liquidity Facility Providers, the Cash Manager, the Paying Agents, the Class A Registrar, the Class B Registrar, the Class A Transfer Agent, the Class B Transfer Agent, the Issuer Account Bank, the Borrower Account Bank, the Borrower Security Trustee, any of the Obligors or any company in the same group of companies as, or affiliated to, the Parent (other than the Issuer itself but without prejudice to the Obligors' obligations to the Issuer under the Issuer/Borrower Loan Agreements). Furthermore, no such person other than the Issuer will accept any liability

whatsoever to Class B2 Noteholders in respect of any failure by the Issuer to pay any amounts due under the Class B2 Notes.

The ability of the Issuer to meet its obligations under the Class B2 Notes will be dependent on:

- (a) the receipt by it of funds from the Obligors under the Class B Issuer/Borrower Loan Agreement; and
- (b) the receipt by it of interest (if any) from monies standing to the credit of the Issuer Transaction Account, or otherwise from certain Eligible Investments (each as defined below) made by it or on its behalf.

The Class B Notes are subordinated to the Class A Notes and rank behind the Class A Notes as to payment and security.

Pursuant to the provisions of the Intercreditor Agreement, payments to be made to the Class B Noteholders in respect of principal and interest in relation to the Class B Notes, including the Class B2 Notes, are subordinated to payments in respect of the Class A Notes in accordance with the applicable Priorities of Payments. The Obligors are not permitted to pay interest due and payable on Class B Loans and subsequently the Issuer will not be able to make payments on the Class B Notes in the event that the Class A Restricted Payment Condition is no longer satisfied on any Note Interest Payment Date (unless such payment is made using New Equity Funds received for this purpose).

Furthermore, the Class B Noteholders have limited ability to call a Class B Note Event of Default and a Class B Loan Event of Default and rank behind the Class A Noteholders in respect of any amounts realised through the enforcement of security granted under the Issuer Deed of Charge or the Borrower Deed of Charge. There is a risk that the proceeds of an enforcement of security at either the Borrowers' level or the Issuer level will not be sufficient to meet the Issuer's payment obligations with respect to the Class B Notes following the full repayment of its obligations under the Class A Notes. Furthermore, in certain Class A Loan enforcement scenarios, Class B Loans may be extinguished — see the section "*Description of Certain Financing Arrangements — Intercreditor Agreement*". However, the Class B Notes indirectly benefit from the Topco Payment Undertaking and first ranking security under the Topco Share Security — see "*Description of Certain Financing Arrangements — Topco Payment Undertaking — Topco Share Security Agreement*".

See "*Risks relating to Security, Enforcement and Insolvency*", "*Description of other Indebtedness—Class A Issuer/Borrower Loan Agreement*" and "*Description of the Class B Loan*" for further details.

Risks in relation to the proceeds received from the enforcement of the Topco Security Documents for the Class B2 Loan and Class B2 Notes.

Pursuant to the Topco Payment Undertaking, Topco has undertaken to pay or procure the payment of an amount equal to the aggregate of: (i) the then principal balance of the Class B Loans; (ii) accrued but unpaid interest outstanding in respect of the Class B Loans, Class B Loan Deferred Interest Amounts, if any, and any accrued but unpaid interest thereon; (iii) any Additional Amounts; and (iv) all other amounts due and payable under the Class B Issuer/Borrower Loan Agreement, on the earlier of (A) a Class B Loan Expected Maturity Date and (B) the date on which Topco receives a valid demand notice from the Borrower Security Trustee following the occurrence of a Share Enforcement Event and/or a Class B Loan Event of Default. In addition, Topco will grant as security all of its shares in CP Cayman Limited in favour of the Borrower Security Trustee to hold for the benefit of the Issuer under the Topco Security Documents. CP Cayman Limited will then grant as security all of its shares in Center Parcs (Holdings 1) Limited in favour of the Borrower Security Trustee to hold for the benefit of the Issuer under the CP Cayman Security Agreement.

The Borrower Security Trustee on behalf of the Issuer is entitled to enforce the Topco Security Documents upon any Share Enforcement Event pursuant to the Transaction Documents. Such enforcement by the Borrower Security Trustee will not constitute either a Class A Note Event of Default, or a Class B Note Event of Default. If, for example, upon the occurrence of a Share Enforcement Event, the Class B Noteholders call under the Topco Payment Undertaking and enforce the Topco Security Documents, the Obligor Group could be owned by a different entity. Any such change in ownership of the Obligor Group would not constitute a change of control under the Issuer/Borrower Loan Agreements but may have an adverse effect on the business and administration of Center Parcs and may affect the Borrowers' ability to make repayments on the Issuer/Borrower Loan Agreements when they fall due and as such affect the ability of the Issuer to repay both the Class A Notes and the Class B Notes.

No assurance can be given that the proceeds realised as a result of an enforcement of any Topco Security Documents will be sufficient to discharge in full the amounts due on the Class B2 Loan and as a result

the Class B2 Notes, nor that the Class B2 Noteholders will not be adversely affected by such realisation or enforcement. See *“Risks relating to Security, Enforcement and Insolvency”*.

Center Parcs may not be able to repurchase the Class B2 Notes upon a Class B2 Change of Control and it may not be certain that a Class B2 Change of Control has occurred or will occur.

The Class B Issuer/Borrower Loan Agreement contains provisions relating to certain events constituting a “change of control”. Upon a Class B2 Change of Control under the Class B Issuer/Borrower Loan Agreement, the Borrowers will be required to make an offer to repurchase all the outstanding Class B2 Notes at a premium, plus any accrued and unpaid interest to the date of repurchase. In such a situation, the Borrowers may not have enough funds to repurchase all of the Class B2 Notes. In addition, by virtue of provisions in the Class A Issuer/Borrower Loan Agreement, the Obligors may be prohibited from repurchasing the Class B2 Notes upon a Class B2 Change of Control. A Class B2 Change of Control in this regard may cause disruption to the Center Parcs Group and may also result in a mandatory prepayment under the Class B2 Loan and agreements governing any future indebtedness. As a result of such events occurring, the Class B2 Loan and any future indebtedness may be accelerated.

For purposes of the Class B Issuer/Borrower Loan Agreement, a “change of control” includes a disposition of all or substantially all the assets of Topco and its restricted subsidiaries, taken as a whole, to certain third parties. Although there is a limited body of case law interpreting the phrase “all or substantially all”, there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction in fact involves a disposition of “all or substantially all” the assets of Topco and its restricted subsidiaries, taken as a whole. As a result, it may be unclear as to whether a Class B2 Change of Control has occurred and whether we will be required to make an offer to repurchase all the Class B2 Notes at the price described above. In addition, a Class B2 Change of Control is only be deemed to have been triggered if, along with the occurrence of a “change of control”, the current rating of the Class B2 is downgraded.

The expected maturity date of the Class B2 Notes is earlier than the final maturity date of the Class B2 Notes.

There is no guarantee that the Issuer will have sufficient funds to redeem the Class B2 Notes on the Class B2 Note Expected Maturity Date and such redemption is dependent on the repayment in full of the Class B2 Loan by the Borrowers. The Class B2 Note Expected Maturity Date is 28 August 2020 and the Class B2 Note Final Maturity Date is 28 February 2042.

The Class B2 Noteholders rank behind certain third parties in respect of certain obligations of the Issuer and the Borrowers.

Although the Issuer Security Trustee holds the benefit of the Issuer Security on trust for the Class B2 Noteholders and the Borrower Security Trustee holds the benefit of the Borrower Security on trust for the Borrower Secured Creditors, such security interests are also held on trust for certain third parties. Certain obligations of the Issuer to third parties rank ahead of the Class B2 Noteholders. Such persons include, among others, the Class B Note Trustee (in its individual capacity), the Class A Note Trustee (in its individual capacity), the Issuer Security Trustee (in its individual capacity), the Liquidity Facility Providers, the Paying Agents and the Issuer Account Bank in respect of certain amounts owed to them. To the extent that significant amounts are owing to any such persons, the amounts available to the Class B2 Noteholders will be reduced. Likewise, certain of the Borrowers’ obligations to certain third parties will rank ahead of their obligations to the Issuer.

In addition, unsecured creditors of the Borrowers, such as trade creditors and suppliers, while subordinate to the Borrower Secured Creditors, are not bound into the financing structure as they are not parties to the Borrower Deed of Charge and so will be able to proceed directly against each of the Borrowers where they fail to pay any unsecured debts as they fall due. For a more detailed description of the Priorities of Payments by the Issuer and by the Borrowers both prior and subsequent to the enforcement of the security thereunder, see *“Description of Certain Financing Arrangements — Issuer Deed of Charge”* and *“Description of Certain Financing Arrangements—Intercreditor Agreement”*.

The Issuer is dependent on third parties for the provision of certain services in relation to the Class B2 Notes.

The Issuer is a party to contracts with a number of third parties who have agreed to perform certain services in relation to, among other things, the Class B2 Notes. For example, the Liquidity Facility Providers have agreed to provide the Liquidity Facility, the Issuer Corporate Services Provider and the Issuer Jersey Corporate Services Provider have agreed to provide various corporate services to the Issuer and to the Issuer Parent, and the Cash Manager, the Issuer Account Banks and the Paying Agents have agreed to provide, among

other things, payment, administration and calculation services in connection with the Class B2 Notes. In the event that any relevant third party fails to perform its obligations under the respective agreements to which it is a party, the Class B2 Noteholders may be adversely affected.

The interests of Center Parcs' principal shareholders may conflict with the interests of the holders of the Class B2 Notes.

The interests of Center Parcs' principal shareholders, in certain circumstances, may conflict with the interests of the holders of the Class B2 Notes. The Brookfield Funds owns approximately 99.3% of Center Parcs' shares and certain employees and members of management own the remainder. See "*Principal Shareholders*". As a result, the Brookfield Funds have, directly or indirectly, the power, among other things, to affect Center Parcs' legal and capital structure and Center Parcs' day-to-day operations, as well as the ability to elect and change Center Parcs' management and board of directors and to approve any other changes to Center Parcs' operations. For example, the Brookfield Funds could decide to cause Center Parcs to incur additional indebtedness, to sell certain material assets or make dividends, in each case, so long as the Issuer/Borrower Loan Agreements and the Intercreditor Agreement so permit. The interests of the Borrowers' ultimate shareholders could conflict with the Class B2 Noteholders' interests, particularly if they encounter financial difficulties or are unable to pay their debts when due. The incurrence of additional indebtedness would increase Center Parcs' debt service obligations and the sale of certain assets could reduce Center Parcs' ability to generate revenue, each of which could adversely affect holders of the Class B2 Notes.

There may be conflicts of interest between the holders of the different classes of the Notes and the Issuer may not be able to repay the Class B2 Notes.

The Class A Note Trustee will be required to have regard only to the interests of the holders of existing Class A Notes and any new Class A Notes issued and the Class B Note Trustee will be required to have regard only to the interest of the holders of existing Class B Notes and new Class B Notes issued after the Third Closing Date as if they formed a single class (of Class A Notes or Class B Notes, as applicable) when exercising his powers, trusts, authorities, duties and discretions (except in certain circumstances as set out in the Note Trust Deed). Noteholders of each class of Notes may find their voting powers diluted by the creation of new Notes and/or any further Notes.

The Class A Noteholders and Class B Noteholders each indirectly benefit from the covenant package given by the Obligors in relation to each of the Class A Issuer/Borrower Loan Agreement and the Class B Issuer/Borrower Loan Agreement. Each of the Class A Noteholders and/or Class B Noteholders may waive any breach of covenant specific to those covenants given in their respective Issuer/Borrower Loan Agreement without the consent of the alternate class of Noteholders. There is a risk therefore that the Class A Noteholders may waive or amend the Class A Issuer/Borrower Loan Agreement without regard to the consequences for the Class B2 Noteholders. Additionally, where new Class A Notes and/or Further Class A Notes are issued, there is an increased risk that Class B2 Notes may not be fully repaid by the Issuer.

The Class A Note Trustee may modify certain provisions of, or otherwise make decisions with respect to the Class B2 Notes without consent of the Class B2 Noteholders.

The Class A Note Trustee (or following the full redemption of the Class A Notes, the Class B Note Trustee) will be entitled to agree, without the consent of the relevant Class A Noteholders, the Class B2 Noteholders and any other Issuer Secured Creditors, with the Issuer and any other relevant party to any of the Issuer Transaction Documents in making any modification to the Class A Conditions, the Class B2 Conditions, the Note Trust Deed (other than (in the case of (c) and (d) below) in respect of either a Class A Basic Terms Modification or a Class B Basic Terms Modification, the Class A Notes, the Class B2 Notes or any other Issuer Transaction Documents to which it is a party or over which it has security, or may give its consent to any event, matter or thing, if:

- (a) in its opinion, the interest of the Class A Noteholders would not be materially prejudiced thereby; or
- (b) in its opinion, such modification is required to correct a manifest error or is of a formal, minor, administrative, or technical nature or one in respect of which the English court could reasonably be expected to make a rectification order; or
- (c) to the extent such event, matter or thing relates to an Entrenched Right and in its opinion, such modification is required to correct a manifest error or is of a formal, minor, administrative or technical nature; or

- (d) it is required or permitted, subject to the satisfaction of specified conditions, under the terms of the Class A Conditions, the Class B2 Conditions or the Issuer Transaction Documents provided such conditions are satisfied.

The Class A Note Trustee (or following the full redemption of the Class A Notes, the Class B Note Trustee) shall be entitled to determine, in its own opinion, for the purposes of exercising any right, power, trust, authority, duty or decision under or in relation to the Class A Notes (or following the full redemption of the Class A Notes, the Class B Note Trustee in relation to the Class B2 Notes), the Class A Conditions (or following the full redemption of the Class A Notes, the Class B Note Trustee in relation to the Class B2 Conditions) or any of the Issuer Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Class A Noteholders (or following the full redemption of the Class A Notes, the Class B2 Noteholders) or any relevant class thereof and in making such a determination shall be entitled to take into account, amongst any other things it may consider necessary and/or appropriate in its absolute discretion, any confirmation by the Rating Agencies (if available) that the then current rating of the Class A Notes (or following the full redemption of the Class A Notes, the Class B2 Notes), or as the case may be, the relevant class thereof will not be downgraded, withdrawn or qualified, and that, where any original rating of the Class A Notes (or following the full redemption of the Class A Notes, the Class B2 Notes) has been and continues to be downgraded, restoration of such original rating would not be prevented, as a result of such exercise. For the avoidance of doubt, such rating confirmation or non-receipt of such rating confirmation shall, however, not be construed to mean that any such action or inaction (or contemplated action or inaction) or such exercise (or contemplated exercise) by the Class A Note Trustee (or following the full redemption of the Class A Notes, the Class B Note Trustee) of any relevant right, power, trust, authority, duty or decision under or in relation to the Class A Notes (or following the full redemption of the Class A Notes, the Class B2 Notes), the Class A Conditions (or following the full redemption of the Class A Notes, the Class B2 Conditions) or any other Issuer Transaction Documents is not materially prejudicial to the interests of the holders of the Class A Notes or, as the case may be, that Class of Notes and the non-receipt of such ratings confirmation shall not be construed to mean that such exercise by the Class A Note Trustee (or following the full redemption of the Class A Notes, the Class B Note Trustee) as aforesaid is materially prejudicial to the interests of the Class A Noteholders or, as the case may be, the Notes of the relevant Class.

The Class A Note Trustee (or following the full redemption of the Class A Notes, the Class B Note Trustee) may, without the consent or sanction of the Class A Noteholders, the Class B2 Noteholders or any other Issuer Secured Creditors, authorise or waive any proposed breach of the covenants or provisions contained in the Note Trust Deed, the Class A Notes, the Class B2 Notes, or any other Issuer Transaction Documents or determine that a Class A Note Event of Default and/or a Class B Note Event of Default shall be treated as such if certain conditions are satisfied. See “*Description of Other Indebtedness — Class A Notes*” and “*Terms and Conditions of the Class B2 Notes*”.

The Issuer Security Trustee and the Borrower Security Trustee may modify certain provisions of, or otherwise make decisions with respect to the Issuer Transaction Document and the Borrower Transaction Document without consent of the Class B2 Noteholders.

The Intercreditor Agreement provides that in connection with the accession of any Additional Site and issue of any additional Notes or making any additional loans, any consequential amendments, consents or waivers required to be made or granted pursuant to any Transaction Document to give effect to such transaction or transactions will not (a) constitute an Entrenched Right and so not require the consent of any Affected Secured Creditor (and such Affected Secured Creditor may be any of the Class B2 Noteholders) to effect such changes and (b) will not constitute a General Matter and so will not require the consent of the relevant Instructing Group (and such relevant Instructing Group may be any of the Class B2 Noteholders) to effect such changes. The Issuer Security Trustee and the Borrower Security Trustee will be authorised to execute any documents and to give effect to such changes without incurring any liability for doing so.

The Intercreditor Agreement provides that the Borrower Security Trustee in respect of a Borrower Transaction Document and the Issuer Security Trustee in respect of an Issuer Transaction Document may approve an amendment, waiver or consent in respect of such document if it is of the opinion that the relevant action is formal, minor, administrative or technical, or one in respect of which the English court could reasonably be expected to make a rectification order (“**Relevant Action**”). In such circumstances, such Relevant Action may be taken without the consent of the Class B2 Noteholders, the Issuer Secured Creditors or the Borrower Secured Creditors. The Relevant Action may be taken in respect of an Entrenched Right.

The Issuer Security Trustee, Borrower Security Trustee, the Class A Note Trustee and Class B Note Trustee are each not liable for the failure by the Clearing Systems to deliver notices to Class B2 Noteholders in a timely manner.

In addition, pursuant to the Intercreditor Agreement and certain other Transaction Documents, the Issuer Security Trustee and the Borrower Security Trustee each has various powers, authorities and discretions to agree to amendments to certain provisions and to the taking of certain steps by the Obligors without the consent of the Borrower Secured Creditors or the Issuer Secured Creditors (as applicable). See “*Description of Certain Financing Arrangements — Intercreditor Agreement — Amendments, Consents and Waivers — General Procedures*”.

The Intercreditor Agreement also provides that the Borrower Security Trustee and the Issuer Security Trustee may concur with the Obligor Group Agent in making any amendment to give any consent under, or grant any waiver in respect of, any breach or proposed breach which is not, in the opinion of the Borrower Security Trustee, materially prejudicial to the interests of the Borrower Secured Creditors, or in the opinion of the Issuer Security Trustee (as applicable) is not materially prejudicial to the interests of the Issuer Secured Creditors (and in the case of any Class B2 Noteholders in their capacity as Issuer Secured Creditors, where the Class B Note Trustee is of the opinion that the relevant amendment, consent or waiver is not materially prejudicial to the interests of the Class B2 Noteholders).

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Class B2 Notes.

In Europe, the U.S. and elsewhere there has been increased political and regulatory scrutiny of the asset-backed securities industry in recent years. This has resulted in numerous measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in certain securitisation exposures and/or the incentives for certain investors to invest in securities issued under such structures, and may thereby affect the liquidity of such securities.

Class B2 Noteholders should consult their own advisers as to the consequences to, and effect on, them of the application of Directive 2013/36/EU and Regulation (EU) No. 575/2013 (together “**CRD**”), Regulation (EU) No. 231/2013 (the “**AIFM Regulation**”) and Article 254 of Regulation (EU) No. 35/2015 (the “**Solvency II Regulation**”), each as implemented by their own regulator, to their holding of any Class B2 Notes. The Issuer is not responsible for informing Class B2 Noteholders of the effects of the changes to risk-weighting which will result for investors from the adoption of CRD, the AIFM Regulation and the Solvency II Regulation by their own regulator.

The Class B2 Notes are new securities for which there is no established trading market.

The Class B2 Notes are a new issue of securities for which there is currently no market. The Class B Global Coordinator and Arranger and the Joint Bookrunners may make a market in the Class B2 Notes as permitted by applicable laws and regulations; however, the Class B Global Coordinator and Arranger is not obligated to make a market in the Class B2 Notes and they may discontinue their market-making activities at any time without notice. Therefore, Center Parcs cannot assure any investor as to the development or liquidity of any trading market for the Class B2 Notes. The liquidity of any market for the Class B2 Notes will depend on a number of factors, including:

- the number of Class B2 Noteholders;
- the operating performance and financial condition of Center Parcs;
- the market for similar securities;
- the interest of securities dealers in making a market in the Class B2 Notes; and
- prevailing interest rates.

Historically, the debt capital markets have been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Class B2 Notes. Center Parcs cannot assure investors that the market, if any, for the Class B2 Notes will be free from similar disruptions or that any such disruptions may not adversely affect the prices at which the investors may sell the Class B2 Notes. Therefore, Center Parcs cannot assure investors that they will be able to sell the Class B2 Notes at a particular time nor that the Class B2 Notes will receive a favourable price from such sale. Consequently, investors in the Class B2 Notes should be aware that they may have to hold the Class B2 Notes until their maturity.

In addition, the market value of the Class B2 Notes may fluctuate with changes in prevailing rates of interest, market perceptions of the risks associated with the Class B2 Notes, supply and other market conditions. Consequently, any sale of Class B2 Notes by the Class B2 Noteholders in any secondary market which may develop may be at a discount to the original purchase price of such Class B2 Notes.

Rating Agency assessments, downgrades and changes to Rating Agencies criteria may result in ratings volatility on the Class B2 Notes.

The ratings assigned to the Class B2 Notes by S&P and Fitch address the likelihood of full and timely payment to the Class B2 Noteholders of all payments of interest due on each Note Interest Payment Date and the full repayment of principal of the Class B2 Notes on or before the relevant final maturity date. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in or unavailability of information or if, in the Rating Agencies' judgement, circumstances so warrant. Rating organisations other than the Rating Agencies could seek to rate the Class B2 Notes and, if such "unsolicited ratings" are lower than the comparable rating assigned to the Class B2 Notes by the Rating Agencies, such "shadow ratings" could have an adverse effect on the value of the Class B2 Notes.

In addition, future events, including events affecting Center Parcs, could have an adverse impact on the ratings of the Class B2 Notes (as to which, see "*Risks Relating to the Financing Structure — Sale of a Propco may have an adverse effect on the ability of the Borrowers to meet their obligations under the Loans and ultimately affect the repayments on the Notes by the Issuer*").

Where a particular matter (including the determination of material prejudice by the Class B Note Trustee) involves each of S&P and Fitch being requested to confirm that a proposed action would not result, in the case of S&P, in a downgrade or a CreditWatch placement, or in the case of Fitch, in the downgrade of the then current rating of the Class B2 Notes, such confirmation is given at the sole discretion of the relevant Rating Agency. Depending on the timing of delivery of the request and any relevant information, there is a risk that the relevant Rating Agency cannot provide its confirmation in the time available or at all. No Rating Agency will be responsible for the consequences of any failure to deliver a Ratings Assessment or confirmation on any particular timescale.

Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the Class B2 Notes form part since the Third Closing Date. A confirmation of ratings represents only a restatement of the opinions given at the Third Closing Date, and cannot be construed as advice for the benefit of any parties to the transaction or as confirmation that an event or amendment is in the best interest of, or not materially prejudicial to the interests of, the Class B2 Noteholders. No assurance can be given that a requirement to seek a ratings confirmation will not have a subsequent impact upon the business of the Issuer.

Under the terms of the Intercreditor Agreement, each of the Security Trustees acknowledges that it does not have any right of recourse to or against either Rating Agency in respect of a Ratings Assessment which either Security Trustee relies upon.

Reliance by the Issuer Security Trustee or the Borrower Security Trustee on any Ratings Assessment will not create, impose on or extend to either Rating Agency any actual or contingent liability to any person (including, without limitation, the Issuer Security Trustee, the Borrower Security Trustee and/or any Class B2 Noteholder) or create any legal relations between Fitch and the Issuer Security Trustee, the Borrower Security Trustee, the Class A Global Coordinator and Arranger, the Class B Global Coordinator and Arranger, the Joint Bookrunners, any Noteholder or any other person whether by way of contract or otherwise.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency.

In respect of a disposal of a Propco or a holiday park owned by a Propco made pursuant to the Class A Issuer/Borrower Loan Agreement, a Ratings Assessment is required to be obtained from each of S&P and Fitch. If either Rating Agency delivers such a Ratings Assessment, such Ratings Assessment will be prepared and delivered by either Rating Agency on the following limited basis:

- (a) a Ratings Assessment will be a point-in-time assessment which:
 - (i) will not constitute a credit rating by either Rating Agency;
 - (ii) will not be monitored by either Rating Agency and therefore will not be updated to reflect changed circumstances or information that may affect the Ratings Assessment; and
 - (iii) will not address other matters that may be of relevance to the Noteholders,

and such Ratings Assessment will be issued on the basis that the Issuer Security Trustee, the Borrower Security Trustee and each Noteholder will be deemed to have acknowledged and agreed to the above terms;

- (b) none of the Issuer Security Trustee, the Borrower Security Trustee or any Noteholder will have any right of recourse to or against either Rating Agency in respect of a Ratings Assessment which is relied upon by the Issuer Security Trustee or the Borrower Security Trustee; and
- (c) reliance by the Issuer Security Trustee or the Borrower Security Trustee on any Ratings Assessment will not create, impose on or extend to either Rating Agency any actual or contingent liability to any person (including, without limitation, the Issuer Security Trustee, the Borrower Security Trustee and/or any Noteholder) or create any legal relations between either Rating Agency and the Issuer Security Trustee, the Borrower Security Trustee, the Class A Global Coordinator and Arranger, the Class B Global Coordinator and Arranger, the Joint Bookrunners, any Noteholder or any other person whether by way of contract or otherwise.

Definitive Notes not having denominations in integral multiples of the minimum authorised denomination may have difficulty in trading in the secondary market.

The Class B2 Notes have a denomination consisting of a minimum authorised denomination of £100,000 plus higher integral multiples of £1,000 up to £199,000. Accordingly, it is possible that the Class B2 Notes may be traded in amounts in excess of the minimum authorised denomination that are not integral multiples of such denomination. In such a case, if Definitive Notes are required to be issued, a Class B2 Noteholder who holds a principal amount less than the minimum authorised denomination at the relevant time may not receive a Definitive Note in respect of such holding and may need to purchase a principal amount of Class B2 Notes such that their holding amounts to the minimum authorised denomination (or another relevant denomination amount).

If Definitive Notes are issued, Class B2 Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

Class B2 Notes in book-entry form are subject to the rules of Euroclear and Clearstream, respectively, which may not be adequate to ensure the owners their timely exercise of rights under the Class B2 Notes.

The Class B2 Notes are initially only issued in global form and deposited with a common depository for Euroclear and Clearstream. Interests in the Global Notes trade in book-entry form only. The common depository, or its nominee, for Euroclear and Clearstream, is the sole holder of the Global Notes. Accordingly, owners of book-entry interests must rely on the procedures of Euroclear and Clearstream, and non-participants in Euroclear or Clearstream must rely on the procedures of the participant through which they own their interests, to exercise any rights and obligations of a holder of Class B2 Notes.

Unlike the holders of the Class B2 Notes themselves, owners of book-entry interests do not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Class B2 Notes. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Class B2 Notes.

Repayment of the Class B2 Notes in the event that the UK becomes a participating Member State in the European Economic and Monetary Union.

It is possible that, prior to the maturity of the Class B2 Notes, the United Kingdom may become a participating Member State in the European Economic and Monetary Union and the euro may become the lawful currency of the United Kingdom. In that event: (a) all amounts payable in respect of any Class B2 Notes denominated in sterling may become payable in euro; (b) applicable provisions of law may allow or require the Issuer to re-denominate such Class B2 Notes into euro and take additional measures in respect of such Class B2 Notes; and (c) the introduction of the euro as the lawful currency of the United Kingdom may result in the disappearance of published or displayed rates for deposits in sterling used to determine the rates of interest on such Class B2 Notes or changes in the way those rates are calculated, quoted and published or displayed. It cannot be said with certainty what effect, if any, adoption of the euro by the United Kingdom would have on investors in the Class B2 Notes.

Prepayment of the Class B2 Loan may negatively affect the projected yield to maturity of the Class B2 Notes.

The yield to maturity of the Class B2 Notes will depend on, amongst other things, the amount and timing of repayment and prepayment of principal on the Class B2 Loan and the price paid by the Class B2 Noteholders. Such yield may be adversely affected by a higher or lower than anticipated rate of prepayment on the Class B2 Loan. The rate of prepayment of the Class B2 Loan cannot be predicted and will be influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the UK holiday centre market, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayment that will be experienced.

Changes of law may have a negative impact on the ability of the Issuer to meet its payment obligations under the Class B2 Notes.

The transactions described in these Listing Particulars (including the issuance of the Class B2 Notes) and the ratings assigned to the Class B2 Notes are based on the relevant law and administrative practice in effect as at the date hereof, and having regard to the expected tax treatment of all relevant entities under such law and practice. It is possible that, whether as a result of case law or through statute, changes in law or regulations, or their interpretation or application after the date of these Listing Particulars, may result in either the Issuer's, Center Parcs' or the Obligor Group's debt financing arrangements as originally structured no longer having the effect anticipated or which could have a material adverse effect on the Issuer's, Center Parcs' or the Obligor Group's business, financial condition and results of operations and/or could adversely affect the rights, priorities of payments and/or treatment of holdings in Class B2 Notes of the Class B2 Noteholders.

The Class B2 Notes are subject to restrictions on transfer, which may adversely affect their liquidity and the price at which they may be sold.

The Class B2 Notes have not been, nor will they be, registered under the securities laws of the United States or elsewhere. The Class B2 Notes may not be publicly offered, sold, pledged or otherwise transferred in any jurisdiction where registration may be required. In particular, sales and transfers of the Class B2 Notes are subject to restrictions and/or certification requirements under the Securities Act as set forth in more detail under "Notice to Investors and Transfer Restrictions." These restrictions may limit your ability to resell the Class B2 Notes. You should inform yourself of, and seek legal advice in relation to, applicable securities laws.

THE TRANSACTIONS

The Acquisition

On 2 June 2015, BSREP II Cayman Blocker Pooling L.P., or the Purchaser, an entity managed by affiliates of Brookfield Asset Management Inc., entered into the Acquisition Agreement with CP Cayman Topco, CP MGMT Nominee Limited and others, referred to herein as the Sellers, to acquire the entire issued share capital of CP MGMT Limited and CP Cayman Midco 1 Limited (or, the Target Companies) and certain shares in the capital of Topco. The consummation of the Acquisition pursuant to the Acquisition Agreement was not subject to any anti-trust, regulatory or other conditions and occurred on 3 August 2015. The Purchaser assigned and novated its rights and obligations under the Acquisition Agreement and other documents entered into in connection with the Acquisition to BSREP II Center Parcs Jersey 2 Limited, or Bidco, an indirect subsidiary of the Purchaser.

In connection with the Acquisition, certain employees and members of management reinvested part of their shareholding in CP MGMT Limited in BSREP II Center Parcs Jersey Limited and, as of the Completion Date, certain employees and members of management indirectly held approximately 0.7% of the share capital of Bidco.

The Acquisition was financed through a combination of the proceeds of the Exchangeable Notes offering, which, pursuant to the terms of the Mandatory Exchange, were mandatorily exchanged for the Class B2 Notes, and by equity provided by the investors in the Brookfield Funds.

The issuance of the Exchangeable Notes and the issuance and exchange of the Class B2 Notes

The Exchangeable Notes were offered in connection with the financing of the Acquisition and related transactions and were issued before the closing of the Acquisition. Pending the Completion Date, the gross proceeds from the offering of the Exchangeable Notes, or Escrowed Funds, were deposited into the Escrow Account pursuant to the terms of the Escrow Agreement among, *inter alios*, the Exchangeable Note Issuer and the Escrow Agent dated as of the Exchangeable Note Issue Date for the account of the Exchangeable Noteholders.

In accordance with the terms of the Escrow Agreement and the Exchangeable Note Trust Deed, the Exchangeable Notes were mandatorily exchanged for an aggregate nominal amount of the Class B2 Notes equal to the aggregate nominal amount of the Exchangeable Notes on the Third Closing Date, immediately following the consummation of the Acquisition.

Refinancing of the Original Class B Loan and repurchase of the Original Class B Notes

The Center Parcs Group refinanced the Original Class B Loan granted by the Issuer to the Borrowers under the Original Class B Issuer/Borrower Loan Agreement on the Third Closing Date. The Borrowers of the Class B2 Loan will use part of the proceeds thereof to (a) repay the Original Class B Loan (including the payment of any prepayment premium and any accrued and unpaid interest) or (b) to fund a tender offer for the Original Class B Notes as described below. On 20 July 2015, Bidco launched a tender offer to purchase or procure the purchase of the Original Class B Notes in full, together with accrued interest up to the date of purchase. All of the Original Class B Notes properly tendered prior to the expiration of the tender offer were purchased by the Borrowers on the Third Closing Date. The remaining outstanding amount of Original Class B Notes are expected to be redeemed thereafter. The Borrower will deliver to the Issuer the purchased Original Class B Notes in satisfaction, prepayment and discharge of a pro rata portion of each Borrower's liability under the Original Class B Loan. The repayment of the Original Class B Loan and the purchase of the Original Class B Notes are referred to in these Listing Particulars as the Refinancing.

In connection with the Refinancing, Topco intends to declare and pay the Original Class B Notes Dividend to Bidco in an amount equal to the interest which would have accrued on the Original Class B Notes purchased on the Third Closing Date from (and including) the Third Closing Date to (but excluding) the interest payment date falling on 28 August 2015.

The Acquisition, the issuance of the Exchangeable Notes, the issuance and exchange of the Class B2 Notes, the Refinancing and the payment of the Original Class B Notes Dividend are collectively referred to as the Transactions. The issuance of the Exchangeable Notes, the issuance and exchange of the Class B2 Notes and the Refinancing are collectively referred to as the Financing Transactions.

USE OF PROCEEDS

The estimated gross proceeds from the issuance of the Exchangeable Notes are approximately £560 million. Concurrently with the closing of the offering of the Exchangeable Notes, and pending the Acquisition, the gross proceeds from the offering of the Exchangeable Notes were deposited into the Escrow Account held in the name of the Exchangeable Note Issuer. On the Third Closing Date, immediately prior to the consummation of the Acquisition, a portion of the proceeds were released from the Escrow Account to fund the cash consideration for the Acquisition. Immediately following the Acquisition, the remainder of the Escrowed Funds were released from the Escrow Account and the Exchangeable Notes were automatically exchanged for an equal aggregate principal amount of Class B2 Notes issued by the Issuer.

The proceeds from the issuance of the Exchangeable Notes are being used for the following purposes:

- a) the cash consideration for the Acquisition;
- b) ultimately, the Refinancing;

and, in each case, for the payment of fees, costs and expenses related thereto.

The following table describes the estimated sources and uses of funds in connection with the Transactions as at the Third Closing Date. The actual amounts as compared with those set forth in the table and in the accompanying footnotes are subject to adjustments and may differ at the date of completion of the Transactions depending on several factors, including differences from the estimation of fees and expenses.

<u>Sources</u>	<u>Amount</u> £ millions	<u>Uses</u>	<u>Amount</u> £ millions
Class B2 Notes	560.0	Total cash consideration for the Acquisition and repayment of the Original Class B Notes ⁽¹⁾	1,550.0
Equity contributions.....	999.0	Transaction fees and expenses ⁽²⁾	9.0
Total sources	<u>1,559.0</u>	Total uses	<u>1,559.0</u>

- (1) Represents the sum of the cash consideration expected to be paid for the capital stock of the Target Companies, the aggregate principal amount and any prepayment premium and accrued unpaid interest as at 23 April 2015 on the Original Class B Notes. Actual amounts required on the Third Closing Date may vary due to factors such as a different amount of accrued interest.
- (2) Estimated fees and expenses associated with the Acquisition and the Refinancing, including commitment, placement, financial advisory and other transaction costs and professional fees.

CAPITALISATION

The following table sets out the cash and cash equivalents and capitalisation of Center Parcs as at 23 April 2015 (i) based on the Unaudited Pro Forma Combined Financial Information and (ii) as adjusted to reflect the Financing Transactions, including the application of the net proceeds of the offering of the Class B2 Notes and borrowings under the Class B Issuer/Borrower Loan Agreement. The following table does not reflect the Acquisition.

This table should be read in conjunction with “Presentation of Financial Information”, “The Transactions”, “Selected Consolidated Financial Information”, “Unaudited Pro Forma Combined Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and the Center Parcs (Holdings 1) Limited consolidated financial statements and the CP Woburn Opco financial statements and notes thereto included elsewhere in these Listing Particulars.

	As at 23 April 2015	
	Unaudited Pro Forma Combined Financial Information ⁽⁷⁾	As Adjusted Unaudited Pro Forma Combined Financial Information
	£m	£m
Cash and cash equivalents⁽¹⁾	13.3	13.3
Debt		
Original Class A Facilities ⁽²⁾	440.0	440.0
Second Class A Facilities ⁽²⁾	490.0	490.0
Class B2 Facility ⁽²⁾	-	560.0
Original Class B Facility	280.0	-
Unamortised deferred issue costs ⁽³⁾	(26.7)	(28.5)
Head Office Mortgage	1.5	1.5
Total third party debt	1,184.8	1,463.0
Amounts owed to related parties ⁽⁴⁾	321.9	-
Total third party and related parties debt	1,506.7	1,463.0
Total invested capital⁽⁵⁾	(38.7)	5.0
Total capitalisation⁽⁶⁾	1,468.0	1,468.0

(1) Cash and cash equivalents balance does not reflect cash accumulated since 23 April 2015.

(2) The amounts of the Original Class A Facilities, Second Class A Facilities, Class B2 Facility and the Original Class B Facility do not reflect unamortised deferred issue costs.

(3) Unamortised deferred issue costs represent unamortised financing transaction costs to be recognised in the income statement over the remaining period of the borrowing using the effective interest method. The increase in unamortised deferred issue costs of £1.8 million represents the estimated fees and expenses of £7.4 million associated with the Financing Transactions minus write-off of unamortised deferred issue costs of £5.6 million related to the Original Class B Facility.

(4) Amounts owed to related parties consist of: (i) £119.7 million of unsecured loan notes issued by CP Comet Holdings Limited, a member of the Center Parcs Group, to UK Parcs Holdings S.à r.l.; (ii) a £150.2 million loan to CP Woburn Opco by CP Woburn Holdco S.à r.l.; and (iii) a £2.1 million loan to CP Woburn Opco by CP Woburn Holdco S.à r.l.; and (iv) £49.9 million of unsecured loan notes issued by Center Parcs (Holdings 3) Limited, a member of the Center Parcs Group, to CP Woburn Holdco S.à r.l. in relation to part payment of the purchase price for CP Woburn Opco. The £119.7 million consists of £50.0 million of unsecured loan notes and the unpaid interest thereon. The loan notes incur compound interest at a rate of 10% per annum and are redeemable on 15 May 2016. The £150.2 million consists of principal of £113.8 million and the unpaid interest thereon. The £2.1 million consists of principal of £1.8 million and the unpaid interest thereon. The loans accrue interest at a fixed rate of 12% per annum and 8% per annum, respectively, and are repayable on 28 February 2022. The £49.9 million of unsecured loan notes incur compound interest at a rate of 10% per annum and are redeemable on 11 June 2025. These loans and loan notes owed to related parties are expected to be settled as part of the Financing Transactions.

(5) Total invested capital represents the combination of Center Parcs (Holdings 1) Limited and CP Woburn Opco equity for the period presented and related combination adjustments. The movement in total invested capital of £43.7 million relates to the write-off of unamortised deferred issue costs of £5.6 million related to the Original Class B Facility and £65.6 million related to the capitalisation of loans and loan notes owed to third parties which were not cash settled. The remaining movement relates to break costs relating to the Original Class B Facility.

(6) Total capitalisation represents total third party and related parties debt plus total invested capital.

(7) See “Unaudited Pro Forma Combined Financial Information”.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The financial information of CPUK Finance Limited is consolidated within the consolidated financial information of Center Parcs (Holdings 1) Limited. Accordingly, the unaudited pro forma combined financial information is based on the financial information as of and for the 52-week period ended 23 April 2015 of Center Parcs (Holdings 1) Limited.

As at 23 April 2015, Center Parcs (Holdings 1) Limited and CP Woburn Opco did not constitute a combined group. As a result, consolidated financial statements have not historically been prepared for Center Parcs as a consolidated group.

The unaudited pro forma combined financial information set out in this section has been prepared to illustrate the effects of the Woburn Acquisition and Accession and the Class A Notes Refinancing on the income statement of Center Parcs (Holdings 1) Limited for the 52-week period ended 23 April 2015 had the aforementioned occurred on 25 April 2014 and to illustrate the effect of the Woburn Acquisition and Accession and the Class A Notes Refinancing on the statement of net assets of Center Parcs (Holdings 1) Limited as at 23 April 2015 had the aforementioned occurred on 23 April 2015. See “*Selected Consolidated Financial Information*” and “*Presentation of Financial Information*”. The Unaudited Pro Forma Combined Financial Information does not reflect the impact of the Acquisition or the Financing Transactions on the trading or financial position of either Center Parcs (Holdings 1) Limited or CP Woburn Opco for the period presented.

The unaudited pro forma adjustments are based upon available information and certain assumptions that CPUK Finance Limited believes are reasonable under the circumstances. The unaudited pro forma combined financial information, which has been produced for illustrative purposes only, by its nature addresses a hypothetical situation and, therefore, does not represent Center Parcs’ actual financial position or results. The unaudited pro forma statement of net assets and income statements are compiled on the basis set out in the notes below. The unaudited pro forma combined financial information does not constitute financial statements within the meaning of section 434 of the Companies Act.

Unaudited Pro Forma Combined Income Statement for the 52-week period ended 23 April 2015

	Before exceptional and non-underlying items			Exceptional and non-underlying items				Total
	Adjustments		Unaudited Pro Forma Combined Financial Information before the Class A Notes Refinancing	Adjustments		Unaudited Pro Forma Combined Financial Information before the Class A Notes Refinancing	Pro Forma Adjustments to Reflect the Class A Notes Refinancing	
	CP (Holdings 1) Limited	CP Woburn Opco		CP (Holdings 1) Limited	CP Woburn Opco			
	£m	£m		£m	£m			
	(Note 1)	(Note 2)		(Note 1)	(Note 2)			
Revenue	319.6	65.6	385.2	-	1.7	1.7	-	386.9
Cost of sales	(86.5)	(16.8)	(103.3)	-	(2.8)	(2.8)	-	(106.1)
Gross profit/(loss)	233.1	48.8	281.9	-	(1.1)	(1.1)	-	280.8
Administrative expenses	(85.4)	(16.3)	(101.7)	(6.3)	(2.5)	(8.8)	-	(110.5)
Adjusted EBITDA (Note 6)	147.7	32.5	180.2	(6.3)	(3.6)	(9.9)	-	170.3
Depreciation and amortisation	(32.6)	(7.8)	(40.4)	-	(0.6)	(0.6)	-	(41.0)
Owners' costs	(2.0)	-	(2.0)	-	-	-	-	(2.0)
Operating profit/(loss)	113.1	24.7	137.8	(6.3)	(4.2)	(10.5)	-	127.3
Movement in fair value of financial derivatives	-	0.2	0.2	16.8	-	16.8	-	17.0
Finance income	0.7	-	0.7	-	-	-	-	0.7
Finance expense	(96.5)	(19.4)	(115.9)	(4.3)	(2.1)	(6.4)	6.9	(115.4)
Profit/(loss) before taxation	17.3	5.5	22.8	6.2	(6.3)	(0.1)	6.9	29.6
Taxation	0.1	(4.7)	(4.6)	(2.6)	(3.1)	(5.7)	(1.4)	(11.7)
Profit/(loss) for the period attributable to equity shareholders	17.4	0.8	18.2	3.6	(9.4)	(5.8)	5.5	17.9

Unaudited Pro Forma Combined Statement of Net Assets as at 23 April 2015

	Adjustments				Unaudited Pro Forma Combined Financial Information £m
	Center Parcs (Holdings 1) Limited as at 23 April 2015 £m (Note 1)	CP Woburn Opco as at 23 April 2015 £m (Note 2)	Combination Pro Forma Adjustments £m (Note 3)	Pro Forma Adjustments to Reflect the Class A Notes Refinancing £m (Note 5)	
Assets					
Non-current assets					
Goodwill	157.5	-	-	-	157.5
Other intangible assets	126.3	1.0	-	-	127.3
Property, plant and equipment	1,103.9	297.7	(8.5)	-	1,393.1
Deferred tax asset	14.1	-	(7.2)	-	6.9
	1,401.8	298.7	(15.7)	-	1,684.8
Current assets					
Inventories	2.8	0.7	-	-	3.5
Trade and other receivables	8.3	12.2	(9.7)	-	10.8
Current tax asset	4.3	-	-	-	4.3
Derivative financial instruments	16.8	-	-	-	16.8
Cash and cash equivalents	84.8	19.2	-	(90.7)	13.3
	117.0	32.1	(9.7)	(90.7)	48.7
Liabilities					
Current liabilities					
Borrowings	(0.3)	-	-	-	(0.3)
Trade and other payables	(136.3)	(24.6)	9.7	-	(151.2)
	(136.6)	(24.6)	9.7	-	(151.5)
Net current assets/(liabilities)	(19.6)	7.5	-	(90.7)	(102.8)
Non-current liabilities					
Borrowings	(1,002.7)	(310.9)	(119.7)	(73.1)	(1,506.4)
Trade and other payables	(119.7)	-	119.7	-	-
Retirement benefit obligations	(2.7)	-	-	-	(2.7)
Deferred tax liability	(111.6)	(7.2)	7.2	-	(111.6)
	(1,236.7)	(318.1)	7.2	(73.1)	(1,620.7)
Net assets/(liabilities)	145.5	(11.9)	(8.5)	(163.8)	(38.7)

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The financial information of CPUK Finance Limited is consolidated within the consolidated financial information of Center Parcs (Holdings 1) Limited. Accordingly, the Unaudited Pro Forma Combined Financial Information adjusts the consolidated financial information of Center Parcs (Holdings 1) Limited for the period presented.

The Unaudited Pro Forma Combined Financial Information does not reflect any trading or results of either Center Parcs (Holdings 1) Limited or CP Woburn Opco since 23 April 2015.

The acquisition of Woburn will be accounted for following the principles of predecessor accounting in accordance with IFRS, whereby an acquirer is not required to be identified and all entities are included at their pre-combination carrying amounts. As a result, the Unaudited Pro Forma Combined Financial Information does not reflect acquisition adjustments in accordance with IFRS 3 'Business Combinations'.

Note 1 The financial information has been extracted without material adjustment from the consolidated financial statements of Center Parcs (Holding 1) Limited for the 52-week period ended 23 April 2015 included elsewhere in these Listing Particulars.

Note 2 The financial information has been extracted without material adjustment from the financial statements of CP Woburn Opco for the 52-week period ended 23 April 2015 included elsewhere in these Listing Particulars.

Note 3 There are no combination adjustments to the pro forma income statement for the 52-week period ended 23 April 2015.

The adjustment to the net asset statement as at 23 April 2015 reduces the value of property, plant and equipment held by CP Woburn Opco by £8.5 million, being the profit on disposal recognised by the Center Parcs (Holding 1) Limited group on the sale of the Woburn site to CP Woburn Opco in February 2012. The site was transferred at market value. Other combination adjustments relate to intercompany balances of £9.7 million in relation to tax group relief and costs recharged in accordance with a management services agreement which are also eliminated on combination.

The combination adjustments to net off deferred tax assets and deferred tax liabilities by £7.2 million relate to accelerated capital allowances, with the asset in the Center Parcs (Holdings 1) Limited Group being partially offset by the liability in CP Woburn Opco. Center Parcs (Holdings 1) Limited's unsecured loan notes of £119.7 million issued by CP Comet Holdings Limited are reclassified from trade and other payables to current borrowings on combination.

Note 4 The pro forma adjustment represents the incremental finance expense on a pro forma basis resulting from the issuance of the Second Class A Notes as if the Class A Notes Refinancing had occurred on 25 April 2014. The pro forma adjustments to finance expense of £6.9 million consist of the finance expenses related to the Second Class A Notes, interest expense on the unsecured loan notes owed to a related party, less finance expenses charged on the repayable existing Class A Notes and CP Woburn Opco Facility. The unsecured loan notes owed to a related party relate to £49.9 million which was the part payment of the purchase price CP Woburn Opco.

The tax impact on the change in finance expenses is calculated at the corporate tax rate of 21%, being the rate applicable for the 52-week period ended 23 April 2015.

Note 5 The increase in borrowings of £73.1 million relates in part to the Second Class A Notes of £490.0 million (offset by transaction fees and expenses of £8.2 million) used to repay the Class A1 Facility of £300.0 million and CP Woburn Opco Facility of £158.6 million. The remaining increase relates to £49.9 million consideration payable for the acquisition of CP Woburn Opco recognised as an amount owed to a related party presented within non-current borrowing.

The remaining cash of £23.2 million from the Second Class A Notes is used for the make-whole payment and accrued interest in respect of the Class A1 Facility of £23.3 million, with the shortfall of £0.1 million being paid from existing cash and cash equivalents.

The decrease in cash and cash equivalents of £90.7 million is the £0.1 million shortfall plus the cash consideration payable upon the acquisition of CP Woburn Opco of £90.6 million. Total consideration for the acquisition of CP Woburn Opco is £140.5 million, which includes the £49.9 million consideration paid by the related party loan notes.

Note 6 The following table provides a reconciliation of Adjusted EBITDA to EBITDA, Adjusted EBITDA and Profit for the period, in each case on a pro forma combined basis for the 52 weeks ended 23 April 2015. See also “*Unaudited Pro Forma Combined Financial Information*”:

	52 weeks ended 23 April 2015
	£m
	unaudited
Profit for the period	17.9
Taxation	11.7
Movement in fair value of financial derivatives	(17.0)
Finance income	(0.7)
Finance expense	115.4
Depreciation and amortisation	41.0
EBITDA	168.3
Woburn pre-opening losses ^(a)	3.6
Other exceptional and non-underlying items ^(b)	6.3
Owners’ costs ^(c)	2.0
Adjusted EBITDA	180.2

(a) Woburn pre-opening losses relate to losses of £3.6 million incurred during the 8 weeks ended 19 June 2014 in respect of Woburn Village. Woburn opened to guests on 6 June 2014, but did not operate at full capacity until after 19 June 2014.

(b) Other exceptional and non-underlying items relate to £6.3 million of exceptional administrative expenses incurred in respect of the Blackstone Funds’ exit from Center Parcs.

(c) Owners’ costs comprise of management charges payable to the Blackstone Funds and associated entities prior to their exit from Center Parcs.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The tables set forth below, for the periods indicated, are based on the following historical financial information:

- The audited consolidated financial statements of Center Parcs (Holdings 1) Limited as at and for each of the 52-week periods ended 23 April 2015, 24 April 2014 and 25 April 2013, prepared in accordance with IFRS; and
- The audited financial statements of CP Woburn Opco as at and for each of the 52-week periods ended 23 April 2015, 24 April 2014 and 25 April 2013, prepared in accordance with IFRS.

The selected historical financial information set forth below should be read in conjunction with Center Parcs (Holdings 1) Limited's consolidated financial statements and notes thereto and CP Woburn Opco's financial statements and notes thereto included elsewhere in these Listing Particulars and the sections entitled "Presentation of Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". The information below is not necessarily indicative of the results of future operations.

Selected Financial Information for Center Parcs (Holdings 1) Limited (the four Original Villages, which excludes Woburn Village)

Income Statement Data

	52 weeks ended 25 April 2013 £m	52 weeks ended 24 April 2014 £m	52 weeks ended 23 April 2015 £m
Revenue	303.5	314.6	319.6
Cost of sales ⁽²⁾	(83.4)	(84.3)	(86.5)
Gross profit	220.1	230.3	233.1
Administrative expenses ⁽²⁾	(80.1)	(83.5)	(85.4)
Adjusted EBITDA ⁽¹⁾	140.0	146.8	147.7
Exceptional administrative expenses	-	-	(6.3)
Depreciation and amortisation	(27.2)	(31.0)	(32.6)
Owners' costs	(1.7)	(1.5)	(2.0)
Operating profit	111.1	114.3	106.8
Movement in fair value of financial derivatives	-	-	16.8
Finance income	0.3	0.4	0.7
Finance expense	(92.8)	(94.1)	(96.5)
Exceptional finance expense ⁽³⁾	-	-	(4.3)
Profit before taxation	18.6	20.6	23.5
Taxation	0.6	(4.0)	(2.5)
Profit for the period attributable to equity shareholders	19.2	16.6	21.0

Balance Sheet Data

	As at 25 April 2013 £m	As at 24 April 2014 £m	As at 23 April 2015 £m
Assets			
Non-current assets			
Goodwill	157.5	157.5	157.5
Other intangible assets	126.0	126.9	126.3
Property, plant and equipment	1,087.4	1,095.1	1,103.9
Deferred tax asset	14.2	15.1	14.1
	1,385.1	1,394.6	1,401.8
Current assets			
Inventories	2.8	2.9	2.8
Trade and other receivables	4.3	4.1	8.3
Current tax asset	-	3.1	4.3
Derivative financial instruments	-	-	16.8
Cash and cash equivalents	28.7	58.2	84.8
	35.8	68.3	117.0

	As at 25 April 2013 £m	As at 24 April 2014 £m	As at 23 April 2015 £m
Liabilities			
Current liabilities			
Borrowings	(0.3)	(0.3)	(0.3)
Trade and other payables.	(106.4)	(114.6)	(136.3)
Current tax liability	(0.3)	-	-
	(107.0)	(114.9)	(136.6)
Net current liabilities	(71.2)	(46.6)	(19.6)
Non-current liabilities			
Borrowings	(991.5)	(995.3)	(1,002.7)
Trade and other payables	(98.5)	(113.1)	(119.7)
Retirement benefit obligations	(1.4)	(0.9)	(2.7)
Deferred tax liability	(113.7)	(112.8)	(111.6)
	(1,205.1)	(1,222.1)	(1,236.7)
Net assets	108.8	125.9	145.5
Equity attributable to owners of the parent			
Equity share capital	-	-	-
Share premium	199.9	-	-
Other reserve	10.0	10.0	10.0
Retained earnings	(101.1)	115.9	135.5
Total equity	108.8	125.9	145.5

Cash Flow Statement Information

	52 weeks ended 25 April 2013 £m	52 weeks ended 24 April 2014 £m	52 weeks ended 23 April 2015 £m
Cash flows from operating activities			
Operating profit	111.1	114.3	106.8
Depreciation and amortisation.....	27.2	31.0	32.6
EBITDA ⁽¹⁾	138.3	145.3	139.4
Owners' costs	1.7	1.5	2.0
Exceptional administrative expenses	-	-	6.3
Adjusted EBITDA ⁽¹⁾	140.0	146.8	147.7
Exceptional administrative expenses	-	-	(6.3)
Owners' costs	(1.7)	(1.5)	(2.0)
Movement in working capital.....	3.9	3.0	9.3
Profit on disposal of property, plant and equipment.....	(0.1)	(0.2)	(0.2)
Difference between the pension charge and the contributions.....	(0.1)	0.1	0.1
Cash generated from operations	142.0	148.2	148.6
Corporation tax paid.....	(1.1)	(2.0)	(1.2)
Net cash from operating activities	140.9	146.2	147.4
Cash flows from investing activities			
Purchase of property, plant and equipment	(40.0)	(34.5)	(38.9)
Purchase of intangible assets	(2.1)	(2.4)	(2.5)
Sale of property, plant and equipment	0.1	0.2	0.2
Net cash used in investing activities	(42.0)	(36.7)	(41.2)
Cash flows from financing activities			
Issue costs paid on securitised debt.....	(1.7)	-	-
Interest received	0.3	0.4	0.7
Interest paid	(80.2)	(80.1)	(80.1)
Repayment of external borrowings	(0.3)	(0.3)	(0.2)
Net cash used in financing activities	(81.9)	(80.0)	(79.6)
Net increase in cash and cash equivalents	17.0	29.5	26.6
Cash and cash equivalents at the beginning of the period	11.7	28.7	58.2
Cash and cash equivalents at the end of the period	28.7	58.2	84.8

Selected Financial Information for CP Woburn Opco (Woburn Village)

Income Statement Data

	52 weeks ended 25 April 2013	52 weeks ended 24 April 2014
	£m	£m
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	(2.2)	(12.1)
Adjusted EBITDA⁽¹⁾	(2.2)	(12.1)
Owners' costs	-	-
EBITDA⁽¹⁾	(2.2)	(12.1)
Depreciation and amortisation	-	-
Operating loss	(2.2)	(12.1)
Movement in fair value of financial derivatives	(0.7)	0.5
Finance costs	(0.1)	(0.1)
Loss before taxation	(3.0)	(11.7)
Taxation	-	10.4
Loss for the period	(3.0)	(1.3)

	52 weeks ended 23 April 2015		
	Before exceptional and non- underlying items £m	Exceptional and non- underlying items £m	Total £m
Revenue	65.6	1.7	67.3
Cost of sales	(16.8)	(2.8)	(19.6)
Gross profit/(loss)	48.8	(1.1)	47.7
Administrative expenses	(16.3)	(2.5)	(18.8)
Adjusted EBITDA	32.5	(3.6)	28.9
Depreciation and amortisation	(7.8)	(0.6)	(8.4)
Operating profit/(loss)	24.7	(4.2)	20.5
Movement in fair value of financial derivatives	0.2	-	0.2
Finance expense	(19.4)	(2.1)	(21.5)
Profit/(loss) before taxation	5.5	(6.3)	(0.8)
Taxation	(4.7)	(3.1)	(7.8)
Profit/(loss) for the period	0.8	(9.4)	(8.6)

Balance Sheet Data

	As at 25 April 2013 £m	As at 24 April 2014 £m	As at 23 April 2015 £m
Assets			
Non-current assets			
Intangible assets	-	-	1.0
Property, plant and equipment	113.0	287.3	297.7
Derivative financial instruments	0.3	0.3	-
	113.3	287.6	298.7
Current assets			
Inventories	-	0.4	0.7
Trade and other receivables	2.0	6.8	12.2
Deferred tax asset	-	3.1	-
Cash and cash equivalents	7.0	5.6	19.2
	9.0	15.9	32.1
Liabilities			
Current liabilities			
Borrowings	(3.5)	(4.6)	-
Trade and other payables	(20.4)	(28.1)	(24.6)
Derivative financial instruments	-	(0.5)	-
	(23.9)	(33.2)	(24.6)
Net current (liabilities)/assets	(14.9)	(17.3)	7.5
Non-current liabilities			
Borrowings	(99.8)	(273.6)	(310.9)
Derivative financial instruments	(1.0)	-	(7.2)
	(100.8)	(273.6)	(318.1)
Net liabilities	(2.4)	(3.3)	(11.9)
Equity attributable to owners of the parent			
Equity share capital	-	-	-
Share premium	0.8	1.2	1.2
Retained earnings	(3.2)	(4.5)	(13.1)
Total equity	(2.4)	(3.3)	(11.9)

Cash Flow Statement Information

	52 weeks ended 25 April 2013 £m	52 weeks ended 24 April 2014 £m	52 weeks ended 23 April 2015 £m
Cash flows from operating activities			
Operating (loss)/profit	(2.2)	(12.1)	20.5
Depreciation and amortisation	-	-	8.4
EBITDA	(2.2)	(12.1)	28.9
Exceptional and non-underlying items	-	-	3.6
Adjusted EBITDA	(2.2)	(12.1)	32.5
Exceptional and non-underlying items	-	-	(3.6)
Movement in working capital	(7.1)	11.9	6.3
Net cash from operating activities	(9.3)	(0.2)	35.2
Cash flows from investing activities			
Purchase of property, plant and equipment	(48.5)	(163.4)	(29.8)
Purchase of intangible assets	-	-	(1.3)
Net cash used in investing activities	(48.5)	(163.4)	(31.1)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	0.4	0.4	-
Interest paid	-	-	(7.0)
Proceeds from external borrowings	21.1	118.8	20.8
Proceeds from related party loans	36.3	43.0	0.3
Repayment of external borrowings	-	-	(2.1)
Repayment of related party loans	-	-	(2.5)
Net cash from financing activities	57.8	162.2	9.5
Net increase/(decrease) in cash and cash equivalents	-	(1.4)	13.6
Cash and cash equivalents at the beginning of the period	7.0	7.0	5.6

	52 weeks ended 25 April 2013	52 weeks ended 24 April 2014	52 weeks ended 23 April 2015
	£m	£m	£m
Cash and cash equivalents at the end of the period	7.0	5.6	19.2

- (1) Center Parcs defines Adjusted EBITDA as EBITDA adjusted to remove the effects of owners' costs and certain exceptional and non-underlying items that Center Parcs believes are not indicative of its underlying operating performance. Exceptional and other non-underlying items comprise Woburn pre-opening losses and other exceptional and non-underlying items. Woburn pre-opening losses relate losses incurred during the 52 weeks ended 25 April 2013, the 52 weeks ended 24 April 2014 and the 8 weeks ended 19 June 2014 in respect of Woburn Village. Woburn opened to guests on 6 June 2014, but did not operate at full capacity until after 19 June 2014. Other exceptional and non-underlying items relate to, among other things, costs incurred in respect of the Blackstone Funds' exit from Center Parcs.
- EBITDA, Adjusted EBITDA and Annualised Adjusted EBITDA are not measures under IFRS and investors should not consider EBITDA or Adjusted EBITDA as alternatives to (a) operating profit or profit/(loss) for the period as a measure of Center Parcs' operating performance, (b) cash flows from operating, investing and financing activities as a measure of Center Parcs' ability to meet its cash needs or (c) any other measures of performance under IFRS. Investors should evaluate each adjustment and the reasons Center Parcs considers it appropriate as a method of supplemental analysis. In evaluating EBITDA, Adjusted EBITDA and Annualised Adjusted EBITDA, investors should be aware that, as an analytical tool, EBITDA, Adjusted EBITDA and Annualised Adjusted EBITDA are each subject to certain limitations. See "*Presentation of Financial Information — Non-IFRS Financial Measures*". In addition, investors should be aware that Center Parcs is likely to incur expenses similar to the adjustments in this presentation in the future and that certain of these items could be considered recurring in nature. Center Parcs' presentation of Adjusted EBITDA and Annualised Adjusted EBITDA should not be construed as an inference that its future results will be unaffected by unusual or non-recurring items. For further information, see the discussions on exceptional items in the Center Parcs (Holdings 1) Limited financial statements and related notes included elsewhere in these Listing Particulars.
- (2) Cost of sales and administrative expenses for the 52 weeks ended 24 April 2014 have been restated in the audited consolidated financial statements for the 52 weeks ended 23 April 2015 in order to more accurately reflect the nature of expenses incurred by Center Parcs (Holdings 1) Limited. Costs of £53.0 million have been transferred from Administrative expense to Cost of sales, principally in respect of payroll costs. This restatement has no impact on Adjusted EBITDA or Operating profit.
- Cost of sales and administrative expenses for the 52 weeks ended 25 April 2013 have been restated throughout these Listing Particulars from the audited consolidated financial statements of Center Parcs (Holdings 1) Limited for the same period in order to present the financial information on a consistent basis across the historical financial periods.
- (3) Exceptional finance expense represents the accelerated amortisation of deferred issue costs relating to the Class A1 Notes to reflect the Class A Notes Refinancing.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion of financial condition and results of operations is based on, and should be read in conjunction with, the audited consolidated financial statements and notes thereto of Center Parcs (Holdings 1) Limited as at and for each of the 52-week periods ended 23 April 2015, 24 April 2014 and 25 April 2013, and the audited financial statements and notes thereto of CP Woburn Opco as at and for each of the 52-week periods ended 23 April 2015, 24 April 2014 and 25 April 2013 included elsewhere in these Listing Particulars. See also "Selected Consolidated Financial Information" and "Presentation of Financial Information".

The following discussion includes forward-looking statements, which, although based on assumptions that Center Parcs considers reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied herein. For a discussion of some of those risks and uncertainties, see the sections entitled "Forward-Looking Statements" and "Risk Factors".

OVERVIEW

Center Parcs is a leading UK short-break holiday business, attracting approximately 2 million guests in financial year 2015. Center Parcs operates five specially constructed holiday villages in the United Kingdom: Sherwood Forest in Nottinghamshire, Longleat Forest in Wiltshire, Elveden Forest in Suffolk, Whinfell Forest in Cumbria (or the Original Villages) and the more recent addition of Woburn Village in Bedfordshire, which opened to guests on 6 June 2014. Each village is set in a forest environment amongst approximately 400 acres of forest around a lake and is open 365 days per year.

Woodland, water and a natural environment are the essential elements of a Center Parcs break. Within this comfortable, quiet, car-free and family-friendly setting, each of the Center Parcs villages provides guests with high quality accommodation and more than 150 leisure and spa activities. In total, there are 4,127 units of accommodation across its five villages, which can accommodate 21,712 guests per day at 100% occupancy. The focal point and key attraction of each village is an all-weather indoor sub-tropical swimming paradise, featuring a selection of water activities including a wave pool, river slides and rides, children's pools and jacuzzis. Center Parcs' on-site experiences also include outdoor activities such as cycling, boating and zip wires; indoor activities such as ten-pin bowling, badminton and pottery; and amenities such as spas, food and beverage and retail. A significant proportion of Center Parcs' revenue is generated from guests' on-site spending, including for leisure and spa activities, food and beverage and retail, representing 41% of total revenue in financial year 2015.

Center Parcs has a well-established brand in the UK for providing high quality experiences and facilities and targets a primary guest base of affluent families. Center Parcs benefits from strong guest loyalty with approximately 35% of guests returning within 14 months and approximately 60% returning over a five-year period. In addition, Center Parcs believes that its business model is difficult to replicate due to the lack of suitable locations for the development of holiday parks and high development costs and Center Parcs is well positioned to continue to grow its business. In March 2015, Center Parcs was named "Best UK Family Holiday Provider" in the Tommy's Awards for the twelfth year in a row, in addition to receiving a Globe Travel Award in 2015, "Investor in People" accreditation in 2013 and retaining its "Hospitality Assured" Premier status in 2014, achieving the highest score in its sector.

Center Parcs' villages typically draw on a regional population of guests who are attracted to the convenience of being within a relatively short driving distance from home. Over 80% of the UK population lives within a 2.5 hour drive of at least one of Center Parcs' villages, and the majority of Center Parcs' guests live within a two hour drive of the village they choose to visit. Center Parcs believes that the proximity of the majority of guests to its villages combined with the easy accessibility of the villages by car make Center Parcs a popular and convenient holiday option. Occupancy levels at Center Parcs' Original Villages have been consistently high: 97.2% in each of financial years 2013 and 2014 and 97.5% in financial year 2015. Occupancy levels have averaged over 94% in the last 15 years and approximately 97% in the last five years despite the expansion of existing accommodation offerings at Center Parcs' Original Villages and the recent opening of Woburn Village. Woburn Village achieved 95% occupancy in the 40 weeks ended 23 April 2015 following a short ramp-up period since opening to guests on 6 June 2014.

For the financial year 2015, on an unaudited pro forma combined basis, giving effect to the Woburn Acquisition and Accession, Center Parcs had revenue of £386.9 million and Annualised Adjusted EBITDA of £186.1 million, representing an Annualised Adjusted EBITDA margin of 48.1%. For a reconciliation of Annualised Adjusted EBITDA to loss/profit see "Summary Historical and Unaudited Pro Forma Combined Financial Information".

Revenue and Adjusted EBITDA are broadly evenly split amongst Center Parcs' villages (including Woburn), reflecting both the individual strength of each village and the diversity of Center Parcs' asset base.

KEY FACTORS AFFECTING RESULTS OF OPERATIONS

Revenue and other key performance indicators

Revenue

Center Parcs' revenue is principally comprised of accommodation revenue generated from holidays at Center Parcs' accommodation, and on-site revenue, comprised of amounts received predominantly from the sale of food and beverages, retail items, leisure activities and spa-related activities. The combined total of accommodation and on-site revenue is a key indicator of the overall performance of the business. Accommodation revenue is recognised when the holiday commences, and on-site revenue is recognised at the point the guest undertakes the relevant activity or receives the relevant service.

Advance payments for accommodation and pre-booked activities are recorded as payments on account within trade and other payables until the holiday commences. Revenues are primarily driven by occupancy levels and pricing.

Occupancy

Center Parcs measures occupancy as the average number of units of accommodation occupied as a percentage of the total number of units of accommodation available, including those units that are off-line for refurbishment.

Occupancy is a key driver of both accommodation and on-site revenue. Higher levels of occupancy generally result in greater volumes of on-site purchases, reflecting the increased number of guests. Center Parcs' business is generally characterised by high occupancy rates, and achieved occupancy rates of 97.2%, 97.2% and 97.5% in the financial years 2013, 2014 and 2015, respectively. Woburn's occupancy was 94.1% for the 44 weeks ended 23 April 2015, with the relatively lower occupancy level reflecting the start-up period in connection with its opening to guests on 6 June 2014.

Average Daily Rate

One of the key performance indicators Center Parcs uses to help measure and maximise its yield is ADR which calculated as the average rent (excluding VAT) achieved based on total accommodation income for the period divided by the total number of accommodation nights sold. Due to yield management adjustments, ADR can vary substantially between low and peak periods.

ADR for Center Parcs (Holdings 1) Limited for the financial year 2015 was £153.90, compared with £153.67 and £148.36 for financial years 2014 and 2013, respectively. ADR for CP Woburn Opco for the 44-week period ended 23 April 2015 was £192.19. The opening of Woburn Village has contributed to a lower increase in ADR at the Original Villages compared to previous years. This has mainly been the case for the southern villages of Longleat and Elveden, being the villages closest to Woburn.

Improvements in ADR have reflected primarily inflationary price increases, improved mix of accommodation following refurbishment and upgrades (relating to the increased amount of higher quality accommodation) as well as yield management improvements. From financial year 2010 through financial year 2015, ADR for the Original Villages grew at a CAGR of 3.1%, in part due to refurbishments and mix in accommodation.

RevPAL

RevPAL is the average daily rent (excluding VAT) achieved based on the total accommodation income divided by the total available number of accommodation nights. RevPAL can also be calculated as ADR multiplied by occupancy.

RevPAL for Center Parcs (Holdings 1) Limited for the financial year 2015 was £150.1, compared with £149.38 and £144.22 for financial years 2014 and 2013, respectively. RevPAL for CP Woburn Opco for the 44-week period ended 23 April 2015 was £180.94. The scale of the increases in RevPAL over the years primarily reflects those factors discussed for ADR above. Center Parcs' management believe RevPAL to be a meaningful indicator of performance, and RevPAL takes into account both occupancy and ADR.

Net on-site spend per lodge night

Net on-site spend per lodge night is calculated as on-site spend at Center Parcs-operated units and the rent received from concession partners (i.e. on-site revenue) for a period divided by the sum of the number of guest-occupied lodges during each night of such period. Center Parcs' management believes on-site spend per lodge night to be a meaningful indicator of performance, as it takes into account both occupancy and on-site revenue. Net on-site spend per lodge night for the Original Villages for financial year 2015 was £109. Net on-site spend per lodge night for CP Woburn Opco for the 44-week period ended 23 April 2015 was £129.

Adjusted EBITDA

This measure reflects an adjustment to EBITDA by removing the effect of owners' costs and certain exceptional items which management believes are not indicative of Center Parcs' underlying operating performance. See "*Presentation of Financial Information*". Adjusted EBITDA for the Original Villages for financial years 2013, 2014 and 2015 was £140.0 million, £146.8 million and £147.7 million, respectively. Adjusted EBITDA for CP Woburn Opco for the 44-week period ended 23 April 2015 was £32.5 million.

Yield Management and Pricing

Center Parcs applies "yield management" strategies to maximise revenue levels throughout the year. It actively adjusts its pricing throughout the 104 available three and four day "breaks" in each year to reflect the seasonal and other fluctuations in demand. Center Parcs uses ADR and RevPAL to measure its yield management. It has a dedicated pricing team that monitors advance bookings and adjusts prices for accommodation during the year according to expected guest demand. The yield management strategies have achieved high occupancy rates; in the last 15 years, Center Parcs' occupancy rates have averaged approximately 94% at the Original Villages.

In contrast to accommodation prices, on-site prices have generally been more stable over the year as these prices have not been subject to pricing and yield management. However, Center Parcs is currently rolling out and further developing a programme of enhanced differentiation in pricing. Through the programme, prices of various on-site offerings are expected to become more flexible across villages or seasons to more accurately reflect guest demand. On-site prices are also reviewed and increased to reflect inflation.

Advance bookings

Center Parcs places a strong emphasis on advance bookings, with an average of 16 weeks booking-to-arrival time, which results in significant revenue and cashflow visibility. Advance bookings measures the percentage of accommodation available during a financial year that have been booked at the beginning of that financial year.

Center Parcs holidays are available for booking starting from either 15 months or 18 months in advance of the scheduled stay date, depending on when in the year the booking is made. Center Parcs collects 30% of the accommodation cost at the time of booking if the booking is made more than ten weeks in advance of the holiday, with the balance of the cost collected ten weeks prior to the start of the break that has been booked. If a guest books less than ten weeks prior to the arrival date, the accommodation cost is payable in full on booking and cannot be refunded upon cancellation. Leisure activities available at the villages can be pre-booked and pre-paid prior to arrival. Guests can only pre-book leisure activities if they pre-pay and in such cases a cancellation policy applies. If guests cancel pre-booked leisure activities more than 24 hours before the start of the activity, they will incur a 5% charge. Within 24 hours of the start of the activity, cancellations will incur a 75% charge.

For each of the financial years 2013, 2014 and 2015, an average of 40% of the available accommodation nights at the Original Villages had been booked by the beginning of that financial year. For the financial years 2015, 2014 and 2013, approximately 60% of leisure and spa activities were pre-booked and pre-paid prior to arrival.

Operating costs

Center Parcs' principal operating costs are cost of sales, village overheads and central overheads. In addition, Center Parcs benefits from having a flexible cost base. For the purposes of its audited combined financial statements, village overheads and central overheads are treated as 'administrative expenses'. The following table sets forth cost of sales, village overheads and central overheads for Center Parcs (Holdings 1) Limited for the periods indicated:

	52 weeks ended 25 April 2013 £m	52 weeks ended 24 April 2014 £m	52 weeks ended 23 April 2015 £m
Costs of sales.....	(83.4)	(84.3)	(86.5)
Village overheads	(61.4)	(64.2)	(65.5)
Central overheads	(18.7)	(19.3)	(19.9)
Owners' costs	(1.7)	(1.5)	(2.0)
Total	(165.2)	(169.3)	(173.9)⁽¹⁾

- (1) In financial year 2015, Center Parcs (Holdings 1) Limited also had exceptional operating costs of £6.3 million. These are one-off costs in respect of the Blackstone Funds' exit from Center Parcs. Additional costs will be presented in respect of financial year 2016 as the Blackstone Funds' exit from Center Parcs was not complete as at 23 April 2015.

Cost of Sales

Cost of sales represents variable direct expenses incurred from revenue-generating activities, primarily expenses of food and beverages and retail merchandise and associated payroll costs. These costs generally vary with changes in revenue, as well as inflation and commodity prices. Center Parcs continually evaluates and renegotiates supply agreements centrally and aims to apply best practices, such as improving the supplier tender process, taking advantage of promotional offers and re-negotiating key costs in a timely manner, throughout the group.

Center Parcs utilises visibility of forward bookings to optimise the efficiency of personnel across the village by matching staffing levels to expected demand in various areas of its business.

Village Overheads

The primary components of village overheads for Center Parcs (Holdings 1) Limited are set forth in the table below:

	52 weeks ended 25 April 2013 £m	52 weeks ended 24 April 2014 £m	52 weeks ended 23 April 2015 £m
Village overheads			
Personnel costs	19.5	20.6	21.1
Maintenance costs.....	7.7	7.2	7.6
Energy costs	11.4	11.4	12.0
Insurance/rent/rates	14.1	16.8	16.4
Other costs.....	8.7	8.2	8.4
Total.....	61.4	64.2	65.5

The largest cost within village overheads is in respect of personnel costs, which are subject to annual pay increases.

Center Parcs seeks to manage other village overheads through actively managing costs by benchmarking each of its villages against each other in order to strive to achieve "best in class".

Central Overheads

The primary components of central overheads for Center Parcs (Holdings 1) Limited are set forth in the table below:

	52 weeks ended 25 April 2013 £m	52 weeks ended 24 April 2014 £m	52 weeks ended 23 April 2015 £m
Central overheads			
Personnel costs	10.0	10.4	10.4
Marketing costs	7.1	8.0	11.6
Other costs.....	1.6	0.9	(2.1)
Total.....	18.7	19.3	19.9

Marketing costs are primarily incurred in connection with marketing and advertising campaigns through all media channels. Center Parcs seeks to manage the cost of its marketing campaigns through the use of cost-efficient marketing channels such as internet advertising and targeted emails to contacts in its guest database. Marketing campaigns are planned annually with a significant concentration around the peak booking season of late December to late February. All marketing costs with respect to the five villages have been incurred by Center Parcs (Holdings 1) Limited. Marketing costs in respect of Woburn Village incurred by Center Parcs (Holdings 1) Limited, together with other shared service costs, are recharged to CP Woburn Opco within “other costs” pursuant to a management services agreement.

Depreciation and Amortisation

Depreciation and amortisation is comprised of depreciation of leasehold improvements, installations, fixtures and fittings and motor vehicles and hardware, and amortisation of software and other intangible assets. Depreciation for Center Parcs (Holdings 1) Limited for financial year 2015 was £30.6 million, compared with £28.8 million and £25.4 million for financial years 2014 and 2013, respectively. Amortisation of intangible assets for Center Parcs (Holdings 1) Limited for financial year 2015 was £2.0 million, compared with £2.2 million and £1.8 million for financial years 2014 and 2013, respectively.

Debt and financing costs

Finance costs comprise interest paid on outstanding debt and loans, primarily bank debt (primarily from drawdowns relating to the financing of Woburn Village, as well as the associated VAT facility), secured bonds and loans from related parties together with the amortisation over the life of the secured bonds of deferred costs incurred in the raising of finance.

Economic conditions in the United Kingdom

While Center Parcs has performed resiliently during both downturns and recoveries, which has resulted in Center Parcs’ occupancy levels averaging approximately 94% in the last 15 years and approximately 97% in the last five years, demand for its products and services is sensitive to disposable income levels and holiday length and destination preferences of its guests, which is linked to general economic conditions in the United Kingdom. Weak economic conditions may result in a decline in the number of guests and a decrease in on-site spending. See *“Risk Factors – Risks Relating to Center Parcs’ Business and Industry – Center Parcs’ business is currently located entirely in England. As a result, changes in the UK holiday market may have a more significant adverse effect on Center Parcs’ business, financial condition and results of operations than on more geographically diverse holiday businesses”*.

Seasonality

Center Parcs’ operations are subject to seasonal factors, as pricing varies significantly depending on the time of year. Center Parcs’ prices are highest during peak demand periods, which include the main holiday periods at Easter, the summer holidays and the Christmas/New Year period, along with school half terms. Center Parcs’ revenues and operating costs are therefore also typically highest during such peak demand periods. Occupancy rates, however, remain relatively unchanged throughout the year, as Center Parcs’ online dynamic pricing encourages demand outside of the peak periods. Ahead of the peak demand periods, the peak booking season occurs in late December to late February, and Center Parcs plans a significant concentration of its marketing campaigns around this time.

RECENT DEVELOPMENTS

Refinancing of the Class A1 Loan and the redemption of the Class A1 Notes

On 11 June 2015, the Center Parcs Group refinanced the Class A1 Loan granted by the Issuer to the Borrowers on the Closing Date under the Original Class A Issuer/Borrower Loan Agreement. The Borrowers of the Class A1 Loan fully prepaid the Class A1 Loan (together with accrued interest on the Class A1 Loan up to the Second Closing Date and an amount equal to the Class A make-whole payment due in respect of the Class A1 Notes) using £323 million of the proceeds of the Second Class A Loans granted by the Issuer to the Borrowers on the Second Closing Date under the Class A Issuer/Borrower Loan Agreement. The Issuer used the proceeds of the repayment of the Class A1 Loan to fund the corresponding redemption of the Class A1 Notes. The repayment of the Class A1 Loan and the corresponding redemption of the Class A1 Notes are referred to in these Listing Particulars as the “Class A Notes Refinancing”. See *“Unaudited Pro Forma Combined Financial Information”*, *“Description of Certain Financing Arrangements”* and *“Description of Other Indebtedness”*.

Acquisition of CP Woburn Opco

In November 2010, Center Parcs received reserved matters planning approval of its plan to develop and build a fifth village situated near Woburn in Bedfordshire. In 2012, new corporate entities, including CP Woburn Opco and its holding company, CP Woburn Holdco, were established outside of the Obligor Group to facilitate the ownership, development and financing of Woburn Village. The development of Woburn Village was completed and, on 6 June 2014, Woburn Village opened to guests.

Concurrently with the Class A Notes Refinancing, Center Parcs (Holdings 3) Limited acquired the entire issued share capital of CP Woburn Opco from CP Woburn Holdco and CP Woburn Opco acceded to the Class A Issuer/Borrower Loan Agreement and the other Transaction Documents as a Borrower and an Obligor (the “Woburn Acquisition and Accession”). On the Second Closing Date and in connection with the Woburn Acquisition and Accession, (a) Center Parcs (Holdings 3) Limited borrowed £19 million of the proceeds of the Second Class A Notes from the Issuer and used such funds towards the purchase price for the shares in CP Woburn Opco and (b) CP Woburn Opco borrowed £142 million of the proceeds of the Second Class A Notes from the Issuer to repay its existing loan facility.

Following the completion of the Woburn Acquisition and Accession, the business of CP Woburn Opco may be reorganised to transfer the business and operation of Woburn Village to CP Opco and to transfer the legal title in the property for Woburn Village to another Obligor (the “Reorganisation”). If the Reorganisation takes place, it will involve, among other things, transfers of shares, properties and leases between certain members of the Center Parcs Group and the novation of the indebtedness incurred by CP Woburn Opco under the Class A Issuer/Borrower Loan Agreement to other members of the Center Parcs Group. If undertaken, the Reorganisation will not have any impact on the financing structure or the security package for the Class B2 Notes.

Trading Update

Center Parcs (Holdings 1) Limited’s results of operations for the 8 weeks ended 18 June 2015 have been in line with management’s expectations.

Forward bookings for the Original Villages are ahead of the prior year, with 58.9% of the capacity for financial year 2016 booked as of 16 July 2015 (as compared to 54.9% as of 17 July 2014 in financial year 2015). ADR for the first trading quarter (being the first twelve weeks) of financial year 2016 was marginally ahead of the ADR for the first trading quarter of financial year 2015, reflecting a modest impact from the opening of Woburn Village. As of 16 July 2015, ADR for forward bookings for the Original Villages for the final 40 weeks (representing the last three trading quarters) of financial year 2016 indicates a level of ADR growth comparable to that prior to the opening of Woburn Village.

Occupancy for Woburn Village for the first trading quarter of financial year 2016 is in line with that for the Original Villages. For the remaining three trading quarters of financial year 2016, forward bookings for Woburn Village are in line with such bookings for the same period in the prior financial year (representing the trading quarters in financial year 2015 when Woburn Village was fully operational).

HISTORICAL RESULTS OF OPERATIONS

Center Parcs (Holdings 1) Limited

The following table sets out the Center Parcs (Holdings 1) Limited results of operations derived from the Center Parcs (Holdings 1) Limited financial statements and related notes included elsewhere in these Listing Particulars:

	52 weeks ended 25 April 2013	52 weeks ended 24 April 2014	52 weeks ended 23 April 2015
	£m	£m	£m
Revenue	303.5	314.6	319.6
Cost of sales ⁽¹⁾	(83.4)	(84.3)	(86.5)
Gross profit	220.1	230.3	233.1
Administrative expenses ⁽¹⁾	(80.1)	(83.5)	(85.4)
Adjusted EBITDA	140.0	146.8	147.7

	52 weeks ended 25 April 2013 £m	52 weeks ended 24 April 2014 £m	52 weeks ended 23 April 2015 £m
Exceptional administrative expenses ⁽²⁾	-	-	(6.3)
Depreciation and amortisation	(27.2)	(31.0)	(32.6)
Owners' costs	(1.7)	(1.5)	(2.0)
Operating profit	111.1	114.3	106.8
Movement in fair value of financial derivatives	-	-	16.8
Finance income	0.3	0.4	0.7
Finance expense	(92.8)	(94.1)	(96.5)
Exceptional finance expense ⁽³⁾	-	-	(4.3)
Profit before taxation	18.6	20.6	23.5
Taxation	0.6	(4.0)	(2.5)
Profit for the period attributable to equity shareholders	19.2	16.6	21.0

- (1) Cost of sales and administrative expenses for the 52 weeks ended 24 April 2014 have been restated in the audited consolidated financial statements for the 52 weeks ended 23 April 2015 in order to more accurately reflect the nature of expenses incurred by Center Parcs (Holdings 1) Limited. Costs of £53.0 million have been transferred from Administrative expense to Cost of sales, principally in respect of payroll costs. This restatement has no impact on Adjusted EBITDA or Operating profit.
- Cost of sales and administrative expenses for the 52 weeks ended 25 April 2013 have been restated throughout these Listing Particulars from the audited consolidated financial statements of Center Parcs (Holdings 1) Limited for the same period in order to present the financial information on a consistent basis across the historical financial periods.
- (2) Exceptional administrative expenses of £6.3 million in the 52 weeks ended 23 April 2015 were non-recurring costs incurred in respect of the Blackstone Funds' exit from Center Parcs.
- (3) Exceptional finance expense represents the accelerated amortisation of deferred issue costs relating to the Class A1 Notes to reflect the Class A Notes Refinancing.

Segmental Reporting

Center Parcs (Holdings 1) Limited's operating segments are its Original Villages. The following table shows the revenue, adjusted EBITDA and occupancy for Center Parcs (Holding 1) Limited's operating segments:

	Sherwood Forest	Elveden Forest	Longleat Forest	Whinfell Forest	Central Services	Group ⁽¹⁾
52 weeks ended 23 April 2015						
Revenue (£m)	82.9	83.1	77.9	75.7	-	319.6
Adjusted EBITDA (£m)	45.6	43.8	39.9	38.3	(19.9)	147.7
Occupancy (%)	97.5	97.6	97.3	97.5	-	97.5
52 weeks ended 24 April 2014						
Revenue (£m)	81.0	83.2	76.6	73.8	-	314.6
Adjusted EBITDA (£m)	44.5	44.8	39.5	37.3	(19.3)	146.8
Occupancy (%)	97.7	97.3	95.8	98.0	-	97.2
52 weeks ended 25 April 2013						
Revenue (£m)	78.7	79.2	75.3	70.3	-	303.5
Adjusted EBITDA (%)	42.6	42.1	39.1	34.9	(18.7)	140.0
Occupancy (%)	97.7	97.2	97.6	96.4	-	97.2

(1) Excludes CP Woburn Opco.

Financial Year 2015 compared with Financial Year 2014

Revenue

Revenue increased by £5.0 million or 1.6% during the 52 weeks ended 23 April 2015, in comparison to the 52 weeks ended 24 April 2014. This improvement was principally driven by a 3.3% increase in on-site revenue.

Average occupancy showed a marginal increase from 97.2% to 97.5%, a record level of occupancy for the business. The average number of units of accommodation was 3,421 during the year ended 23 April 2015,

which was unchanged from the prior year. The number of guests visiting the Original Villages during the year was approximately 1.7 million, a similar number to the prior year.

As anticipated, the opening of Woburn during the year had an impact on ADR growth at the Original Villages, with ADR growth of 0.1% from financial year 2014 to financial year 2015. The impact was principally observed in the southern villages, Elveden and Longleat, with a more limited impact at Sherwood and no apparent impact at Whinell.

The increase in ADR, combined with the maintenance of the Group's historically high levels of occupancy, is a strong result given the increase in capacity created by the opening of Woburn. The small rise in ADR, combined with the increase in occupancy, resulted in a RevPAL increase of 0.4% to £150.01.

Revenue growth was seen at three villages during the year, with Elveden showing a small reduction. As expected, given its location, Elveden has seen a modest impact on ADR and RevPAL following the opening of Woburn. In addition, Elveden had strong comparatives following the opening of the iconic 'Tropical Cyclone' water ride and the subsequent uplift in ADR in financial year 2014.

Whinell, being the village furthest away from Woburn and therefore the least affected, recorded the highest percentage increase in revenue; this was despite having more units of accommodation off-line for upgrade than in the prior year.

Cost of Sales

Cost of sales of £86.5 million for the 52 weeks ended 23 April 2015 was marginally higher than the prior year (£84.3 million), with the increase reflecting the increase in on-site revenue and an increase in personnel costs.

Administrative expenses

Administrative expenses, excluding exceptional items, were £85.4 million in the 52 weeks ended 23 April 2015, an increase of £1.9 million or 2.3% in comparison to the prior year. This rise was mainly as a result of increases in personnel and energy costs.

Exceptional administrative expenses of £6.3 million in the 52 weeks ended 23 April 2015 were non-recurring costs incurred in respect of the Blackstone Funds' exit from Center Parcs. Some further costs will be presented for financial year 2016 as the Blackstone Funds' exit from Center Parcs was not complete as at 23 April 2015.

Adjusted EBITDA

As a result of the factors outlined above, Adjusted EBITDA grew by £0.9 million or 0.6% in comparison to the prior year.

Depreciation and amortisation

Depreciation and amortisation increased by £1.6 million during the year, driven by the ongoing significant levels of capital expenditure in recent years, particularly in respect of accommodation upgrades.

Movement in fair value of financial derivatives

The movement in the fair value of financial derivatives of £16.8 million (2014: £nil, 2013: £nil) relates to the option to repay the Original Class B Loan prior to maturity. The fair value is estimated with reference to the yields of similar corporate bonds with comparable terms and credit ratings. The movement in the fair value has been recognised as an exceptional/non-underlying item in the income statement.

Finance costs and income

At the year-end, Center Parcs accelerated the amortisation of deferred debt issue costs in respect of the A1 tranche of the securitised debt, in light of the imminent refinancing of those notes. Other than this additional charge of £4.3 million, finance costs are broadly in line with the comparative period, principally representing interest payable on the Group's secured debt and loans from related parties. Finance income represents bank interest receivable.

Taxation

The tax charge of £2.5 million represents amounts payable to a related party in respect of group relief received in the 52 weeks ended 23 April 2015.

Financial Year 2014 compared with Financial Year 2013

Revenue

Revenue increased by £11.1 million, or 3.7%, during the 52-week period ended 24 April 2014, in comparison to the 52-week period ended 25 April 2013. This increase was driven by an improvement in ADR, which increased by 3.6% in the 52-week period ended 24 April 2014, combined with an increase in on-site spend driven by Center Parcs' investment in new leisure activities. The increase in ADR is due to inflationary price increases, the benefits of increased yield from upgraded accommodation, flexible pricing booking model and yield management. RevPAL also increased 3.6% to £149.38 as a result of the increased ADR and stable occupancy levels.

Average occupancy remained stable at 97.2%. The average number of units of accommodation was 3,421 during the 52-week period ended 24 April 2014, which was unchanged from the prior year. The total number of guests visiting Center Parcs during the year was approximately 1.7 million, a similar number to the prior year.

Revenue growth was seen at all Original Villages during the year, with Elveden Forest recording the highest growth of 5.1%. This in part reflects the full year benefit from the continuing success of the "Tropical Cyclone" water ride and other upgraded facilities in the swimming pool areas which were introduced at Elveden Forest during the prior year.

Revenue growth at Longleat Forest was adversely impacted by the village having a significant number of units of accommodation off-line as part of the accommodation upgrade programme. Conversely, Whinfell Forest had no units of accommodation off-line for upgrades during the year and hence saw strong growth in occupancy.

Cost of Sales

Cost of sales of £84.3 million for the 52-week period ended 24 April 2014 were £0.9 million higher than the prior year (£83.4 million), principally as a result of increases in personnel costs.

Administrative expenses

Administrative expenses were £83.5 million for the 52-week period ended 24 April 2014, an increase of £3.4 million in comparison to the prior year. This rise was mainly due to increases in insurance costs.

Adjusted EBITDA

As a result of the factors outlined in "Revenue", "Cost of Sales" and "Administrative expenses" above, Adjusted EBITDA grew by £6.8 million, or 4.9%, in comparison to the prior year. Consistent with the revenue trends, all villages saw increased Adjusted EBITDA, with Whinfell Forest achieving the largest percentage increase of 6.9%.

Depreciation and amortisation

Depreciation and amortisation increased by £3.8 million, or 14% during the 52-week period ended 24 April 2014, driven by the on-going significant levels of capital expenditure in recent years, particularly on upgrading our accommodation.

Finance costs and income

Finance costs are broadly similar to the prior financial year, principally representing interest payable on Center Parcs (Holdings 1) Limited's secured debt and loans from related parties. Finance income represents bank interest receivable.

Taxation

The tax charge of £4.0 million for Center Parcs (Holdings 1) Limited for the 52-week period ended 24 April 2014 represents group relief to a related party offset by a smaller deferred tax credit largely in respect of

fixed asset timing differences. The net credit position of £0.6 million of Center Parcs (Holdings 1) Limited for the 52-week period ended 25 April 2013 arose due to deferred tax timing differences.

CP Woburn Opco

Consolidated financial statements for Center Parcs, including Woburn Village, will be prepared in the first accounting period following 23 April 2015.

The following table sets out the CP Woburn Opco results of operations derived from the CP Woburn Opco financial statements and related notes, included elsewhere in these Listing Particulars, for the periods indicated:

	52 weeks ended 24 April 2014	8 weeks ended 19 June 2014	44 weeks ended 23 April 2015	52 weeks ended 23 April 2015
	£m	£m	£m	£m
Revenue	-	1.7	65.6	67.3
Cost of sales	-	(2.8)	(16.8)	(19.6)
Gross (loss)/profit	-	(1.1)	48.8	47.7
Administrative expenses	(12.1)	(2.5)	(16.3)	(18.8)
Adjusted EBITDA	(12.1)	(3.6)	32.5	28.9
Depreciation and amortisation	-	(0.6)	(7.8)	(8.4)
Operating (loss)/profit	(12.1)	(4.2)	24.7	20.5
Movement in fair value of financial derivatives	0.5	-	0.2	0.2
Finance costs	(0.1)	(2.1)	(19.4)	(21.5)
(Loss)/profit before taxation	(11.7)	(6.3)	5.5	(0.8)
Taxation	10.4	(3.1)	(4.7)	(7.8)
(Loss)/profit for the period	(1.3)	(9.4)	0.8	(8.6)

The income statement for the 52 weeks ended 25 April 2013 has not been included above as the only expenditure related to pre-opening and finance costs, and the only income related to finance income. Woburn Village opened to guests on 6 June 2014.

44-week period ended 23 April 2015

Introduction

Woburn Village opened to paying guests on 6 June 2014, following a three-week period of trial breaks to non-paying guests which started on 16 May 2014. As a consequence the results have been split into two periods based on Center Parcs' accounting periods each consisting of four weeks:

- the 8-week period to 19 June 2014, covering the final phase of the development build, the trial break period and a short initial period when Woburn Village was open to paying guests. This is not representative of any on-going trading performance of Woburn Village; and
- the 44-week period from 20 June 2014 to 23 April 2015, when Woburn Village was open to paying guests. Center Parcs believes that this is the most meaningful period to assess performance and consequently the discussion below focuses on this 44-week period.

The following discussion does not provide any comparison to prior periods, as the only income in those periods related to finance income and the only expenditure related to pre-opening and finance costs.

Build-up period

Center Parcs incurred approximately £250 million of development costs in respect of Woburn Phase 1. As planned, Center Parcs gradually built up occupancy levels during June and July of 2014 whilst Woburn Village became fully operational. As a consequence, occupancy of 84.1% for the first four weeks of the 44-week period to 23 April 2015 was below the levels typically expected of a fully operational village.

Pursuant to a management services agreement, shared services costs, including marketing and personnel expenses, are incurred by Center Parcs (Holdings 1) Limited for Center Parcs and then recharged to CP Woburn Opco as appropriate.

Overview

Overall the performance of CP Woburn Opco has been in line with Center Parcs' expectations. The impact of the opening of Woburn Village on the performance of the Original Villages has been limited and resulted in a lower increase in ADR in the Original Villages compared to previous years, whilst occupancy levels have remained unchanged.

This discussion compares certain key performance metrics of Woburn Village for this 44-week period against such metrics of the Original Villages for the 52-week period ended 23 April 2015. Although the periods compared vary in terms of length of time, Center Parcs believes that the comparison is a useful indicator of the relative performance of Woburn Village as against the Original Villages.

Revenue

Revenue for the 44-week period ended 23 April 2015 totalled £65.6 million. This includes a slightly higher proportion of accommodation income than at the Original Villages. This mainly reflected a higher ADR at Woburn Village driven by the improved mix of accommodation (relating to the increased amount of higher quality accommodation) and the proximity to London in comparison to the Original Villages, partially offset by a lower ADR at Woburn Village from November through the Christmas period, when the Original Villages offered the "Winter Wonderland" festive season experience that had yet to be introduced at Woburn Village. ADR for the 44-week period was £192.19 and occupancy was 94.1%, resulting in RevPAL of £180.94.

Cost of sales

Cost of sales for the 44-week period ended 23 April 2015 of £16.8 million resulted in a gross margin of 74.4%, slightly higher than for the Original Villages, benefitting from the higher ADR relative to the Original Villages discussed above with broadly comparable cost base.

Administrative expenses

Administrative expenses of £16.3 million for the 44-week period ended 23 April 2015 represented 24.8% of total revenue, a slightly lower proportion of revenue than for the Original Villages mainly as a result of the higher ADR achieved at Woburn, partially offset by higher village overheads per unit of accommodation at Woburn as a result of the village being smaller and not benefitting as much from the economies of scale as the Original Villages.

Adjusted EBITDA

Adjusted EBITDA of £32.5 million for the 44-week period ended 23 April 2015 resulted in an Adjusted EBITDA margin of 49.5% and mainly reflects the benefits of a higher level of ADR.

Depreciation and amortisation

Depreciation and amortisation of £7.8 million during the 44-week period ended 23 April 2015 reflects the charge from when Woburn Village opened on 6 June 2014 to the end of the period under review.

Finance costs and income

Finance costs for the 44 weeks ended 23 April 2015 totalled £19.4 million, representing interest payable on CP Woburn Opco's bank debt and loans from related parties. In the prior year, virtually all interest payable was capitalised as part of the Woburn build programme.

Taxation

The underlying net tax charge of £4.7 million for the 44 weeks to 23 April 2015 consists of a current tax credit in respect of payment received from a related party for tax losses surrendered, offset by a deferred tax charge in respect of the utilisation of brought forward pre-trading losses and fixed asset timing differences.

The exceptional and non-underlying tax charge of £3.1 million for the 8 week period to 19 June 2014 consists of a tax credit arising in respect of the pre-opening trading loss for this period offset by a prior year deferred tax adjustment in respect of tax deductible capitalised interest and financing fees.

LIQUIDITY AND CAPITAL RESOURCES

Center Parcs (Holdings 1) Limited's principal uses of cash have been operating expenses, capital expenditure and debt service. Center Parcs (Holdings 1) Limited has historically funded operations and capital

expenditure with cash flow from operations. As at 23 April 2015, Center Parcs (Holdings 1) Limited had cash and cash equivalents of £84.8 million, and negative working capital of £96.2 million. As at 23 April 2015, CP Woburn Opco had cash and cash equivalents of £19.2 million, and negative working capital of £14.6 million. Working capital is defined as the net value of Center Parcs' combined inventories, trade and other receivables and current trade and other payables (excluding taxation creditors and capital and interest accruals).

CP (Woburn Operating) Limited has historically funded its operations and capital expenditure through its credit facility and related party loans.

Following the Class A Notes Refinancing and the Transactions, Center Parcs expects to continue to meet its working capital and capital expenditure requirements for the next 12 months from cash flows from operations. Center Parcs may also, from time to time, seek other sources of funding, which may include debt or equity financings depending on its financing needs and market conditions.

The maturity profile of the Center Parcs (Holdings 1) Limited's existing borrowings as at 23 April 2015 is as follows:

	Less than one year £m	Two to five years £m	Greater than five years £m	Deferred issue costs £m	Total £m
Secured mortgage	0.3	1.2	-	-	1.5
Securitised debt	-	580.0	440.0	(18.5)	1,001.5
Total	0.3	581.2	440.0	(18.5)	1,003.0

Cash flows

The following table provides certain cash flow information for Center Parcs (Holdings 1) Limited for the periods indicated:

	52 weeks ended 25 April 2013 £m	52 weeks ended 24 April 2014 £m	52 weeks ended 23 April 2015 £m
Cash inflows from operating activities	140.9	146.2	147.4
Cash outflows from investing activities	(42.0)	(36.7)	(41.2)
Cash outflows from financing activities	(81.9)	(80.0)	(79.6)
Net increase in cash and cash equivalents	17.0	29.5	26.6
Cash and cash equivalents at the beginning of the period	11.7	28.7	58.2
Cash and cash equivalents at the end of the period	28.7	58.2	84.8

Net cash from operating activities was £147.4 million, £146.2 million and £140.9 million in financial year 2015, 2014 and 2013, respectively. The primary reason for the increase of £1.2 million, or 0.8%, in cash flows from operating activities for financial year 2015 as compared with financial year 2014 was the movement in working capital, and in particular an increase in payments on account, offset by the lower operating profit. The primary reasons for the increase in cash flows of £5.3 million, or 3.8%, from operating activities for financial year 2014 as compared with financial year 2013 were mainly related to the increase in operating profit.

Net cash used in investing activities was £41.2 million, £36.7 million and £42.0 million in financial year 2015, 2014 and 2013, respectively. The fluctuation in spend principally reflects the timing of Center Parcs' accommodation upgrade programme which accelerated in financial year 2013.

Net cash used in financing activities was £79.6 million, £80.0 million and £81.9 million in financial year 2015, 2014 and 2013, respectively. Cash used in financing activities for the 52 weeks ended 23 April 2015, the 52 weeks ended 23 April 2014 and the 52 weeks ended 25 April 2013 predominantly relates to the payment of interest on the Center Parcs Group's existing secured debt.

For a summary of cash flow activities for CP Woburn Opco, see "*Selected Consolidated Financial Information – Selected Financial Information for CP Woburn Opco (Woburn Village) – Cash Flow Statement Information*".

Capital expenditure

The following table shows Center Parcs' capital expenditure breakdown for financial years 2007 to 2015 for the Original Villages.

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Investment capital expenditure	11	66	35	1	28	28	22	18	19
Maintenance capital expenditure	16	17	17	13	17	18	18	21 ⁽¹⁾	22 ⁽¹⁾
Total.....	27	83	52	14	45	46	40	39	41

(1) Includes £3.5 million and £3.9 million in financial year 2014 and financial year 2015 in relation to Longleat dome upgrade.

Center Parcs plans expenditure for the development of villages, amenities and facilities, both in respect of upgrading and refurbishing existing accommodation and facilities, building new units of accommodation and adding new facilities and amenities. Maintenance capital expenditures include refurbishments to existing facilities, including ensuring that health and safety standards are met and investment capital expenditures include building new accommodation; upgrading existing accommodation and upgrading, adding or extending cafes, restaurants and other facilities.

Capital investments are organised and planned annually around significant, regular planned maintenance and capital expenditure that is intended to maintain high occupancy levels and drive revenue growth through improved appeal of accommodation units, facilities and amenities.

The capital refurbishment programme of Center Parcs' accommodation units can be broken into two distinct investment cycles within a 16- to 20-year period:

- *Refurbishment*: approximately every eight to ten years, each unit needs to be refurbished to maintain Center Parcs' targeted standards, which typically ensures existing levels of ADR are maintained; and
- *Upgrade*: following the refurbishment cycle there is typically a further eight to ten years before a unit is upgraded, which includes a full refurbishment of the unit and also an upgrade of the standard to add new features and to modernise the style of the unit. Historically, ADR achieved on upgraded accommodation has typically been between 10% and 20% higher than the equivalent non-upgraded accommodation as measured by sampled upgraded lodges compared against the equivalent non-upgraded lodges during financial years 2012 to 2014.

Although investment capital expenditure increases during the investment phase of a refurbishment or upgrade programme, profit margins and operating profit generally increase in the years following completion of the investment programmes as guests demand higher-end or upgraded accommodation.

The covenants under the Class A Issuer/Borrower Loan Agreement require the Obligors to spend a minimum of £18.5 million per year in relation to maintenance capital expenditure. Total capital expenditure for Center Parcs (Holdings 1) Limited was £39.9 million, £39.6 million and £40.8 million for financial years 2013, 2014 and 2015, respectively. In addition, following the completion of the build-up phase of Woburn, CP Woburn Opco spent £2.0 million on maintenance capital expenditure and £0.1 million on investment capital expenditure in financial year 2015. Historically, changes in capital expenditure have been driven primarily by amounts spent on investment capital expenditure (including accommodation upgrades) with underlying maintenance capital expenditure remaining relatively stable. To date, Center Parcs, through its capital expenditure programme to upgrade accommodation across its villages, has upgraded approximately 84% of total accommodation stock, driving continued growth in ADR. Center Parcs currently expects its capital expenditure to increase significantly in financial years 2016 and 2017 due to its investment in Project Atlantis and the Digital Roadmap. In addition, planned upgrades to villages include upgrades of 52 and 34 units of accommodation at Sherwood Village and Whinell Village, respectively, at a cost of approximately £3 million for each village.

Working capital

Center Parcs (Holdings 1) Limited has negative working capital requirements largely arising from the payment by guests for their short breaks in advance of arrival. Center Parcs' trade receivables are primarily composed of corporate sales made through its Corporate Events division and inventories primarily composed of stock in Center Parcs retail and food and beverage outlets. Center Parcs' trade and other payables primarily relate to advance accommodation income received from guests, trade creditors, accrued expenditure and VAT and payroll taxes due.

Center Parcs has historically funded working capital requirements through cash generated from operations. There is a degree of seasonality in the working capital requirements linked to accommodation revenue receipts.

Payments held on account have historically been at their lowest level after the Christmas period and prior to the key booking period of late December to late February and at the end of each calendar year. This contrasts with the significantly higher payments held on account typically seen in April or in advance of the summer holiday season.

Management anticipates that working capital requirements in the foreseeable future will generally be stable as a percentage of revenue. However, these requirements can fluctuate due to a variety of factors, including those factors set forth under "*Risk Factors*".

Depending upon its rate of growth and profitability, Center Parcs (Holdings 1) Limited may require additional equity or debt financing to meet working capital requirements or capital expenditure needs. There can be no assurance that additional financing, if needed, will be available when required or, if available, on terms satisfactory to Center Parcs (Holdings 1) Limited.

Contractual commitments

Center Parcs has no material contractual commitments with the exception of the headleases on the Longleat and Woburn properties. The total current annual rental on these leases are approximately £0.7 million and £0.6 million, respectively, and the lease termination dates are 22 February 2073 and 23 December 2109, respectively. The rent in respect of each lease is subject to review every five years, based on any increase in revenue.

Off-balance sheet arrangements and contingent liabilities

Center Parcs (Holdings 1) Limited has no off-balance sheet arrangements or contingent liabilities.

Quantitative and Qualitative Disclosure about Market and Credit risks

Market risks

General economic conditions

The disposable income of Center Parcs guests and/or their holiday preferences are and will be affected by changes in the general economic environment and this may result in a fall in the number of guests and/or a decrease in on-site spend. Center Parcs regularly reviews its product offering and engages with guests to ensure it provides value for money to meet guest needs. In addition, resilient performance through economic cycles, during both downturns and recoveries, has resulted in Center Parcs' occupancy levels averaging over 94% in the last 15 years and approximately 97% in the last five years.

Competition

The Center Parcs brand is synonymous with high quality short breaks in a forest environment but Center Parcs competes for the discretionary expenditure of potential guests, who could choose to take short breaks at other destinations or participate in other recreational activities. Center Parcs believes that this risk is mitigated by the strength of the Center Parcs brand and the continual investment in the accommodation and facilities (including retail and restaurants), coupled with the innovation amongst the leisure activities and the responsiveness to guest preferences (from surveys).

Seasonality and weather

Demand for short breaks is influenced by the main holiday periods at Easter, the summer holidays, school half-term holidays and the Christmas/New Year period. This risk is mitigated by online dynamic pricing which encourages demand outside of the peak periods. The accommodation is located within forest

environments and a significant number of activities take place outdoors. Therefore, demand may be impacted by the prevailing weather conditions. This risk is minimal because the vast majority of breaks and activities are booked in advance and guests tend not to book on impulse. Additionally, Center Parcs maintains diversity between its indoor and outdoor activities to mitigate the risk of inclement weather.

Financial risks

The Directors and senior managers regularly review the financial requirements of the Group and the associated risks. Center Parcs does not use complicated financial instruments and where financial instruments are used they are used to reduce interest rate risk. Center Parcs does not hold financial instruments for trading purposes. Center Parcs finances its operations through a mixture of retained earnings and borrowings as required. Historically, Center Parcs has sought to reduce its cost of capital by refinancing and restructuring its funding using the underlying asset value.

Interest rate risk

Principal sources of borrowings are fixed interest rate loan notes and fixed interest rate related party loans.

Liquidity risk

Center Parcs maintains sufficient levels of cash to enable it to meet its medium-term working capital and debt service obligations. Rolling forecasts of liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

Currency risk

Whilst no borrowings are denominated in foreign currencies, a number of suppliers are exposed to the euro and the U.S. dollar. Wherever possible Center Parcs enters into supply contracts denominated in Sterling. Center Parcs does not operate a hedging facility to manage currency risk as it is not considered to be material.

Credit risk

Cash balances are held on deposit with a number of UK banking institutions. Concentrations of credit risk with respect to trade receivables are limited due to the vast majority of guests paying in advance.

Critical accounting policies

The following accounting policies are considered to be pertinent to this review of Center Parcs' operating and financial results.

Revenue recognition

Revenue relates to accommodation income on holidays commenced during the period, together with other related income that primarily arises from on-site leisure and spa related activities, retail and food and beverage spend. On-site revenue is recognised when the related product or service is provided. All revenue is recorded net of VAT.

Payment for accommodation income is received in advance of holidays commencing, and is recorded as 'payments on account' within trade and other payables until the holiday commences.

A number of trading units on each holiday village are operated by concession partners. Revenue due in respect of such units is recognised on an accruals basis.

All revenue arises in the United Kingdom.

Property, plant and equipment

Center Parcs carries property, plant and equipment at cost rather than current valuation. As such, no increases in the value of Center Parcs' property, plant and equipment are recognised in the financial statements. Any impairment to the carrying value of these assets is recognised in the income statement under "Administrative expenses".

Maintenance expenditure

It is the policy of Center Parcs to maintain its land and buildings to a high standard. Where maintenance expenditure increases the benefits that property, plant and equipment is expected to generate, this expenditure is capitalised. All other maintenance costs are charged to the income statement under administrative expenses as incurred unless they relate to the head office, in which case they are charged to the income statement under administrative expenses as incurred.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

INDUSTRY

Overview of the UK Holiday Market

The UK holiday market is defined as the market for UK residents holidaying in the UK (domestic but excluding Northern Ireland) and UK residents holidaying internationally (overseas).

Based on Mintel's analysis of Office for National Statistics data, the recent challenging economic environment saw the total volume of holidays taken by UK residents decrease from 95.9 million in 2008 to an estimated 93.8 million in 2014, primarily due to a decrease in international holidays by UK residents over the period. However, total expenditure increased from £36.4 billion in 2008 to an estimated £38.1 billion in 2014. The performance of the UK domestic market, in which Center Parcs is present, was resilient during the economic downturn. It grew by 8.6% in volume of domestic holidays over the same period, driving a total increase of 22.4% in domestic expenditures from 2008 to 2014, as compared to a 14.3% and 3.1% decline in the volume and value, respectively, of overseas holidays. Consequently, the UK domestic market has grown at a CAGR of 1.4% in terms of volume and 3.4% in terms of value in the period between 2008 and 2014, while the overseas market has decreased at a CAGR of 2.5% and 0.5%, respectively, during the same period. Furthermore, Mintel expects the domestic market to continue to grow between 2014 and 2019 at a 3.1% CAGR in terms of value.

Center Parcs operates in the UK holiday centres market, which consists of three segments: (a) traditional holiday centres; (b) holiday parks centred around caravan or lodge accommodation; and (c) forest villages. These sub-segments of the holiday market are described later on in this section.

UK Holiday Centre Market Trends

The key trends impacting the UK holiday centres market include the following:

Economic Environment and Outlook

According to Mintel, the UK economy is recovering to pre-crisis levels, a trend which is expected to impact favourably upon the overall holiday market. As the macroeconomic situation recovers and the pound gains strength compared to the euro, the UK domestic market may face the threat of stronger competition from overseas holidays. However, there has been a steady rise in consumer confidence as a result of the recovering macroeconomic conditions and declining inflation in the UK, which is likely to boost the holiday market overall. Additionally, there is a growing trend towards shorter holidays. This shorter holiday trend is particularly favourable to Center Parcs, whose guests are attracted by the convenience of being within a relatively short driving distance from home.

Change in Guests: Socio-Economic Profile

According to Mintel, changes in socio-economic groups ("SEG") and in particular the growth in the ABC1 category have historically benefited the holiday market and are likely to continue to do so in the medium term. SEGs are based on the chief income earner and are defined as follows:

SEG Occupation of Chief Income Earner

- A Higher managerial, administrative or professional
- B Intermediate managerial, administrative or professional
- C1 Supervisory or clerical and junior managerial, administrative or professional
- C2 Skilled manual workers
- D Semi and unskilled manual workers
- E Entirely dependent on the state long term, through sickness, unemployment, old age or other reasons

With high standards and expectations for their holidays, the ABC1 SEGs form the core target customer base for Center Parcs. An increase in the number of ABC1 SEGs among the UK population grows Center Parcs' potential guest base.

Adult Population Trends, by Socio-Economic Group, 2007-17

	2007	2012	2017 ⁽¹⁾	% change 2007-12	% change 2012-17 ⁽¹⁾
	'000	'000	'000		

AB	13,034	13,682	13,981	5.0	2.2
C1	14,637	14,368	13,880	(1.8)	(3.4)
ABC1 subtotal.....	27,671	28,050	27,861	1.4	(0.7)
C2	10,214	11,456	12,594	12.2	9.9
D	7,906	8,121	8,338	2.7	2.7
E	4,051	4,551	5,115	12.3	12.4
Total	49,841	52,178	53,907	4.7	3.3

Source: Office For National Statistics/Target Group Index/Mintel (from Mintel Holiday Centre, June 2013)

⁽¹⁾ Projected.

According to Mintel, as of 2012, AB SEGs represented over 26% of the UK adult population, with forecasts showing this demographic segment continuing to grow. As of 2012, the ABC1 segment as a whole represented over 50% of the UK population. This demographic segment is expected to remain the largest segment of the UK population.

Changes in Demographics

According to Mintel, growth in demand for holiday centres in the UK is expected to be positively affected by demographic changes, including in particular the rise in the number of families with young children. The number of children aged nine years and under is expected to increase by 5.1% between 2014 and 2019 from 7.9 million in 2014 to 8.3 million in 2019.

In addition, an increasing number of young adults (25-34 year olds), from an estimated 9.0 million in 2014 to a forecast 9.5 million in 2019 (an increase of approximately 6.0%), is expected to increase the birth rate beyond 2015. According to Mintel, this will likely benefit the UK holiday centre market as it increases the number of prime target guests, namely families, for holiday centres in the United Kingdom in the short to medium term.

Trends in the Age Structure of the UK Population, 2009-19

	2009		2014		2019 ⁽¹⁾		% change 2009-14	% change 2014-19 ⁽¹⁾
	'000	%	'000	%	'000	%		
0-4.....	3,778	6.1	4,117	6.4	4,187	6.3	9.0	1.7
5-9.....	3,405	5.5	3,792	5.9	4,129	6.2	11.4	8.9
10-14.....	3,613	5.8	3,423	5.3	3,804	5.7	(5.3)	11.1
15-19.....	3,964	6.4	3,693	5.7	3,496	5.2	(6.8)	(5.3)
20-24.....	4,256	6.9	4,345	6.8	4,053	6.1	2.1	(6.7)
25-34.....	7,993	12.9	8,950	13.9	9,472	14.2	12.0	5.8
35-44.....	9,012	14.6	8,186	12.7	8,211	12.3	(9.2)	0.3
45-54.....	8,350	13.5	9,075	14.1	8,893	13.3	8.7	(2.0)
55-64.....	7,315	11.8	7,266	11.3	7,995	12.0	(0.7)	10.0
65+.....	10,100	16.3	11,423	17.8	12,465	18.7	13.1	9.1
Total.....	61,786	100.0	64,270	100.0	66,705	100.0	4.0	3.8

Source: Office For National Statistics/Gad/Mintel (from Mintel Holiday Review UK, March 2015)

⁽¹⁾ Projected.

Multiple Holiday Taking and Trend Towards Shorter Breaks

The trend towards shorter breaks remains steady with the UK short break market being far more stable over the past five years than the UK domestic market as a whole. According to Mintel, the average length of UK domestic holidays has decreased continuously during the last six years from 3.80 (2007) to 3.48 days (2013). Short breaks comprising between one to three nights account for almost two-thirds of the total UK domestic tourism market.

According to Mintel, a growing number of consumers expect to supplement their main holiday with extra trips throughout the year. Almost half of those who holidayed domestically during the year took two or more trips, reflecting the large proportion of short one to three-night domestic breaks. This trend is expected to create significant opportunities for holiday centres, which are positioned as one of the strongest short-break propositions. This is expected to drive demand for Center Parcs' offering as a short-break family-focused holiday provider. Further, in the UK domestic market, expenditure per night is by far the highest for short breaks; at £100 per night for one to three night stays, it is almost double the expenditure per night for 4+ night holidays as a whole.

Overview of the UK Holiday Centres Market

According to Mintel, the UK holiday centres market has grown year on year between 2007 to 2012 in terms of both volume and value, increasing from 6.3 million holidays in 2007 to an estimated 7.0 million in 2012 (a 2.2% CAGR) as a result of growth in the domestic holiday market as well as an increasing preference for holiday centres as a domestic holiday destination. As a result, the UK holiday centres market increased in value at a 4.9% CAGR from £1.2 billion in 2007 to an estimated £1.6 billion in 2012, compared to UK nominal gross domestic product growth of 2.3% during that period for the UK. According to Mintel, the holiday centres market is expected to be worth £1.8 billion by value and will see 8.0 million visitors in 2017, representing a 3.0% and 3.2% CAGR from 2013 to 2017, respectively.

Market Segmentation and Product Offering

While Center Parcs believes that it has a unique product offering, it is sometimes considered to be part of the UK holiday centres market. The UK holiday centres market which, according to Mintel, accounted for approximately 12% and 11% of the UK domestic holiday market in volume and value, respectively, as of 2012, is divided into three distinct segments: (a) traditional holiday centres; (b) holiday parks (large caravan/chalet parks offering an extensive range of holiday centre facilities); and (c) forest villages (also considered as holiday centres but aimed more at rural quiet rather than holiday bustle). These segments compete with each other to a certain extent within the UK holiday centres market. However, while traditional holiday centres and holiday parks tend to be coastal sites, dominated by guests mainly from the C1-C2 socio-economic category, forest villages are based in woodland sites and attract mainly ABC1 families looking for active forest village breaks and premium lodge park accommodation.

According to Mintel, almost half of all people who have visited a holiday centre in the past or indicated that they would like to do so in the future ranked an indoor pool among the most preferred amenities when visiting a holiday centre, with popularity peaking among ABC1s and families. The focal point of Center Parcs' villages is its sub-tropical swimming paradise which together with Center Parcs' premium product offering (accommodation, leisure activities, food and beverage, retail and spa) underpins the attractiveness of the Center Parcs' concept for ABC1 guests.

Leading Holiday Centre and Holiday Park Operators in the United Kingdom

Leading Holiday Centre and Holiday Park Operators in the United Kingdom

Operator	Product Offering	Revenue ⁽¹⁾ (£m)	Target SEG	Overview
<u>Traditional holiday centres</u>				
Butlins	3 resorts, 3 hotels	201.0	C1-C2	<ul style="list-style-type: none"> Lower budget holidays (less affluent SEG) Narrower range of leisure activities
Warner.....	9 hotels, 4 resorts	-	ABC1	<ul style="list-style-type: none"> Coastal resorts (chalet accommodation) Adult-only offering Wide range of leisure activities
<u>Holiday parks</u>				
Parkdean Holidays	24 holiday parks	130.2	C1-C2	<ul style="list-style-type: none"> Family-oriented holiday parks in coastal, countryside and woodlands locations
Park Resorts	48 caravan and holiday home parks	162.6	C1-D	<ul style="list-style-type: none"> Low budget holidays for families Limited entertainment offering
<u>Forest villages</u>				
Center Parcs	5 forest villages	386.9 ⁽²⁾	ABC1	<ul style="list-style-type: none"> UK short-break holiday specialist in a forest environment Wide range of leisure activities On-site retail, food and beverage, and spa offering
Forest Holidays.....	9 locations	18.7	AB	<ul style="list-style-type: none"> Luxury holiday cabins in forestry commission woodland Number of Leisure activities available No central 'hub' of Food and Beverage/Leisure/Retail/Pool etc.

Source: Company information

- (1) Financials as of: Butlins (December 2013), Parkdean Holidays (January 2014), Park Resorts (March 2014), Center Parcs (April 2014) and Forest Holidays (February 2014).
- (2) Unaudited pro forma combined revenue for financial year 2015.

Traditional holiday centres comprise the traditional brands such as Butlins, Warner and Pontins (a smaller UK operator), which were originally based on a 1950s “holiday camp” formula. They have evolved over time (now fewer in number and individually larger in scale) and have invested significantly in recent years in improving their accommodation and range of activities. These traditional centres are generally in beach locations and therefore tend to primarily complement a family beach holiday. They are characterised by permanent accommodation (rather than mobile homes) in blocks or detached buildings. Their offering may be full board or self-catering, but generally includes free family-oriented entertainment, variety shows and leisure facilities, such as swimming pools, amusement arcades, fairground-type rides and outdoor sports facilities, such as five-a-side football, a climbing wall and crazy golf.

Holiday parks constitute the largest sector within the UK holiday centres market, both by number of locations and volume of holidays sold and comprise brands such as Parkdean Holidays, Park Resorts, Haven and Hoseasons. However, within the holiday park segment, it is difficult to distinguish between what are essentially larger caravan parks with few facilities, and those parks with amenities and activities that are sophisticated enough to be categorised as a traditional holiday centre. As consumer expectations increase, there is more demand for holiday parks to provide a greater range of value-added services such as pools, restaurants, children’s clubs and entertainment. Holiday parks can cater for customers looking for three types of services: (a) hiring mobile homes or fixed caravans; (b) purchasing these mobile homes; and (c) hiring space for towed caravans and tent campers. Although they vary considerably in size, holiday parks are generally smaller in scale than the traditional holiday centres. Holiday parks are often situated in coastal locations, often in scenic areas and primarily target C1-C2 and below SEGs.

Forest villages differ from traditional holiday centres and holiday parks which are part of the tradition of the British seaside holiday. Forest villages are based inland, in woodland and water settings, with an explicitly environmental ethos (a car-free, family-friendly environment), marketed primarily and explicitly to affluent family groups in the ABC1 SEGs, as compared with the broader targeting of the traditional holiday centres. The accommodation in forest villages is permanent and generally more spacious than traditional holiday centres. Forest village accommodation provides self-catering facilities and open-plan living, with luxurious top-end accommodation standards. The focus is activity-based, with a wide range of sporting, creative and spa/therapeutic activities geared towards both adults and children. Unlike most traditional holiday centres, which include a wide range of entertainment and activities as part of the basic holiday package, forest village holiday providers offer a customised approach and charge extra for individual activities. Furthermore, forest villages operate 365 days per year, offering guests a high quality experience under all types of weather through a wide range of indoor and outdoor activities and amenities.

BUSINESS

Business Overview

Center Parcs is a leading UK short-break holiday business, attracting approximately 2 million guests in financial year 2015. Center Parcs operates five specially constructed holiday villages in the United Kingdom: Sherwood Forest in Nottinghamshire, Longleat Forest in Wiltshire, Elveden Forest in Suffolk, Whinfell Forest in Cumbria (or, the Original Villages) and the more recent addition of Woburn Village in Bedfordshire, which opened to guests on 6 June 2014. Each village is set in a forest environment amongst approximately 400 acres of forest around a lake and is open 365 days per year.

Woodland, water and a natural environment are the essential elements of a Center Parcs break. Within this comfortable, quiet, car-free and family-friendly setting, each of the Center Parcs villages provides guests with high quality accommodation and more than 150 leisure and spa activities. In total, there are 4,127 units of accommodation across its five villages, which can accommodate 21,712 guests per day at 100% occupancy. The focal point and key attraction of each village is an all-weather indoor sub-tropical swimming paradise, featuring a selection of water activities including a wave pool, river slides and rides, children's pools and jacuzzis. Center Parcs' on-site experiences also include outdoor activities such as cycling, boating and zip wires; indoor activities such as ten-pin bowling, badminton and pottery; and amenities such as spas, food and beverage and retail. A significant proportion of Center Parcs' revenue is generated from guests' on-site spending, including for leisure and spa activities, food and beverage and retail, representing 41% of total revenue in financial year 2015.

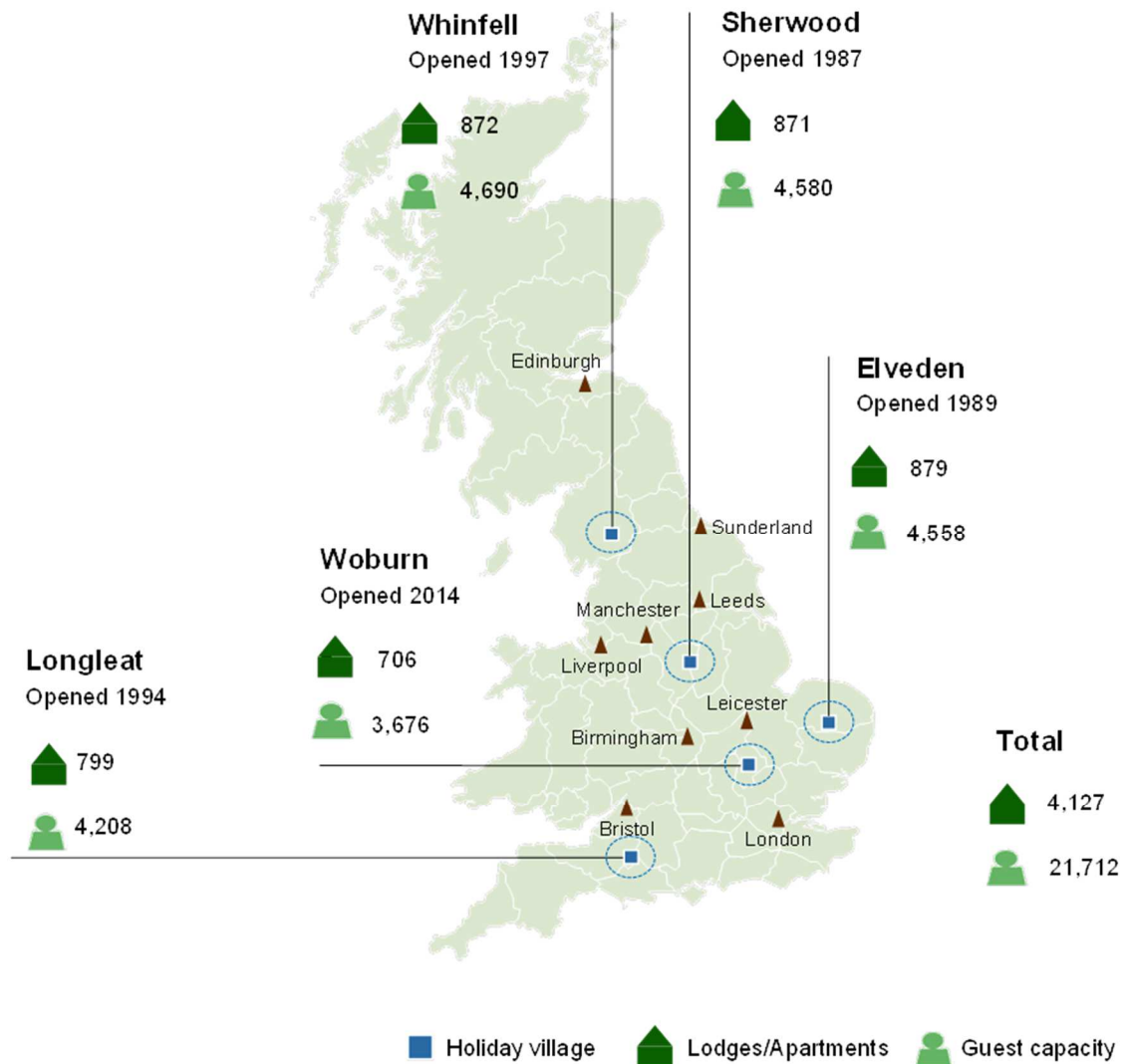
Center Parcs has a well-established brand in the UK for providing high quality experiences and facilities and targets a primary guest base of affluent families. Center Parcs benefits from strong guest loyalty with approximately 35% of guests returning within 14 months and approximately 60% returning over a five-year period. In addition, Center Parcs believes that its business model is difficult to replicate due to the lack of suitable locations for the development of holiday parks and high development costs and Center Parcs is well positioned to continue to grow its business. In March 2015, Center Parcs was named "Best UK Family Holiday Provider" in the Tommy's Awards for the twelfth year in a row, in addition to receiving a Globe Travel Award in 2015, "Investor in People" accreditation in 2013 and retaining its "Hospitality Assured" Premier status in 2014, achieving the highest score in its sector.

Center Parcs' villages typically draw on a regional population of guests who are attracted to the convenience of being within a relatively short driving distance from home. Over 80% of the UK population lives within a 2.5 hour drive of at least one of Center Parcs' villages, and the majority of Center Parcs' guests live within a two hour drive of the village they choose to visit. Center Parcs believes that the proximity of the majority of guests to its villages combined with the easy accessibility of the villages by car make Center Parcs a popular and convenient holiday option. Occupancy levels at Center Parcs' Original Villages have been consistently high: 97.2% in each of financial years 2013 and 2014 and 97.5% in financial year 2015. Occupancy levels have averaged over 94% in the last 15 years and approximately 97% in the last five years despite the expansion of existing accommodation offerings at Center Parcs' Original Villages and the recent opening of Woburn Village. Woburn Village achieved 94.1% occupancy in the 44 weeks ended 23 April 2015 following a short ramp-up period since opening to guests on 6 June 2014.

For the financial year 2015, on an unaudited pro forma combined basis, giving effect to the Woburn Acquisition and Accession, Center Parcs had revenue of £386.9 million and Annualised Adjusted EBITDA of £186.1 million, representing an Annualised Adjusted EBITDA margin of 48.1%. For a reconciliation of Annualised Adjusted EBITDA to loss/profit see "*Summary Historical and Unaudited Pro Forma Combined Financial Information*".

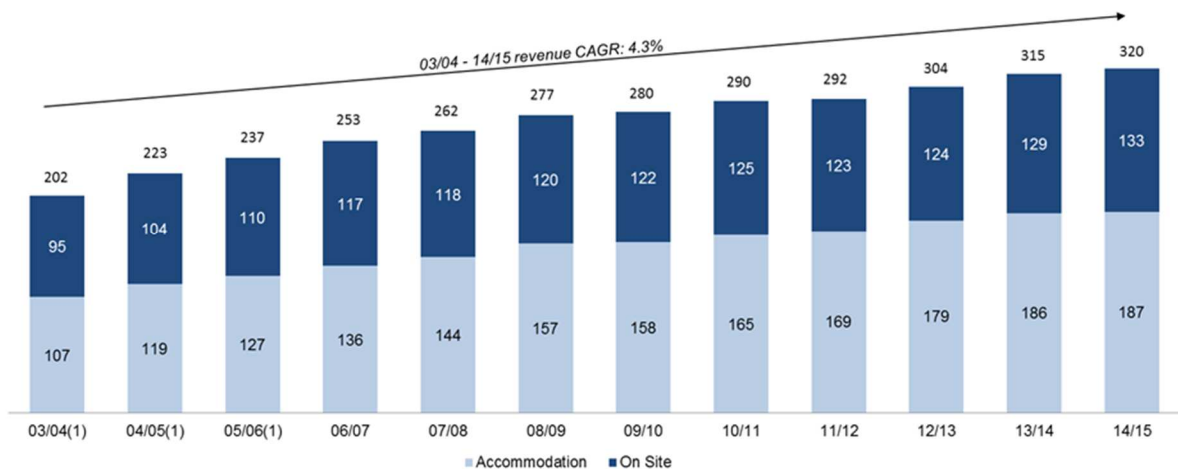
Revenue and Adjusted EBITDA are broadly evenly split amongst Center Parcs' villages (including Woburn), reflecting both the individual strength of each village and the diversity of Center Parcs' asset base.

The map below shows the location of each of Center Parcs' villages.



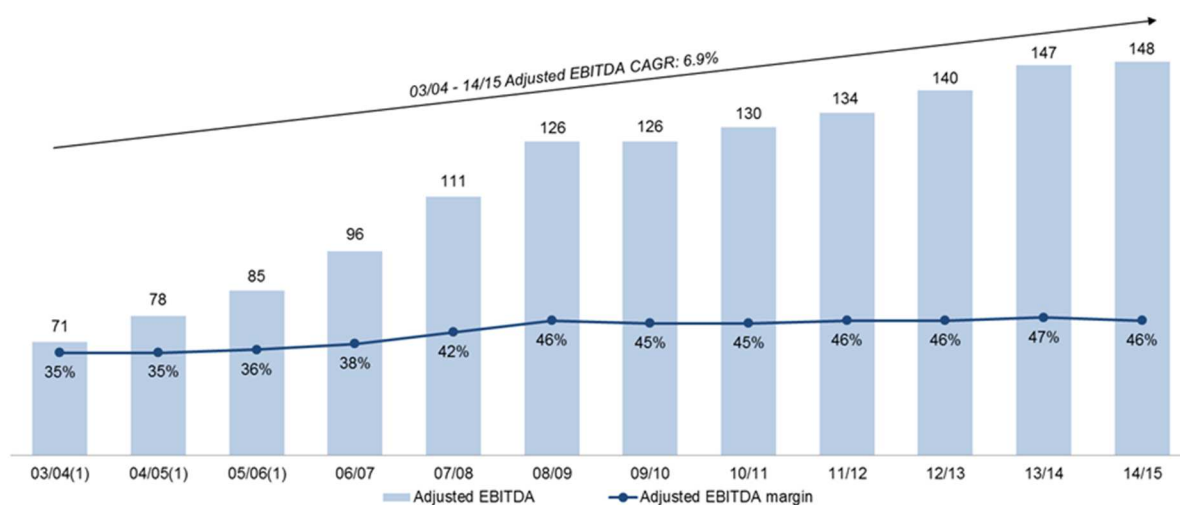
Revenue and Adjusted EBITDA for Center Parcs' Original Villages have consistently grown over the past ten years. Revenue for the Original Villages was £319.6 million for financial year 2015. EBITDA and Adjusted EBITDA margins for the Original Villages grew from 35.2% and 45.5%, respectively, in 2004 to 43.6% and 46.2%, respectively, in 2015.

The following graph shows revenue for the Original Villages for financial years 2004 to 2015.



- (1) Revenue calculated in accordance with UK GAAP for financial years 2004 through 2005 and in accordance with IFRS for financial years 2006 through 2015. IFRS differs in certain respects from UK GAAP, and accordingly data presented in accordance with UK GAAP may not be comparable to data prepared in accordance with IFRS.

The following graph shows Adjusted EBITDA and Adjusted EBITDA margin for the Original Villages for financial years 2004 to 2015.



- (1) Calculated in accordance with UK GAAP for financial years 2004 through 2005 and in accordance with IFRS for financial years 2006 through 2015. IFRS differs in certain respects from UK GAAP, and accordingly data presented in accordance with UK GAAP may not be comparable to data prepared in accordance with IFRS.

For the 44 weeks ended 23 April 2015, Woburn reported total revenue of £65.6 million and Adjusted EBITDA of £32.5 million, representing an Adjusted EBITDA margin of 49.5%.

History of the Center Parcs Group

The Center Parcs concept was pioneered by Piet Derksen in the late 1960s in the Netherlands as a new form of self-catering, high-comfort holiday village, complemented with heated bungalows, open fires, central heating, colour TVs and covered swimming pools. Derksen expanded the chain over the course of the following two decades into Belgium, France and Germany, and, in 1987, the first Center Parcs opened in the United Kingdom at Sherwood. The first British village was closely followed by a second at Elveden in 1989. In 1994, Center Parcs further expanded with the creation of the third village, Longleat, near Bath. In 2001, Center Parcs acquired the Oasis Holiday Village (now called Whinfell) in the northwest of England from the Bourne Leisure Group, thus enhancing Center Parcs' geographic footprint in the UK.

The Blackstone Funds bought the operating business in May 2006 and subsequently delisted it from the London Stock Exchange where it had been listed on the AIM in 2003 and on the Main Market in 2005. Shortly thereafter, Blackstone Funds purchased the property companies owning the four Original Villages in June 2006. The overall combined business was refinanced in December 2006 and February 2012, with a partial refinancing in June 2015.

Since 2006, Center Parcs has implemented programmes to upgrade accommodation and to upgrade and expand on-site offerings. In November 2010, Center Parcs received reserved matters planning approval of its plan to develop and build a fifth village situated near Woburn in Bedfordshire. The development of Woburn Village commenced in May 2012 and opened to guests on 6 June 2014 as planned. In June 2015, Woburn Village acceded to the Class A Issuer/Borrower Loan Agreement and other Transaction Documents as a Borrower and an Obligor.

In June 2015, the Brookfield Funds agreed to acquire Center Parcs from the Blackstone Funds.

Key Strengths

Unique, market-leading short break holiday business.

Center Parcs believes that it provides a unique product in the UK holiday market in terms of scale, quality and standard of accommodation and amenities. Center Parcs is a market leader with an approximate 20%

market share of the UK holiday centres market in 2013. Each Center Parcs village is set in approximately 400 acres of forest around a lake, with numerous retail and food and beverage offerings, as well as approximately 150 leisure and spa related activities and an indoor sub-tropical swimming paradise. Each village has on average 825 lodges with capacity for 4,300 guests. Center Parcs believes that it is the only large-scale UK business offering this type of family-focused, year-round, all-weather, short-break package, in a forest environment.

Difficult to replicate concept with well-known brand and loyal, affluent customer base.

The Center Parcs villages are characterised by a number of qualities that Center Parcs believes make its business model difficult to replicate in the United Kingdom. These include:

- limited appropriate sites for villages, which require large forested areas near major population centres;
- long lead time needed to develop new villages due to the stringent requirements for obtaining planning permits;
- significant initial investment cost in addition to on-going capital expenditure required for further development and operations of the business; and
- a wide range of specialised operations and planning expertise required to develop and operate a village.

Center Parcs' unique product offering has generated strong brand recognition and guest loyalty. Center Parcs believes that it has high brand recognition in the UK and is considered among the top brands for high quality short breaks in the UK.

Center Parcs' "intention to return" score was 95% in financial year 2015. Approximately 35% of Center Parcs' guests return within 14 months and approximately 60% return over a five-year period. Its active guest base grew to approximately 460,000 households in 2015.

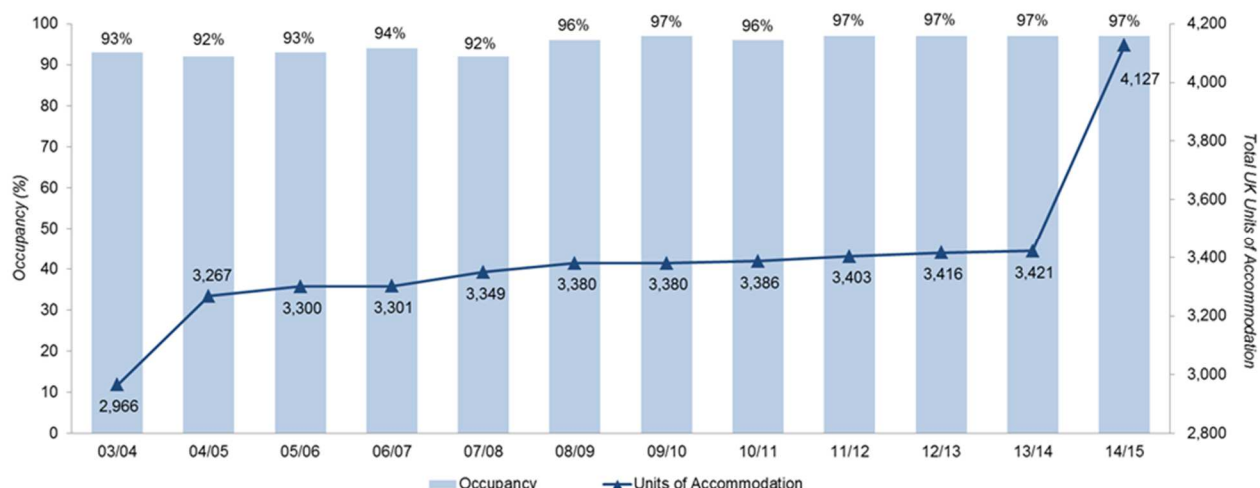
Center Parcs is also an award-winning brand, having recently been named "Best UK Family Holiday Provider" in the Tommy's Awards for the twelfth year in a row, in addition to receiving Globe Travel Award in 2015, "Investor in People" accreditation in 2013 and retaining its "Hospitality Assured" Premier status in 2014, achieving the highest score in its sector.

Center Parcs' guest profile has remained stable over time and consists of the highest earning categories of the UK population. According to management estimates, 84% of guests are identified under the ACORN classification as "affluent achievers", "rising prosperity" or "comfortable communities" based on postcode analysis.

Resilient growth through economic cycles.

Resilient performance through economic cycles, during both downturns and recoveries, and also through additions in capacity, has resulted in Center Parcs' occupancy levels averaging over 94% in the last 15 years and approximately 97% in the last five years, with occupancy levels at the Original Villages of 97.2%, 97.2% and 97.5% in 2013, 2014 and 2015, respectively. Woburn Village achieved 94.1% occupancy in the 44 weeks ended 23 April 2015 following a short ramp-up period since opening to guests on 6 June 2014.

The following graph shows Center Parcs' occupancy rates for financial years 2004 to 2015.



High occupancy levels drive a significant proportion of revenue from guests' on-site spending, which represented 41% of Center Parcs' total revenue in financial year 2015.

ADR for Center Parcs' Original Villages on average also consistently grew above inflation between financial year 2004 and financial year 2015, at a CAGR of 3.6%. During this period, growth in Center Parcs' RevPAL outpaced inflation by 1.7 times and UK RevPAR by four times. The growth in Center Parcs' ADR has been driven by yield management initiatives, demand and on-site investment, including in new types of accommodation and upgrades to existing accommodation.

The following table shows RevPAL and ADR for Center Parcs' Original Villages as compared to UK RevPAR and the CPI for financial years 2004 to 2015.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Center Parcs' RevPAL ⁽¹⁾ (£)...	97.6	99.8	105.9	112.9	118.4	125.4	128.6	131.4	136.6	144.2	149.4	150.0
Center Parcs' ADR ⁽¹⁾ (£)...	104.6	108.0	113.7	120.0	129.3	131.4	132.2	136.5	140.7	148.4	153.7	153.9
UK RevPAR ⁽²⁾⁽³⁾ (£).....	42.0	44.7	45.8	47.3	45.9	40.1	41.2	41.4	41.1	43.4	46.4	49.1
CPI change over previous year ⁽⁴⁾ (%).....	1.1%	1.9%	2.0%	2.8%	3.0%	2.3%	3.7%	4.5%	3.0%	2.4%	1.8%	(0.1)%

(1) Revenue used in these calculations was reported in accordance with UK GAAP for financial years 2004 and 2005 and in accordance with IFRS for financial years 2006 through 2015.

(2) UK RevPAR excludes London.

(3) Source: PwC.

(4) Source: Office of National Statistics.

Unbroken revenue growth with strong visibility through forward-booking model.

Center Parcs has experienced revenue growth each year over the last ten years, with revenue growing at a CAGR of 6.1% from financial year 2004 to financial year 2015. In addition, Center Parcs' Adjusted EBITDA has grown at a CAGR of 8.8% from financial year 2004 to financial year 2015. Center Parcs places a strong emphasis on advance prepaid bookings, which result in significant revenue visibility, with an average of 16 weeks booking-to-arrival time. For each of the financial years 2013, 2014 and 2015, an average of 40% of the available accommodation nights at its Original Villages had been booked by the beginning of the financial year, an average of 56.6% by the end of the first quarter, an average of 76.9% halfway through the financial year, and an average of 95% two months before the end of the financial year.

Center Parcs collects 30% of the accommodation cost at the time of booking if completed more than ten weeks in advance of the short break. The balance of the cost is collected ten weeks prior to the start of the break. If a guest books less than ten weeks prior to the arrival date, the accommodation cost is payable in full on booking. Similarly, in financial year 2015, approximately 60% of leisure and spa activities were pre-booked and pre-paid prior to arrival. This significant revenue visibility allows Center Parcs to optimise its cost structure according to anticipated occupancy levels and demand throughout the year.

Sustainable cash flow generation.

Center Parcs' EBITDA margins have been underpinned by high occupancy levels and consistent growth in ADR. EBITDA and Adjusted EBITDA margins for the Original Villages grew significantly over the past ten years from 35.2% and 45.5%, respectively, in financial year 2004 to 43.6% and 46.2%, respectively, in financial year 2015. Relatively high EBITDA margins combined with the negative working capital characteristics of the business due to its forward-booking model and the relatively low maintenance capital expenditure requirements, which averaged £18 million per financial year from financial year 2007 to financial year 2015, has enabled Center Parcs to be highly cash generative, with an average free cash flow margin (defined as EBITDA less total capital expenditure divided by revenue) of approximately 30% from financial year 2013 to financial year 2015.

Well-invested, diversified and high quality asset base.

Center Parcs owns all five of its villages on either freehold titles or long leasehold titles, and with remaining lease terms of between 58 years and 984 years, Center Parcs' asset base has a long life and is diversified and stable. Revenue and EBITDA are broadly evenly split amongst its villages, located in different parts of the UK, reflecting both the individual strength of each village and the diversity of Center Parcs' asset base.

Center Parcs has an on-going capital expenditure programme to maintain and enhance the quality of its asset base, pursuant to which it has invested approximately £388 million at the Original Villages from financial year 2007 through financial year 2015. Of this investment, £159 million represents maintenance capital expenditures. The remainder represents investment capital expenditure, of which £139 million was invested to upgrade existing accommodation (historically, ADR achieved on upgraded accommodation has typically been between 10% and 20% higher than the equivalent non-upgraded accommodation as measured by sampled upgraded lodges compared against the equivalent non-upgraded lodges during financial years 2012 to 2014), £34 million was invested to build new developments and £56 million went toward on-site development, including new leisure activities, food and beverage offerings and facilities upgrades. In addition, Center Parcs has incurred approximately £250 million of total initial development costs in respect of building Woburn Village ("Woburn Phase 1").

Experienced management team with a track record of innovation.

Center Parcs has an experienced management team with a proven ability to execute its business plans and achieve results. In addition, Center Parcs' management team has a track record of innovation reflected in its yield management initiatives, innovation in on-site activities and food and beverage offerings, as well as development of new types of accommodation to help drive ADR. Most recently, the management team successfully opened Woburn Village on time and on budget. For the 44 weeks ended 23 April 2015, Woburn Village achieved an ADR of approximately 25% above the average of the Original Villages. Woburn Village reached 95% occupancy within the first full quarter of trading since opening to guests on 6 June 2014. With an average length of service of over ten years by individual members of its management team, the management team is highly experienced in providing the services that set Center Parcs apart from other UK leisure and holiday providers. We also expect to benefit from the operational expertise, relationships, and management experience of the Brookfield group.

Strategy

Continue to grow revenue through yield management, flexible pricing, targeted marketing and customer relationship management.

Center Parcs actively manages pricing across its villages to maintain its high level of occupancy and to optimise yield during periods of high demand. 100% of bookings are made directly with Center Parcs, with approximately 83% of accommodation bookings made online in financial year 2015. Together with its strong emphasis on advance bookings (average 16-week booking-to-arrival time period), this provides Center Parcs with significant operational information, allowing it to respond quickly to customer trends in order to optimise its pricing. Center Parcs plans to continue to develop its yield management and flexible pricing structure to further grow revenue, and to develop its customer relationship management initiatives to increase demand from the affluent families that form its core guest base.

Center Parcs is investing in its systems to improve its digital capabilities, with the aim of optimising revenue growth through the Digital Roadmap process. Through this process, Center Parcs plans to introduce

more sophisticated pricing tools in order to increase demand through improved customer relationship management and targeted marketing. Center Parcs' guest database of approximately one million contacts allows it to undertake targeted marketing campaigns using a range of channels, including direct mailings, online and digital marketing, television campaigns and email programmes focused on existing customers. The Digital Roadmap comprises revenue optimisation tools to create automated price suggestions and intra-day price changes, the creation of data hubs to enable Center Parcs to better target and tailor their guest services and identify individual preferences, and the introduction of an improved booking platform. For more information on the Digital Roadmap, see "*Business — Information Technology*".

Continue to invest in revenue-enhancing upgrades of Center Parcs accommodation offering and to expand available capacity.

Center Parcs plans to continue to invest in upgrading the accommodation and facilities in its villages, and to introduce new accommodation and on-site activities. Since 2007, Center Parcs has opened 110 new units of accommodation at its Original Villages, and significantly upgraded 2,778 units (accounting for approximately 84% of total units), with the remaining 533 units expected to be upgraded in the near to medium term at an average estimated cost of approximately £50,000 per lodge.

There is also capacity for additional new builds of premium lodges at Center Parcs' villages, which typically achieve a premium over the rate achieved on standard lodges. Center Parcs believes that such premium lodges attract affluent guests who are more likely to be high on-site spenders. Center Parcs plans to build approximately 100 new premium lodges at Woburn Village. Under its existing planning decision, Center Parcs has planning permission for more than two-thirds of these premium lodges, which are expected to open in 2017 with the remaining premium lodges expected to follow thereafter; this is referred to as Woburn Phase II. In addition, Center Parcs currently plans to build around 100 new premium lodges and one-bedroom apartments, subject to planning permission and other factors, at the Original Villages. The new premium lodges are expected to include treehouses, waterside lodges, spa suites and other executive lodges. Center Parcs currently has planning permission for more than a quarter of these new builds.

Disciplined investment in village experience.

Center Parcs believes that there are several substantial development projects that could profitably expand Center Parcs' offering, including Project Atlantis, which involves the strategic enhancement of the signature sub-tropical swimming paradise that features at each village. Center Parcs spent over £10 million between 2012 and 2015 on implementing Project Atlantis. Improvements included the addition of a new raft ride, the Tropical Cyclone, and a new play area featuring numerous slides and water feature at Elveden, in 2012 and 2013, respectively. The introduction of the Tropical Cyclone at Elveden delivered a meaningful ADR increase. Over the next five years, Center Parcs plans to make similar upgrades to the pool facilities at Longleat, Sherwood and Whinfell villages.

Center Parcs also intends to introduce new, as well as innovate upon, leisure activities at each village on a regular basis. Development opportunities include introducing electric boats and expanding indoor climbing activities to all villages. Center Parcs believes that such investments provide an enriched holiday experience particularly for the affluent families that form its core guest base, and that an improved on-site offering helps to drive both accommodation and on-site revenue.

Grow on-site spend.

Center Parcs' on-site revenue at the Original Villages grew at a CAGR of 3.4% from financial year 2013 to financial year 2015. As Center Parcs' guests typically remain on-site for the duration of their stay, Center Parcs believes that there are opportunities to grow on-site spend further. For example, Center Parcs is currently developing a programme of enhanced differentiation in pricing. Through the programme, prices of various offerings are expected to become flexible across villages or seasons to more accurately reflect guest demand. In addition, Center Parcs expects to increase the range of products and services available to guests. Further, Center Parcs aims to continue enhancing ease of payment for its guests by expanding cashless payment options, currently available at selected areas at Woburn Village and Whinfell Village, across all its villages.

Center Parcs has franchise, licensing and concession agreements with various providers, such as Starbucks, Casual Dining Group (formerly Tragus) (whose offering includes Café Rouge and Bella Italia) and SSP (whose offering includes gastro pubs and fast food outlets). These concession partners enable guests to benefit from high street brand offerings and Center Parcs to increase profitability through increased on-site spend. Center Parcs reviews these agreements periodically to ensure that they remain economically attractive

and meet its guests' requirements. Center Parcs believes that there is also an opportunity to increase revenue from its outside guests, especially through its Aqua Sana spa facilities, which Center Parcs continues to upgrade and expand.

Continue to increase profitability through controlling costs.

Center Parcs benefits from having a flexible cost base. Because of the high level of forward booking visibility of the business, Center Parcs is able to manage its cost base effectively to meet its business requirements. As part of the strategy to seek profitable growth, it intends to generate cost savings through increased efficiency at each village and at its head office. Center Parcs also plans to continue to improve and streamline booking options. For example, it recently launched an app that allows guests to book activities, check their itinerary and find their way around the villages.

Business Description

Product Offering

Center Parcs' focus is on the short-break holiday market. Center Parcs' guests can choose from three pre-defined break durations: the weekend (Friday to Monday), mid-week (Monday to Friday) or a week (Friday to Friday or Monday to Monday, comprised of a weekend break and mid-week break). Guests can also book combinations of these breaks. Accommodation is charged on a per-break rather than per-sleeper or per-night basis (with the exception of the Spa Suites which are sold on a per-night basis). 95% of holidays booked are for three or four night breaks.

Although located near urban centres, Center Parcs villages are each set within approximately 400 acres of forest around a lake and offer year-round, all-weather holidays in a car-free natural environment.

Center Parcs generated 59.1%, 59.1% and 58.7% of its total revenue from accommodation in financial years 2013, 2014 and 2015, respectively. Center Parcs' occupancy rates have averaged over 94% in the last 15 years, with approximately 42% of total lodge nights (defined as the aggregate number of lodges occupied by guests for a night) for the next 12 months already booked at the start of financial year 2016 on 24 April 2015.

Each village offers approximately 150 leisure and spa related activities, along with on average 16 bars and restaurants and 9 shops. Woburn Village also has an award-winning spa.

Center Parcs generated 40.9%, 40.9% and 41.3% of its total revenue from on-site spend in financial years 2013, 2014 and 2015, respectively.

Accommodation

Accommodation is a critical part of the overall guest experience at Center Parcs and the key financial driver, representing 58.7% of total revenue, or £226.1 million, in financial year 2015 on an unaudited pro forma combined basis. As at 23 April 2015, Center Parcs offered 3,421 units of accommodation across its Original Villages and from June 2014, 706 units at Woburn, totalling 4,127 units of accommodation across its five villages. Investment, maintenance and refurbishment are on-going to keep all accommodation up to date, fresh and contemporary.

Accommodation at each village comprises a range of one to four bedroom lodges, and one and two bedroom apartments, some of which include self-catering facilities. Each village offers a range of different grades of accommodation, from entry level comfort units to exclusive lodges and treehouses with jacuzzis, steam rooms and an assortment of premium facilities, as well as a small number of apartments and hotel rooms. Center Parcs plans to complete the upgrade of all of its accommodation within the next two to three years. This involves the upgrade of the remaining 533 units across the Original Villages to its new contemporary style accommodation at an average cost of approximately £50,000.

Between financial years 2007 and 2015, Center Parcs added 110 new lodges at the Original Villages. In addition, Center Parcs currently plans to build around 100 new premium lodges and one-bedroom apartments, subject to planning permission and other factors, at the Original Villages. The new premium lodges are expected to include treehouses, waterside lodges, spa suites and other executive lodges. Center Parcs currently has planning permission for more than a quarter of these new builds. At Woburn Village, Center Parcs plans to build approximately 100 new premium lodges, of which it already has planning permission for more than two-thirds of the lodges to be built as part of Woburn Phase 2 under its existing planning decision.

The following table shows a breakdown of the different grades of accommodation across Center Parcs' villages as of April 2015. Of these, approximately 84% have been upgraded since the start of the major upgrade programme in 2007.

Accommodation Stock

	<u>Sherwood</u>	<u>Elveden</u>	<u>Longleat</u>	<u>Whinfell</u>	<u>Woburn</u>	<u>Total</u>
Standard.....						
Comfort/Comfort +	121	0	0	126	0	247
Woodland.....	461	532	452	446	357	2,248
Sub total	582	532	452	572	357	2,495
Executive.....						
Executive Lodges.....	261	234	256	204	252	1,207
Exclusive Lodges.....	14	21	28	4	16	88
Spa Suites.....	0	4	0	0	6	10
Treehouses	3	0	3	0	0	6
Apartments and Hotel Rooms	11	88	60	87	75	321
Sub total	289	347	347	300	349	1,632
Total.....	871	879	799	872	706	4,127
Not upgraded.....	149	88	100	196	0	533
Upgraded.....	722	791	699	676	706	3,594
	871	879	799	872	706	4,127
Upgraded.....	82.9%	90.0%	87.5%	77.5%	100.0%	87.1% ⁽¹⁾

(1) Excluding Woburn Village, 84.4% of total units have been upgraded.

Comfort/Comfort Plus Lodges (existing entry level standard)

This is the existing base entry level accommodation which offers the essentials in a sociable open plan setting. At the end of April 2015, this style represented 6% of total accommodation units. In order for the accommodation to meet guest expectations, refurbishment programmes are planned to upgrade this level of accommodation to Woodland Lodge specification in the near to medium term. Elveden and Longleat have already been fully re-modelled as at November 2014.

Woodland Lodges (new entry level standard)

The Woodland Lodges feature oak-style flooring with a well equipped kitchen (including a full range of integrated appliances), a multi-channel TV and DVD player and well apportioned bathrooms and bedrooms. This level of accommodation is available in two, three and four bedroom layouts. Woodland Lodges will become the entry level standard of accommodation once the remaining Comfort and Comfort Plus Lodges have been upgraded.

Executive Lodges

This level of accommodation offers an overall higher level of functionality and furnishings. The majority of the three to four bedroom Executive Lodges have saunas as well as the additional benefits of en suite bathrooms and daily housekeeping service. Refurbishment programmes are upgrading this standard to the New Style Executive Lodges specification with more modern interior design schemes, kitchens (including appliances) and bathroom suites. Center Parcs expects that over the near to medium term, all original Executive Lodges will be upgraded to the New Style Executive Lodges specification.

Exclusive Lodges

As the luxury version of the Executive Lodges, this accommodation is the top of the range, comprising two storey, four bedroom, detached lodges designed for families or groups who desire the privacy of their own spa area and enclosed garden. The Exclusive Lodges also include a steam room, sauna and outdoor hot tub.

Spa Suites

Center Parcs introduced Spa Suites in November 2011 with the opening of four units at Elveden. They are luxurious one bedroom units adjacent to the Aqua Sana spa and provide direct access to the Spa facilities with entry included as part of the tariff. Unlike all other accommodation types they are sold on a per night basis.

Treehouses

The two storey luxury Treehouses are designed for families or friends who want the ultimate Center Parcs experience with views of the forest and a balcony to every bedroom. Three Treehouses opened at Sherwood in December 2010, and a further three opened at Longleat in late 2011. The accommodation consists of four en suite bedrooms, an infrared sauna room, a balcony hot tub, as well as a separate games den with pool table, and offers a daily housekeeping service and free Wi-Fi access. Treehouses have achieved the highest ADR of all accommodation stock in financial year 2015, followed by Exclusive Lodges.

Apartments and Hotel Rooms

Sherwood, Longleat and Whinfell have Executive standard apartment style accommodation with self-catering facilities. Elveden has an 88 bedroom room hotel, the Lakeview, and Woburn has a 75 room hotel room.

Leisure Activities

Center Parcs offers more than 150 leisure and spa activities at each of its villages. These activities range from passive and gentle to active and high adrenaline. Excluding the Aqua Sana spa, leisure activities comprised 12% of the total revenue and 28% of total on-site revenue, or £45 million, in financial year 2015 on an unaudited pro forma combined basis.

Sub-tropical Swimming Paradise

The sub-tropical swimming paradise is the core leisure offer of each Center Parcs village and is free to guests. The pools are heated all year and have slides, toddler water playgrounds and a variety of other features, such as family raft rides at Elveden, Sherwood and Woburn. Across the five villages, the pool complex averages over 5,500 square metres in size, with an average capacity of over 1,400 people in the pool and changing areas. Various activities are available, including scuba diving and aqua jetting. Guests can also hire a cabana with seating, a television and complimentary soft drinks.

Center Parcs has commenced Project Atlantis, a strategic enhancement of its pool offer. The review covers facility maintenance as well as opportunities to add new features. Project Atlantis is an investment capital expenditure program pursuant to which over £10 million was spent between 2012 and 2015 at the Original Villages in order to enhance the offering and guest experience. Center Parcs expects to spend a similar additional amount of capital expenditure on Project Atlantis in the short term. In autumn 2012, a new raft ride at Elveden, the Tropical Cyclone, was introduced and in June 2013, a family play area including numerous slides and water features opened at Elveden. These concepts were included within Woburn. Cabanas, which guests can hire, have been introduced at all sites. Project Atlantis is expected to be completed by 2020.

Outdoor Activities

Outdoor activities offered by Center Parcs vary from adventure golf and nature walks to high adrenaline activities such as high ropes, tree trekking and zip wires. All villages have a lake which offers a wide range of water sports and boats for hire. In 2014, Sherwood started offering electric boats for hire and these are expected to be introduced to all other villages during 2015. All villages also provide access to boathouses and beaches, where paddle boats and activities such as canoeing and sailing are on offer. All the villages have an outdoor activity centre providing activities such as Segways®, archery, quad biking and laser combat. Sherwood and Whinfell also have nature centres which allow guests to learn about the village's wildlife as well as provide activities such as falconry, woodland walks and educational tours. Center Parcs also offers festive-themed activities from November through the Christmas period as villages are transformed into "Winter Wonderland". Center Parcs' focus on capacity management has enabled extra sessions for guests, further increasing profitability. New outdoor activities recently introduced include electric boats and mini tree trekking for younger children.

Indoor Activities

Indoor activities include traditional activities, such as badminton, ten pin bowling, snooker, pool and table tennis, all of which are consistently popular with guests and accordingly, have generated consistent revenue streams. Access to a gymnasium and arcade are also available across all villages. Classes are offered for activities such as fencing and climbing. Pottery painting was introduced initially at Longleat in 2010 and has been rolled out to all villages. It caters to all age groups and is a popular activity which has seen significant revenue growth.

Ten pin bowling is also a popular activity with guests. There are two bowling locations at Sherwood and Woburn and one location at each other village.

New indoor activities recently introduced include a caving experience at Whinfell and Sherwood and an Indoor Climbing Adventure at Longleat. These offers are planned to be introduced at other villages.

Children's Activities

Center Parcs offers a wide range of activities tailored for children aged from six months to 14 years. Many such activities are offered through the "Activity Den". Trained staff offer a spectrum of activities, from traditional crèche and soft play areas for toddlers to hair braiding and activities such as Den Building for older children and teenagers. In addition to the "Activity Den", classes for younger guests are offered in sports including football and cricket. Roller skating and junior archery are also popular.

Cycle Hire

The car-free environment makes cycling a key feature of the Center Parcs experience. Each village has a cycle fleet of approximately 1,900 cycles on average. Center Parcs reviews its fleet regularly and invests significantly in new ranges of cycles to replace older models. In line with the initiative to pre-book more activities, pre-booking of cycles represented more than half of total cycle bookings at the Original Villages in financial year 2015, reducing queuing times and improving planning.

Aqua Sana — Spa and Treatments

The Aqua Sana spa is open to outside guests as well as to village guests, with most bookings made in advance and pre-paid prior to arrival. Aqua Sana comprised 5% of total revenue and 13% of total on-site revenue, or £21 million, in financial year 2015 on an unaudited pro forma combined basis.

Each village has between 18 and 23 treatment rooms and extensive spa facilities with a variety of different "experience rooms", hydrotherapy pools, saunas and meditation areas. Treatments range from massage through to more advanced facials and beauty treatments for both men and women.

Aqua Sana facilities have benefited from on-going refurbishment and upgrades, with approximately £1 million invested at the Original Villages since the beginning of financial year 2014. Retail shops offer a wide variety of beauty products from well-known brands, including Elemis and Decleor. The Aqua Sana offer at all villages includes a "Vitalé Café Bar" TM food and beverage offer serving light meals and refreshments.

A new concept of Spa Suites was introduced at Elveden in 2011. They provide a package of an overnight stay combined with access to the Aqua Sana. Four units were opened and unlike other accommodation can be booked on a nightly basis. Woburn Village opened with six Spa Suite units and the concept is intended to be rolled out at other villages in the near to medium term.

Revenue from outside guests has been an area of growth, reaching approximately one-third of Aqua Sana revenue in financial year 2015. The business continues to work towards ensuring the right offer for both village guests and outside guests.

Aqua Sana system improvements have enhanced the financial performance of Aqua Sana. Online booking is available and a new web site was introduced in 2014. The Aqua Sana receives dedicated operational and sales and marketing support. Center Parcs will continue to refurbish and upgrade facilities and invest in system enhancements.

Conference Facilities

Sherwood, Elveden, Longleat and Woburn offer purpose built conference and meeting facilities. Woburn provides the largest conference facilities and can accommodate up to 400 delegates. Each of the

villages offers an extensive range of leisure activities, which can be used during conferences for teambuilding purposes, such as raft building, tree trekking or aerial adventures. The use of these conference and meeting facilities are booked through Center Parcs' Corporate Events division.

On-site Food and Beverage

Center Parcs seeks to provide its guests with an extensive range of dining experiences, with on-site food and beverage sales comprising 17% of total revenue and 42% of total on-site revenue, or £66 million, in financial year 2015 on an unaudited pro forma combined basis.

Each village has an average of 16 restaurants and bars. This provides a choice of restaurants, some targeted at families, with play areas and children's menus while others offer premium dining. Center Parcs believes that these on-site food and beverage facilities are popular with its guests and have enabled higher sustained pricing and limited promotional activity compared with restaurants located on high streets. Menus are reviewed regularly and restaurants have been refurbished and upgraded on a rolling cycle to ensure that standards and the experience are maintained to a high standard.

Concession partners operate certain outlets and account for approximately a third of on-site spend on food and beverage. Approximately one-third of the outlets are operated under concession agreements with Casual Dining Group (formerly Tragus) and SSP. Under these concession agreements, the concession fees payable by each of Casual Dining Group (formerly Tragus) and SSP to Center Parcs is the greater of a set minimum fee or a specified percentage of their respective revenue. Current revenue generated by each of Casual Dining Group (formerly Tragus) and SSP is above the minimum guaranteed. Concession partners bring industry operational expertise to Center Parcs and have brought high street brand names such as Café Rouge, Strada and Bella Italia to the villages.

The food and beverage offer includes the following:

- Starbucks is operated as a franchise in all villages under licence. There are thirteen units in total including three at Woburn.
- Café Rouge (all villages), Bella Italia (Elveden, Whinfell), Strada (Sherwood, Longleat, Woburn) and Hawtons (Longleat only) are managed under a concession agreement by Casual Dining Group (formerly Tragus) which pays a concession fee.
- A gastro pub concept restaurant operates in Sherwood, Elveden and Woburn. These units are operated under a concession agreement by SSP, which pays a concession fee.
- A takeaway or delivery service in all villages. Dining In offers guests the opportunity to choose among Indian, Chinese and Italian cuisine.
- An American style restaurant (Hucks) operates in all villages. These restaurants are family orientated and include a children's play area.
- A Sports Café operates in all villages and offers a wide menu choice throughout the day and provides big screen sports entertainment.
- An Indian restaurant, Rajinda Pradesh, offers a premium dining experience in all villages.
- Fast food restaurants in all villages are located inside the pool complex and adjacent to the pools. These restaurants are operated under a concession agreement by SSP which pays a concession fee.
- Leisure Bowl bars adjoin the bowling lanes in all villages.
- Pancake House is a restaurant operating in all five villages.
- A "Vitalé Café Bar" TM café in the Aqua Sana catering for both village and outside guests.
- A traditional English pub at Whinfell and a "Grand Café" at Longleat.
- The Venue, mainly used for corporate functions but also seasonal events, in all villages with the exception of Whinfell.

On-site Retail

Center Parcs offers a range of both food and non-food retail at each of its villages, which comprised 7% of total revenue and 17% of total on-site revenue, or £27 million, in financial year 2015 on an unaudited pro forma combined basis.

The retail outlets have been designed to complement the activities at Center Parcs and the requirements of its guests. Each village has an average of eight main retail outlets and a number of satellite retail offers.

The on-site supermarket, the ParcMarket, provides guests with a full range of products comparable to a high street convenience store for guests' self-catering requirements. The shop includes a range of fresh foods, fresh breads and pastries baked on-site, and a wide range of wines, beers and spirits as well as a comprehensive grocery offer. Prices are monitored against comparably sized outlets in the surrounding areas. Sales averaged approximately £4 million per year per ParcMarket for financial year 2015.

Each village also has a confectionery shop, a gift shop with a wide variety of gifts and souvenirs and a toy store catering for children of all ages. There is also a shop within the cycle centre.

Since 2008, the Nuance Group has been Center Parcs' strategic retail partner and began operating the "Sportique" and "Aquatique" shops under a concession agreement. Two new shops, "Time for Shade" and "Spirit", were introduced and are also managed and operated under this concession agreement. In late 2011, Nuance began operating the gift shop "Store Room" and toy store "Just Kids" across all villages. The Nuance Group management of these units has allowed Center Parcs to develop a partnership with an operator with a well-established retail network and to extend and improve the retail offer including access to well-known brands including Superdry and Fat Face. The introduction of the concession partners enables guests to benefit from high street brand offerings and Center Parcs to leverage industry expertise in order to increase profitability. Approximately two-thirds of retail shops are operated under concession agreements with Nuance.

Center Parcs Villages

An independent valuation report of April 2015 (which was not prepared for the purposes of the Transactions), valued the aggregate market value of Center Parcs' properties across the five villages, subject to certain special assumptions set forth therein, at approximately £2.15 billion.

The following table sets out certain key information in respect of each Center Parcs' five villages:

	Sherwood Forest	Elveden Forest	Longleat Forest ⁽¹⁾	Whinfell Forest	Woburn Village
Year of opening	1987	1989	1994	1997	2014
Acres	391	413	405	415	357
Units of accommodation	871	879	799	872	706
Tenure of lease	999 years from 14 September 2000	999 years from 14 September 2000	First lease: 72 years and 11 months from 23 March 2000 Second lease: 72 years, five months and 29 days from 25 August 2000 Third lease: 64 years, one month and 25 days from 1 January 2009	First lease: 125 years from 8 November 1995 Second lease: 123 years from 27 March 1997	99 years from 24 December 2010
Annual rent (per annum)	£100	£100	First lease: £611,747 Second lease: £31,011 Third lease: £12,000	£1,000 (for both leases)	£555,750
Rent review	-	-	Every five years, upwards only (but limited by reference to revenue increase)	-	Every five years

- (1) The 2014 rent review discussions in respect of Longleat have been agreed in principle, with the revised yearly rent payable under the headleases agreed at £784,758. The rent review is subject to the signing of the relevant rent review memorandum with respect to each lease. Center Parcs continues to pay rent at the level set at the previous rent review; the landlord is accepting the existing rent pending the review and Center Parcs is accruing the amounts due following the rent review so that they are fully accounted for.

Sherwood Forest

Sherwood, opened in 1987, was the first of Center Parcs' villages in the UK. Sherwood is set in approximately 391 acres of woodland and lakes and has an open, rather than covered, village square, which generates a continental atmosphere with alfresco dining. In the 2015 financial year, Sherwood generated £82.9 million in revenue and £45.6 million Adjusted EBITDA.

Location

The village is located approximately 20 miles from the M1 motorway, 17 miles from the city of Nottingham (population 288,700) and nine miles from the town of Mansfield, within Nottinghamshire. The nearest town is Ollerton, which is three miles to the northeast.

Transport Links

Road access to the village from the north and south is from the M1/A1. The nearest mainline rail station is Newark North Gate which runs East Coast services between Newark and London Kings Cross (journey time is approximately 80 minutes), although the nearest rail services are from Mansfield.

Catchment Area

Located centrally within England, its accessibility provides a large catchment area within easy reach of areas north, south, east and west of the country. The main catchment areas are the Midlands and Yorkshire, as well as major cities such as Leeds, Manchester, Nottingham and Birmingham. Approximately 11.2 million total households and 4.8 million core households (defined as households in the ABC1 socioeconomic groups) live within a 2.5 hour drive of Sherwood.

Tenure

The property is held in leasehold title under the terms of a headlease with Scottish & Newcastle Plc. The term of the lease is 999 years from 14 September 2000 for a passing rent of £100 per annum (a premium of £100 million was paid initially to the lessor).

Elveden Forest

Elveden opened in 1989 as the second of Center Parcs' villages. Elveden covers an area of approximately 413 acres. In the 2015 financial year, Elveden generated £83.1 million in revenue and £43.8 million Adjusted EBITDA.

Location

Elveden lies approximately 85 miles to the northeast of London, approximately one hour's drive from the M25 motorway, in the heart of Suffolk, in the Breckland area. The property is located in Elveden Forest, approximately two miles south of Brandon between Cambridge and Norwich. The nearest town is Thetford, approximately four miles to the north of the property. Bury St. Edmunds is approximately 16 miles to the southeast of the property and Cambridge is approximately 35 miles to the southwest.

Transport Links

Access to the property from the south is via the M11 motorway, the A14 and the A11. The nearest mainline station is in Thetford, which provides a service to London, Cambridge and Norwich.

Catchment Area

According to the management of the village, Elveden considers its catchment area to be within a 2.5 hour drive of the property. These catchment areas include Suffolk, Norfolk, Cambridgeshire, Hertfordshire, Essex and — to a lesser extent — southern England. Approximately 10.7 million total households and 4.8 million core households live within a 2.5 hour drive of Elveden.

Tenure

The property is held in leasehold title under the terms of a headlease with Scottish & Newcastle Plc. The term of the lease is 999 years from 14 September 2000 for a passing rent of £100 per annum (a premium of £100 million was paid initially to the lessor).

Longleat Forest

Longleat opened in 1994 as the third of Center Parcs' villages. In the 2015 financial year, Longleat generated £77.9 million in revenue and £39.9 million Adjusted EBITDA.

Location

The property is located approximately four miles west of Warminster and 25 miles southeast of Bristol. It forms part of the Longleat Estate. Longleat covers an area of approximately 405 acres.

Transport Links

The village is within easy access of the A303, providing links with the M3 motorway to the east and M5 motorway to the west. Both the M4 motorway and the M27 motorway are just over 20 miles to the north and south, respectively, providing excellent road connections with major centres throughout the south of England and the Midlands. The nearest rail connection is found at Warminster, which has direct access to London.

Catchment Area

Longleat draws the majority of its guests from southern England and South Wales. The catchment area includes Bristol, Southampton, Swindon, Exeter and the M4 motorway corridor. Approximately 10.3 million total households and 4.5 million core households live within a 2.5 hour drive of Longleat.

Tenure

Parts of the property are held under two underleases from SPV 2 Limited (a subsidiary of CP Cayman Limited Holdings L.P.), which in turn holds such parts of the property under two headleases from the Marquis of Bath. The term of the first under lease is 72 years and 11 months from 23 March 2000 to 22 February 2073 for a current passing rent of £611,747 per annum (pursuant to a 2009 rent review. A premium of £10 million was paid to the lessor. The term of the second underlease is 72 years, five months and 29 days from 25 August 2000 to 22 February 2073 for a current passing rent of £31,011 per annum (pursuant to a 2009 rent review). Both underleases had a first rent review in July 2004 and their second rent review (due in July 2009) was settled in 2010. Rent reviews are carried out every five years. Rent reviews are upwards only but limited by reference to revenue increase relative to whichever of the preceding review periods has the greatest revenue. The remainder of the property (an outdoor activity centre) at Longleat is held under a lease between The Most Honourable Alexander George Seventh Marquis of Bath and Longleat Property Limited. The term of this lease is 64 years, one month and 25 days from 1 January 2009 to 25 February 2073 for a current passing rent of £12,000 per annum. This lease is subject to a rent review mechanism on similar terms as the above-mentioned two underleases. The rent review discussions in respect of Longleat 2014 rent review have been agreed in principle. Following the finalisation of this rent review, the rent payable under the first underlease is expected to be revised to £731,621 per annum, the rent payable under the second underlease is expected to be revised to £37,088 per annum and the rent payable under the lease for the outdoor activity centre is expected to be revised to £16,000. The outcome of the rent review discussions is subject to the relevant rent memorandum for each lease being signed. Center Parcs continues to pay rent at the level set at the previous rent review; the landlord is accepting the existing rent pending the review and Center Parcs is accruing the amounts due following the rent review so that they are fully accounted for.

Whinfell Forest

Whinfell was initially built by Rank and opened in 1997. It was subsequently sold to Bourne Leisure and then acquired by Center Parcs in 2001. Whinfell comprises approximately 415 acres of land and is home to one of the UK's last remaining colonies of red squirrels, which can be seen regularly throughout the village. In the 2015 financial year, Whinfell generated £75.7 million in revenue and £38.3 million Adjusted EBITDA.

Location

The property is located between Penrith and Temple Sowerby on the A66. Penrith is the closest town (population approximately 15,000) and is approximately four miles west of the village.

Transport Links

The M6 motorway is approximately seven miles to the west of the village, providing motorway access to Scotland and the northwest of England, as well as to the Midlands and the south of England. The closest rail facilities are located in Penrith, which provides connections to major centres, including Edinburgh, Glasgow, Manchester, Birmingham and London.

Catchment Area

Whinell is the most northerly of the Center Parcs and it therefore tends to attract guests from Scotland, the north of England and north Wales. The main catchment areas include Glasgow and the west coast of Scotland, Newcastle and the north east, Liverpool, Manchester and the North West. However, due to the proximity of the village to the Lake District, this facility also has a higher proportion of long distance guests. Approximately 7.1 million total households and 2.7 million core households live within a 2.5 hour drive of Whinell.

Tenure

The property is held under three separate titles — one being freehold and two being long leasehold. The leasehold titles are held under two leases scheduled to expire in 2120 for a total passing rental of £1,000 per annum. A premium of £3,288,500 (plus VAT) was previously paid in instalments for one lease, and a premium of £112,000 was paid in respect of the other lease.

Woburn Village

The fifth village in Center Parcs' portfolio has been constructed on 357 acres of mature forested land in Woburn, Bedfordshire and opened to paying guests on 6 June 2014. Woburn has been built with the same core offer as the Original Villages but has introduced modern and contemporary accommodation designs and has a higher proportion of premium accommodation offerings. It has 706 units of accommodation comprising 625 lodges, a 75 room hotel and 6 spa suites. There are 349 units of executive accommodation, 49% of the total which is a higher percentage than any other village. This is designed to service the anticipated demand of its affluent guest base in the south of England. Approximately 14 million total households and 6.4 million core households live within an estimated 2.5 hour drive of Woburn (as compared to an average of approximately 4.2 million core households for the Original Villages), the vast majority of whom have never been to Center Parcs.

Woburn has planning permission for 75 premium lodges under its existing planning decision, in addition to the 625 lodges already built under the decision. Building for the 75 premium lodges is expected to commence in January 2016. Furthermore, development opportunities to introduce other additional accommodation have been identified.

For the 44 weeks ended 23 April 2015, Woburn Village generated £65.6 million in revenue and £32.5 million Adjusted EBITDA.

Location

Woburn is located approximately 60 miles north of London in Bedfordshire.

Transport Links

Woburn is six miles from the M1 motorway. The village also has convenient rail links, with a journey time of 45 minutes by train from London St. Pancras to Filtwick train station, located approximately two miles away.

Catchment Area

Woburn is the only Center Parcs village within a 90-minute drive time of London households. Woburn also has the highest volume of core target households (3.2 million) within that drive time. For much of this population, the penetration for Center Parcs has historically been low.

Tenure

The property is held in leasehold title under the terms of a lease with Woburn Estate Company Limited and Bedford Estates Nominees Limited. The term of the lease is 99 years from 24 December 2010 for a current passing rent of £557,750 (pursuant to a 2013 rent review) per annum. A premium of £3,540,600 was paid to the

lessor. The lease contains a rent review clause with an upwards only review to take place every 5 years (with the next review due on 31 March 2018) by reference to the greater of an increase in rent in line with the retail price index, a fixed percentage increase in the passing rent or the historic increase in revenue at Woburn.

Village Development

The first step in the development of a new Center Parcs village is the identification of an appropriate site. There are limited appropriate sites for villages as the Center Parcs' model requires large forested areas near major population centres. Following the identification of the site, planning permits for the development of the village need to be obtained. The development of a new village has a long lead time due to the stringent requirements for these permits. In addition, a wide range of specialised operations and planning expertise are required to develop a new village, including cost plans and budgets as well as studies assessing the economic, geological and ecological impact of the new village. The planning phase is followed by tender and procurement processes for the construction. These processes are then followed by the actual construction and pre-opening training of village staff.

There are significant costs associated with the development of a village. For example, the development cost for Woburn Phase 1 was approximately £250 million. Approximately 1,500 people were hired for the development process and they collectively received approximately 84,000 hours of training. The actual building of the village involved the construction of 706 units of accommodation in addition to the Village Square, the Indoor Plaza, the Subtropical Swimming Paradise and other activity and leisure areas.

Village Operations

Operational Management

Each of Center Parcs' villages are managed by a general manager and a deputy general manager, who oversee the events manager, guest services manager and on-village revenue manager. Other individuals responsible for the management of the village are the technical services manager, housekeeping manager, leisure services manager, village financial controller, human resources manager, security manager, health and safety technician and food and beverage manager. As of 23 April 2015, Center Parcs had an average of approximately 1,500 employees at each village. Center Parcs' villages are akin to small towns with their own infrastructure, including gas, water and power provision.

One of the key focus points of village operations is guest satisfaction. 96% of guests rated their break as "excellent" or "good" in financial year 2015. Center Parcs uses the "Delivering Excellent Service" metric to measure service provision across offerings. Guest feedback, particularly the monitoring of "Delivering Excellent Service" scores through guest surveys, forms a central part of the internal review and improvement process for each village. Each operating unit at a village has target "Delivering Excellent Service" scores as part of its bonus schemes.

Risk Management

Each village's general manager is supported by an independent health and safety team at the head office. Each village has regular risk meetings throughout the year. Center Parcs' risk management policy focuses on health and safety including guest safety, food safety, lodge safety, employee safety, fire safety and child protection. Center Parcs also centrally monitors enterprise risk and key performance indicators.

Supply chain

Center Parcs primarily has a centralised purchasing function to ensure quality, competitiveness, regulatory and ethical policy compliance, continuity and consistency across its five villages. Center Parcs mainly uses national suppliers that service all five villages, ensuring economies of scale and commercial leverage, and therefore controlling overall costs. Center Parcs' villages also use local suppliers for certain goods and services to ensure provenance and speed of service as well as to support corporate social responsibility initiatives. Altogether, Center Parcs manages approximately 1,900 suppliers centrally and purchased approximately £120 million of goods and services in financial year 2015. Center Parcs has a dedicated sourcing team focusing on utilities, food and beverage, fixtures, fittings and inventory, technical and ground services, laundry services and leisure goods and services.

Guest Profile

Over 80% of the UK population lives within a 2.5 hour drive of at least one of Center Parcs' villages, and the majority of Center Parcs' guests live within a two hour drive of the village they choose to visit.

In financial year 2015, 77% of Center Parcs' guests were families, with families with pre-school

children, families with school age children and families with mixed age children comprising 30%, 28% and 19% of all guests, respectively.

During peak periods of school and national holidays, occupancy is driven by families with school age children. During off-peak periods, families with pre-school children and infants support midweek occupancy while weekend guests are predominantly families with school age children. During financial year 2015, during peak periods, Center Parcs' guests comprised 45% families with school age children, 16% families with pre-school children, 25% families with mixed age children and 14% adult-only groups, while during off-peak periods, Center Parcs' guests comprised 18% families with school age children, 38% families with pre-school children, 15% families with mixed age children and 29% adult-only groups.

Center Parcs' primary guest base are affluent families. According to management estimates, 84% of Center Parcs' guests, as compared to 60% of the total population, are classified as "affluent achievers", "rising prosperity" and "comfortable communities" (42%, 10% and 32% of Center Parcs' guests, respectively) based on ACORN postcode analysis. Center Parcs also has a loyal guest base, with approximately 60% of guests returning within five years.

Marketing

Center Parcs is positioned as a relatively upmarket, high quality short-break holiday option for affluent families wanting to spend time together, away from the stresses and routine of everyday life. Brand value and integrity underlines Center Parcs' marketing strategy.

Center Parcs engages directly with guests, with approximately 83% of bookings made online in 2015 and the remaining through its in-house contact centre. Center Parcs does not deal with online affiliates or travel agents. As such, there are no commission payments made to third parties selling Center Parcs to consumers.

Center Parcs' accommodation pricing strategy is based on a demand driven model, where prices start at a low level in order to generate demand and generally rise as sales increase along with demand as the holiday dates approach. This approach rewards and encourages early booking (Center Parcs has an 18-month booking horizon) and has helped Center Parcs increase revenues through economic cycles and has allowed it to maintain and improve occupancy rates. This is reflected in "intention to return" scores of 95% in financial year 2015.

In 2009, Center Parcs introduced a dynamic demand-driven pricing model, overseen by its dedicated pricing team, that enables management to optimise accommodation revenues by linking price to demand throughout the year. The pricing model utilises granular data, mapping holidays by length of break, accommodation type (with over 120 different types across the villages for the purposes of the pricing model), time of year as well as by village and incorporates the previous year's average price as a base, adjusted for inflation and other factors (including the time of week, whether the period is peak or off-peak and high occupancy versus quieter occupancy periods). This allows Center Parcs to smooth out its pricing across the seasons, adapt its accommodation pricing to guest demand and facilitate its yield management. Prices are monitored in real-time by the pricing team and benchmarked against other villages as well as the wider market, with daily prices reviews (which take effect the subsequent day) to adapt the progression of bookings against the planned booking model.

Center Parcs' on-site pricing is generally less variable than its accommodation pricing. All activities except for the Subtropical Swimming Paradise are booked on a pay-per-use principle, and all activities are available for pre-booking. In financial year 2015, approximately 60% of on-site activities are pre-booked and pre-paid. Center Parcs maintains clear price lists for its activities to increase transparency.

Center Parcs maintains a guest database of approximately one million contacts, with approximately 460,000 of those being considered active guests who had a Center Parcs break in the last 26 months or have an active booking. Approximately 35% of guests return within 14 months, and approximately 60% return within five years. Given the cost effectiveness of targeting guests who have previously stayed at a Center Parcs village, a significant proportion of the Center Parcs marketing budget is focused on communicating with its existing guest base, targeting repeat visits and the sale of on-site activities. The retention strategy focuses on an email programme that maintains communication with guests, from initial enquiry for information, through booking of accommodation, pre-arrival booking of activities, to the post-visit "Welcome Home" and "Anniversary" emails. Center Parcs also distributes the "Village Life" magazine to approximately 300,000 previous guests. In addition, Center Parcs constantly monitors on-going guest feedback through its online Guest Service Questionnaire, which has been completed by over 30% of guests in recent periods, as well as through various quantitative and qualitative research projects (including surveys and focus groups), website behavioural tracking and social media reporting and monitoring to review the various elements of its business. Questionnaires have been

exclusively online since May 2010, which has significantly increased the number of returns and has improved guest feedback. Such research helps guide marketing communications, but has also been the basis of improvements in both guest service and product development (for example, accommodation refurbishment, pool upgrades, new leisure activities and introduction of the Center Parcs app). Center Parcs also offers a “come back soon” price guarantee to guests when they leave thus incentivising guests to return.

Center Parcs has recently launched the Digital Roadmap, an initiative to improve its pricing, booking and guest database systems. For more information on the Digital Roadmap, see “— *Information Technology*”.

In addition to its retention strategy, Center Parcs integrates acquisition marketing activities through the purchase of advertising space on websites, television programmes and newspapers aimed towards a more affluent market to bring in new affluent guests that have potential to provide repeat business and good lifetime value through multiple return visits. Typically, Center Parcs runs an integrated cross-channel media campaign, led by television and internet advertising, supplemented by email, social media and other forms of public relations activities, all of which are seasonally, geographically and demographically targeted for optimal effects. The largest spend of the year is focused upon the key booking period from late December through to late February, when large numbers of UK consumers are in the market for holidays and short-breaks and the propensity to book is higher.

In September 2009, Center Parcs introduced a new service programme called “Making Memorable Moments” to enhance the level of service it provides to its guests. All staff have since been trained under the Making Memorable Moments Programme. This effort has already yielded improved results, as measured by responses to guest questionnaires.

Information Technology

Digital Roadmap

In February 2015, Center Parcs launched Digital Roadmap, a multi-pronged process designed to further optimise revenue by improving its digital capabilities, which is expected to be completed in the medium term with expected investments primarily over the next two years. Through this process, Center Parcs plans to introduce more sophisticated pricing tools in order to increase demand through targeted marketing and improved customer relationship management, including by leveraging historic data and producing demand forecasts. The Digital Roadmap will be overseen by a steering committee.

The Digital Roadmap aims to create automated price suggestions and intra-day price changes using revenue optimisation tools for accommodation pricing, in order to facilitate real-time price monitoring and updates (including intra-day price changes) and improve flexibility and reactivity.

Center Parcs also intends to introduce price variability between seasons and across villages for on-site pricing, to respond to changes in demand, local economic conditions, and guest spending profiles such as through enhanced identification of high on-site spenders with targeted offers.

Through the Digital Roadmap, Center Parcs intends to maintain a more sophisticated customer database with a fully integrated accommodation and on-site spend database, improved customer analytics, full social media and customer relationship management integration and a robust online platform recognising individuals and profile segments. As a result, Center Parcs intends to (i) facilitate access to guest data for guest-facing service departments and to provide more targeted guest services, such as differentiating between first-time guests and repeat guests; (ii) boost individual guest identification indicating individual preferences to enable Center Parcs to better tailor guest services; and (iii) allow for an improved user booking experience by providing seamless, consistent and more responsive process across its booking systems.

Bookings Systems

Center Parcs’ pre-arrivals booking systems comprise a telephone-based in-house contact centre and an online service via its website. Center Parcs has significantly improved cost efficiency and efficiency of call handling through the consolidation of its call centre operations to its head office in 2010. Guests are able to book leisure activities six months in advance through these booking systems. In addition to benefiting guests, these pre-arrivals booking systems help optimise yield management and give Center Parcs greater planning time to ensure it meets demand through extra sessions and employee capacity. A dedicated revenue management team ensures that accommodation demand and capacity are constantly monitored to ensure revenue optimisation. In financial year 2015, approximately 60% of activities were pre-booked and pre-paid prior to arrival. 100% of bookings are made directly with Center Parcs, with approximately 83% of accommodation

bookings made online in financial year 2015. Guests can book either online (using Center Parcs' website, mobile site or app) or on-site using new purpose built on-site booking points.

Mobile App

Center Parcs recently launched an app for smart phone users. The app allows guests to pre-book their accommodation, in addition to pre-booking activities, checking their itinerary and navigating their way around the village. The app also includes features to create personalised digital postcards and to actively connect the Center Parcs' short break experience with social media platforms. Center Parcs plans to enhance the mobile app, with direct targeted offers to current and prior guests as well as potential guests for on-site activities.

Intellectual Property

CP Opco and Center Parcs Limited, together, own 39 registered trademarks as of 23 April 2015. These include trademarks for the Center Parcs® name and logo; restaurants such as The Pancake House® and Hucks®; leisure venues like The Venue®; activities such as Action Challenge® and Aqua Sana® spa; ParcMarket® on-site supermarket; and Jardin Des Sports® sports centre.

Under the Center Parcs name, Center Parcs Europe NV operates 21 villages across Holland, Belgium, Germany and France. Center Parcs Europe NV is not owned by the Brookfield Funds. CP Opco and Center Parcs Europe NV are party to a brand sharing agreement pursuant to which CP Opco is exclusively entitled to use its trademark registrations for the Center Parcs brand in the United Kingdom, Channel Islands and the Republic of Ireland, and Center Parcs Europe NV is exclusively entitled to use its trademark registrations for the Center Parcs brand in Albania, Austria, the Benelux, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Israel, Italy, Latvia, Liechtenstein, Lithuania, Macedonia, Monaco, Norway, Poland, Portugal, Romania, Serbia, Slovak Republic, Slovenia, Spain, Sweden, Switzerland and Ukraine. If CP Opco or Center Parcs Europe NV intend to use the Center Parcs name or other trademarks that include or are confusingly similar to them to brand a holiday centre in a jurisdiction outside of these territories, then the party planning to expand into that new territory must submit a detailed business plan to the other party inviting them to participate in all aspects of the development, funding, ownership and future management of that holiday centre in that new territory such that CP Opco and Center Parcs Europe NV will participate on terms identical to each other. If the other party accepts the invitation, and CP Opco and Center Parcs Europe NV participate in the development and management of a holiday centre in a new territory, trade mark applications and registrations used in connection with any such development will generally be jointly applied and paid for. If the other party does not accept the invitation, the offering party will have the exclusive rights to open and operate holiday centres under the Center Parcs name and the other trademarks. The brand sharing agreement also governs the marketing arrangements pursuant to which Center Parcs Europe NV may market its holidays in the CP Opco territory pursuant to distribution agreements with travel agents in the United Kingdom provided that the content of any publicity referring to Center Parcs Europe NV's holidays has been previously agreed by CP Opco. CP Opco must include in its brochures a page promoting Center Parcs Europe NV's holiday villages, the content of which is agreed with CP Opco. The page includes clear language that the two entities are owned separately. Under the marketing arrangements, CP Opco is required to take telephone inquiries and bookings for Center Parcs Europe NV from customers calling the number in its brochure. For this service, it is entitled to receive a variable commission based on the annual accommodation revenue of the bookings made.

Center Parcs believes that its trademarks are valuable to the operation of its villages and are an integral part of its marketing strategy, and is not aware of any existing infringing uses that could reasonably be expected to materially affect its business.

Employees

As of 23 April 2015, 21% of employees have been with Center Parcs for over ten years and less than 2% of hours worked were by employees on zero hour contracts. As of the end of financial year 2015, Center Parcs employed a total of 7,597 workers (including fixed term or temporary contractors) with a full-time equivalent of 4,342 employees. Of this number, 271 were based at the head office, and an average of approximately 1,465 working at each village. The following table provides a breakdown of Center Parcs' number of employees by village for the last three financial years.

Employees by village

2013	2014	2015
------	------	------

	Full-time equivalents	Total	Full-time equivalents	Total	Full-time equivalents	Total
Sherwood	784	1,510	781	1,506	794	1,513
Elveden	835	1,586	846	1,582	878	1,630
Longleat	791	1,526	784	1,511	805	1,553
Whinfell	806	1,268	795	1,260	813	1,257
Woburn	n/a	n/a	763	1,217	817	1,373
Head Office.....	223	254	235	268	235	271
Total (including Woburn)	3,440	6,144	4,204	7,344	4,342	7,597
Total (excluding Woburn)	3,440	6,144	3,441	6,127	3,525	6,224

As of 23 April 2015, 43% of the Group's employees were housekeepers, 21% of employees were employed in leisure activities and 20% of employees were employed in food and beverage outlets.

Center Parcs is a large local employer in the locations where it operates and its strong brand awareness helps it attract new employees. Center Parcs uses a centralised online recruitment system, in addition to references from current employees. All new employees go through an induction programme that introduces them to Center Parcs' customer service initiatives. Employees also have access to on-the-job training including a management training course for employees looking to transition into management roles. Center Parcs also offers apprenticeships, diploma courses and over 200 technical and professional courses each year to its employees.

Maintenance and Inspection

Center Parcs uses both planned preventative maintenance and reactive maintenance regimes to ensure that its accommodation, facilities, amenities, plant, equipment, fixtures and fittings are inspected and maintained to a standard acceptable to its target guest base.

The planned preventative maintenance regime helps to ensure that Center Parcs has visibility of the total cost of maintaining its assets and the cost of replacing end of life assets. The reactive maintenance regime ensures that Center Parcs has a technical services team on call to attend to any maintenance issue 24 hours a day, 365 days a year. The technical services teams are complimented by external experts, technicians and engineers as required.

The Regional Directors of Operations and the senior management team of each village meet every six weeks to inspect each village to ensure that all maintenance issues are identified and addressed. The villages have a fire, health and safety inspection every two months. Furthermore, the Operations and Development Director conducts a two-day inspection at each village twice a year.

Insurance

Center Parcs maintains insurance of the types it believes to be commercially reasonable and available to businesses in its industry, and in amounts exceeding the statutory minimums. It maintains insurance policies that provide coverage for property related risks, business interruption following loss of or damage to property, employers' liability and public and product liability.

Center Parcs' current insurance policies expire on 30 June of each year. While insurance premiums have remained relatively stable over recent years and no material changes are expected in the near term, Center Parcs cannot predict the level of the premiums it may be required to pay for subsequent insurance coverage or the level of insurance available.

Legal Proceedings

From time to time, Center Parcs has been and is involved in disputes and litigation related to its business and operations. In particular, the nature of the leisure activities which it provides and the industry in which it operates tend to expose Center Parcs to claims by guests for personal injuries. Center Parcs investigates such claims thoroughly and, depending on the circumstances, will settle or defend the claim accordingly. To date, none of these claims have been material.

Center Parcs is not currently party to any actual or threatened legal proceedings or disputes which may have a material adverse effect on its business, results of operations or financial condition.

Regulation and Environment

The villages operated by Center Parcs are subject to a number of national and local laws relating to the operation of holiday breaks, including those regarding the sale of alcohol and offering of entertainment. Operating in forested areas with endangered wildlife, the villages are also required to adhere to strict environmental codes.

Center Parcs' operations are subject to increasingly stringent national and local environmental laws and regulations, including laws and regulations governing air and noise emissions; wastewater and stormwater discharges and uses; oil spillages; the maintenance of storage tanks and the use, release, storage, disposal, handling and transportation of, and exposure to, chemicals and hazardous substances; and otherwise relating to health, safety and the protection of the environment and natural resources and the remediation of contaminated soil and groundwater.

Center Parcs is subject to applicable rules and regulations relating to its relationship with its employees, including minimum wage requirements, child labour laws, health benefits, and overtime and working condition requirements. In addition, Center Parcs is subject to the Equality Act 2010.

Center Parcs was the first UK organisation to receive the Wildlife Trust's Biodiversity Benchmark across all of its sites, with all four of the Original Villages retaining their certification as of January 2015.

MANAGEMENT

Center Parcs (Holdings 1) Limited is a private limited company incorporated in England and Wales. The board of directors for Center Parcs (Holdings 1) Limited is responsible for its principal operational decisions. Center Parcs' Operating Board is the main policy making and oversight board of the Obligor and conducts the day-to-day operations of the activities of Center Parcs. The Operating Board consists of the Chief Executive Officer, the Finance Director and the three members of senior management listed below.

Board of Directors

Center Parcs (Holdings 1) Limited's board of directors meets quarterly to discuss the performance of Center Parcs against its strategic objectives, current and future projects and innovations and to discuss any other issues that may impact the day-to-day running of the business in the short- to medium-term.

Following the Acquisition, the Sponsor constituted a new board of directors. The Sponsor's investment strategy strives to build companies by enhancing corporate governance, strengthening management, improving operations and providing other value-added services.

The following individuals are on Center Parcs (Holdings 1) Limited's board of directors following the Acquisition:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Martin Peter Dalby.....	53	Chief Executive Officer
Paul Inglett.....	48	Finance Director
Brian Kingston.....	41	Board member
Steven Skaar.....	42	Board member
Kevin McCrain.....	35	Board member
James Tuckey.....	68	Board member

Martin Peter Dalby — Chief Executive Officer

Martin Dalby has served as CEO of Center Parcs since July 2000 and prior to that was Finance Director of Center Parcs from 1997 to 2000 and Financial Controller from 1995 to 1997. Mr. Dalby joined Scottish and Newcastle in 1978 where he held various accounting positions before joining Center Parcs UK in January 1995 as Financial Controller. Mr. Dalby has led the Center Parcs Group through the change of company ownership from Scottish and Newcastle to Deutsche Bank Capital Partners (subsequently MidOcean Partners) as well as the acquisition and integration of Oasis Whinell Forest. Mr. Dalby led the listing of the business on AIM in December 2003, the transition to the London Stock Exchange's main list on 1 March 2005 and the subsequent purchases by the Blackstone Funds in 2006 and the Brookfield Funds in 2015.

Paul Inglett — Finance Director

Paul Inglett joined Center Parcs as Finance Director in January 2010. Prior to joining Center Parcs, he served on the board of Marston's PLC (formerly, The Wolverhampton & Dudley Breweries PLC) as Group Finance Director from 2002, having previously held a number of senior financial roles within the group. During his time at Marston's Mr. Inglett had responsibility for the finance, IT, purchasing and estates teams across the group. Mr. Inglett was Finance Director during a period of significant change for the group and was closely involved in a number of major acquisitions and disposals, which resulted in a number of significant refinancings of the group. Mr. Inglett is CIMA qualified.

Brian Kingston — Board Member

Brian Kingston is a Senior Managing Partner and the President and Chief Investment Officer of Brookfield Property Group. Mr. Kingston also serves as a director and member of the investment committees on Brookfield's real estate affiliate company boards including General Growth Properties, Rouse Properties, and IDI Gazeley. Mr. Kingston joined Brookfield in 2002 and has been involved in a wide range of merger and acquisition activities, including Brookfield's investment in Canary Wharf Group, O&Y REIT and O&Y Corp, Trizec Properties and Multiplex. From 2008 to 2013, Mr. Kingston led Brookfield's Australian business activities, holding the positions of Chief Executive Officer of Brookfield Office Properties Australia, Chief

Executive Officer of Prime Infrastructure Holdings Ltd. and Chief Financial Officer of Brookfield Multiplex. Mr. Kingston received a Bachelor of Commerce degree from Queen's University.

Steven Skaar — Board Member

Steven Skaar is a Senior Vice President of Brookfield Property Group and is responsible for Brookfield's European real estate investments. He has over 15 years of real estate experience. Prior to joining Brookfield in 2010, Mr. Skaar spent five years as a Director with Citi Property Investors, where he focused on European opportunistic investments. Mr. Skaar also spent 5 years in Citigroup's Global Corporate and Investment Bank, working both in the real estate advisory and lending businesses. He has experience in buying and selling assets in multiple jurisdictions, take-private transactions, acquiring debt securities, providing mezzanine finance and structuring securitizations and sale leaseback transactions. Mr. Skaar received degrees in Finance and Economics from the University of Utah and an MBA, with distinction, from Cornell University.

Kevin McCrain — Board Member

Kevin McCrain is a Senior Vice President of Brookfield Property Group and is responsible for advising on all legal aspects of Brookfield's real estate platform, specifically focusing on European acquisitions and dispositions. Prior to moving to London, Mr. McCrain was based in New York and focused on North American acquisitions and disposition. Since joining Brookfield in 2010, Mr. McCrain has been involved in a number of acquisitions, including Gazeley Limited, Verde Realty and International Developments International. Prior to joining Brookfield, Mr. McCrain worked at another real estate investment management company and at international law firms where he focused on real estate related mergers and acquisitions and general real estate transactions. Mr. McCrain holds a Juris Doctor degree from Georgetown University Law Center.

James Tuckey — Board Member

James Tuckey is Chairman Brookfield, UK, and served as Executive Chairman of Multiplex's UK operations prior to its acquisition by Brookfield. Prior to this, Mr. Tuckey spent 28 years at MEPC, a UK property owner and developer, and as Chief Executive from 1993 to 1999. Mr. Tuckey is a member of the President's Committee of the British Property Federation, having served as President during 1993, and is a former Deputy Chairman of English Partnerships, the UK Government regeneration agency for England, and a former member of the Property Advisory Group to the United Kingdom Department of the Environment (1993 to 1997). Mr. Tuckey is a Fellow of The Royal Institution of Chartered Surveyors and brings over 40 years of real estate experience to the Brookfield Real Estate Group.

Operating Board

The following table sets out certain information with respect to the Operating Board of Center Parcs as of the date of these Listing Particulars. The address for each of these managers is One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Martin Peter Dalby.....	53	Chief Executive Officer
Paul Inglett.....	48	Finance Director
Colin Whaley.....	53	Sales and Marketing Director
Paul Kent.....	50	Operations and Development Director
Rajbinder Singh-Dehal.....	37	HR and Commercial Services Director

Colin Whaley — Sales and Marketing Director

Colin Whaley joined Center Parcs in December 2004 as Sales and Marketing Director. Mr. Whaley was previously employed by British Airways from 1987, gaining broad experience in a number of departments before being appointed as Head of Sales and Marketing with BA Holidays in June 1998. Following the acquisition of BA Holidays by Thomas Cook Holidays Mr. Whaley headed up Sales and Marketing for the newly merged company for a year and then rejoined British Airways in June 2002 to take up the position of Marketing Director at Travelbag Limited. After this business was acquired by ebookers, Mr. Whaley became Marketing Director of ebookers (UK) until he joined Center Parcs.

Paul Kent — Operations and Development Director

Paul Kent has been a director of Center Parcs since January 2004 and joined Center Parcs in 1987, when the first holiday village was established in the UK. Mr. Kent has held a variety of roles at Center Parcs with responsibility for Retail, Leisure and Food & Beverage before moving to the position of General Manager of Sherwood, taking up the UK Operations Manager role in 2002 before being appointed as Commercial Director and then becoming the Operations and Development Director in 2012. Prior to joining Center Parcs, Mr. Kent worked in retail management with Sainsbury's plc.

Rajbinder Singh-Dehal — HR and Commercial Services Director

Rajbinder Singh-Dehal joined Center Parcs in June 2009 as Company Secretary with responsibility for legal, pensions, health and safety, insurance and risk. In May 2012, Mr. Singh-Dehal was appointed as Head of Legal and Commercial Services which saw Mr. Singh-Dehal assume responsibility for Purchasing in addition to his previous responsibilities. In January 2015, Mr. Singh-Dehal was appointed as HR and Commercial Services Director. In his new role, Mr. Singh-Dehal added Human Resources to his remit and joined the Center Parcs operating board. Before joining Center Parcs, Mr. Singh-Dehal was Head of the Corporate & Commercial legal team at Alliance & Leicester plc. Mr. Singh-Dehal started his career with Eversheds LLP where he practised as a corporate lawyer advising large to medium sized public and private companies. Mr. Singh-Dehal qualified as a Solicitor in September 2001.

For biographies for Martin Peter Dalby and Paul Inglett, see “— *Board of Directors*”.

Executive Compensation

For the financial year 2015, the aggregate compensation paid to the members of Center Parcs' Operating Board named above as well as Martin Robinson, the former Chairman of the Board of Directors, was £3.3 million (in each case including cash compensation for salary, bonuses, pensions and other benefits). The remaining members of the Board of Directors do not receive any compensation from Center Parcs for their services.

Pension Schemes

Center Parcs currently operates two pension arrangements, namely: (a) the Center Parcs Group Pension Plan (“GPP”), a personal pension plan open to all employees and in which employees are automatically enrolled; and (b) the Center Parcs Senior Pension Scheme (“FS Scheme”), an occupational final salary (defined benefit) arrangement with ten members, of which two senior employees are active members. As at 30 September 2014, the GPP had approximately 3,275 members representing approximately 45% of all employees. As at 31 July 2014, the FS Scheme assets amounted to 85% of its liabilities with a deficit of approximately £2.1 million on an on-going basis. As at 31 July 2014, the cost of buying out the members' benefits would have been approximately £23.9 million. The FS Scheme is not open to new members and its assets, liabilities and the contributions in to the FS Scheme are not material in the context of Center Parcs' revenue and assets.

Corporate Governance

Center Parcs manages risks through the Risk Committee, which is made up of the executive management committee and other selected senior managers and meets quarterly to evaluate risks that have occurred, new and emerging risks, and the effectiveness of mitigating controls. On a day-to-day basis, Center Parcs' Fire, Health and Safety Steering Committee oversees the safety and well-being of the guests and meets every ten weeks, chaired by the Operations and Development Director. Matters not resolved by the Fire, Health and Safety Steering Committee are escalated to the Risk Committee.

Center Parcs has a team of internal auditors based across all five villages that operates independently from village operations. The audit team looks at trends across the business to ensure that transactions are recorded as necessary to permit the preparation of financial statements. Before the commencement of each financial year, the directors and senior management are consulted to prepare an audit plan for the year, highlighting areas that raise concern. Audits are then performed at each village by the team of internal auditors and the resulting report is circulated to the directors. Recommendations arising from the reports are discussed with the relevant management personnel to ensure that controls are improved in a manner that results in efficient and secure procedures.

Management Employment Contracts

All members of the Operating Board have permanent employment contracts of indefinite terms, terminable on 12 months' notice by the employer and 6 months' notice by the relevant employee. The contracts include a standard commitment not to compete during their employment as well as a 6-month non-compete post-contractual restrictive covenant. There are further 12-month non-solicit post-contractual restrictive covenants in relation to employees and suppliers.

Management of Center Parcs Following the Acquisition

Following the Third Closing Date, the ultimate authority within the Center Parcs Group rests with the Sponsor. The Sponsor appointed directors to the Board of Directors of Center Parcs (Holdings 1) Limited and to the boards of the principal Obligors. The size and composition of the boards of Center Parcs (Holdings 1) Limited and the principal Obligors may change, from time to time, for various reasons.

The Operating Board will continue to be responsible for the daily operations of the Center Parcs Group. However, there is no assurance that Center Parcs will be able to retain its current managing directors. See *“Risk Factors — Center Parcs’ business could be harmed if it loses the services of its key management personnel or is unable to attract and retain qualified employees.”*

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Center Parcs Group entered into transactions with the Blackstone Funds and other entities owned by the Blackstone Funds in the ordinary course of business. These transactions included, among others, financing agreements and professional, advisory, consulting and other corporate services. All such agreements were terminated upon consummation of the Acquisition.

In addition, the Center Parcs Group has certain loans and loans notes from related parties which are expected to be settled as part of the Financing Transactions.

Following completion of the Acquisition, we may enter into professional, advisory, consulting and other corporate services agreements with the Brookfield Funds.

PRINCIPAL SHAREHOLDERS

Following the Transactions, the Brookfield Funds will indirectly (through wholly-owned intermediate holding companies) own approximately 99% of the entire share capital of the Center Parcs Group and certain employees and members of management will indirectly own the remainder of the share capital of the Center Parcs Group.

Brookfield Asset Management Inc. is a global alternative asset manager with over \$200 billion in assets under management. The company has over a 100-year history of owning and operating assets with a focus on property, renewable energy, infrastructure and private equity. Brookfield owns and manages one of the largest portfolios of premier office properties and renewable energy generating facilities as well as long-life infrastructure assets that include utilities, transport and energy and timberlands in North and South America, Australasia and Europe. Its assets are held through a growing portfolio of private funds and public, listed entities. Brookfield is publicly listed on the NYSE, TSX and Euronext Amsterdam under the symbol BAM, BAM.A and BAMA, respectively.

In addition to Center Parcs, Brookfield is invested in multiple hotel and leisure assets and companies. Brookfield's hotel and leisure investment strategy is to acquire premier assets in attractive markets and use operational expertise to drive shareholder returns. Key assets within Brookfield's hotel segment include the Atlantis Paradise Island Resort in the Bahamas and the Diplomat Resort in Miami. In 2014, Brookfield acquired Thayer Lodging Group, a private hotel investor/operator and asset management firm.

See "*Summary — the Transactions*".

DESCRIPTION OF OTHER INDEBTEDNESS

The following summary of the material terms of the Class A2 Notes, the Original Class B Notes, the Class A3 Notes, the Class A4 Notes, Topco Payment Undertaking, Topco Share Security Agreement and CP Cayman Security Agreement does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Class A Notes

The Issuer issued the Class A1 Notes and the Class A2 Notes (together the **“Original Class A Notes”**) on the Closing Date and issued the Class A3 Notes and the Class A4 Notes (together, the **“Second Class A Notes”**) on the Second Issue Date. On the Second Closing Date, part of the proceeds of the issue of the Second Class A Notes were used to redeem the Class A1 Notes in full. The Class A2 Notes and the Second Class A Notes are referred to as the **“Class A Notes”**.

On the Closing Date, the proceeds of the issue of the Class A2 Notes were applied by the Issuer to make an advance to the Borrower pursuant to the terms of the Original Class A Issuer/Borrower Loan Agreement in an aggregate principal amount of £440.0 million (the **“Class A2 Loan”**). On the Second Closing Date, the proceeds of the issue of the Second Class A Notes were applied by the Issuer to make an advance to the Borrowers pursuant to the terms of an amended and restated Class A Issuer/Borrower Loan Agreement (the **“Class A IBLA”**) in an aggregate principal amount of (x) £350.0 million in the case of the Class A3 Loan (the **“Class A3 Loan”**) and (y) £140.0 million in the case of the Class A4 Loan (the **“Class A4 Loan”**). The Borrowers used the Class A2 Loan to refinance existing debt facilities (and the payment of related fees and expenses), and for general corporate purposes, and used the Class A3 Loan and the Class A4 Loan to refinance the Class A1 Loan and for the purchase of CP Woburn Opco.

The economic terms and conditions of the Class A2 Loan, the Class A3 Loan and the Class A4 Loan (together, the **“Class A Loans”**) (including, among other things, in relation to the payment of interest and the repayment and prepayment of principal) are broadly similar to the economic terms and conditions of the Class A2 Notes, the Class A3 Notes and the Class A4 Notes, respectively.

The obligations of the Issuer in respect of the Class A Notes will rank equally in respect of security and as to payment of interest and repayment and prepayment of principal but in priority to the obligations of the Issuer in respect of the Class B Notes in point of security and as to payment of interest and repayment and prepayment of principal.

The Class A2 Notes bear interest at the rate of 7.239% per annum from (and including) the Closing Date up to (but excluding) 28 February 2024 and 7.919% from (and including) 28 February 2024 up to (but excluding) 28 February 2042. The Class A3 Notes bear interest at the rate of 2.666% per annum from (and including) the Second Issue Date up to (but excluding) 28 February 2020 and 3.944% from (and including) 28 February 2020 up to (but excluding) 28 February 2042. The Class A4 Notes bear interest at the rate of 3.588% per annum from (and including) the Second Issue Date up to (but excluding) 28 August 2025 and 4.244% from (and including) 28 August 2025 up to (but excluding) 28 February 2042.

Class A Issuer/Borrower Loan Agreement

Repayments and Prepayments

The Class A2 Loan Expected Maturity Date is 23 February 2024 (the **“Class A2 Loan Expected Maturity Date”** or the **“Class A2 EMD”**), the Class A3 Loan Expected Maturity Date is 25 February 2020 (the **“Class A3 Loan Expected Maturity Date”** or the **“Class A3 EMD”**) and the Class A4 Loan Expected Maturity Date is 22 August 2025 (the **“Class A4 Loan Expected Maturity Date”** or the **“Class A4 EMD”**). The Borrower must repay each of the Class A Loans in full on 25 February 2042 to the extent not repaid, prepaid or otherwise discharged in full prior to that date.

In certain circumstances the Borrowers will be required to prepay the Class A Loans in full, including if it has become unlawful for the Issuer or the Borrower to perform any of their respective obligations under the relevant documents or if a Borrower is, or will be, required to pay to the Issuer a tax payment as a result of a change in law or in any published practice or concession of any relevant tax authority.

In addition, the Borrowers may, by giving the relevant notice to the Issuer and the Borrower Security Trustee, voluntarily prepay (or ensure that a Borrower prepays) all or part (if applicable) of any outstanding Class A Loan provided that certain conditions are satisfied.

Representations

The Class A IBLA has standard representations and warranties made by each Obligor. These representations include (subject, in some cases, to agreed exceptions and qualifications as to materiality and reservations of law) the following representations:

- (a) its due incorporation, valid existence, power and authority to own its assets and carry on its business as it is being conducted;
- (b) it has the power to enter into and perform the senior finance documents;
- (c) it has not breached any judgment, law, regulation, order or decree applicable to it;
- (d) its obligations under the senior finance documents are legal, valid, binding and enforceable;
- (e) no default or termination event is outstanding;
- (f) no litigation, arbitration or administrative proceedings against any member of the Obligor Group has been started or, to its knowledge, threatened;
- (g) it has a good, valid marketable title to, or valid leases or licences of, and all appropriate authorisation to use, the assets necessary for it to carry on its business as presently conducted at each of the properties except for non-material defects;
- (h) no insolvency event has occurred and is continuing in relation to it;
- (i) there are no agreements, arrangements or resolutions with any of its affiliates which: (i) call for a further issue or allotment of any share or loan note (or any equivalent by), or for the benefit of, an Obligor; or (ii) allow any other person to directly participate in the Obligor Group's profits;
- (j) matters relating to insurances;
- (k) no contingent liabilities or commitments not disclosed in relevant financial statements;
- (l) matters relating to centre of main interest;
- (m) matter relating to intellectual property rights; and
- (n) absence of litigation, arbitration or administrative proceedings.

In addition, on each date on which an additional facility is advanced, each Obligor will repeat certain of such representations. An Obligor acceding to the senior finance documents will also be required to make certain representations on the date of such accession.

Security

The obligations of the Obligors under the Class A IBLA are secured by the Obligors in favour of HSBC Corporate Trustee Company (UK) Limited (the “**Borrower Security Trustee**”) for the benefit of the borrower secured creditors by way of fixed and floating charges created by a borrower deed of charge (the “**Borrower Deed of Charge**”) and by a deed of charge entered into by CP Woburn (Operating Company) Limited upon its accession as an Obligor (the “**Woburn Deed of Charge**”, and together with the Borrower Deed of Charge, the “**Class A Borrower Deed of Charge**”). The security from each of the Obligors include first-ranking mortgages or first fixed charges over their freehold and leasehold interests in the villages, their bank accounts and the share capital of their subsidiaries.

Class A Restricted Payments

The Class A IBLA prohibits any Obligor from, at any time, making any payment of dividend, or other distribution in respect of shares, or any redemption in respect of share capital, or any repayment of principal or payment of interest in respect of any financial indebtedness owed by an Obligor to an entity that is not an Obligor, or granting a loan in cash or in kind, or any purchase of any debt owed by an Obligor to an entity which is not an Obligor (such restricted payment a “**Class A Restricted Payment**”) to any entity that is an affiliate of the Borrower group but not an Obligor at any time unless the Class A Restricted Payment Condition (as defined below) was satisfied as at the most recent date which is seven Business Days before each loan interest payment date (the “**Financial Covenant Test Date**”).

In addition, the Borrowers must not make any payment in respect of the Class B Loan or purchase any Class B Notes if the Class A Restricted Payment Condition is not then satisfied (other than if such payment is made using new equity funds of any Borrower received for this purpose).

For these purposes:

The “**Class A Restricted Payment Condition**” is the condition which will be satisfied if:

- (i) as at the most recent Financial Covenant Test Date, the Class A FCF DSCR calculated as at such Financial Covenant Test Date is greater than or equal to 135%;
- (ii) on the payment date of any Class A Restricted Payment, either (i) there is no drawing outstanding (other than a Standby Drawing (as defined below)) under the Liquidity Facility Agreement; or (ii) if applicable, the Liquidity Reserve remains fully funded;
- (iii) a compliance certificate has been provided in respect of the most recent Financial Covenant Test Date;
- (iv) on the payment date of any Class A Restricted Payment, no event of default or potential event of default under the Class A Notes is continuing; and
- (v) on the payment date of any Class A Restricted Payment, the amount available under the liquidity facility pursuant to the Liquidity Facility Agreement or (as applicable) the Liquidity Reserve is not less than the lesser of (i) £80 million; and (ii) 24 months’ peak debt service on the Class A Notes.

Financial Covenants

In addition to the general covenants described below, the Class A IBLA contains a financial covenant that requires the Borrower to maintain a ratio (expressed as a percentage) of free cash flow to class A total debt service charges (the “**Class A FCF DSCR**”) equal to or greater than 110% on each Financial Covenant Test Date. The Borrowers will have the benefit of certain cure rights in the event that the Class A FCF DSCR is less than 110%.

Covenants

The Class A IBLA contains certain general covenants. Each Obligor covenants, amongst other things, that:

- (a) it will obtain, maintain and comply with any authorisation required to perform its obligations under the senior finance documents and to carry on its business;
- (b) it will comply in all respects with all laws to which it is subject;
- (c) it will ensure that its payment obligations under the senior finance documents at all times rank at least *pari passu* with all its other present and future unsecured payment obligations;
- (d) it will do all things necessary to maintain its corporate status;
- (e) it will keep its assets in good and substantial repair and condition;
- (f) it will not create or allow to exist any security interest on any of its assets;
- (g) it will not sell, transfer or otherwise dispose of any of its assets;
- (h) it will only carry out permitted business in accordance with good industry practice and its constitutional documents;
- (i) it will not monetize its retail leases;
- (j) it will preserve and maintain its intellectual property rights;
- (k) it will maintain and keep funded any occupational pensions schemes operated or maintained for the benefit of the members of the Obligor Group;

- (l) it will not make any amendments to constitutional documents relating to the transferability of its shares;
- (m) it will not purchase or surrender any Notes;
- (n) it will not make any acquisitions or investments;
- (o) it will not enter into any sale and leaseback transactions;
- (p) it will not incur or guarantee additional financial indebtedness;
- (q) it will not cause or allow its registered office or centre of main interests to be in or maintain an establishment in any jurisdiction other than its jurisdiction of incorporation;
- (r) it will not enter into any amalgamation, demerger, merger or reconstruction;
- (s) it will ensure that the Issuer has available to it a liquidity facility agreement or a liquidity facility reserve;
- (t) it will comply with its obligations under the Tax Deed of Covenant and the First Supplemental Tax Deed of Covenant;
- (u) it will pay all taxes due and payable by it prior to the accrual of any fine or penalty for late payment;
- (v) it will at all times main reputable auditors and will not change its accounting reference date;
- (w) it will not issue any shares;
- (x) it will supply its annual and semi-annual financial statements to the Borrower Security Trustee and to the Issuer;
- (y) it will maintain property insurances;
- (z) it will comply with any leases;
- (aa) it will spend a minimum of £18.5 million per annum on capital expenditure and any difference between the minimum required to be spent and the amount actually spent will be transferred to a designated account. An assessment of the minimum amount of capital expenditure required will made every eight years; and
- (bb) it will comply with all environmental laws.

Each of the covenants is subject to a number of important exceptions and qualifications.

Events of Default

The events which can give rise to an event of default under the Class A IBLA include (subject in certain cases to agreed exceptions, materiality thresholds and qualifications):

- (a) non-payment by an Obligor under the senior finance documents;
- (b) Borrower non-compliance with the Class A FCF DSCR;
- (c) Obligor non-compliance with any term of the senior finance documents;
- (d) a representation or warranty made or deemed to be made by an Obligor in any senior finance document is incorrect or misleading;
- (e) a failure by an Obligor to pay any amount owed under financial indebtedness (other than financial indebtedness incurred under the Class B Issuer/Borrower Loan Agreement or any subordinated debt) incurred by it, subject to a threshold of £10 million;
- (f) an insolvency event occurs in respect of a material Obligor (which includes each of the Borrowers and any Obligor which generates 5% of the EBITDA of the Group or has 5% of the net assets of the Group);

- (g) any attachment, sequestration, distress, execution, or analogous event affects any asset of a material Obligor;
- (h) a material Obligor ceases, or threatens or proposes to cease, to carry on all or a substantial part of its business;
- (i) repudiation, illegality or unenforceability of a senior finance document;
- (j) part or all of the properties, or all or a substantial part of the assets of a material Obligor, are nationalized, expropriated or compulsorily purchased;
- (k) any part of the properties is destroyed or damaged;
- (l) any litigation, arbitration, administrative proceedings or governmental or regulatory investigations, proceedings or disputes are commenced or threatened against any material Obligor;
- (m) non-compliance with relevant leases;
- (n) the Pensions Regulator issues a financial support direction or a contribution notice;
- (o) any security granted over the assets of a material Obligor becomes enforceable or is enforced, subject to a threshold of £10 million;
- (p) any security interest ceases to be in full force and effect;
- (q) termination of intellectual property rights owned by an Obligor;
- (r) any tax obligor does not comply with any term of any covenant or undertaking applicable to it, or breaches any representations it gives in the Tax Deed of Covenant;
- (s) any Obligor, or any entity that is not an Obligor, fails to comply with a provision of the Intercreditor Agreement;
- (t) the beneficial interest in any of the issued share capital in any Obligor ceases to be held, directly or indirectly, by Center Parcs (Holdings 1) Limited (or, in relation to UK Parcs Holding S.à r.l. only, by CP Cayman Limited);
- (u) any amount of principal is outstanding in respect of the Class A3 Loan on the loan interest payment date falling in February 2021;
- (v) any amount of principal is outstanding in respect of the Class A2 Loan on the loan interest payment date falling in February 2025;
- (w) any amount of principal is outstanding in respect of the Class A4 Loan on the loan interest payment date falling in February 2026; and
- (x) any step is taken by the Issuer Security Trustee to enforce the Issuer Security, or any direction is given to that effect by the relevant percentage amount of holders of the Class A Notes, in accordance with the Note Trust Deed following the occurrence of a Class A Note Event of Default.

Upon the occurrence of an event of default and subject to the relevant grace periods, the Borrower Security Trustee would be entitled to accelerate the debt or take an enforcement action in accordance with the provisions of the Intercreditor Agreement.

Accession of Additional Site Entities

Subject to certain conditions, if an additional site in the United Kingdom is owned by a non-Obligor, such additional site must accede to the Obligor Group within three years of the later of the acquisition of the relevant additional site or the date the additional site has become operational and has started to receive paying customers (subject to certain exceptions). The conditions to an additional site acceding to the Obligor Group include (a) confirmation from the Rating Agencies that there would be no adverse effect on the then current rating of the Class A Notes and no adverse effect is reasonably expected to occur; (b) such entity has not incurred financial indebtedness (subject to certain exceptions); and (c) a first ranking lien has been granted over all of the assets of such entity.

Liquidity Facility Agreement

On the Second Issue Date, the Issuer entered into the Liquidity Facility Agreement with, among others, the Liquidity Facility Providers, the Liquidity Facility Agent, the Cash Manager and the Issuer Security Trustee, pursuant to which the Liquidity Facility Providers agreed to make a liquidity facility (the “**Liquidity Facility**”) available to meet certain liquidity shortfalls.

Under the terms of the Liquidity Facility Agreement, the Liquidity Facility Providers provides a 364-day commitment in an aggregate amount equal to £80 million to permit drawings to be made by the Issuer to enable the Issuer to service interest due on the Class A Notes, together with certain senior ranking expenses owed to other transaction parties, in the event of there being insufficient cash flow received from the Obligor under the Class A IBLA.

The Liquidity Facility Agreement provides that the amounts drawn by the Issuer (such amounts, a “**Liquidity Loan Drawing**”) and repaid to the Liquidity Facility Providers may be redrawn.

Each Liquidity Facility Provider must be a bank, the long term unsecured, unsubordinated and unguaranteed long term obligations of which must be rated, in the case of S&P BBB and, in the case of Fitch, BBB (or, in each case, such other lower rating which is consistent with the published criteria (relevant for the applicable counterparty) of the relevant Rating Agency) (the “**Requisite Rating**”).

The Liquidity Facility Agreement provides that: if (i) at any time the relevant rating of a Liquidity Facility Provider falls below the Requisite Rating; or (ii) a Liquidity Facility Provider does not agree to renew such Liquidity Facility prior to the expiry of the 364 day period, the Issuer shall, if it is unable to enter into a substitute liquidity facility in accordance with the terms of the Liquidity Facility Agreement, draw the available commitment of such Liquidity Facility Provider and place the same on deposit (such drawing, a “**Standby Drawing**”) in the relevant Liquidity Standby Account. The Issuer may only withdraw amounts from such Liquidity Standby Account to enable the Issuer to service interest due on the Class A Notes, together with certain senior ranking expenses owed to other transaction parties, in the event of there being insufficient cash flow received from the Obligor under the Class A IBLA.

In addition, in the event that a Standby Drawing was made following the downgrade of a Liquidity Facility Provider, the Issuer will use its reasonable endeavours to help such Liquidity Facility Provider to find a suitable replacement Liquidity Facility Provider or guarantor (as applicable) with the Requisite Rating.

Interest accrues on any drawing made under the Liquidity Facility (including any Standby Drawing) at a rate equal to LIBOR plus a margin (equal to 1.50% per annum). Under the terms of the Liquidity Facility Agreement, the Issuer is also required to pay additional amounts if: (i) a withholding or deduction for or on account of tax is imposed on payments required to be made to any Liquidity Facility Provider; or (ii) any Liquidity Facility Provider suffers an increase in the cost of providing its Commitment under the Liquidity Facility. From the Year 5 Step-Up Date the rate of interest applicable to any Drawing made in respect of the Liquidity Facility Agreement will increase, every six months, on a cumulative basis by the Year 5 Step-Up Margin up to a maximum of 5% per annum.

For these purposes:

“**Year 5 Step-Up Date**” means the Note Interest Payment Date next following the fifth anniversary of the date of the Liquidity Facility Agreement.

“**Year 5 Step-Up Margin**” means 0.50% per annum, increasing by 0.50% on each Note Interest Payment Date following the Year 5 Step-Up Date up to a maximum of 5.00% per annum.

Payments due under the Liquidity Facility will rank senior to interest and principal payments on the Class A Notes, and after certain third party costs and expenses other than in relation to Liquidity Subordinated Amounts. The Liquidity Facility Providers will not be permitted to enforce the security granted by the Obligor under the Issuer/ Borrower Loan Agreements.

For these purposes:

“Liquidity Subordinated Amounts” means all amounts payable under, or in any way in connection with, the Liquidity Facility Agreement, other than:

- (a) principal and interest in respect of any Drawing made under the Liquidity Facility Agreement, except that:
 - (i) part of the interest (for the relevant interest period) on such Drawing which represents a mandatory cost in excess of 0.20% per annum on the maximum amount drawn under the Liquidity Facility Agreement from time to time; and
 - (ii) in respect of a Drawing made on or after the Year 5 Step-Up Date, the Year 5 Step-Up Margin;
- (b) the commitment fee payable under the Liquidity Facility Agreement;
- (c) any costs payable by the Issuer to an LF Finance Party under the Liquidity Facility Agreement as a result of any increased costs of such LF Finance Party, including those arising from:
 - (i) the introduction of, or any change in, or any change in the interpretation, administration or application of, any law or regulation; or
 - (ii) compliance with any law or regulation made after the date of the Liquidity Facility Agreement.

In the event that the Issuer is unable to make any payment of amounts due pursuant to the Liquidity Facility Agreement, such amounts will accrue default interest at a rate of 1% per annum higher than the rate which would have been otherwise payable, up to but excluding the date of actual payment.

Original Class B Notes

The Issuer issued the Original Class B Notes on the Closing Date.

On the Closing Date, the proceeds of the issue of the Original Class B Notes were applied by the Issuer to make advances to the Borrowers pursuant to the terms of the Original Class B Issuer/Borrower Loan Agreement in an aggregate principal amount of £280.0 million. Pursuant to the Original Class B Issuer/Borrower Loan Agreement, the Issuer provided to the Borrowers the Original Class B Loan which is contractually subordinated in terms of payments and security to the Class A Loans (other than the Topco Share Security).

The Original Class B Notes accrue interest at the rate of 11.625% per annum from (and including) the Closing Date up to (but excluding) 28 February 2020 and, thereafter, 6.25% per annum.

The expected maturity date for the Original Class B Loan is 23 February 2018. If, on such date, the Original Class B Loan remains outstanding, the Original Class B Noteholders can enforce their rights under the Topco Share Security Agreement and the CP Cayman Security Agreement, each as described in more detail below.

From (and including) 28 February 2018, the Issuer will not make payments of interest in respect of the Original Class B Notes. Instead, interest will accrue on the Original Class B Notes at the applicable rate (as set out above) but will be deferred and will be payable only on the earlier of (a) the date on which the Class A Notes are repaid in full and (b) 28 February 2042. Interest will accrue on such deferred interest at the rate otherwise payable on unpaid principal of the Original Class B Notes at such time.

The economic terms and conditions of the Original Class B Issuer/Borrower Loan Agreement (including, among other things, in relation to the payment of interest and the repayment and prepayment of principal) are broadly similar to the terms and conditions of the Original Class B Notes.

On or after 28 February 2015, the Borrowers may prepay all or a part of the Original Class B Issuer/Borrower Loan Agreement at a specified prepayment price (expressed as a percentages of principal

amount), plus accrued and unpaid interest and additional amounts, if any, on the Original Class B Issuer/Borrower Loan Agreement prepaid, to the applicable date of prepayment. Upon the occurrence of certain changes in tax law, the Borrowers may prepay all of the Original Class B Issuer/Borrower Loan Agreement at a price equal to the principal amount plus accrued and unpaid interest.

Under the Original Class B Issuer/Borrower Loan Agreement, the Borrowers will be required to maintain a ratio (expressed as a percentage) of free cash flow to total debt service charges (the “**Original Class B FCF DSCR**”) equal to 100% on each Financial Covenant Test Date. The Borrowers will have the benefit of certain cure rights in the event that the Class B FCF DSCR is less than 100%.

The Original Class B Issuer/Borrower Loan Agreement limits, among other things, Topco and the Obligor with respect to:

- (a) the incurrence or guarantee of additional indebtedness;
- (b) the payment of dividends or other distributions on, and the redemption or repurchase of, its equity;
- (c) the making of certain restricted payments and investments;
- (d) the incurrence of certain liens;
- (e) the imposition of restrictions on the ability of subsidiaries to pay dividends and other payments to members of the Group;
- (f) the transfer, lease, sale or other disposition of certain assets;
- (g) the merger, consolidation with, or sale of substantially all of the Group members’ assets to, other entities;
- (h) the entry into certain transactions with affiliates;
- (i) the entry into sale and leaseback transactions; and
- (j) the impairment of the security interest for the holders of the Original Class B Notes.

Each of the covenants is subject to a number of important exceptions and qualifications.

Subject to certain conditions, if an additional site is owned by a non-Obligor, such additional site must accede to the Obligor Group within three years of the later of the acquisition of the relevant additional site or the date the additional site has become operational and has started to receive paying customers (subject to certain exceptions). The conditions to an additional site acceding to the Obligor Group include (a) confirmation from the Rating Agencies that there would be no adverse effect on the then current rating of the Original Class B Notes and no such adverse effect is reasonably expected to occur; (b) such entity has not incurred financial indebtedness (subject to certain exceptions); and (c) a first ranking lien has been granted over all of the assets of such entity.

A portion of the Original Class B Notes remained outstanding as of the Third Closing Date. On 20 July 2015, Bidco launched a tender offer to purchase or procure the purchase of the Original Class B Notes in full, together with accrued interest up to the date of purchase. All of the Original Class B Notes properly tendered prior to the expiration of the tender offer were purchased on the Third Closing Date by the Borrowers. The remaining outstanding amount of Original Class B Notes are expected to be redeemed thereafter.

No event of default may occur with respect to the Class B Notes or Class B Loans while the Class A Loans or Class A Notes are still outstanding (until after an acceleration of the Class A Notes or Class A Loans, respectively). However, upon the occurrence of any event that would otherwise constitute an event of default (each being a Share Enforcement Event), the Class B Noteholders have the ability to demand repayment by Topco pursuant to the Topco Payment Undertaking and direct the security trustee to enforce the security granted pursuant to the Topco Security Documents. The events that could lead to such a Share Enforcement Event or, in certain cases, an event of default, are customary for high yield debt instruments and subject to customary grace periods.

If at any time no Class A Loans or Additional Class A Loans remain outstanding, or an acceleration of the Class A Loan has occurred, any such Share Enforcement Event will also constitute a Class B Loan Event of Default.

The Class B Issuer/Borrower Loan Agreement, the Class B Notes and any non-contractual obligations arising out of or in connection with the Class B Issuer/Borrower Loan Agreement and the Class B Notes are governed by English law.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following is a summary of certain provisions of the documents relating to the Transactions and other financing arrangements and is qualified in its entirety by reference to the detailed provisions of the relevant documents.

Intercreditor Agreement

The following is a summary of certain provisions of the Amended and Restated Intercreditor Agreement.

1. INTRODUCTION

1.1 The Issuer, the Obligor Group Agent, the Borrower Security Trustee, the Issuer Security Trustee, the Class A Note Trustee, the Class B Note Trustee and others entered into the amended and restated Intercreditor Agreement (the “**Intercreditor Agreement**” or the “**ICA**”) in respect of certain intercreditor arrangements in relation to:

- (a) the Borrower Secured Creditors in respect of the Borrower Secured Liabilities;
- (b) the Issuer Secured Creditors in respect of the Issuer Secured Liabilities; and
- (c) the Topco Secured Creditors in respect of the Topco Secured Liabilities,

(the “**Intercreditor Arrangements**”).

1.2 The Intercreditor Arrangements bind each of the Secured Creditors, the Obligors, the Topco Obligors and the Non-Obligor Group Creditors. No Intra-Obligor Group Creditor or a Non-Obligor Group Creditor is a Secured Creditor and any claims of any of them against the Obligor Group are subordinated and postponed pursuant to the ICA. The following section describes only the Intercreditor Arrangements as among the Secured Creditors.

2. DEFINITIONS

In this section “*Description of Certain Financing Arrangements — Intercreditor Agreement*”, unless stated otherwise, capitalised terms have the following meaning:

“**Additional Amounts**” has the meaning given to that term in the Class B IBLA.

“**Additional Class A Loan Amounts**” means all Class A Make-Whole Payments and all other amounts (that do not constitute interest, principal or any amounts payable in respect of Facility Fees) payable to the Issuer under the Class A IBLA.

“**Additional Class A Note Amounts**” means all Make-Whole amounts and all other amounts (that do not constitute interest or principal) payable by the Issuer under the Class A Conditions.

“**Additional Class B Loan Amounts**” means all Additional Amounts and all other amounts (that do not constitute interest, principal or any amounts payable in respect of Facility Fees) payable to the Issuer under the Class B IBLA.

“**Additional Class B Note Amounts**” means all Additional Amounts and all other amounts (that do not constitute interest or principal) payable by the Issuer under the Class B Conditions.

“**Additional Obligor**” means any person not already an Obligor which becomes a party to the Intercreditor Agreement as an Obligor.

“**Additional Non-Obligor Group Creditor**” means any person not already a Non-Obligor Group Creditor which becomes a Party as a Non-Obligor Group Creditor pursuant to the provisions of the Intercreditor Agreement.

“**Affected Secured Creditor**” means each Secured Creditor (other than individual Noteholders) whose Entrenched Rights under any Transaction Document are affected by an ICA Proposal pursuant to the ICA, subject to certain exceptions.

“**Borrower Covenant to Pay**” means the covenant to pay set out in clause 17.1 (Covenant to pay) of the Borrower Deed of Charge.

“Borrower Post-Enforcement (Post-Acceleration) Priority of Payments” has the meaning given to that term in paragraph 29.4 (Borrower Post-Enforcement (Post-Acceleration) Priority of Payments).

“Borrower Post-Enforcement (Pre-Acceleration) Priority of Payment” has the meaning given to that term in paragraph 29.2 (Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments).

“Borrower Pre-Enforcement Priorities of Payments” has the meaning given to that term in paragraph 8.2 (Borrower Pre-Enforcement Priorities of Payments) of the ICA, as applicable and as the context may so require.

“Borrower Post-Enforcement Priorities of Payments” means:

- (a) the Borrower Post-Enforcement (Post-Acceleration) Priority of Payments; and
- (b) the Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments,

or any of them, as applicable and as the context may so require.

“Borrower Priorities of Payments” means:

- (a) the Borrower Pre-Enforcement Priorities of Payments; and
- (b) the Borrower Post-Enforcement Priorities of Payments,

or any of them, as applicable and as the context may so require.

“Borrower Secured Creditor” means:

- (a) the Borrower Security Trustee (in its own capacity and on behalf of the other Borrower Secured Creditors);
- (b) the Issuer as lender under the Issuer/Borrower Loan Agreements;
- (c) any Receiver appointed by the Borrower Security Trustee in respect of the Borrower Security;
- (e) the Borrower Account Bank under the Borrower Account Bank Agreement; and
- (f) each additional Borrower Secured Creditor.

“Borrower Secured Creditor Representative” means a representative of a Borrower Secured Creditor appointed in accordance with the Intercreditor Agreement.

“Borrower Secured Liabilities” means all present and future obligations and liabilities (whether actual or contingent of each Obligor to any Borrower Secured Creditor under each Borrower Transaction Document.

“Borrower Secured Property” means the whole of the right, title, benefit and interest of the Obligors in the property, rights and assets of the Obligors secured by or pursuant to the Borrower Security.

“Borrower Security” means the Security Interests constituted pursuant to the Borrower Security Documents.

“Borrower Security Documents” means:

- (a) the Borrower Deed of Charge;
- (b) any Longleat Legal Charge;
- (c) the Security Interest Agreement;
- (d) the Woburn Deed of Charge;
- (e) the Woburn Legal Charge;
- (f) the ICA and each deed of accession thereto, together with any agreement or deed supplemental to the ICA;

- (g) any other document evidencing or creating security over any asset of an Obligor to secure any obligation of any Obligor to a Borrower Secured Creditor in respect of the Borrower Secured Liabilities; and
- (h) any other document designated as a “Borrower Security Document” by the Obligor Group Agent and the Borrower Security Trustee,

or any of them, as applicable and as the context may so require.

“Borrower Transaction Documents” means:

- (a) the Borrower Security Documents;
- (b) the Class A IBLA;
- (c) the Class B IBLA;
- (d) the Tax Deed of Covenant;
- (e) the First Supplemental Tax Deed of Covenant;
- (f) the Second Supplemental Tax Deed of Covenant;
- (g) the Borrower Account Bank Agreement;
- (h) any accession agreement in respect of any additional Borrower Secured Creditor, Additional Obligor or any Additional Non-Obligor Group Creditor; and
- (i) any other document or agreement designated as a “Borrower Transaction Document” by the Obligor Group Agent and the Borrower Security Trustee.

“Borrowing Liabilities” means, in relation to:

- (a) a member of the Obligor Group;
- (b) a member of the Topco Obligor Group; or
- (c) the Issuer,

the liabilities (not being Guarantee Liabilities) it may have as a principal debtor to any creditor (including, for the avoidance of doubt, any Obligor, any Topco Obligor, any Non-Obligor Group Creditor or the Issuer) in respect of any financial indebtedness arising under any Debt Document (whether incurred solely or jointly and including any liabilities as an Obligor under the Borrower Transaction Documents, as a Topco Obligor under the Topco Transaction Documents and as Issuer under the Issuer Transaction Documents, as applicable), in each case, as applicable and as the context may so require.

“Class A Direction Request” has the meaning given to that term in paragraph 4 (Note Trustees, Issuer Security Trustee and Borrower Security Trustee).

“Class A Discharge Date” means the date on which all the Class A Notes are fully and finally discharged.

“Class A Extraordinary Resolution” has the meaning given to that term in the Class A Conditions.

“Class A FCF DSCR Sequential Ratio Test” means, and **is satisfied** if, as at the Financial Covenant Test Date immediately before the relevant Loan Interest Payment Date, the Class A FCF DSCR is equal to or greater than 135% and is **not satisfied** if, as at the Financial Covenant Test Date immediately before the relevant Loan Interest Payment Date, the Class A FCF DSCR is less than 135%.

“Class A IBLA” means the Class A Issuer/Borrower Loan Agreement.

“Class A Instructing Group” has the meaning given to that term in paragraph 5.4 (Class A Instructing Group and Class B Instructing Group).

“Class A Loan Acceleration Notice” means a notice delivered by the Borrower Security Trustee in accordance with paragraph 28 (Loan Acceleration Notice) by which the Borrower Security Trustee declares that the Class A Loans shall be accelerated.

“Class A Loan Enforcement Notice” means a notice delivered by the Borrower Security Trustee (acting on the instructions of the Issuer Security Trustee as directed by the Class A Instructing Group) in accordance with paragraph 26.7 (Loan Enforcement Notice) by which the Borrower Security Trustee declares that the Borrower Security has become enforceable.

“Class A Loan Event of Default” means an event or circumstance specified as such in clause 24 (Default) of the Class A Issuer/Borrower Loan Agreement.

“Class A Loan Potential Event of Default” means an event or circumstance which would be (with the expiry of a grace period, the giving of notice or the making of any determination under the Senior Finance Documents or any combination of them) a Class A Loan Event of Default.

“Class A Make-Whole Payments” means certain additional amounts payable by the Obligors under the terms of the Class A IBLA.

“Class A Note Acceleration Notice” has the meaning given to that term in Condition 9 (Class A Note Events of Default) of the Class A Conditions.

“Class A Note Enforcement Notice” has the meaning given to that term in Condition 11 (Enforcement) of the Class A Conditions.

“Class A Note Event of Default” has the meaning given to that term in Condition 9 (Class A Note Events of Default) of the Class A Conditions.

“Class A2 EMD” means the Class A2 Loan Expected Maturity Date.

“Class A2 EMD Less One Year” means the date that is two Loan Interest Payment Dates before the Class A2 Loan Expected Maturity Date.

“Class A2 Lock-Up Period” means, only to the extent that any Class A2 Loan is then outstanding, the period starting from (and including) the Loan Interest Payment Date falling on or about the date which is 12 months before the Class A2 EMD, and ending on (and including) the Class A2 EMD.

“Class A3 EMD” means the Class A3 Loan Expected Maturity Date.

“Class A3 Lock-Up Period” means only to the extent that any Class A3 Loan is then outstanding, the period starting from (and including) the Loan Interest Payment Date falling on or about on or about the date which is 12 months before the Class A3 EMD and ending on (and including) the Class A3 EMD.

“Class A4 EMD” means the Class A4 Loan Expected Maturity Date.

“Class A4 Lock-Up Period” means only to the extent that any Class A4 Loan is then outstanding, the period starting from (and including) the Loan Interest Payment Date falling on or about the date which is 12 months before the Class A4 EMD and ending on (and including) the Class A4 EMD.

“Class B Conditions Relevant Matter” has the meaning given to that term in paragraph 22.1 (Amendments, consents and waivers — Class B IBLA and Class B Conditions).

“Class B Direction Request” has the meaning given to that term in paragraph 4.2 (Issuer Security Trustee and Borrower Security Trustee).

“Class B Discharge Date” means the date on which all the Class B Notes are fully and finally discharged.

“Class B Extraordinary Resolution” means, in respect of any matter required to be approved by the Class B Noteholders (a) a resolution approved by the holders of not less than 90% of the aggregate Principal Amount Outstanding of the Class B Notes or (b) a resolution in writing signed by or on behalf of the holders of not less than 90% of the aggregate Principal Amount Outstanding of the Class B Notes, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Class B Noteholders.

“Class B IBLA” means the Class B Issuer/Borrower Loan Agreement.

“Class B IBLA Relevant Matter” has the meaning given to that term in paragraph 22.1 (Amendments, consents and waivers — Class B IBLA).

“Class B Instructing Group” has the meaning given to that term in paragraph 5.4 (Class A Instructing Group and Class B Instructing Group).

“Class B Loan Acceleration Notice” means a notice delivered by the Borrower Security Trustee in accordance with paragraph 28 (Loan Acceleration Notice) by which the Borrower Security Trustee declares that the Class B Loans shall be accelerated.

“Class B Loan Enforcement Notice” means a notice delivered by the Borrower Security Trustee (acting on the instructions of the Issuer Security Trustee as directed by the Class B Instructing Group) in accordance with paragraph 26.7 (Loan Enforcement Notice) by which the Borrower Security Trustee declares that the Borrower Security has become enforceable.

“Class B Loan Final Maturity Date” means the later of:

- (a) the Loan Interest Payment Date falling in February 2042; and
- (b) the earliest of:
 - (i) the date on which all amounts outstanding under the Class A Issuer/Borrower Loan Agreement have been irrevocably paid or discharged in full;
 - (ii) the date on which the Class A Loans are accelerated; and
 - (iii) the Loan Interest Payment Date falling in February 2042.

“Class B Note Expected Maturity Date” means 28 August 2020.

“Class B Note Final Maturity Date” means 28 February 2042.

“Class B Notes” means the Original Class B Notes, the Class B2 Notes and any Additional Class B Notes.

“Class B2 Restricted Payment” means the restriction on Topco or its restricted subsidiaries from *inter alia* declaring any dividend, making certain distributions, purchases, redemptions, repurchases, defeasances or other acquisitions as further set out in the Class B IBLA.

“Class B2 Restricted Payment Condition” means the conditions and provisos whereby Topco or its restricted subsidiaries may make a Class B2 Restricted Payment as further set out in the Class B IBLA.

“Commitment” means, at any time and in relation to a Liquidity Facility Provider, the amount of its commitment under the Liquidity Facility Agreement.

“Conditions” means:

- (a) the Class A Conditions; and
- (b) the Class B Conditions,

or any of them, as applicable and as the context may so require.

“CP Cayman Security Agreement” means the English law security agreement dated on or about the Third Closing Date between CP Cayman Limited, the Issuer and the Borrower Security Trustee.

“Creditors” means:

- (a) the Secured Creditors;
- (b) the Intra-Obligor Group Creditors;
- (c) the Topco Secured Creditors;
- (d) the Intra-Topco Obligor Group Creditors;

(e) the Non-Obligor Group Creditors,
or any of them, as applicable and as the context may so require.

“Debt Document” means:

- (a) the Transaction Documents;
- (b) any agreement evidencing the terms of the Intra-Obligor Group Liabilities;
- (c) any agreement evidencing the terms of the Intra-Topco Obligor Group Liabilities;
- (d) any agreement evidencing the terms of the Non-Obligor Group Liabilities; and
- (e) any other document or agreement designated as such by the Issuer, the Obligor Group Agent, the Borrower Security Trustee or the Issuer Security Trustee,

or any of them, as applicable and as the context may so require.

“Decision Period” has the meaning given to that term in paragraph 16.4(d) (Minimum requirements of an ICA Proposal).

“Designated Accounts” means:

- (a) the following bank accounts as listed in the Class A Issuer/Borrower Loan Agreement:
 - (i) an account designated the **“Cash Accumulation Account”**;
 - (ii) an account designated the **“Maintenance Capex Reserve Account”**;
 - (iii) an account designated the **“Investment Capex Reserve Account”**;
 - (iv) an account designated the **“Defeasance Account”**;
 - (v) an account designated the **“Disposal Proceeds Account”**; and
 - (vi) an account designated the **“Tax Reserve Account”**,in each case in the name of CP Opco, and on the terms set out in the Borrower Account Bank Agreement; and
- (b) any other bank account (new or replacement) designated in writing as such by the Borrowers, the Issuer and the Borrower Security Trustee;

“Determination Dissenting Creditor” has the meaning given to that term in paragraph 16.6(a) (Determination of voting category).

“Determination Dissenting Notice” has the meaning given to that term in paragraph 16.6(a) (Determination of voting category).

“Direction” means any direction, authorisation, approval, confirmation, demand, guidance, instruction, requirement or consent in respect of any matter, event or circumstance, as applicable and as the context may so require.

“Discretion Matter” has the meaning given to it in paragraph 18 (Discretion Matters).

“Disposed Entity” has the meaning given to it in paragraph 33.2(b)(iii)(H) (Distressed Disposals).

“Distress Event” means:

- (a) an Acceleration Event;
- (b) the enforcement of any Borrower Security;
- (c) the enforcement of any Issuer Security; and

- (d) the enforcement of any Topco Security, or any of them, as applicable and as the context may so require.

“Distressed Disposal” means:

- (a) any disposal of any Borrower Secured Property being effected by the Borrower Security Trustee in circumstances where the Borrower Security has become enforceable but has not been enforced;
- (b) any disposal of any Topco Secured Property being effected by the Borrower Security Trustee in respect of the Topco Secured Property in circumstances where the Topco Security has become enforceable but has not been enforced;
- (c) any disposal of any Issuer Secured Property being effected by the Issuer Security Trustee in respect of the Issuer Secured Property in circumstances where the Issuer Security has become enforceable but has not been enforced; and
- (d) any disposal being effected pursuant to the enforcement of the Borrower Security, Issuer Security or Topco Security,

or any of them, as applicable and as the context may so require.

“Enforcement Action” means:

- (a) in relation to any Liabilities:
 - (i) the acceleration of any Liabilities or the making of any declaration that any Liabilities are prematurely due and payable (other than as a result of it becoming unlawful for any party to the ICA perform its obligations under, or of any voluntary or mandatory prepayment arising under, the Debt Documents, as applicable);
 - (ii) the making of any declaration that any Liabilities are payable on demand;
 - (iii) the making of a demand in relation to a Liability that is payable on demand;
 - (iv) the making of any demand in relation to any Guarantee Liabilities; and
 - (v) the exercise of any right of set-off, account combination or payment netting in respect of any Liabilities other than the exercise of any such right expressly permitted:
 - (A) in respect of the Borrower Account Bank, under the Borrower Account Bank Agreement;
 - (B) in respect of the Issuer Account Bank, under the Issuer Account Bank Agreement; or
 - (C) in respect of the Liquidity Standby Accounts under the Liquidity Facility Agreement;
- (b) the taking of any steps (including the giving of any notice) to enforce or require the enforcement of:
 - (i) any Borrower Security (including the crystallisation of any floating charge forming part of the Borrower Security);
 - (ii) any Issuer Security (including the crystallisation of any floating charge forming part of the Issuer Security); and/or
 - (iii) any Topco Security (including the crystallisation of any floating charge forming part of the Topco Security),as applicable and as the context may so require;
- (c) the entering into of any composition, compromise, assignment or similar arrangement by any member of Obligor Group or any Topco Obligor, as applicable which owes any Liabilities, or has given any Security, guarantee or indemnity or other assurance against loss in respect of the Liabilities; or
- (d) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator, the Viscount of the Royal Court of Jersey, or similar officer) in

relation to, the winding up, dissolution, bankruptcy, administration or reorganisation of any member of the Obligor Group or any Topco Obligor, as applicable, which owes any Liabilities, or has given any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, or any of such member of the Obligor Group's or any Topco Obligor's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Obligor Group or Topco Obligor, as applicable, or in relation to any application for a declaration of en désastre in respect of its assets in the courts of Jersey, or in relation to the relevant member of the Obligor Group becoming "bankrupt" within the meaning of Article 8 of the Interpretation (Jersey) Law 1954 or any procedure or proceedings referred to in Article 125 ("Power of Company to compromise with creditors and members") of the Jersey Companies Law or under any of the provisions of Part 21 of the Jersey Companies Law, or any analogous procedure or step in any jurisdiction.

"Entrenched Rights" has the meaning given to that term in paragraph 25 (Entrenched Rights).

"Event of Default" means:

- (a) a Class A Loan Event of Default;
- (b) a Class B Loan Event of Default;
- (c) a Class A Note Event of Default; or
- (d) a Class B Note Event of Default, as applicable and as the context may so require.

"Facility Fees" means the facility fees payable by the Obligors under the Class A IBLA and under the Class B IBLA, respectively, provided that if any Class A Notes are outstanding, all such fees will be payable under the Class A IBLA, and such facility fees will comprise of:

- (a) the First Facility Fee;
- (b) the Second Facility Fee;
- (c) the Third Facility Fee;
- (d) the Fourth Facility Fee; and
- (e) the Fifth Facility Fee,

or any of them, as applicable and as the context may so require.

"Fairness Opinion" means, in respect of a proposed disposal of any Borrower Secured Property, an opinion of a Financial Adviser that the proposed consideration for the disposal to which such opinion relates is fair from a financial point of view taking into account all relevant circumstances including the method and timing of enforcement.

"Fifth Facility Fee" means the ongoing facility fee payable by the Obligors to the Issuer equal to:

- (a) before a Note Acceleration Notice has been given, all amounts due and payable under item 9 of the Issuer Pre-Acceleration Priority of Payments; and
- (b) after a Note Acceleration Notice has been given, all amounts due and payable under item 8 of the Issuer Post-Acceleration Priority of Payments,

as applicable and as the context may so require.

"Final Discharge Date" means the date on which all the Secured Liabilities have been irrevocably discharged in full.

"Financial Adviser" means a reputable internationally or nationally recognised investment bank, international accounting firm or any other reputable internationally or nationally recognised third party professional firm (including any other reputable independent expert of international or national standing, which is engaged in providing valuations of businesses or assets of the type owned and operated by the Obligor Group) and appointed by Borrower Security Trustee (acting upon the Directions of the Class A Instructing Group in accordance with paragraph 27.6 (Borrower Security Trustee entitled to seek Direction from the Class A Instructing Group)).

“First Facility Fee” means the ongoing facility fee payable by the Obligors to the Issuer equal to:

- (a) before a Note Acceleration Notice has been given, all amounts due and payable under item 1 of the Issuer Pre-Acceleration Priority of Payments; and
- (b) after a Note Acceleration Notice has been given, all amounts due and payable under item 1 of the Issuer Post-Acceleration Priority of Payments.

“Fourth Facility Fee” means the ongoing facility fee payable by the Obligors to the Issuer equal to:

- (a) before a Note Acceleration Notice has been given, all amounts due and payable under item 4 of the Issuer Pre-Acceleration Priority of Payments; and
- (b) after a Note Acceleration Notice has been given, all amounts due and payable under item 3 of the Issuer Post-Acceleration Priority of Payments,

as applicable and as the context may so require.

“General Matters” means, subject to paragraph 21 (Certain consequential amendments, consents and waivers), matters which are not Discretion Matters or matters which are not Entrenched Rights.

“Group” means CP Cayman Topco and its Affiliates, from time to time.

“Guarantee Liabilities” means in relation to:

- (a) a member of the Obligor Group;
- (b) a member of the Topco Obligor Group; or
- (c) the Issuer,

the liabilities under the Debt Documents (present or future, actual or contingent and whether incurred solely or jointly) it may have to any Creditor (including, for the avoidance of doubt, any Obligor, any Topco Obligor, any Non-Obligor Group Creditor or the Issuer) as a result of it being a guarantor or surety (including, without limitation, liabilities arising by way of guarantee, indemnity, contribution or subrogation and in particular any guarantee or indemnity arising under or in respect of any Borrower Transaction Document, any Topco Transaction Document or any Issuer Transaction Document, as applicable), in each case as applicable and as the context may so require.

“Holding Company” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“IBLA” means:

- (a) the Class A IBLA; and
- (b) the Class B IBLA,

as applicable and as the context may so require.

“ICA” means the Intercreditor Agreement.

“ICA Proposal” has the meaning given to it in paragraph 16.2 (Instigation of an ICA Proposal).

“Instructing Group” has the meaning given to that term in paragraph 5.2 (Instructing Group).

“Intra-Obligor Group Creditor” means each member of the Obligor Group which has made a loan available to, granted credit to or made any other financial arrangement having similar effect with another member of the Obligor Group.

“Intra-Obligor Group Liabilities” means the Liabilities owed by any member of the Obligor Group to any of the Intra-Obligor Group Creditors in its capacity as such.

“Intra-Topco Obligor Group Creditor” means each member of the Topco Obligor Group which has made a loan available to, granted credit to or made any other financial arrangement having similar effect with another member of the Topco Obligor Group.

“Intra-Topco Obligor Group Liabilities” means the Liabilities owed by any member of the Topco Obligor Group to any of the Intra-Topco Obligor Group Creditors in its capacity as such.

“Issuer Accounts” means:

- (a) the Issuer Transaction Account;
- (b) the Prefunding Account; and
- (c) the Liquidity Standby Account, if opened and in each case, includes any replacement account, from time to time (each an **“Issuer Account”**).

“Issuer Covenant to Pay” means the covenant to pay set out in clause 2 (Covenant to pay) of the Issuer Deed of Charge.

“Issuer Jersey Corporate Services Agreement” means the corporate services agreement for the Issuer in respect of the provision to it of certain corporate services in Jersey.

“Issuer Post-Acceleration Priority of Payments” has the meaning given to term in paragraph 31.2 (Issuer Post-Acceleration Priority of Payments).

“Issuer Pre-Acceleration Priority of Payments” has the meaning given to term in paragraph 9.6 (Issuer Pre-Acceleration Priority of Payments).

“Issuer Priorities of Payments” means:

- (a) the Issuer Pre-Acceleration Priority of Payments; and
- (b) the Issuer Post-Acceleration Priority of Payments, or any of them, as applicable and as the context may so require.

“Issuer Profit Amount” means the profit amount of £1,000 per annum or £250 per quarter if paid in quarterly instalments to be retained by the Issuer in each accounting period.

“Issuer Secured Creditor” means:

- (a) the Issuer Security Trustee for itself and on trust for the other Issuer Secured Creditors;
- (b) any Receiver appointed by the Issuer Security Trustee;
- (c) the Class A Note Trustee (for itself and on trust for the Class A Noteholders) under the Note Trust Deed;
- (d) the Class B Note Trustee (for itself and on trust for the Class B Noteholders) under the Note Trust Deed;
- (e) the Class A Noteholders;
- (f) the Class B Noteholders (for the avoidance of doubt, after the Third Closing Date the Original Class B Noteholders constitute Issuer Secured Creditors solely in relation to the Prefunding Account);
- (g) each Liquidity Facility Provider under the Liquidity Facility Agreement;
- (h) the Liquidity Facility Agent under the Liquidity Facility Agreement;
- (i) the Issuer Account Bank under the Issuer Account Bank Agreement;
- (j) the Principal Paying Agent and Paying Agents under the Agency Agreement;
- (k) the Class B Registrar under the Agency Agreement;
- (l) the Class B Transfer Agent under the Agency Agreement;

- (m) the Cash Manager under the Cash Management Agreement;
- (n) the Issuer Corporate Services Provider under the Issuer Corporate Services Agreement;
- (o) the Issuer Jersey Corporate Services Provider under the Issuer Jersey Corporate Services Agreement; and
- (p) each additional Issuer Secured Creditor, or any of them, as applicable and as the context may so require.

“Issuer Secured Creditor Representative” means a representative of an Issuer Secured Creditor appointed in accordance with the Intercreditor Agreement.

“Issuer Secured Liabilities” means all present and future obligations and liabilities (whether actual or contingent) of the Issuer to any Issuer Secured Creditor under each Issuer Transaction Document.

“Issuer Secured Property” means the whole of the right, title, benefit and interest of the Issuer in the property, rights and assets of the Issuer secured by or pursuant to the Issuer Security.

“Issuer Security” means the Security Interests constituted pursuant to the Issuer Security Documents (for the avoidance of doubt, after the Third Closing Date the Original Class B Noteholders constitute Issuer Secured Creditors solely in relation to the Prefunding Account).

“Issuer Security Documents” means:

- (a) the Issuer Deed of Charge;
- (b) the ICA and each deed of accession thereto, together with any agreement or deed supplemental to the ICA;
- (c) any other document or agreement evidencing or creating security over any asset of the Issuer to secure any obligation of the Issuer to an Issuer Secured Creditor in respect of the Issuer Secured Liabilities; and
- (d) any other document or agreement designated as an “Issuer Security Document” by the Issuer and the Issuer Security Trustee,

or any of them, as applicable and as the context may so require.

“Issuer Transaction Document” means:

- (a) the Note Trust Deed;
- (b) the Issuer Security Documents;
- (c) the Class A IBLA;
- (d) the Class B IBLA;
- (e) the Tax Deed of Covenant;
- (f) the First Supplemental Tax Deed of Covenant;
- (g) the Second Supplemental Tax Deed of Covenant;
- (h) the Issuer Account Bank Agreement;
- (i) the Cash Management Agreement;
- (j) the Liquidity Facility Agreement;
- (k) the Agency Agreement;
- (l) the Issuer Corporate Services Agreement;
- (m) the Issuer Jersey Corporate Services Agreement;

- (n) the ICA;
- (o) any accession agreement in respect of an additional Issuer Secured Creditor; and
- (p) any other document or agreement designated as an “Issuer Transaction Document” by the Issuer and the Issuer Security Trustee,

or any of them, as applicable and as the context may so require.

“LF Event of Default” means an event of default under the Liquidity Facility Agreement.

“LF Finance Parties” means the Liquidity Facility Agent and the Liquidity Facility Providers.

“LF Instructing Group” means, in relation to the Liquidity Facility Agreement at any given time, the Liquidity Facility Provider or Liquidity Facility Providers whose Commitments aggregate 66²/₃ per cent. or more of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated 66²/₃ per cent. or more of the Total Commitments immediately prior to that reduction).

“Liabilities” means all present and future liabilities and obligations at any time of any person (including, any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceedings, legal fees (on a full indemnity basis) or other liability whatsoever), both actual and contingent and whether incurred solely or jointly or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;
- (c) any claim for damages or restitution; and
- (d) any claim as a result of any recovery by any person of a payment on the grounds of preference or otherwise, and any amounts which would be included in any of the above but for any discharge, non provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings and Liability will be construed accordingly.

“Liquidity Facility Agent” means The Royal Bank of Scotland plc as agent under the Liquidity Facility Agreement.

“Liquidity Standby Account” means any account held in the name of the Issuer with:

- (a) a Liquidity Facility Provider which has the Requisite Rating that has advanced a Standby Drawing to a Borrower under the Liquidity Facility Agreement; or
- (b) if such Liquidity Facility Provider ceases to have the Requisite Rating or any such other short-term ratings as are otherwise acceptable to the Rating Agencies, then another Liquidity Facility Provider which has such ratings; or
- (c) if no Liquidity Facility Provider has the Requisite Rating, the Issuer Account Bank or another financial institution that meets the Requisite Rating,

in each case for so long as each Liquidity Standby Account is subject to the security granted in relation thereto pursuant to the Issuer Deed of Charge (and Liquidity Standby Accounts means all such accounts, as applicable and as the context may so require).

“Loan Acceleration Notice” means:

- (a) a Class A Loan Acceleration Notice; and
- (b) a Class B Loan Acceleration Notice,

or any of them, as applicable and as the context may so require.

“Loan Enforcement Instruction Notice” has the meaning given to it in paragraph 26.3 (Loan Enforcement Instruction Notices).

“Loan Enforcement Notice” means:

- (a) a Class A Loan Enforcement Notice; and
- (b) a Class B Loan Enforcement Notice,

or any of them, as applicable and as the context may so require.

“Loan Enforcement Period” means any period from and including the date of the delivery of a Loan Enforcement Notice to and excluding the earlier of the date on which the Borrower Secured Liabilities have been discharged in full and the date on which the Borrower Security Trustee (acting in accordance with the instructions of the Issuer Security Trustee directed by the relevant Instructing Group), notifies the Obligors that the Loan Enforcement Period has ended.

“Loan Event of Default” means:

- (a) a Class A Loan Event of Default; and
- (b) a Class B Loan Event of Default,

or any of them, as applicable and as the context may so require.

“Lock-Up Period” means either means either the Class A2 Lock-Up Period, the Class A3 Lock-Up Period or the Class A4 Lock-Up Period, as applicable and as the context may so require.

“Longleat Legal Charge” means a charge by way of legal mortgage in respect of the Longleat Headlease Interest and the New Longleat Headlease Interest.

“LPA” means the Law of Property Act 1925.

“Maintenance Capex Reserve Account” has the meaning given to that term in the Borrower Account Bank Agreement.

“Make-Whole” has the meaning given to that term in the Class A Conditions.

“Non-Obligor Group Creditor” means:

- (a) each original Non-Obligor Group Creditor; and
- (b) each Additional Non-Obligor Group Creditor, or any of them, as applicable and as the context may so require.

“Non-Obligor Group Liabilities” means all present and future Liabilities at any time of any Obligor or any Topco Obligor to any Non-Obligor Group Creditor, in respect of any financial indebtedness.

“Note Acceleration Notice” means:

- (a) a Class A Note Acceleration Notice; and
- (b) a Class B Note Acceleration Notice,

or any of them, as applicable and as the context may so require.

“Note Enforcement Notice” means:

- (a) a Class A Note Enforcement Notice; and
- (b) a Class B Note Enforcement Notice,

or any of them, as applicable and as the context may so require.

“Note Enforcement Period” means any period from and including the date of the delivery of a Note Enforcement Notice to and excluding the earlier of the date on which the Issuer Secured Liabilities have been

discharged in full and the date on which the Issuer Security Trustee (acting in accordance with the instructions of the relevant Instructing Group) pursuant to the ICA notifies the Issuer (and the other Issuer Secured Creditors) that the Note Enforcement Period has ended.

“Note Event of Default” means:

- (a) a Class A Note Event of Default; and
- (b) a Class B Note Event of Default,

or any of them, as applicable and as the context may so require.

“Note Trustee” means:

- (a) in respect of the Class A Notes, the Class A Note Trustee; and
- (b) in respect of the Class B Notes, the Class B Note Trustee, as applicable and as the context may so require.

“Noteholders” means:

- (a) the Class A Noteholders; and
- (b) the Class B Noteholders,

or any of them, as applicable and as the context may so require.

“Noteholder Instructing Group” has the meaning given to that term in paragraph 5.3 (Noteholder Instructing Group).

“Obligor Accounts” means the Designated Accounts and any other account of any Obligor held with the Borrower Account Bank.

“Obligor Group” means the Original Obligor Group, CP Woburn Opco and any Additional Obligor, from time to time.

“Obligor Group Agent” means Center Parcs (Operating Company) Limited.

“Obligor Liabilities” means, in relation to a member of Obligor Group, any Liabilities owed to any Obligor (whether actual or contingent and whether incurred solely or jointly) by that member of the Obligor Group.

“Original Obligor Group” means CP Opco, Longleat Property Limited, CP Elveden Village Limited, CP Sherwood Village Limited, CP Whinfell Village Limited, Carp (CP) Limited, Carp (E), Carp (H) Limited, Carp (Jersey) 2 Limited, Carp (L) Limited, Carp (NW) Limited, Carp (O) Limited, Carp (S) Limited, Carp (UK) 1 Limited, Carp (UK) 2 Limited, Carp (UK) 3 Limited, Carp (UK) 3A Limited, Center Parcs (Block 1) Limited, Center Parcs (Block 2) Limited, Center Parcs Card Services Limited, Center Parcs Energy Services Limited, Center Parcs (Holdings 1) Limited, Center Parcs (Holdings 2) Limited, Center Parcs (Holdings 3) Limited, Center Parcs (Jersey) 1 Limited, Center Parcs Limited, Center Parcs (Nominees) Limited, Center Parcs Spa Division Holdings Limited, Center Parcs (UK) Group Limited, Centrepark Limited, Comet Refico Limited, CP Comet Bidco Limited, CP Comet Holdings Limited, CP (Oasis Property) Limited, CP Longleat Village Limited, CP (Sherwood Property) Limited, Elveden Property Limited, Forest Bidco Limited, Forest Holdco Limited, Forest Midco Limited, Forest Refico Limited, SPV1 Limited, SPV2 Limited, Sun CP Asset Management Limited, Sun CP Midco Limited, Sun CP Newmidco Limited, Sun CP Newtopco Limited, Sun CP Properties Limited, Sun CP Topco Limited and UK Parcs Holdings S.à r.l.

“Other Liabilities” means, in relation to:

- (a) a member of the Obligor Group;
- (b) a member of the Topco Obligor Group; or
- (c) the Issuer,

any trading and other liabilities (not being Borrowing Liabilities or Guarantee Liabilities) it may have to any Obligor, any Intra-Obligor Group Creditor, any Topco Obligor, any Intra-Topco Obligor Group Creditor or any Non-Obligor Group Creditor, in each case, as applicable and as the context may so require.

“Payment” means, in respect of any Liabilities (or any other liabilities or obligations), a payment, prepayment, repayment, redemption, repurchase, defeasance, distribution or discharge of those Liabilities (or other liabilities or obligations).

“Potential Loan Event of Default” means the occurrence of any event or circumstance which would (with the passage of time, the giving of notice, the making of any determination under any IBLA, or any combination thereof) constitute a Loan Event of Default.

“Prefunding Account” means the sterling account as specified in Schedule 1 (Issuer Accounts) to the Issuer Account Bank Agreement.

“Priorities of Payments” means any of:

- (a) the Issuer Pre-Acceleration Priority of Payments;
- (b) the Issuer Post-Acceleration Priority of Payments;
- (c) the Borrower Pre-Enforcement Priorities of Payments;
- (d) the Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments; and
- (e) the Borrower Post-Enforcement (Post-Acceleration) Priority of Payments, or any of them, as applicable and as the context may so require.

“Rating Agency Confirmation” means in respect of a specified class or classes of Notes and any matter or proposed action, a confirmation from each of the Rating Agencies that the relevant matter or proposed action will not lead to a downgrade of (i) in relation to the Class A Notes, the then current rating of the relevant class or classes of Class A Notes provided that (in respect of the Class A2 Notes only), if the Class A2 Notes are then rated below the rating(s) assigned to them as of the Closing Date (in each case, the **“Issue Rating”**), the rating accorded by both Rating Agencies is no more than one notch below the corresponding Issue Rating(s) and (ii) in relation to any Class B Notes, below the lower of the then current rating of the relevant class or classes of Class B Notes and the rating of the relevant class or classes of Class B Notes as of the issue date of such Class B Notes.

“Ratings Assessment” means a point-in-time assessment issued by any Rating Agency in respect of the credit rating of any Notes rated by such Rating Agency but which does not constitute a Rating Agency Confirmation.

“Receiver” means any receiver, manager or administrative receiver who (in the case of an administrative receiver) is a qualified person in accordance with the Insolvency Act 1986 or other similar office appointed in any relevant jurisdiction:

- (a) by the Borrower Security Trustee under the Borrower Security Documents in respect of the whole or any part of the Borrower Secured Property;
- (b) by the Borrower Security Trustee under the Topco Security Documents in respect of the whole or any part of the Topco Secured Property; and
- (c) by the Issuer Security Trustee under the Issuer Security Documents in respect of the whole or any part of the Issuer Secured Property,

or any of them, as applicable and as the context may so require.

“Receiving Entity” has the meaning given to it in paragraph 33.2(b)(iii)(H) (Distressed Disposals).

“Relevant Creditor(s)” has the meaning given to that term in paragraph 23.1 (Ceasing to be a Secured Creditor).

“Restricted Payment” means:

- (a) Class A Restricted Payment; and

(b) Class B2 Restricted Payment,
or any of them, as applicable and as the context may so require.

“Restricted Payment Condition” means:

- (a) the Class A Restricted Payment Condition; and
- (b) the Class B2 Restricted Payment Condition, or either of them as applicable and as the context may so require.

“Sales Process” has the meaning given to it in paragraph 27.3(c)(i) (Borrower Security Trustee may dispose under a Sales Process).

“Second Facility Fee” means the ongoing facility fee payable by the Obligors to the Issuer equal to:

- (a) before a Note Acceleration Notice has been given, all amounts due and payable by the Issuer under item 2 of the Issuer Pre-Acceleration Priority of Payments; and
- (b) after a Note Acceleration Notice has been given, all amounts due and payable by the Issuer under item 2 of the Issuer Post-Acceleration Priority of Payments.

“Second Supplemental Issuer Deed of Charge” means the supplemental deed of charge dated on the Second Closing Date between the Issuer and the Issuer Security Trustee.

“Secured Creditors” means:

- (a) the Borrower Secured Creditors;
- (b) the Topco Secured Creditors; and
- (c) the Issuer Secured Creditors,

or any of them, as applicable and as the context may so require.

“Secured Creditor Representatives” means:

- (a) the Borrower Secured Creditor Representatives; and
- (b) the Issuer Secured Creditor Representatives, or any of them, as applicable and as the context may so require.

“Secured Liabilities” means:

- (a) the Borrower Secured Liabilities;
- (b) the Topco Secured Liabilities; and
- (c) the Issuer Secured Liabilities,

or any of them, as applicable and as the context may so require.

“Secured Property” means:

- (a) the Borrower Secured Property;
- (b) the Topco Secured Property; and
- (c) the Issuer Secured Property,

or any of such secured property, as applicable and as the context may so require.

“Security and Security Interest” means:

- (a) any mortgage, pledge, lien, charge, assignment or hypothecation or other encumbrance or security interests securing any obligation of any person;

- (b) any arrangement under which money or claims to money, or the benefit of a bank or other account, may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect.

“Security Interest Agreement” means the security interest agreement over the shares of Center Parcs (Jersey) 1 Limited between Center Parcs (UK) Group Limited as grantor and the Borrower Security Trustee as secured party dated on or about the Closing Date.

“Security Trustee” means:

- (a) the Borrower Security Trustee; and
- (b) the Issuer Security Trustee,

or either of them, as applicable and as the context may so require.

“Semi-Annual Investor Reporting Date” means the date on which the Borrowers must supply their annual and semi-annual financial statements pursuant to the Class A Issuer/Borrower Loan Agreement.

“Subsidiary” means an entity of which a person:

- (a) has direct or indirect control;
- (b) owns directly or indirectly fifty per cent (50%) of the share capital or similar right of ownership; or
- (c) is entitled to receive for then fifty per cent (50%) of the dividends or distributions, and any entity (where or not so controlled) treated as a subsidiary in the latest financial statements of that person from time to time, except that for the purposes of the ICA, the Issuer will not be a Subsidiary.

“Third Facility Fee” means the ongoing facility fee payable by the Obligor to the Issuer equal to:

- (a) before a Note Acceleration Notice has been given, all amounts due and payable by the Issuer under item 3 of the Issuer Pre-Acceleration Priority of Payments; and
- (b) after a Note Acceleration Notice has been given, there shall be no Third Facility Fee payable, as applicable and as the context may so require. Topco Obligor Group means the Topco Obligor.

“Topco Obligor Liabilities” means, in relation to a member of the Topco Obligor Group, any Liabilities owed to any Topco Obligor (whether actual or contingent and whether incurred solely or jointly) by that member of the Topco Obligor Group.

“Topco Obligor” means:

- (a) Topco;
- (b) CP Cayman Limited; and
- (c) any person not already a Topco Obligor which becomes a party to the Intercreditor Agreement as a Topco Obligor pursuant to the Intercreditor Agreement,

or any of them, as applicable and as the context may so require.

“Topco Payment Undertaking” means the English law undertaking dated on or about the Third Closing Date between Topco, the Issuer, CP Opco and the Borrower Security Trustee.

“Topco Secured Creditor” means:

- (a) the Borrower Security Trustee;
- (b) any Receiver appointed by the Borrower Security Trustee in respect of the Topco Security; and
- (c) the Issuer,

or any of them, as applicable and as the context may so require.

“Topco Secured Liabilities” means all present and future obligations and liabilities (whether actual or contingent) of the Topco Obligors to any Topco Secured Creditor under each Topco Transaction Document.

“Topco Secured Property” means the whole of the right, title, benefit and interest of the Topco Obligors in the property, rights and assets of the Topco Obligors secured by or pursuant to the Topco Security.

“Topco Security” means the Security Interests constituted pursuant to the Topco Security Documents.

“Topco Security Documents” means:

- (a) the Topco Share Security Agreement;
- (b) the CP Cayman Security Agreement;
- (c) any document evidencing or creating security over any asset of a Topco Obligor to secure any obligation of any Topco Obligor to a Topco Secured Creditor in respect of a Topco Secured Liability; and
- (d) any other document or agreement designated as a “Topco Security Document” by Topco and the Borrower Security Trustee,

or any of them, as applicable and as the context may so require.

“Topco Security Enforcement Condition” has the meaning given to it in paragraph 32.4 (Topco Security Enforcement Condition).

“Topco Security Enforcement Period” means any period from and including the date of the delivery of a notice by the Borrower Security Trustee to any Topco Obligor following the occurrence of a Share Enforcement Event declaring the Topco Security to be enforceable to and excluding the earlier of the date on which the Topco Secured Liabilities have been discharged in full and the date on which the Borrower Security Trustee (acting in accordance with the instructions of the Class B Instructing Group), notifies the Topco Obligors and Obligors that the Topco Security Enforcement Period has ended.

“Topco Share Security Agreement” means the Cayman Islands law governed security agreement dated on or about the Third Closing Date between Topco, CP Cayman Limited, the Issuer and the Borrower Security Trustee.

“Topco Transaction Documents” means:

- (a) the Topco Payment Undertaking;
- (b) the Topco Security Documents;
- (c) any accession agreement in respect of an Additional Topco Secured Creditor; and
- (d) any other document or agreement designated as a “Topco Transaction Document” by the Issuer and the Borrower Security Trustee, or any of them, as applicable and as the context may so require.

“Transaction Documents” means:

- (a) the Borrower Transaction Documents;
- (b) the Issuer Transaction Documents; and
- (c) the Topco Transaction Documents,

or any of them, as applicable and as the context may so require.

“Transaction Security” means:

- (a) the Borrower Security;
- (b) the Issuer Security; and

(c) the Topco Security, as applicable and as the context may so require.

“VAT” means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

“Woburn Legal Charge” means a charge by way of legal mortgage in respect of the Woburn Headlease and the New Woburn Headlease Lease.

3. PURPOSE AND RANKING

3.1 Purpose

- (a) The purpose of the Intercreditor Arrangements is to regulate, among other things:
- (i) the claims of the Borrower Secured Creditors in respect of the Borrower Secured Liabilities;
 - (ii) the claims of the Issuer Secured Creditors in respect of the Issuer Secured Liabilities;
 - (iii) the claims of the Topco Secured Creditors in respect of the Topco Secured Liabilities;
 - (iv) the exercise and enforcement of rights by the relevant Instructing Group in respect of the Borrower Security;
 - (v) the exercise and enforcement of rights by the relevant Instructing Group in respect of the Issuer Security;
 - (vi) the exercise and enforcement of rights by the Class B Instructing Group in respect of the Topco Security;
 - (vii) the rights of the Issuer Security Trustee (acting upon the instructions of the Instructing Group) to instruct the Borrower Security Trustee;
 - (viii) the rights of the relevant Instructing Group to instruct the Issuer Security Trustee; and
 - (ix) the procedure for the approval of any modification, consent or waiver in respect of the Class B Conditions and the Transaction Documents.
- (b) The Intercreditor Arrangements provide for:
- (i) the ranking in point of payment of the claims of the Issuer Secured Creditors prior to the giving of a Note Acceleration Notice as described in paragraph 9 (Issuer Pre-Acceleration Priority of Payments);
 - (ii) the ranking in point of payment of the claims of the Issuer Secured Creditors after the giving of a Note Acceleration Notice as described in paragraph 31 (Issuer Post-Acceleration Priority of Payments);
 - (iii) the ranking in point of payment of the claims of the Borrower Secured Creditors prior to the giving of a Loan Enforcement Notice or a Loan Acceleration Notice as described in paragraph 8 (Borrower Pre-Enforcement Priorities of Payments);
 - (iv) the ranking in point of payment of the claims of the Borrower Secured Creditors after the giving of the Loan Enforcement Notice but before the delivery of a Loan Acceleration Notice as described in paragraph 29.3 (Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments); and
 - (v) the ranking in point of payment of the claims of the Borrower Secured Creditors after the giving of a Loan Acceleration Notice as described in paragraph 29.5 (Borrower Post-Enforcement (Post-Acceleration) Priority of Payments).
- (c) Each Obligor (other than the Obligor Group Agent), each Topco Obligor and each Non-Obligor Group Creditor by its execution of the Intercreditor Agreement, or any accession agreement irrevocably appoints the Obligor Group Agent to act on its behalf as its agent in relation to the Borrower Transaction Documents and the Topco Transaction Documents, as applicable.

- (d) Each Issuer Secured Creditor, each Borrower Secured Creditor and each Topco Secured Creditor is bound by, and has the benefit of, the ICA.

3.2 Ranking of Borrower Secured Liabilities

The underlying principle of the Intercreditor Arrangements is that the debt constituted by the Class A IBLA ranks in point of payment prior to debt constituted by the Class B IBLA, subject to the terms of the ICA.

3.3 Ranking of Issuer Secured Liabilities

The underlying principle of the Intercreditor Arrangements is that the debt constituted by the Class A Notes ranks in point of payment prior to debt constituted by the Class B Notes, subject to the terms of the ICA.

4. NOTE TRUSTEES, ISSUER SECURITY TRUSTEE AND BORROWER SECURITY TRUSTEE

4.1 Introduction

The ICA provides that the Issuer Security Trustee or Borrower Security Trustee may and, in certain circumstances, will seek a Direction from the Class A Note Trustee or the Class B Note Trustee, to enable the Issuer Security Trustee or Borrower Security Trustee, as applicable, to exercise its rights and powers under the ICA, including in respect any ICA Proposal.

4.2 Class A Direction Request and Class B Direction Request

- (a) The ICA provides that, if:
- (i) the Issuer Security Trustee determines that it requires a Direction from the Class A Instructing Group in order to give a Direction to the Borrower Security Trustee to enable the Borrower Security Trustee to exercise its rights and powers under the Borrower Transaction Documents; or
 - (ii) the Issuer Security Trustee is required under the terms of the ICA to obtain or otherwise act in accordance with any Direction from the Class A Instructing Group, in each case, to enable the Issuer Security Trustee to exercise its rights and powers under the ICA,

(in each case, including any Direction in respect of an ICA Proposal) then the Issuer Security Trustee will deliver a request to the Class A Note Trustee (a “**Class A Direction Request**”) to obtain such a Direction from the Class A Instructing Group, on the terms and subject to the relevant conditions of the Note Trust Deed.

- (b) The ICA provides that, if:
- (i) the Issuer Security Trustee determines that it requires a Direction from the Class B Instructing Group in order to give a Direction to the Borrower Security Trustee to enable the Borrower Security Trustee to exercise its rights and powers under the Borrower Transaction Documents; or
 - (ii) the Issuer Security Trustee is required under the terms of the ICA to obtain or otherwise act in accordance with any Direction from the Class B Instructing Group, in each case, to enable the Issuer Security Trustee to exercise its rights and powers under the ICA,

(in each case, including any Direction in respect of an ICA Proposal) then the Issuer Security Trustee will deliver a request to the Class B Note Trustee (a “**Class B Direction Request**”) to obtain such a Direction from the Class B Instructing Group, on the terms and subject to the relevant conditions of the Note Trust Deed.

4.3 Issuer Security Trustee and Borrower Security Trustee

The ICA provides that where the Borrower Security Trustee is required to act in accordance with a Direction of the relevant Instructing Group or relevant Noteholder Instructing Group, this will be construed as meaning that the Borrower Security Trustee will act upon a Direction of the Issuer Security Trustee, as assignee of the Issuer’s rights, title, interest and benefit under the Borrower Transaction Documents. In such circumstances, the Issuer Security Trustee will provide such Direction to the Borrower Security Trustee in accordance with and to

the extent that the Issuer Security Trustee has received a Direction from the relevant Instructing Group or relevant Noteholder Instructing Group, as described in paragraph 5 (Instructing Group).

5. INSTRUCTING GROUP

5.1 Introduction

The ICA provides for the exercise and enforcement of rights, powers and discretions (including, the giving of any Directions) by the relevant Instructing Group in respect of, amongst other things, the Borrower Security, Issuer Security and Topco Security.

5.2 Instructing Group

Under the ICA, “**Instructing Group**” means:

- (a) subject to paragraph (d) below, at any time prior to the Class A Discharge Date, the Class A Instructing Group;
- (b) subject to paragraph (d) below, at any time on or after the Class A Discharge Date but before the Class B Discharge Date, the Class B Instructing Group;
- (c) on or after the Class A Discharge Date and the Class B Discharge Date, at any time, in accordance with the following order of priority:
 - (i) *first*, if there are any amounts outstanding under the Liquidity Facility Agreement, the Liquidity Facility Agent, for and on behalf of the Liquidity Facility Providers;
 - (ii) *second*, in respect of a matter or thing:
 - (A) in relation to an Issuer Transaction Document, the most senior ranking creditor in accordance with the ranking specified in, the Issuer Pre-Acceleration Priority of Payments; or
 - (B) in relation to a Borrower Transaction Document, the most senior ranking creditor in accordance with the ranking specified in, the Borrower Post-Enforcement (Pre-Acceleration) Priority of Payment; and
- (d) at any time in respect of the Topco Security, the Class B Instructing Group.

5.3 Noteholder Instructing Group

Under the ICA, “**Noteholder Instructing Group**” means:

- (a) subject to paragraph (c) below, at any time prior to the Class A Discharge Date, the Class A Instructing Group;
- (b) subject to paragraph (c) below, at any time on or after the Class A Discharge Date but before the Class B Discharge Date, the Class B Instructing Group; and
- (c) at any time in respect of the Topco Security, the Class B Instructing Group.

5.4 Class A Instructing Group and Class B Instructing Group

Under the ICA, any provision that requests or requires any Direction from, or made by:

- (a) the “**Class A Instructing Group**” means either:
 - (i) any Direction from or made by the Class A Note Trustee, acting in accordance with the rights, powers and discretions conferred on it pursuant to the Class A Conditions and the Note Trust Deed; or
 - (ii) any Direction from or made by the Class A Note Trustee, acting in accordance with any duly passed resolution of the relevant Class A Noteholders (whom the Class A Note Trustee will represent) pursuant to the Class A Conditions and the Note Trust Deed; and

- (b) the “**Class B Instructing Group**” means either:
- (i) any Direction from or made by the Class B Note Trustee, acting in accordance with the rights, powers and discretions conferred on it pursuant to the Class B Conditions and the Note Trust Deed; or
 - (ii) any Direction from or made by the Class B Note Trustee, acting upon any duly passed resolution of the relevant Class B Noteholders (whom the Class B Note Trustee will represent) pursuant to the Class B Conditions and the Note Trust Deed.

6. ACCESSION

6.1 Introduction

The ICA provides for certain parties to accede to, and be bound by, the ICA subject to the satisfaction of certain procedures.

6.2 Accession of additional Borrower Secured Creditor, additional Issuer Secured Creditor and additional Topco Secured Creditor

- (a) Under the ICA:
- (i) the Obligor Group Agent has procured that prior to any Obligor granting to any person the benefit of any Borrower Security, such person (unless it is already a party as a Borrower Secured Creditor or a successor or assignee of an existing Borrower Secured Creditor) will accede as a party to the ICA (in the capacity as a Borrower Secured Creditor).
 - (ii) the Issuer (or the Obligor Group Agent acting on its behalf) has procured that prior to the Issuer granting to any person the benefit of any Issuer Security, such person (unless it is already a party as an Issuer Secured Creditor or a successor or assignee of an existing Issuer Secured Creditor) will accede as a party to the ICA (in the capacity as an Issuer Secured Creditor).
 - (iii) the Obligor Group Agent has procured that prior to any Topco Obligor granting to any person the benefit of any Topco Security, such person (unless it is already a party as a Topco Secured Creditor or a successor or assignee of an existing Topco Secured Creditor) will accede as a party to the ICA (in the capacity as a Topco Secured Creditor).
- (b) The accession of any additional Borrower Secured Creditors, additional Issuer Secured Creditors and additional Topco Secured Creditors to the ICA, from time to time, will be subject to the satisfaction of certain conditions precedent.

6.3 Additional Obligors and additional Non-Obligor Group Creditors

- (a) Under the ICA, the Obligor Group Agent (for itself and on behalf of all the other Obligors) represents and warrants to the Borrower Security Trustee and the Issuer Security Trustee that, as at the Third Closing Date, each member of the Obligor Group is a party to the ICA as an Obligor and is a party to the Class A IBLA and the Class B IBLA as an Obligor (as defined in the Class A IBLA or Class B IBLA, as applicable).
- (b) The Obligor Group Agent has procured that any member of the Obligor Group that is not party to the ICA as an Obligor at any time will (unless it is already a party to the ICA as an Obligor on the Third Closing Date) accede as a party to the ICA (in the capacity as an Obligor).
- (c) Under the ICA, the Obligor Group Agent (for itself and on behalf of all the other Obligors and Topco Obligors) represents and warrants to the Borrower Security Trustee and the Issuer Security Trustee that, as at the Third Closing Date, each member of the Group or any shareholder of any member of the Group (in each case, that is not an Obligor or a Topco Obligor) to whom any Obligor or any Topco Obligor owes any Liabilities is a party to the ICA.
- (d) The Obligor Group Agent has procured that any member of the Group or any shareholder of any member of the Group (in each case, that is not an Obligor or a Topco Obligor) that is a creditor of any Obligor or any Topco Obligor in respect of any Liabilities, from time to time (the “**Relevant Entity**”) will (unless the Relevant Entity is already a party to this ICA as a Non-Obligor Group Creditor) accede

as a party to the ICA (in the capacity as a Non-Obligor Group Creditor) on or before the date that such Obligor or Topco Obligor incurs the relevant Liabilities in favour of such Relevant Creditor.

7. UNDERTAKINGS

7.1 Introduction

- (a) Under the ICA, the Borrower Secured Creditors and the Issuer Secured Creditors have undertaken not to take certain actions in respect of, amongst other things, the Borrower Security, the Issuer Security and, in respect of the Issuer Secured Creditors only, not to take certain actions against the Issuer.
- (b) Under the ICA, the Obligors have undertaken not to take certain actions in respect of, amongst other things, the Borrower Secured Liabilities, Intra-Obligor Group Liabilities and payments in respect of any Liabilities owed to such Obligor by any Topco Obligor.
- (c) Under the ICA, the Non-Obligor Group Creditors have undertaken not to take certain actions in respect of, amongst other things, any amounts owed by any Obligor or Topco Obligor to such Non-Obligor Group Creditor.

7.2 Undertakings of Borrower Secured Creditors

Under the ICA, each Borrower Secured Creditor (other than the Borrower Security Trustee) has undertaken that it will not:

- (a) permit or require any Obligor to discharge any of the Borrower Secured Liabilities owed to it, except to the extent and in the manner permitted under the ICA and as further specified in the other Borrower Transaction Documents but only to the extent the provisions in such other Borrower Transaction Documents are consistent with the ICA;
- (b) accelerate, or permit or require any Obligor to accelerate, cancel, pay, prepay, repay, redeem, purchase, terminate early or voluntarily terminate or otherwise acquire any of the Borrower Secured Liabilities owed by such Obligor, except to the extent and in the manner permitted by the ICA and as further specified in the other Borrower Transaction Documents but only to the extent the provisions of such other Borrower Transaction Documents are consistent with the ICA;
- (c) take, accept or receive the benefit of any Security Interest, guarantee, indemnity or other assurance against financial loss from any Obligor in respect of any of the Borrower Secured Liabilities owed to it except pursuant to the Borrower Security created under the Borrower Security Documents or in respect of any other permitted financial indebtedness;
- (d) take, receive or recover from any of the Obligors by set-off, any right of combination of accounts, proceedings of any kind or in any other manner whatsoever (save where permitted by any of paragraph 7.2(a) and paragraph 7.2(b) above) the whole or any part of the Borrower Secured Liabilities owed to it, except:
 - (i) in respect of the Borrower Account Bank, to the extent permitted under the Borrower Account Bank Agreement; or
 - (ii) in accordance with the provisions of the ICA; or
- (e) take any other Enforcement Action in respect of the Borrower Security and Borrower Security Documents except in accordance with the provisions of the ICA.

7.3 Undertakings of Issuer Secured Creditors

Each Issuer Secured Creditor (other than the Issuer Security Trustee) has undertaken that it will not:

- (a) permit or require the Issuer to discharge any of the Issuer Secured Liabilities owed to it, except to the extent and in the manner permitted under the ICA and as further specified in the other Issuer Transaction Documents but only to the extent the provisions of such other Issuer Transaction Documents are consistent with the ICA;
- (b) accelerate, or permit or require the Issuer to accelerate, cancel, pay, prepay, repay, redeem, purchase, terminate early or voluntarily terminate or otherwise acquire any of the Issuer Secured Liabilities owed

by the Issuer, except to the extent and in the manner permitted by the ICA and as further specified in the other Issuer Transaction Documents but only to the extent the provisions of such other Issuer Transaction Documents are consistent with the ICA;

- (c) take, accept or receive the benefit of any Security Interest, guarantee, indemnity or other assurance against financial loss from the Issuer in respect of any of the Issuer Secured Liabilities owed to it except pursuant to the Issuer Security created under the Issuer Security Documents or in respect of any other permitted financial indebtedness;
- (d) take, receive or recover from the Issuer by set-off, any right of combination of accounts, proceedings of any kind or in any other manner whatsoever (save where permitted by either of paragraph 7.3(a) or paragraph 7.3(b) above) the whole or any part of the Issuer Secured Liabilities owed to it, except:
 - (i) in respect of the Issuer Account Bank, to the extent permitted under the Issuer Account Bank Agreement;
 - (ii) the exercise of any such right expressly permitted in respect of the Liquidity Standby Accounts under the Liquidity Facility Agreement; or
 - (iii) in accordance with the provisions of the ICA; or
- (e) take any Enforcement Action in respect of the Issuer Security and Issuer Transaction Documents except in accordance with the provisions of the ICA.

7.4 No Enforcement Action against the Issuer

Each Issuer Secured Creditor (other than the Issuer Security Trustee) agrees that:

- (a) subject to paragraph 30.2 (*Instructions prior to the Class A Discharge Date*) only the Issuer Security Trustee is entitled to:
 - (i) take Enforcement Action in respect of the Issuer Security; and/or
 - (ii) take proceedings or to exercise any rights, discretions or powers, or to grant any consents or releases, in respect of the security given under or pursuant to the Issuer Security Documents or otherwise have direct recourse to the Issuer Security;
- (b) neither it nor any person acting on behalf of such party (other than the Issuer Security Trustee or a Receiver appointed by the Issuer Security Trustee) has any right to take or initiate any proceedings or steps against the Issuer to enforce the Issuer Security Documents including without limitation by way of attachment, execution or diligence;
- (c) no Issuer Secured Creditor (other than the Issuer Security Trustee or a Receiver appointed by the Issuer Security Trustee) has the right to take or join any person in taking steps against the Issuer for the purposes of obtaining payment of any amount due whatsoever from the Issuer to such Issuer Secured Creditor, including the appointment of a Receiver (including an administrative receiver), provided that nothing will prevent an Issuer Secured Creditor from proving for the full amount owed to it by the Issuer in any the liquidation of the Issuer;
- (d) neither it nor any party on its behalf (other than the Issuer Security Trustee or a Receiver appointed by the Issuer Security Trustee) will initiate or join any person in initiating howsoever any Insolvency Proceedings against the Issuer; and
- (e) it is not entitled to take any steps or proceedings which would result in any of the provisions of the Issuer Priorities of Payments or the provisions described in this paragraph 7.4 not being observed.

7.5 Undertakings of Topco Secured Creditors

Each Topco Secured Creditor (other than the Borrower Security Trustee) agrees that it will not:

- (a) permit or require the Topco Obligors to discharge any of the Topco Secured Liabilities owed to it, except to the extent and in the manner permitted under the ICA and as further specified in the other Topco Transaction Documents but only to the extent the provisions of such other Topco Transaction Documents are consistent with the ICA;

- (b) accelerate, or permit or require the Topco Obligors to accelerate, cancel, pay, repay, redeem, purchase, terminate early or voluntarily terminate or otherwise acquire any of the Topco Secured Liabilities owed by the Topco Obligors, except to the extent and in the manner permitted by the ICA and as further specified in the Topco Transaction Documents but only to the extent the provisions of such Topco Transaction Documents are consistent with the relevant provisions of the ICA;
- (c) take, accept or receive the benefit of any Security Interest, guarantee, indemnity or assurance against financial loss from the Topco Obligors in respect of any of the Topco Secured Liabilities owed to it except pursuant to the Topco Security created under the Topco Security Documents;
- (d) take, receive or recover from the Issuer by set-off, any right of combination of accounts, proceedings of any kind or in any other manner whatsoever (save where permitted by either of paragraph 7.5(a) or paragraph 7.5(b)) the whole or any part of the Topco Secured Liabilities owed to it, except in accordance with the provisions of the ICA; or
- (e) take any Enforcement Action in respect of the Topco Security and Topco Transaction Documents except in accordance with the provisions of the ICA and the Topco Transaction Documents.

7.6 Undertakings of Obligors — Borrower Secured Liabilities

Each Obligor has undertaken that it will not:

- (a) discharge any of the Borrower Secured Liabilities owed by it, save to the extent such discharge would fall within the exception set out in paragraph 7.2(a) (*Undertakings of Borrower Secured Creditors*);
- (b) accelerate, cancel, pay, prepay, repay, redeem, purchase, terminate early or voluntarily terminate or otherwise acquire any of the Borrower Secured Liabilities owed by it, save to the extent such action would fall within the exceptions set out in paragraph 7.2(b) (*Undertakings of Borrower Secured Creditors*);
- (c) create or permit to subsist (except by operation of law) any Security Interest, guarantee, indemnity or other assurance against financial loss in respect of any of the Borrower Secured Liabilities owed by it except pursuant to the Borrower Security; and
- (d) take any steps to discharge by set-off, any right of combination of accounts, proceedings of any kind or in any other manner whatsoever, the whole or any part of the Borrower Secured Liabilities owed by it, save where permitted by any of paragraph 7.6(a) and paragraph 7.6(b) above or to the extent such discharge would fall within the exception set out in paragraph 7.2(d) (*Undertakings of Borrower Secured Creditors*) or by operation of law.

7.7 Undertakings of the Obligors: Intra-Obligor Group Liabilities and Topco Obligors

Unless required to do so by the Borrower Security Trustee acting upon the instructions of the relevant Instructing Group, each Obligor has undertaken that it will until the Final Discharge Date:

- (a) not take or join any person in taking steps:
 - (i) against any other Obligor for the purposes of obtaining payment of any amount due whatsoever from such Obligor in respect of any Intra-Obligor Group Liabilities; and
 - (ii) against any Topco Obligor for the purposes of obtaining payment of any amount due whatsoever from any Topco Obligor in respect of any Liabilities;
- (b) not take or join any person in taking any Enforcement Action in relation to any other Obligor or any Topco Obligor;
- (c) not initiate or join any person in initiating howsoever an insolvency event in relation to any other Obligor or any Topco Obligor; and
- (d) not be entitled to take any steps or proceedings which would result in any of the Borrower Priorities of Payments, the Issuer Priorities of Payments, the Topco Transaction Documents or the provisions described in this paragraph 7.7(a) not being observed.

7.8 Restrictions on Payments: Intra-Obligor Group Liabilities and Topco Obligors

On or after the delivery of any Loan Enforcement Notice by the Borrower Security Trustee as described in paragraph 26.7 (Loan Enforcement Notice) but before the Final Discharge Date:

- (a) no Obligor will make any Payment of any Intra-Obligor Group Liabilities or any Payment of any Liabilities owed to any Topco Obligor; and
- (b) no Obligor will receive any Payment or distribution of any kind whatsoever in respect of or on account of any Intra-Obligor Group Liabilities or any Liabilities owed to such Obligor by any Topco Obligor,

at any time, unless permitted in accordance with the terms of the ICA.

7.9 Undertakings of the Non-Obligor Group Creditors: Obligor Group Creditor Liabilities

Each Non-Obligor Group Creditor has undertaken that it will until the Final Discharge Date:

- (a) not take or join any person in taking steps against any Obligor or any Topco Obligor for the purposes of obtaining payment of any amount due whatsoever from such Obligor or Topco Obligor to such Non-Obligor Group Creditor;
- (b) not take or join any person in taking any Enforcement Action in respect of any Obligor or Topco Obligor;
- (c) not initiate or join any person in initiating howsoever an insolvency event in relation to any Obligor or Topco Obligor; and
- (d) not be entitled to take any steps or proceedings which would result in any of the Borrower Priorities of Payments, the Issuer Priorities of Payments, the Topco Transaction Documents or the provisions described in this paragraph 7.9 not being observed.

7.10 Restriction on Payments: Non-Obligor Group Creditor Liabilities

- (a) Prior to the Final Discharge Date:

- (i) no member of the Obligor Group or any Topco Obligor will make any Payment of any Non-Obligor Group Creditor Liabilities; and
 - (ii) no Non-Obligor Group Creditor or any Topco Obligor will receive any Payment or distribution of any kind whatsoever in respect of or on account of any Non-Obligor Group Creditor Liabilities,

at any time, unless permitted in accordance paragraph (b) below.

- (b) The Obligors and the Topco Obligors will only make a Payment to any Non-Obligor Group Creditor in respect of any Non-Obligor Group Creditor Liabilities if:
 - (i) the making of such Payment does not breach the terms and conditions of the Class A IBLA and the Class B IBLA; and
 - (ii) at the time of that action, a Potential Loan Event of Default, a Loan Event of Default or a Share Enforcement Event has not occurred, unless the Borrower Security Trustee, acting upon the instructions of the relevant Instructing Group, authorises such Payment.

7.11 Undertakings of Topco Obligors — Topco Secured Liabilities

Each Topco Obligor has undertaken that it will not:

- (a) discharge any of the Topco Secured Liabilities owed by it, save to the extent such discharge would fall within the exception set out in paragraph 7.5(a) (Undertakings of Topco Secured Creditors);
- (b) accelerate, cancel, pay, prepay, repay, redeem, purchase, terminate early or voluntarily terminate or otherwise acquire any of the Topco Secured Liabilities owed by it, save to the extent such action would fall within the exceptions set out in paragraph 7.5(b) (Undertakings of Topco Secured Creditors);

- (c) create or permit to subsist (except by operation of law) any Security Interest, guarantee, indemnity or other assurance against financial loss in respect of any of the Topco Secured Liabilities owed by it except pursuant to the Topco Security Documents; and
- (d) take any steps to discharge by set-off, any right of combination of accounts, proceedings of any kind or in any other manner whatsoever, the whole or any part of the Topco Secured Liabilities owed by it, save where permitted by any of paragraph 7.5(a) and paragraph 7.5(b) (Undertakings of Topco Secured Creditors) or to the extent such discharge would fall within the exception set out in paragraph 7.5(d) (Undertakings of Topco Secured Creditors) or by operation of law.

7.12 Undertakings of the Topco Obligors: Intra-Topco Obligor Group Liabilities and the Obligor Group

Unless required to do so by the Borrower Security Trustee (acting upon the instructions of the Class B Instructing Group), each Topco Obligor has undertaken that it will until the Final Discharge Date:

- (a) not take or join any person in taking steps:
 - (i) against any other Topco Obligor for the purposes of obtaining payment of any amount due whatsoever from such Topco Obligor in respect of any Intra-Topco Obligor Group Liabilities; and
 - (ii) against any Obligor for the purposes of obtaining payment of any amount due whatsoever from any Obligor in respect of any Liabilities;
- (b) not take or join any person in taking any Enforcement Action in relation to any other Topco Obligor or any Obligor;
- (c) not initiate or join any person in initiating howsoever an insolvency event in relation to any other Topco Obligor or any Obligor; and
- (d) not be entitled to take any steps or proceedings which would result in any of the Borrower Priorities of Payments, the provisions of the Borrower Transaction Documents or the provisions described in this paragraph 7.12(a) not being observed, provided that, if there are any Class A Notes outstanding, then no action may be taken against any Obligor unless with the prior consent of the Class A Instructing Group.

7.13 Restrictions on Payments: Intra-Topco Obligor Group Liabilities and Obligors

On or after the delivery of a demand notice by the Borrower Security Trustee pursuant to the Topco Payment Undertaking but before the Final Discharge Date:

- (a) no Topco Obligor will make any Payment of any Intra-Topco Obligor Group Liabilities or any Payment of any Liabilities owed to any Obligor; and
- (b) no Topco Obligor will receive any Payment or distribution of any kind whatsoever in respect of or on the account of any Intra-Topco Obligor Group Liabilities or any Liabilities owed to such Topco Obligor by any Obligor,

at any time, unless permitted in accordance with the terms of the ICA.

8. BORROWER PRE-ENFORCEMENT PRIORITIES OF PAYMENTS

8.1 Introduction

The ICA provides for the ranking in point of payment of the claims of the Borrower Secured Creditors prior to the giving of a Loan Enforcement Notice.

8.2 Borrower Pre-Enforcement Priorities of Payments

Under the ICA, subject to (i) the provisions described in paragraph 8.7 (Prepayment of the Class B IBLA — Topco Transaction Documents), and (ii) if the Borrowers elect to voluntarily prepay any of the Class A Loans and/or Class B Loan (in accordance with the terms of the Class A IBLA and/or the Class B IBLA, respectively),

then such prepayment will be permitted irrespective of the provisions described in this paragraph, then notwithstanding the Borrower Security, on each Loan Interest Payment Date before the Borrower Security Trustee delivers any Loan Enforcement Notice or any Loan Acceleration Notice, the Obligor Group Agent, as agent for the Obligors, will instruct the Borrower Account Bank to withdraw amounts from the Obligor Accounts (other than amounts standing to the credit of the Designated Accounts) to be applied in paying or providing for the payment of the amounts in accordance with the applicable order of priority as follows:

- (a) on each Loan Interest Payment Date that (i) does not fall in any Lock-Up Period; (ii) is before the Class A3 EMD; and (iii) where the Class A Restricted Payment Condition is satisfied, then in accordance with paragraph 8.3 (Borrower Pre-Enforcement Priority of Payments — Part A: No Lock-Up Period applies; before the Class A3 EMD; and Class A Restricted Payment Condition is satisfied);
- (b) on each Loan Interest Payment Date that (i) does not fall in any Lock-Up Period; (ii) before the Class A3 EMD; and (iii) where the Class A Restricted Payment Condition is not satisfied, then in accordance with paragraph 8.4 (Borrower Pre-Enforcement Priority of Payments — Part B: No Lock-Up Period applies; before the Class A3 EMD and the Class A Restricted Payment Condition is not satisfied);
- (c) on each Loan Interest Payment Date that falls in any Lock-Up Period, then in accordance with paragraph 8.5 (Borrower Pre-Enforcement Priority of Payments — Part C: Lock-Up Period applies); and
- (d) on each Loan Interest Payment Date that (i) follows the Class A3 EMD; and (ii) does not fall in any Lock-Up Period, then in accordance with paragraph 8.6 (Borrower Pre-Enforcement Priority of Payments — Part D: For any Loan Interest Payment Date following the Class A3 EMD; and no Lock-Up Period applies),

(together, the **Borrower Pre-Enforcement Priorities of Payments**), in each case,

- (i) together with any interest and VAT payable thereon, as provided for in the relevant Transaction Document; and
- (ii) if and to the extent that payments or provisions of a higher order of priority have been made in full.

8.3 Borrower Pre-Enforcement Priority of Payments — Part A: No Lock-Up Period applies; before the Class A3 EMD; and the Class A Restricted Payment Condition is satisfied

1. *first*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due and payable in respect of:
 - (a) the fees and other remuneration and indemnity payments (if any) payable to the Borrower Security Trustee and other appointees (if any) appointed by it under the Borrower Security Documents and any costs, charges, liabilities and expenses incurred by the Borrower Security Trustee under the Borrower Security Documents and any other amounts payable to the Borrower Security Trustee under the Borrower Security Documents, together with interest thereon as provided for therein; and
 - (b) the First Facility Fee due and payable to the Issuer;
2. *second*, in or towards satisfaction, *pari passu* and *pro rata*, of:
 - (a) the Second Facility Fee due and payable to the Issuer; and
 - (b) the fees, other remuneration, costs, charges and expenses of the Rating Agencies;
3. *third*, in or towards satisfaction, *pari passu* and *pro rata*, of:
 - (a) the Third Facility Fee due and payable to the Issuer; and
 - (b) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Borrower Account Bank incurred under the Borrower Account Bank Agreement;
4. *fourth*, in or towards satisfaction, of the Fourth Facility Fee due and payable to the Issuer;
5. *fifth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable under the Class A IBLA;

6. *sixth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and all Additional Class A Loan Amounts due and payable under the Class A IBLA;
7. *seventh*, in or towards satisfaction of all amounts required to be deposited into the Maintenance Capex Reserve Account under the Class A IBLA;
8. *eighth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable under the Class B IBLA;
9. *ninth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and all Additional Class B Loan Amounts due and payable under the Class B IBLA;
10. *tenth*, in or towards satisfaction of the amounts required to be deposited into the account of the Borrowers designated the “Investment Capex Reserve Account” (the “**Investment Capex Reserve Account**”) under the Class A IBLA;
11. *eleventh*, in or towards satisfaction of the Fifth Facility Fee due and payable to the Issuer; and
12. *twelfth*, to the Borrowers and/or any other Obligor in or towards payment of any other amounts in accordance with the Borrower Transaction Documents, including, the making of any Restricted Payments if the relevant Restricted Payment Conditions are satisfied on the terms and subject to the conditions set out in the Transaction Documents.

8.4 Borrower Pre-Enforcement Priority of Payments — Part B: No Lock-Up Period applies; before the Class A3 EMD; and the Class A Restricted Payment Condition is not satisfied

1. *first*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due and payable in respect of:
 - (a) the fees and other remuneration and indemnity payments (if any) payable to the Borrower Security Trustee and other appointees (if any) appointed by it under the Borrower Security Documents and any costs, charges, liabilities and expenses incurred by the Borrower Security Trustee under the Borrower Security Documents and any other amounts payable to the Borrower Security Trustee under the Borrower Security Documents, together with interest thereon as provided for therein; and
 - (b) the First Facility Fee due and payable to the Issuer;
2. *second*, in or towards satisfaction, *pari passu* and *pro rata*, of:
 - (a) the Second Facility Fee due and payable to the Issuer;
 - (b) the fees, other remuneration, costs, charges and expenses of the Rating Agencies;
3. *third*, in or towards satisfaction, *pari passu* and *pro rata*, of:
 - (a) the Third Facility Fee due and payable to the Issuer; and
 - (b) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Borrower Account Bank incurred under the Borrower Account Bank Agreement;
4. *fourth*, in or towards satisfaction, of the Fourth Facility Fee due and payable to the Issuer;
5. *fifth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable under the Class A IBLA;
6. *sixth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and all Additional Class A Loan Amounts due and payable under the Class A IBLA;
7. *seventh*, in or towards satisfaction of all amounts required to be deposited into the Maintenance Capex Reserve Account under the Class A IBLA;
8. *eighth*, in or towards satisfaction of the amounts required to be deposited into the Investment Capex Reserve Account under the Class A IBLA;
9. *ninth*, in or towards satisfaction of the Fifth Facility Fee due and payable to the Issuer; and

10. *tenth*, to the Borrowers and/or any other Obligor in or towards payment of any other amounts in accordance with the Borrower Transaction Documents except that:

- (a) Restricted Payments shall not be made; and
- (b) any amounts under the Class B Loan or Class B Notes shall not be paid or repaid other than out of New Equity Funds (if any).

8.5 Borrower Pre-Enforcement Priority of Payments — Part C: Lock-Up Period applies

1. *first*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due and payable in respect of:

- (a) the fees and other remuneration and indemnity payments (if any) payable to the Borrower Security Trustee and other appointees (if any) appointed by it under the Borrower Security Documents and any costs, charges, liabilities and expenses incurred by the Borrower Security Trustee under the Borrower Security Documents and any other amounts payable to the Borrower Security Trustee under the Borrower Security Documents, together with interest thereon as provided for therein; and
- (b) the First Facility Fee due and payable to the Issuer;

2. *second*, in or towards satisfaction, *pari passu* and *pro rata*, of:

- (a) the Second Facility Fee due and payable to the Issuer;
- (b) the fees, other remuneration, costs, charges and expenses of the Rating Agencies;

3. *third*, in or towards satisfaction, *pari passu* and *pro rata*, of:

- (a) the Third Facility Fee due and payable to the Issuer; and
- (b) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Borrower Account Bank incurred under the Borrower Account Bank Agreement;

4. *fourth*, in or towards satisfaction of the Fourth Facility Fee due and payable to the Issuer;

5. *fifth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable under the Class A IBLA;

6. *sixth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and all Additional Class A Loan Amounts due and payable under the Class A IBLA;

7. *seventh*, in or towards satisfaction of all amounts required to be deposited into the Maintenance Capex Reserve Account under the Class A IBLA;

8. *eighth*, if the Class A Restricted Payment Condition is satisfied on the relevant Loan Interest Payment Date and the Loan Interest Payment Date falls within the Class A3 Lock-Up Period, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable under the Class B IBLA;

9. *ninth*, if the Class A Restricted Payment Condition is satisfied on the relevant Loan Interest Payment Date and the Loan Interest Payment Date falls within the Class A3 Lock-Up Period, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and all Additional Class B Loan Amounts due and payable under the Class B IBLA;

10. *tenth*, in or towards satisfaction of the amounts required to be deposited into the Investment Capex Reserve Account under the Class A IBLA;

11. *eleventh*, in or towards satisfaction of the Fifth Facility Fee due and payable to the Issuer;

12. *twelfth*, subject to the applicable provisions specified in paragraph A (*Application of Funds on the Class A3 EMD if the Class A3 Loan is outstanding*), paragraph B (*Application of Funds in the period from Class A2 EMD Less One Year to the Class A2 EMD*), paragraph C (*Application of Funds on the Class A2 EMD, if the Class A3 Loan, the Class A2 Loan and/or the Class A4 Loan is outstanding*), Paragraph D (*Application of Funds in the period from the Class A4 EMD Less One Year to the Class A4 EMD*) and paragraph E (*Application of Funds on the Class A4 Loan EMD if any of the Class A3 Loan, Class A2 Loan and/or the Class A4 Loan is*

outstanding), in or towards satisfaction of the amounts required to be deposited by the Obligors into the Cash Accumulation Account pursuant to the Class A IBLA; and

13. *thirteenth*, to the Obligors in or towards payment of any other amounts in accordance with the Borrower Transaction Documents including, the making of any Restricted Payments if the Class A Restricted Payment Condition is satisfied.

A. Application of Funds on the Class A3 EMD if the Class A3 Loan is outstanding

On the Class A3 EMD, if the Class A3 Loan is outstanding all Net Free Cashflow and all amounts standing to the credit of the Cash Accumulation Account shall be applied in or towards satisfaction of:

- (a) if the Class A FCF DSCR Sequential Ratio Test is satisfied, in or towards the repayment of all amounts outstanding (whether or not otherwise due but which are unpaid) under the Class A3 Loan until it is discharged in full; or
- (b) if the Class A FCF DSCR Sequential Ratio Test is not satisfied, in or towards satisfaction *pari passu* and *pro rata*, with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid) of:
 - (i) the repayment of all amounts outstanding under the Class A3 Loan until it is discharged in full;and
 - (ii) the defeasance of the Class A2 Loan by depositing the relevant available funds into the Defeasance Account up to the outstanding principal amount of the Class A2 Loan; and
 - (iii) the defeasance of the Class A4 Loan by depositing the relevant available funds into the Defeasance Account up to the outstanding principal amount of the Class A4 Loan.

B. Application of Funds in the period from the Class A2 EMD Less One Year to the Class A2 EMD

In the period from (and including) the Class A2 EMD Less One Year to (but excluding) the Class A2 EMD:

- (a) if the Class A3 Loan remains outstanding and the Class A FCF DSCR Sequential Ratio Test is satisfied, all Net Free Cashflow shall be applied in or towards satisfaction *pro rata* and *pari passu* with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid) of:
 - (i) the repayment of all amounts outstanding under the Class A3 Loan until it is discharged in full; and
 - (ii) the crediting of relevant available funds to the Cash Accumulation Account up to the outstanding principal amount of the Class A2 Loan; and
- (b) if the Class A3 Loan remains outstanding and the Class A FCF DSCR Sequential Ratio Test is not satisfied, all Net Free Cashflow shall be applied in or towards satisfaction *pro rata* and *pari passu* with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid) of:
 - (i) the repayment of all amounts outstanding under the Class A3 Loan until they are discharged in full; and
 - (ii) the defeasance of the Class A2 Loan by depositing the relevant available funds into the Defeasance Account up to the outstanding principal amount of the Class A2 Loan; and
 - (iii) the defeasance of the Class A4 Loan by depositing the relevant available funds into the Defeasance Account up to the outstanding principal amount of the Class A4 Loan;
- (c) if the Class A3 Loan has been repaid in full, and the Class A FCF DSCR Sequential Ratio Test is satisfied, all Net Free Cashflow shall be credited to the Cash Accumulation Account up to the outstanding principal amount of the Class A2 Loan and shall not be released to the Borrowers unless,

such cash is applied in or towards prepayment of the Class A2 Loan, subject to the payment of any Class A Make-Whole Payment;

- (d) if the Class A3 Loan has been repaid in full and the Class A FCF DSCR Sequential Ratio Test is not satisfied, all Net Free Cashflow shall be applied in or towards satisfaction *pro rata* and *pari passu*, with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid) of:
 - (i) the defeasance of the Class A2 Loan by depositing the relevant available funds into the Defeasance Account up to the outstanding principal amount of the Class A2 Loan; and
 - (ii) the defeasance of the Class A4 Loan by depositing the relevant available funds into the Defeasance Account up to the outstanding principal amount of the Class A4 Loan; and
- (e) any amounts standing to the credit of the Defeasance Account shall not be applied to repay the Class A3 Loan or be released to the Borrowers provided that the Borrowers may withdraw amounts standing to the credit of the Defeasance Account (i) which are referable to the Class A2 Loan to be applied in or towards prepayment of the Class A2 Loan in accordance with the Class A IBLA; (ii) which are referable to the Class A4 Loan to be applied in or towards prepayment of the Class A4 Loan in accordance with the Class A IBLA; or (iii) to be applied as part of a transaction to repay all amounts outstanding under the Class A Loans, subject, in each case, to the payment of any Class A Make-Whole Payment.

C. Application of Funds on the Class A2 EMD, if the Class A3 Loan, the Class A2 Loan and/or the Class A4 Loan is outstanding

On the Class A2 EMD any amount is outstanding under the Class A3 Loan, the Class A2 Loan and/or the Class A4 Loan:

- (a) *first*, if applicable, any amounts standing to the credit of the Defeasance Account referable to the Class A2 Loan shall be applied in or towards the satisfaction of all amounts outstanding under the Class A2 Loan until it is discharged in full; and
- (b) *second*, after the application of any amounts standing to the credit of the Defeasance Account in accordance with paragraph (a) above, all Net Free Cashflow and all amounts standing to the credit of the Cash Accumulation Account shall be applied:
 - (i) if the Class A FCF DSCR Sequential Ratio Test is satisfied, in or towards the satisfaction of *pro rata* and *pari passu* with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid):
 - (A) all amounts outstanding under the Class A3 Loan until it is discharged in full; and
 - (B) all amounts outstanding under the Class A2 Loan until it is discharged in full; or (ii) if the Class A FCF DSCR Sequential Ratio Test is not satisfied, in or towards the satisfaction of *pro rata* and *pari passu* with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid):
 - (A) all amounts outstanding (whether or not otherwise due but which are unpaid) under the Class A3 Loan until it is discharged in full; and
 - (B) all amounts outstanding under the Class A2 Loan until it is discharged in full; and
 - (C) the defeasance of the Class A4 Loan by depositing the relevant available funds into the Defeasance Account up to the outstanding principal amount of the Class A4 Loan.

D. Application of Funds in the period from the Class A4 EMD Less One Year to the Class A4 EMD

In the period from (and including) the Class A4 EMD Less One Year to (but excluding) the Class A4 EMD:

- (a) if the Class A3 Loan and/or the Class A2 Loan remains outstanding and the Class A FCF DSCR Sequential Ratio Test is satisfied, all Net Free Cashflow shall be applied in or towards satisfaction *pro*

rata and *pari passu* with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid) of:

- (i) if applicable, the repayment of all amounts outstanding under the Class A3 Loan until it is discharged in full;
 - (ii) if applicable, the repayment of all amounts outstanding under the Class A2 Loan until it is discharged in full; and
 - (iii) to the extent required by clause 13.2 (Cash Accumulation Account) of the Class A IBLA, the crediting of relevant available funds to the Cash Accumulation Account up to the outstanding principal amount of the Class A4 Loan;
- (b) if the Class A3 Loan and/or the Class A2 Loan remains outstanding and the Class A FCF DSCR Sequential Ratio Test is not satisfied, all Net Free Cashflow shall be applied in or towards satisfaction *pro rata* and *pari passu* with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid) of:
- (i) if applicable, the repayment of all amounts outstanding under the Class A3 Loan until they are discharged in full;
 - (ii) if applicable, the repayment of all amounts outstanding under the Class A2 Loan until it is discharged in full; and
 - (iii) the defeasance of the Class A4 Loan by depositing the relevant available funds into the Defeasance Account up to the outstanding principal amount of the Class A4 Loan;
- (c) if each of the Class A3 Loan and the A2 Loan has been repaid in full, to the extent required by clause 13.2 (Cash Accumulation Account) of the Class A IBLA, all Net Free Cashflow shall be credited to the Cash Accumulation Account up to the outstanding principal amount of the Class A4 Loan (and shall not be released to the Borrowers unless such cash is applied in or towards prepayment of the Class A4 Loan, subject to the payment of any Class A Make-Whole Payment); and
- (d) any amounts standing to the credit of the Defeasance Account shall not be released to the Borrowers, provided that the Borrowers may withdraw amounts standing to the credit of the Defeasance Account be applied in or towards prepayment of the Class A4 Loan in accordance with the Class A IBLA, subject to the payment of any Class A Make-Whole Payment.

E. Application of Funds on the Class A4 EMD if any of the Class A3 Loan, Class A2 Loan and/or the Class A4 Loan is outstanding

On the Class A4 EMD, if any amount is outstanding under the Class A3 Loan, the Class A2 Loan and/or the Class A4 Loan:

- (a) *first*, if applicable, any all amounts standing to the credit of the Defeasance Account shall be applied in or towards the satisfaction of all amounts outstanding under the Class A4 Loan until it is discharged in full; and
- (b) *second*, after the application of any mounts standing to the credit of the Defeasance Account in accordance with paragraph (a) above, all Net Free Cashflow and all amounts standing to the credit of the Cash Accumulation Account shall be applied in or towards the satisfaction of *pro rata* and *pari passu*, with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid):
 - (i) all amounts outstanding under the Class A3 Loan until it is discharged in full; and
 - (ii) all amounts outstanding under the Class A2 Loan until it is discharged in full; and
 - (iii) all amounts outstanding under the Class A4 Loan until it is discharged in full.

8.6 Borrower Pre-Enforcement Priorities of Payments — Part D: For any Loan Interest Payment Date following the Class A3 EMD; and no Lock-Up Period applies

1. *first*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due and payable in respect of:

- (a) the fees and other remuneration and indemnity payments (if any) payable to the Borrower Security Trustee and other appointees (if any) appointed by it under the Borrower Security Documents and any costs, charges, liabilities and expenses incurred by the Borrower Security Trustee under the Borrower Security Documents and any other amounts payable to the Borrower Security Trustee under the Borrower Security Documents, together with interest thereon as provided for therein; and
- (b) the First Facility Fee due and payable to the Issuer;
- 2. *second*, in or towards satisfaction, *pari passu* and *pro rata*, of:
 - (a) the Second Facility Fee due and payable to the Issuer; and
 - (b) the fees, other remuneration, costs, charges and expenses of the Rating Agencies;
- 3. *third*, in or towards satisfaction, *pari passu* and *pro rata*, of:
 - (a) the Third Facility Fee due and payable to the Issuer; and
 - (b) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Borrower Account Bank incurred under the Borrower Account Bank Agreement;
- 4. *fourth*, in or towards satisfaction, of the Fourth Facility Fee due and payable to the Issuer;
- 5. *fifth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable under the Class A IBLA;
- 6. *sixth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and all Additional Class A Loan Amounts due and payable under the Class A IBLA;
- 7. *seventh*, in or towards satisfaction of all amounts required to be deposited into the Maintenance Capex Reserve Account under the Class A IBLA;
- 8. *eighth*, on the first Loan Interest Payment Date following the Class A3 EMD only, provided that the Class A Restricted Payment Condition is satisfied on such first Loan Interest Payment, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts due and payable under the Class B IBLA;
- 9. *ninth*, in or towards satisfaction of the amounts required to be deposited into the Investment Capex Reserve Account under the Class A IBLA;
- 10. *tenth*, in or towards satisfaction, of the Fifth Facility Fee due and payable to the Issuer;
- 11. *eleventh*, in or towards satisfaction of any amounts required to be paid in accordance with the applicable provisions specified in paragraph A (*Payments following the Class A3 EMD*) to C (*Payments following the Class A4 EMD*) below; and
- 12. *twelfth*, to the Obligors in or towards payment of any other amounts in accordance with the Borrower Transaction Documents.

A *Payments following the Class A3 EMD*

- (a) If the Class A3 Loan remains outstanding after the Class A3 EMD then in respect of any Loan Interest Payment Date in the period from (but excluding) the Class A3 EMD to (but excluding) the Class A2 EMD Less One Year, if the Class A FCF DSCR Sequential Ratio Test is satisfied, all Net Free Cashflow will be applied in or towards satisfaction (whether or not otherwise due but which are unpaid) of the repayment of the Class A3 Loan until it is discharged in full.
- (b) If the Class A3 Loan remains outstanding after the Class A3 EMD then in respect of any Loan Interest Payment Date in the period from (but excluding) the Class A3 EMD to (but excluding) the Class A2 EMD Less One Year, if the Class A FCF DSCR Sequential Ratio Test is not satisfied, all Net Free Cashflow shall be applied in or towards satisfaction on a *pro rata* and *pari passu* basis with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid) of:
 - (i) the repayment of all amounts outstanding under the Class A3 Loan until it is discharged in full;

- (ii) the defeasance of the Class A2 Loan by depositing the relevant available funds into the Defeasance Account up to the outstanding principal amount of the Class A2 Loan; and
 - (iii) the defeasance of the Class A4 Loan by depositing the relevant available funds into the Defeasance Account up to the outstanding principal amount of the Class A4 Loan.
- (c) If at any time in the period from (but excluding) the Class A3 EMD to (but excluding) the Class A2 EMD Less One Year, the Class A3 Loan has been repaid in full, all Net Free Cashflow shall be available to the Borrowers to be applied in accordance with the Transaction Documents, including the making of any Restricted Payments if the relevant Restricted Payment Conditions are satisfied and otherwise are in accordance with the Transaction Documents.
- (d) If at any time in the period from (but excluding) the Class A3 EMD to (but excluding) the Class A2 EMD Less One Year, the Class A FCF DSCR Sequential Ratio Test is satisfied, then as at any Loan Interest Payment Date in such the period, any cash standing to the credit of the Defeasance Account shall be:
 - (i) applied in or towards satisfaction (whether or not otherwise due but which are unpaid) of the repayment of all amounts outstanding under the Class A3 Loan until it is discharged in full; and thereafter
 - (ii) released to the Borrowers to be applied in accordance with the Transaction Documents, including, the making of any Restricted Payments if the relevant Restricted Payment Conditions are satisfied and otherwise are in accordance with the Transaction Documents.

B. *Payments following the Class A2 EMD*

- (a) If the Class A3 Loan and/or the Class A2 Loan remains outstanding after the Class A2 EMD, then in respect of any Loan Interest Payment Date in the period from (but excluding) the Class A2 EMD to (but excluding) the Class A4 EMD Less One Year, if the Class A FCF DSCR Sequential Ratio Test is satisfied, all Net Free Cashflow will be applied in or towards satisfaction on a *pro rata* and *pari passu* basis with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid) of:
 - (i) the repayment of all amounts outstanding under the Class A3 Loan until it is discharged in full; and
 - (ii) the repayment of all amounts outstanding under the Class A2 Loan until it is discharged in full.
- (b) If the Class A3 Loan and/or the Class A2 Loan remains outstanding after the Class A2 EMD, then in respect of any Loan Interest Payment Date in the period from (but excluding) the Class A2 EMD to (but excluding) the Class A4 EMD Less One Year, if the Class A FCF DSCR Sequential Ratio Test is not satisfied, all Net Free Cashflow shall be applied in or towards satisfaction on a *pro rata* and *pari passu* basis with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid) of:
 - (i) the repayment of all amounts outstanding under the Class A3 Loan until it is discharged in full;
 - (ii) the repayment of all amounts outstanding under the Class A2 Loan until it is discharged in full; and
 - (iii) the defeasance of the Class A4 Loan by depositing the relevant available funds into the Defeasance Account up to the outstanding principal amount of the Class A4 Loan.
- (c) If at any time in the period from (but excluding) the Class A2 EMD to (but excluding) the Class A4 EMD Less One Year, each of the Class A3 Loan and the Class A2 Loan has been repaid in full, all Net Free Cashflow shall be available to the Borrowers to be applied in accordance with the Transaction Documents, including the making of any Restricted Payments if the relevant Restricted Payment Conditions are satisfied and otherwise are in accordance with the Transaction Documents.

- (d) If, at any time in the period from (but excluding) the Class A2 EMD to (but excluding) the Class A4 EMD Less One Year, the Class A FCF DSCR Sequential Ratio Test is satisfied, then as at any Loan Interest Payment Date in such the period, any cash standing to the credit of the Defeasance Account shall be:
- (i) *first*, applied in or towards satisfaction on a *pro rata* and *pari passu* basis with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid) of:
 - (A) the repayment of all amounts outstanding under the Class A3 Loan until it is discharged in full; and
 - (B) the repayment of all amounts outstanding under the Class A2 Loan until it is discharged in full; and
 - (ii) *secondly*, released to the Borrowers to be applied in accordance with the Transaction Documents, including, the making of any Restricted Payments if the relevant Restricted Payment Conditions are satisfied and otherwise are in accordance with the Transaction Documents.

C. Payments following the Class A4 EMD

- (a) If the Class A3 Loan and/or the Class A2 Loan has not been repaid on the Class A4 EMD, then on each Loan Interest Payment Date after (but excluding) the Class A4 EMD, all Net Free Cashflow, will be applied in or towards satisfaction *pro rata* and *pari passu* with respect to their respective outstanding principal amount (whether or not otherwise due but which are unpaid) of the repayment of all amounts outstanding under:
- (i) the Class A3 Loan until it is discharged in full;
 - (ii) the Class A2 Loan until it is discharged in full; and
 - (iii) the Class A4 Loan until it is discharged in full.
- (b) If each of the Class A3 Loan and the Class A2 Loan has been discharged in full after the Class A4 EMD, then on each Loan Interest Payment Date after the Class A4 EMD, all Net Free Cashflow will be applied in or towards satisfaction (whether or not otherwise due but which are unpaid) of the repayment of all amounts outstanding under the Class A4 Loan until it is discharged in full.

8.7 Prepayment of the Class B IBLA — Topco Transaction Documents

If and to the extent the Borrowers receive funds from any person or persons that have acquired (or intend to acquire) the Topco Secured Property pursuant to the Topco Payment Undertaking or any other Topco Transaction Document (including, as a result of the enforcement of the Topco Security following the occurrence of a Share Enforcement Event or otherwise) and the Borrowers receive such funds for the express purpose of enabling the Borrowers to prepay amounts outstanding under the Class B IBLA, then such specified funds will be applied by the Borrowers to prepay the Class B IBLA in accordance with the Class B IBLA (after all costs, fees and expenses of any trustee and Receiver in relation to the enforcement of the Topco Security have been discharged in full) and such funds will not be applied in accordance with any of the Borrower Pre-Enforcement Priorities of Payments, the Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments or the Borrower Post-Enforcement (Post-Acceleration) Priority of Payments.

8.8 Cash Accumulation Account

Prior to the delivery by the Borrower Security Trustee of a Loan Acceleration Notice, the Obligor Group Agent (for and on behalf of the Obligors) will be required to deposit relevant funds into the Cash Accumulation Account, to the extent required and in accordance with the Class A IBLA and the ICA and the Obligor Group Agent (for and on behalf of the Obligors) will be required to apply funds standing to the credit of the Cash Accumulation Account to satisfy the payment obligations of the Obligors in accordance with the Class A IBLA and the ICA.

8.9 Defeasance Account

Prior to the delivery by the Borrower Security Trustee of a Loan Acceleration Notice the Obligor Group Agent (for and on behalf of the Obligors) will be required to deposit relevant funds into the Defeasance Account in accordance with the Class A IBLA and the ICA and the Obligor Group Agent (for and on behalf of the Obligors) will be required to apply funds standing to the credit of the Defeasance Account to satisfy the payment obligations of the Obligors in accordance with the Class A IBLA and the ICA.

9. ISSUER PRE-ACCELERATION PRIORITY OF PAYMENTS

9.1 Introduction

The ICA provides for the application of cash available to the Issuer and the ranking in point of payment of the claims of the Issuer Secured Creditors prior to the giving of a Note Acceleration Notice on the terms set out below.

9.2 Receipts

The Issuer will take or cause to be taken such action as may from time to time be necessary on its part to ensure that the Issuer Accounts will from time to time be credited in accordance with the Cash Management Agreement.

9.3 Ranking of Issuer Secured Liabilities prior to the giving of a Note Acceleration Notice

Subject to paragraph 9.4 (*Prepayment of the Class B IBLA and Class B Notes — Topco Transaction Documents*) and paragraph 9.5 (*Receipt of other specific funds under the IBLAs*), each Issuer Secured Creditor agrees and the Issuer and the Issuer Security Trustee acknowledges that each Issuer Secured Creditor's claims will rank according to the Issuer Pre-Acceleration Priority of Payments before a Note Trustee gives a Note Acceleration Notice.

9.4 Prepayment of the Class B IBLA and Class B Notes — Topco Transaction Documents

If and to the extent the Issuer receives funds under the Class B IBLA from any of the Obligors (or any person or persons that have acquired (or intend to acquire) the Topco Secured Property pursuant to the Topco Payment Undertaking or any other Topco Transaction Document (including, as a result of the enforcement of the Topco Security following the occurrence of a Share Enforcement Event) and the Issuer receives such funds for the express purpose of enabling the Issuer to discharge its obligations under the Class B Notes, then such specified funds will be applied by the Issuer to directly discharge the Class B Notes in accordance with the Class B Conditions (after all costs fees and expenses of any trustee and Receiver in relation to the enforcement of the Topco Security have been discharged in full) and such funds will not be applied in accordance with the Issuer Pre-Acceleration Priority of Payments or Issuer Post-Acceleration Priority of Payments.

9.5 Receipt of other specific funds under the IBLAs

- (a) If and to the extent the Issuer receives funds from any of the Obligors exercising their rights to voluntarily prepay any of the Class A Loans and/or Class B Loan in accordance with the terms of the Class A IBLA and/or Class B IBLA, as applicable, or otherwise pursuant to clause 12 (*Financial Covenant*) of the Class A IBLA, clause 18.19 (*Application of Sale and Leaseback Proceeds*) of the Class A IBLA, clause 13 (*Class B Financial Covenant*) of the Class B IBLA and clause 19 (*Asset Sales*) of the Class B IBLA, to enable the Issuer to discharge specific obligations owed to any Issuer Secured Creditor (including, without limitation, the Class A Noteholders and/or the Class B Noteholders, in the case of a voluntary prepayment), then such specified funds will be applied by the Issuer to discharge those specific obligations and such funds will not be applied in accordance with the Issuer Pre-Acceleration Priority of Payments.
- (b) If in any other circumstance, other than those described in paragraphs 9.4 (*Prepayment of the Class B IBLA and Class B Notes — Topco Transaction Documents*) and 9.5(a) (*Receipt of other specific funds under the IBLAs*), the Issuer receives funds from any of the Obligors pursuant to any other term or condition of the IBLAs (for the express purpose and on the terms specified therein, respectively), to enable the Issuer to discharge specific obligations owed to any Issuer Secured Creditor, then such specified funds will be applied by the Issuer to discharge those specific obligations provided that any payment obligations due and payable to an Issuer Secured Creditor, and which rank higher in the Issuer Pre-Acceleration Priority of Payments, than those owed to such Issuer Secured Creditor, have been discharged first.

9.6 Issuer Pre-Acceleration Priority of Payments

Subject to paragraph 9.4 (Prepayment of the Class B IBLA and Class B Notes — Topco Transaction Documents) and paragraph 9.5 (Receipt of other specific funds under the IBLAs), and notwithstanding the security rights created by or pursuant to clause 3 (Issuer Security) of the Issuer Deed of Charge, on each Note Interest Payment Date before a Note Trustee gives any Note Acceleration Notice to the Issuer, the Cash Manager, as agent for the Issuer Security Trustee, will instruct the Issuer Account Bank to withdraw amounts from the Issuer Transaction Account (but only to the extent that such withdrawal does not cause the Issuer Transaction Account to be overdrawn) and any interest earned on any amounts standing to the credit of any Liquidity Standby Account, to be applied in paying or providing for the payment of the amounts in the order of priority set out below (the “**Issuer Pre-Acceleration Priority of Payments**”), in each case:

- (a) together with any interest and VAT payable thereon, as provided for in the relevant Transaction Document; and
 - (b) if and to the extent that payments or provisions of a higher order of priority have been made in full.
1. *first*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts due and payable in respect of the fees and other remuneration and indemnity payments (if any) payable to the Issuer Security Trustee, Class A Note Trustee and Class B Note Trustee and other appointees (if any) appointed by any of them under the Issuer Deed of Charge, Note Trust Deed respectively and any costs, charges, liabilities and expenses incurred by any of the Issuer Security Trustee, Class A Note Trustee and Class B Note Trustee under the Issuer Deed of Charge and Note Trust Deed respectively and any other amounts (other than amounts payable under the Notes) payable to the Issuer Security Trustee, Class A Note Trustee and Class B Note Trustee under the Issuer Deed of Charge and Note Trust Deed respectively, together with interest thereon as provided for therein;
 2. *second*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts due and payable by the Issuer in respect of:
 - (a) the fees, other remuneration, indemnity payments, costs, charges and expenses of the application of funds on the Class A2 EMD under the Issuer Corporate Services Agreements;
 - (b) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Paying Agents incurred under the Agency Agreement;
 - (c) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Issuer Account Bank incurred under the Issuer Account Bank Agreement;
 - (d) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Cash Manager incurred under the Cash Management Agreement;
 - (e) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Class B Registrar incurred under the Agency Agreement; and
 - (f) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Class B Transfer Agent incurred under the Agency Agreement;
 3. *third*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts due and payable by the Issuer in respect of:
 - (a) the amounts due to third parties under obligations incurred in the course of the Issuer’s business (other than as provided elsewhere in this priority of payments);
 - (b) the fees, other remuneration, indemnity payments, costs, charges and expenses of the stock exchange where the Notes are listed (or any other listing authority) and the listing agent; and
 - (c) the amounts due to HM Revenue & Customs in respect of corporation tax on profits of the Issuer;
 4. *fourth*, in or towards satisfaction of payment of all amounts of interest, principal, fees, other remuneration, indemnity payments, costs, charges and expenses of each Liquidity Facility Provider and the Liquidity Facility Agent due and payable by the Issuer to each such Liquidity Facility Provider and the Liquidity Facility Agent under the Liquidity Facility Agreement (other than any Liquidity Subordinated Amounts payable by the Issuer);

5. *fifth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable under the Class A Notes;
6. *sixth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and all Additional Class A Note Amounts due and payable under the Class A Notes;
7. *seventh*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable under the Class B Notes;
8. *eighth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and Additional Class B Note Amounts due and payable under the Class B Notes;
9. *ninth*, in or towards satisfaction, *pari passu* and *pro rata*, of all Liquidity Subordinated Amounts due and payable by the Issuer under the Liquidity Facility Agreement; and
10. *tenth*, after retaining the Issuer Profit Amount, (which the Issuer may, after meeting any corporation tax thereon, use to pay a dividend or otherwise to pay such account or person nominated by the Issuer), any remaining amount by way of rebate of Facility Fees to the Borrower under the terms of the IBLAs.

9.7 Intra-period expenses — Issuer level

Notwithstanding the security rights created by or pursuant to clause 3 (Issuer Security) of the Issuer Deed of Charge, on any Business Day other than on a Note Interest Payment Date prior the service of any Note Acceleration Notice, the Cash Manager as agent for the Issuer Security Trustee, may instruct the Issuer Account Bank to withdraw funds standing to the credit of the Issuer Transaction Account (but only to the extent that such withdrawal does not cause the Issuer Transaction Account to become overdrawn) to pay amounts that are due and payable of a type described in item 3 of the Issuer Pre-Acceleration Priority of Payments.

10. BORROWER SECURITY

10.1 Original Borrower Security

The ICA provides that the Borrower Security will be held by, or to the order of, the Borrower Security Trustee upon the trusts contained in the ICA and will comprise the benefit of the Security Interests, rights, obligations and other security granted in favour of the Borrower Security Trustee for itself and each of the other Borrower Secured Creditors under each Borrower Security Document and all notices of assignment or charge given pursuant to any of the Borrower Security Documents and all acknowledgements given in respect of such notices.

10.2 Notice of assignment and acknowledgement — Borrower level

- (a) The execution by each Obligor and each Borrower Secured Creditor of the ICA, is deemed to constitute written notice to each Borrower Secured Creditor by each Obligor and the Borrower Security Trustee of the assignment by each Obligor to the Borrower Security Trustee of its right, title, interest and benefit, existing now or in the future, in, to, under or in respect of the Borrower Transaction Documents pursuant to the First Supplemental Borrower Deed of Charge and the Woburn Deed of Charge, and each such Borrower Secured Creditor acknowledges such notice.
- (b) The execution by each Borrower Secured Creditor of the ICA is deemed to constitute written notice to each such Borrower Secured Creditor of the assignment described in paragraph 10.2(a) above for the purposes of Section 136 of the Law of Property Act 1925.

10.3 Borrower Security — general acknowledgments and undertakings

Each of the Borrower Secured Creditors acknowledges the assignments, assignments, charges and other security interests made or granted by the Borrower Security Documents and has undertaken to the Borrower Security Trustee not to do anything inconsistent with the security given under or pursuant to the Borrower Security Documents or knowingly to prejudice the security granted to the Borrower Security Trustee pursuant to the Borrower Security Documents or the Borrower Secured Property or the Borrower Security Trustee's interest therein.

10.4 Additional Borrower Security

The Borrower Security Trustee may from time to time accept as Borrower Security for the Borrower Secured Liabilities the benefit of any additional Security Interests, rights, obligations or other security as may from time to time be offered to it as Borrower Security for the Borrower Secured Liabilities.

10.5 Release of Borrower Security

- (a) Except as permitted in the ICA the Borrower Security Trustee will at the cost of the Obligors only release the benefit of any Security Interests, right, obligation or other security held by it as Borrower Security for all or any of the Borrower Secured Liabilities with the prior written consent of the Issuer Security Trustee directed by the relevant Instructing Group.
- (b) The Borrower Security Trustee will be entitled to (and it is the intention that it will) rely on any representation, warranty and approval given by the Issuer Security Trustee, directed by relevant Instructing Group, in any instruction delivered to it or agreement made with it without further enquiry. When releasing the benefit of any Security Interests, right, obligation or other security and/or, as the case may be, reassigning any property, the Borrower Security Trustee is not required to consider whether any rights of or obligations owed to any Borrower Secured Creditor will be or are likely to be prejudiced by such release or, as the case may be, reassignment. In any such case, the Borrower Security Trustee will not incur any liability to any person for so relying or for so not considering.

10.6 Reinstatement

Where any release or discharge (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise, the liability of such Obligor under the Borrower Security Documents to discharge the secured obligations (in the form of a covenant to pay or otherwise) shall continue as if the release or discharge or arrangement had not occurred and the Issuer Security shall to the greatest extent possible be restored.

10.7 Discharge of Borrower Secured Liabilities

If any Obligor (as applicable) ceases to be under any actual or contingent liability to any Borrower Secured Creditor (other than the Borrower Security Trustee) in respect of any Borrower Secured Liabilities, such Borrower Secured Creditor must give written notice to the Borrower Security Trustee that such Borrower Secured Liabilities have been discharged in full as soon as reasonably practicable following the occurrence of such discharge. Such Borrower Secured Creditor will cease to be a Borrower Secured Creditor under the ICA in respect of the relevant Borrower Secured Liabilities due to it and will, if no Borrower Secured Liabilities remain outstanding to it, be deemed to have seceded as a party from the ICA in the relevant capacity only.

10.8 Release of Security on discharge of Borrower Secured Liabilities

Upon all of the Borrower Secured Liabilities being irrevocably and unconditionally discharged in full and none of the relevant Borrower Secured Creditors being under any further actual or contingent obligation to make advances or provide other financial accommodation under any of the Borrower Transaction Documents, the Borrower Security Trustee will, at the request and cost of the Obligors, having received confirmation (to the satisfaction of the Borrower Security Trustee) from each relevant Borrower Secured Creditor that such Borrower Secured Liabilities have been irrevocably and unconditionally discharged in full (upon which the Borrower Security Trustee will rely without further investigation) or other evidence satisfactory to the Borrower Security Trustee, release and cancel the Borrower Security constituted by the Borrower Security Documents and procure the release, reassignment or discharge (as appropriate) to, or to the order of, each Obligor of the property and assets assigned by it to the Borrower Security Trustee pursuant to the Borrower Security Documents as soon as reasonably practicable.

10.9 Prior to a Distress Event — authority to release Borrower Security

Prior to a Distress Event, the Borrower Security Trustee is authorised by each Borrower Secured Creditor and every other Party, upon receipt of a request from the Obligor Group Agent and at the cost of the relevant Obligor, to execute on behalf of itself, each Borrower Secured Creditor and every other relevant Party and without the need for any further referral or authority from any person:

- (a) all releases of any assets from the Borrower Security, Guarantee Liabilities or any Other Liabilities to the extent permitted by the Borrower Transaction Documents; and

- (b) issue any certificates of non-crystallisation of any floating charge or like required letters (if any) or any consent to dealing that may in the discretion of the Borrower Security Trustee, be considered necessary or desirable.

11. TRUST FOR THE BORROWER SECURED CREDITORS

11.1 Security trust for the Borrower Secured Creditors

The Borrower Security Trustee declares in the ICA, and each other Borrower Secured Creditor and each other Party to the ICA agree and acknowledge that:

- (a) the Borrower Security Trustee shall hold the Borrower Security and the Borrower Covenant to Pay on trust for each of the Borrower Secured Creditors for the payment and discharge of the Borrower Secured Liabilities; and
- (b) the Borrower Security Trustee shall, save as expressly provided in the ICA, exercise its rights under the Borrower Transaction Documents in accordance with any Direction provided to it pursuant to the terms of the ICA without prejudice to the rights, powers and discretions conferred to it under the ICA, the Borrower Security Documents and the other Borrower Transaction Documents.

11.2 Direction of Borrower Security Trustee

Where any Borrower Secured Creditor Representative on behalf of its Borrower Secured Creditor(s) directs the Borrower Security Trustee in relation to any Entrenched Right or a Loan Enforcement Instruction Notice or in respect of any other matter in relation to the ICA and any Borrower Security Document such Borrower Secured Creditor or, on behalf of such Borrower Secured Creditor, its Borrower Secured Creditor Representative will have no fiduciary duty to any other Borrower Secured Creditor.

12. ISSUER SECURITY

12.1 Original Issuer Security

The Issuer Secured Creditors and the other parties to the ICA acknowledge and agree that the Issuer Security will be held by, or to the order of, the Issuer Security Trustee upon the trusts contained in the ICA and will comprise the benefit of the Security Interests, rights, obligations and other security granted in favour of the Issuer Security Trustee for itself and each of the other Issuer Secured Creditors under each Issuer Security Document and all notices of assignment or charge given pursuant to any of the Issuer Security Documents and all acknowledgements given in respect of such notices.

12.2 Notice of assignment and acknowledgement — Issuer level

- (a) The execution by the Issuer and each Issuer Secured Creditor of the ICA is deemed to constitute written notice by the Issuer and the Issuer Security Trustee to each Issuer Secured Creditor of the assignment by the Issuer to the Issuer Security Trustee of its right, title, interest and benefit, existing now or in the future, in, to, under or in respect of the Issuer Transaction Documents pursuant to the First Supplemental Issuer Deed of Charge and the Second Supplemental Issuer Deed of Charge, and each such Issuer Secured Creditor will acknowledge such notice.
- (b) The execution by each Issuer Secured Creditor of the ICA is deemed to constitute written notice to each such Issuer Secured Creditor of the assignment above for the purposes of Section 136 of the Law of Property Act 1925.

12.3 Issuer Security — general acknowledgments and undertakings

Each of the Issuer Secured Creditors acknowledges the assignments, assignments, charges and other security interests made or granted by the Issuer Security Documents and has undertaken to the Issuer Security Trustee not to do anything inconsistent with the security given under or pursuant to the Issuer Security Documents or knowingly to prejudice the security granted to the Issuer Security Trustee pursuant to the Issuer Security Documents or the Issuer Secured Property or the Issuer Security Trustee's interest therein.

12.4 Additional Issuer Security

The Issuer Security Trustee may from time to time accept as Issuer Security for the Issuer Secured Liabilities the benefit of any additional Security Interests, rights, obligations or other security as may from time to time be offered to it as Issuer Security for the Issuer Secured Liabilities.

12.5 Release of Issuer Security — general

- (a) Except in the circumstances specified in the ICA, the Issuer Security Trustee will at the cost of the Issuer only release the benefit of any Security Interests, right, obligation or other security held by it as Issuer Security for all or any of the Issuer Secured Liabilities with the prior written consent of the relevant Instructing Group.
- (b) The Issuer Security Trustee is entitled to (and it is the intention that it will) rely on any representation, warranty and approval given by the relevant Instructing Group in any instruction delivered to it or agreement made with it without further enquiry. When releasing the benefit of any Security Interests, right, obligation or other security and/or, as the case may be, reassigning any property, the Issuer Security Trustee is not required to consider whether any rights of or obligations owed to any Issuer Secured Creditor will be or are likely to be prejudiced by such release or, as the case may be, reassignment. In any such case, the Issuer Security Trustee will not incur any liability to any person for so relying or for so not considering.

12.6 Release of Issuer Security — Issuer Accounts

The ICA provides for the release from time to time of Security Interests constituted by the Issuer Deed of Charge including:

- (a) all amounts which the Issuer or the Cash Manager on behalf of the Issuer is permitted to withdraw from the Issuer Accounts, in each case, to be applied in accordance with the ICA, any such release to take effect immediately upon the relevant withdrawal being made provided that where the relevant amount is transferred to another Issuer Account, it shall thereupon become subject to the Security Interest constituted pursuant to the Issuer Deed of Charge;
- (b) all Eligible Investments that are to be sold or realised by any Receiver (or any agent appointed by it) and any such release to take effect immediately upon the relevant sale or realisation being made provided that all proceeds of such sale or realisation are immediately paid into the Issuer Account and become subject to the Security Interests constituted pursuant to the Issuer Deed of Charge; and
- (c) all amounts deposited in the Prefunding Account which the Issuer or the Cash Manager on behalf of the Issuer are permitted to withdraw from the Prefunding Account, to be applied in accordance with the ICA, the Cash Management Agreement and the Issuer Deed of Charge, as the case may be, any such release to take effect immediately upon the relevant withdrawal being made.

12.7 Discharge of Issuer Secured Liabilities

If the Issuer ceases to be under any actual or contingent liability to any Issuer Secured Creditor (other than the Issuer Security Trustee) in respect of any Issuer Secured Liabilities, such Issuer Secured Creditor must give written notice to the Issuer Security Trustee that such Issuer Secured Liabilities have been discharged in full as soon as reasonably practicable following the occurrence of such discharge. Such Issuer Secured Creditor will cease to be an Issuer Secured Creditor under the ICA in respect of the relevant Issuer Secured Liabilities due to it and will, if no Issuer Secured Liabilities remain outstanding to it, be deemed to have seceded as a party from the ICA in the relevant capacity only.

12.8 Release of Security on discharge of Issuer Secured Liabilities

Upon all of the Issuer Secured Liabilities being irrevocably and unconditionally discharged in full and none of the relevant Issuer Secured Creditors being under any further actual or contingent obligation to make advances or provide other financial accommodation under any of the Issuer Transaction Documents, the Issuer Security Trustee will, at the request and cost of the Issuer, having received confirmation (to the satisfaction of the Issuer Security Trustee) from each relevant Issuer Secured Creditor that such Issuer Secured Liabilities have been irrevocably and unconditionally discharged in full (upon which the Issuer Security Trustee will rely without further investigation), or other evidence satisfactory to the Issuer Security Trustee, release and cancel the Issuer Security constituted by the Issuer Security Documents and procure the release, reassignment or discharge (as appropriate) to, or to the order of, the Issuer of the property and assets assigned by it to the Issuer Security Trustee pursuant to the Issuer Security Documents as soon as reasonably practicable.

12.9 Prior to a Distress Event — authority to release Issuer Security

Prior to a Distress Event, the Issuer Security Trustee will be authorised by each Secured Creditor and every other Party, upon receipt of a request from the Issuer and at the cost of the relevant Issuer, to execute on behalf of itself, each Issuer Secured Creditor and every other relevant Party and without the need for any further referral or authority from any person:

- (a) all releases of any assets from the Issuer Security to the extent permitted by the Issuer Transaction Documents; and
- (b) issue any certificates of non-crystallisation of any floating charge or like required letters (if any) or any consent to dealing that may in the discretion of the Issuer Security Trustee, be considered necessary or desirable.

13. TRUST FOR THE ISSUER SECURED CREDITORS

13.1 Security trust for the Issuer Secured Creditors

The Issuer Security Trustee declares in the ICA, and each other Secured Creditor and each other Party agrees and acknowledges that:

- (a) the Issuer Security Trustee shall hold the Issuer Security and the Issuer Covenant to Pay on trust for each of the Issuer Secured Creditors for the payment and discharge of the Issuer Secured Liabilities; and
- (b) the Issuer Security Trustee shall, save as expressly provided herein, exercise its rights under the Issuer Transaction Documents in accordance with any Direction provided to it pursuant to the terms of the ICA without prejudice to the rights, powers and discretions conferred to it under the ICA, the Issuer Security Documents and the other Issuer Transaction Documents.

13.2 Direction of Issuer Security Trustee

Where any Issuer Secured Creditor Representative on behalf of its Issuer Secured Creditor(s) directs the Issuer Security Trustee in relation to any Entrenched Right or in respect of any other matter, such Issuer Secured Creditor or, on behalf of such Issuer Secured Creditor, its Issuer Secured Creditor Representative will have no fiduciary duty to any other Issuer Secured Creditor.

13.3 Trust over certain Excluded Property

- (a) The Issuer Security Trustee shall hold the benefit of any security over any amount credited to any Liquidity Standby Account on trust for the relevant Liquidity Facility Provider under the Liquidity Facility Agreement as security for the obligations of the Issuer to repay or redeliver (as the case may be) such sum to such Liquidity Facility Provider in accordance with the terms of the Liquidity Facility Agreement.
- (b) To the extent that an obligation to pay or repay amounts to any Liquidity Facility Provider has become due and payable, such amounts shall be available to be withdrawn from the applicable account for the purpose of making such payment, repayment or redelivery (as applicable).
- (c) The Issuer Security Trustee shall hold the benefit of any security over any amount credited to the Prefunding Account on trust for the Original Class B Noteholders as security for the obligations of the Issuer to redeem the Original Class B Notes in accordance with the Class B Conditions.

14. REPRESENTATIVES

- 14.1 The ICA provides that Borrower Secured Creditors and Issuer Secured Creditors may appoint (and terminate the appointment of) a Secured Creditor Representative to act on their behalf subject to certain conditions.
- 14.2 The ICA provides that Noteholders and any Secured Creditor that is part of a syndicate (which contains two or more participants) must appoint a Secured Creditor Representative.
- 14.3 In the case of any class of Noteholders, their Secured Creditor Representative will be the Note Trustee for the time being of that particular class.

- 14.4 Under the ICA each Obligor (other than the Obligor Group Agent), each Topco Obligor and each Non-Obligor Group Creditor will appoint the Obligor Group Agent to act on its behalf in relation to Borrower Transaction Documents and Topco Transaction Documents, as applicable.

15. LIQUIDITY FACILITY AGREEMENT

15.1 LF Event of Default under the Liquidity Facility Agreement

- (a) Subject to paragraph (b) below, at any time that a LF Event of Default has occurred and is continuing then notwithstanding such LF Event of Default, the Liquidity Facility Providers or Liquidity Facility Agent will not be permitted to instruct the Borrower Security Trustee to take any Enforcement Action in respect of the Borrower Security.
- (b) If the Liquidity Facility Agent is the Instructing Group in accordance with paragraph 5 (Instructing Group) then it will be entitled to instruct the Issuer Security Trustee to take any Enforcement Action in respect of the Issuer Security or make a demand under any guarantee, indemnity or other assurance given by the Issuer.

15.2 Direction from the Liquidity Facility Providers

Under the ICA, any provision requiring any Direction from any Liquidity Facility Provider in its capacity as an Issuer Secured Creditor, a Secured Creditor or otherwise will be construed to mean a requirement for a Direction from the Liquidity Facility Agent in its capacity as agent for all Liquidity Facility Providers. The Liquidity Facility Agent will provide any such Direction on behalf of the relevant Liquidity Facility Providers on the terms and subject to the conditions of the Liquidity Facility Agreement.

16. AMENDMENTS, CONSENTS AND WAIVERS — GENERAL PROCEDURES

16.1 Introduction

The ICA provides for a procedure for the Obligor Group Agent and/or the Issuer to amend, waive or otherwise secure a consent in respect of matters concerning the Borrower Transaction Documents, Issuer Transaction Documents (including, the ICA), Topco Transaction Documents, the Class A Conditions and the Class B Conditions.

16.2 Instigation of an ICA Proposal

The Obligor Group Agent is entitled:

- (a) to request that the Borrower Security Trustee concur in making any amendment to, giving any consent under, or granting any waiver in respect of any breach or proposed breach of any Borrower Transaction Document; and
- (b) to direct the Issuer to request that the Issuer Security Trustee concur in making any amendment to, giving any consent under, or granting any waiver in respect of any breach or proposed breach of any Issuer Transaction Document, and any such request by the Obligor Group Agent to the Borrower Security Trustee or by the Issuer (as directed by the Obligor Group Agent) to the Issuer Security Trustee will constitute an **ICA Proposal**.

16.3 Consultation if Discretion Matter

- (a) If the Obligor Group Agent intends to request that any Security Trustee exercise its discretion in respect of a Discretion Matter pursuant to paragraph 18.1 (*Discretion Matters*), then at least 15 Business Days before submitting the relevant ICA Proposal in accordance with this paragraph 13.3, the Obligor Group Agent will notify the relevant Security Trustee that it intends to submit an ICA Proposal on such terms and consult such Security Trustee to establish whether or not the Security Trustee agrees that the matter in respect of which it is being asked to exercise its discretion (pursuant to paragraph 19.1 (Amendments, Consents and Waivers — General Procedures) is a Discretion Matter.
- (b) The Obligor Group Agent will supply all information and documentation that the Security Trustee may reasonably request to enable it to form an opinion as to whether or not the matter is a Discretion Matter.

16.4 Minimum requirements of an ICA Proposal

An ICA Proposal will:

- (a) in relation to:
 - (i) a Borrower Transaction Document be by way of notice in writing to the Borrower Security Trustee signed by any director on behalf of the Obligor Group Agent; and
 - (ii) an Issuer Transaction Document be by way of notice in writing to the Issuer Security Trustee signed by any director on behalf of the Issuer and be accompanied by the written direction signed by any director on behalf of the Obligor Group Agent;
 - (b) state whether such ICA Proposal is in respect of:
 - (i) a Discretion Matter;
 - (ii) a General Matter; or
 - (iii) an Entrenched Right.
- If:
- (A) paragraph (b)(i) above applies, such ICA Proposal will be accompanied by a certificate signed by any director of the Obligor Group Agent setting out the basis for which the Obligor Group Agent believes the Borrower Security Trustee (in the case of an ICA Proposal pursuant to paragraph 16.2(a) (Instigation of an ICA Proposal)) or the Issuer Security Trustee (in the case of an ICA Proposal pursuant to paragraph 16.2(b) (Instigation of an ICA Proposal)), as applicable, would be entitled to concur in making the proposed amendment, giving the proposed consent under or granting the proposed waiver and will attach all such evidence in support of such belief that the Obligor Group Agent considers to be reasonably necessary;
 - (B) paragraph (b)(ii) above applies, such ICA Proposal will be accompanied by a certificate signed by any director of the Obligor Group Agent setting out the basis for which the Obligor Group Agent believes the relevant Noteholder Instructing Group, would be entitled to concur in making the proposed amendment, giving the proposed consent under or granting the proposed waiver and will attach all such evidence in support of such belief that the Obligor Group Agent considers to be reasonably necessary; and
 - (C) paragraph (b)(iii) above applies, such ICA Proposal will contain information as to the Borrower Secured Creditors and/or Issuer Secured Creditors in whose favour (in the reasonable opinion of the Obligor Group Agent) the Entrenched Right is given);
- (c) propose the form of amendment, consent and/or waiver to be put to all Secured Creditors;
 - (d) specify the period of time within which the approval of the Borrower Security Trustee or Issuer Security Trustee is sought (the “**Decision Period**”) which, subject to the provisions of paragraph 16.8 (Commencement of Decision Period), will be:
 - (i) not less than 15 Business Days for any Discretion Matter;
 - (ii) not less than 15 Business Days for any General Matter unless the General Matter is one in respect of any class of Noteholders, in which case the Decision Period will not be less than 30 Business Days; or
 - (iii) not less than 15 Business Days for any Entrenched Right unless the Entrenched Right is one in respect of any class of Noteholders, in which case the Decision Period will not be less than 30 Business Days; and
 - (e) provide such supporting information as in the Obligor Group Agent’s reasonable opinion is necessary for the recipient of such ICA Proposal to make an informed assessment of the matters addressed in the ICA Proposal together with a reminder of the timetable under paragraph 16.6 (Determination of voting category).

16.5 Copies to Secured Creditor Representatives

- (a) The Obligor Group Agent will concurrently with the delivery of the ICA Proposal to the Borrower Security Trustee and the Issuer will concurrently with the delivery of the ICA Proposal to the Issuer Security Trustee, as applicable, deliver a copy of the ICA Proposal to:
 - (i) the Borrower Secured Creditor Representative of each Borrower Secured Creditor; and
 - (ii) the Issuer Secured Creditor Representative of each Issuer Secured Creditor, respectively, the Obligor Group Agent may post the information described in paragraph 16.4(e) (Minimum requirements of an ICA Proposal) to a secured website and provide each Borrower Secured Creditor and/or each Issuer Secured Creditor with access to such secured website provided that the Obligor Group Agent will only make available such information to Noteholders (in their capacity as Issuer Secured Creditors) of any class of Notes, if the Note Trustee in respect of such class of Notes informs the Obligor Group Agent that it is of the opinion that the ICA Proposal is one which requires a Direction from the Noteholders of such class.
- (b) Each recipient of an ICA Proposal will be entitled to request such further information from the Obligor Group Agent as it may require in order to take a decision with respect to such ICA Proposal.

16.6 Determination of voting category

- (a) The determination of the voting category made by the Obligor Group Agent in an ICA Proposal pursuant to paragraph 16.4(b)(i) to paragraph 16.4(b)(iii) (inclusive) (Minimum requirements of an ICA Proposal) will be binding on the Secured Creditors unless such Secured Creditor (other than the Noteholders) or its Secured Creditor Representative informs the Obligor Group Agent (and the Issuer if in respect of an ICA Proposal pursuant to paragraph 16.2(b) (Instigation of an ICA Proposal)) in writing within 7 Business Days of receipt of the relevant ICA Proposal in respect of any Secured Creditor (other than the Noteholders), that such Secured Creditor (each, a “**Determination Dissenting Creditor**”) disagrees with the determination of the voting category made in such ICA Proposal (a “**Determination Dissenting Notice**”). The Determination Dissenting Notice will specify in reasonable detail why such Secured Creditor disagrees with the determination of the voting category by the Obligor Group Agent and the Determination Dissenting Creditor will specify which voting category (Discretion Matter, General Matter or Entrenched Right) in the view of the Determination Dissenting Creditor, should apply to the relevant ICA Proposal.
- (b) The Determination Dissenting Creditor(s) and the Obligor Group Agent will use reasonable endeavours to agree on the voting category pursuant to paragraph (a) above within 7 Business Days of receipt of the Determination Dissenting Notice in respect of any Secured Creditor (other than the Noteholders).
- (c) If the Determination Dissenting Creditor(s) and the Obligor Group Agent are not able to agree on the voting category of the relevant ICA Proposal within 7 Business Days of the receipt by the Obligor Group Agent (and the Issuer, as applicable) of the Determination Dissenting Notice they must instruct an expert(s) (at the cost of the Obligors) to determine the voting category of the relevant ICA Proposal, such expert(s) to be agreed upon by the Determination Dissenting Creditor(s) and the Obligor Group Agent or, if no agreement can be reached by the Determination Dissenting Creditor(s) and the Obligor Group Agent such voting category shall be determined by an expert chosen by the President for the time being of the Law Society of England and Wales (the “**Appropriate Expert**”). The Appropriate Expert (acting jointly, if comprising more than one individual) having regard to all the circumstances and facts that he/she considers relevant must determine the relevant voting category in respect of the relevant ICA Proposal. The decision of the Appropriate Expert will be final and binding on each of the parties.

16.7 Deemed Agreement

- (a) If the Obligor Group Agent does not receive a Determination Dissenting Notice within 7 Business Days of receipt of the relevant ICA Proposal, in respect of any Secured Creditor (other than the Noteholders), the Secured Creditors will be deemed to have consented to the voting category proposed in the relevant ICA Proposal (a “**Deemed Agreement**”). The Obligor Group Agent will provide written confirmation to the Borrower Security Trustee or Issuer Security Trustee, as applicable, of which Secured Creditors (i) have been deemed to agree and (ii) have actually agreed to the voting category of the ICA Proposal.

16.8 Commencement of Decision Period

- (a) If a Deemed Agreement has occurred pursuant to paragraph 16.7 (Deemed Agreement), the Decision Period will commence from the expiry of 7 Business Days of receipt of the relevant ICA Proposal, in respect of any Secured Creditor (other than the Noteholders).
- (b) If a Deemed Agreement has not occurred, the Decision Period for approval of the resolution(s) set out in the ICA Proposal will commence from the date on which the Determination Dissenting Creditor(s) and the Obligor Group Agent reach agreement in writing on the applicable voting category in accordance with the provisions of paragraph 16.6 (Determination of voting category) or, as applicable, from the date of the Appropriate Expert determination and where any voting category has changed to an Entrenched Right then the Obligor Group Agent or Issuer, as applicable, will propose a new voting period in accordance with paragraph 16.4(d) (Minimum requirements of an ICA Proposal).

16.9 Miscellaneous provisions

Without prejudice to the provisions of the Note Trust Deed in relation to any decision or determination by any class of Noteholders, no physical meeting of any Borrower Secured Creditors or Issuer Secured Creditors (or any of their Secured Creditor Representatives), respectively, will be necessary to vote in respect of any ICA Proposal or otherwise approve or consent to any matter described in any ICA Proposal made in accordance with the terms of the ICA.

17. AMENDMENTS, CONSENTS AND WAIVERS — NOTIFICATION, AUTHORISATION AND IMPLEMENTATION ETC.

17.1 Introduction

The ICA provides the procedure for certain parties to approve, implement and notify any amendments, waivers and consents in respect of the Borrower Transaction Documents, Issuer Transaction Documents (including, the ICA), Topco Transaction Documents and the Class B Conditions.

17.2 Security Trustees are expressly authorised to sign etc.

- (a) Unless the relevant Borrower Secured Creditor has signed any new, further, amended and/or restated, or supplemental agreement, document, deed, release, notice or instrument, each Borrower Secured Creditor will irrevocably appoint the Borrower Security Trustee as its attorney to sign, execute and/or deliver (for and on behalf of such Borrower Secured Creditor) any such new, further, amended and/or restated, or supplemental agreement, document, deed, release, notice or instrument required pursuant to paragraph 17.4 (Implementation) to give effect to and implement any amendments or the terms of any consent or waiver made or approved by the Borrower Security Trustee pursuant to paragraph 18.1 (Amendments, Consents and Waivers — Discretion Matters) and such signing, execution and/or delivery by the Borrower Security Trustee will bind each Borrower Secured Creditor as if such documentation had been duly executed by it.
- (b) Unless the relevant Issuer Secured Creditor has signed any new, further, amended and/or restated, or supplemental agreement, document, deed, release, notice or instrument, each Issuer Secured Creditor will irrevocably appoint the Issuer Security Trustee as its attorney to sign, execute and/or deliver (for and on behalf of such Issuer Secured Creditor) any new, further, amended and/or restated, or supplemental agreement, document, deed, release, notice or instrument required pursuant to paragraph 17.3 (Implementation) to give effect to and implement any amendments or the terms of any such consent or waiver made or approved by the Issuer Security Trustee pursuant to paragraph 18 (Amendments, Consents and Waivers — Discretion Matters) and such signing, execution and/or delivery by the Borrower Security Trustee will bind each Issuer Secured Creditor as if such documentation had been duly executed by it in its own capacity.
- (c) The Borrower Secured Creditors and the Issuer Secured Creditors agree that the Borrower Security Trustee and the Issuer Security Trustee, respectively, will have no liability for the execution at delivery of the documents necessary to implement such amendments, waivers or consents.

17.3 Implementation

- (a) As soon as reasonably practicable after the giving of its consent or its agreement to waive or amend any event, matter or thing in accordance with paragraph 18.1 (Amendments, Consents and Waivers — Discretion Matters), then:
 - (i) the Borrower Security Trustee will (pursuant to the authority granted to it under paragraph 17.2 (Security Trustees are expressly authorised to sign etc.)) at the cost of the Obligor Group Agent; and
 - (ii) the Issuer Security Trustee will (pursuant to the authority granted to it under paragraph 17.2 (Security Trustees are expressly authorised to sign etc.)) at the cost of the Issuer,

as applicable, sign, execute and/or deliver any agreement, document, deed, release, notice or instrument as may be required to be signed, executed and/or delivered and which are provided to the Borrower Security Trustee or the Issuer Security Trustee in order to give effect to the relevant matter or thing which the Borrower Security Trustee and/or Issuer Security Trustee, as applicable, has consented to or agreed to waive or amend.
- (b) The Borrower Security Trustee or the Issuer Security Trustee will upon reasonable request provide any Borrower Secured Creditor and such other applicable Borrower Secured Creditors and Issuer Secured Creditor copies of any agreement, document, deed, release, notice or instrument that has been signed, executed and/or delivered by any of them pursuant to this paragraph 17.3.

17.4 Binding force

Any amendment agreed, waiver granted or consent given by:

- (a) the Borrower Security Trustee in accordance with the provisions of the ICA will be binding on all Obligors and all Borrower Secured Creditors and each of the Obligors and the Borrower Secured Creditors will be bound (and each of them undertakes) to give effect to it; and
- (b) the Issuer Security Trustee in accordance with the provisions of the ICA will be binding on the Issuer and all Issuer Secured Creditors and the Issuer and the Issuer Secured Creditors will be bound (and each of them undertakes) to give effect to it.

17.5 Notification to Secured Creditors etc.

In respect of any amendments agreed, consents given or waivers granted by the relevant Security Trustee, the relevant Noteholder Instructing Group, the Class A Instructing Group and/or any Affected Secured Creditor, pursuant to:

- (a) paragraph 18.1 (Amendments, Consents and Waivers — Discretion Matters);
- (b) paragraph 19.1 (Amendments, Consents and Waivers — General Matters);
- (c) paragraph 20.1 (Amendments, Consents and Waivers — Entrenched Rights);
- (d) paragraph 22.1 (Amendments, Consents and Waivers — Class B IBLA); and/or
- (e) paragraph 22.2 (Amendments, Consents and Waivers — Class B Conditions),

in each case, as applicable, the Obligor Group Agent will notify each Borrower Secured Creditor and the Obligor Group Agent (on behalf of the Issuer) will notify each Issuer Secured Creditor and the Rating Agencies, as applicable, in writing as soon practicable (and in any event not later than 7 Business Days) of such amendment, consent or waiver.

18. AMENDMENTS, CONSENTS AND WAIVERS — DISCRETION MATTERS

The:

- (a) Borrower Security Trustee, in relation to a Borrower Transaction Document to which it is a party or over which it has the benefit of the Borrower Security under the Borrower Security Documents; or
- (b) Issuer Security Trustee, in relation to an Issuer Transaction Document to which it is a party or over which it has the benefit of the Issuer Security under the Issuer Security Documents, as requested by the Obligor Group Agent or Issuer, as applicable, under an ICA Proposal, in its sole discretion may concur

with the Obligor Group Agent, the Issuer or any other relevant party, in making any amendment to, give any consent under, or grant any waiver in respect of any breach or proposed breach of such Borrower Transaction Document or Issuer Transaction Document, as applicable, if:

- (i) in the opinion of such Borrower Security Trustee or Issuer Security Trustee, as applicable, it is required to correct any manifest error, or an error in respect of which the English court could reasonably be expected to make a rectification order, or it is of a formal, minor, administrative or technical nature, and in each case, whether or not such amendment, waiver or consent concerns an Entrenched Right; or
- (ii) where such amendment, consent or waiver is:
 - (A) in respect of a Borrower Transaction Document, not in the opinion of the Borrower Security Trustee, materially prejudicial to the interests of the Borrower Secured Creditors; or
 - (B) in respect of an Issuer Transaction Document, not in the opinion of the Issuer Security Trustee, materially prejudicial to the interests of the Issuer Secured Creditors (and in the case of any class of Noteholders in their capacity as Issuer Secured Creditors, where the relevant Note Trustee is of the opinion that the relevant amendment, consent or waiver is not materially prejudicial to the interests of the relevant Noteholders),

(in each case, a “**Discretion Matter**”).

19. AMENDMENTS, CONSENTS AND WAIVERS — GENERAL MATTERS

19.1 General Matters

Except in relation to the Class B IBLA, where paragraph 22.1 (Amendments, consents and waivers — Class B IBLA and Class B Conditions) applies and subject to paragraph 21 (Certain Consequential Amendments, Consents and Waivers) no proposed amendment to be made, consent to be given or waiver to be granted in respect of any breach of any Transaction Document in respect of any General Matter will be effective unless and until the provisions of this paragraph 19.1 are satisfied, and:

- (a) the Borrower Security Trustee will not concur with the Obligor Group Agent in making any amendment to, giving any consent under or granting any waiver in respect of breaches or proposed breaches of any Borrower Transaction Document; and
- (b) the Issuer Security Trustee will not concur with the Issuer in making any amendment to, giving any consent under or granting any waiver in respect of breaches or proposed breaches of any Issuer Transaction Document,

in each case, which falls within the category of a General Matter, unless and until the relevant Instructing Group has provided its consent to such amendment, consent or waiver, as applicable.

20. AMENDMENTS, CONSENTS AND WAIVERS — ENTRENCHED RIGHTS

20.1 Entrenched Rights

Subject to the limitations specified in paragraph 18(b)(i) (Discretion Matters), paragraph 21 (Certain Consequential Amendments, Consents and Waivers) and paragraph 23.2 (Entrenched Rights not applicable), no proposed amendment to be made, consent to be given or waiver to be granted, in respect of any Transaction Document which relates to an Entrenched Right will be effective, and:

- (a) the Borrower Security Trustee will not concur with the Obligor Group Agent in making any amendment to, giving any consent under or granting any waiver in respect of breaches or proposed breaches of any Borrower Transaction Document; and
- (b) the Issuer Security Trustee will not concur with the Issuer and the Obligor Group Agent in making any amendment to, giving any consent under or granting any waiver in respect of breaches or proposed breaches of any Issuer Transaction Document,

in each case, unless and until:

- (i) such amendment, consent or waiver is consented to by the relevant Noteholder Instructing Group; and
- (ii) such amendment, consent or waiver is consented to by any Affected Secured Creditor.

For the avoidance of doubt, individual Noteholders will not be entitled to assert an Entrenched Right in accordance with this paragraph 20.1 or under any of the Borrower Transaction Documents or Issuer Transaction Documents other than through the relevant Note Trustee in accordance with the Note Trust Deed.

21. CERTAIN CONSEQUENTIAL AMENDMENTS, CONSENTS AND WAIVERS

Any consequential amendments, consents or waivers required to be made or granted pursuant to any Transaction Document:

- (a) in connection with the accession of any Additional Site; or
- (b) in connection with the issue of any Additional Notes or making any additional loans under the Class A IBLA or the Class B IBLA, as the case may be,

to give effect to any of the matters specified in paragraphs (a) and (b) above, will not constitute an Entrenched Right of any Secured Creditor, a Class B Basic Terms Modification or a General Matter (notwithstanding that such amendment, consent or waiver would relate to either (x) an Entrenched Right, (y) a Class B Basic Terms Modification or (z) would be a General Matter, were it not for this limitation) and there will be no requirement to obtain the consent of any Secured Creditor (that would be an Affected Secured Creditor were it not for this limitation) or any Instructing Group to give effect to such amendment, consent or waiver, provided that the relevant conditions precedent set out in any Transaction Document to give effect to the transactions specified in paragraphs (a) and (b) above, are satisfied.

22. AMENDMENTS, CONSENTS AND WAIVERS — CLASS B IBLA AND CLASS B CONDITIONS

22.1 Amendments, consents and waivers — Class B IBLA

Without prejudice to the rights of the Borrower Security Trustee and Issuer Security Trustee under paragraph 18.1 (Discretion Matters), the Issuer must not make or concur in making any amendment to, giving any consent under or granting any waiver in respect of breaches or proposed breaches of the Class B IBLA (the “**Class B IBLA Relevant Matter**”), for so long as there is any amount outstanding under the Class A IBLA, if the Class B IBLA Relevant Matter:

- (a) would have the effect of increasing:
 - (i) the frequency of payments due;
 - (ii) the amount or rate of interest payable; or
 - (iii) the amount of principal due,

(except in the case of (ii) and (iii) above, if the Class B IBLA Relevant Matter is required to effect an additional or new facility under the Class B IBLA as a consequence of the issue of further Class B Notes or new Class B Notes by the Issuer in accordance with the Class B Conditions), under the Class B IBLA;
- (b) would have the effect of shortening the maturity of the Class B Loan;
- (c) would have the effect of changing the definition of Class B Loan Expected Maturity Date or Class B Loan Final Maturity Date;
- (d) would have the effect of changing any provision concerning the payment of interest in kind;
- (e) changes the currency of any payment obligation under the Class B IBLA (excluding any change occasioned as a consequence of the euro being adopted as the lawful currency of the UK); or
- (f) involves amending clause 30 (Share Enforcement Event and Class B Loan Event of Default) of the Class B IBLA (or the definitions used therein) the effect of which would:

- (i) allow the declaration of a Class B Loan Event of Default thereunder; or
- (ii) make the Class B Loan immediately due and payable or payable on demand, in each case, at any time before any acceleration of either of the Class A Loans,

unless the Class B IBLA Relevant Matter has first been approved by the Class A Instructing Group in accordance with the terms of the Note Trust Deed.

22.2 Amendments, consents and waivers — Class B Conditions

The Issuer must not make or concur in making any amendment to, requesting any consent under or requesting any waiver in respect of breaches or proposed breaches of the Class B Conditions (the “**Class B Conditions Relevant Matter**”) for so long as there is any amount outstanding under the Class A Conditions, if the Class B Conditions Relevant Matter:

- (a) would have the effect of increasing:
 - (i) the frequency of payments due;
 - (ii) the amount or rate of interest payable, or
 - (iii) the amount of principal due,
 (except in the case of (ii) and (iii) above, if the Class B Conditions Relevant Matter is required as a consequence of the issue of further Class B Notes or new Class B Notes by the Issuer in accordance with the Class B Conditions) under the Class B Notes;
- (b) would have the effect of shortening the maturity of the Class B Notes;
- (c) would have the effect of changing the definition of Class B Note Expected Maturity Date or Class B Note Final Maturity Date;
- (d) would have the effect of changing any provision concerning the payment of interest in kind;
- (e) changes the currency of any payment obligation under the Class B Notes (excluding any change occasioned as a consequence of the euro being adopted as the lawful currency of the UK); or
- (f) involves amending Condition 9 (“**Class B Note Events of Default**”) of the Class B Conditions (or the definitions used therein) the effect of which would:
 - (i) allow the declaration of a Class B Note Event of Default thereunder; or
 - (ii) make the Class B Notes immediately due and payable,

in each case, at any time before any acceleration of Class A Notes, unless the Class B Conditions Relevant Matter has first been approved by the Class A Instructing Group in accordance with the terms of the Note Trust Deed.

23. AMENDMENTS, CONSENTS AND WAIVERS — NO LONGER A SECURED CREDITOR

23.1 Ceasing to be a Secured Creditor

If:

- (a) all amounts owing to a Secured Creditor (or class of Secured Creditors) under the Transaction Documents have been irrevocably discharged in full;
- (b) that Secured Creditor (or class of Secured Creditors) is no longer under any legally binding commitment to make any advance or to enter into any hedging or other financial transaction with any Obligor or the Issuer, as applicable; and
- (c) that Secured Creditor (or class of Secured Creditors) has no further obligations under any Transaction Document,

then the ICA may be amended, and any term thereof may be waived without the consent of that Secured Creditor (or class of Secured Creditors) (the “**Relevant Creditor(s)**”).

23.2 Entrenched Rights not applicable

Any provision of any Transaction Document which relates to Entrenched Rights of an Affected Secured Creditor may be changed, amended or waived (or consents may be given in respect thereof) at such time that any amendment, consent or waiver is intended to be effective without the consent of any Relevant Creditor which would otherwise have been an Affected Secured Creditor.

24. AMENDMENTS, CONSENTS AND WAIVERS — TOPCO TRANSACTION DOCUMENTS

24.1 Amendments, consents and waivers — Topco Transaction Documents

Without prejudice to the rights of the Class A Noteholder Instructing Group under the ICA, subject to paragraph 24.2 (Topco discretion matter), no proposed amendment to be made, consent to be given or waiver to be granted in respect of any breach of any Topco Transaction Document will be made, given, or granted unless and until the Class B Instructing Group has provided its consent to such amendment, consent or waiver, as applicable.

24.2 Topco discretion matter

If requested by any Topco Obligor, the Borrower Security Trustee in its sole discretion may concur with such Topco Obligor in making any amendment to, give any consent under, or grant any waiver in respect of any breach or proposed breach of any Topco Transaction Document to which it is a party, if in the opinion of the Borrower Security Trustee it is required to correct any manifest error, or an error which the English court could reasonably be expected to make a rectification order, or it is of a formal, minor or administrative or technical nature or not materially prejudicial to the interests of the Class B Noteholders.

25. ENTRENCHED RIGHTS

25.1 Introduction

The ICA specifies certain Entrenched Rights of certain Borrower Secured Creditors, Issuer Secured Creditors and Topco Secured Creditors.

25.2 Entrenched Rights

Under the ICA, **Entrenched Rights** means, subject always to the limitations specified (x) in paragraph 18(b)(i) (Discretion Matters), (y) paragraph 21 (Certain Consequential Amendments, Consents and Waivers) and (z) paragraph 23.2 (Entrenched Rights not applicable), matters that would have the effect of:

- (a) amending the priority of payments in relation to any existing payment obligations (including any terms which determine the applicability of any priority of payments) or altering any definitions used in relation thereto;
- (b) postponing or altering any date for payments of interest, principal or any other amounts in respect of any secured debt;
- (c) reducing or altering, cancelling or rescheduling the amount of principal, rate of interest or any other amounts payable in respect of any secured debt, including amending any provisions in relation to the redemption of any secured debt;
- (d) altering the currency of payment in respect of any existing secured debt (other than the UK adopting the euro);
- (e) changing any existing obligation of an Obligor to gross up any payment in respect of the relevant Borrower Secured Creditor's debt in the event of the imposition of withholding taxes;
- (f) effecting any release of any Borrower Security or Issuer Security or any guarantor or guarantee unless permitted under the Borrower Security Documents, Issuer Security Documents or any other Transaction Document, as applicable, or otherwise effected pursuant to any existing permitted enforcement regime of the Borrower Security or Issuer Security;
- (g) in relation to the Class B Instructing Group:

- (i) adding a new or further class of Notes that is junior to the Class A Notes but senior or *pari passu* to the Class B Notes or adding a new or further facility advanced by the Issuer or another party to the Borrowers that is junior to the Class A IBLA but senior to the Class B IBLA; and
- (ii) amending or waiving any term of the Class B IBLA;
- (h) in relation to each Liquidity Facility Provider, amending or waiving any term of the Liquidity Facility Agreement.

26. ENFORCEMENT OF BORROWER SECURITY

26.1 Introduction

The ICA provides for the exercise and enforcement of rights by the relevant Instructing Group following a Loan Event of Default under the relevant IBLA, the Borrower Security becoming enforceable and the giving of a Loan Acceleration Notice.

26.2 Notification of Loan Events of Default

If any Obligor or any Borrower Secured Creditor (other than the Borrower Security Trustee) becomes aware of the occurrence of a Loan Event of Default, it will forthwith notify the Borrower Security Trustee, the Issuer Security Trustee and the Obligor Group Agent in writing and the Borrower Security Trustee will promptly thereafter notify the Borrower Secured Creditor Representatives and the Issuer Security Trustee will promptly notify the Issuer Secured Creditor Representatives.

26.3 Loan Enforcement Instruction Notices

Subject to paragraph 26.4(a) (Instructions prior to the Class A Discharge Date), at any time at which the Borrower Security Trustee has actual notice of the occurrence of a Loan Event of Default, it will promptly request by notice (a “**Loan Enforcement Instruction Notice**”) to the Issuer Security Trustee an instruction from the Issuer Security Trustee as directed by the relevant Instructing Group, as to whether the Borrower Security Trustee should be required to:

- (a) deliver a Loan Enforcement Notice to enforce all or any part of the Borrower Security or to take any other kind of Enforcement Action in respect of the Borrower Security; and/or
- (b) deliver a Loan Acceleration Notice to accelerate any or all of the obligations secured by the Borrower Security.

26.4 Instructions prior to the Class A Discharge Date

- (a) Prior to the Class A Discharge Date:
 - (i) only the Class A Instructing Group will be entitled to direct the Issuer Security Trustee to require the Borrower Security Trustee:
 - (A) to deliver a Class A Loan Enforcement Notice;
 - (B) to enforce the Borrower Security in accordance with the ICA and the Borrower Security Documents; and
 - (C) to deliver a Class A Loan Acceleration Notice; and
 - (ii) the Class B Instructing Group will not be entitled to direct the Issuer Security Trustee to require the Borrower Security Trustee:
 - (A) to deliver a Class B Loan Enforcement Notice;
 - (B) to enforce the Borrower Security in accordance with the ICA and the Borrower Security Documents; and
 - (C) subject to paragraph (b) below, to deliver a Class B Loan Acceleration Notice.

- (b) If the Class A Instructing Group directs the Issuer Security Trustee to require the Borrower Security Trustee to deliver a Class A Loan Acceleration Notice, then the Class B Instructing Group will also be entitled to direct the Issuer Security Trustee to require the Borrower Security Trustee to deliver a Class B Loan Acceleration Notice if at such time a Share Enforcement Event or a Class B Loan Event of Default is outstanding.
- (c) For the purposes of paragraph 26.3 (Loan Enforcement Instruction Notices) and this paragraph 26.4 (Instructions prior to the Class A Discharge Date), the Borrower Security Trustee will be required to undertake any action described in this paragraph 26.4 (Instructions prior to the Class A Discharge Date), if the Borrower Security Trustee is directed by the Issuer Security Trustee, and where the Issuer Security Trustee is acting on the directions of the Class A Note Trustee, and where the Class A Note Trustee is (i) acting in its absolute discretion or (ii) acting on the directions of the holders of at least 25% of the aggregate principal amount outstanding of the Class A Notes then outstanding or (iii) acting on the direction of a Class A Extraordinary Resolution of the Class A Noteholders.
- (d) Subject to paragraph 26.4(a)(ii) (Instructions prior to the Class A Discharge Date) for the purposes of paragraph 26.3 (Loan Enforcement Instruction Notices) and this paragraph 26.4 (Instructions prior to the Class A Discharge Date), the Borrower Security Trustee will be required to undertake any action described in this paragraph 26.4 (Instructions prior to the Class A Discharge Date), if the Borrower Security Trustee is directed by the Issuer Security Trustee, and where the Issuer Security Trustee is acting on the directions of the Class B Note Trustee, and where the Class B Note Trustee is (i) acting in its absolute discretion or (ii) acting on the direction of the holders of at least 30% of the aggregate principal amount outstanding of the Class B Notes then outstanding or (iii) acting on the direction of a Class B Extraordinary Resolution of the Class B Noteholders.

26.5 Appointment of Receiver to block an administrator — Obligor level

- (a) If any person presents an application for the appointment of an administrator of any Obligor, a notice of intention to appoint an administrator of any Obligor is received by the Borrower Security Trustee or documents are filed with a competent court or registrar for the administration of any Obligor (whether out of court or otherwise), the Borrower Security Trustee will upon receipt of such application or notice:
 - (i) within four business days of receipt or presentation of the application for the appointment of an administrator or, if the applicant has abridged the time for making the application, within such abridged time;
 - (ii) within four business days of receipt of the notice of intention to appoint an administrator or, if the applicant has abridged the time for making the application, within such abridged time; or
 - (iii) within one business day of receipt of written notice of appointment of an administrator pursuant to Section 15 of Schedule B1 of the Insolvency Act 1986 or, if the applicant has abridged the time for making the application, within such abridged time,

appoint (to the extent permitted by applicable law), by writing or deed, and in accordance with the Borrower Deed of Charge, such person or persons (including an officer or officers of the Borrower Security Trustee) as the Borrower Security Trustee considers appropriate to be a Receiver of such Obligor and, in the case of the appointment of more than one person, to act together or independently of the other or others.
- (b) If any Obligor becomes aware of any application for the appointment of an administrator of the Issuer, a notice of intention to appoint an administrator of any Obligor or documents to be, or actually filed with, a competent court or registrar for the administration of the Issuer, then it will immediately inform the Issuer Security Trustee in writing of such application, notice or filing, and if applicable, provide to the Borrower Security Trustee copies of all documentation and/or details of any information that it has received and/or is aware of in relation to any such application, notice or filing.
- (c) For the purposes of paragraph (a), “**business day**” has the meaning given to it in the Insolvency Act 1986.
- (d) If the Borrower Security Trustee is unable to appoint a Receiver in accordance with the provisions of paragraph (a) prior to the hearing of an application brought pursuant to the Insolvency Act 1986, the Borrower Security Trustee or a person appointed by it will attend the hearing of the application to

oppose the application or make such submissions in respect of the application as the Borrower Security Trustee in its absolute discretion determines to be appropriate. The Borrower Security Trustee will not be liable for any failure to appoint a Receiver hereunder except in the case of any, gross negligence, wilful default or fraud of the Borrower Security Trustee.

26.6 Indemnity is adequate — Obligor level

- (a) Save as set out in the next sentence, the Borrower Security Trustee will not be obliged to appoint a Receiver unless it is indemnified and/or secured to its satisfaction. If the Borrower Security Trustee is required to appoint a Receiver pursuant to paragraph 26.5 (Appointment of Receiver to block an administrator — Obligor level), the Borrower Security Trustee will agree that notwithstanding any other term of the ICA or any other Borrower Transaction Document, it is adequately indemnified and secured to its satisfaction in respect of such appointment by virtue of its rights under the ICA and the security that it has in respect of such rights.
- (b) Each Obligor agrees that, in the event that the Borrower Security Trustee appoints a Receiver in the circumstances referred to in paragraph 26.5 (Appointment of Receiver to block an administrator — Obligor level), it waives any claim against the Borrower Security Trustee in respect of such appointment.
- (c) For the avoidance of doubt:
 - (i) nothing in paragraph 26.5 (Appointment of Receiver to block an administrator — Obligor Level) or paragraph 26.6 (Indemnity is adequate — Obligor level) shall be construed so as to impose on the Borrower Security Trustee any obligation to indemnify any administrative receiver appointed by it pursuant to paragraph 26.5 (Appointment of Receiver to block an administrator — Obligor level) except to the extent of (and from) the cash and assets comprising the Borrower Secured Property held by the Borrower Security Trustee at such time; and
 - (ii) the Borrower Security Trustee shall have no liability if, having used its reasonable endeavours, it is unable to find a person who is willing to be appointed as an administrative receiver on the terms as to indemnification referred to in paragraph 26.6(c)(i) above.

The Issuer and Obligors have waived any claim against the Borrower Security Trustee in respect of any appointment made pursuant to the provisions described in this sub-clause (c).

26.7 Loan Enforcement Notice

Subject to paragraph 26.4(a) (Instructions prior to the Class A Discharge Date), the Borrower Security Trustee will deliver a Loan Enforcement Notice to the Borrowers and the Obligor Group Agent (on behalf of all the other Obligors) if:

- (a) a Loan Event of Default has occurred and is continuing; and
- (b) the Borrower Security Trustee is:
 - (i) instructed to do so by the Issuer Security Trustee, directed by the relevant Instructing Group, pursuant to paragraph 26.3 (Loan Enforcement Instruction Notices); and
 - (ii) the indemnity requirements set out in paragraph 26.12 (Indemnity required — Obligor level) have been satisfied,

and unless and until so:

- (A) instructed or notified; and
- (B) indemnified and/or secured to its satisfaction,

the Borrower Security Trustee will be under no obligation to and will not deliver a Loan Enforcement Notice and/or to take any Enforcement Action in respect of the Borrower Security (subject always to paragraph 26.5 (Appointment of Receiver to block an administrator — Obligor level)).

26.8 Borrower Security enforceable

- (a) Subject to paragraph 26.4 (Instructions prior to the Class A Discharge Date), with immediate effect upon the occurrence of a Loan Event of Default, the whole of the Borrower Security will become immediately enforceable.
- (b) Following service of a Loan Enforcement Notice on the Borrowers and the Obligor Group Agent (on behalf of all the other Obligors), the Borrower Security Trustee:
 - (i) may enforce the Borrower Security in accordance with the ICA and the Borrower Security Documents; and
 - (ii) will deliver (or make available) a copy of the Loan Enforcement Notice to:
 - (A) the Issuer Security Trustee;
 - (B) the Rating Agencies;
 - (C) each Borrower Secured Creditor; and
 - (D) each Issuer Secured Creditor (including, the Noteholders).
- (c) The whole of the Borrower Security will be and remain enforceable during the applicable Loan Enforcement Period.

26.9 Freezing of the Obligor Accounts

With immediate effect from the earlier of the date on which the Borrower Security Trustee gives a crystallisation notice under the Borrower Deed of Charge and the date on which a Loan Event of Default occurs, and unless and until contrary notice is given under the Borrower Deed of Charge, the Obligor Group Agent and the Borrower Account Bank:

- (a) will only act upon a Direction of the Borrower Security Trustee; and
- (b) will not permit any amount to be withdrawn from any of the Obligor Accounts without the prior written consent of the Borrower Security Trustee and will hold all sums from time to time standing to the credit of the Obligor Accounts to the order of the Borrower Security Trustee or any Receiver.

26.10 Standstill if Class A Notes are outstanding

If the Class A Instructing Group directs the Issuer Security Trustee to require the Borrower Security Trustee to enforce the Borrower Security then:

- (a) the Class B Instructing Group is not entitled to direct the Issuer Security Trustee to require the Borrower Security Trustee to enforce the Borrower Security or direct the Borrower Security Trustee to enforce the Borrower Security;
- (b) no other Secured Creditor is entitled to direct the Borrower Security Trustee to enforce the Borrower Security;
- (c) the Secured Creditors and the other parties acknowledge that the Borrower Security Trustee will unless provided in the ICA not be obliged to take into account the interests of any Secured Creditor other than the Class A Instructing Group in respect of the method, type and timing of that enforcement or of the exploitation, management or realisation of any of the Borrower Security, when:
 - (i) following the requirements of the Issuer Security Trustee, as directed by the Class A Instructing Group; or
 - (ii) when exercising any discretions, in relation to such enforcement, except that:
 - (A) in relation to disposals of any Borrower Secured Property in excess of £10 million, the Class B Note Trustee (acting on behalf of the Class B Noteholders) will be provided with a Fairness Opinion (for the benefit of the Class B Note Trustee and the Class B Noteholders) and in accordance with paragraph 27.2 (Requirement for a Fairness Opinion); and

- (B) the Class B Note Trustee (acting on behalf of the Class B Noteholders) and the Class B Noteholders will be required to take any such action as the Issuer Security Trustee, directed by the Borrower Security Trustee, may require to enable the enforcement of the Borrower Security in accordance with:

- I. the requirements of Issuer Security Trustee directed by the Class A Instructing Group; or
- II. any exercise of any discretion by the Borrower Security Trustee in relation to such enforcement,

provided that the proceeds of such enforcement are applied in accordance with the terms of the applicable Borrower Post-Enforcement Priorities of Payments such that, if and to the extent that there are any proceeds of enforcement remaining after the discharge of the Class A IBLA (and all items required to be paid in priority to the Class A IBLA) then such excess proceeds will be applied by the Borrower Security Trustee to discharge the Class B IBLA in accordance with the applicable Borrower Post-Enforcement Priorities of Payments (and for the avoidance of doubt in priority to any amount payable to any member of the Group).

26.11 Enforcement Action — Borrower Security

Subject to paragraph 27.2(a) (Requirement for a Fairness Opinion), at any time during any Loan Enforcement Period:

- (a) the Borrower Security Trustee may:
 - (i) appoint (or refraining from appointing) or remove any Receiver pursuant to and as more particularly set out in the Issuer Security Documents; and
 - (ii) consult with any Receiver in relation to any dealing with assets over which such Receiver is appointed and/or, if necessary, the release of such asset from the Borrower Security;
- (b) the Borrower Security Trustee and any Receiver may take any Enforcement Action in respect of the Borrower Security in accordance with the terms and conditions of, and the trusts, rights, powers, duties, authorities and discretions vested in the Borrower Security Trustee and any Receiver under the ICA and the other Borrower Security Documents, including, without limitation:
 - (i) exercising any of the rights, powers, duties, authorities and discretions vested in the Borrower Security Trustee and a Receiver under the Borrower Deed of Charge and any other Borrower Security Document;
 - (ii) enforcing and/or liquidating all or any part of the Borrower Security (at the times, in the manner and on the terms it thinks fit) and/or taking possession of and holding or disposing of all or any part of the Borrower Secured Property and/or exercise all rights, actions and privileges granted by applicable law to a secured creditor in relation to the Borrower Secured Property);
 - (iii) disposing of any Borrower Secured Property and taking any other action in accordance with paragraph 33 (Authorisation to Release and Transfer Following Distress Event), including, the acceptance of any consideration received for any such disposal in a form other than cash (in respect of the Issuer only);
 - (iv) instituting such proceedings against an Obligor and taking such action as it may think fit to enforce all or any part of the Borrower Security; and
 - (v) exercising all or any of the powers, authorities and discretions conferred by the LPA (as varied or extended by any Borrower Security Document) on mortgagees and by the ICA and any other Borrower Security Document on any Receiver or otherwise conferred by law on mortgagees or Receivers;
- (c) if any Class A Notes and Class B Notes are outstanding, the Borrower Security Trustee and any Receiver will have no duty or responsibility to or to take into account the interests of the Class B

Noteholders in relation to any Enforcement Action contemplated or undertaken in respect of any Borrower Security except as provided in paragraph 27 (Enforcement Action if Class B Notes Outstanding);

- (d) the Issuer Security Trustee, directed by the relevant Instructing Group, may give or refrain from giving instructions to the Borrower Security Trustee to enforce or refrain from taking any Enforcement Action in respect of any Borrower Security directed by the relevant Instructing Group;
- (e) the Borrower Security Trustee is entitled to rely on and comply with instructions given to it by the Issuer Security Trustee whether or not directed by the relevant Instructing Group;
- (f) in taking any Enforcement Action in respect of the Borrower Security, the Borrower Security Trustee will enforce the Borrower Security in such manner (including, without limitation, the selection of any Receiver over any Obligor to be appointed by the Borrower Security Trustee) as the Issuer Security Trustee, directed by the relevant Instructing Group, will instruct; and
- (g) subject to paragraph 26.5 (Appointment of Receiver to block an Administrator — Obligor level), the Borrower Security Trustee may, subject to any contrary instruction from the relevant Instructing Group, cease any Enforcement Action at any time.

26.12 Indemnity required — Obligor level

The Borrower Security Trustee will not be obliged to deliver a Loan Enforcement Notice, a Loan Acceleration Notice or to take any Enforcement Action in respect of the Borrower Security unless and until it has been indemnified and/or secured to its satisfaction against all Liabilities to which it may become liable or which it may incur by giving any Loan Enforcement Notice, Loan Acceleration Notice or taking any Enforcement Action in respect of the Borrower Security except that the Borrower Security Trustee agrees that, in respect of the appointment of a Receiver pursuant to paragraph 26.5 (Appointment of Receiver to block an administrator — Obligor level) only, notwithstanding any other term of the ICA or any other Borrower Transaction Document, it is adequately indemnified and secured to its satisfaction.

27. ENFORCEMENT ACTION IF CLASS B NOTES OUTSTANDING

27.1 Introduction

The ICA provides that the exercise and enforcement of rights by the Instructing Group in respect of the Borrower Security that has become enforceable is in certain circumstances subject to the provision of a Fairness Opinion to the Class B Note Trustee (for the benefit of itself and the Class B Noteholders).

27.2 Requirement for a Fairness Opinion

If:

- (a) there are any Class B Notes outstanding;
- (b) the Borrower Security has become enforceable; and
- (c) the Class A Instructing Group have instructed the Issuer Security Trustee to require the Borrower Security Trustee to deliver a Class A Loan Enforcement Notice,

then, subject to paragraph 27.3 (Borrower Security Trustee may dispose under a Sales Process), the Borrower Security Trustee will (or will procure that any agent, receiver or delegate appointed to act on behalf of the Borrower Security Trustee pursuant to this Agreement will) comply with the following conditions:

- (i) before any disposal of any Borrower Secured Property of a value more than £10 million the Borrower Security Trustee will procure the provision to the Class B Note Trustee (for the benefit of itself and the Class B Noteholders), of a Fairness Opinion (having asked at least three potential Financial Advisers for a quote in respect of the costs for the provision thereof);
- (ii) such Fairness Opinion must be delivered to the Class B Note Trustee at least two weeks before the proposed disposal;

- (iii) subject to and in accordance with paragraph 27.3 (Borrower Security Trustee may dispose under a Sales Process), the Borrower Security Trustee will be responsible for commissioning any Fairness Opinion;
- (iv) neither the Class B Note Trustee nor any Class B Noteholder will be entitled to raise any objections to any Fairness Opinion delivered by the Borrower Security Trustee in accordance with paragraph (ii); and
- (v) the cost of commissioning any Fairness Opinion will be for the account of the Borrower Security Trustee provided always that the Borrower Security Trustee is prefunded to an amount equal to the cost of such Fairness Opinion as an expense of the enforcement process except that if the cost is more than £500,000 (excluding VAT), then:
 - (A) the excess cost will be for the account of the Class B Noteholders, provided that:
 - I. where one of the potential Financial Advisers offered to produce a Fairness Opinion for less than £500,000 (excluding VAT) but the Class A Noteholders directed the Borrower Security Trustee to select another provider whose fees for providing the opinion are in excess of £500,000, all such fees will be for the account of the enforcement process generally (and not specifically for the account of the Class B Noteholders); and
 - II. if more than one potential Financial Adviser provides a quote and all the quotes provided are in excess of £500,000, the Class B Noteholders will be required to pay for all fees in excess of £500,000 save where the Class A Noteholders select a Financial Adviser which has provided a quote which is higher than another quote provided; and
 - (B) the Borrower Security Trustee will not be obliged to commission any Fairness Opinion unless:
 - I. it is indemnified and/or secured to its satisfaction and/or prefunded; and/or
 - II. receives an undertaking from the Class B Noteholders that the Class B Noteholders will indemnify, secure and/or pre-fund the Borrower Security Trustee for any excess costs in relation to commissioning any Fairness Opinion, if applicable.

27.3 Borrower Security Trustee may dispose under a Sales Process

If the Borrower Security Trustee:

- (a) is unable to appoint a Financial Adviser when requested or unable to obtain a Fairness Opinion; or
- (b) is notified in writing by the Class B Note Trustee on behalf of the Class B Noteholders that the Class B Noteholders do not require the procurement of a Fairness Opinion; or
- (c) intends to dispose of the assets for a value that is less than the proposed consideration specified in respect of such assets in a Fairness Opinion, then:
 - (i) subject to applicable law, the Borrower Security Trustee or any Receiver will only dispose of relevant assets through a competitive marketing and sales process typical for such type of assets with a view to obtaining a fair market consideration for such assets under the then prevailing market conditions (“**Sales Process**”) and will be entitled to appoint any investment bank, accounting firm or any other third party professional organisation of international standing engaged in the marketing and sale of businesses and assets, to advise the Borrower Security Trustee or the Receiver in relation to such disposal; and
 - (ii) the Borrower Security Trustee or any Receiver will be entitled to dispose of the assets under and in accordance with the Sales Process (including, at a value less than that stated in any Fairness Opinion), provided that if there is more than one party willing to acquire the assets, then the Borrower Security Trustee or the Receiver will be required to accept the highest executable offer.

27.4 Fairness Opinion only required if Class A Notes are outstanding

Except as set out in paragraph 27.2 (Requirement for a Fairness Opinion), in no other circumstances will a Fairness Opinion be required prior to the disposal of any Borrower Secured Property.

27.5 Class A Instructing Group may provide Directions to appoint Financial Adviser

The Class A Instructing Group may provide any Direction to Issuer Security Trustee to require the Borrower Security Trustee to appoint any Financial Adviser and the Borrower Security Trustee will act in accordance with any such Direction.

27.6 Borrower Security Trustee entitled to seek Directions from the Class A Instructing Group

- (a) Further to paragraph 27.5 (Class A Instructing Group may provide Directions to appoint Financial Adviser), the Borrower Security Trustee will be entitled to seek any Direction from the Issuer Security Trustee in relation to any matter concerning the commissioning of a Fairness Opinion or otherwise, the enforcement of the Borrower Security and the Borrower Security Trustee will be required to follow any Direction given by the Issuer Security Trustee.
- (b) The Issuer Security Trustee will be entitled to seek any Direction from the Class A Instructing Group in relation to any request for any Direction made by the Borrower Security Trustee pursuant to paragraph (a) above, concerning the commissioning of a Fairness Opinion or otherwise the enforcement of the Borrower Security and the Issuer Security Trustee will be required to follow any Direction given to it by the Class A Instructing Group.

28. LOAN ACCELERATION NOTICE

28.1 Loan Acceleration Notice

Subject to paragraph 26.4(a) (Instructions prior to the Class A Discharge Date), the Borrower Security Trustee will deliver a Loan Acceleration Notice to the Borrowers and the Obligor Group Agent (on behalf of all the other) Obligors following the delivery of a Loan Enforcement Notice or a Loan Enforcement Instruction Notice if the Borrower Security Trustee is instructed to do so by the Issuer Security Trustee, and the Issuer Security Trustee shall give such instruction to the Borrower Security Trustee if the Issuer Security Trustee is directed to do so by the relevant Instructing Group, pursuant to paragraph 26.3 (Loan Enforcement Instruction Notices) (and as further specified in paragraphs 26.4(c) and 23.4(d) (Instructions prior to the Class A Discharge Date)) and the indemnity requirements set out in paragraph 26.12 (Indemnity required — Obligor level) have been satisfied, and unless and until so instructed and indemnified, the Borrower Security Trustee will be under no obligation to and will not deliver a Loan Acceleration Notice.

28.2 Consequences of delivery of Loan Acceleration Notice

- (a) Upon the delivery of a Loan Acceleration Notice, all outstanding amounts under the Class A IBLA and/or Class B IBLA as applicable will be declared immediately due and payable.
- (b) Notwithstanding any other provision of the ICA or any other Transaction Document, if a Loan Acceleration Notice has been served by the Borrower Security Trustee (but not otherwise), the other Borrower Secured Creditors may serve a notice or notices declaring any amount payable to a Borrower Secured Creditor under a Borrower Transaction Document to be payable in advance of its stated maturity or requiring the payment of any termination amount under a relevant Borrower Transaction Document.
- (c) The Borrower Security Trustee will deliver a copy of the Loan Acceleration Notice to:
 - (i) the Issuer Security Trustee;
 - (ii) the Rating Agencies;
 - (iii) each Borrower Secured Creditor; and
 - (iv) each Issuer Secured Creditor (and in the case of the Class A Noteholders and the Class B Noteholders, the relevant Note Trustee who shall notify the relevant Noteholders in accordance with the Note Trust Deed).

29. BORROWER POST — ENFORCEMENT PRIORITIES OF PAYMENTS

29.1 Ranking of Borrower Secured Liabilities after giving a Loan Enforcement Notice

Subject to paragraph 8.7 (Prepayment of the Class B IBLA — Topco Transaction Documents), each Borrower Secured Creditor agrees and each of the Obligors and the Borrower Security Trustee acknowledges that each Borrower Secured Creditor's claims will rank according to the Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments after the Borrower Security Trustee delivers any Loan Enforcement Notice (but before the Borrower Security Trustee delivers any Loan Acceleration Notice, if any) pursuant to paragraph 26.7 (Loan Enforcement Notice).

29.2 Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments

Subject to paragraph 8.7 (Prepayment of the Class B IBLA — Topco Transaction Documents), all monies received or recovered by the Borrower Security Trustee or any Receiver, whether in the form of cash or otherwise, for the benefit of the Borrower Secured Creditors in respect of the Borrower Secured Liabilities if the Borrower Security Trustee delivers any Loan Enforcement Notice (but before the Borrower Security Trustee delivers any Loan Acceleration Notice, if any) will, subject to paragraph 29.8 (Suspense account — Borrower level), be held by the Borrower Security Trustee or any Receiver on trust, and will be applied in paying or providing for the payment of the amounts in the order of priority set out below (the “**Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments**”), in each case:

- (a) together with any interest and VAT payable thereon, as provided for in the relevant Transaction Document; and
- (b) if and to the extent that payments or provisions of a higher order of priority have been made in full.

Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments:

1. *first*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due in respect of:
 - (a) the fees and other remuneration and indemnity payments (if any) payable to the Borrower Security Trustee and other appointees (if any) appointed by the Borrower Security Trustee under the Borrower Security Documents and any costs, charges, liabilities and expenses incurred by the Borrower Security Trustee under the Borrower Security Documents and any other amounts payable to the Borrower Security Trustee under the Borrower Security Documents, together with interest thereon as provided for therein;
 - (b) the fees and other remuneration and indemnity payments (if any) payable to the Receiver and any costs, charges, liabilities and expenses incurred by the Receiver under the Borrower Security Documents, together with interest thereon as provided for therein; and
 - (c) the First Facility Fee due and payable to the Issuer;
2. *second*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due in respect of:
 - (a) the Second Facility Fee due and payable to the Issuer;
 - (b) the Third Facility Fee due and payable to the Issuer; and
 - (c) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Borrower Account Bank incurred under the Borrower Account Bank Agreement;
3. *third*, in or towards satisfaction, of the Fourth Facility Fee due and payable to the Issuer;
4. *fourth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable under the Class A IBLA;
5. *fifth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and all Additional Class A Loan Amounts due and payable under the Class A IBLA;
6. *sixth*, in or towards satisfaction of the amounts required to fund the Maintenance Capex Reserve Account;
7. *seventh*, in or towards satisfaction of all amounts of interest due and payable under the Class B IBLA;

8. *eighth*, in or towards satisfaction of all amounts of principal and all Additional Class B Loan Amounts due and payable under the Class B IBLA;
9. *ninth*, in or towards satisfaction of the amounts required to be deposited into the Investment Capex Reserve Account (as defined in the Borrower Account Bank Agreement) under the Class A IBLA;
10. *tenth*, in or towards satisfaction of the Fifth Facility Fee due and payable to the Issuer;
11. *eleventh*, if:
 - (a) the relevant Loan Interest Payment Date falls in a Lock-Up Period, then in or towards satisfaction of the amounts required to be paid in accordance with the applicable provisions specified in paragraph A (Application of Funds on the Class A3 EMD if the Class A3 Loan is outstanding) to paragraph E (Application of Funds on the Class A4 EMD if any of the Class A3 Loan, Class A2 Loan and/or the Class A4 Loan is outstanding) of Part C of the Borrower Pre-Enforcement Priority of Payments: Lock-Up Period applies, except that no Restricted Payments shall be made; and
 - (b) the relevant Loan Interest Payment Date falls in the period after the Class A3 EMD but does not fall in a Lock-Up Period, then in or towards satisfaction of the amounts required to be paid in accordance with the applicable provisions specified in paragraph A (Payments following the Class A3 EMD), paragraph B (Payments following the Class A2 EMD) and paragraph C (Payments following the Class A4 EMD) of Part D of the Borrower Pre-Enforcement Priority of Payments: For any Loan Interest Payment Date following the Class A3 EMD; and where no Lock-Up Period applies, except that no Restricted Payments shall be made; and
12. *twelfth*, the surplus (if any) shall be deposited into the operating accounts of the Obligors or any other account, and be applied for any purpose, in each case, as the Borrower Security Trustee or Receiver may direct.

29.3 Ranking of Borrower Secured Liabilities after giving a Loan Acceleration Notice

Subject to paragraph 8.7 (Prepayment of the Class B IBLA-Topco Transaction Documents) each Borrower Secured Creditor agrees and each of the Obligors and the Borrower Security Trustee acknowledges that each Borrower Secured Creditor's claims will rank according to the Borrower Post-Enforcement (Post-Acceleration) Priority of Payments after the Borrower Security Trustee delivers any Loan Enforcement Notice (but before the Borrower Security Trustee delivers a Loan Acceleration Notice, if any) pursuant to paragraph 26.7 (Loan Enforcement Notice).

29.4 Borrower Post-Enforcement (Post-Acceleration) Priority of Payments

Subject to paragraph 8.7 (Prepayment of the Class B IBLA-Topco Transaction Documents) all monies received or recovered by the Borrower Security Trustee or any Receiver, whether in the form of cash or otherwise, for the benefit of the Borrower Secured Creditors in respect of the Borrower Secured Liabilities if the Borrower Security Trustee delivers any Loan Enforcement Notice (but before the Borrower Security Trustee delivers a Loan Acceleration Notice, if any) will, subject to paragraph 29.8 (Suspense account — Borrower level), be held by the Borrower Security Trustee or any Receiver on trust, and will be applied in paying or providing for the payment of the amounts in the order of priority set out below (the "**Borrower Post-Enforcement (Post-Acceleration) Priority of Payments**"), in each case:

- (a) together with any interest and VAT payable thereon, as provided for in the relevant Transaction Document; and
- (b) if and to the extent that payments or provisions of a higher order of priority have been made in full.

Borrower Post-Enforcement (Post-Acceleration) Priority of Payments:

1. *first*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due in respect of:
 - (a) the fees and other remuneration and indemnity payments (if any) payable to the Borrower Security Trustee and other appointees (if any) appointed by the Borrower Security Trustee under the Borrower Security Documents and any costs, charges, liabilities and expenses incurred by the Borrower Security Trustee under the Borrower Security Documents and any other amounts payable to the Borrower

Security Trustee under the Borrower Security Documents, together with interest thereon as provided for therein;

- (b) the fees and other remuneration and indemnity payments (if any) payable to the Receiver and any costs, charges, liabilities and expenses incurred by the Receiver under the Borrower Security Documents, together with interest thereon as provided for therein; and
- (c) the First Facility Fee due and payable to the Issuer;
- 2. *second*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due in respect of:
 - (a) the Second Facility Fee due and payable to the Issuer;
 - (b) the Third Facility Fee due and payable to the Issuer; and
 - (c) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Borrower Account Bank incurred under the Borrower Account Bank Agreement;
- 3. *third*, in or towards satisfaction, of the Fourth Facility Fee due and payable to the Issuer;
- 4. *fourth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable under the Class A IBLA;
- 5. *fifth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and all Additional Class A Loan Amounts due and payable under the Class A IBLA;
- 6. *sixth*, in or towards satisfaction of all amounts of interest due and payable under the Class B IBLA;
- 7. *seventh*, in or towards satisfaction of all amounts of principal and all Additional Class B Loan Amounts due and payable under the Class B IBLA;
- 8. *eighth*, in or towards satisfaction of the Fifth Facility Fee due and payable to the Issuer; and
- 9. *ninth*, the surplus (if any) to the Obligors or any other party entitled thereto.

29.5 General provisions regarding Borrower Post-Enforcement Priorities of Payments

The ICA provides that if there are insufficient funds to discharge or provide for in full amounts due and payable in respect of an item and any other item(s) ranking *pari passu* with such item in a Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments or the Borrower Post-Enforcement (Post-Acceleration) Priority of Payments, all items which rank *pari passu* with each other will be discharged or provided for to the extent there are sufficient funds to do so and on a *pro rata* basis, according to the respective amounts thereof.

29.6 Non-cash distributions

The ICA provides that the Borrower Security Trustee or any Receiver will be entitled to receive and apply all monies recovered or received by any of them in a form other than cash in paying or providing for the payment of amounts owed to the Issuer pursuant to paragraph 29.2 (Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments) and paragraph 29.4 (Borrower Post-Enforcement (Post-Acceleration) Priority of Payments).

29.7 Suspense account — Borrower level

Following the giving of a Loan Enforcement Notice or Loan Acceleration Notice, the Borrower Security Trustee may at its absolute discretion pending application thereof pursuant to paragraph 29.2 (Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments) or paragraph 29.4 (Borrower Post-Enforcement (Post-Acceleration) Priority of Payments), or deposit all amounts from time to time received by it from the Obligors or in respect of the Borrower Secured Property or from the realisation or enforcement of the Borrower Security in a separate suspense account for so long as, and on the terms which, it considers appropriate without any obligation to apply those amounts in or towards the discharge of any of the Borrower Secured Liabilities.

30. ENFORCEMENT OF ISSUER SECURITY

30.1 Notification of Note Events of Default

If the Issuer or any Issuer Secured Creditor (other than the Issuer Security Trustee) becomes aware of the occurrence of a Note Event of Default it will forthwith notify the Issuer Security Trustee, the Borrower Security Trustee and the Obligor Group Agent in writing and the Issuer Security Trustee will promptly thereafter notify the Class A Note Trustee (if it is a Class A Note Event of Default) or the Class B Note Trustee (if it is a Class B Note Event of Default).

30.2 Instructions prior to the Class A Discharge Date

- (a) Prior to the Class A Discharge Date:
 - (i) pursuant to the Class A Conditions, the Class A Instructing Group will be entitled to direct the Class A Note Trustee to give a Class A Note Acceleration Notice to the Issuer;
 - (ii) pursuant to the Class A Conditions, the Class A Instructing Group will be entitled to direct the Class A Note Trustee to direct the Issuer Security Trustee to give a Class A Note Enforcement Notice to the Issuer and take enforcement steps in relation to the Issuer Security;
 - (iii) the Class B Instructing Group will not be entitled:
 - (A) subject to paragraph (b) below, pursuant to the Class B Conditions, to direct the Class B Note Trustee to give a Class B Note Acceleration Notice to the Issuer; and
 - (B) direct the Class B Note Trustee to direct the Issuer Security Trustee to give a Class B Note Enforcement Notice to the Issuer and take enforcement steps in relation to the Issuer Security;
 - (iv) no other Issuer Secured Creditor will be entitled to direct the Issuer Security Trustee to enforce the Issuer Security.
- (b) If the Class A Instructing Group gives a Class A Note Acceleration Notice to the Issuer pursuant to Condition 9 (Class A Note Events of Default) of the Class A Conditions the Class B Instructing Group will not be prohibited from directing the Issuer Security Trustee to serve a Class B Note Acceleration Notice on the Issuer, if the Class B Instructing Group is entitled to do so under the Class B Conditions provided that if the Class A Note Trustee (acting upon a Direction of the Class A Instructing Group) requires the Class B Instructing Group to direct the Class B Note Trustee to serve a Class B Note Acceleration Notice on the Issuer, then the Class B Note Trustee will serve a Class B Note Acceleration Notice on the Issuer.
- (c) For the purposes of this paragraph 30.2 (Instructions prior to the Class A Discharge Date), the Issuer Security Trustee will be required to take any action described in this paragraph 30.2 (Instructions prior to the Class A Discharge Date) if the Issuer Security Trustee is directed by the Class A Note Trustee (i) acting in its absolute discretion or (ii) acting on the directions of the holders of at least 25% of the aggregate principal amount outstanding of the Class A Notes then outstanding or (iii) acting on the direction of a Class A Extraordinary Resolution of the Class A Noteholders.
- (d) Subject to paragraph 30.2(a)(iii) (Instructions prior to the Class A Discharge Date) for the purposes of this paragraph 30.2 (Instructions prior to the Class A Discharge Date), the Issuer Security Trustee will be required to take any action described in this paragraph 30.2(a)(ii) (Instructions prior to the Class A Discharge Date) if it is instructed by the Class B Note Trustee (i) acting in its absolute discretion or (ii) acting on the directions of the holders of at least 30% of the aggregate principal amount outstanding of the Class B Notes then outstanding or (iii) acting on the direction of any Class B Extraordinary Resolution of the Class B Noteholders.

30.3 Appointment of Receiver to block an administrator — Issuer level

- (a) If any person presents an application for the appointment of an administrator of the Issuer, a notice of intention to appoint an administrator of the Issuer is received by the Issuer Security Trustee or documents are filed with a competent court or registrar for the administration of the Issuer (whether out of court or otherwise), the Issuer Security Trustee will upon receipt of such application or notice:

- (i) within four business days of receipt or presentation of the application for the appointment of an administrator or, if the applicant has abridged the time for making the application, within such abridged time;
- (ii) within four business days of receipt of the notice of intention to appoint an administrator or, if the applicant has abridged the time for making the application, within such abridged time; or
- (iii) within one business day of receipt of written notice of appointment of an administrator pursuant to Section 15 of Schedule B1 of the Insolvency Act 1986 or, if the applicant has abridged the time for making the application, within such abridged time,

appoint (to the extent permitted by applicable law), by writing or deed, such person or persons (including an officer or officers of the Issuer Security Trustee) as the Issuer Security Trustee considers appropriate to be a Receiver of the Issuer and, in the case of the appointment of more than one person, to act together or independently of the other or others.

- (b) If the Issuer becomes aware of any application for the appointment of an administrator of the Issuer, a notice of intention to appoint an administrator of the Issuer or documents to be, or actually filed with, a competent court or registrar for the administration of the Issuer, then it will immediately inform the Issuer Security Trustee in writing of such application, notice or filing, and if applicable, provide to the Issuer Security Trustee copies of all documentation and/or details of any information that it has received and/or is aware of in relation to any such application, notice or filing.
- (c) For the purposes of paragraph 31.4(a), “**business day**” will have the meaning given to it in the Insolvency Act 1986.
- (d) If the Issuer Security Trustee is unable to appoint a Receiver in accordance with the provisions of paragraph 30.3(a) (Appointment of a Receiver to block an administrator — Issuer level) prior to the hearing of an application brought pursuant to the Insolvency Act 1986, the Issuer Security Trustee will attend the hearing of the application to oppose the application or make such submissions in respect of the application as the Issuer Security Trustee in its absolute discretion determines to be appropriate. The Issuer Security Trustee will not be liable for any failure to appoint a Receiver hereunder except in the case of gross negligence, wilful default or fraud of the Issuer Security Trustee.

30.4 Indemnity is adequate — Issuer level

- (a) Save as set out in the next sentence, the Issuer Security Trustee will not be obliged to appoint a Receiver unless it is indemnified and/or secured to its satisfaction. If the Issuer Security Trustee is required to appoint a Receiver pursuant to paragraph 30.3 (Appointment of Receiver to block an administrator — Issuer level), the Issuer Security Trustee will agree that notwithstanding any other term of the ICA or any other Issuer Transaction Document, it is adequately indemnified and secured to its satisfaction in respect of such appointment by virtue of its rights under the ICA and the security it has in respect of such rights.
- (b) The Issuer will agree that, in the event that the Issuer Security Trustee appoints a Receiver in the circumstances referred to in paragraph 30.3 (Appointment of Receiver to block an administrator — Issuer level), it waives any claim against the Issuer Security Trustee in respect of such appointment.

30.5 Issuer Security enforceable

- (a) Subject to paragraph 30.2 (Instructions prior to the Class A Discharge Date), at any time after a Note Acceleration Notice has been given to the Issuer by a Note Trustee pursuant to the relevant Conditions, the relevant Instructing Group may direct the Issuer Security Trustee to enforce the Issuer Security.
- (b) Subject to paragraph 30.2 (Instructions prior to the Class A Discharge Date), if:
 - (i) a Note Trustee provides the Issuer Security Trustee with a copy of a Note Acceleration Notice given to the Issuer; and
 - (ii) pursuant to the relevant Conditions, such Note Trustee instructs the Issuer Security Trustee to enforce the Issuer Security, then the Issuer Security Trustee will give a Note Enforcement Notice to the Issuer declaring the whole of the Issuer Security to be enforceable.

- (c) The Issuer Security Trustee will deliver a copy of the Note Enforcement Notice to:
 - (i) the Obligor Group Agent;
 - (ii) the Rating Agencies;
 - (iii) each other Issuer Secured Creditor Representative; and
 - (iv) each Borrower Secured Creditor Representative.
- (d) With immediate effect from the time when the Issuer Security Trustee gives a Note Enforcement Notice to the Issuer, the whole of the Issuer Security will become enforceable and the whole of the Issuer Security will be and remain enforceable during the applicable Note Enforcement Period.

30.6 Freezing of the Issuer Accounts

With immediate effect from the earlier of the date on which the Issuer Security Trustee gives a crystallisation notice under the Issuer Deed of Charge and the date on when a Note Event of Default occurs, and unless and until notice is given under the Issuer Deed of Charge to convert the relevant charge back to a floating charge, the Cash Manager and the Issuer Account Bank:

- (a) will only act upon a Direction of the Issuer Security Trustee; and
- (b) will not permit any amount to be withdrawn from any of the Issuer Accounts without the prior written consent of the Issuer Security Trustee and will hold all sums from time to time standing to the credit of the Issuer Accounts to the order of the Issuer Security Trustee or any Receiver.

30.7 Standstill if Class A Notes are outstanding

If the Class A Instructing Group directs the Issuer Security Trustee to take any steps to enforce the Issuer Security then:

- (a) the Class B Instructing Group are not entitled to direct the Issuer Security Trustee to enforce the Issuer Security;
- (b) no other Issuer Secured Creditor is entitled to direct the Issuer Security Trustee to enforce the Issuer Security; and
- (c) the Secured Creditors and the other parties to the ICA will acknowledge that the Issuer Security Trustee will, unless provided in the ICA, not be obliged to take into account the interests of any Secured Creditor or any other party to the ICA other than the Class A Instructing Group in respect of the method, type and timing of that enforcement or of the exploitation, management or realisation of any of the Issuer Security, when:
 - (i) following any Direction of the Class A Instructing Group; or
 - (ii) when exercising any discretions, in relation to such enforcement.

30.8 Enforcement Action — Issuer Security

At any time during any Note Enforcement Period:

- (a) The Issuer Security Trustee may:
 - (i) appoint (or refraining from appointing) or remove any Receiver pursuant to and as more particularly set out in the Issuer Security Documents; and
 - (ii) consult with any Receiver in relation to any dealing with assets over which such Receiver is appointed and/or, if necessary, the release of such asset from the Issuer Security;
- (b) the Issuer Security Trustee and any Receiver may take any Enforcement Action in respect of the Issuer Security in accordance with the terms and conditions of, and the trusts, rights, powers, duties, authorities and discretions vested in the Issuer Security Trustee and any Receiver under the ICA and the other Issuer Security Documents, including, without limitation:

- (i) exercising any of the rights, powers, duties, authorities and discretions vested in the Issuer Security Trustee and a Receiver under the Issuer Deed of Charge and any other Issuer Security Document;
 - (ii) enforcing and/or liquidating all or any part of the Issuer Security (at the times, in the manner and on the terms it thinks fit) and/or taking possession of and holding or disposing of all or any part of the Issuer Secured Property and/or exercise all rights, actions and privileges granted by applicable law to a secured creditor in relation to the Issuer Secured Property);
 - (iii) disposing of any Issuer Secured Property and taking any other in accordance with paragraph 33 (Authorisation to Release and Transfer Following Distress Event) including, the acceptance of any consideration received for any such disposal in a form other than cash (in respect of Noteholders only);
 - (iv) pursuant to any Loan Event of Default triggered under the relevant IBLA as a result of the occurrence of any Note Event of Default and/or service of any Note Acceleration Notice, subject to paragraph 30.2 (Instructions prior to the Class A Discharge Date) instructing the Borrower Security Trustee to deliver a Loan Enforcement Notice and/or Loan Acceleration Notice pursuant to the relevant IBLA, and/or to take any Enforcement Action in relation to the Borrower Security; and
 - (v) exercising all or any of the powers, authorities and discretions conferred by the LPA (as varied or extended by any Issuer Security Document) on mortgagees and by the ICA and any other Issuer Security Document on any Receiver or otherwise conferred by law on mortgagees or Receivers;
- (c) if any Class A Notes and Class B Notes are outstanding, the Issuer Security Trustee and any Receiver will have no duty or responsibility to take into account the interests of the Class B Noteholders in relation to any Enforcement Action contemplated or undertaken in respect of any Issuer Security except as provided in paragraph 27 (Enforcement Action if Class B Notes Outstanding);
 - (d) the Issuer Security Trustee may refrain from taking any Enforcement Action in respect of any Issuer Security unless instructed otherwise by the relevant Instructing Group;
 - (e) if the Issuer Security has become enforceable, the relevant Instructing Group may give or refrain from giving instructions to the Issuer Security Trustee to enforce or refrain from enforcing the Issuer Security as they see fit;
 - (f) the Issuer Security Trustee is entitled to rely on and comply with instructions given to it by the relevant Instructing Group;
 - (g) in taking any Enforcement Action in respect of the Issuer Security, the Issuer Security Trustee will enforce the Issuer Security in such manner (including, without limitation, the selection of any Receiver over the Issuer to be appointed by the Issuer Security Trustee) as the relevant Instructing Group will instruct; and
 - (h) subject to paragraph 30.3 (Appointment of a Receiver to block an administrator — Issuer level), the Issuer Security Trustee may, subject to any contrary instruction from the relevant Instructing Group, cease any Enforcement Action at any time.

30.9 Indemnity required — Issuer level

The Issuer Security Trustee will not be obliged to serve a Note Acceleration Notice on the Issuer or take any Enforcement Action in respect of the Issuer Security unless and until it has been indemnified and/or secured to its satisfaction against all Liabilities to which it may become liable or which it may incur by serving any Note Acceleration Notice or taking any Enforcement Action in respect of the Issuer Security except that the Issuer Security Trustee agrees that, in respect only of the appointment of a Receiver pursuant to paragraph 30.3 (Appointment of Receiver to block an administrator — Issuer level), notwithstanding any other term of the ICA or any other Issuer Transaction Document, it is adequately indemnified and secured to its satisfaction.

31. ISSUER POST-ACCELERATION PRIORITY OF PAYMENTS

31.1 Ranking of Issuer Secured Liabilities after the giving of a Note Acceleration Notice

Each Issuer Secured Creditor agrees and the Issuer and the Issuer Security Trustee acknowledges that each Issuer Secured Creditor's claims will rank according to the Issuer Post-Acceleration Priority of Payments after a Note Trustee gives a Note Acceleration Notice.

31.2 Issuer Post-Acceleration Priority of Payments

All monies received or recovered by the Issuer Security Trustee or any Receiver, whether in the form of cash or otherwise, for the benefit of the Issuer Secured Creditors in respect of the Issuer Secured Liabilities if a Note Trustee gives a Note Acceleration Notice to the Issuer will, subject to:

- (a) paragraph 9.4 (Prepayment of the Class B IBLA and Class B Notes — Topco Transaction Documents); and
- (b) paragraph 31.5 (Repayment of Liquidity Standby Account Drawings) and paragraph 31.6 (Suspense account— Issuer level),

be held by the Issuer Security Trustee or any Receiver on trust, and will be applied in paying or providing for the payment of the amounts in the order of priority set out below (the “**Issuer Post-Acceleration Priority of Payments**”), in each case:

Issuer Post-Acceleration Priority of Payments:

1. *first*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts due and payable in respect of:
 - (a) the fees and other remuneration and indemnity payments (if any) payable to the Issuer Security Trustee, Class A Note Trustee and Class B Note Trustee and other appointees (if any), other than a Receiver appointed under paragraph (b) below, appointed by any of them under the Issuer Deed of Charge and Note Trust Deed respectively and any costs, charges, liabilities and expenses incurred by any of the Issuer Security Trustee, Class A Note Trustee and Class B Note Trustee under the Issuer Deed of Charge and Note Trust Deed respectively and any other amounts payable (other than amounts payable under the Notes) to the Issuer Security Trustee, Class A Note Trustee and Class B Note Trustee under the Issuer Deed of Charge and the Note Trust Deed respectively, together with interest thereon as provided for therein; and
 - (b) the fees and other remuneration and indemnity payments (if any) payable to the Receiver and any costs, charges, liabilities and expenses incurred by the Receiver under the Issuer Deed of Charge, together with interest thereon as provided for therein;
2. *second*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts due and payable by the Issuer in respect of:
 - (a) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Issuer Corporate Services Provider and the Issuer Jersey Corporate Services Provider incurred under the Issuer Corporate Services Agreement and the Issuer Jersey Corporate Services Agreement;
 - (b) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Paying Agents incurred under the Agency Agreement;
 - (c) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Issuer Account Bank incurred under the Issuer Account Bank Agreement;
 - (d) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Cash Manager incurred under the Cash Management Agreement;
 - (e) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Class B Registrar incurred under the Agency Agreement; and
 - (f) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Class B Transfer Agent incurred under the Agency Agreement.

3. *third*, in or towards satisfaction of payment of all amounts of interest, principal, fees, other remuneration, indemnity payments, costs, charges and expenses of each Liquidity Facility Provider and the Liquidity Facility Agent due and payable by the Issuer to each such Liquidity Facility Provider and the Liquidity Facility Agent under the Liquidity Facility Agreement (other than any Liquidity Subordinated Amounts payable by the Issuer);
4. *fourth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable under the Class A Notes;
5. *fifth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and all Additional Class A Note Amounts due and payable under the Class A Notes;
6. *sixth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable under the Class B Notes;
7. *seventh*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and all Additional Class B Note Amounts due and payable under the Class B Notes;
8. *eighth*, in or towards satisfaction, *pari passu* and *pro rata* of all Liquidity Subordinated Amounts due and payable by the Issuer under the Liquidity Facility Agreement; and
9. *ninth*, the surplus (if any) to the Issuer or any other party entitled thereto.

31.3 General provisions regarding Issuer Post-Acceleration Priority of Payments

If there are insufficient funds to discharge or provide for in full amounts due and payable in respect of an item and any other item(s) ranking *pari passu* with such item in the Issuer Post-Acceleration Priority of Payments, all items which rank *pari passu* with each other will be discharged or provided for to the extent there are sufficient funds to do so and on a *pro rata* basis, according to the respective amounts thereof.

31.4 Non-cash distributions

The Issuer Security Trustee or any Receiver will be entitled to receive and apply all monies recovered or received by any of them in a form other than cash in paying or providing for the payment of amounts owed to any Noteholder pursuant to paragraph 31.2 (Issuer Post-Acceleration Priority of Payments).

31.5 Repayment of Liquidity Standby Account Drawings

Following the giving of a Note Acceleration Notice or, if earlier, upon acceleration and cancellation of a Liquidity Facility provided pursuant to the Liquidity Facility Agreement in accordance with the terms thereof, all amounts credited to each Liquidity Standby Account in respect of each Liquidity Facility Provider will be paid by Cash Manager or on behalf of the Issuer Security Trustee or any Receiver to each such Liquidity Facility Provider.

31.6 Suspense account — Issuer level

Following the giving of a Note Acceleration Notice, the Issuer Security Trustee may at its absolute discretion pending application thereof pursuant to paragraph 31.2 (Issuer Post-Acceleration Priority of Payments) deposit all amounts from time to time received by it from the Issuer or in respect of the Issuer Secured Property or from the realisation or enforcement of the Issuer Security in a separate suspense account for so long as, and on the terms which, it considers appropriate without any obligation to apply those amounts in or towards the discharge of any of the Issuer Secured Liabilities.

32. ENFORCEMENT OF TOPCO SECURITY

32.1 Introduction

The ICA provides for the procedure for the enforcement of the Topco Security pursuant to a Share Enforcement Event provided that the Topco Security Enforcement Condition is satisfied.

32.2 Notification of Share Enforcement Event

If any Obligor, Topco Obligor, Borrower Secured Creditor or Topco Secured Creditor (other than the Borrower Security Trustee) becomes aware of the occurrence of a Share Enforcement Event, it will forthwith notify the

Borrower Security Trustee, the Issuer Security Trustee and the Obligor Group Agent in writing and the Borrower Security Trustee will promptly thereafter notify the Topco Secured Creditor Representatives and the Borrower Secured Creditor Representatives and the Issuer Security Trustee will promptly notify the Issuer Secured Creditor Representatives.

32.3 Instructions to enforce

If a Share Enforcement Event has occurred and is continuing only the Class B Instructing Group (acting upon a resolution passed by the holders representing at least 30% of the aggregate principal amount outstanding of the Class B Notes then outstanding) may direct the Issuer Security Trustee to require the Borrower Security Trustee to enforce the Topco Security, on the terms and subject to conditions of the Topco Transaction Documents provided that the Topco Security Enforcement Condition is satisfied.

32.4 Topco Security Enforcement Condition

Under the ICA, the **Topco Security Enforcement Condition** will be satisfied if in connection with the enforcement of the Topco Security:

- (a) the Class B Instructing Group provides the Issuer Security Trustee with a tax opinion (“**Tax Opinion**”) from any reputable internationally recognised law or accounting firm or any other reputable internationally recognised independent expert which is engaged in providing tax opinions, that confirms that there would be no actual or contingent tax liability in the Obligor Group as a result of the enforcement of the Topco Security (the “**Tax Liability**”) in an amount more than £10 million, or
- (b) if the actual or contingent Tax Liability is anticipated to be more than £10 million, the Issuer Security Trustee is provided:
 - (i) with funds (whether from any prospective purchaser of any of the assets that are subject to the Topco Security, any of the Class B Noteholders or any other person) in an amount equal to the excess over £10 million in respect of such Tax Liability; or
 - (ii) with such other collateral or support arrangement to mitigate such actual and/or contingent tax liability which is satisfactory to the Issuer Security Trustee (acting reasonably) in respect of the excess over £10 million.

32.5 Enforcement Action — Topco Security

Subject to paragraph 32.3 (Instructions to enforce) at any time during any Topco Security Enforcement Period:

- (a) the Borrower Security Trustee may:
 - (i) appoint (or refraining from appointing) or remove any Receiver pursuant to and as more particularly set out in the Topco Security Documents;
 - (ii) consult with any Receiver in relation to any dealing with assets over which such Receiver is appointed and/or, if necessary, the release of such asset from the Topco Security;
- (b) the Topco Security Trustee and any Receiver may take any Enforcement Action in respect of the Topco Security in accordance with the terms and conditions of, and the trusts, rights, powers, duties, authorities and discretions vested in the Borrower Security Trustee and any Receiver under the ICA and the other Topco Security Documents, including, without limitation:
 - (i) exercising any of the rights, powers, duties, authorities and discretions vested in the Borrower Security Trustee and a Receiver under the Topco Security Documents;
 - (ii) enforcing and/or liquidating all or any part of the Topco Security (at the times, in the manner and on the terms it thinks fit) and/or taking possession of and holding or disposing of all or any part of the Topco Secured Property and/or exercise all rights, actions and privileges granted by applicable law to a secured creditor in relation to the Topco Secured Property);
 - (iii) disposing of any Topco Secured Property and taking any other in accordance with paragraph 33 (Authorisation to Release and Transfer Following Distress Event) including, the acceptance of any consideration received for any such disposal in a form other than cash; and

- (iv) exercising all or any of the powers, authorities and discretions conferred by Cayman Islands law (as varied or extended by any Topco Security Document) on mortgagees and by the ICA and any other Topco Security Document on any Receiver or otherwise conferred by law on mortgagees or Receivers;
- (c) the Borrower Security Trustee may refrain from taking any Enforcement Action in respect of any Topco Security unless instructed otherwise by the Class B Instructing Group;
- (d) if the Topco Security has become enforceable, the Class B Instructing Group may give or refrain from giving instructions to the Borrower Security Trustee to enforce or refrain from enforcing the Topco Security as they see fit;
- (e) the Borrower Security Trustee is entitled to rely on and comply with instructions given to it by the Class B Instructing Group;
- (f) in taking any Enforcement Action in respect of the Topco Security, the Borrower Security Trustee will enforce the Topco Security in such manner (including, without limitation, the selection of any Receiver over any Topco Obligor to be appointed by the Borrower Security Trustee) as the Class B Instructing Group will instruct; and
- (g) the Borrower Security Trustee, may, subject to any contrary instruction from the relevant Instructing Group, cease any Enforcement Action at any time.

32.6 Waiver of rights — Topco Security

To the extent permitted under applicable law and subject to the paragraph 32.8 (Topco enforcement proceeds — prepayment of the Class B IBLA and Class B Notes), each of the Topco Secured Creditors and the Topco Obligors waives all rights it may otherwise have to require that the Topco Security be enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person, or by virtue of the enforcement of any of the Topco Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Topco Secured Liabilities is so applied.

32.7 Indemnity required — Topco level

The Borrower Security Trustee will not be obliged to take any Enforcement Action in respect of the Topco Security unless and until it has been indemnified and/or secured to its satisfaction against all Liabilities to which it may become liable or which it may incur by taking any Enforcement Action in respect of the Topco Security.

32.8 Topco enforcement proceeds — prepayment of the Class B IBLA and Class B Notes

Any proceeds of the enforcement of the Topco Security will be applied in accordance with paragraph 8.7 (Prepayment of the Class B IBLA — Topco Transaction Documents) and subject to paragraph 9.4 (Prepayment of the Class B IBLA and Class B Notes — Topco Transaction Documents), as applicable.

33. AUTHORISATION TO RELEASE AND TRANSFER FOLLOWING DISTRESS EVENT

33.1 Introduction

The ICA provides the Borrower Security Trustee and the Issuer Security Trustee the right to dispose of any Borrower Secured Property, any Issuer Security Property and any Topco Secured Property, as applicable, including, amongst other things, the right to release any security, guarantees and other liabilities, and the right to transfer certain obligations, in respect of secured property.

33.2 Distressed Disposals

- (a) Unless otherwise stated, in this paragraph 33.2 any reference to any release, disposal or transfer by any Security Trustee of any Transaction Security means the release, disposal or transfer by:
 - (i) the Borrower Security Trustee or any Receiver appointed by it in respect of any Borrower Security;
 - (ii) the Borrower Security Trustee or any Receiver appointed by it in respect of any Topco Security; and

- (iii) the Issuer Security Trustee or any Receiver appointed by it in respect of any Issuer Security, as applicable, and as the context may so require.
- (b) Subject to paragraph 27.2 (Requirement for a Fairness Opinion) in respect of any disposal of any Borrower Secured Property and subject to the satisfaction of the Topco Security Enforcement Condition in respect of any disposal of any Topco Secured Property, if a Distressed Disposal of any asset is being effected, the Issuer Security Trustee and the Borrower Security Trustee are irrevocably and unconditionally authorised:
 - (i) at the cost of the relevant Obligor or the Obligor Group Agent, in respect of the Borrower Security Trustee in relation to any release, disposal or transfer in respect of any Borrower Security;
 - (ii) at the cost of the relevant Topco Obligor or the Obligor Group Agent, in respect of the Borrower Security Trustee in relation to any release, disposal or transfer in respect of any Topco Security; and
 - (iii) at the cost of the Issuer, in respect of the Issuer Security Trustee in relation to any release, disposal or transfer in respect of any Issuer Security,

and without any consent, sanction, authority or further confirmation from any Creditor or any other party to the ICA, in each case below, as applicable and as the context may so require:

- (A) release of Issuer Security/non crystallisation certificates: to release any of the Issuer Security, or any other claim over that asset and execute and deliver or enter into any release of that Issuer Security, or claim and issue any letters of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Issuer Security Trustee, be considered necessary or desirable;
- (B) release of Borrower Security/non crystallisation certificates: to release any of the Borrower Security, or any other claim over that asset and execute and deliver or enter into any release of that Borrower Security, or claim and issue any letters of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Borrower Security Trustee, be considered necessary or desirable;
- (C) release of Topco Security/non crystallisation certificates: to release any of the Topco Security, or any other claim over that asset and execute and deliver or enter into any release of that Topco Security, or claim and issue any letters of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Borrower Security Trustee, be considered necessary or desirable;
- (D) release of liabilities and Security on a share sale (Obligor): if the asset which is disposed of consists of shares in the capital of any Obligor, to release:
 - I. that Obligor, and any Subsidiary of that Obligor from all or any part of:
 - (a) its Borrowing Liabilities;
 - (b) its Guarantee Liabilities; and
 - (c) its Other Liabilities;
 - II. any Borrower Security granted by that Obligor or any Subsidiary of that Obligor over any of its assets; and
 - III. any other claim of:
 - (a) the Issuer;
 - (b) any Intra-Obligor Group Creditor;
 - (c) any another Obligor;
 - (d) any Topco Obligor; and

- (e) any Non-Obligor Group Creditor, over that Obligor's assets or over the assets of any Subsidiary of that Obligor, on behalf of each relevant Creditor or other party to the ICA;
- (E) release of liabilities and Security on a share sale (Topco Obligor): if the asset which is disposed of consists of shares in the capital of any Topco Obligor, to release:
 - I. that Topco Obligor, and any Subsidiary of that Topco Obligor from all or any part of:
 - (a) its Borrowing Liabilities;
 - (b) its Guarantee Liabilities; and
 - (c) its Other Liabilities;
 - II. any Topco Security granted by that Topco Obligor or any Subsidiary of that Topco Obligor over any of its assets;
 - III. any other claim of:
 - (a) the Issuer;
 - (b) any Intra-Topco Obligor Group Creditor;
 - (c) any another Topco Obligor;
 - (d) any Obligor; and
 - (e) any Non-Obligor Group Creditor, over that Topco Obligor's assets or over the assets of any Subsidiary of that Topco Obligor, on behalf of each relevant Creditor or other party to the ICA;
- (F) release of liabilities and Security on a share sale (Holding Company): if the asset which is disposed of consists of shares in the capital of any Holding Company of any Obligor or any Topco Obligor, to release:
 - I. that Holding Company and any Subsidiary of that Holding Company from all or any part of:
 - (a) its Borrowing Liabilities;
 - (b) its Guarantee Liabilities; and
 - (c) its Other Liabilities;
 - II. any Borrower Security granted by any Subsidiary of that Holding Company over any of its assets, as applicable;
 - III. any Topco Security granted by any Subsidiary of that Holding Company over any of its assets, as applicable; and
 - IV. any other claim of:
 - (a) the Issuer;
 - (b) any Intra-Obligor Group Creditor;
 - (c) any another Obligor;
 - (d) any Intra-Topco Obligor Group Creditor;
 - (e) any another Topco Obligor; and

- (f) any Non-Obligor Group Creditor, over the assets of that Holding Company and any Subsidiary of that Holding Company on behalf of each relevant Creditor or other party to the ICA;
- (G) disposal of liabilities on a share sale: if the asset which is disposed of consists of shares in the capital of any Obligor, any Topco Obligor or the Holding Company of any Obligor or any Topco Obligor, and the Borrower Security Trustee (as directed by the relevant Instructing Group) is instructed to dispose of all or any part of:
 - I. the Liabilities;
 - II. the Obligor Liabilities; or
 - III. the Topco Obligor Liabilities,

owed by that Obligor, Topco Obligor or Holding Company or any Subsidiary of that Obligor, Topco Obligor or Holding Company, to execute and deliver or enter into any agreement, document, assignment, transfer, novation, deed, release, notice or instrument to dispose of all or part of those Liabilities, Obligor Liabilities or Topco Obligor Liabilities, on behalf of, in each case, the relevant Creditors, Obligors and Topco Obligors, as applicable and as the context may so require;
- (H) transfer of obligations in respect of liabilities on a share sale: if the asset which is disposed of consists of shares in the capital of any Obligor, any Topco Obligor or the Holding Company of such Obligor or Topco Obligor (the “**Disposed Entity**”) and the Borrower Security Trustee (as directed by the relevant Instructing Group) is instructed to transfer to another Obligor or Topco Obligor (the “**Receiving Entity**”) all or any part of the Disposed Entity’s obligations or any obligations of any Subsidiary of that Disposed Entity in respect of:
 - I. the Intra-Obligor Group Liabilities;
 - II. the Intra-Topco Obligor Group Liabilities;
 - III. the Obligor Liabilities;
 - IV. the Topco Obligor Liabilities; and
 - V. the Non-Obligor Group Liabilities,

(the “**Relevant Liabilities**”) to execute and deliver or enter into any agreement, document, assignment, transfer, novation, deed, release, notice or instrument to:

 - (a) agree to the transfer of all or part of the obligations in respect of each of those Relevant Liabilities on behalf of the relevant Intra-Obligor Group Creditors, Intra-Topco Obligor Group Creditors, Obligors, Topco Obligors, Non-Obligor Group Creditors and to which those obligations are owed and on behalf of the Obligors or Topco Obligors which owe those obligations; and
 - (b) to accept the transfer of all or part of the obligations in respect of each of those Relevant Liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of each of those Relevant Liabilities are to be transferred,

in each case, as applicable and as the context may so require.
- (c) The net proceeds of each Distressed Disposal will be:
 - (i) paid to the Issuer Security Trustee in respect of any disposal of any Issuer Secured Property for application in accordance with the Issuer Post-Acceleration Priority of Payments;

- (ii) paid to the Borrower Security Trustee in respect of any disposal of any Borrower Secured Property for application in accordance with the applicable Borrower Post-Enforcement Priorities of Payments; and
- (iii) paid to the Borrower Security Trustee in respect of any disposal of any Topco Secured Property for application in accordance with paragraph 32.8 (Topco enforcement proceeds — prepayment of the Class B IBLA and Class B Notes).

33.3 Further assurance — release and disposals

The ICA provides that the Issuer, each Creditor and Obligor will:

- (a) do all things that the Issuer Security Trustee or Borrower Security Trustee, as applicable requests in order to give effect to this paragraph 33.3 (which will include, without limitation, the execution of any assignments, transfers, releases or any other agreement, document, deed, notice or instrument that the Issuer Security Trustee or Borrower Security Trustee, as applicable may consider to be necessary to give effect to the releases, disposals or transfers contemplated by this paragraph 33.3); and
- (b) if the Issuer Security Trustee or Borrower Security Trustee, as applicable is not entitled to take any of the actions contemplated by this paragraph 33.3 or if the Issuer Security Trustee or Borrower Security Trustee, as applicable requests that any Creditor or other party to the ICA take any such action, take that action itself in accordance with the instructions of the Issuer Security Trustee or Borrower Security Trustee, as applicable,

provided that:

- (i) the proceeds of those disposals are applied in accordance with applicable Priorities of Payments; and
- (ii) any action taken under or pursuant to this paragraph 33.3 does not infringe any of the other provisions of the ICA.

34. RATING AGENCIES

34.1 Rating Agency Confirmations and Rating Assessments

The ICA provides that notwithstanding that neither Security Trustee nor any other Secured Creditors may have any right of recourse against the Rating Agencies in respect of any Rating Agency Confirmation or any Rating Assessment given by any of them and relied upon by such Security Trustee, each Security Trustee will be entitled, for the purposes of exercising any right, power, trust, authority, duty or discretion under or in relation to the Transaction Documents to which it is a party or over which it has security:

- (a) to have regard to any Rating Agency Confirmation or any Ratings Assessment if the Transaction Documents require, or in any particular circumstance, where such Security Trustee considers, that a Rating Agency Confirmation or a Ratings Assessment is an appropriate test or the only appropriate test to apply in that circumstance, in exercising any such power, trust, authority, duty or discretion or, as the case may be, in giving the relevant consent; and
- (b) to assume, for the purposes of exercising such power, trust, authority, duty or discretion, that such exercise will not be materially prejudicial to the interests of the relevant Secured Creditors if the Rating Agencies have provided a Rating Agency Confirmation or Ratings Assessment, as applicable.

34.2 Sale and Leaseback Transactions

The ICA provides that, if in respect of a disposal of a Propco or a Holiday Park owned by a Propco made pursuant to the terms and conditions of the Class A IBLA, a Ratings Assessment is requested from Fitch, each Security Trustee will be deemed to have acknowledged and agreed that:

- (a) a Ratings Assessment is a point-in-time assessment which does not constitute a credit rating by Fitch; will not be monitored by Fitch and therefore will not be updated to reflect changed circumstances or information that may affect the Ratings Assessment; and does not address other matters falling outside of the Relevant Disposal (as defined in the Class A IBLA) that may be of relevance to the Noteholders;

- (b) neither of the Security Trustees will have any right of recourse to or against Fitch in respect of a Ratings Assessment which is relied upon by either Security Trustee; and
- (c) reliance by the Security Trustees on any Ratings Assessment will not create, impose on or extend to Fitch any actual or contingent liability to any person (including, without limitation, the Security Trustees) or create any legal relations between Fitch and the Security Trustees or any other person whether by way of contract or otherwise.

35. CLASS B CALL OPTION

35.1 General

As set out in the Class A Conditions and the Class B Conditions (as to which, see the section “*Description of the Class A Debt Provisions — Terms and Conditions of the Class A Notes*” and the section “*Description of the Class B Debt Provisions — Terms and Conditions of the Class B Notes*”, respectively), the Class B Noteholders have the benefit of a call option (the “**Class B Call Option**”) in respect of the Class A Notes. The Class A Conditions and the Class B Conditions refer to the terms of the Intercreditor Agreement in respect of the exercise of this option. The circumstances in which the Class B Call Option may be exercised and further terms of the Class B Call Option are set out in the Intercreditor Agreement and are described further in this section.

35.2 Definitions

In this paragraph 35 (Class B Call Option):

“**Class A Loan Expected Maturity Date**” means the date falling three Business Days before the relevant Class A Note Expected Maturity Date (as set out in the relevant Class A Conditions).

“**Class B Call Option Period**” means the period commencing on the date of delivery of a Class B Call Option Notice (as further described in paragraph 35.3(c) (Class B Call Option)) and ending on the date expiring 30 days following such delivery.

“**Class B Call Option Purchase Price**” means an amount equal to the aggregate Principal Amount Outstanding of the Class A Notes together with accrued but unpaid interest.

“**Class B Call Option Trigger Event**” means any of the following events:

- (a) the provision of a Disposal Intention Notice to the Issuer, the Class A Note Trustee, the Class B Note Trustee and the Principal Paying Agent for each class of Notes by the Borrower Security Trustee (or its Representative); and
- (b) at any time, the occurrence of the last to occur Class A Loan Expected Maturity Date with respect to any Class A Notes then outstanding.

“**Relevant Disposal**” means any disposal of any or all of the Holiday Parks (whether by means of a share sale or an asset sale) following enforcement of the Borrower Security, other than a disposal forming part of a sale and lease back transaction.

“**Representative**” means:

- (a) any representative appointed by the Borrower Security Trustee; and/or
- (b) any person acting on the direction of the Borrower Security Trustee, including, in each case, and without limitation, any Receiver appointed by the Borrower Security Trustee.

35.3 Class B Call Option

- (a) Any one or more of the Class B Noteholders will be entitled, pursuant to the Class B Call Option, to purchase all (but not some only) of the Class A Notes within the Class B Call Option Period and that at a price equal to the Class B Call Option Purchase Price, subject to the terms set out below.
- (b) If the Borrower Security Trustee (or its Representative) intends to enter into and/or give its consent to a Relevant Disposal then the Borrower Security Trustee (or its Representative, as the case may be) must promptly provide written notice of such intention to the Issuer, the Class A Note Trustee, the Class B Note Trustee and the Principal Paying Agent for each class of Notes (a “**Disposal Intention Notice**”).

Neither the Borrower Security Trustee nor its Representative (if applicable) is permitted to enter into and/or otherwise give consent to any Relevant Disposal during the period from service of a Disposal Intention Notice to the end of the applicable Class B Call Option Period.

- (c) Within one Business Day of (i) the receipt of a Disposal Intention Notice and/or (ii) the occurrence of a Class B Call Option Trigger Event as set out in paragraph (b) of the definition of that term, above, the Issuer must publish (or cause the Principal Paying Agent in respect of the Class B Notes to publish) a notice (a “**Class B Call Option Notice**”) to the Class B Noteholders in accordance with Condition 17 (Notice to Class B Noteholders) and on a Regulatory Information Service (as defined in the Class A Issuer/Borrower Loan Agreement) (with a copy to the Class A Note Trustee and the Class B Note Trustee) detailing (I) the occurrence of the relevant Class B Call Option Trigger Event, (II) the right of the Class B Noteholders to exercise the Class B Call Option in accordance with the terms of the Class A Conditions, the Class B Conditions and the Intercreditor Agreement and (III) contact information for the Issuer and information as to the procedures for how the Class B Noteholders can, if they wish to exercise the Class B Call Option, do so (including, without limitation, procedures which must be complied with for the valid exercise of such option and appropriate instructions to be given to the Clearing Systems or otherwise as regards settlement).
- (d) Within one Business Day of the end of the Class B Call Option Period, the Issuer will notify (or cause to be notified) the Class A Note Trustee, the Class A Noteholders, the Class B Note Trustee, the Class B Noteholders and each Principal Paying Agent whether or not any Class B Noteholder has exercised its right to purchase the Class B Notes. If any such Class B Noteholder or Class B Noteholders has or have elected to purchase the Class A Notes then such notice must specify (I) the date of settlement (which must be not earlier than five Business Days and not later than 10 Business Days after the notice has been given) and (II) the amount of the Class B Call Option Purchase Price to be paid on the settlement date.
- (e) Where more than one Class B Noteholder notifies the Issuer that it wishes to exercise the Class B Call Option, then each Class B Noteholder will:
 - (i) have the right to buy a proportionate principal amount of Class A Notes relative to the principal amount of Class B Notes held by it when compared to the aggregate principal amount of Class B Notes held by Class B Noteholders providing such notification; and
 - (ii) be obliged to pay the relevant proportion of the Class B Call Option Purchase Price to, or for the account of, the Class A Noteholders.
- (f) Payment must be made to Class A Noteholders in freely transferable funds to their account maintained with the Clearing Systems unless otherwise agreed by the Class A Noteholders. Payment of the purchase price by all relevant Class B Noteholders will be a condition precedent to the obligation of any Class A Noteholders to transfer, or consent to the transfer, of the Class A Notes held by them. For the avoidance of doubt, payment by the Class B Noteholders to the Class A Noteholders will not be made through the Principal Paying Agent.
- (g) The service of a Disposal Intention Notice does not oblige the Borrower Security Trustee or its Representative to enter into and/or otherwise consent to any proposed Relevant Disposal referred to therein and the Borrower Security Trustee will incur no liability by giving or withholding such consent.

36. CP OPCO LIQUIDITY FACILITY COVENANTS

36.1 Introduction

Under the ICA, CP Opco covenants in favour of each LF Finance Party to provide certain information.

36.2 CP Opco information covenants

Under the ICA, CP Opco has undertaken to:

- (a) Financial statements and other information:
 - (i) supply to each LF Finance Party at the same time as the relevant information is provided to the Issuer and the Borrower Security Trustee under the Class A IBLA the financial statements, certificates and other information referred to in clause 17.1 (Annual and semi-annual financial

statements), clause 17.3 (Investor Report) and clause 17.5 (Class A Compliance Certificate) of the Class A IBLA.

References in this paragraph to the Class A IBLA will be to such agreement disregarding any amendment to such agreement after the Second Closing Date (unless the Liquidity Facility Agent acting on the instructions of the LF Instructing Group has consented to such amendments);

(b) Form of financial statements:

- (i) ensure that each set of financial statements supplied under the ICA gives (if audited) a true and fair view of, or (if unaudited) fairly represents, the financial condition (consolidated or otherwise) of the relevant person as at the date to which those financial statements were drawn up;
- (ii) notify each LF Finance Party of any change to the manner in which the financial statements supplied under the ICA are prepared; and
- (iii) supply to any LF Finance Party (if so requested):
 - (A) a full description of any change notified under paragraph (ii) above; and
 - (B) sufficient information to enable the LF Finance Parties to make a proper comparison between the financial position shown by the set of financial statements prepared on the changed basis and the most recent audited consolidated financial statements delivered to the LF Finance Parties under the ICA;

(c) Information — miscellaneous:

- (i) supply to each LF Finance Party details of any litigation, arbitration, administrative proceedings or environmental claims against any member of the Group which are current, threatened or pending and which have or might, if adversely determined, have a Material Adverse Effect;
- (ii) supply to each LF Finance Party all documents despatched by it to its creditors generally or any class of them at the same time as they are despatched;
- (iii) supply to each LF Finance Party copies of any proposed amendments to the Senior Finance Documents;
- (iv) supply to each LF Finance Party promptly, such information as any LF Finance Party may reasonably require about the property, assets, shares or interests charged or secured pursuant to the Borrower Security Documents and the compliance of the Obligors with the terms of any of the Borrower Security Documents;
- (v) supply to each LF Finance Party any documentation or other evidence which is reasonably requested by any LF Finance Party to enable such LF Finance Party to carry out any applicable customer due diligence requirements; and
- (vi) if an LF Event of Default, Class A Loan Event of Default or Class A Loan Potential Event of Default has occurred and is continuing, promptly upon written request provide any information reasonably required by any LF Finance Party regarding the investigation by an LF Finance Party of such LF Event of Default of such event and the financial condition, assets and operations of the Group and/or any member of the Group (including any requested amplification or explanation of any item in the financial statements, budgets or other material provided by any Obligor under the ICA, any changes to the senior management of the Group and an up-to-date copy of its shareholders' register);

(d) Notification of LF Events of Default:

- (i) promptly deliver a written notice to each LF Finance Party forthwith upon becoming aware of any LF Event of Default (and the steps, if any, being taken to remedy it) without waiting for any LF Finance Party to take any further action; and

(e) Accounting reference date:

- (i) not change its accounting reference date except in accordance with the provisions of the Class A IBLA.

37. RECOURSE AND NON PETITION

37.1 Limited Recourse

- (a) Notwithstanding any other provision of the ICA or any other Transaction Document, each party to the ICA agrees and acknowledges with the Issuer and the Issuer Security Trustee that the only assets of the Issuer available to meet their respective claims (whether held for themselves or as trustee) against the Issuer under or in respect of the Transaction Documents will be the assets subject to the Issuer Security. Any claim remaining unsatisfied after the realisation of the Issuer Security and the application of the proceeds thereof in accordance with the applicable Issuer Priorities of Payments will be extinguished and thereafter they will have no further claim against the Issuer.
- (b) The obligations of the Issuer under the ICA are not obligations or responsibilities of, or guaranteed by, any other person or entity.

37.2 Non petition

Each party to the ICA agrees and acknowledges with the Issuer and the Issuer Security Trustee that, except as permitted in under the ICA, it is not entitled to:

- (a) instruct the Issuer Security Trustee to enforce the Issuer Security other than where expressly permitted under the ICA and the relevant Conditions;
- (b) take or join any person in taking steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to it;
- (c) initiate or join any person in initiating any Insolvency Proceedings in relation to the Issuer or the appointment of an Insolvency Official in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer; or
- (d) take any steps or proceedings that would result in any amount held by or on behalf of the Issuer being applied, or any Issuer Secured Liabilities owed to that party being met otherwise than in accordance with the Issuer Priorities of Payments and the provisions relating to the application of funds contained in the ICA.

38. ACTIVITIES OF THE BORROWER SECURITY TRUSTEE AND THE ISSUER SECURITY TRUSTEE

- (a) The ICA confers rights, powers, authorities and discretions to the Issuer Security Trustee and the Borrower Security Trustee and provides for the protection and indemnification of the Borrower Security Trustee and Issuer Security Trustee in certain circumstances by the Obligors and/or the Issuer, as applicable, in relation to the exercise of any of their rights, powers, authorities and discretions in relation to the ICA (including the enforcement of any Borrower Security, Issuer Security and/or Topco Security, as applicable) except in the case of gross negligence, wilful default or fraud.
- (b) The ICA provides for the resignation and removal of the Borrower Security Trustee or the Issuer Security Trustee subject to certain conditions.

39. GOVERNING LAW AND JURISDICTION

39.1 Governing law

The ICA and any non-contractual obligations arising out of or in connection with the ICA are and will be governed by English law.

39.2 Jurisdiction

The ICA provides that the English courts have exclusive jurisdiction to settle and determine any dispute in connection with the ICA and any non-contractual obligations arising out of or in connection with the ICA.

Borrower Security Documents

Borrower Deed of Charge

The obligations of the Obligors (other than CP Woburn Opco) under, among other things, the Issuer/Borrower Loan Agreements are secured in favour of the Borrower Security Trustee pursuant to the Borrower Deed of Charge entered into on the Closing Date as supplemented by the a first supplemental deed of charge (the “**First Supplemental Borrower Deed of Charge**”) entered into on the Second Closing Date) and as further supplemented on the Third Closing Date, and made between the Obligors (other than CP Woburn Opco) and the Borrower Security Trustee.

The obligations of CP Woburn Opco under, among other things, the Issuer/Borrower Loan Agreements are secured in favour of the Borrower Security Trustee pursuant to the Woburn Deed of Charge entered into between CP Woburn Opco and the Borrower Security Trustee on the Second Closing Date. The Woburn Deed of Charge is described in more detail below under “*Woburn Deed of Charge*”.

As described above, such security from each of the Obligors (other than CP Woburn Opco) under the Borrower Deed of Charge include:

- (a) first-ranking mortgages or first fixed charges over the freehold and leasehold interests held by the Obligors in each of the holiday parks owned and operated by the Obligors (each, a “**Property**” and together, the “**Properties**”) (where applicable), (other than the Head Office) including all buildings, erections, fixtures, fittings, (including trade fixtures and fittings) and fixed plant and machinery on that Property owned by each Obligor and the benefit of any covenants for title given or entered into by any predecessor in title of such Obligor in respect of that Property;
- (b) first legal mortgages over the entire issued share capital of any English subsidiary company of any Obligor;
- (c) assignment by way of first fixed security of all rights, title, interest and benefit of each Obligor in the Transaction Documents;
- (d) assignment by way of security and/or charge of all rights, title, interest and benefit in the insurance policies and to all claims payable and amounts paid under those policies;
- (e) a first fixed charge over monies standing to the credit of all bank accounts opened in any Obligor’s name and all rights relating thereto (which may take effect as a floating charge);
- (f) a first fixed charge over all Eligible Investments;
- (g) a first fixed charge over its present and future goodwill;
- (h) a first fixed charge over its present and future uncalled capital;
- (i) fixed charges over the statutory licences, consents and authorisations, present and future, held in connection with the business of each Obligor;
- (j) a first fixed charge over all its rights, title, interest and benefits, present and future, held in ancillary rights in respect of the Properties;
- (k) a first fixed charge over all book debts and other debts (which may take effect as a floating charge);
- (l) a first fixed charge over all its rights, title, interest and benefit, present and future, in and to all of its Intellectual Property Rights;
- (m) a first fixed charge over any beneficial interest, claim or entitlement of it to any assets of any pension fund (excluding any asset required to meet the liabilities to the beneficiaries of such pension fund); and
- (n) first floating charges over all of the other property, undertaking and assets of each Obligor.

The Borrower Security Trustee holds the benefit of the security created in its favour pursuant to the Borrower Deed of Charge on trust for the benefit of the Borrower Secured Creditors and subject to the provisions of the Intercreditor Agreement.

The circumstances which may lead to the security granted under the Borrower Deed of Charge being enforced are set out in the section “*Description of Certain Financing Arrangements — Intercreditor Agreement*” above.

Appointment of an administrative receiver — Obligor level

The Borrower Deed of Charge contains provisions (provided for in the Intercreditor Agreement) that require the Borrower Security Trustee to appoint an administrative receiver to block the appointment of an administrator on the terms and subject to the conditions set out in the Intercreditor Agreement. See paragraph 26.5 “*Appointment of Receiver to block an administrator — Obligor level*” in “*Description of Certain Financing Arrangements — Intercreditor Agreement*”.

The Borrower Security Trustee is not and will not be obliged to appoint an administrative receiver unless it is indemnified and/or secured to its satisfaction. However, the Borrower Deed of Charge provides that, in the event that the Borrower Security Trustee is required to enforce the Borrower Security by appointing an administrative receiver following receipt of actual notice of an application for the appointment of an administrator or actual notice of intention to appoint an administrator, the Borrower Security Trustee has agreed that it is adequately indemnified and secured in respect of such appointment by virtue of its rights against the Obligors under the Borrower Deed of Charge and the security which it has in respect of such rights.

Governing law

The Borrower Deed of Charge and any non-contractual obligations arising out of or in connection with it is governed by English law.

Woburn Deed of Charge

The obligations of CP Woburn Opco under, among other things, the Issuer/Borrower Loan Agreements are secured in favour of the Borrower Security Trustee pursuant to the Woburn Deed of Charge entered into on the Second Closing Date and made between CP Woburn Opco and the Borrower Security Trustee.

As described above, such security from CP Woburn Opco includes:

- (a) first-ranking mortgages or first fixed charges over the freehold and leasehold interests held by CP Woburn Opco in its Properties including all buildings, erections, fixtures, fittings, (including trade fixtures and fittings) and fixed plant and machinery on that Property owned by CP Woburn Opco and the benefit of any covenants for title given or entered into by any predecessor in title of CP Woburn Opco in respect of that Property;
- (b) assignment by way of first fixed security of all rights, title, interest and benefit of CP Woburn Opco in the Transaction Documents;
- (c) assignment by way of security and/or charge of all rights, title, interest and benefit in the insurance policies and to all claims payable and amounts paid under those policies;
- (d) a first fixed charge over monies standing to the credit of all bank accounts opened in CP Woburn Opco’s name and all rights relating thereto (which may take effect as a floating charge);
- (e) a first fixed charge over all Investments;
- (f) a first fixed charge over its present and future goodwill;
- (g) a first fixed charge over its present and future uncalled capital;
- (h) fixed charges over the benefit of any statutory licences, consents and authorisations, present and future, held in connection with the business of CP Woburn Opco;
- (i) a first fixed charge over all book debts and other debts (which may take effect as a floating charge);

- (j) a first fixed charge over all its rights, title, interest and benefit, present and future, in and to all of its Intellectual Property Rights;
- (k) a first fixed charge over any beneficial interest, claim or entitlement of it to any assets of any pension fund (excluding any asset required to meet the liabilities to the beneficiaries of such pension fund); and
- (l) first floating charges over all of the other property, undertaking and assets of CP Woburn Opco.

The Borrower Security Trustee holds the benefit of the security created in its favour pursuant to the Woburn Deed of Charge on trust for the benefit of the Borrower Secured Creditors and subject to the provisions of the Intercreditor Agreement.

The circumstances which may lead to the security granted under the Woburn Deed of Charge being enforced are set out in the section “*Description of Certain Financing Arrangements — Intercreditor Agreement*” above.

Appointment of an administrative receiver — CP Woburn Opco

The Woburn Deed of Charge contains provisions (provided for in the Intercreditor Agreement) that require the Borrower Security Trustee to appoint an administrative receiver to block the appointment of an administrator on the terms and subject to the conditions set out in the Intercreditor Agreement. See paragraph 26.5 (“*Appointment of Receiver to block an administrator — Obligor level*”) in the section “*Description of Certain Financing Arrangements — Intercreditor Agreement*” above.

The Borrower Security Trustee is not and will not be obliged to appoint an administrative receiver unless it is indemnified and/or secured to its satisfaction. However, the Woburn Deed of Charge provides that, in the event that the Borrower Security Trustee is required to enforce the Borrower Security by appointing an administrative receiver following receipt of actual notice of an application for the appointment of an administrator or actual notice of intention to appoint an administrator, the Borrower Security Trustee has agreed that it is adequately indemnified and secured in respect of such appointment by virtue of its rights against CP Woburn Opco under the Woburn Deed of Charge and the security which it has in respect of such rights.

Governing law

The Woburn Deed of Charge and any non-contractual obligations arising out of or in connection with it are governed by English law.

Topco Payment Undertaking

Pursuant to an amended and restated deed of undertaking entered into on the Third Closing Date, Topco has undertaken to pay to the Issuer an amount equal to the aggregate of:

- (a) the then principal balance of the Class B Loans;
- (b) any accrued but unpaid interest outstanding in respect of the Class B Loans;
- (c) any Additional Amounts; and
- (d) all other amounts (including, without limitation, any premium and interest on overdue amounts) outstanding under the Class B IBLA,

(together the “**Class B Payment Amount**”), following the occurrence of a Share Enforcement Event and/or a Class B Loan Event of Default.

Failure by Topco to pay such amount will give the right to the Borrower Security Trustee (on instruction from the Class B Note Trustee or, as the case may be, the Class B Noteholders) to enforce the Topco Share Security granted to the Borrower Security Trustee by Topco over the shares Topco holds in CP Cayman Limited and the share security granted to the Borrower Security Trustee by CP Cayman Limited over the shares it holds in Center Parcs (Holdings 1) Limited. The proceeds from the enforcement of this share pledge must be effected in the most tax efficient manner at the relevant time as a subscription of shares in the Borrowers who then have to use the funds to prepay the Class B Loan. The Class B Payment Amount is also due if there is a

Class B Loan Event of Default. The Borrowers will then apply such amounts in payment and/or prepayment of amounts outstanding on the Class B IBLA.

The Issuer will apply all amounts received by it from the Borrowers or, as the case may be, Topco, in accordance with the terms of the Intercreditor Agreement. Topco will agree not to exercise any right of set-off or counterclaim which it might have against the Issuer.

The Topco Payment Undertaking and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Topco Share Security Agreement

Under a share security agreement (the “**Topco Share Security Agreement**”) entered into on the Third Closing Date between Topco, the Borrower Security Trustee and the Issuer, Topco granted first-ranking security by way of equitable mortgage and first fixed charge over the entire issued share capital of CP Cayman Limited and its other assets, rights, and undertakings as security for the obligations of Topco under the Topco Payment Undertaking (the “**Topco Share Security**”). In addition, Topco granted a first floating charge over all its property, assets and rights, present and future, in favour of the Borrower Security Trustee as continuing security for full punctual payment of the Class B Payment Amount and amounts payable to the Borrower Security Trustee under the Class B Issuer/Borrower Loan Agreement, a Borrower Security Document, the Intercreditor Agreement, the Tax Deed of Covenant, or any other related document designated in writing as such by the Issuer, the Borrower Security Trustee and the Borrowers. The Issuer granted (in the Issuer Deed of Charge) security over its whole right, title, interest and benefit under the Topco Payment Undertaking and the Topco Share Security Agreement to the Issuer Security Trustee for the benefit of the Class B Noteholders.

Pursuant to the terms of the Topco Share Security Agreement, the proceeds of enforcement are to be applied by the Issuer Security Trustee in accordance with the terms of the Intercreditor Agreement and the Issuer Deed of Charge respectively.

The Topco Share Security Agreement is governed by, and construed in accordance with, Cayman Islands law.

CP Cayman Security Agreement

Under the CP Cayman Security Agreement, entered into between CP Cayman Limited, the Borrower Security Trustee and the Issuer on the Third Closing Date, CP Cayman Limited granted a first legal mortgage and first fixed charge over the entire issued share capital of Center Parcs (Holdings 1) Limited and its other assets, rights, and undertakings as security for all obligations and liabilities of Topco under the Topco Payment Undertaking. In addition, CP Cayman Limited granted a first floating charge over all its property, assets and rights, present and future, in favour of the Borrower Security Trustee as continuing security for all obligations and liabilities of Topco under the Topco Payment Undertaking.

The CP Cayman Security Agreement and any non-contractual obligations arising out of or in connection with the CP Cayman Security Agreement is governed by, and construed in accordance with, English law.

Security Interest Agreement

Under a share security interest agreement (the “**Security Interest Agreement**”) entered into between the Borrower Security Trustee and Center Parcs (UK) Group Limited on the Closing Date, Center Parcs (UK) Group Limited granted first ranking security by way of security interest over the entire issued share capital of Center Parcs (Jersey) 1 Limited in favour of the Borrower Security Trustee as security for the Borrower Secured Liabilities.

Governing law

The Security Interest Agreement is governed by, and construed in accordance with, the laws of Jersey.

Issuer Deed of Charge

Security for the Class B2 Notes

The Issuer and the Issuer Security Trustee entered into a deed of charge on the Closing Date (as supplemented by the First Supplemental Issuer Deed of Charge entered into between the Issuer and the Issuer

Security Trustee on the Second Issue Date and the Second Supplemental Issuer Deed of Charge entered into on the Second Closing Date by the Issuer and the Issuer Security Trustee and further supplemented by a third supplemental deed of charge entered into between the Issuer and the Issuer Security Trustee on the Third Closing Date) (as so supplemented, the Issuer Deed of Charge) as security for the obligations of the Issuer to the Issuer Secured Creditors under the Issuer Transaction Documents to which it is a party.

Under or pursuant to the Issuer Deed of Charge, and subject to the Intercreditor Agreement, the Issuer granted, among other things, the following security in favour of the Issuer Security Trustee on trust for the Issuer Secured Creditors (save that the Prefunding Account will be charged in favour of the Issuer Security Trustee and the Original Class B Noteholders only) over all of its property, assets and undertaking:

- (a) first-ranking fixed charge, or, as the case may be, assignment by way of security (including pursuant to the Security Interests (Jersey) Law 1983) over:
 - (i) all of the Issuer's rights, title and interest in certain of its assets and undertaking (including its interest in the Borrower Secured Property);
 - (ii) all of the Issuer's rights in, to, under or in respect of the Issuer Transaction Documents and any other document to which the Issuer is or becomes a party from time to time and its rights in respect of the Issuer Accounts and to all monies standing to the credit of the Issuer Accounts (other than the Prefunding Account) and its Eligible Investments, if any; and
 - (iii) all of its right, title, interest and benefit, present and future, in and to all monies now or at any time hereafter standing to the credit of the Prefunding Account, together with all interest accruing from time to time thereon and the debts represented thereby on trust solely for the benefit of the Issuer Security Trustee and the holders of the Class A3 Notes and the Class A4 Notes; and
- (b) a floating charge over all of its present and future assets and undertaking, not subject to the fixed security validly and effectively created by it and as described in paragraph (a) above (such security together, the "**Issuer Security**").

The sum of £2.00, constituting the issued share capital of the Issuer and received by it in consideration for the allotment and issue of its shares, does not constitute part of the security described above.

Appointment of an administrative receiver

The Issuer Deed of Charge contains provisions (provided for in the Intercreditor Agreement) that require the Issuer Security Trustee to appoint an administrative receiver to block the appointment of an administrator on the terms and subject to the conditions set out in the Intercreditor Agreement.

The Issuer Security Trustee is not be obliged to appoint an administrative receiver unless it is indemnified and/or secured to its satisfaction.

Governing law

The Issuer Deed of Charge and any non-contractual obligations arising out of or in connection with it are governed by English law and, in respect of the assignment of the Issuer's rights pursuant to the Issuer Jersey Corporate Services Agreement, governed by and construed in accordance with Jersey law.

Cash Management Agreement

An amended and restated cash management agreement was entered into on the Third Closing Date by the Issuer, the Cash Manager and the Issuer Security Trustee.

The Cash Manager provides certain cash management services to the Issuer in accordance with the terms and conditions of the Cash Management Agreement.

Under the Cash Management Agreement, the Cash Manager, among other things, (i) performs certain obligations on behalf of the Issuer in accordance with the terms and conditions of the Liquidity Facility Agreement, (ii) operates the bank accounts of the Issuer in accordance with the Cash Management Agreement, the Issuer Account Bank Agreement, the relevant mandates and the Intercreditor Agreement and (iii) agrees that the instructions, mandates and resolutions in relation to those accounts will not be changed without the prior written consent of the Issuer and the Issuer Security Trustee (except in certain permitted circumstances).

Pursuant to the Cash Management Agreement, prior to the service of a Class A Note Acceleration Notice or a Class B Note Acceleration Notice, monies standing to the credit of the Issuer's main account (the "**Issuer Transaction Account**") may not be used for any purpose other than payments made in accordance with the Cash Management Agreement and the Intercreditor Agreement, as applicable.

On or about the 30th day after the Third Closing Date, the amounts on deposit in the Prefunding Account will be used to redeem the Original Class B Notes on such date in accordance with, and in the amount specified in, Condition 5.2(d) of the Class B Conditions.

If by the second Note Interest Payment Date following the Third Closing Date there are monies retained in the Prefunding Account such monies will be transferred by the Cash Manager to the Issuer Transaction Account. Following the withdrawals from the Prefunding Account as described above the Issuer Account Bank will close the Prefunding Account.

Governing law

The Cash Management Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Tax Deed of Covenant

The obligations of the Issuer, the Borrower and the other Obligors under the Transaction Documents are supported by the Tax Deed of Covenant and the First Supplemental Tax Deed of Covenant under which, among other things, each of the Covenantors made representations and gave warranties and covenants in relation to itself and (where applicable) its group for the benefit of the Issuer Security Trustee (as trustee for the Issuer Secured Creditors) and the Borrower Security Trustee (as trustee for the Borrower Secured Creditors).

From the Third Closing Date, the obligations of the Issuer, the Borrower and the other Obligors are further supported by the Second Supplemental Tax Deed of Covenant under which, among other things, each of the Covenantors made further representations and gave further warranties and covenants in relation to itself and (where applicable) its group for the benefit of the Issuer Security Trustee (as trustee for the Issuer Secured Creditors) and the Borrower Security Trustee (as trustee for the Borrower Secured Creditors).

Each of the Tax Deed of Covenant, the First Supplemental Tax Deed of Covenant and the Second Supplemental Tax Deed of Covenant include representations, warranties and covenants as to certain Covenantor's activities, their residence for tax purposes, their historic tax position, the conduct of their tax affairs and their membership of certain groups for tax purposes. The purpose of giving such representations, warranties and covenants is to protect the Obligor Group from various tax-related risks.

On the Second Closing Date, CP Woburn Opco acceded to the Tax Deed of Covenant and to the First Supplemental Tax Deed of Covenant as a Covenantor and on consummation of the Acquisition, pursuant to the Acquisition Agreement, Bidco acceded to the Tax Deed of Covenant as a Covenantor.

The effect of the representations, warranties and covenants given by the Covenantors is that the risk of any member of the Group being subject to an unexpected tax liability which might affect its ability to perform its obligations under any of the Transaction Documents should be minimised.

Governing law

The Tax Deed of Covenant, the First Supplemental Tax Deed of Covenant and the Second Supplemental Tax Deed of Covenant and any non-contractual obligations arising out of or in connection with any of them are governed by English law.

Borrower Account Bank Agreement

Pursuant to the Borrower Account Bank Agreement dated the Closing Date between the Borrowers, the Borrower Security Trustee and the Borrower Account Bank, the Borrower Account Bank maintains the Cash Accumulation Account, the Maintenance Capex Reserve Account, the Investment Capex Reserve Account, the Defeasance Account, the Disposal Proceeds Account and the Tax Reserve Account (together, the "**Borrower Accounts**"), all such accounts are in the name of the CP Opco, but subject to the control of the Borrower Security Trustee.

If the Borrower Account Bank ceases to maintain the Requisite Ratings then the Borrower will be required to arrange for the transfer of such accounts to a bank with the Requisite Ratings on terms acceptable to the Issuer Security Trustee.

Governing law

The Borrower Account Bank Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Issuer Account Bank Agreement

Pursuant to an amended and restated Issuer Account Bank Agreement dated the Third Closing Date between the Issuer, the Issuer Security Trustee and the Issuer Account Bank, the Issuer Account Bank will maintain the Issuer Transaction Account, the Prefunding Account and any Liquidity Standby Account opened with the Issuer Account Bank pursuant to the terms of the Liquidity Facility Agreement (together, the Issuer Accounts), all such accounts will be in the name of the Issuer, but subject to the control of the Issuer Security Trustee once a Note Acceleration Notice has been served.

If the Issuer Account Bank ceases to maintain the Requisite Ratings then the Issuer will be required to arrange for the transfer of such accounts to a bank with the Requisite Ratings on terms acceptable to the Issuer Security Trustee.

Governing law

The Issuer Account Bank Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Note Trust Deed

General

On the Closing Date, the Issuer, the Class A Note Trustee and the Class B Note Trustee entered into the Original Note Trust Deed pursuant to which the Original Class A Notes and the Original Class B Notes were constituted. On the Second Issue Date, the Issuer and the Class A Note Trustee entered into the First Supplemental Note Trust Deed pursuant to which the Second Class A Notes were constituted. On the Third Closing Date, the Issuer and the Class B Note Trustee entered into the Second Supplemental Note Trust Deed pursuant to which the Class B2 Notes are constituted. The Original Note Trust Deed, the First Supplemental Note Trust Deed and the Second Supplemental Note Trust Deed are together referred to herein as the Note Trust Deed. The Second Supplemental Note Trust Deed constitutes the Class B2 Notes and contains a covenant from the Issuer to the Class B Note Trustee to pay all amounts due under the Class B2 Notes. The Class B Note Trustee will hold the benefit of that covenant on trust for itself and the Class B2 Noteholders in accordance with their respective interests.

Enforcement

Only the Class B Note Trustee may enforce the provisions of the Class B2 Notes or the relevant provisions of the Note Trust Deed and, subject to the terms of the Intercreditor Agreement, no Class B2 Noteholder is entitled to, or to request that, the Issuer Security Trustee proceed directly against the Issuer unless the Class B Note Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

Waiver of a Class B Note Event of Default

The Class B Note Trustee may, without the consent or sanction of the Class B2 Noteholders (or any other Class B Noteholders), at any time (but only if in its opinion such waiver will not be materially prejudicial to the interests of the holders of the Class B Notes then outstanding) determine, *inter alia*, that any event which would otherwise constitute a Class B Note Event of Default, a Class B Loan Event of Default or Class B Loan Potential Event of Default shall not be treated as such, provided that the Class B Note Trustee shall not exercise such powers in contravention of any express direction given by a Class B Extraordinary Resolution of the holders of the Class B Notes then outstanding or in contravention of a request in writing made by holders of not less than 30% of the aggregate principal amount of the Class B Notes then outstanding.

Modification

The Class B Note Trustee may, without the consent or sanction of the Class B Noteholders, at any time and from time to time, concur with the Issuer or any other person in making any modification (other than in respect of a Class B Basic Terms Modification) to the Class B Conditions or the Transaction Documents (subject to the terms of the Intercreditor Agreement) provided that the Class B Note Trustee is of the opinion that such modification: (i) will not be materially prejudicial to the interests of the Class B Noteholders then outstanding; (ii) is made to correct a manifest error; or (iii) is of a formal, minor, administrative or technical nature or to comply with mandatory provisions of law. Any such modification shall be binding on the Class B Noteholders and shall be notified as soon as is practicable thereafter by the Issuer to the Class B Noteholders in accordance with the Class B Conditions.

A variation of the Note Trust Deed is valid only if it is in writing, signed by or on behalf of each party thereto and complies with the provisions of the Intercreditor Agreement.

The Note Trust Deed provides that, in connection with the exercise by it of any of its rights, duties, trusts, powers, authorities or discretions under the Class B Conditions (including, without limitation, any modification, waiver, authorisation, determination or substitution) or any other Transaction Document the Class B Note Trustee shall have regard to the general interests of the Class B Noteholders of each class or sub-class as a class or sub-class, without having regard to the effect of such action on individual Class B Noteholders.

Action, proceedings and indemnification

The Class B Note Trustee shall not be bound to take any actions, proceedings, or steps in relation to the Note Trust Deed, the Class B Notes or any other Transaction Document unless directed to do so by the relevant Instructing Group in accordance with the Intercreditor Agreement, and then only if it shall be indemnified and/or secured to its satisfaction against any liabilities relating to such actions.

Only the Class B Note Trustee may enforce the provisions of the Class B2 Notes or the relevant provisions of the Note Trust Deed and, in all cases, subject to the terms of the Intercreditor Agreement.

Voting

The Note Trust Deed contains provisions regulating the way in which voting in respect of matters to be approved by Class B Noteholders is to be conducted, and also contains disenfranchisement provisions which result in the Class B2 Notes for the time being held by the Issuer, Obligors, affiliates thereof or any other person for the benefit of the Issuer or an Obligor not being counted in the quorum for a vote or being able to participate in any such vote.

ICA voting requests

Subject to the provisions of the Intercreditor Agreement, on receipt of a request from the Obligor Group Agent in respect of an ICA Proposal that gives rise to an Entrenched Right in respect of which the Issuer is an Affected Secured Creditor, if the Class B Noteholders are affected by such Entrenched Right, the Class B Note Trustee shall serve notice to pass a resolution to the holders of the Class B Notes then outstanding.

Issuer covenants

The covenants given by the Issuer in the Note Trust Deed (subject to detailed carve-outs, exceptions and qualifications) include the following:

- (a) comply with and perform and observe all provisions of the Note Trust Deed and the Transaction Documents which are expressed to be binding on it;
- (b) give the Class B Note Trustee such information, opinions, certificates and other evidence as is needed to discharge the duties, trusts, powers, authorities and discretions vested in it by or pursuant to the Note Trust Deed, any other Transaction Document or by operation of law;
- (c) send the Class B Note Trustee all information provided to it pursuant to the Issuer/Borrower Loan Agreements;
- (d) cause to be prepared in respect of each of its financial years, its financial statements in such form as will comply in all material respects with the requirements for the time being of the laws of Jersey and the United Kingdom in effect from time to time and in accordance with accounting principles consistently applied;

- (e) provide the Class B Note Trustee, on each Semi-Annual Investor Reporting Date, with a certificate signed by two of its directors stating that no Class B Note Event of Default has occurred (or, if such is not the case, specifying the particulars of any Class B Note Event of Default) and that it has complied with all of its obligations under the Transaction Documents to which it is party (or, if such is not the case, specifying the respect in which it has not complied);
- (f) give notice in writing to the Class B Note Trustee forthwith upon becoming aware of any Class B Note Event of Default;
- (g) deliver certain investor reports and related information (including information supplied to the Issuer by the Obligors under the Issuer/Borrower Loan Agreements) on each Semi-Annual Investor Reporting Date.

Governing law

The Note Trust Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

Agency Agreement

Pursuant to the second amended and restated Agency Agreement entered into on the Third Closing Date between the Issuer, the Issuer Security Trustee, the Principal Paying Agent, the Class B Registrar, the Class B Transfer Agent, the Class A Note Trustee and the Class B Note Trustee, provision has been made for, amongst other things, payment of principal and interest in respect of the Class B Notes of each class (including the Class B2 Notes).

The Issuer may revoke the appointment of the Principal Paying Agent and/or the Class B Registrar and/or the Class B Transfer Agent upon not less than 30 days' prior written notice to the Principal Paying Agent and the Class B Note Trustee. The appointment of any Agent will terminate immediately if the Agent becomes incapable of performing its obligations or upon the occurrence of certain insolvency-related events. In addition, the Principal Paying Agent and/or the Class B Registrar and/or the Class B Transfer Agent may resign from its role under the Agency Agreement upon not less than 30 days' prior written notice to the Issuer and the Class B Note Trustee. The termination of the appointment of an Agent (whether by the Issuer or by resignation) shall not be effective unless upon the expiry of the relevant notice there is a successor in place.

Governing law

The second amended and restated Agency Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Issuer Corporate Services Agreement

Structured Finance Management Limited, which was appointed on the Closing Date as the Issuer Corporate Services Provider pursuant to the Issuer Corporate Services Agreement, is a limited liability company incorporated in England and Wales (acting through its office at 35 Great St Helen's, London EC3A 6AP) and provides directors to the Issuer and certain administration services to the Issuer subject to and in accordance with the Issuer Corporate Services Agreement.

Governing law

The Issuer Corporate Services Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Issuer Jersey Corporate Services Agreement

Structured Finance Management Offshore Limited, which was appointed on the Closing Date as corporate service provider to the Issuer (in such capacity, the Issuer Jersey Corporate Services Provider) in Jersey pursuant to a corporate services agreement (the "**Issuer Jersey Corporate Services Agreement**"), is a limited liability company incorporated in Jersey (acting through its office at 47 Esplanade, St Helier, Jersey JE1 0BD) and provides company administration services to the Issuer subject to and in accordance with the Issuer Jersey Corporate Services Agreement.

TERMS AND CONDITIONS OF THE CLASS B2 NOTES

The £560 million 7.000%/5.000% Class B2 Fixed Rate Secured Notes due 2042 (the “**Class B2 Notes**”) of CPUK Finance Limited (the “**Issuer**”) are constituted by a second supplemental note trust deed dated the Third Closing Date (the “**Second Supplemental Note Trust Deed**”) made between the Issuer and HSBC Corporate Trustee Company (UK) Limited (in such capacity, the “**Class B Note Trustee**”, which expression includes its successors or any other trustee appointed pursuant to the Note Trust Deed) as trustee for the holders of the Class B Notes (the “**Class B Noteholders**”), including the holders of the Class B2 Notes (the “**Class B2 Noteholders**”). The Second Supplemental Note Trust Deed is supplemental to a note trust deed dated 28 February 2012 (the “**Closing Date**”) (the “**Original Note Trust Deed**”), which is supplemented by a first supplemental note trust deed dated 1 June 2015 (the “**Second Issue Date**”) (the “**First Supplemental Note Trust Deed**”). The Original Note Trust Deed as supplemented by the First Supplemental Note Trust Deed and the Second Supplemental Note Trust Deed is referred to herein as the “**Note Trust Deed**”, which expression includes such note trust deed as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so modified.

Certain Defined Terms

“**Business Day**” means, in relation to any place, a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Jersey and Dublin.

“**Class B Call Option Trigger Event**” means either of the following events:

- (a) the provision of a Disposal Intention Notice to the Issuer, the Class A Note Trustee, the Class B Note Trustee and the Principal Paying Agent for each class of Notes by the Borrower Security Trustee (or its Representative) of its intention to enter into a Relevant Disposal; or
- (b) the occurrence of the last occurring Class A Note Expected Maturity Date with respect to the Class A Notes outstanding at any time.

“**Class B Extraordinary Resolution**” means, in respect of a Class B Voting Matter, (a) a resolution approved by the holders of not less than 90% of the aggregate Principal Amount Outstanding of the Class B Notes or (b) a resolution in writing signed by or on behalf of the holders of not less than 90% of the aggregate Principal Amount Outstanding of the Class B Notes, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Class B Noteholders.

“**Class B Paying Agent**” means each institution (including the Principal Paying Agent) at its Specified Office appointed as a paying agent in relation to any Class B Notes by the Issuer pursuant to the Agency Agreement and/or, if applicable, any successor paying agents at their respective specified offices in relation to such Class B Notes.

“**Class B Voting Matter**” means any matter which is required to be approved by the Class B Noteholders including, without limitation:

- (a) any matter which in accordance with the Intercreditor Agreement requires the approval of the Class B Noteholders; and
- (b) any directions required or entitled to be given by Class B Noteholders pursuant to the Transaction Documents.

“**Class B2 Note Expected Maturity Date**” means the Note Interest Payment Date falling in August 2020.

“**Class B2 Note Final Maturity Date**” means the Note Interest Payment Date falling in February 2042.

“**Class B2 Note Step-Down Date**” means the Note Interest Payment Date falling in August 2020.

the “**Code**” means the U.S. Internal Revenue Code of 1986.

“**Eligible Investments**” means short term investments rated A-1/F1 by S&P and Fitch respectively.

“**FATCA**” means (a) sections 1471 through 1474 of the Code as of the date of these Listing Particulars and any current or future regulations promulgated thereunder or official interpretations thereof; (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any

other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in (a); or (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

“FFI” means a “foreign financial institution” as such term is defined pursuant to Section 1471(d) of the Code and any regulations or other official guidance issued thereunder.

“Insolvency Official” means, in respect of any company, a liquidator (except in the case of the Issuer, a liquidator appointed for the purpose of a merger, reorganisation or amalgamation; the terms of which have previously been approved either in writing by the Class B Note Trustee or by a Class B Extraordinary Resolution of the holders of any of the Class B Notes then outstanding, as the case may be), provisional liquidator, administrator (whether appointed by the court or otherwise), administrative receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, trustee, conservator, guardian or other similar officer in respect of such company or in respect of all (or substantially all) of the company’s assets or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction.

“Insolvency Proceedings” means the winding-up, dissolution, company voluntary arrangement or administration of a company or corporation and shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or of any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief from creditors or the appointment of an Insolvency Official.

“Issuer Insolvency Event” means:

- (a) the Issuer is unable or admits inability to pay its debts as they fall due, or suspends making payments on any of its debts after taking into account amounts available to it under the Liquidity Facility Agreement at the relevant time;
- (b) the value of the assets of the Issuer is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;
- (c) a moratorium is declared in respect of any indebtedness of the Issuer;
- (d) the commencement of negotiations by the Issuer with one or more creditors of the Issuer with a view to rescheduling any indebtedness of the Issuer;
- (e) any corporate action, legal proceedings or other procedure or step is taken (whether out of court or otherwise) in relation to:
 - (i) the appointment of an Insolvency Official (excluding the Issuer Security Trustee or a Receiver appointed by the Issuer Security Trustee pursuant to the Issuer Deed of Charge) in relation to the Issuer or in relation to the whole or any part of the undertaking of the Issuer;
 - (ii) an encumbrancer (excluding the Issuer Security Trustee or any Receiver appointed by the Issuer Security Trustee pursuant to the Issuer Deed of Charge) taking possession of the whole or any part of the undertaking or assets of the Issuer;
 - (iii) the making of an arrangement, composition or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditors (or any class of creditors) of the Issuer, a reorganisation of the Issuer, a conveyance to or assignment for the benefit of creditors of the Issuer (or any class of creditors) or the making of an application to a court of competent jurisdiction for protection from the creditors of the Issuer (or any class of creditors); or
 - (iv) any analogous procedure or step is taken in any jurisdiction;
- (f) any distress, execution, diligence, attachment or other process being levied or enforced or imposed upon or against the whole or any part of the undertaking or assets of the Issuer (excluding by the Issuer Security Trustee or any Receiver appointed by the Issuer Security Trustee pursuant to the Issuer Deed

of Charge) and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days.

“Participating FFI” means an FFI that, as from the effective date of any rules requiring withholding on “passthru payments” (as such term is defined pursuant to FATCA), meets the requirements of Sections 1471(b) of the Code and any regulations or other official guidance issued thereunder and that has not elected withholding pursuant to Section 1471(b)(3) of the Code.

“Relevant Disposal” means any disposal of any or all of the Holiday Parks (whether by means of a share sale or an asset sale) following enforcement of the Borrower Security, other than a disposal forming part of a sale and lease back transaction.

The expression Class B2 Notes shall in these Conditions (the **“Class B2 Conditions”**), unless the context otherwise requires, include any Class B2 Further Notes or Class B New Notes (as defined below) issued pursuant to Condition 19.1 (Class B2 Further Notes and Class B New Notes) and forming a single class with the Class B2 Notes.

The expression Class B Notes shall in these Class B2 Conditions, unless the context otherwise requires, include the £280,000,000 11.25%/6.25% Class B Fixed Rate Secured Notes due 2042 issued by the Issuer on the Closing Date (the **“Original Class B Notes”**), the Class B2 Notes, any Class B2 Further Notes and any Class B New Notes (as defined below) issued under Class B2 Condition 19 (Class B2 Further Notes and Class B New Notes).

The security for the Class B Notes and other Issuer Secured Creditors is created pursuant to, and on the terms set out in, a deed of charge (the **“Issuer Deed of Charge”**, which expression includes such deed of charge as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so modified) dated the Closing Date and made between the Issuer and HSBC Corporate Trustee Company (UK) Limited (in this capacity the **“Issuer Security Trustee”**, which expression includes its successors or any other security trustee under the Issuer Deed of Charge). In addition, the obligations of the Issuer under the Class B2 Notes, including the amounts owing to the Class B Note Trustee under the Note Trust Deed, will also be secured (indirectly) by security created by the Topco Security Documents in favour of the Borrower Security Trustee.

Pursuant to an agency agreement dated the Closing Date as amended and restated on the Second Issue Date and on the Third Closing Date (the **“Agency Agreement”**, which expression includes such agency agreement as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so modified) and made between the Issuer, the Class B Note Trustee, HSBC Bank Plc as registrar (in this capacity, the **“Class B Registrar”**), as transfer agent (in this capacity, the **“Class B Transfer Agent”**) and as principal paying agent (in this capacity, the **“Principal Paying Agent”**, which expression includes its successors and, together with such additional or other paying agents, if any, appointed from time to time in respect of the Class B2 Notes pursuant to the Agency Agreement, the **“Paying Agents”**), provision is made for, among other things, the payment of principal, premium (if any) and interest in respect of the Class B Notes. The statements in these Class B2 Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge, the Intercreditor Agreement, the Agency Agreement and the master definitions schedule signed by, amongst others, the Class B Note Trustee and the Issuer on the Closing Date and as amended and restated on the Second Issue Date, the Second Closing Date and the Third Closing Date (the **“Master Definitions Schedule”**).

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Agency Agreement, the Liquidity Facility Agreement, the Issuer/Borrower Loan Agreements, the Borrower Security Documents, the Borrower Account Bank Agreement, the Cash Management Agreement, the Issuer Account Bank Agreement, the Tax Deed of Covenant, the First Supplemental Tax Deed of Covenant, the Second Supplemental Tax Deed of Covenant, the Intercreditor Agreement, the Issuer Jersey Corporate Services Agreement, the Issuer Corporate Services Agreement, the Topco Transaction Documents (all as defined in the Master Definitions Schedule) and the Master Definitions Schedule (collectively, the **“Transaction Documents”**), are obtainable during normal business hours at the specified office of the Principal Paying Agent, being at the date hereof at 8 Canada Square, London E14 5HQ. The Class B2 Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Note Trust Deed, the Issuer Deed of Charge, the Topco Security Documents, the Intercreditor Agreement, the Agency Agreement and the other Transaction Documents.

In these Class B2 Conditions, each reference to (a) **“Class B2 Notes”** shall include the Class B2 Global Notes and the Class B2 Definitive Notes and (b) the **“Holder”** of a Class B2 Note means the person in whose name

such Class B2 Note is for the time being registered in the Class B Register (or, in the case of a joint holding, the first named thereof) and “**Class B2 Noteholder**” shall be construed accordingly.

Certain statements in these Class B2 Conditions are summaries of the detailed provisions appearing on the face of the Class B2 Notes (which expression shall include the body thereof), the Note Trust Deed, the Issuer Deed of Charge and the other Transaction Documents to which the Class B Note Trustee is a party for the benefit of the Class B Noteholders.

Capitalised terms not otherwise defined in these Class B2 Conditions shall bear the meaning given to them in the Master Definitions Schedule obtainable as described above. These Class B2 Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions Schedule. In these Class B2 Conditions, words denoting the singular number only shall include the plural number also and vice versa.

1. FORM, DENOMINATION AND TITLE

1.1 Class B2 Notes sold within the United States to qualified institutional buyers (within the meaning of Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act will initially be represented by one or more global notes in fully registered form without interest coupons attached (the “**Class B2 Rule 144A Global Notes**”). Class B2 Notes sold to non-U.S. persons outside the United States in reliance on Regulation S will be represented by a global note in fully registered form without interest coupons attached (the “**Class B2 Regulation S Global Note**” and, together with the Class B2 Rule 144A Global Notes, the “**Class B2 Global Notes**”). The Class B2 Global Notes have been deposited on behalf of the subscribers of the relevant Class B2 Notes with, and registered in the name of a nominee for, a common depositary (the “**Common Depositary**”) for Clearstream Banking, société anonyme (“**Clearstream**”) and Euroclear Bank S.A./N.V., (“**Euroclear**” and, together with Clearstream, the “**Clearing Systems**”) on the Third Closing Date. Upon deposit of the Class B2 Global Notes, the Clearing Systems credited each subscriber of Class B2 Notes with the principal amount of Notes of the relevant class equal to the aggregate principal amount thereof for which it had subscribed and paid.

1.2 For so long as the Class B2 Notes are represented by a Class B2 Global Note and the Clearing Systems so permit, the Class B2 Notes will be tradeable only in the minimum authorised denomination of £100,000 and higher integral multiples of £1,000.

1.3 The Class B Registrar shall maintain a register in respect of the Class B2 Notes (the “**Class B Register**”) outside the United Kingdom which shall be the sole register in respect of the Class B2 Notes in accordance with the provisions of the Agency Agreement and shall record in the Class B Register the names and addresses of the Holders of the Class B2 Notes, particulars of the Class B2 Notes and all transfers and redemptions thereof.

1.4 Title to the Class B2 Notes will pass by and upon registration in the Class B Register. The Holder of each Class B2 Note shall (except as otherwise required by a court of competent jurisdiction or applicable law) be treated as the absolute owner of such Class B2 Note for all purposes.

1.5 Interests in a Class B2 Global Note will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing Systems and the regulations concerning the transfer of Class B2 Notes set out in the Agency Agreement.

1.6 If, while any of the Class B2 Notes are represented by a Class B2 Global Note (a) the Issuer has been notified that Euroclear and/or Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Class B Note Trustee is available or (b) by reason of a change in Tax law (or the application or official interpretation thereof), which change becomes effective on or after the Third Closing Date, the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Class B2 Notes in definitive form and a certificate to such effect signed by two directors of the Issuer has been given to the Class B Note Trustee, then the Issuer will issue Class B2 Notes of the relevant class in definitive form (“**Class B2 Definitive Notes**”) in exchange for such Class B2 Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. These Class B2 Conditions and the Transaction Documents will be amended in such manner as the Class B Note Trustee and the Issuer Security Trustee may require to take account of the issue of Class B2 Definitive Notes.

1.7 Class B2 Definitive Notes, if issued, will only be printed and issued in denominations of £100,000 and integral multiples of £1,000 in excess thereof. Such Class B2 Notes will be serially numbered and will be issued in registered form.

1.8 The Issuer may, from time to time, create and issue Class B2 Further Notes (in accordance with Condition 19.1 (Class B2 Further Notes and Class B New Notes)) having the same terms and conditions as the Class B2 Notes in all respects (or in all respects except for the first payment of interest). Such Class B2 Further Notes shall be consolidated with the Class B2 Notes and form one series with all prior issues of the Class B2 Notes. In addition, the Issuer may, from time to time, create and issue Class B New Notes (in accordance with Condition 19.1 (Class B2 Further Notes and Class B New Notes)) having terms that differ from any Class B2 Notes and do not form a single series with any of them.

1.9 Accordingly the Class B2 Notes may comprise a number of issues in addition to the initial issue of such Class B2 Notes and the Class B Notes may comprise one or more issues of Class B Notes in addition to the initial issue of Original Class B Notes on the Closing Date and the Class B2 Notes on the Third Closing Date.

2. STATUS, PRIORITY AND SECURITY

Status and relationship between the Class B2 Notes

- 2.1(a) The Class B2 Notes constitute direct, secured, limited recourse and unconditional obligations of the Issuer and are secured by the same security over the assets of the Issuer. The Class B2 Notes rank *pari passu* without preference or priority amongst themselves but are subordinated to the Class A Notes only as to payment provisions and as to the ranking of their interest in the security provided of, and pursuant to, the Issuer Deed of Charge, the Intercreditor Agreement and the Note Trust Deed.
- (b) The Note Trust Deed contains provisions requiring the Class B Note Trustee to have regard to the Class B2 Noteholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Class B Note Trustee (except where expressly provided otherwise). If there is more than one sub-class of Class B Notes outstanding, the Class B Note Trustee shall have regard to the interests of the Class B Noteholders as a class, subject to Class B2 Condition 14 (Amendment, Supplement and Waiver).
- (c) In the event of an issue of Class B2 Further Notes or Class B New Notes, the provisions of the Note Trust Deed, these Class B2 Conditions, the Issuer Deed of Charge and the other Transaction Documents, including (in the case of Class B New Notes) those concerning:
- (i) the basis on which the Class B Note Trustee and/or the Issuer Security Trustee (as applicable) will be required to exercise or perform their respective rights, powers, trusts, authorities, duties and discretions (including in circumstances where, in the opinion of the Class B Note Trustee, there is a conflict between the interests of any of the Issuer Secured Creditors);
 - (ii) the circumstances in which the Class B Note Trustee and/or the Issuer Security Trustee (as applicable) will become bound to take action, as referred to in Condition 9 (Class B Note Events of Default) and Condition 11 (Enforcement);
 - (iii) the passing of effective Class B Extraordinary Resolutions; and
 - (iv) the order of the Issuer Pre-Acceleration Priority of Payments or of the Issuer Post-Acceleration Priorities of Payment,
- will be modified in such manner as the Class B Note Trustee considers necessary to reflect the issue of such Class B2 Further Notes or, as the case may be, Class B New Notes and any new Transaction Documents entered into in connection with such Class B2 Further Notes or, as the case may be, Class B New Notes and the ranking thereof and of the claims of any party to any of such new Transaction Documents in relation to the Class B2 Notes.
- (d) If any Class B2 Further Notes or Class B New Notes are issued, the Issuer will immediately advise the Central Bank and the Irish Stock Exchange accordingly and procure the publication of a notice of the issue in accordance with Condition 17 (Notice to Class B2 Noteholders).
- (e) The Class B Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Class B2 Conditions or any of the Transaction Documents, that such exercise will not be materially prejudicial to

the interests of the Class B2 Noteholders (or any class thereof) if the Rating Agencies have provided a Rating Agency Confirmation with respect thereto.

- (f) The Class B2 Notes are solely the obligation of the Issuer and are not the obligation of, nor guaranteed by, any of the Class B Note Trustee, the Issuer Security Trustee, the Issuer Account Bank, the Cash Manager or the Principal Paying Agent.
- (g) Prior to the delivery of a Class B Note Acceleration Notice pursuant to Condition 9 (Class B Note Events of Default), the Issuer shall be required to apply all amounts standing to the credit of the Issuer Transaction Account in accordance with the Issuer Pre-Acceleration Priority of Payments, and following delivery of a Class B Note Acceleration Notice, the Issuer Post-Acceleration Priorities of Payments.

Security

- 2.2(a) As continuing security for the payment or discharge of the Issuer Secured Liabilities (including, without limitation, all monies payable in respect of the Class B2 Notes and otherwise under the Note Trust Deed and the Issuer Deed of Charge (including, without limitation, any remuneration, expenses and other claims of the Class B Note Trustee, the Issuer Security Trustee and any Receiver appointed thereunder)), the Issuer has entered into the Issuer Deed of Charge to create as far as permitted by, and subject to compliance with, any applicable law, and has granted to the Issuer Security Trustee, first-ranking fixed and floating charges over all the assets and undertaking of the Issuer in favour of the Issuer Security Trustee, including:
 - (i) an assignment by way of first fixed security of all the rights, title, interest and benefit, present and future, of the Issuer in, to and under each of the Transaction Documents to which it is a party, including the security trusts created under the Borrower Deed of Charge, and each other Transaction Document to which it is a party;
 - (ii) a first fixed charge over all of the rights in the amount from time to time standing to the credit of the Issuer Accounts (other than the Prefunding Account);
 - (iii) a first fixed charge over all the rights of the Issuer in respect of all investments in Eligible Investments of the Issuer; and
 - (iv) a first floating charge over all the Issuer's assets, property, undertaking and rights whatsoever and wheresoever situated or present and future including, without limitation, the Issuer's uncalled capital other than any assets at the time otherwise effectively charged or assigned by way of the first-ranking security referred to in this Conditions 2.2(a)(i), (ii) and (iii) above.
- (b) All Class B2 Notes issued by the Issuer will share in the Issuer Security constituted by the Issuer Deed of Charge, upon and subject to the terms thereof and of the Intercreditor Agreement.
- (c) The Issuer Security Trustee will hold the benefit of the Issuer Security on trust for itself and the Issuer Secured Creditors.
- (d) The Note Trust Deed contains provisions detailing the Class B Note Trustee's obligations to consider the interests of the Class B2 Noteholders as regards all discretions of the Class B Note Trustee (except where expressly provided otherwise or as referred to in Condition 15 (Indemnification and Exoneration of the Class B Note Trustee and the Issuer Security Trustee)).
- (e) In addition:
 - (i) Topco has entered into the Topco Security Documents to create, as far as permitted by and subject to compliance with any applicable law, in favour of the Borrower Security Trustee for itself and the Issuer, a first fixed charge over all shares held by Topco in CP Cayman Limited ("**Holdco**"); and
 - (ii) Holdco has entered into the Topco Security Documents to create, as far as permitted by and subject to compliance with any applicable law, in favour of the Borrower Security Trustee for itself and the Issuer, a first fixed charge over all shares held by Holdco in Center Parcs (Holdings 1) Limited.

- (f) The Class B2 Noteholders will share the benefit of the Topco Security constituted by the Topco Security Documents, upon and subject to the terms thereof.

Enforceable Security

- 2.3(a) The Class B Note Trustee shall, in the event of the Issuer Security becoming enforceable as provided in and subject to the Issuer Deed of Charge and the Intercreditor Agreement (if directed by the Class B Noteholders), direct the Issuer Security Trustee to enforce its rights with respect to the Issuer Security (subject in all cases to the Class A Notes having been discharged in full) but without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, any particular Class B Noteholder; provided that neither the Class B Note Trustee nor the Issuer Security Trustee shall be obliged to take any action unless they are indemnified and/or secured to their satisfaction.
- (b) After enforcement of the Issuer Security, the Issuer Security Trustee shall (to the extent that such funds are available) use funds standing to the credit of the Issuer Transaction Accounts and any other proceeds of such enforcement of the Issuer Security to make payments in accordance with the Issuer Post-Acceleration Priorities of Payments (as set out in the Intercreditor Agreement).
- (c) Subject to the terms of the Intercreditor Agreement, the Class B Note Trustee or the Issuer Security Trustee (as the case may be) may upon the occurrence of a Class B Trigger Event, for and on behalf of the Class B Noteholders, be entitled to direct the Borrower Security Trustee to (i) make a demand on the Topco Payment Undertaking, and (ii) if such demand is not met in full, to enforce the Topco Security (including, but not limited to, the enforcement of the security granted under the Topco Security Documents).
- (d) The rights of the Class B Note Trustee or the Issuer Security Trustee (as the case may be) to enforce the Topco Security pursuant to Condition 11.1 (Service of notice) below will in all cases be subject to there being no actual or contingent tax liability in the Group as certified by a reputable, internationally recognised firm in accordance with the terms of the Intercreditor Agreement.

3. COVENANTS

3.1 Save with the prior written consent of the Issuer Security Trustee or as provided in or as envisaged by any of the Transaction Documents or the Class B2 Conditions, the Issuer shall not, so long as any Class B2 Note remains outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertaking, present or future other than (i) as permitted by the Transaction Documents (ii) any encumbrance of security interest created in connection with a prefunding of a redemption of any Class A Notes or Class B Notes or (iii) any encumbrance or security interest created in connection with any escrow arrangements implemented in connection with the issuance of any Additional Notes;
- (b) **Restrictions on activities:**
- (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which these Class B Conditions or the Transaction Documents provide or envisage that the Issuer will engage;
 - (ii) have any subsidiaries (as defined in the Companies Act 2006 or the Companies (Jersey) Law 1991), any subsidiary undertakings (as defined in the Companies Act 2006) or any employees or premises;
 - (iii) amend its constitutional documents;
 - (iv) acquire any leasehold, freehold or heritable property; or
 - (v) pay or deposit any monies in consideration for the allotment and issue of its shares other than the sum of £10,000 constituting its share capital;
- (c) **Property:** acquire or purchase any leasehold, freehold or heritable property;

- (d) **Disposal of assets:** transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (e) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders or issue any further shares;
- (f) **Indebtedness:** incur any financial indebtedness or give any guarantee in respect of any financial indebtedness or of any other obligation of any person unless permitted pursuant to Clause 2.12 (Further Notes) and/or Clause 2.13 (New Notes) of the Note Trust Deed;
- (g) **Merger:** consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (h) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto, to be varied or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of these Class B2 Conditions or the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents or Issuer Security to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents or Issuer Security to which it is a party;
- (i) **Bank accounts:** have an interest in any bank account other than the Issuer Accounts, unless (i) such account or interest therein is charged to the Issuer Security Trustee on terms acceptable to it, (ii) such account is opened in connection with the prefunding of any redemption of any Class A Notes or Class B Notes or (iii) such account is opened in connection any escrow arrangements implemented with the issuance of any Additional Notes;
- (j) **Corporation tax:** prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the Taxation of Securitisation Companies Regulations 2006;
- (k) **VAT:** apply to become part of any group for the purposes of section 43 of the Value Added Tax Act 1994 with any other company or group of companies, or such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal the Value Added Tax Act 1994; or
- (l) **Surrender of group relief:** offer or consent to surrender to any company any amounts which are available for surrender by way of group relief within Part 5 of the Corporation Tax Act 2010.

3.2 Save with the prior written consent of the Issuer Security Trustee or unless otherwise permitted under any of the Transaction Documents, the Issuer shall, so long as any Class B2 Note remains outstanding:

- (a) maintain its books and records, accounts and financial statements separate from and not commingled with any other person or entity and use separate stationery, invoices and cheques;
- (b) hold itself out as a separate entity, conduct its business in its own name and maintain an arm's length relationship with its affiliates (if any);
- (c) pay its own liabilities out of its own funds;
- (d) not commingle its assets with those of any other entity;
- (e) observe all formalities required by its memorandum and articles of association (including maintaining adequate capital for its operations) and any other corporate formalities; and
- (f) correct, as soon as possible, any known misunderstandings regarding its separate identity.

3.3 In the event that any Obligor accedes to the Class B Issuer/Borrower Loan Agreement, the Issuer will notify the Class B Note Trustee and the Class B2 Noteholders in accordance with the provisions of Condition 17 (Notice to Class B2 Noteholders) of such accession.

4. CLASS B2 INTEREST

Period of accrual

4.1 Each Class B2 Note (or, in the case of the redemption of only part of a Class B2 Note, that part only of such Class B2 Note) will cease to bear interest from (and including) the due date for redemption unless, upon due presentation in accordance with Condition 6 (Payments), payment of the principal in respect of the Class B2 Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest shall continue to accrue as provided in the Note Trust Deed.

Class B2 Interest Rate and Note Interest Payment Dates

- 4.2(a) The Class B2 Notes bear interest on their respective Principal Amount Outstanding (i) from (and including) the Exchangeable Note Issue Date until (but excluding) the Class B2 Note Step-Down Date at 7.000% per annum and (ii) from (and including) the Class B2 Note Step-Down Date to (and including) the Class B2 Note Final Maturity Date, at 5.000% per annum (in each case, the applicable **"Class B2 Interest Rate"**).
- (b) The period from and including the Exchangeable Note Issue Date to (but excluding) the Note Interest Payment Date occurring on 28 February 2016 and each period from (and including) a Note Interest Payment Date to (but excluding) the next succeeding Note Interest Payment Date is called a **"Note Interest Period"**. For the purposes of the foregoing, the Note Interest Payment Dates will be 28 February and 28 August of each year (each a **"Note Interest Payment Date"**), commencing on 28 February 2016. If, however, any such day is not a Business Day, the Note Interest Payment Date will instead be the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
- (c) If on any Loan Interest Payment Date, the Issuer receives a payment of interest (whether in whole or in part) on the Class B2 Loan from the Borrowers in accordance with the Class B Issuer/Borrower Loan Agreement, then the Issuer will be obliged to make a corresponding payment of interest (in whole or in part, as the case may be) on the Class B2 Notes on the corresponding Note Interest Payment Date. If on any Note Interest Payment Date, the amount received by the Issuer in respect of a payment of interest on the Class B2 Loan is not sufficient to pay the interest accrued on the Class B2 Notes during the immediately preceding Note Interest Period in full, the amount of interest accrued up to any such Note Interest Payment Date that is not paid by the Issuer on such Note Interest Payment Date will be deferred (any such accrued but deferred interest being a **"Deferred Interest Amount"**) and such Deferred Interest Amount shall continue to accrue interest at the then applicable Class B2 Note Interest Rate until it is paid by the Issuer in full.
- (d) If on any Loan Interest Payment Date:
- (i) the Issuer receives a payment of interest on the Class B2 Loan from the Borrower in accordance with the Class B Issuer/Borrower Loan Agreement in excess of the amount of interest accrued on the Class B2 Notes during the immediately preceding Note Interest Period; and
 - (ii) on such Note Interest Payment Date, a Deferred Interest Amount in respect of any prior Note Interest Period remains outstanding,

then the Issuer shall apply such excess to reduce the then outstanding Deferred Interest Amount. Any accrued but unpaid interest and the aggregate amount of all Deferred Interest Amounts then unpaid on the Class B2 Notes and any accrued but unpaid interest thereon and any Additional Amounts (if any) shall be due and payable by the Issuer in pounds sterling on the Class B2 Note Final Maturity Date.

Calculation of Class B2 Interest

4.3 Interest in respect of the Class B2 Notes and interest payable in respect of any overdue amount of principal or Deferred Interest Amount shall be calculated by applying the applicable rate of interest to the aggregate Principal Amount Outstanding of the Class B2 Notes or the aggregate amount of any overdue amount of principal or Deferred Interest Amount, as the case may be, and on the basis of (a) the actual number of days in the period from (and including) the date from which interest begins to accrue (being the Exchangeable Note Issue Date (in respect of the first such period) or a Note Interest Payment Date (in respect of subsequent such periods)) (the **"Class B2 Accrual Date"**) to (but excluding) the date on which it falls due divided by (b) the actual number of days from (and including) the Class B2 Accrual Date to (but excluding) the next following Note Interest Payment Date multiplied by two; provided that in respect of accrued interest to the first Note Interest Payment Date, interest shall be calculated on the basis of the sum of: (A)(x) the actual number of days

from (and including) the Exchangeable Note Issue Date to (but excluding) 28 August 2015 divided by (y) the actual number of days from (and including) 28 February 2015 to (but excluding) 28 August 2015 multiplied by two and (B) (x) the actual number of days from (and including) 28 August 2015 to (but excluding) 28 February 2016 divided by (y) the actual number of days from (and including) 28 August 2015 to (but excluding) 28 February 2016 multiplied by two. The resulting figure shall be rounded down to the nearest penny.

5. REDEMPTION, PURCHASE AND CANCELLATION

Final Redemption

- 5.1(a) Unless previously redeemed in full as provided in this Condition 5 (Redemption, Purchase and Cancellation), the Issuer shall redeem the Class B2 Notes at their aggregate Principal Amount Outstanding together with any accrued but unpaid interest, Deferred Interest Amounts and any accrued but unpaid interest thereon and any Additional Amounts, if any, on the Class B2 Note Final Maturity Date.
- (b) The Issuer may not redeem the Class B2 Notes in whole or in part prior to the Class B2 Note Final Maturity Date except as provided below in Condition 5.2 (Redemption), Condition 5.3 (Optional Redemption for taxation or other reasons) or Condition 5.4 (Early redemption following a Class B Loan Enforcement Event) but without prejudice to Condition 9 (Class B Note Events of Default).

Redemption

- 5.2(a) The aggregate Principal Amount Outstanding on each of the Class B2 Notes shall be repaid by the Issuer, if the Issuer has sufficient funds to enable it to do so, on the Class B2 Note Expected Maturity Date, subject to Condition 5.3 (Optional Redemption for taxation or other reasons), Condition 5.4 (Early redemption following a Class B Loan Enforcement Event) and Condition 5.5 (Principal Amount Outstanding), as applicable.
- (b) A failure of the Issuer to redeem in full the Class B2 Notes on the Class B2 Note Expected Maturity Date in accordance with these Class B2 Conditions and/or the occurrence of a Class B Note Event of Default (or any event which would constitute a Class B Note Event of Default but for Condition 9.2) will result in the Class B Note Trustee having the right (subject to the Note Trust Deed and the Intercreditor Agreement) at its discretion to, or shall, upon the instruction of holders of at least 30% of the aggregate Principal Amount Outstanding of the Class B Notes direct the Borrower Security Trustee to exercise its rights under the Topco Payment Undertaking and the Topco Security Documents (a “**Class B Trigger Event**”). The non-payment on the Class B2 Note Expected Maturity Date of any principal amount which would otherwise be payable under this Condition 5.2 (Redemption) shall not constitute a Class B Note Event of Default pursuant to Condition 9 (Class B Note Events of Default) including, for the avoidance of doubt, where such non-payment occurs as a result of the Issuer not receiving any payment due under the Class B2 Loan on the Class B2 Loan Expected Maturity Date. If the Issuer receives (or is to receive) any monies from the Borrowers under the Topco Payment Undertaking or the proceeds realised from any enforcement of the Topco Security Documents, the Issuer shall upon giving not more than 10 nor less than 5 Business Days’ notice (which notice may, at the Issuer’s discretion, be subject to the satisfaction of one or more conditions precedent) to the Class B2 Noteholders in accordance with Condition 17 (*Notice to Class B2 Noteholders*), apply such monies to redeem the Class B2 Notes at their Principal Amount Outstanding together with accrued but unpaid interest, Deferred Interest Amounts and any accrued but unpaid interest thereon and Additional Amounts, if any. In the event that there are insufficient amounts to redeem all of the Class B2 Notes then outstanding, the Class B2 Notes shall be redeemed in part in the proportion with which the repayment amount bears to the aggregate Principal Amount Outstanding of the Class B2 Notes then outstanding.
- (c) If the proceeds realised following a Class B Trigger Event are insufficient to satisfy all amounts scheduled to be paid under paragraph (a) above, the Issuer will be obliged to apply any further amounts, if any, it receives as a result of and pursuant to the Class B Issuer/Borrower Loan Agreement to repay any outstanding amounts on the Class B2 Notes.
- (d) In addition, promptly upon receipt by the Issuer of a notice of prepayment from a Borrower under the Class B Issuer/Borrower Loan Agreement of its intention to make prepayment in whole or in part of the Class B2 Loan in accordance with the Class B Issuer/Borrower Loan Agreement, the Issuer shall give not more than 60 nor less than 10 days’ notice to the Class B2 Noteholders, the Class B Note Trustee

and the Principal Paying Agent that it will apply the principal funds received from the prepayment of the Class B2 Loan to redeem a corresponding Principal Amount Outstanding of the Class B2 Notes together with accrued but unpaid interest, Deferred Interest Amounts and any accrued but unpaid interest thereon and Additional Amounts, if any, on the aggregate Principal Amount Outstanding of such Class B2 Notes at the applicable redemption prices set out in the Class B Issuer/Borrower Loan Agreement (and as described in “*Description of the Class B Loan — Prepayment — Optional Prepayment*”). Any redemption or notice under this Condition 5.2(d) will be subject to satisfaction of any conditions precedent set forth in the notice of prepayment from the Borrowers under the Class B Issuer/Borrower Loan Agreement and may, at the Issuer’s discretion, be subject to the satisfaction of one or more other conditions precedent.

- (e) In the case of a partial redemption of Class B2 Notes, the Class B2 Notes to be redeemed (the “**Class B2 Redeemed Notes**”) will be selected individually by lot, in the case of Class B2 Redeemed Notes represented by Class B2 Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream (to be reflected in the records of Euroclear and Clearstream as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Class B2 Redeemed Notes represented by a Class B2 Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection, the “**Selection Date**”). In the case of Class B2 Redeemed Notes represented by Class B2 Definitive Notes, a list of the serial numbers of such Class B2 Redeemed Notes will be published in accordance with Condition 17 (Notice to Class B2 Noteholders) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Class B2 Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5.2(e) to that effect shall be given by the Issuer to the Class B2 Noteholders in accordance with Condition 17 (Notice to Class B2 Noteholders) at least five days prior to the Selection Date.

Optional Redemption for taxation or other reasons

- 5.3(a) If the Issuer at any time certifies the Class B Note Trustee immediately prior to endeavouring to take the reasonable measures available to it referred to below that:
 - (i) by reason of a change in tax laws or regulations (or the application or official interpretation thereof), which change becomes effective on or after the Third Closing Date, on the next Note Interest Payment Date, the Issuer would be required to deduct or withhold from any payment of principal, interest or other amounts due and payable under the Class B2 Notes, any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or Jersey or any political sub-division thereof or any authority thereof or therein; or
 - (ii) by reason of a change in tax laws or regulations (or the application or official interpretation thereof), which change becomes effective on or after the Third Closing Date, on the next Note Interest Payment Date, the Borrowers under the Class B Issuer/Borrower Loan Agreement would be required to deduct or withhold from any payment of principal, interest or other sum due and payable thereunder any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any political sub-division thereof or any authority of either thereof or therein; or
 - (iii) by reason of a change in tax laws or regulations, which change becomes effective on or after the Third Closing Date, it ceases to be a “securitisation company” (as defined in the Taxation of Securitisation Companies Regulations 2006) or otherwise entitled to relief on any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any political sub-division thereof or any authority thereof or therein for any amount that it is obliged to pay and satisfies the Class B Note Trustee that such change will result in a material rise in the tax liabilities of the Issuer; or
 - (iv) on or after the Third Closing Date, it has become or will become unlawful for the Issuer to make, fund or allow to remain outstanding all or any advances made or to be made by it under the Class B Issuer/Borrower Loan Agreement,

then the Issuer shall, in consultation with the Borrowers and the Class B Note Trustee, take reasonable measures to avoid the effect of the relevant event described in (i), (ii), (iii) or (iv) above, (including, without limitation, appointing a Paying Agent in another jurisdiction and/or using its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction (approved in writing by the Class B Note Trustee) as principal debtor under the Class B2 Notes and as lender under the Class B Issuer/Borrower Loan Agreement); provided that the Class B Note Trustee is satisfied that taking such measures will not be materially prejudicial to the interests of the Class B2 Noteholders.

- (b) (b) If the Issuer satisfies the Class B Note Trustee immediately before giving the notice referred to below, that one or more of the events described in (a) above is continuing and that the effect of the relevant event cannot be avoided by the Issuer taking reasonable measures available to it, then the Issuer may, on any Note Interest Payment Date and having given not more than 60 nor less than 10 days' notice (or, in the case of an event described in (a) above, such shorter period expiring on or before the latest date permitted by relevant law) to the Class B Note Trustee and the Class B2 Noteholders in accordance with Condition 17 (Notice to Class B2 Noteholders) (notice being irrevocable), redeem all, but not some, of the Class B2 Notes at their respective Principal Amount Outstanding together with accrued but unpaid interest, Deferred Interest Amounts and any accrued but unpaid interest thereon, if any, and Additional Amounts, if any, up to but excluding the date of redemption. Prior to giving any notice of redemption pursuant to this Condition 5.3 (Optional Redemption for taxation or other reasons), the Issuer shall deliver to the Class B Note Trustee (A) a certificate signed by two directors of the Issuer stating that (x) one or more of the events described in Clause (a) above is continuing and that the effect of the relevant event cannot be avoided by the Issuer taking reasonable measures available to it, and (y) the Issuer will have the necessary funds to pay all principal and interest due, if any, in respect of the Class B Notes on the relevant Note Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Note Interest Payment Date in priority to, or *pari passu* with, the Class B Notes under the Issuer Priorities of Payments; and (B) if required by the Class B Note Trustee, an opinion (in form and substance satisfactory to the Class B Note Trustee) of independent legal advisors of recognised standing opining on the relevant event described in (a) and (a)(i), (a)(ii), (a)(iii), and (a)(iv). The Class B Note Trustee shall be entitled to accept such certificate and (if applicable) such opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (x) and (y) above, and it shall be conclusive and binding on the Class B2 Noteholders.

Early redemption following a Class B Loan Enforcement Event

5.4 If the Issuer receives (or is to receive) any monies from any Obligor following the service of a Class B Loan Enforcement Notice in accordance with the Intercreditor Agreement in repayment of all or any part of the Class B2 Loan, the Issuer shall, upon giving not more than 10 nor less than 5 Business Days' notice to the Class B Note Trustee, the Issuer Secured Creditors and the Class B2 Noteholders in accordance with Condition 17 (Notice to Class B2 Noteholders), apply such monies in accordance with the Issuer Pre-Acceleration Priority of Payments or the Issuer Post-Acceleration Priority of Payments, as applicable, and redeem (to the extent of such monies as are available in accordance with the relevant Issuer Priorities of Payments) each Class B2 Note then outstanding at its aggregate Principal Amount Outstanding plus accrued but unpaid interest, Deferred Interest Amounts and any accrued but unpaid interest thereon and Additional Amounts, if any, on the relevant date for payment. In the event there are insufficient monies to redeem all the Class B2 Notes the Class B2 Notes shall be redeemed in part in the proportion with which the repayment amount bears to the aggregate Principal Amount Outstanding of the Class B2 Notes then outstanding.

Principal Amount Outstanding

- 5.5(a) The Principal Amount Outstanding of a Class B2 Note on any date shall be its original principal amount less the amount of all principal payments (excluding premium payable in accordance with Condition 5.2 (Redemption)), in respect of such Class B2 Note which have been paid since the Third Closing Date except if and to the extent that any such payment has been improperly withheld or refused.
- (b) Each determination by or on behalf of the Issuer of the amount of any Class B2 Note principal payment and the aggregate Principal Amount Outstanding of a Class B2 Note shall in each case (in the absence of wilful default, bad faith or demonstrable or manifest error) be final and binding on all persons. As soon as practicable following a determination of a Class B2 Note principal payment and/or the

aggregate Principal Amount Outstanding of a Class B2 Note, the Issuer will cause such determination of a Class B2 Note principal payment and/or the aggregate Principal Amount Outstanding of each Class B2 Note to be notified to the Class B Note Trustee, the Class B Registrar and the Principal Paying Agent and will cause notice of each such determination to be given to Class B2 Noteholders in accordance with Condition 17 (Notice to Class B2 Noteholders).

Notice of Redemption

5.6 Any such notice as is referred to in Condition 5.3 (Optional Redemption for taxation or other reasons) and Condition 5.4 (Early redemption following a Class B Loan Enforcement Event) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the relevant Class B2 Notes at the applicable amounts specified in these Class B2 Conditions.

No purchase by the Issuer

- 5.7(a) The Issuer will not be permitted to purchase any Class B2 Notes. However the Obligors may purchase any Class B2 Notes subject to the satisfaction of the terms set out in the Class B Issuer/Borrower Loan Agreement (and as described in “*Description of the Class B2 Loan — Certain Covenants — Class B2 Restricted Payment*”).
- (b) If an Obligor purchases any Class B2 Notes then it must immediately transfer such Class B2 Notes to the Issuer in satisfaction, prepayment and discharge of an amount of such Obligor’s liability under the Class B2 Loan equal to the Principal Amount Outstanding of the Class B2 Notes transferred by that Obligor together with accrued but unpaid interest, Deferred Interest Amounts and any accrued but unpaid interest thereon, if any, and Additional Amounts, if any, up to but excluding the date of transfer.

Cancellation

5.8 Any Class B2 Notes redeemed by the Issuer in accordance with Condition 5.6 (Notice of Redemption) or Condition 16 (Replacement of Class B2 Notes), or transferred to the Issuer pursuant to Condition 5.7 (No purchase by the Issuer) will be cancelled forthwith. Any Class B2 Notes so redeemed or transferred may not be reissued or resold and the obligations of the Issuer in respect of any such Class B2 Notes shall be discharged.

6. PAYMENTS

General

- 6.1(a) Payments of principal or premium (if any) in respect of the Class B2 Notes will be made to the holder (or the first named of joint holders) of such Class B2 Note against presentation and surrender of the relevant Class B2 Note at the specified office of the Class B Registrar by transfer to an account denominated in sterling with a bank in London.
- (b) Interest, Deferred Interest Amounts and Additional Amounts, if any, on the Class B2 Notes scheduled to be paid on any Note Interest Payment Date will be paid to the holder (or the first named if joint holders) shown in the register of Class B2 Noteholders as at the close of business on the fifteenth day before the date scheduled for payment thereof (the “**Record Date**”). Payment of interest, Deferred Interest Amounts and Additional Amounts, if any, on each Class B2 Note will be made by transfer to an account denominated in sterling with a bank in London.
- (c) A record of each payment so made will be endorsed on the schedule to the Class B2 Global Note by or on behalf of the Principal Paying Agent or the Class B Registrar, as the case may be, which endorsement shall be prima facie evidence that such payment has been made.

Method of Payment

6.2 Payments will be made by credit or transfer to an account in sterling maintained by the payee with a bank in London.

Payments subject to Applicable Laws

6.3 All payments are subject in all cases (i) to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of this Condition 6 (Payments) and (ii) any withholding or deduction required pursuant to FATCA. No commission or expenses shall be charged to the Class B2 Noteholders in respect of such payments.

6.4 The holder of a Class B2 Global Note shall be the only person entitled to receive payments of principal and interest on the Class B2 Global Notes (as the case may be) and the Issuer will be discharged by payment to, or to the order of, the holder of such Class B2 Global Note in respect of each amount paid.

Payment only on a Class B Payment Business Date

6.5 Where payment is to be made by transfer to an account, payment instructions (for value the date scheduled for payment, or, if the date scheduled for payment is not a Class B Payment Business Day, for value the next succeeding Class B Payment Business Day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Class B2 Note is surrendered (or, in the case of part payment only, endorsed) at the specified office of a Class B Paying Agent and (ii) (in the case of payments of interest to be paid other than on redemption) on the date scheduled for payment. A Holder of a Class B2 Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Class B Payment Business Day.

“Class B Payment Business Day” means:

- (a) a day on which banks in the relevant place of presentation are open for presentation and payment of debt securities and for dealings in foreign currencies; and
- (b) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in London.

Initial Paying Agents and Class B Registrar

6.6 The names of the Principal Paying Agent and the Class B Registrar and their respective initial specified offices are set out at the end of these Class B2 Conditions. The Issuer reserves the right, subject to the prior written approval of the Class B Note Trustee, at any time to vary or terminate the appointment of any Paying Agent or the Class B Registrar and to appoint additional or other Paying Agents or Class B Registrars (including in circumstances where the Principal Paying Agent, any Paying Agent or the Class B Registrar does not become, or ceases to be, a Participating FFI or otherwise exempt from withholding or deduction of any Taxes (as that term is defined in Condition 7 below) in respect of FATCA at a time when the Issuer would be required to withhold or deduct any amount from any payment made by it to the Principal Paying Agent, any Paying Agent or the Class B Registrar pursuant to FATCA) provided that:

- (a) there will at all times be a person appointed to perform the obligations of the Principal Paying Agent and the Class B Registrar;
- (b) so long as the Class B2 Notes are listed on an exchange, there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in such place as may be required by the rules and regulations of the relevant stock exchange and competent authority;
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive; and
- (d) the Issuer will use all reasonable endeavours to ensure that at any time the Issuer would otherwise be required to withhold tax on payments to the Principal Paying Agent or any other Paying Agent pursuant to FATCA, the Principal Paying Agent and any other Paying Agents are Participating FFIs or are otherwise exempt from withholding or deduction of any Taxes (as that term is defined in Condition 7 below) in respect of FATCA.

6.7 Notice of any termination, variation or appointment and of any changes in specified offices will be given to the Class B2 Noteholders promptly by the Issuer in accordance with Condition 17 (Notice to Class B2 Noteholders).

7. TAXATION

All payments in respect of the Class B2 Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”), unless the withholding or deduction of the Taxes is required by applicable law. In

such event, the Issuer shall account to the relevant authorities for the amount required to be withheld or deducted. In such event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Class B2 Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Class B2 Notes in the absence of the withholding or deduction; provided that no such additional amounts will be paid on account of:

- (a) any Taxes that would not have been imposed but for the existence of any actual or deemed (pursuant to applicable Tax law of the relevant Tax jurisdiction) present or former connection between the Class B2 Noteholder or the beneficial owner of the Class B2 Notes (including, if applicable, a connection between partners (in the case of a partnership) or shareholders (in the case of a corporation)) and the relevant Tax jurisdiction (including being a resident of such jurisdiction for Tax purposes), other than holding of such Class B2 Note, the enforcement of rights under such Class B2 Note or the receipt of any payments in respect of such Class B2 Note;
- (b) any Taxes imposed as a result of the presentation of a Class B2 Note for payment more than 30 days after the relevant payment is first made available for payment to the Class B2 Noteholder (except to the extent that the holder would have been entitled to additional amounts had the Class B2 Note been presented on the last day of such 30 day period);
- (c) any estate, inheritance, gift, sales, excise, personal property, transfer or similar Taxes;
- (d) any Taxes withheld, deducted or imposed on a payment to an individual that are required to be made pursuant to European Council Directive 2003/48/EC, or any law implementing or complying with or introduced in order to conform to, such directive;
- (e) any Taxes imposed on or with respect to a payment made to a Class B2 Noteholder or beneficial owner of Class B2 Notes who would have been able to avoid such withholding or deduction by presenting the relevant Class B2 Note to a Class B Paying Agent in a member state of the European Union;
- (f) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Class B2 Notes;
- (g) any Taxes imposed or withheld by reason of the failure of the Class B2 Noteholder or beneficial owner of Class B2 Notes, to comply with any reasonable written request of the Issuer or the Class B Paying Agent addressed to the Class B2 Noteholders and made at least 30 days before any such withholding or deduction would be payable to satisfy any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a relevant Tax jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the relevant Tax jurisdiction (including, without limitation, a certification that the Class B2 Noteholder or beneficial owner is not resident in the relevant Tax jurisdiction), but in each case, only to the extent the Class B2 Noteholder or beneficial owner is legally entitled to provide such certification or documentation;
- (h) any Taxes imposed on or with respect to any payment to the Class B2 Noteholder if such Class B2 Noteholder is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had such Class B2 Noteholder been the sole beneficial owner of such Class B2 Notes;
- (i) any Taxes payable under FATCA; or
- (j) any combination of items (a) through (i) above.

8. PRESCRIPTION

8.1 Claims in respect of principal and interest on the Class B2 Notes will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the relevant payment.

8.2 In this Condition 8 (Prescription), the “**Relevant Date**”, in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Principal Paying Agent or the Class B Note Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Class B2 Noteholders in accordance with Condition 17 (Notice to Class B2 Noteholders).

9. CLASS B NOTE EVENTS OF DEFAULT

9.1 Subject to the Intercreditor Agreement, the Class B Note Trustee at its absolute discretion may, and if so directed in writing by the holders of at least 30% of the aggregate Principal Amount Outstanding of the Class B Notes then outstanding or if so directed by a Class B Extraordinary Resolution of the Class B Noteholders shall (subject, in each case, to being indemnified and/or secured to its satisfaction in accordance with the Note Trust Deed) give a notice (a “**Class B Note Acceleration Notice**”) to the Issuer declaring all of the Class B2 Notes immediately due and payable at any time after the occurrence of any of the following events or circumstances specified below (each such event or circumstance, a “**Class B Note Event of Default**”):

- (a) default being made in the payment of principal or other amounts (other than those set out in paragraph (b) below) on any Class B2 Notes, when due; or
- (b) default being made for a period of 30 days or more in the payment of interest, Deferred Interest Amounts and any accrued but unpaid interest thereon or Additional Amounts (if any), on the Class B2 Notes, when due; or
- (c) the Issuer failing to duly perform or observe any other obligation, condition, provision, representation or warranty binding on it under the Class B2 Notes, Note Trust Deed, the Issuer Deed of Charge or any of the other Transaction Documents and such failure being in the opinion of the Class B Note Trustee (or, in the case of the Issuer Deed of Charge, the Issuer Security Trustee), capable of remedy, but which remains unremedied for a period of 21 days following the giving of notice by the Class B Note Trustee (or the Issuer Security Trustee, as applicable) to the Issuer requiring the same to be remedied and, in either case; **provided** that the Class B Note Trustee shall have determined that such event is, in its opinion, materially prejudicial to the interests of the Class B2 Noteholders; or
- (d) an Issuer Insolvency Event; or
- (e) the delivery of the Class A Note Acceleration Notice in accordance with Condition 2.3 (Enforceable Security) of the Class A Conditions; or
- (f) it is or will become unlawful for the Issuer to perform or comply with its obligations under or in respect of these Class B2 Conditions or any Transaction Documents to which it is a party.

9.2 Subject to the Intercreditor Agreement, until the earlier of (i) the date on which all Class A Notes are redeemed in full and (ii) the date on which the Class A Notes are accelerated, the occurrence of any of the events or circumstances described in Condition 9.1 above, which otherwise give rise to a Class B Note Event of Default, will not constitute a Class B Note Event of Default, but will constitute a Class B Trigger Event under Condition 5.2(b).

10. ACCELERATION

Subject to the Intercreditor Agreement, upon delivery of a Class B Note Acceleration Notice, the Class B2 Notes shall become immediately due and payable at their Principal Amount Outstanding together with accrued interest, if any, Deferred Interest Amounts and any accrued interest thereon, Additional Amounts, if any, and any other amounts payable in accordance with these Class B2 Conditions.

11. ENFORCEMENT

Service of notice

- 11.1(a) Subject to the Intercreditor Agreement, at any time after the service of a Class B Note Acceleration Notice by the Class B Note Trustee in accordance with Condition 9 (Class B Note Events of Default) above, the Class B Note Trustee at its absolute discretion may, and if so directed in writing by the holders of at least 30% in aggregate Principal Amount Outstanding of the Class B Notes then outstanding, or if so directed by a Class B Extraordinary Resolution of the Class B Noteholders shall (subject, in each case, to being indemnified and/or secured to its satisfaction in accordance with the Note Trust Deed), instruct the Issuer Security Trustee to take enforcement steps in relation to the Issuer Security.
- (b) Under the terms of the Intercreditor Agreement and the Issuer Deed of Charge, if the Class B Note Trustee provides the Issuer Security Trustee with a copy of a Class B Note Acceleration Notice given to the Issuer and instructs it to take enforcement steps in relation to the Issuer Security, the Issuer

Security Trustee is required to give a notice (the “**Class B Note Enforcement Notice**”) to the Issuer declaring the whole of the Issuer Security to be enforceable.

No Class B Note Events of Default

11.2 The Issuer, pursuant to the terms of the Note Trust Deed, shall provide on a semi-annual basis written confirmation to the Class B Note Trustee that no Class B Note Event of Default has occurred.

12. LIMITED RECOURSE

12.1 Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Class B2 Noteholders are limited in recourse to the property, assets and undertakings of the Issuer that are the subject of any security created by the Issuer Deed of Charge (the “**Issuer Secured Property**”). If:

- (a) there is no Issuer Secured Property remaining which is capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Secured Property have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Secured Property to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Class B2 Notes (including payments of principal and interest),

then the Class B2 Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal and/or interest in respect of the Class B2 Notes) and such unpaid amounts shall be discharged in full and any relevant payment rights shall be deemed to cease.

13. NON-PETITION

13.1 No Class B2 Noteholder nor any person acting on behalf of a Class B2 Noteholder (other than the Class B Note Trustee or the Issuer Security Trustee or a Receiver), shall have any right to take or initiate any proceedings or steps against the Issuer to enforce rights under the Transaction Documents including without limitation by way of attachment, execution or diligence, provided that nothing shall prevent a Class B2 Noteholder from proving for the full amount owed to it by the Issuer in the insolvency of the Issuer.

13.2 No Class B2 Noteholder, nor any person acting on behalf of a Class B2 Noteholder (other than the Issuer Security Trustee or any Receiver appointed by the Issuer Security Trustee), shall initiate or join any person in initiating howsoever an Issuer Insolvency Event and it shall not be entitled to take any steps or proceedings which would result in any of the provisions described in the Intercreditor Agreement or this Condition not being observed.

14. AMENDMENT, SUPPLEMENT AND WAIVER

14.1 The Note Trust Deed contains provisions for the Class B2 Noteholders to consider any matter affecting their interests, including any modification of these Class B2 Conditions or the provisions of any of the Transaction Documents, and the relevant voting procedures and provisions. Any such matter may be put to the Class B2 Noteholders for their consideration by way of a “**Class B Voting Notice**” given by the Issuer or the Class B Note Trustee to the Class B2 Noteholders. Each Class B Voting Notice shall give at least five Business Days’ notice (exclusive of the day on which the notice is given and the day on which voting is to occur (the “**Voting Date**”)) specifying the Voting Date to the Class B2 Noteholders. Such Class B Voting Notice, which shall be in the English language, shall state the Class B Voting Matter(s) including the terms of any resolution to be proposed.

14.2 Except as provided below, the terms of the Class B2 Notes may be modified with the consent of the holders of a majority of the aggregate Principal Amount Outstanding of Class B2 Notes.

14.3 Without the consent of the holders of at least 90% of the aggregate Principal Amount Outstanding of Class B2 Notes, the Class B2 Notes may not be modified to:

- (a) reduce the principal amount of the Class B2 Notes whose holders must consent to an amendment, supplement or waiver;
- (b) reduce the principal or interest on, or to change the fixed maturity of, any Class B2 Notes or to alter the provisions with respect to the redemption of the Class B2 Notes;
- (c) reduce the rate of, or change the timing for the payment of interest, including default interest or make any Class B2 Note payable in money other than that stated in the Notes;
- (d) impair the right of any Class B2 Noteholder to receive payment of principal and interest on such Class B2 Notes on or after the due date therefor;
- (e) waive a redemption payment with respect to any Class B2 Notes;
- (f) make any change in the Class B2 Conditions relating to waivers of defaults or Share Enforcement Events or the rights of holders of Class B2 Notes to receive payments of principal of, or interest, or Additional Amounts or premium, if any, on the Class B2 Notes;
- (g) impair the rights of the Class B2 Noteholders to institute a suit for the enforcement of any payment on or with respect to the Class B2 Notes or the Topco Security;
- (h) release Topco from its obligations under the Topco Payment Undertaking, except as provided in the Note Trust Deed, the Class B Issuer/Borrower Loan Agreement or other Transaction Documents;
- (i) release any Issuer Security, except as provided in the Note Trust Deed, the Intercreditor Agreement or other security documents;
- (j) amend, change or modify the Topco Payment Undertaking in a manner that adversely affects the Class B2 Noteholders;
- (k) waive a default or an event of default in the payment of principal of and/or interest on the Class B2 Notes; or
- (l) make any change in the preceding amendment and waiver provisions,

each, a “**Class B Basic Terms Modification**”.

14.4 Any resolution, howsoever passed, shall be binding on all the Class B2 Noteholders.

14.5 Subject to the terms of the Intercreditor Agreement, the Class B Note Trustee may agree, or may direct the Issuer Security Trustee to agree, without the consent of the Class B2 Noteholders, to any modification which, in the opinion of the Class B Note Trustee is:

- (a) to correct a manifest error or to cure any ambiguity, defect or inconsistency of a formal, minor or technical nature;
- (b) to make any change that would provide the Class B2 Noteholders with any additional benefits or rights, or that does not adversely affect the legal rights of any such holder in any material respect;
- (c) to allow any member of the Group established or incorporated after the Closing Date to become an Obligor;
- (d) to provide the issuance of Class B Additional Notes in accordance with Condition 19 (Further Notes and New Notes); or
- (e) to provide for a successor Class B Note Trustee in accordance with the provisions of the Note Trust Deed.

14.6 Subject to the terms of the Intercreditor Agreement, the Class B Note Trustee may also, without the consent of the Class B2 Noteholders, determine that a Class B Note Event of Default or a Share Enforcement Event shall not, or shall not subject to specified conditions, be treated as such.

14.7 Any such modification, waiver, authorisation or determination shall be binding on the Class B2 Noteholders and, unless the Class B Note Trustee agrees otherwise, any such modification shall be notified to

the Class B2 Noteholders as soon as practicable thereafter in accordance with Condition 17 (Notice to Class B2 Noteholders).

14.8 The Class B Note Trustee shall be entitled to take into account, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these Class B2 Conditions or any of the Transaction Documents, among other things, to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate, and/or relevant, any Rating Agency Confirmation (whether or not such confirmation is addressed to, or provides that it may be relied upon by, the Class B Note Trustee and irrespective of the method by which such confirmation is conveyed).

14.9 Subject to the terms of the Intercreditor Agreement in connection with any such substitution of principal debtor as is referred to in Condition 5.3 (Optional Redemption for taxation or other reasons), the Class B Note Trustee and the Issuer Security Trustee may also agree, without the consent of the Class B2 Noteholders, to a change in the laws governing the Class B2 Notes, these Class B2 Conditions and/or the Transaction Documents, provided that such change would not, in the opinion of the Class B Note Trustee be materially prejudicial to the interests of the Class B2 Noteholders.

14.10 Where the Class B Note Trustee is required to have regard to the interests of the Class B2 Noteholders, it shall have regard to the interests of such Class B2 Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Class B2 Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Class B Note Trustee shall not be entitled to require, nor shall any Class B2 Noteholder be entitled to claim, from the Issuer to any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Class B2 Noteholders.

14.11 If and wherever the Issuer shall have issued and have outstanding more than one sub-class of Class B Notes, the provisions of this Condition 14 shall have effect subject to the following modifications:

- (a) a resolution which in the opinion of the Class B Note Trustee affects only one sub-class of Class B Notes shall be deemed to be duly approved if approved through a single vote of the holders of that sub-class of Class B Notes;
- (b) a resolution which in the opinion of the Class B Note Trustee affects the holders of more than one sub-class of Class B Notes but does not give rise to a conflict of interest between the holders of any sub-class of Class B Notes so affected shall be deemed to have been duly approved if approved through (as a single Class) a vote of the holders of all the sub-classes of Class B Notes so affected;
- (c) a resolution which in the opinion of the Class B Note Trustee affects the holders of more than one sub-class of Class B Notes and gives or may give rise to a conflict of interest between the holders of one sub-class of Class B Notes so affected and the holders of another sub-class of Class B Notes shall be deemed to have been duly approved only if approved through a separate vote of the holders of each of the sub-classes of Class B Notes;
- (d) in respect of all approvals all the preceding provisions of this Condition shall apply mutatis mutandis as though references to Class B Notes and Class B Noteholders were references to the sub-class of Class B Notes in question or to the holders of such sub-class of Class B Notes, as the case may be; and
- (e) no Class B Extraordinary Resolution involving a Class B Basic Terms Modification (other than where such Class B Basic Terms Modification affects only one sub-class of Class B Notes) that is approved by the holders of one sub-class of Class B Notes shall be effective unless it is approved by a Class B Extraordinary Resolution of the holders of each other sub-class of Class B Notes (to the extent there are Class B Notes outstanding in each such other sub-class).

15. INDEMNIFICATION AND EXONERATION OF THE CLASS B NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE

15.1 The Note Trust Deed and the Intercreditor Agreement contain provisions governing the responsibility (and relief from responsibility) of the Class B Note Trustee and the Issuer Security Trustee, respectively, and providing for their indemnification in certain circumstances, including provisions relieving them from taking enforcement proceedings or, in the case of the Issuer Security Trustee, enforcing the Issuer Security unless indemnified and/or secured to their satisfaction.

15.2 The Note Trust Deed and the Intercreditor Agreement also contain provisions pursuant to which the Class B Note Trustee and the Issuer Security Trustee and their related companies are entitled, amongst other things, to (a) enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustees for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Class B2 Noteholders, and (c) retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. REPLACEMENT OF CLASS B2 NOTES

If any Class B2 Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Paying Agent. Replacement of any mutilated, defaced, lost, stolen or destroyed Class B2 Note will only be made on payment of such costs, by the respective Class B2 Noteholder, as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Class B2 Notes must be surrendered before new ones will be issued.

17. NOTICE TO CLASS B2 NOTEHOLDERS

17.1 Any notice shall be deemed to have been duly given to the Class B2 Noteholders if sent to the Clearing Systems for communication by them to the holders of the Class B2 Notes and shall be deemed to be given on the date on which it was so sent and shall also be published in the following manner. In respect of Class B2 Definitive Notes, any notice to the Class B2 Noteholders shall be validly given if published in a leading daily newspaper printed in the English language and with general circulation in London and Ireland (which is expected to be the Financial Times and in the Irish Times, respectively) and (so long as the relevant Class B2 Notes are admitted to trading on and listed on an exchange), any notice shall also be published in accordance with the relevant listing rules and regulations of such exchange.

17.2 Class B2 Noteholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of Class B2 Notes in accordance with this Condition 17 (Notice to Class B2 Noteholders).

17.3 A copy of each notice given in accordance with this Condition 17 (Notice to Class B2 Noteholders) shall be provided to the Rating Agencies, and so long as the Class B2 Notes are listed on the Irish Stock Exchange, to the Irish Stock Exchange (to the extent required by the Global Exchange Market of the Irish Stock Exchange).

17.4 The Class B Note Trustee shall be at liberty to sanction some other method of giving notice to the Class B2 Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the relevant Class B2 Notes are then admitted to trading and listed and provided that notice of such other method is given to the Class B2 Noteholders in such manner as the Class B Note Trustee shall require.

18. NOTIFICATION

As soon as practicable after becoming aware that any part of a payment of interest or principal on the Class B2 Notes will be deferred or that a payment previously deferred will be made in accordance with these Class B2 Conditions, the Issuer will give notice thereof to the Class B2 Noteholders in accordance with Condition 17 (Notice to Class B2 Noteholders), and so long as the Class B2 Notes are listed on the Irish Stock Exchange, to the Irish Stock Exchange (to the extent required by the Global Exchange Market of the Irish Stock Exchange).

19. FURTHER NOTES AND NEW NOTES

Class B2 Further Notes and Class B New Notes

19.1(a) The Issuer may, without the consent of the Class B2 Noteholders, but subject always to the provisions of these Class B2 Conditions and the Note Trust Deed, at its option, raise further funds, from time to time, on any date by the creation and issue of:

- (i) further Class B2 Notes carrying the same terms and conditions in all respects (or in all respects except in relation to the first Note Interest Period and first Note Interest Payment Date, the issue date, first coupon and initial Principal Amount Outstanding) as, and so that the

- same shall be consolidated and form a single series and rank *pari passu* with, the Class B2 Notes (the “**Class B2 Further Notes**”); and/or
- (ii) new Class B Notes which may equally have terms and conditions that differ from the Class B2 Notes and which do not form a single series with the Class B2 Notes (the “**Class B New Notes**”).
- (b) It shall be a condition precedent to issue any Class B2 Further Notes and/or Class B New Notes (together, the “**Class B Additional Notes**”) that:
- (i) the aggregate principal amount of all such Class B Additional Notes to be issued on such date is not less than £5.0 million;
 - (ii) the Rating Agencies have confirmed that any Class B Additional Notes are assigned the same ratings (or better) as are then applicable to the Class B Notes with which they are to be consolidated and form a single series;
 - (iii) the Rating Agencies have provided a Rating Agency Confirmation in respect of the Class B2 Notes in relation to the issue of Class B2 Further Notes or, as the case may be, Class B New Notes (provided that no such Rating Agency Confirmation is required on the then existing Class B Notes where the purpose of the Class B New Notes and the related loan to the Borrowers under the Class B Issuer/Borrower Loan Agreement is to refinance the Class B2 Loan and the Class B2 Notes in full);
 - (iv) an amount equal to the gross proceeds of such Class B2 Further Notes or, as the case may be, the Class B New Notes (with an amount in respect of any issue expenses or commissions agreed to be paid by way of fee by the Borrowers pursuant to the Class B Issuer/Borrower Loan Agreement) is applied by the Issuer to make a loan to the Borrowers pursuant to the Class B Issuer/Borrower Loan Agreement and the conditions precedent therein for an advance under any Additional Class B Facilities are satisfied;
 - (v) the Class B Note Trustee has received a legal opinion satisfactory to it in relation to, *inter alia*, the issue of the Class B2 Further Notes, or as the case may be, the Class B New Notes from a reputable international law firm; and
 - (vi) no Class B Note Event of Default has occurred and is continuing (which has not been waived) or would occur as a result of such issue.
- (c) Nothing in this Condition 19 (Class B2 Further Notes and Class B New Notes) prohibits the Issuer from issuing Class A Further Notes and/or Class A New Notes in accordance with the Class A Conditions.

Deeds and Security

19.2 Any such Class B Additional Notes will be constituted by a further deed or deeds supplemental to the Note Trust Deed and have the benefit of the security constituted by the Issuer Deed of Charge. Any of the Transaction Documents may be amended as provided in Condition 2.1(c) (Status and relationship between the Class B2 Notes) or otherwise, and further Transaction Documents may be entered into, in connection with the issue of such Class B Additional Notes and the claims of any of the parties to any amended Transaction Document or any further Transaction Document may rank *pari passu* with or behind, the Class B2 Notes, provided, in each case, that the conditions set out in Condition 19.1(a) have been satisfied, *mutatis mutandis*.

20. CLASS B CALL OPTION

20.1 The Class B2 Notes are issued with the benefit of the Class B Call Option (as defined in and set out in the Intercreditor Agreement).

20.2 If a Class B Call Option Trigger Event occurs, then subject to and in accordance with the terms of the Class B Call Option and the other terms of the Intercreditor Agreement, any Class B2 Noteholder will be entitled (but not obliged) to purchase all (but not some only) of the then outstanding Class A Notes at a price equal to the then aggregate Principal Amount Outstanding of the Class A Notes together with accrued but unpaid interest.

20.3 Following notification of the occurrence of any Class B Call Option Trigger Event by or on behalf of the Issuer to the Class B2 Noteholders (such notification, the “**Class B Call Option Notice**”), any Class B2 Noteholders who wish to exercise the Class B Call Option must comply with the terms (as to procedures and timing for payment and settlement) set out in the Class B Call Option Notice in order to purchase the Class A Notes in such proportions as the terms of the Intercreditor Agreement may specify.

21. EUROPEAN ECONOMIC AND MONETARY UNION

Notice of redenomination

21.1 The Issuer may, without the consent of the Class B2 Noteholders, and on giving at least 30 days’ prior notice to the Class B2 Noteholders, the Class B Note Trustee and the Principal Paying Agent, designate a date (the “**Redenomination Date**”), being a Note Interest Payment Date falling on or after the date on which the UK becomes a participating Member State.

Redenomination

21.2 Notwithstanding the other provisions of these Class B2 Conditions, with effect from the Redenomination Date:

- (a) the Class B2 Notes denominated in sterling (the “**Class B2 Sterling Notes**”) shall be deemed to be redenominated into euro in the denomination of €0.01 with a principal amount for each Class B2 Note equal to the principal amount of that Class B2 Note in sterling, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty establishing the European Union, as amended (including compliance with rules relating to rounding in accordance with European Community regulations), provided, however, that, if the Issuer determines, that the then current market practice in respect of the redenomination into €0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Class B2 Noteholders, the Irish Stock Exchange (or any stock exchange (if any) on which the Class B2 Notes are then listed) and the Principal Paying Agent of such deemed amendments;
- (b) if Class B2 Notes have been issued in definitive form:
 - (i) all Class B2 Notes denominated in sterling will become void with effect from the date (the “**Euro Exchange Date**”) on which the Issuer gives notice (the “**Euro Exchange Notice**”) to the Class B2 Noteholders and the Class B Note Trustee that replacement Class B Notes denominated in euro are available for exchange (provided that such Class B2 Notes are available) and no payments will be made in respect thereof;
 - (ii) the payment obligations contained in all Class B2 Notes denominated in sterling will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Class B2 Notes in accordance with this Condition 21 (European Economic and Monetary Union)) shall remain in full force and effect; and
 - (iii) new Class B2 Notes denominated in euro will be issued in exchange for Class B2 Sterling Notes in such manner as the Issuer may specify and as shall be notified to the Class B2 Noteholders in the Euro Exchange Notice;
- (c) all payments in respect of the Class B2 Sterling Notes will be made solely in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any Member State; and
- (d) a Class B2 Note may only be presented for payment on a day which is a business day in the place of presentation.

Interest

21.3 Following redenomination of the Class B2 Notes pursuant to this Condition 21 (European Economic and Monetary Union) where Class B2 Sterling Notes have been issued in definitive form, the amount of interest due in respect of the Class B2 Sterling Notes will be calculated by reference to the aggregate principal amount of the Class B2 Sterling Notes presented for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest €0.01.

22. SATISFACTION AND DISCHARGE

The Class B2 Notes, and the rights of the Class B Note Trustee and the Class B2 Noteholders under the Intercreditor Agreement and the Issuer Security Documents, will be discharged and cease to be of further effect as to all outstanding Class B2 Notes when (1) (i) all the Class B2 Notes have become due and payable or (ii) will become due and payable at the Class B2 Note Expected Maturity Date or the Class B2 Note Final Maturity Date, in each case within one year or (iii) are to be called for redemption or prepayment within one year under arrangements reasonably satisfactory to the Class B Note Trustee for the giving of notice of redemption by the Issuer; (2) the Issuer has deposited or caused to be deposited with the Issuer Security Trustee (or another entity designated or appointed as agent by the Issuer Security Trustee for this purpose), an amount in Sterling sufficient to pay and discharge the entire outstanding principal amount on the Class B2 Notes, together with any redemption premium, if any, accrued and unpaid interest, Deferred Interest Amounts, if any, and any accrued but unpaid interest thereon, to the date of deposit (in the case of Class B2 Notes that have become due and payable), or to the Class B2 Note Expected Maturity Date, the Class B2 Note Final Maturity Date or prepayment date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Class B2 Condition with respect to the Class B2 Notes; (4) the Issuer has delivered an irrevocable notice of redemption to the Class B2 Noteholders and has delivered irrevocable instructions to the Issuer Security Trustee (or another entity designated or appointed as agent by the Issuer Security Trustee for this purpose) to apply the funds deposited towards the payment of the Class B2 Notes, at maturity or on the redemption date, as the case may be; and (5) the Issuer has delivered to the Issuer Security Trustee, an Officer's Certificate (which the Issuer Security Trustee may rely on without further inquiry and without liability) to the effect that all conditions precedent under these Class B2 Conditions relating to the satisfaction and discharge of the Class B2 Notes have been complied with.

23. NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND SHAREHOLDERS

No director, officer, employee, incorporator or shareholder of Topco or its Subsidiaries or any of their respective Affiliates, as such, shall have any liability for any obligations of the Topco, Issuer or any Guarantor under the Class B Finance Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Class B2 Noteholder by accepting a Class B2 Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Class B2 Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

24. RIGHTS OF THIRD PARTIES

No rights are conferred under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Class B2 Notes or these Class B2 Conditions, but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

25. GOVERNING LAW

Each of the Transaction Documents, the Class B2 Global Notes and these Class B2 Conditions (and, in each case, any non-contractual obligations arising out of or in connection with the relevant document) are governed by, and shall be construed in accordance with, English law (other than the Issuer Jersey Corporate Services Agreement, the Issuer Deed of Charge (to the extent governed by Jersey law), the Security Interest Agreement and the Topco Share Security Agreement, which will be governed by, and construed in accordance with, Jersey law and Cayman Islands law, respectively).

26. JURISDICTION

The courts of England are to have exclusive jurisdiction to settle any dispute including any dispute as to any non-contractual obligations that may arise out of or in connection with the Class B2 Notes and the Transaction Documents (save to the extent governed by Jersey law) to which the Issuer is party and, accordingly, any legal action or proceedings arising out of or in connection with the Class B2 Notes and/or the Issuer Transaction Documents may be brought in such courts. The Issuer has in each of the Issuer Transaction Documents to which it is a party irrevocably submitted to the jurisdiction of such courts.

DESCRIPTION OF THE CLASS B2 LOAN

Under the terms of the Class B Issuer/Borrower Loan Agreement, the Issuer agreed to make available to the Borrowers on the Third Closing Date the facilities as described below. The following is a summary of certain provisions of the Class B Issuer/Borrower Loan Agreement. It is qualified in its entirety by reference to the detailed provisions of the Class B Issuer/Borrower Loan Agreement. Capitalised terms used, but not defined in this “Description of the Class B2 Loan” shall have the meaning given to them in the section “Description of Certain Financing Arrangements” or “Terms and Conditions of the Class B2 Notes” set out in these Listing Particulars, as applicable.

On the Third Closing Date, the proceeds of the issue of the Class B2 Notes were applied by the Issuer to make advances to the Borrowers in an aggregate principal amount of £560,000,000 pursuant to the terms of the Class B Issuer/Borrower Loan Agreement. Pursuant to that agreement, the Issuer provided to the Borrowers a secured facility in an aggregate principal amount of £560,000,000 (the “**Class B2 Facility**” and the advance thereunder, the “**Class B2 Loan**”) which are contractually subordinated to the Class A Facilities pursuant to the terms of the Intercreditor Agreement.

The economic terms and conditions of the Class B2 Facility (including, among other things, in relation to the payment of interest and the repayment and prepayment of principal) are broadly similar to the terms and conditions of the Class B2 Notes.

On the Third Closing Date, the only Unrestricted Subsidiary under the Class B Issuer/Borrower Loan Agreement was Forest Cayco Topco Limited, a liquidated non-trading entity whose dissolution will be effective as of September 4, 2015.

REPAYMENT

The Borrowers must repay the Class B2 Loan in full on the Class B2 Loan Final Maturity Date to the extent not repaid, prepaid or otherwise discharged in full prior to that date.

The occurrence of the Class B2 Loan Expected Maturity Date does not in and of itself result in any outstanding principal amounts under the Class B2 Loan becoming due. However, if, on the Class B2 Loan Expected Maturity Date the Class B2 Loan remains outstanding, Topco will be required, under the terms of the Topco Payment Undertaking, to procure the payment of an amount equal to the aggregate of:

- (a) the then outstanding aggregate principal balance on the Class B Loans;
- (b) accrued but unpaid interest then outstanding in respect of the Class B Loans; and
- (c) all other amounts due and payable by the Obligor to the Issuer under the Class B Issuer/Borrower Loan Agreement.

Failure by Topco to pay such amount will give the right to the Borrower Security Trustee (on instruction from the Class B Note Trustee as directed by the Class B Noteholders) to enforce the Topco Security granted to it (on trust for the Issuer) by Topco over the shares Topco holds in Holdco and the shares Holdco holds in Intermediate Holdco, in each case in accordance with the Intercreditor Agreement.

PREPAYMENT

Optional prepayment

At any time prior to 28 August 2017, the Borrowers may on any one or more occasions prepay up to 40% of the aggregate principal amount of the Class B2 Loan at a prepayment price equal to 107.000% of the principal amount of the Class B2 Loan prepaid upon not less than 10 nor more than 60 days' notice, plus accrued and unpaid interest and Additional Amounts, if any, to the date of prepayment (subject to the rights of the Issuer to receive interest on the relevant Loan Interest Payment Date), with the net cash proceeds of one or more Equity Offerings, *provided that*:

- (1) at least 60% of the aggregate principal amount of the initial Class B2 Loan remains outstanding immediately after the occurrence of such prepayment; and
- (2) the prepayment occurs within 180 days of the date of the closing of such Equity Offering.

At any time prior to 28 August 2017, the Borrowers may on any one or more occasions, at their option, prepay all or a part of the Class B2 Loan upon not less than 10 nor more than 60 days' prior notice, at a prepayment price equal to 100% of the principal amount of the Class B2 Loan prepaid, plus the Applicable Premium and accrued and unpaid interest and Additional Amounts, if any, to the date of prepayment (subject to the rights of the Issuer to receive interest due on the relevant Loan Interest Payment Date).

Except as described in the first and second paragraphs above and set out under “—*Taxes — Repayment for taxation reasons*”, the Class B2 Loan will not be pre-payable at the Borrowers' option prior to 28 August 2017.

On or after 28 August 2017, the Borrowers may on any one or more occasions prepay all or a part of the Class B2 Loan upon not less than 10 nor more than 60 days' prior notice, at the prepayment prices (expressed as percentages of principal amount) set out below, plus accrued and unpaid interest, Class B2 Loan Deferred Interest Amount, if any, and any accrued but unpaid interest thereon, and Additional Amounts, if any, on the Class B2 Loan prepaid, to (but excluding) the applicable date of prepayment, if prepaid during the 12-month period beginning on 28 August of the years indicated below, subject to the rights of the Issuer to receive interest on the relevant Loan Interest Payment Date:

Year	Redemption Price
2017	103.500%
2018	101.750%
2019 and thereafter	100.0000%

Unless the Borrowers default on the payment of the prepayment price, interest will cease to accrue on the Class B2 Loan or portions thereof called for prepayment on the applicable prepayment date.

Any prepayment or notice may, at the Borrowers' discretion, be subject to the satisfaction of one or more conditions precedent.

Upon any prepayment of the Class B2 Loan pursuant to this covenant, the Issuer will redeem a pro rata portion of the Class B2 Notes in accordance with the Class B2 Conditions.

Mandatory Prepayment

Subject to the Intercreditor Agreement, the Borrowers shall, within one Business Day of receipt of any monies received by the Borrowers under the Topco Payment Undertaking, apply such monies to prepay the maximum amount of the Class B Loans (together with all accrued and unpaid interest, Class B2 Loan Deferred Interest Amount, if any, and any accrued but unpaid interest thereon, and Additional Amounts, if any) that may be prepaid with such monies.

INTEREST

Calculation of interest

The rate of interest on the Class B2 Loan for each Loan Interest Period (as defined below) is the percentage per annum as follows:

- (1) in respect of any Loan Interest Period falling in the period starting on (and including) the Exchangeable Note Issue Date and terminating on (and excluding) the Class B2 Loan Step-Down Date, 7.000% per annum; and
- (2) in respect of any Loan Interest Period falling after (and including) the Class B2 Loan Step-Down Date up to (but excluding) the Class B2 Loan Final Maturity Date, 5.000% per annum,

(each, the applicable “**Class B2 Interest Rate**”).

The period from (and including) the Exchangeable Note Issue Date to (but excluding) the first Loan Interest Payment Date and each successive period from (and including) a Loan Interest Payment Date to (but excluding) the next succeeding Loan Interest Payment Date, is called a “**Loan Interest Period**”.

Payment of interest

Subject to the following two paragraphs, the Borrowers must pay accrued interest on the Class B2 Loan on each Loan Interest Payment Date.

From (and including) the Exchangeable Note Issue Date to (but excluding) the Class B2 Loan Expected Maturity Date (as defined below), interest will accrue on any overdue amount of principal or interest (including Additional Amounts, if any) in respect of the Class B2 Loan at the applicable Class B2 Interest Rate. For the avoidance of doubt, any failure to pay interest on a Loan Interest Payment Date will not constitute a Class B Loan Event of Default for as long as any Class A Notes remain outstanding but will constitute a Share Enforcement Event. The “**Class B2 Loan Expected Maturity Date**” will be the date falling three Business Days prior to the Class B2 Note Expected Maturity Date. The “**Class B2 Note Final Maturity Date**” will be the Note Interest Payment Date falling on 28 February 2042.

From (and including) the Class B2 Loan Expected Maturity Date, interest will accrue on the principal amount of the Class B2 Loan at the applicable Class B2 Interest Rate until (but excluding) the Class B2 Loan Final Maturity Date but such accruing interest will be deferred (any such accrued but deferred interest being a “**Class B2 Loan Deferred Interest Amount**”) and such Class B2 Loan Deferred Interest Amount shall accrue interest at the then applicable Class B2 Interest Rate until it is paid by the Borrowers in full. On each Loan Interest Payment Date, interest accrued on the Class B2 Loan Deferred Interest Amount during the immediately preceding Loan Interest Period shall be added to the then outstanding Class B2 Loan Deferred Interest Amount and thereafter paid at the times and in the same manner as the Class B2 Loan Deferred Interest Amount. The Class B2 Loan Deferred Interest Amount and any accrued but unpaid interest thereon will be payable by the Borrowers only on the earlier of (x) the date on which the Class A Loans are repaid in full (the “**Initial Payment Date**”) and (y) the Class B2 Note Final Maturity Date (as defined below); provided that if on the Initial Payment Date, the Borrowers do not have sufficient cash to pay the Class B2 Loan Deferred Interest Amount and any accrued but unpaid interest thereon in full on such date in accordance with the Borrower Priorities of Payments, any unpaid Class B2 Loan Deferred Interest Amount and any accrued but unpaid interest thereon will not fall due then but will continue to be deferred and will only fall due for payment on any subsequent Loan Interest Payment Date to the extent of the cash available to the Borrowers for such purpose determined in accordance with the Borrower Priorities of Payments. Notwithstanding the foregoing, the Class B2 Loan, any accrued but unpaid interest thereon, any Class B2 Loan Deferred Interest Amount and any accrued but unpaid interest thereon may be repaid prior to the Class B2 Note Final Maturity Date using (A) New Equity Funds received by the Borrowers, (B) funds available following the enforcement of the Topco Security, and/or (C) following the enforcement of the Transaction Security to the extent funds are available for this purpose pursuant to the applicable Priorities of Payments (as described under “*Intercreditor Agreement*”).

PAYMENTS

Unless a Class B Finance Document specifies that payments under it are to be made in another manner (including any payments in specie pursuant to Condition 5.7 of the Class B2 Conditions), all payments by any Obligor to the Issuer under the Class B Finance Documents must be made to the Issuer Transaction Account (or such other account as the Issuer or, following a Class B Loan Event of Default, the Borrower Security Trustee may specify to the Borrowers by not less than ten Business Days’ prior written notice).

TAXES

Additional Amounts

In the event that (i) any deduction or withholding for, or on account of, any Taxes is required to be made from payments made by the Issuer under or with respect to the Class B2 Notes and (ii) the Issuer is required under the Class B2 Conditions to pay additional amounts (the “**Additional Amounts**”) on the Class B2 Notes such that the net amounts received by each holder of Class B2 Notes after such withholding or deduction (including any such withholding or deduction in respect of such Additional Amounts) will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding or deduction, the Issuer shall promptly give written notice of such requirement to the Borrowers and each Borrower will pay such Additional Amounts as specified in such notice as may be necessary for the Issuer to comply with its obligations under the Class B2 Conditions.

Each Obligor must make all payments to be made by it under the Class B Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.

If an Obligor or the Issuer (or any permitted assignee) is aware that an Obligor must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction), it must promptly notify the other Parties.

If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from the Obligor will be increased by an amount (also an Additional Amount) that (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

If an Obligor is required to make a Tax Deduction, that Obligor must make the minimum Tax Deduction allowed by law and must make any payment required in connection with that Tax Deduction within the time allowed by law.

Within 30 days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Obligor making that Tax Deduction or payment must deliver to the Issuer evidence satisfactory to the Issuer that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.

Repayment for taxation reasons

The Borrowers may repay the Class B2 Loan in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the Issuer and the Borrower Security Trustee (which notice will be irrevocable) at a repayment price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, Class B2 Loan Deferred Interest Amounts, if any, and any accrued but unpaid interest thereon, if any, to the date fixed for repayment (a "**Tax Repayment Date**") (subject to the right of the Issuer to receive interest due on the relevant Loan Interest Payment Date) and all Additional Amounts, if any, then due and which will become due on the Tax Repayment Date as a result of the repayment or otherwise, if any, if the Issuer, Borrowers or Guarantors determine in good faith that, the Issuer has the right to redeem the Class B2 Notes upon the occurrence of any of the events listed in Condition 5.3 of the Class B2 Conditions as set out in the Note Trust Deed. The Borrowers will promptly notify the Issuer and the Borrower Security Trustee if they elect to repay the Class B2 Loan pursuant to this covenant. If the Borrowers so elect to repay the Class B2 Loan, the Borrowers will deliver to the Borrower Security Trustee an Officer's Certificate stating that it is entitled to effect such repayment and setting forth a statement of facts showing that the conditions precedent to its right so to repay have been satisfied. The Borrower Security Trustee will accept such Officer's Certificate as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Borrowers and thereafter the Borrowers must repay or prepay the Class B2 Loan in full on the date specified in the next paragraph below and the Issuer will redeem all of the Class B2 Notes in accordance with the Class B2 Conditions.

The date for repayment or prepayment of the Class B2 Loan will be the earlier of:

- (i) the Loan Interest Payment Date in respect of the then current Loan Interest Period; or
- (ii) the date specified by the respective Borrowers in their notification.

CLASS B2 CHANGE OF CONTROL

If a Class B2 Change of Control occurs, the Borrowers will make an offer to the holders of the Class B2 Notes (a "**Class B2 Change of Control Offer**") to repurchase all or any part (equal to £100,000 or an integral multiple of £1,000 in excess thereof) of the Class B2 Notes held by such holders. In the Class B2 Change of Control Offer, the Borrowers will offer a payment equal to 101% of the aggregate principal amount of Class B2 Notes repurchased, plus accrued and unpaid interest, Class B2 Loan Deferred Interest Amount, if any, and any accrued but unpaid interest thereon, and Additional Amounts, if any, on the Class B2 Notes repurchased to the date of purchase (the "**Class B2 Change of Control Payment**"), subject to the rights of holders of Class B2 Notes on the relevant record date to receive interest due on the relevant interest payment date; *provided, however*, that the Borrowers will not be obliged to repurchase the Class B2 Notes as described under this "*—Class B2 Change of Control*" covenant in the event and to the extent that it has unconditionally exercised its right to prepay all of the Class B2 Loan as described under "*Prepayment—Optional Prepayment*" or all conditions to such repurchase have been satisfied or waived.

Unless the Borrowers have unconditionally exercised their right to repay all of the Class B2 Loan as set out in "*— Prepayment — Optional prepayment*" or all conditions to such repayment have been satisfied or waived, within 30 days following any Class B2 Change of Control, the Borrowers will be obliged to deliver a

notice to the Issuer, the Class B Note Trustee and each holder of the Class B2 Notes in accordance with the Class B2 Conditions, stating:

- (1) that a Class B2 Change of Control Offer is being made and that all Class B2 Notes tendered will be accepted for payment;
- (2) the purchase price and the prepayment date, which shall be no earlier than 10 days and no later than 60 days from the date such notice is mailed (the “**Class B2 Change of Control Payment Date**”);
- (3) that any Class B2 Note not tendered will continue to accrue interest;
- (4) that, unless the Borrowers default in the payment of the Class B2 Change of Control Payment, all Class B2 Notes accepted for payment pursuant to the Class B2 Change of Control Offer will cease to accrue interest after the Class B2 Change of Control Payment Date;
- (5) that holders of Class B2 Notes electing to have any Class B2 Notes purchased pursuant to a Class B2 Change of Control Offer will be required to transfer the Class B2 Notes to the nominated account as specified in the notice of the Class B2 Change of Control Offer;
- (6) that holders of Class B2 Notes will be entitled to withdraw their election if they deliver notice to the Borrower (at such facsimile number or address as specified in the notice of the Class B2 Change of Control Offer), not later than the close of business on the second Business Day preceding the Class B2 Change of Control Payment Date, a facsimile transmission or letter setting forth the name of the holder of Class B2 Notes, the principal amount of Class B2 Notes delivered for purchase, and a statement that such holder is withdrawing its election to have the Class B2 Notes purchased; and
- (7) that holders of Class B2 Notes whose Class B2 Notes are being purchased only in part will be issued new Class B2 Notes equal in principal amount to the unpurchased portion of the Class B2 Notes surrendered, which unpurchased portion must be equal to £100,000 in principal amount or an integral multiple of £1,000 in excess thereof.

The Borrowers will be required to comply with the applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with the purchase of the Class B2 Notes as a result of a Class B2 Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions described in this section, the Borrowers will comply with the applicable securities laws and regulations and will not be deemed to have breached their obligations under the provisions described in this section by virtue of such compliance.

On the Class B2 Change of Control Payment Date, to the extent lawful:

- (1) the Borrowers will accept for purchase all or portions of Class B2 Notes properly tendered pursuant to the Class B2 Change of Control Offer;
- (2) the Borrowers will deposit with the Paying Agent an amount equal to the Class B2 Change of Control Payment in respect of all or portions of Class B2 Notes properly tendered by such holder for payment into the account of each tendering holder of Class B2 Notes (as specified in such holder’s acceptance of the Class B2 Change of Control Offer) no later than five days after the Class B2 Change of Control Payment Date and no later than 60 days from the date the notice set forth in the second paragraph of this covenant has been mailed to holders of Class B2 Notes; and
- (3) the Borrowers will deliver or cause to be delivered to the Issuer (in satisfaction, prepayment and discharge of a pro rata portion of each Borrowers’ liability under the Class B2 Loan) the Class B2 Notes properly accepted together with an Officer’s Certificate stating the aggregate principal amount of Class B2 Notes being purchased by the Borrowers and the Issuer shall then deliver such Class B2 Notes to the Paying Agent and shall take all other actions and deliver all documents and certificates as are required under the Note Trust Deed or requested by the Paying Agent to effect a cancellation of such Class B2 Notes.

The Borrowers will not be required to make a Class B2 Change of Control Offer upon a Class B2 Change of Control if (1) a third party makes the Class B2 Change of Control Offer in the manner, at the times

and otherwise in compliance with the requirements set out in the Class B Issuer/Borrower Loan Agreement applicable to a Class B2 Change of Control Offer made by the Borrowers and purchases all Class B2 Notes properly tendered and not withdrawn under the Class B2 Change of Control Offer or (2) notice of redemption has been given pursuant to “— *Prepayment — Optional prepayment*”, unless and until there is a default in payment of the applicable redemption price by the Borrowers in connection with the repayment of the Class B2 Loan or by the Issuer in connection with the redemption of a pro rata portion of the Class B2 Notes.

The Issuer will be required to cooperate with the Borrowers in connection with any Class B2 Change of Control Offer (including, without limitation, by delivering such notices to the Class B Note Trustee and the holders of Class B2 Notes as the Borrowers may require in order to enable the Borrowers to comply with the foregoing provisions of this paragraph), and the Borrowers will bear the cost of any such Class B2 Change of Control Offer.

CERTAIN COVENANTS

Class B Financial Covenant

Required Class B FCF DSCR

Subject to “— *Cure right*” as set out below, the Borrowers must ensure that, on each Financial Covenant Test Date, the ratio of Class B FCF to the Class B Total Debt Service Charges (such ratio, expressed as a percentage, the “**Class B FCF DSCR**”) for the applicable FCF DSCR Period is equal to or greater than 100%.

In respect of the calculation of the Class B FCF DSCR on the first and second Financial Covenant Test Date after the Third Closing Date: (i) the Class B Total Debt Service Charges for the relevant FCF DSCR Period will be deemed to be equal to the actual annualised Consolidated Interest Expense payable by Topco and its Restricted Subsidiaries with effect from the Third Closing Date; and (ii) EBITDA shall be calculated on a *pro forma* basis as if CP Woburn (Operating Company) Limited constituted a Restricted Subsidiary for the whole of the relevant FCF DSCR Period.

For these purposes each of Topco and its Restricted Subsidiaries shall set their Accounting Periods such that the end date of each Accounting Period immediately preceding each Financial Covenant Test Date shall be a date which is not more than 12 weeks prior to such Financial Covenant Test Date.

Cure right

If:

- (1) as at a Financial Covenant Test Date (as described in this paragraph, the “**Relevant Financial Covenant Test Date**”), the Class B FCF DSCR is less than 100%;
- (2) within the period of 30 days thereafter, the Borrowers procure that either:
 - (A) the Class A Loans and/or the Class B Loans are prepaid in part; and/or
 - (B) funds are deposited into (or remain in) the Defeasance Account, using or having been funded by New Equity Funds (the amount so prepaid or deposited, the “**Class B Specified Amount**”); and
- (3) the Recalculated Class B FCF DSCR is not less than 100%,

then for all purposes thereafter (including, without limitation, as to any determination of the occurrence of a Share Enforcement Event or a Class B Loan Event of Default) the Class B FCF DSCR as at the Relevant Financial Covenant Test Date shall be deemed to have been the same as the Recalculated Class B FCF DSCR.

The Borrower Security Trustee must, as soon as is reasonably practicable after being so requested, but in any event not earlier than the Business Day following the Financial Covenant Test Date immediately following the Relevant Financial Covenant Test Date, consent to the release of funds from the Defeasance Account (deposited in the Defeasance Account pursuant to the preceding paragraph) if and to the extent that, following such release, the Recalculated Class B FCF DSCR (disregarding the Class B Specified Amount (if any) requested to be so released) remains at or greater than 100% (as certified by CP Opco in the Class B Compliance Certificate to be provided in connection with such Relevant Financial Covenant Test Date).

Limitation on Financial Indebtedness

Topco will not, and will not cause or permit any of its Restricted Subsidiaries to, Incur any Financial Indebtedness (including Acquired Indebtedness), *provided, however*, that Topco and any Obligor may Incur Financial Indebtedness if the Issuer obtains a Rating Agency Confirmation in respect of the Class B2 Notes.

The provisions described in the preceding paragraph will not prohibit the Incurrence of the following Financial Indebtedness (collectively, “**Permitted Financial Indebtedness**”):

- (i) Financial Indebtedness Incurred by any Obligor pursuant to any Credit Facility (including letters of credit or bankers’ acceptances issued or created under any Credit Facility), and any Refinancing Financial Indebtedness in respect thereof and Guarantees in respect of such Financial Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding £30.0 million plus in the case of any refinancing of any Financial Indebtedness permitted under this clause (i) or any portion thereof, fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;
- (ii)
 - (A) Guarantees by Topco or any of its Restricted Subsidiaries of Financial Indebtedness of Topco or any of its Restricted Subsidiaries in each case so long as the Incurrence of such Financial Indebtedness is permitted under the terms of the Class B Issuer/Borrower Loan Agreement; or
 - (B) without limiting the provisions described in “— *Limitations on Liens*”, Financial Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Financial Indebtedness of Topco or any of its Restricted Subsidiaries so long as the Incurrence of such Financial Indebtedness is permitted under the terms of the Class B Issuer/Borrower Loan Agreement;
- (iii) Financial Indebtedness of Topco owing to and held by any Restricted Subsidiary or Financial Indebtedness of a Restricted Subsidiary owing to and held by Topco or by any Restricted Subsidiary; *provided, however*, that:
 - (A) if any Obligor is the obligor on such Financial Indebtedness and the payee is not an Obligor, such Financial Indebtedness must be unsecured and expressly subordinated to the extent required by the Intercreditor Agreement to the prior payment in full of the Obligations under the Class B Issuer/Borrower Loan Agreement;
 - (B) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Financial Indebtedness being beneficially held by a Person other than Topco or a Restricted Subsidiary of Topco; and
 - (C) any sale or other transfer of any such Financial Indebtedness to a Person other than Topco or a Restricted Subsidiary of Topco,

shall be deemed, in each case, to constitute an Incurrence of such Financial Indebtedness by Topco or such Restricted Subsidiary, as the case may be, not permitted as described in this clause (iii);
- (iv) any Financial Indebtedness represented by (A) the Class A Loans and the Class B2 Loan (other than any Additional Class A Loans and Additional Class B Loan), (B) any Financial Indebtedness (other than Financial Indebtedness described in clauses (i) and (iii) above) outstanding on the Third Closing Date, (C) Refinancing Financial Indebtedness Incurred in respect of any Financial Indebtedness described in this clause (iv) or below in clauses (v), (vii) or (xii) or Incurred pursuant to the provisions described in the first paragraph of this covenant and (D) Management Advances;
- (v) Financial Indebtedness of any Person (a) Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of Topco or another Restricted Subsidiary of Topco or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) Topco or any of its Restricted Subsidiaries and (b) Incurred to provide all or any portion of the funds utilised to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by Topco or a Restricted Subsidiary of Topco

or Incurred otherwise in connection with or contemplation of such acquisition; *provided, however*, with respect to this clause (v), that at the time of such acquisition or other transaction pursuant to which such Financial Indebtedness was deemed to be Incurred (x) the Fixed Charge Coverage Ratio would be greater than 2.0 to 1.0 after giving effect to such acquisition or other transaction or (y) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such acquisition or other transaction on a *pro forma* basis;

- (vi) Financial Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for bona fide hedging purposes of Topco or any of its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or senior management of Topco);
- (vii) Financial Indebtedness represented by Capitalised Lease Obligations or Purchase Money Obligations, and in each case any Refinancing Financial Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Financial Indebtedness Incurred pursuant to this clause (vii) and then outstanding, will not exceed at any time the greater of (A) £35.0 million and (B) 2.0% of Total Assets;
- (viii) [reserved];
- (ix) Financial Indebtedness in respect of (A) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other Tax or other Guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by Topco or any of its Restricted Subsidiaries or relating to liabilities, obligations or Guarantees Incurred in the ordinary course of business, (B) letters of credit, bankers' acceptances, Guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business or in respect of any governmental requirement, (C) the financing of insurance premiums in the ordinary course of business and (D) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business; *provided, however*, that in the case of the provisions referred to in clauses (A) and (B) above, upon the drawing of such letters of credit or other instruments such obligations are reimbursed within 30 days following such drawing;
- (x) Financial Indebtedness arising from agreements providing for customary Guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Financial Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that, in the case of a disposition, the maximum liability of Topco and its Restricted Subsidiaries in respect of all such Financial Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by Topco and its Restricted Subsidiaries in connection with such disposition;
- (xi) (A) Financial Indebtedness arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Financial Indebtedness is extinguished within five Business Days of Incurrence; (B) customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business; (C) Financial Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of Topco and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of Topco and its Restricted Subsidiaries; and (D) Financial Indebtedness Incurred by a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case, Incurred or undertaken in the ordinary course of business;

- (xii) Financial Indebtedness Incurred by Topco or any of its Restricted Subsidiaries in an aggregate outstanding principal amount which, when taken together with any Refinancing Financial Indebtedness in respect thereof and the principal amount of all other Financial Indebtedness Incurred pursuant to this clause (xii) and then outstanding, will not exceed the greater of £45.0 million or 2.5% of Total Assets; *provided* that the aggregate principal amount of such Financial Indebtedness that may be Incurred pursuant to this clause (xii) by Restricted Subsidiaries that are not Obligor shall not exceed the greater of £7.0 million or 0.4% of Total Assets at any time outstanding;
- (xiii) any overdraft on an operating account of Topco and any of its Restricted Subsidiaries, up to a maximum amount (in aggregate) at any time of £5.0 million;
- (xiv) any Financial Indebtedness granted to the Obligor in connection with the Head Office, up to a maximum amount of £2.5 million;
- (xv) any Financial Indebtedness arising out of Topco's and any of its Restricted Subsidiaries' card payment facilities granted by any bank;
- (xvi) any Guarantee (or any other form of financial support) of any lease obligation arising in relation to or in connection with, any Additional Site, up to a maximum amount (in aggregate) at any time of £2.0 million;
- (xvii) any Financial Indebtedness acquired as a result of a legal obligation arising in connection with Capital Expenditure;
- (xviii) any Financial Indebtedness Incurred with the prior written consent of the Issuer or the Borrower Security Trustee; and
- (xix) Financial Indebtedness Incurred by Topco or any of its Restricted Subsidiaries in an aggregate outstanding principal amount which, when taken together with any Refinancing Financial Indebtedness in respect thereof and the principal amount of all other Financial Indebtedness Incurred pursuant to this clause (xix) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by Topco from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of Topco, in each case, subsequent to the Third Closing Date; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Class B2 Restricted Payments under the first paragraph of this covenant and clauses (i), (vi) and (x) of the second paragraph of the covenant described below under "*—Class B2 Restricted Payments*" to the extent Topco and its Restricted Subsidiaries Incur Financial Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Financial Indebtedness pursuant to this clause (xix) to the extent Topco or any of its Restricted Subsidiaries makes a Class B2 Restricted Payment under the first paragraph and clauses (i), (vi) and (x) of the second paragraph of the covenant described below under "*—Class B2 Restricted Payments*" in reliance thereon.

For purposes of determining compliance with, and the outstanding principal amount of any particular Financial Indebtedness Incurred pursuant to and in compliance with, the covenant described in this section:

- (i) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Financial Indebtedness that is otherwise included in the determination of a particular amount of Financial Indebtedness shall not be included;
- (ii) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any credit facility and are being treated as Incurred pursuant to clauses (i), (vii) or (xii) of the second paragraph of this covenant and the letters of credit, bankers' acceptances or other similar instruments relate to other Financial Indebtedness, then such other Financial Indebtedness shall not be included;
- (iii) [reserved];

- (iv) Financial Indebtedness permitted by this covenant need not be Incurred solely by reference to one provision permitting such Financial Indebtedness but may be Incurred in part by one such provision and in part by one or more other provisions of this covenant permitting such Financial Indebtedness;
- (v) the amount of Financial Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS;
- (vi) for the avoidance of doubt, the Incurrence of any Financial Indebtedness by Topco will only be permitted if it also complies with the provisions described in “— *Limitation on Holding Company Activities*”;
- (vii) subject to clause (iii) above and (viii) below, in the event that Financial Indebtedness meets the criteria of more than one of the types of Financial Indebtedness described in first and second paragraphs of this covenant, Topco, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in the first paragraph or second paragraph of this covenant;
- (viii) all Financial Indebtedness outstanding on the Third Closing Date under the Class A Loans and the Class B2 Loan shall be deemed initially Incurred on the Third Closing Date under clause (iv)(A) of the second paragraph of this covenant and not the first paragraph of this covenant or clause (iv)(B) of the second paragraph of this covenant, and without limiting any permitted refinancing pursuant to clause (iv)(C) of the second paragraph of this covenant, may not be reclassified pursuant to clause (vii) of this paragraph;
- (ix) no Financial Indebtedness Incurred pursuant to the first paragraph of this covenant shall be used to refinance, refund, replace, repay, exchange or extend any Financial Indebtedness Incurred pursuant to clause (i) of the second paragraph of this covenant; and
- (x) the principal amount of any Disqualified Stock of Topco or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortisation of original issue discount, the payment of interest in the form of additional Financial Indebtedness, the payment of dividends on Preferred Stock or Disqualified Stock in the form of additional shares of the same class of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Financial Indebtedness due to a change in IFRS will not be deemed to be an Incurrence of Financial Indebtedness for purposes of this covenant. The amount of any Financial Indebtedness outstanding as of any date shall be (i) the accreted value thereof in the case of any Financial Indebtedness issued with original issue discount and (ii) the principal amount or liquidation preference thereof, in the case of any other Financial Indebtedness.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Financial Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of Topco as of such date (and, if such Financial Indebtedness is not permitted to be Incurred as of such date under this covenant, Topco shall be in default of this covenant).

For purposes of determining compliance with any sterling-denominated restriction on the Incurrence of Financial Indebtedness, the Sterling Equivalent of the principal amount of Financial Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Financial Indebtedness was Incurred, in the case of term Financial Indebtedness, or, at the option of Topco, first committed, in the case of Financial Indebtedness Incurred under a revolving credit facility; *provided that* (i) if such Financial Indebtedness is Incurred to refinance other Financial Indebtedness denominated in a currency other than sterling, and such refinancing would cause the applicable sterling-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such sterling-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Financial Indebtedness does not exceed the principal amount of such Financial Indebtedness being refinanced; (ii) the Sterling Equivalent of the principal amount of any such Financial Indebtedness outstanding on the Third Closing Date shall be calculated based on the relevant currency exchange rate in effect

on the Third Closing Date; and (iii) if and for so long as any such Financial Indebtedness is subject to a Currency Agreement with respect to the currency in which such Financial Indebtedness is denominated covering principal and interest on such Financial Indebtedness, the amount of such Financial Indebtedness, if denominated in sterling, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Sterling Equivalent of such amount plus the Sterling Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement. For purposes of calculating compliance with clause (i) of the second paragraph (of this covenant or for calculating the amount of Financial Indebtedness outstanding under any Credit Facility, to the extent a Credit Facility is utilised for the purpose of Guaranteeing or cash collateralising any letter of credit or Guarantee, such Guarantee or collateralising and issuance of such letter of credit or Guarantee shall be deemed to be a utilisation of such Credit Facility permitted under clause (i) of the second paragraph above.

Subject to the terms of the Class B Issuer/Borrower Loan Agreement, any Borrower may at any time serve written notice to the Issuer with a copy to the Borrower Security Trustee requesting from the Issuer such further and/or additional term loan facilities, each in a maximum aggregate principal amount not exceeding the principal amount of any issue of Class B Additional Notes issued by the Issuer to fund its obligations under the Class B Issuer/ Borrower Loan Agreement in respect of the relevant additional Class B Facility (each an “**Additional Class B Facility**”) if the following conditions are satisfied (as certified by the Borrower), or will be satisfied by the time of such issue:

- (1) the aggregate amount of any Additional Class B Facility is to be for a minimum aggregate principal amount of £5.0 million;
- (2) the conditions to the issue by the Issuer of the corresponding Class B Additional Notes have been satisfied, or will be satisfied by the time of such issue;
- (3) the payment of interest and principal with respect to any such Additional Class B Facilities will rank *pari passu* with or after any then outstanding Class B Facility; and
- (4) the Incurrence of Financial Indebtedness under such Additional Class B Facility is permitted under “— *Limitation on Financial Indebtedness*”.

Notwithstanding the provisions described above, the maximum amount of Financial Indebtedness that Topco or a Restricted Subsidiary may Incur under the provisions of the Class B Issuer/Borrower Loan Agreement shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Financial Indebtedness Incurred to refinance other Financial Indebtedness, if Incurred in a different currency from the Financial Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Financial Indebtedness is denominated that is in effect on the date of the relevant refinancing.

Class B2 Restricted Payments

Topco will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

- (i) declare or pay any dividend or make any distribution on or in respect of Topco’s or any Restricted Subsidiary’s Capital Stock (including any payment in connection with any merger or consolidation involving Topco or any of its Restricted Subsidiaries):
 - (A) dividends or distributions payable in Capital Stock of Topco (other than Disqualified Stock) or in options, warrants or other similar rights to purchase such Capital Stock of Topco or in Subordinated Shareholder Funding; and
 - (B) dividends or distributions payable to Topco or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock then entitled to participate in such dividends (other than Topco or another Restricted Subsidiary) on no more than a pro rata basis, measured by value);
- (ii) purchase, redeem, retire or otherwise acquire for value any Capital Stock of Topco or any direct or indirect Parent of Topco held by Persons other than Topco or a Restricted Subsidiary of Topco (other than in exchange for Capital Stock of Topco (other than Disqualified Stock));

- (iii) make any payment on or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (x) a scheduled payment of interest or payments of principal at Stated Maturity thereof, (y) any such purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement or (z) any Financial Indebtedness Incurred pursuant to the provisions described in clause (iii) in the second paragraph in the section “— *Limitation on Financial Indebtedness*” above (in the definition of Permitted Financial Indebtedness)) or make any payment (other than the capitalisation of interest) on or purchase or otherwise acquire for value any Subordinated Shareholder Funding; or
- (iv) make any Restricted Investment in any Person,

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in paragraphs (i) through (iv) above being referred to herein as a “**Class B2 Restricted Payment**”), unless, at the time of the making of such Class B2 Restricted Payment:

- (1) no Class B Loan Default, Share Enforcement Event or Class B Loan Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom);
- (2) the Fixed Charge Coverage Ratio would be greater than 2.0 to 1.0 after giving effect, on a *pro forma* basis, to such Class B2 Restricted Payment; and
- (3) the aggregate amount of such Class B2 Restricted Payment and all other Class B2 Restricted Payments made subsequent to the Third Closing Date (and not returned or rescinded) (including Permitted Payments permitted by clauses (v) (without duplication of amounts paid pursuant to any other clause of the definition of Permitted Payments), (vi), (x) and (xi) of the definition of Permitted Payments below, but excluding all other Permitted Payments) is less than the amount equal to the difference between:
 - (a) the Cumulative Credit; and
 - (b) 1.75x Cumulative Interest Expense,

(the conditions set out in clauses (1), (2) and (3) above being the “**Class B2 Restricted Payment Conditions**”),

where:

“**Cumulative Credit**” means the sum of (without duplication):

- (1) 100% of cumulative EBITDA for the period (taken as one Accounting Period) from and after the first day of the Accounting Period during which the Exchangeable Note Issue Date occurs to the end of the most recently ended Accounting Period for which internal financial statements are available at the time of the proposed Class B2 Restricted Payment (or, in the case where EBITDA for such period is a negative, minus the amount by which EBITDA is less than zero); plus
- (2) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by Topco from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Exchangeable Note Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of Topco subsequent to the Exchangeable Note Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by Topco or any Subsidiary of Topco for the benefit of its employees to the extent funded by Topco or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Class B2 Restricted Payment has been made from such proceeds in reliance on clause (vi) of the definition of Permitted Payments and (z) Excluded Contributions); plus

- (3) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by Topco or any Restricted Subsidiary from the issuance or sale (other than to Topco or a Restricted Subsidiary of Topco or an employee stock ownership plan or trust established by Topco or any Subsidiary of Topco for the benefit of its employees to the extent funded by Topco or any Restricted Subsidiary) by Topco or any Restricted Subsidiary subsequent to the Exchangeable Note Issue Date of any Financial Indebtedness that has been converted into or exchanged for Capital Stock of Topco (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by Topco or any Restricted Subsidiary upon such conversion or exchange); plus
- (4) the amount equal to the net reduction in Restricted Investments made by Topco or any of its Restricted Subsidiaries resulting from:
 - (i) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realised upon the sale or other disposition to a Person other than Topco or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to Topco or any Restricted Subsidiary; or
 - (ii) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition of Investment) not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by Topco or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this clause (4), was included in the calculation of the amount of Class B2 Restricted Payments referred to in clause (iii) of the first paragraph of this covenant;

provided, however, that no amount will be included in the preceding clause (1) of this definition to the extent that it is (at Topco's option) included under this clause (4); plus
- (5) the amount of the cash and fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or of marketable securities received by Topco or any of its Restricted Subsidiaries in connection with:
 - (i) the sale or other disposition (other than to Topco or a Restricted Subsidiary or an employee stock ownership plan or trust established by Topco or any Subsidiary of Topco for the benefit of its employees to the extent funded by Topco or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of Topco; and
 - (ii) any dividend or distribution made by an Unrestricted Subsidiary to Topco or a Restricted Subsidiary;

provided, however, that no amount will be included in the preceding clause (1) to the extent that it is (at Topco's option) included under this clause (5); provided further, however, that such amount shall not exceed the amount of Class B2 Restricted Payments made in connection with such Unrestricted Subsidiaries since the Exchangeable Note Issue Date pursuant to clause (3) above.

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by the Board of Directors.

“Cumulative Interest Expense” means, in respect of any Class B2 Restricted Payment, the sum of the aggregate amount of Consolidated Interest Expense of Topco and its Restricted Subsidiaries for the period from and after the first day of the Accounting Period during which the Exchangeable Note Issue Date occurs to the end of Topco's most recently ended Accounting Period for which financial statements are available at the time of the proposed Class B2 Restricted Payment.

The provisions described in the first paragraph of this covenant will not prohibit any of the following (collectively, **“Permitted Payments”**):

- (i) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Designated Preference Shares, Subordinated Shareholder Funding or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of Topco (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of Topco; *provided, however*, that to the extent so applied, the Net Cash Proceeds, or fair market value of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from clause (2) of the definition of Cumulative Credit above;
- (ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Financial Indebtedness permitted to be Incurred as described in “— *Limitation on Financial Indebtedness*” above;
- (iii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of Topco or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of Topco or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred as described in “— *Limitation on Financial Indebtedness*” above;
- (iv) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:
 - (A) (a) from Net Available Cash to the extent permitted as set out in “— *Asset Sales*”, but only if Topco shall have first complied with the terms described in “— *Asset Sales*” and purchases the Class B2 Notes tendered pursuant to any offer to repurchase all the Class B2 Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (b) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or
 - (B) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Class B2 Change of Control (or other similar event described therein as a “*change of control*”), but only (a) if Topco shall have first complied with the terms described in “— *Class B2 Change of Control*” and purchased all the Class B2 Notes tendered pursuant to the offer to repurchase all the Class B2 Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (b) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or
 - (C) to the extent required by the agreement governing such Subordinated Indebtedness, consisting of Acquired Indebtedness and (b) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;
- (v) any dividends paid within 90 days after the date of declaration if at such date of declaration such dividend would have complied with the provisions described in this covenant;
- (vi) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by Topco to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided that*

such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (1) £10.0 million plus (2) £1.0 million multiplied by the number of calendar years that have commenced since the Third Closing Date plus (3) the Net Cash Proceeds received by Topco or its Restricted Subsidiaries since the Third Closing Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (vi), other than through the issuance of Disqualified Stock or Designated Preference Shares) of Topco from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds are not included in any calculation under clause (2) of the definition of Cumulative Credit;

- (vii) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms described in “— *Limitation on Financial Indebtedness*”;
- (viii) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other similar rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;
- (ix) dividends, loans, advances or distributions to any Parent or other payments by Topco or any Restricted Subsidiary in amounts equal to (without duplication):
 - (A) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; or
 - (B) amounts constituting or to be used for purposes of making payments to the extent specified in clauses (ii), (iii), (v), (vii) and (xii) of the third paragraph set out in “— *Transactions with Affiliates*”
- (x) so long as no Class B Loan Default, Share Enforcement Event or Class B Loan Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by Topco of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common Equity Interests of Topco or any Parent following a Public Offering of such common stock or common Equity Interests, in an amount not to exceed in any financial year the greater of (1) 6.0% of the Net Cash Proceeds received by Topco from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of Topco or contributed as Subordinated Shareholder Funding to Topco and (2) following the Initial Public Offering, an amount equal to the greater of (a) the greater of (i) 7% of the Market Capitalisation and (ii) 7% of the IPO Market Capitalisation; *provided* that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 5.0 to 1.0 and (b) the greater of (i) 5% of the Market Capitalisation and (ii) 5% of the IPO Market Capitalisation; *provided* that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 6.0 to 1.0;
- (xi) so long as no Class B Loan Default, Share Enforcement Event or Class B Loan Event of Default has occurred and is continuing (or would result therefrom), Class B2 Restricted Payments (including loans or advances) in an aggregate amount since the Third Closing Date not to exceed the greater of £25.0 million and 1.4% of Total Assets;
- (xii) payments by Topco, or loans, advances, dividends or distributions to any Parent to make payments to holders of Capital Stock of Topco or any Parent in lieu of the issuance of fractional shares of such Capital Stock, *provided, however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors);
- (xiii) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded

Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under the provisions described in this paragraph (xiii);

- (xiv) (1) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of Topco issued after the Third Closing Date; and (2) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent issued after the Third Closing Date; *provided*, however, that, in the case of clauses (1) and (2), the amount of all dividends declared or paid pursuant to this clause (xiv) shall not exceed the Net Cash Proceeds received by Topco or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference Shares by Parent or an Affiliate the issuance of Designated Preference Shares) of Topco or contributed as Subordinated Shareholder Funding to Topco, from the issuance or sale of such Designated Preference Shares;
- (xv) the Transactions and the making of any payments and any reimbursements as contemplated in the section entitled "Use of Proceeds" in these Listing Particulars and the related repayment of intercompany loans in connection therewith;
- (xvi) so long as no Class B Loan Default, Share Enforcement Event or Class B Loan Event of Default has occurred and is continuing, the payment of Management Fees;
- (xvii) dividends or other distributions of Capital Stock, Indebtedness or Securities of Unrestricted Subsidiaries; and
- (xviii) so long as no Class B Loan Default, Share Enforcement Event or Class B Loan Event of Default has occurred and is continuing or would result therefrom, any Class B2 Restricted Payment; *provided* that on the date of such Class B2 Restricted Payment, the Consolidated Leverage Ratio does not exceed 7.5 to 1.0 on a *pro forma* basis after giving effect to any such Class B2 Restricted Payment.

The amount of all Class B2 Restricted Payments (other than cash) shall be the fair market value on the date of such Class B2 Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by Topco or such Restricted Subsidiary, as the case may be, pursuant to such Class B2 Restricted Payment. The fair market value of any cash Class B2 Restricted Payment shall be its face amount, and the fair market value of any non-cash Class B2 Restricted Payment shall be determined conclusively by the Board of Directors of Topco acting in good faith. Unsecured Financial Indebtedness shall not be deemed to be subordinated or junior to secured Financial Indebtedness by virtue of its nature as unsecured Financial Indebtedness.

Anti-layering

Topco will not, and will not permit any of its Restricted Subsidiaries to, Incur any Financial Indebtedness (including Permitted Financial Indebtedness) that is contractually subordinated in right of payment to the Class A Loans unless such Financial Indebtedness is also contractually subordinated in right of payment to or ranks *pari passu* with the Class B2 Loan to the same extent.

Limitations on Liens

Topco will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, Incur, assume or otherwise suffer to exist any Lien which secures any Financial Indebtedness (other than in the case of any assets or property of any Restricted Subsidiary, Permitted Liens or, in the case of any assets or property of Topco, Permitted Topco Liens or, in the case of any property or assets constituting Collateral, Permitted Collateral Liens) on any of its assets or property, now owned or hereafter acquired.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

Topco will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

- (i) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Financial Indebtedness or other obligations owed to an Obligor;

- (ii) make any loans or advances to an Obligor; or
- (iii) sell, lease or transfer any of its property or assets to an Obligor;

provided that (A) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (B) the subordination of (including the application of any standstill requirements to) loans or advances made to Topco or any Restricted Subsidiary to other Financial Indebtedness Incurred by Topco or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions described in the paragraph above will not prohibit:

- (i) any encumbrance or restriction pursuant to (A) any Credit Facility or (B) any other agreement or instrument, in each case, in effect at or entered into on the Third Closing Date, including the Class A Issuer/Borrower Loan Agreement, the Class B Issuer/Borrower Loan Agreement, the Senior Finance Documents and the Class B Finance Documents;
- (ii) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Financial Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into Topco or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by Topco or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Financial Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilised to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by Topco or was merged, consolidated or otherwise combined with or into Topco or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date;
- (iii) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Financial Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (i) or (ii) of this paragraph or this clause (iii) (an “**Initial Agreement**”) or contained in any amendment, supplement or other modification to an agreement referred to in clause (i) or (ii) of this paragraph or this clause (iii); *provided, however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favourable in any material respect to the holders of the Class B2 Notes, taken as a whole, than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by Topco);
- (iv) any encumbrance or restriction:
 - (A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, licence or similar contract, or the assignment or transfer of any lease, licence or other contract;
 - (B) contained in mortgages, pledges, charges or other security agreements permitted under the Class B Issuer/Borrower Loan Agreement or securing Financial Indebtedness of Topco or a Restricted Subsidiary permitted under the Class B Issuer/Borrower Loan Agreement to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges, charges or other security agreements; or
 - (C) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of Topco or any Restricted Subsidiary;
- (v) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalised Lease Obligations permitted under the Class B Issuer/Borrower Loan Agreement, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

- (vi) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;
- (vii) customary provisions in leases, licences, joint venture, concession or permit agreements and other similar agreements and instruments entered into in the ordinary course of business;
- (viii) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;
- (ix) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;
- (x) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;
- (xi) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Financial Indebtedness permitted to be Incurred subsequent to the Third Closing Date as described in to “— *Limitation on Financial Indebtedness*” if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favourable to the holders of the Class B2 Notes than (A) the encumbrances and restrictions contained in the Class A Issuer/Borrower Loan Agreement or the Class B Issuer/Borrower Loan Agreement, together with the security documents associated therewith as in effect on the Third Closing Date; (B) any encumbrance or restriction contained in the Credit Facility, together with the security documents associated therewith as in effect on the Third Closing Date or (C) as is customary in comparable financings (as determined in good faith by Topco); or
- (xii) any encumbrance or restriction existing by reason of any lien permitted as described in “— *Limitations on Liens*”.

Merger, Consolidation or Sale of Assets

Topco will not, directly or indirectly: (i) consolidate or merge with or into another Person (whether or not Topco is the surviving corporation), or (ii) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties and assets of Topco and its Restricted Subsidiaries taken as a whole in one or more related transactions, to another Person, unless:

- (i) either:
 - (A) Topco is the surviving corporation; or
 - (B) the Person formed by or surviving any such consolidation or merger (if other than Topco) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organised or existing under the laws of:
 - (I) a member state of Pre-Expansion European Union;
 - (II) Switzerland;
 - (III) Guernsey; or
 - (IV) the United States;
- (ii) the Person formed by or surviving any such consolidation or merger with Topco or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made (in each case, if other than an Obligor) assumes all the obligations of Topco under the Class B2 Notes, the Class B2 Loan, the Class B Issuer/Borrower Loan Agreement, the Intercreditor Agreement and the Borrower Security Documents;
- (iii) immediately after giving effect to such transaction, no Class B Loan Default, Share Enforcement Event or Class B Loan Event of Default, as the case may be, exists; and

- (iv) Topco or the Person surviving any such consolidation or merger has obtained a Rating Agency Confirmation.

Notwithstanding the preceding clauses (iii) and (iv) (which do not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary of Topco may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to Topco, (b) any Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to Topco, a Borrower or a Guarantor and (c) Topco may consolidate or otherwise combine with or merge into an Affiliate incorporated or organised for the purpose of changing the legal domicile of Topco, reincorporating Topco in another jurisdiction, or changing the legal form of Topco.

An Obligor will not directly or indirectly: (A) consolidate or merge with or into another Person (whether or not such Obligor is the surviving Person) or (B) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets to, another Person, unless:

- (i) (A) immediately after giving effect to that transaction, no Class B Loan Default, Share Enforcement Event or Class B Loan Event of Default, as the case may be, exists and (B) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of such Obligor under the Class B2 Notes, the Class B2 Loan, the Class B Issuer/ Borrower Loan Agreement, the Intercreditor Agreement and the Borrower Security Documents; or
- (ii) To the extent required by the terms of the Class B Issuer/Borrower Loan Agreement, the Net Available Cash of such sale or other disposition is applied in accordance with the applicable provisions of the Class B Issuer/Borrower Loan Agreement.

Notwithstanding clause (i)(A) of the second paragraph of this covenant (which does not apply to transactions referred to in this sentence), (i) any Obligor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to another Obligor or Topco and (ii) an Obligor may consolidate or otherwise combine with or merge into an Affiliate incorporated or organised for the purpose of changing the legal domicile of the Obligor, reincorporating the Obligor in another jurisdiction, or changing the legal form of the Obligor.

Asset Sales

Topco will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly make any Asset Sale unless:

- (i) Topco or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Sale), as determined in good faith by the Board of Directors of Topco, of the shares and assets subject to such Asset Sale (including for the avoidance of doubt, if such Asset Sale is a Permitted Asset Swap); and
- (ii) in any such Asset Sale, or series of related Asset Sales (except to the extent the Asset Sale is a Permitted Asset Swap), at least 75% of the consideration from such Asset Sale (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Financial Indebtedness) received by Topco or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments. For the purposes of this provision, each of the following will be deemed to be cash:
 - (A) the assumption by the transferee of Financial Indebtedness of Topco or Financial Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of Topco or an Obligor) and the release of Topco or such Restricted Subsidiary from all liability on such Financial Indebtedness in connection with such Asset Sale;
 - (B) securities, notes or other obligations received by Topco or any Restricted Subsidiary of Topco from the transferee that are converted by Topco or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Sale;

- (C) Financial Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that Topco and each other Restricted Subsidiary are released from any Guarantee of payment of such Financial Indebtedness in connection with such Asset Sale;
 - (D) consideration consisting of Financial Indebtedness of Topco (other than Subordinated Indebtedness) received after the Third Closing Date and that is cancelled from Persons who are not Topco or any Restricted Subsidiary; and
 - (E) any Designated Non-Cash Consideration received by Topco or any Restricted Subsidiary in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of £18.0 million and 1.0% of Total Assets (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value); and
- (iii) an amount equal to 100% of the Net Available Cash from such Asset Sale is applied by Topco or such Restricted Subsidiary, as the case may be:
- (A) to the extent Topco or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Financial Indebtedness of a Restricted Subsidiary), (1) to prepay, repay, redeem or purchase any Financial Indebtedness under the Class A Issuer/Borrower Loan Agreement, any Financial Indebtedness Incurred under clause (i) of the second paragraph described under “—*Limitation on Financial Indebtedness*” (or any Refinancing Financial Indebtedness in respect thereof) or any other Financial Indebtedness secured by a first priority Lien on the Collateral within 365 days from the later of (x) the date of such Asset Sale and (y) the receipt of such Net Available Cash; *provided, however*, that, in connection with any prepayment or repayment of Financial Indebtedness pursuant to this clause (1), Topco or such Restricted Subsidiary will retire such Financial Indebtedness and will cause the related commitment (if any) (except in the case of the Class A Issuer/Borrower Loan Agreement) to be permanently reduced in an amount equal to the principal amount so prepaid or repaid; (2) to prepay, repay, purchase or redeem Financial Indebtedness of a Restricted Subsidiary that is not a Guarantor or any Indebtedness that is secured on assets which do not constitute Collateral (in each case, other than Subordinated Indebtedness of Topco or a Guarantor or Indebtedness that is owed to Topco or a Restricted Subsidiary); (3) to purchase the Class B2 Notes pursuant to an offer to all holders of Class B2 Notes at a purchase price in cash equal to at least 100% of the principal amount of the Class B2 Notes, plus accrued and unpaid interest to, but not including, the date of purchase; or (4) to prepay, repay, redeem or purchase Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment or purchase; *provided* that Topco shall redeem repay or repurchase Pari Passu Indebtedness pursuant to this clause (4) only if the Borrowers make (at such time or subsequently in compliance with this covenant) an offer to the holders of the Class B2 Notes to purchase their Class B2 Notes in accordance with the provisions set forth below for an Asset Sale Offer for an aggregate principal amount of Class B2 Notes at least equal to the proportion that (x) the total aggregate principal amount of Class B2 Notes outstanding bears to (y) the sum of the total aggregate principal amount of Class B2 Notes outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness; or
 - (B) to the extent Topco or such Restricted Subsidiary elects to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by Topco or another Restricted Subsidiary) within 365 days from the later of (1) the date of such Asset Sale and (2) the receipt of such Net Available Cash; *provided, however*, that any such reinvestment in Additional Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of Topco that is executed or approved within such time will satisfy this requirement, so long as such

investment is consummated within 180 days of such 365th day; and *provided, further*, that, if the Asset Sale relates to Collateral, to the extent such Additional Assets are of the same type as any asset constituting Collateral, such Additional Assets are substantially, simultaneously with their acquisition, pledged under the Borrower Security Documents, with the security interest on such Additional Assets securing the Class B2 Loan and Class B2 Notes with the same priority with respect to the Class B2 Loan and Class B2 Notes as the security interest on the Collateral subject to the Asset Sale, *provided* that in the case of Net Available Cash received from an Asset Sale of Collateral, none of the Obligor may apply such Net Available Cash to repay Financial Indebtedness of a Restricted Subsidiary that is not an Obligor; or

(C) or consummate any combination of the foregoing,

provided, further, that pending the final application of any such Net Available Cash in accordance with clauses (A) or (B), Topco and its Restricted Subsidiaries may temporarily reduce Financial Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Class B Issuer/Borrower Loan Agreement.

Any Net Available Cash from Asset Sales that is not applied or invested or committed to be applied or invested as provided in clause (iii) above will be deemed to constitute “**Excess Proceeds**” under the Class B Issuer/Borrower Loan Agreement. On or prior to the 366th day (or the 546th day if a binding commitment as described in clause (iii)(B) above has been entered into) after an Asset Sale, if the aggregate amount of Excess Proceeds under the Class B Issuer/Borrower Loan Agreement exceeds £20.0 million, the Borrowers will be required to make an offer (an “**Asset Sale Offer**”) to all holders of Class B2 Notes and, to the extent the Borrowers elect, to all holders of other outstanding Pari Passu Indebtedness, to purchase, prepay or redeem the maximum principal amount of Class B2 Notes and any such Pari Passu Indebtedness to which the Asset Sale Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Class B2 Notes in an amount at least equal to (and, in the case of such Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Class B2 Notes and 100% of the principal amount of Pari Passu Indebtedness, in each case plus accrued and unpaid interest, if any, to, but not including, the date of purchase, Class B2 Loan Deferred Interest Amount, if any, and any accrued but unpaid interest thereon, in accordance with the procedures set forth in this covenant or the agreements governing the Pari Passu Indebtedness, as applicable, and in minimum denominations of £100,000 and in integral multiples of £1,000 in excess thereof.

Each Asset Sale Offer will remain open for a period of at least 20 Business Days following its commencement and not more than 30 Business Days, except to the extent that a longer period is required by applicable law (the “**Offer Period**”). No later than three Business Days after the termination of the Offer Period (the “**Purchase Date**”), the Borrowers will apply all Excess Proceeds (the “**Offer Amount**”) to purchase the maximum principal amount of Class B2 Notes and, if applicable, any such Pari Passu Indebtedness (on a pro rata basis based on the principal amount of Class B2 Notes and such Pari Passu Indebtedness surrendered, if applicable) or, if less than the Offer Amount has been tendered, all Class B2 Notes and, if applicable, other Financial Indebtedness tendered in response to the Asset Sale Offer. Payment for any Class B2 Notes and, if applicable, any such Pari Passu Indebtedness, so purchased will be made in the same manner as interest payments are made. If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, if any, will be paid to the Person in whose name a Class B2 Note is registered at the close of business on such record date, and no additional interest will be payable to holders of Class B2 Notes who tender Class B2 Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Borrowers shall (or upon request of the Borrowers, the Issuer shall) send, by first class mail, a notice to the Issuer and (for the purposes of information only) to the Borrower Security Trustee. The notice, which will govern the terms of the Asset Sale Offer, will state:

- (i) that the Asset Sale Offer is being made pursuant to this covenant and the length of time the Asset Sale Offer will remain open;
- (ii) the Offer Amount, the purchase price and the Purchase Date;
- (iii) that any Class B2 Note not tendered or accepted for payment will continue to accrue interest;

- (iv) that, unless the Borrowers default in making such payment, any Class B2 Note accepted for payment pursuant to the Asset Sale Offer will cease to accrue interest after the Purchase Date;
- (v) that holders of Class B2 Notes electing to have a Class B2 Note purchased pursuant to an Asset Sale Offer may elect to have Class B2 Notes purchased in integral multiples of £1,000 only (*provided* that Class B2 Notes of £100,000 or less may only be redeemed in whole and not in part);
- (vi) that holders of Class B2 Notes electing to have Class B2 Notes purchased pursuant to any Asset Sale Offer will be required to transfer the Class B2 Notes to the nominated account as specified in the notice of the Asset Sale Offer;
- (vii) that holders of Class B2 Notes will be entitled to withdraw their election if the Issuer and/or the Borrowers receive (at such facsimile number or address as specified in the notice of the Asset Sale Offer), not later than the expiration of the Offer Period, a facsimile transmission or letter setting forth the name of the holder of Class B2 Notes, the principal amount of Class B2 Notes delivered for purchase, and a statement that such holder is withdrawing its election to have the Class B2 Notes purchased;
- (viii) that, if the aggregate principal amount of Class B2 Notes and other Pari Passu Indebtedness surrendered by holders thereof exceeds the Offer Amount, the Borrowers will select the Class B2 Notes and Pari Passu Indebtedness to be purchased on a pro rata basis based on the principal amount of Class B2 Notes and such Pari Passu Indebtedness surrendered (with such adjustments as may be deemed appropriate by the Borrowers so that only Class B2 Notes in denominations of £1,000, or integral multiples thereof, will be purchased (*provided* that Class B2 Notes of £100,000 or less may only be redeemed in whole and not in part)); and
- (ix) that holders of Class B2 Notes whose Class B2 Notes are being purchased only in part will be issued new Class B2 Notes equal in principal amount to the unpurchased portion of the Class B2 Notes surrendered, which unpurchased portion must be equal to £100,000 in principal amount or an integral multiple of £1,000 in excess thereof.

On or before the Purchase Date, the Borrowers will, to the extent lawful:

- (i) accept for payment, on a pro rata basis to the extent necessary, the Offer Amount of Class B2 Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Class B2 Notes tendered;
- (ii) deliver or cause to be delivered to the Issuer (in satisfaction, prepayment and discharge of a pro rata portion of each Borrower's liability under the Class B2 Loan) the Class B2 Notes properly accepted together with an Officer's Certificate stating that such Class B2 Notes or portions thereof were accepted for payment by the Borrowers in accordance with the terms of this covenant and the Issuer shall then deliver such Class B2 Notes to the Paying Agent and shall take all other action and deliver all documents and certificates required under the Note Trust Deed or required by the Paying Agent to effect cancellation of the Class B2 Notes; and
- (iii) deposit with the Paying Agent an amount equal to the purchase price in respect of all Class B2 Notes or portions of Class B2 Notes properly tendered by such holder for payment into the account of each tendering holder of Class B2 Notes (as specified in such holder's acceptance of the Asset Sale Offer) no later than five days after the Purchase Date.

The Issuer shall cooperate with the Borrowers in relation to any Asset Sale Offer, and the Borrowers shall bear the cost of such Asset Sale Offer (including, without limitation, by delivering such notices to holders of Class B2 Notes as the Borrowers may require in order to enable the Borrowers to comply with the foregoing provisions of this paragraph).

If any Excess Proceeds remain after consummation of an Asset Sale Offer, Topco and its Restricted Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by the Class B Issuer/Borrower Loan Agreement. If the aggregate principal amount of Class B2 Notes tendered into (or to be redeemed in connection with) such Asset Sale Offer and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Class B2 Notes and Pari Passu Indebtedness to be purchased on a pro rata basis, based on the aggregate

principal amount of Class B2 Notes and Pari Passu Indebtedness tendered. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Class B2 Notes is denominated in a currency other than sterling, the amount thereof payable in respect of the Class B2 Notes shall not exceed the net amount of funds in sterling that is actually received by the Issuer upon converting such portion into sterling.

Following any acceptance by the holders of Class B2 Notes of any Asset Sale Offer, the Borrowers will be required to prepay the Class B2 Loan at par (plus accrued and unpaid interest, if any) in an aggregate principal amount equal to the aggregate principal amount (plus accrued and unpaid interest, if any) of Class B2 Notes so tendered in such Asset Sale Offer.

Transactions with Affiliates

Topco will not, and will not permit any of its Restricted Subsidiaries to, make any payment to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate of Topco and its Restricted Subsidiaries (each, an “**Affiliate Transaction**”) involving aggregate payments or consideration in excess of £5.0 million, unless:

- (i) the terms of such Affiliate Transaction taken as a whole are not materially less favourable to Topco or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm’s length dealings with a Person who is not such an Affiliate; and
- (ii) in the event such Affiliate Transaction involves an aggregate value in excess of £20.0 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors.

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in clause (ii) of the first paragraph of this covenant if such Affiliate Transaction is approved by a majority of the Disinterested Directors. If there are no Disinterested Directors, any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in this covenant if Topco or any of its Restricted Subsidiaries, as the case may be, delivers to the Borrower Security Trustee a letter from an Independent Financial Adviser stating that such transaction is fair to Topco or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favourable to Topco or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Topco or such Restricted Subsidiary with an unrelated Person on an arm’s length basis.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the first paragraph of this covenant:

- (i) any Class B2 Restricted Payment permitted to be made pursuant to the provisions described in “— *Class B2 Restricted Payments*”, any Permitted Payments (other than pursuant to clause (ix)(B) of the definition of Permitted Payments) or any Permitted Investment (other than Permitted Investments as defined in clauses (a)(ii), (b) and (o) of the definition thereof);
- (ii) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, programme, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of Topco, any Restricted Subsidiary of Topco or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants’ plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programmes or arrangements) or payments of customary fees and reimbursements of expenses to, or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of Topco, in each case in the ordinary course of business;
- (iii) any Management Advances and any waiver or transaction with respect thereto;

- (iv) any transaction between or among Topco or any of its Restricted Subsidiaries (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;
- (v) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of Topco, any Restricted Subsidiary of Topco or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);
- (vi) the entry into and performance of obligations of Topco or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Third Closing Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the holders of the Class B2 Notes in any material respect and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;
- (vii) the execution, delivery and performance of any tax sharing agreement to the extent not prohibited by the definition of Permitted Payments or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;
- (viii) transactions with customers, clients, joint venture partners, providers of employees or other labour (including, without limitation, with respect to the management, development, maintenance or refurbishment of real property and other related services), suppliers or purchasers or sellers of goods or services (including, without limitation, with respect to insurance and reinsurance services), in each case in the ordinary course of business, which are fair to Topco or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management of Topco or the relevant Restricted Subsidiary, or are on terms no less favourable than those that could reasonably have been obtained at such time from an unaffiliated party;
- (ix) any transaction in the ordinary course of business between or among Topco or any Restricted Subsidiary and any Affiliate of Topco that would constitute an Affiliate Transaction solely because Topco or a Restricted Subsidiary or any Affiliate of Topco or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an Equity Interest in or otherwise controls such Affiliate;
- (x) (A) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of Topco or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors in their reasonable determination and (B) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Class B Issuer/Borrower Loan Agreement;
- (xi) without duplication in respect of payments made pursuant to clause (xii) hereof, (A) payments by Topco or any of its Restricted Subsidiaries to any Parent or Permitted Holder (whether directly or indirectly, including through any Parent) of customary annual management, consulting, monitoring or advisory fees and related expenses and (B) customary payments by Topco or any of its Restricted Subsidiaries to any Parent or Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this clause (B) are approved by a majority of the Board of Directors in good faith;
- (xii) payment to any Parent or Permitted Holder of all reasonable out-of-pocket expenses Incurred by such Parent or Permitted Holder in connection with its direct or indirect investment in Topco and its Subsidiaries;

- (xiii) the Incurrence or amendment of any Subordinated Shareholder Funding;
- (xiv) transactions between any of the Obligors and any person, a director of which is also a director of the relevant Obligor or any direct or indirect parent of such Obligor; *provided, however*, that such director abstains from voting as a director of the relevant Obligor or such direct or indirect parent, as the case may be, on any matter involving such other person;
- (xv) any Permitted Pre-Sale Reorganisation;
- (xvi) the Transaction Documents;
- (xvii) any transaction that is, directly or indirectly, related to the Woburn Site or an Additional Site and is otherwise permitted by the Class B Issuer/Borrower Loan Agreement;
- (xviii) any Affiliate Transaction with the Issuer provided it complies with the covenants set forth in the Note Trust Deed;
- (xix) the existence of, or the performance by Topco or any of its Restricted Subsidiaries of its obligations under the terms of, any stockholders agreement (including any registration rights agreement or purchase agreement related thereto) to which it (or any Parent of the Topco) is a party as of the Third Closing Date and any similar agreements which it (or any Parent of Topco) may enter into thereafter; *provided* that the existence of, or the performance by the Topco or any of its Restricted Subsidiaries (or such Parent) of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Third Closing Date shall only be permitted by this clause (xx) to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous in any material respect in the good faith judgment of Topco to the Class B Lenders when taken as a whole; and
- (xx) (i) the Transactions, (ii) the entry into and performance of obligations of Topco or any of its Restricted Subsidiaries under the terms of any transaction pursuant to or contemplated by, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Third Closing Date or described in "*Certain Relationships and Related Party Transactions*" in these Listing Particulars, as these agreements and instruments may be amended, modified, supplemented, extended, renewed, replaced or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Class B2 Noteholders in any material respect, and (iii) the entry into and performance of any registration rights or other listing agreement.

Limitation on Issuances of Guarantees of Certain Financial Indebtedness

Topco will not permit any of its Restricted Subsidiaries that is not a Guarantor, directly or indirectly, to Guarantee the payment of any Class A Loans, Additional Class A Loans or Financial Indebtedness Incurred under the Credit Facility (or, in each case, any Refinancing Financial Indebtedness Incurred in respect thereof) unless such Restricted Subsidiary simultaneously executes and delivers an accession agreement to the Class B Issuer/Borrower Loan Agreement providing for the Guarantee of the payment of the Class B2 Loan and Class B2 Notes by such Restricted Subsidiary, which Guarantee will be *pari passu* with or junior to such Restricted Subsidiary's Guarantee of such Class A Loans, Additional Class A Loans or Financial Indebtedness Incurred under the Credit Facility (or, in each case, any Refinancing Financial Indebtedness Incurred in respect thereof).

Each such additional Guarantee will be limited as necessary to recognise certain defences generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally) or other considerations under applicable law.

The first paragraph of this covenant will not be applicable to any Guarantees of any Restricted Subsidiary:

- (i) existing on the Third Closing Date; or
- (ii) given to a bank or trust company having combined capital and surplus and undivided profits of not less than £250.0 million, whose debt has a rating, at the time such Guarantee was given, of at least "A" or the equivalent thereof by S&P and Fitch, in connection with the operation of

cash management programmes established for the benefit of the Issuer or any of its Restricted Subsidiaries.

Notwithstanding the foregoing, Topco shall not be obligated to cause such Restricted Subsidiary to Guarantee the payment of the Class B2 Loan or Class B2 Notes to the extent that such Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in:

- (i) a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to Topco or such Restricted Subsidiary; or
- (ii) any liability for the officers, directors or shareholders of such Restricted Subsidiary.

Reports

For so long as any Class B2 Loan is outstanding, Topco will provide to the Borrower Security Trustee and the Class B Note Trustee (for the benefit of the Class B2 Noteholders) the following reports:

- (i) within 120 days after the end of Intermediate Holdco's financial year, annual reports containing the following information: (A) audited consolidated balance sheets of Intermediate Holdco as of the end of the two most recent financial years and audited consolidated income statements and statements of cash flow of Topco for the two most recent financial years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (B) pro forma income information and balance sheet information of Intermediate Holdco (which, for the avoidance of doubt shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions or dispositions that represent greater than 20% of the consolidated revenues, EBITDA, or assets of Intermediate Holdco or recapitalisations that have occurred since the beginning of the most recently completed financial year as to which such annual report relates; (C) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources of Intermediate Holdco, and a discussion of material commitments and contingencies and critical accounting policies and (D) a description of material risk factors and material recent developments of the Group.
- (ii) within 60 days following the end of each of the first three financial quarters in each financial year of Intermediate Holdco, all quarterly reports of Intermediate Holdco containing the following information: (A) an unaudited condensed consolidated balance sheet of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter and year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; (B) *pro forma* income statement and balance sheet information of Intermediate Holdco (which, for the avoidance of doubt shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions or dispositions that represents greater than 20% of the consolidated revenues, EBITDA or assets of Intermediate Holdco or recapitalisations that have occurred since the beginning of the relevant quarter, in each case unless *pro forma* information has been provided in a previous report pursuant to clauses (i) and (iii) or this clause (ii); (C) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations and financial condition, EBITDA, and material changes in liquidity and capital resources of Intermediate Holdco; and (D) material recent developments of Intermediate Holdco;
- (iii) within ten days after the occurrence of (A) a material acquisition, disposition or restructuring; (B) any senior management change at Topco; (C) any change in the auditors of Intermediate Holdco; (D) the entering into an agreement that would result in a Class B2 Change of Control; or (E) any material events that any Obligor announces publicly, in each case, a report containing a description of such events; and
- (iv) on each Semi-Annual Investor Reporting Date, CP Opco must provide details of a telephone conference into which the Class A Noteholders and Class B2 Noteholders may dial, on which the senior management of the Obligors must present their financial results for the relevant period, *provided* that CP Opco shall only be required to hold telephone conferences if so required under the Class A Issuer/Borrower Loan Agreement,

provided, however, that the reports set forth in clauses (i), (ii) and (iii) above will not be required to (A) contain any reconciliation to U.S. GAAP or (B) include separate financial statements for any Obligor or any Subsidiaries of Intermediate Holdco that are not Obligors.

Notwithstanding the foregoing, to the extent that material differences exist between the results of operations or financial condition of Topco and Intermediate Holdco, the annual and quarterly reports shall give a reasonably detailed description of such differences. Topco may at any time elect to become the reporting entity in place of Intermediate Holdco, after which election, references to the “Intermediate Holdco” in clauses (i), (ii) and (iii) and the proviso above shall be deemed to refer to Topco.

All financial statements shall be prepared in accordance with IFRS. Except as provided for above, no report need include separate financial statements for the Obligors or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in these Listing Particulars.

Substantially concurrently with the issuance to the Borrower Security Trustee of the reports specified in clause (i), (ii) and (iii) above, Topco shall make available copies of all reports required on its website.

For the avoidance of doubt, neither the Class B Note Trustee nor the Borrower Security Trustee shall be responsible for monitoring or confirming the validity or accuracy of the reports or information delivered pursuant to this covenant or compliance by Topco with its obligations under this covenant.

In addition, Topco shall furnish to the Class B2 Noteholders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Class B2 Notes are not freely transferable under the Exchange Act by persons who are not “affiliates” under the Securities Act.

Conduct of Business/Business Activities

The Obligors will not engage in any business other than a Class B2 Permitted Business, except to the extent as would not be material to the Obligors, taken as a whole.

Limitation on Holding Company Activities

Topco and Holdco must not carry on any business or own any assets other than:

- (i) (a) with respect to Topco, the ownership of Capital Stock of Holdco and (b) with respect to Holdco, the ownership of Intermediate Holdco;
- (ii) conduct of their business as holding companies, including the provision of administrative services (excluding treasury services but including the on-lending of monies to their respective Restricted Subsidiaries) and management services to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries and the ownership of assets necessary to provide such services;
- (iii) activities undertaken with the purpose of fulfilling rights and obligations arising under the Transaction Documents to which it is a party, asset and liabilities under the Transaction Documents, and professional fees and administration costs in connection therewith and otherwise in the ordinary course of business as a holding company;
- (iv) credit balances in bank accounts and Investments in cash and Cash Equivalents;
- (v) subject to the provisions described in the first and second paragraphs of this covenant, Incurring Financial Indebtedness as described in “— *Certain Covenants — Limitation on Financial Indebtedness*” (including activities reasonably incidental thereto, including performance of the terms and conditions of such Financial Indebtedness, to the extent such activities are otherwise permissible under the Class B Issuer/Borrower Loan Agreement) and the granting of Liens as described in “— *Certain Covenants — Limitations on Liens*”;
- (vi) making Investments in the Class B2 Notes or Financial Indebtedness as described in “— *Certain Covenants — Limitation on Financial Indebtedness*”;
- (vii) directly related or reasonably incidental to the establishment and/or maintenance of its or its Subsidiaries’ corporate existence or for the purpose of transferring such property and assets to any Parent or other Person;

- (viii) activities pursuant to or in connection with the Transactions; or
- (ix) other activities not specifically enumerated above that are de minimis in nature or ancillary to or related to those listed in this covenant.

Neither Topco nor Holdco will, directly or indirectly, Incur any Financial Indebtedness (including Acquired Indebtedness, but excluding any outstanding intercompany Financial Indebtedness existing on the Third Closing Date) other than (i) the Incurrence of obligations or liabilities arising by operation of law, (ii) the Incurrence of liabilities to pay Taxes and paying Taxes, (iii) the Incurrence such as may arise of liabilities under the Topco Payment Undertaking of the Topco Transaction Documents, and neither Topco nor Holdco will issue any Disqualified Stock.

Neither Topco nor Holdco will, directly or indirectly, create, Incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Financial Indebtedness upon any of its property or assets, now owned or hereinafter acquired, except to secure any Permitted Topco Lien.

Neither Topco nor Holdco will not take, or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing the security interest with respect to the collateral granted under the relevant Topco Security Documents (it being understood that the Incurrence of Liens on the Topco Security permitted by the definition of Permitted Topco Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Topco Security) for the benefit of the Borrower Security Trustee and the Issuer, and neither Topco nor Holdco will grant to any Person other than the Borrower Security Trustee for the benefit of the Issuer and the other beneficiaries described in the Topco Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement, any interest whatsoever in the Topco Security; *provided* that (a) nothing in this provision shall restrict the discharge or release of the Topco Security in accordance with the Class B Issuer/Borrower Loan Agreement, the Topco Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement and (b) Topco and Holdco may Incur Permitted Topco Liens; *provided further, however*, that, subject to the foregoing, Topco Security Documents may not be amended, extended, renewed, restated, supplemented or otherwise modified, replaced, or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) unless Topco or Holdco, as applicable, contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the assets), delivers to the Borrower Security Trustee (i) a certificate from the Board of Directors or chief financial officer of the relevant Person (acting in good faith) that confirms the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, replacement, supplement, modification or release, or (ii) an opinion of counsel, in form and substance reasonably satisfactory to the Borrower Security Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking, the Lien or Liens securing the Topco Payment Undertaking created under the Topco Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

Impairment of Security Interest

Topco will not, and will not cause or permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the Incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Borrower Security Trustee and the holders of the Class B2 Notes, and Topco will not, and will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Borrower Security Trustee, for the benefit of the Borrower Security Trustee and the Class B2 Notes and the other beneficiaries described in the Borrower Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement, any interest whatsoever in any of the Collateral; *provided* that (a) nothing in this provision shall restrict the discharge or release of the Collateral in accordance with the Class B Issuer/Borrower Loan Agreement, the Borrower Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement and (b) Topco and its Restricted Subsidiaries may Incur Permitted Collateral Liens; *provided further, however*, that, subject to the foregoing, no Borrower Security Document may be amended, extended, renewed, restated, supplemented or otherwise

modified, replaced, or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) unless Topco contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the assets), delivers to the Borrower Security Trustee (i) a certificate from the Board of Directors or chief financial officer of the relevant Person (acting in good faith) that confirms the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, replacement, supplement, modification or release, or (ii) an opinion of counsel, in form and substance reasonably satisfactory to the Borrower Security Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking, the Lien or Liens securing the Class B2 Loan created under the Borrower Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

At the direction of Topco and without the consent of the holders of the Class B2 Notes, the Borrower Security Trustee may from time to time enter into one or more amendments to the Borrower Security Documents to:

- (i) cure any ambiguity, omission, defect or inconsistency therein;
- (ii) subject to compliance with the provisions described in the first paragraph of this covenant, provide for Permitted Collateral Liens;
- (iii) add to the Collateral; or
- (iv) make any other change thereto that does not adversely affect the rights of the holders of the Class B2 Notes in any material respect.

In the event that Topco complies with the provisions described in “— *Impairment of Security Interest*”, the Borrower Security Trustee shall (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification, replacement or release with no need for instructions from the holders of Class B2 Notes.

Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements

At the request of Topco, in connection with the Incurrence or refinancing by Topco or its Restricted Subsidiaries of any Financial Indebtedness secured or permitted to be secured on the Collateral, Topco, the relevant Restricted Subsidiaries and the Borrower Security Trustee shall enter into an intercreditor or similar agreement (an “**Additional Intercreditor Agreement**”) with the creditors of such Financial Indebtedness (or their duly authorised representatives) on substantially the same terms as the Intercreditor Agreement (or on terms not materially less favourable to the holders of the Class B2 Notes), including containing substantially the same terms with respect to the application of the proceeds of the collateral held thereunder and the means of enforcement; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Borrower Security Trustee or, in the opinion of the Borrower Security Trustee, adversely affect the rights, duties, liabilities or immunities of the Borrower Security Trustee under the Class B Issuer/Borrower Loan Agreement or the Intercreditor Agreement. As used herein, the term Intercreditor Agreement shall include references to any Additional Intercreditor Agreement that supplements or replaces the Intercreditor Agreement.

At the written direction of Topco and without the consent of the holders of the Class B2 Notes, the Borrower Security Trustee shall from time to time enter into one or more amendments to any Intercreditor Agreement to:

- (i) cure any ambiguity, omission, defect or inconsistency of any such agreement;
- (ii) increase the amount or types of Financial Indebtedness covered by any such agreement that may be Incurred by Topco and its Restricted Subsidiaries that are subject to any such agreement (*provided* that such Financial Indebtedness is Incurred in compliance with the Class B Issuer/Borrower Loan Agreement) (including the addition of provisions relating to new Financial Indebtedness ranking junior or *pari passu* in right of payment with the Class B2 Loan and the Class B2 Notes);

- (iii) add Restricted Subsidiaries to the Intercreditor Agreement;
- (iv) further secure the Class B2 Loan (including Additional Class B Loan) in accordance with the Class B Issuer/Borrower Loan Agreement;
- (v) make provision for equal and rateable pledges of the Collateral to secure Class B Additional Notes and Additional Class B Loan or to implement any Permitted Collateral Liens;
- (vi) grant any Additional Class B Facility or amend any existing Class B2 Facility to provide for further advances; and/or
- (vii) make any other change to any such agreement that does not adversely affect the holders of the Class B2 Notes in any material respect. Topco shall not otherwise direct the Borrower Security Trustee to enter into any amendment to any Intercreditor Agreement without the consent of holders of a majority in aggregate principal amount of the Class B2 Notes then outstanding, except as otherwise permitted as described in “— *Amendments and Waivers*” or as permitted by the terms of such Intercreditor Agreement, and Topco may only direct the Borrower Security Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Borrower Security Trustee or, in the opinion of the Borrower Security Trustee, adversely affect the rights, duties, liabilities or immunities of the Borrower Security Trustee under the Class B Issuer/Borrower Loan Agreement relating to the Class B2 Loan, the Class B2 Notes or any Intercreditor Agreement.

Each holder of Class B2 Notes, by accepting a Class B2 Note, shall be deemed to have agreed to and accepted the terms and conditions of any Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein).

SHARE ENFORCEMENT EVENT AND CLASS B LOAN EVENT OF DEFAULT

Share Enforcement Event

For so long as any Class A Loans or Additional Class A Loans are outstanding, each of the following is a “**Share Enforcement Event**” under the Class B Issuer/Borrower Loan Agreement:

- (i) default in any payment of interest or Additional Amounts, if any, on any Class B Loan when due and payable, continued for 30 days;
- (ii) if any amount (including, without limitation, any principal amount or premium of a Class B Loan) remains outstanding (whether or not then due and payable) under a Class B Loan as at close of business on the Class B Loan Expected Maturity Date of such Class B Loan;
- (iii) failure to pay the principal amount of or premium, if any, on any Class B Loan upon optional redemption, upon required repurchase or upon declaration;
- (iv) failure by Topco to comply with the provisions described in “— *Certain Covenants — Limitation on Holding Company Activities*”;
- (v) failure to comply for 30 days after written notice by the Borrower Security Trustee on behalf of the holders of the Class B Notes or by the holders of at least 30% in principal amount of the outstanding Class B Notes with Topco and its Restricted Subsidiaries’ obligations described in “— *Class B2 Change of Control*” (in each case, other than a failure to purchase Class B2 Notes which will constitute a Share Enforcement Event under clause (ii) above);
- (vi) failure to comply for 60 days after written notice by the Borrower Security Trustee on behalf of the holders of the Class B Notes or by the holders of at least 30% in principal amount of the outstanding Class B Notes with Topco and its Restricted Subsidiaries’ other agreements contained in the Class B Issuer/Borrower Loan Agreement, subject to the cure rights described in “— *Certain Covenants — Class B Financial Covenant — Cure right*”;
- (vii) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Financial Indebtedness for money borrowed by Topco or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by Topco or any of its Restricted Subsidiaries) other than Financial Indebtedness owed to Topco or a

Restricted Subsidiary whether such Financial Indebtedness or Guarantee now exists, or is created after the date hereof, which default:

- (A) is caused by a failure to pay principal on such Financial Indebtedness, immediately upon the expiration of the grace period provided in such Financial Indebtedness (“**Payment Default**”); or
 - (B) results in the acceleration of such Financial Indebtedness prior to its maturity (“**Cross-Acceleration**”),

and, in each case, (I) the aggregate principal amount of any such Financial Indebtedness, together with the principal amount of any other such Financial Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, equals £10.0 million or more and (II) other than a Payment Default with respect to Financial Indebtedness Incurred under the Class A Issuer/Borrower Loan Agreement or under any Credit Facility;
- (viii) Topco or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that taken as a whole constitutes a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:
- (A) commences a voluntary case;
 - (B) consents to the entry of an order for relief against it in an involuntary case;
 - (C) consents to the appointment of a custodian of it or for all or substantially all of its property; or
 - (D) makes a general assignment for the benefit of its creditors;
- (ix) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
- (A) is for relief against Topco or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that taken as a whole constitutes a Significant Subsidiary in an involuntary case;
 - (B) appoints a custodian of Topco or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that taken as a whole constitutes a Significant Subsidiary or for all or substantially all of the property of Topco or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that taken as a whole constitutes a Significant Subsidiary; or
 - (C) orders the liquidation of Topco or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that taken as a whole constitutes a Significant Subsidiary,
- and the order or decree remains unstayed and in effect for 60 consecutive days;
- (x) failure by Topco or any Significant Subsidiary or any group of Restricted Subsidiaries that taken as a whole constitutes a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for Topco and its Restricted Subsidiaries), would constitute a Significant Subsidiary or any group of Restricted Subsidiaries that taken as a whole constitutes a Significant Subsidiary to pay final judgments aggregating in excess of £10.0 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final;
- (xi) any security interest under the Borrower Security Documents on any material Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Borrower Security Document and the Class B Issuer/Borrower Loan Agreement) for any reason other than the satisfaction in full of all obligations under the Class B Issuer/Borrower Loan Agreement or the release or amendment of any such security interest in accordance with the terms of the Class B Issuer/Borrower Loan Agreement or such Borrower

Security Document or any such security interest created thereunder shall be declared invalid or unenforceable or Topco shall assert in writing that any such security interest is invalid or unenforceable and any such Class B Loan Default continues for ten days;

- (xii) any Class B Guarantee ceases to be in full force and effect, other than in accordance with the Class B Issuer/Borrower Loan Agreement or Topco or a Guarantor denies or disaffirms its obligations under its Class B Guarantee, other than in accordance with the terms thereof or upon release of the Class B Guarantee in accordance with the Class B Issuer/Borrower Loan Agreement; and
- (xiii) a Class B Note Event of Default (not giving effect, for these purposes, to the provisions of Condition 11.2 of the Class B2 Conditions) or a Class B Trigger Event has occurred (subject to any relevant grace period or cure rights).

However, a default under any of the provisions described under clauses (v), (vi), (vii) or (x) above will not constitute a Share Enforcement Event until the Borrower Security Trustee or the holders of 30% in principal amount of the outstanding Class B Notes notify Topco of the default and, with respect to clauses (v), (vi), (vii) and (x), Topco does not cure such default within the time specified in clauses (v), (vi), (vii) or (x), as applicable, after receipt of such notice.

If a Share Enforcement Event occurs and is continuing, the Borrower Security Trustee acting upon the instructions of the Issuer Security Trustee as directed by the Class B Note Trustee, who shall be required to act if directed by the holders of at least 30% in principal amount of the outstanding Class B Notes, may by notice to Topco enforce the Topco Payment Undertaking and Topco Security Documents in accordance with their terms and the terms of the Intercreditor Agreement.

Class B Loan Event of Default

If at any time either (i) no amounts remain outstanding under any Class A Loans or Additional Class A Loans or (ii) an acceleration of the amounts that remain outstanding under any Class A Loans has occurred, each of the Share Enforcement Events set out in “— *Share Enforcement Event*” above will also constitute a “**Class B Loan Event of Default**”.

In addition, whether or not any amounts remain outstanding under any Class A Loans or Additional Class A Loans, any default in the payment of the principal amount of or premium, if any, on any Class B2 Loan borrowed under the Class B Issuer/ Borrower Loan Agreement when due on the Class B2 Loan Final Maturity Date shall be a Class B Loan Event of Default.

If a Class B Loan Event of Default (other than a Class B Loan Event of Default described in clauses (viii) or (ix) of the first paragraph of “— *Share Enforcement Event*”, above) occurs and is continuing, the Borrower Security Trustee by notice to Topco on the instruction of the Issuer Security Trustee (who acts on the instructions of the Class B Note Trustee, as directed by the holders of at least 30% in principal amount of the outstanding Class B Notes) in accordance with the terms of the Intercreditor Agreement, may declare the principal or premium, if any, and accrued and unpaid interest and Additional Amounts, if any, on all the Class B2 Loan to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest and Additional Amounts, if any, will be due and payable immediately.

If a Class B Loan Event of Default described in clauses (viii) or (ix) of the first paragraph of “— *Share Enforcement Event*” above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest and Additional Amounts, if any, on the Class B2 Loan will become and be immediately due and payable without any declaration or other act on the part of the Borrower Security Trustee or any holders of Class B Notes.

No Class B Loan Event of Default may occur with respect to the Class B2 Loan while any amounts remain outstanding under any of the Class A Loans (until after an acceleration of the Class A Loans) although this is without prejudice to the ability of the Borrower Security Trustee, at the direction of the Class B Noteholders, to enforce the security granted pursuant to the Topco Security Documents in certain circumstances including, without limitation, where there has been a failure to pay cash interest on the Class B2 Loan prior to the Class B2 Loan Expected Maturity Date or a failure to repay principal, Class B2 Loan Deferred Interest Amount and any accrued but unpaid interest thereon on such date. Where there is such a failure to pay and for so long as the Class B2 Loan remains outstanding thereafter (whether or not security is being enforced), any

overdue amount of principal or interest and the Class B2 Loan will bear interest at the interest rates set out in the second and third paragraphs under “— *Interest — Payment of interest*” above.

AMENDMENTS AND WAIVERS

Procedure

Any term of the Class B Finance Documents may be amended or waived with the agreement of the Borrowers, the Borrower Security Trustee and the Issuer in accordance with the Intercreditor Agreement.

Each Guarantor agrees to (and authorises any Borrower to execute on its behalf) any amendment or waiver allowed by this covenant which is agreed to by the Borrowers. This includes any amendment or waiver which would, but for this paragraph, require the consent of each Guarantor if the Class B Guarantee under the Class B Finance Documents is to remain in full force and effect.

POST-CLOSING REORGANISATIONS

The Class B Issuer/Borrower Loan Agreement also provides that a number of post-closing transactions will be permitted (subject to certain conditions being satisfied), including:

Longleat Headlease Transfer and grant of the New Longleat Opco Lease

If CP Opco notifies the Issuer and the Borrower Security Trustee that it intends to arrange the transfer either directly or indirectly by means of a surrender and re-grant of the Longleat Headlease Interest from Longleat Propco to a new property-holding Obligor (a “**Longleat Headlease Transfer**”) and the grant of the Opco Lease between that new Obligor and “CP Opco (the **New Longleat Opco Lease**”) in each case with the consent of the landlord, then provided that CP Opco certifies that the provisions relating thereto in the Tax Deed of Covenant are complied with, the Borrower Security Trustee must, as soon as reasonably practicable after the receipt of such notice but subject to the second paragraph of this covenant, at the cost of the Borrowers, sign and execute all such documents, instruments and consents (including Land Registry forms) as are necessary or desirable in order to enable the transfer of the Longleat Headlease Interest and the grant of the New Longleat Opco Lease as aforesaid.

In connection with the Longleat Headlease Transfer and the New Longleat Opco Lease, such new Obligor must:

- (i) execute and deliver in favour of the Borrower Security Trustee for the benefit of the Borrower Secured Creditors a Longleat Legal Charge; and
- (ii) provide the Borrower Security Trustee with a legal opinion (in a form satisfactory to the Borrower Security Trustee) on the enforceability of the Longleat Legal Charge,

in each case, at the same time as any relevant release or consent is to be given by the Borrower Security Trustee, and provide, as soon as reasonably practicable after the occurrence of the Longleat Headlease Transfer, the Borrower Security Trustee with a new certificate of title in industry standard form evidencing that that new Obligor is entitled to be registered as the registered proprietor of the Longleat Headlease Interest and CP Opco is entitled to be registered as the registered proprietor of the New Longleat Opco Lease, and the Borrower Security Trustee is entitled (but not obliged) to be registered as the proprietor of the Longleat Legal Charge.

In connection with the grant of the New Longleat Opco Lease, CP Opco must execute and deliver in favour of the Borrower Security Trustee for the benefit of the Borrower Secured Creditors a charge by way of legal mortgage in respect of the New Longleat Opco Lease substantially in the form set out in the Borrower Deed of Charge at the same time as any relevant release or consent is to be given by the Borrower Security Trustee.

Release of Designated Obligors

If:

- (i) CP Opco certifies to the Borrower Security Trustee and the Issuer that the Obligor Group intends to wind up and ultimately dissolve some or all of the Designated Obligors; and
- (ii) CP Opco certifies to the Borrower Security Trustee and the Issuer that the provisions relating thereto as set out in the Tax Deed of Covenant are complied with,

then the Borrower Security Trustee must as soon as reasonably practicable after the receipt of such notice, at the cost of the Borrowers:

- (A) release:
 - (I) all Liens granted by the relevant Designated Obligors under the Borrower Security Documents; and
 - (II) all Liens granted in respect of any share capital of the relevant Designated Obligors under the Borrower Security Documents; and
- (B) irrevocably release and discharge the relevant Designated Obligors from all liabilities which they may have under the Class B Finance Documents.

The above provisions may be utilised on more than one occasion in connection with different Designated Obligors.

Capital reductions

If CP Opco (on behalf of the Obligors) notifies the Issuer and the Borrower Security Trustee in writing (and with reasonable detail as to what is proposed) that an Obligor proposes to undertake any capital reduction procedures then, subject to (b), (c) and (d) below, the Borrower Security Trustee must sign and/or execute such documents or instruments and give such consents (if any) as are or may be necessary or desirable in the opinion of CP Opco (acting reasonably) in order to implement the relevant capital reduction.

Any costs of the Issuer and the Borrower Security Trustee in respect of any such capital reduction must be met by the Obligors.

CP Opco must first provide the Issuer and the Borrower Security Trustee with appropriate evidence (which may be, if required in writing by the Borrower Security Trustee, an opinion issued by the professional tax advisor of the Group) satisfactory to the Borrower Security Trustee (acting reasonably) that the proposed capital reduction will not give rise to any adverse tax liability in the Obligors or the Issuer, subject to and in accordance with the terms of the Tax Deed of Covenant.

The provisions of this covenant are without prejudice to the provisions of “— Certain Covenants — Class B2 Restricted Payments”.

Permitted Pre-Sale Reorganisations

If CP Opco notifies the Issuer and the Borrower Security Trustee that, without prejudice to the Group's obligations under the Class B Issuer/Borrower Loan Agreement, the Obligor Group intends to enter into a transaction, or a series of transactions, in connection with a sale of a Propco or a Propco's interest in a Holiday Park (such transaction or series of transactions, a “**Permitted Pre-Sale Reorganisation**”) in each case with landlord consent (where such consent is required), then the Borrower Security Trustee must as soon as reasonably practicable after the receipt of such notice, at the cost of the Borrowers, provide all necessary consents, waivers and permissions (including any release and simultaneous re-taking of security which may be required) which are necessary to enable such Permitted Pre-Sale Reorganisation to take place, but only to the extent that:

- (i) CP Opco certifies to the Borrower Security Trustee and the Issuer that the provisions relating thereto as set out in the Tax Deed of Covenant are complied with; and
- (ii) CP Opco certifies to the Borrower Security Trustee and the Issuer that any such release is not reasonably likely to have a Material Adverse Effect on the position of the Borrower Secured Creditors.

The above provisions may be utilised on more than one occasion in connection with different Permitted Pre-Sale Reorganisations.

Permitted Post-Closing Reorganisations

If CP Opco notifies the Issuer and the Borrower Security Trustee that, without prejudice to the Group's obligations under the Class B Issuer/Borrower Loan Agreement, the Group intends to enter into a transaction, or a series of transactions, as part of the reorganisation of the Group as envisaged in Section 14 of the Permitted

Post-Closing Reorganisation Paper (a “**Permitted Post-Closing Reorganisation**”), then the Borrower Security Trustee must as soon as reasonably practicable after the receipt of such notice, at the cost of the Borrowers, provide all necessary consents, waivers and permissions (including any release and simultaneous re-taking of security which may be required) which are necessary to enable the Permitted Post-Closing Reorganisations to take place, but only to the extent that:

- (i) CP Opco certifies to the Borrower Security Trustee and the Issuer that the provisions relating thereto as set out in the Tax Deed of Covenant are complied with; and
- (ii) CP Opco certifies to the Borrower Security Trustee and the Issuer that any such release is not reasonably likely to have a Material Adverse Effect on the position of the Borrower Secured Creditors.

The above provisions may be utilised on more than one occasion in connection with different Permitted Post-Closing Reorganisations.

Woburn Headlease Transfer and grant of the Woburn Opco Lease

If CP Woburn Opco notifies the Issuer and the Borrower Security Trustee that it intends to arrange the assignment of the Woburn Headlease from CP Woburn Opco to a new property-holding Obligor (a “**Woburn Headlease Transfer**”) and/or the grant of an Opco Lease between that new Obligor or CP Woburn Opco, as the case may be, and CP Opco (the “**Woburn Opco Lease**”) in each case with the consent of the landlord, then provided that CP Woburn Opco certifies that the provisions relating thereto in the First Supplemental Tax Deed of Covenant are complied with, the Borrower Security Trustee must, as soon as reasonably practicable after the receipt of such notice but subject to the paragraph below, at the cost of the Borrowers, sign and execute all such documents, instruments and consents (including Land Registry forms) as are necessary or desirable in order to enable the transfer of the Woburn Headlease and/or the grant of the Woburn Opco Lease as aforesaid. In connection with the Woburn Headlease Transfer and/or the Woburn Opco Lease, such new Obligor must:

- (i) execute and deliver in favour of the (i) Borrower Security Trustee for the benefit of the Borrower Secured Creditors a mortgage over the relevant Property; and
- (ii) provide the Borrower Security Trustee with a legal opinion (in a form satisfactory to the Borrower Security Trustee) on the enforceability of that mortgage,

in each case, at the same time as any relevant release or consent is to be given by the Borrower Security Trustee, and provide, as soon as reasonably practicable after the occurrence of the Woburn Headlease Transfer, the Borrower Security Trustee with a new certificate of title in industry standard form evidencing that that new Obligor is entitled to be registered as the registered proprietor of the Woburn Headlease and CP Opco is entitled to be registered as the registered proprietor of the Woburn Opco Lease, and the Borrower Security Trustee is entitled (but not obliged) to be registered as the proprietor of the Woburn Legal Charge.

In connection with the grant of the Woburn Opco Lease, CP Opco must execute and deliver in favour of the Borrower Security Trustee for the benefit of the Borrower Secured Creditors a charge by way of legal mortgage in respect of the Woburn Opco Lease substantially in the form set out in the Borrower Deed of Charge at the same time as any relevant release or consent is to be given by the Borrower Security Trustee.

ADDITIONAL SITE COVENANTS

Costs and payments

Notwithstanding anything in “— *Certain Covenants — Class B2 Restricted Payments*” to the contrary, any Obligor may, in connection with any Additional Site, incur Relevant Costs (on behalf of an Additional Site Entity) *provided* that:

- (i) the Net Exposure Amount does not at any time exceed £1.0 million; and
- (ii) the Long Term Net Exposure Amount does not at any time exceed £5.0 million, each such amount to be indexed, upwards only, at the end of each financial year based on the CPI applicable to that Financial Year.

For the purposes of the first paragraph of this covenant:

“**Long Term Net Exposure Amount**” means, at any time:

- (i) the aggregate of Relevant Costs (x) which have been incurred and paid by the Obligors under the first paragraph of this covenant which have been funded otherwise than by utilisation of funds which at the time they have been paid by the Obligors have been able to be distributed as Class B2 Restricted Payments and (y) which have been contracted to be paid but are not yet payable by the Obligors; less
- (ii) the aggregate of amounts reimbursed to the Obligors by the relevant Additional Site Entities.

“Net Exposure Amount” means, at any time:

- (i) the aggregate of Relevant Costs incurred and paid by the Obligors under the first paragraph of this covenant which have been funded otherwise than by utilisation of funds which at the time they have been paid by the Obligors have been able to be distributed as Class B2 Restricted Payments; less
- (ii) the aggregate of amounts reimbursed to the Obligors by the relevant Additional Site Entities.

“Relevant Costs” means costs:

- (i) which relate only to services provided to or in respect of an Additional Site; and/or
- (ii) which represent the proportion of costs incurred in respect of obligations to third parties which are attributable to an Additional Site;

and which, in either case, are not costs relating to management, internal accounting (including tax, but not external, audit), personnel, compliance support, supply arrangements, health & safety, IT site maintenance services, concessionary arrangements, customer services, legal and information technology, sales and/or marketing central costs incurred by an Obligor in respect of the Center Parcs Group generally, a proportion of which may be recharged to the relevant Additional Site Entity.

Additional Obligors

If a person who is not an original party to the Class B Issuer/Borrower Loan Agreement, either following its acquisition by an Obligor or through its incorporation, becomes a Subsidiary of either Intermediate Holdco or UK Parcs Holding S.à r.l. (as applicable), it shall promptly execute and deliver to the Borrower Security Trustee an Accession Deed (together with any supporting documentation referred to in that Accession Deed) and, upon such execution and delivery, such person shall be bound by the provisions of the Class B Issuer/Borrower Loan Agreement as if the terms set out in the Class B Issuer/Borrower Loan Agreement were incorporated in full into the arrangements made between that person and the Borrower Secured Creditors.

In the event that the accession of any person to the Class B Issuer/Borrower Loan Agreement requires the Borrower Security Trustee, the Issuer Security Trustee, the Cash Manager, the Borrower Account Bank, the Issuer Account Bank or the Principal Paying Agent to comply with “know your customer” or other similar identification procedures and in such circumstances where the necessary information is not already available to it, the Obligor Group Agent shall promptly upon the request of the Borrower Security Trustee supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Borrower Security Trustee in order for it to carry out and be satisfied that it has complied with all the necessary “know your customer” or similar checks under all applicable laws and regulations in relation to any relevant person pursuant to the accession of such person to the Class B Issuer/Borrower Loan Agreement as an Additional Obligor or Additional Non-Obligor Group Entity and such person shall not become an Additional Obligor or Additional Non-Obligor Group Entity until the Borrower Security Trustee has completed its “know your customer” or similar checks.

Each party acknowledges that such Accession Deed shall, if so requested by the Borrower Security Trustee or the Issuer, be accompanied by: (i) legal tax and accounting opinions, addressed to the Borrower Security Trustee and the Issuer, and in a form satisfactory to the Borrower Security Trustee; (ii) any documentation required to accede to the Intercreditor Agreement and/or the Borrower Deed of Charge (if

relevant); and (iii) a certificate signed by the Borrowers confirming that no Share Enforcement Event, Class B Loan Default or Class B Loan Event of Default is outstanding.

Such Obligor shall accede to the Tax Deed of Covenant in accordance with clause 2.8 of the Tax Deed of Covenant and to the First Supplemental Tax Deed of Covenant in accordance with Clause 8 of the First Supplemental Tax Deed of Covenant and to the Second Supplemental Tax Deed of Covenant in accordance with Clause 7 of the Second Supplemental Tax Deed of Covenant.

Any Borrower may request that a non-Material Obligor ceases to be an Obligor under the terms of the Class B Issuer/Borrower Loan Agreement by giving to the Issuer and the Borrower Security Trustee a duly completed Obligor Resignation Request.

The Borrower Security Trustee must accept an Obligor Resignation Request (in substantially the same form as provided in the Class B Issuer/Borrower Loan Agreement) and notify the Borrowers and the Issuer of its acceptance if the conditions referred to in the Obligor Resignation Request are satisfied. The relevant Obligor will cease to be an Obligor when the Borrower Security Trustee gives the notification.

CLASS A DISCHARGE DATE

The Obligors will not permit the Class A Discharge Date to occur unless the Issuer has received a Rating Agency Confirmation in respect of the Class B2 Notes from S&P with respect thereto.

CLASS A COVENANTS

From the date on which a Share Enforcement Event also constitutes a Class B Loan Event of Default, the general and property covenants set out in the Class A Issuer/Borrower Loan Agreement (the “**Class A Covenants**”) shall be deemed to be incorporated into the Class B Issuer/Borrower Loan Agreement mutatis mutandis as further described below, until such time as the Issuer receives a Rating Agency Confirmation from S&P in relation to the disapplication of the Class A Covenants.

Where the Class A Covenants are incorporated into the Class B Issuer/Borrower Loan Agreement as described above:

- (a) capitalised terms used in the Class A Covenants shall have the same meaning and construction as incorporated into the Class A Issuer/Borrower Loan Agreement, subject to paragraphs (b) to (e) below;
- (b) references to “Class A Loans”, “Class A Issuer/Borrower Loan Agreement”, “Class A IBLA” and “Class A Notes” shall be deemed to be references to “Class B Loans”, “Class B Issuer/Borrower Loan Agreement”, “Class B IBLA” and “Class B Notes”, respectively;
- (c) references to a “Class A Loan Event of Default” and “Class A Loan Potential Event of Default” shall be deemed to be references to a “Class B Loan Event of Default” and a “Class B Loan Default” respectively;
- (d) where a Class A Covenant (or a defined term referred to in a Class A Covenant) refers to both “Class A” and “Class B”, the references to “Class B” shall be deemed to be deleted and the references to “Class A” shall be deemed to be references to “Class B”;
- (e) the Borrower Security Trustee shall have the power to enforce the Class A Covenants on behalf of the Issuer and (indirectly) the Class B Noteholders as if the Class B Loan constituted a Class A Loan on the terms of the Class A Issuer/Borrower Loan Agreement and in accordance with the Intercreditor Agreement.

The Class A Issuer/Borrower Loan Agreement may be amended by the parties thereto in accordance with the Class A Issuer/Borrower Loan Agreement and the Intercreditor Agreement from time to time without the consent of the Class B Noteholders. To the extent any Class A Covenants are amended following the Exchangeable Note Issue Date, the Class A Covenants incorporated into the Class B Issuer/Borrower Loan Agreement in the manner described above, shall be the Class A Covenants as amended, restated or supplemented on the date of such incorporation into the Class B Issuer/Borrower Loan Agreement.

If the Class A Covenants are amended following the Exchangeable Note Issue Date, the CP Opco shall notify the Issuer and the Class B Note Trustee of such amendments, and the Issuer shall give notice to the Class B Noteholders in the manner set out in the Class B Conditions.

RELEASE OF LIENS

Subject to the Intercreditor Agreement, liens on the Collateral securing the obligations under the Class B Finance Documents (or if other Borrower Secured Liabilities remain outstanding, all claims of the Issuer in respect of those Liens to the extent of its claims under the Class B Finance Documents) will be automatically and unconditionally released:

- (a) upon payment in full of principal, interest and all other obligations on each Class B Loan under the Class B Issuer/Borrower Loan Agreement or discharge thereof;
- (b) upon release of a Guarantee in accordance with the Class B Issuer/Borrower Loan Agreement (with respect to the Liens securing the assets, property and Capital Stock of the Guarantor that is released from such Guarantee);
- (c) in connection with any disposition of Collateral to any Person other than Topco or any of its Restricted Subsidiaries (but excluding any transaction subject to the provisions described under “— *Certain Covenants — Merger, Consolidation or Sale of Assets*” that is permitted by the Class B Issuer/Borrower Loan Agreement (with respect to the Liens on such Collateral));
- (d) in connection with any sale, assignment, transfer, conveyance or other disposition of such property or assets to a Person that is not (either before or after giving effect to such transaction) Topco or any Restricted Subsidiary, if the sale or other disposition that is not prohibited by, or does not otherwise violate the provisions of the Class B Issuer/Borrower Loan Agreement relating to asset sales;
- (e) if Topco designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Class B Issuer/Borrower Loan Agreement;
- (f) as provided under the Intercreditor Agreement or any Additional Intercreditor Agreement; or
- (g) otherwise permitted under the Class B Issuer/Borrower Loan Agreement.

The Borrower Security Trustee will, subject to its receipt of an Officer’s certificate or opinion of counsel or other documentation reasonably requested, take all necessary action required to effectuate any release of Collateral securing the obligations under the Class B Finance Documents in accordance with the provisions of the Class B Issuer/Borrower Loan Agreement, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Borrower Security Documents. Each of the releases set forth above shall be effected by the Borrower Security Trustee without the consent of the Issuer.

DEFEASANCE

The Borrowers may at any time terminate all obligations of the Borrowers and the Guarantors under the Class B2 Loans and the Class B Issuer/Borrower Loan Agreement (“**legal defeasance**”) and cure all then existing Share Enforcement Events and Class B Loan Event of Defaults, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Borrower Security Trustee and the obligations of the Borrowers in connection therewith. Subject to the foregoing, if the Borrowers exercise their legal defeasance option, the Class B Finance Document and the rights of the Borrower Security Trustee and the Class B2 Noteholders under the Intercreditor Agreement in effect at such time will terminate (other than with respect to the defeasance trust) in so far as they apply to the Class B2 Loan, the Class B2 Notes and the Class B2 Noteholders.

The Borrowers at any time may terminate their and the Guarantors’ obligations under the covenants described under “*Certain Covenants*” (other than clauses (i) and (ii) of the first paragraph of “—*Certain Covenants— Merger, Consolidation or Sale of Assets*”) and “*Change B2 Change of Control*” and the default provisions relating to such covenants described under “*Share Enforcement Event And Class B Loan Event Of Default*”, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to the Borrowers and Significant Subsidiaries, the judgment default provision, the guarantee provision and the security default provision described under “*Share Enforcement Event*” (“**covenant defeasance**”).

The Borrowers at their option at any time may exercise their legal defeasance option notwithstanding their prior exercise of the covenant defeasance option. If the Borrowers exercises their legal defeasance option, payment of the Class B2 Loans may not be accelerated because of a Share Enforcement Event or Class B Loan Event of Default with respect to such Class B2 Loans and the occurrence of a Share Enforcement Event would not give the right to enforce the Topco Payment Undertakings and Topco Security. If the Borrowers exercise

their covenant defeasance option with respect to the Class B2 Loans, payment of the Class B2 Loans may not be accelerated because of a Share Enforcement Event specified in clauses (vi) (other than with respect to clauses (i) and (ii) of the first paragraph of the covenant described under “—*Certain Covenants— Merger, Consolidation or Sale of Assets*”), (vii), (viii) (with respect only to the Significant Subsidiaries), (x), (xi) or (xii) under the first paragraph of “*Share Enforcement Event And Class B Loan Event Of Default*”.

In order to exercise either defeasance option, the Borrowers must irrevocably deposit in trust by way of security (the “**defeasance trust**”) with the Borrower Security Trustee (or another entity designated or appointed as agent by the Borrower Security Trustee for this purpose) cash in Sterling in an amount sufficient for the payment of principal, premium, if any, and interest, Class B2 Loan Deferred Interest Amounts and any accrued but unpaid interest thereon on the Class B2 Loans to maturity and must comply with certain other conditions, including delivery to the Borrower Security Trustee of:

- (1) an opinion of U.S. counsel to the effect that the lenders of the relevant Class B2 Loans will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such opinion of U.S. counsel must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law);
- (2) an Officer’s Certificate of each Borrower stating that the deposit was not made by the Borrowers with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Borrowers;
- (3) an Officer’s Certificate of each Borrower and an opinion of counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;
- (4) an opinion of U.S. counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and
- (5) all other documents or other information that the Borrower Security Trustee may reasonably require in connection with either defeasance option.

SATISFACTION AND DISCHARGE

The Class B Issuer/Borrower Loan Agreement, and the rights of the Borrower Security Trustee, the Issuer and the Class B2 Noteholders under the Intercreditor Agreement and the Borrower Security Documents, will be discharged and cease to be of further effect as to all outstanding Class B2 Loans when (1) (i) all of the Class B2 Loans have become due and payable or (ii) all of the Class B2 Loans will become due and payable at the Class B2 Loan Expected Maturity Date or the Class B2 Loan Final Maturity Date, in each case within one year or (iii) all of the Class B2 Loans are to be called for prepayment within one year under arrangements reasonably satisfactory to the Borrower Security Trustee for the giving of notice of prepayment by the Borrowers; (2) the Borrowers have deposited or caused to be deposited with the Borrower Security Trustee (or another entity designated by the Borrower Security Trustee for this purpose), an amount in Sterling sufficient to pay and discharge the entire outstanding principal amount on the Class B2 Loans, together with any prepayment premium, if any, accrued and unpaid interest, Class B2 Loan Deferred Interest Amounts, if any, and any accrued but unpaid interest thereon, to the date of deposit (in the case of Class B2 Loans that have become due and payable), or to the Class B2 Loan Final Maturity Date or prepayment date, as the case may be; (3) the Borrowers have paid or caused to be paid all other sums payable under the Class B Issuer/Borrower Loan Agreement with respect to the Class B2 Loans; (4) the Borrowers have delivered an irrevocable notice of prepayment to the Borrower Security Trustee and have delivered irrevocable instructions to apply the funds deposited towards the payment of the Class B2 Loans on the prepayment date; and (5) the Borrowers have delivered to the Borrower Security Trustee an Officer’s Certificate of each Borrower (which the Borrower Security Trustee may rely on without further inquiry) to the effect that all conditions precedent under the Class B Issuer/Borrower Loan Agreement relating to the satisfaction and discharge of the Class B2 Loans have been complied with.

NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND SHAREHOLDERS

No director, officer, employee, incorporator or shareholder of Topco or its Subsidiaries or any of their respective Affiliates, as such, shall have any liability for any obligations of the Topco, Issuer or any Guarantor under the Class B Finance Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Class B2 Noteholders by accepting a Class B2 Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Class B2 Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

GOVERNING LAW

The Class B Issuer/Borrower Loan Agreement, the Class B2 Notes and the Intercreditor Agreement will be governed by, and shall be construed in accordance with, English law.

CERTAIN DEFINITIONS USED IN DESCRIPTION OF THE CLASS B2 LOAN

“Accession Deed” means a deed in the form set out in the Class B Issuer/Borrower Loan Agreement.

“Accounting Period” means each quarterly accounting period of Topco and its Restricted Subsidiaries.

“Acquired Indebtedness” means Financial Indebtedness (a) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (b) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of Topco or such acquisition, or secured by a Lien encumbering any asset acquired by such specified Person, or (c) of a Person at the time such Person merges with or into or consolidates or otherwise combines with Topco or with any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (a) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (b) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (c) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

“Additional Assets” means:

- (a) any property or assets (other than working capital, current assets, Financial Indebtedness or Capital Stock) used or to be used by Topco, a Restricted Subsidiary or otherwise useful in a Class B2 Permitted Business (it being understood that capital expenditures on property or assets already used in a Class B2 Permitted Business or to replace any property or assets that are the subject of such Asset Sale shall be deemed an investment in Additional Assets);
- (b) the Capital Stock of a Person that is engaged in a Class B2 Permitted Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by Topco or a Restricted Subsidiary of Topco; or
- (c) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary of Topco.

“Additional Class A Loan” means any Class A Loan granted under any Additional Class A Facility.

“Additional Class B Loan” means any Class B2 Loan granted under any Additional Class B Facility.

“Additional Facility” means an Additional Class A Facility and/or an Additional Class B Facility.

“Additional Non-Obligor Group Entity” means any person that is acquired by a Non-Obligor Group Entity or through its incorporation becomes a Subsidiary of a Non-Obligor Group Entity, but is not an Obligor.

“Additional Notes” means Class A Further Notes, Class B2 Further Notes, Class A New Notes or Class B New Notes.

“Additional Obligor” means any person not already an Obligor which becomes a party to the Intercreditor Agreement as an Obligor pursuant to the provisions of clause 5.10 (Accession of Additional Obligors - general) of the Intercreditor Agreement.

“Additional Site” means either:

- (a) any additional sites (or entities owning such sites) based in the United Kingdom which would, after acquisition and/or development by the Excluded Group, be transferred to the Group to become part of the financing arrangements entered into under the Class A Issuer/Borrower Loan Agreement (and the transactions connected therewith); or
- (b) any other additional sites based in the United Kingdom which would, upon acquisition by the Group become part of the financing arrangements entered into under the Issuer/Borrower Loan Agreements (and the transactions connected therewith).

“**Additional Site Entity**” means any company or other entity owning directly or indirectly an interest in an Additional Site.

“**Affiliate**” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, **control** when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms **controlling** and **controlled** have meanings correlative to the foregoing.

“**Applicable Premium**” means, with respect to the Class B2 Loan on any prepayment date, the greater of:

- (a) 1.00% of the principal amount of such Class B2 Loan; or
- (b) the excess (to the extent positive) of:
 - (i) the present value at such prepayment date of (A) the prepayment price of such Class B2 Loan at 28 August 2017 (such prepayment price being set forth in the table under “—*Prepayment—Optional prepayment*” (excluding accrued but unpaid interest)) plus (B) all required interest payments due on such Class B2 Loan through 28 August 2017 (excluding accrued but unpaid interest to the prepayment date), computed using a discount rate equal to the Gilt Rate as of such prepayment date plus 50 basis points; over
 - (ii) the principal amount of such Class B2 Loan,

as calculated by the Borrowers or on behalf of the Borrowers by such Person as the Issuer shall designate. For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation or duty of the Borrower Security Trustee, the Issuer Security Trustee, the Note Trustees or the Principal Paying Agents.

“**Asset Sale**” means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors’ qualifying shares), property or other assets (each referred to for the purposes of this definition as a *disposition*) by Topco or by any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction; *provided* that the sale, conveyance or other disposition of all or substantially all of the assets of Topco and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Class B Issuer/Borrower Loan Agreement described pursuant to “— *Class B2 Change of Control*” and/or the provisions described under “— *Certain Covenants — Merger, Consolidation or Sale of Asset*” and not by the provisions of “— *Certain Covenants — Asset Sales*”. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Sales:

- (a) dispositions by a Restricted Subsidiary to Topco or by Topco or a Restricted Subsidiary to a Restricted Subsidiary;
- (b) dispositions of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (c) dispositions of inventories, equipment or other assets in the ordinary course of business;
- (d) dispositions of obsolete, damaged, surplus or worn out equipment or other assets or equipment or other assets that are no longer useful in the conduct of the business of Topco and its

Restricted Subsidiaries and any transfer, termination, unwinding or other disposition of hedging instruments or arrangements not for speculative purposes;

- (e) transactions permitted under “— *Certain Covenants — Merger, Consolidation or Sale of Asset*” or transactions that constitute a Class B2 Change of Control;
- (f) issuances of Capital Stock by Restricted Subsidiaries to Topco or to other Restricted Subsidiaries, issuances of Preferred Stock or Disqualified Stock that is permitted by the covenant described under “—*Certain Covenants—Limitation on Financial Indebtedness*” or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors or the issuance of directors’ qualifying shares and shares issued to individuals as required by applicable law;
- (g) any disposition of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by Topco) of less than £7.5 million;
- (h) any Class B2 Restricted Payment that is permitted to be made, and is made, under the covenant described above under “— *Certain Covenants — Class B2 Restricted Payments*” and the making of any Permitted Payment or Permitted Investment or, solely for purposes of clause (iii) of the first paragraph of “— *Certain Covenants — Asset Sales*”, asset sales, the proceeds of which are used to make such Class B2 Restricted Payments or Permitted Investments;
- (i) dispositions in connection with Liens not prohibited by the covenant described above under “— *Certain Covenants — Limitations on Liens*”;
- (j) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (k) the licensing or sublicensing of intellectual property or other general intangibles and licences, sublicences, leases or subleases of other property, in each case in the ordinary course of business;
- (l) foreclosure, security enforcement, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;
- (m) the sale or discount with or without recourse, and on customary or commercially reasonable terms of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;
- (n) any issuance, sale or disposition of Capital Stock, Financial Indebtedness or other securities of an Unrestricted Subsidiary;
- (o) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than Topco or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;
- (p) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;
- (q) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by Topco or by any Restricted Subsidiary to such Person; *provided, however*, that the Board of Directors shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to Topco and its Restricted Subsidiaries (considered as a whole); *provided further*, that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (q), does not exceed £10.0 million;

- (r) the sale, lease or other transfer of products, services, equipment, accounts receivable, inventory, shares and other assets (including any real or personal property) in the ordinary course of business (including the abandonment or other disposition of intellectual property that is, in the reasonable judgment of Topco, no longer economically practicable to maintain or useful in the conduct of the business of Topco and its Restricted Subsidiaries taken as a whole);
- (s) the disposal by an Obligor of any retail lease (whether such lease is short or long term);
- (t) any disposal of assets in exchange for other assets used in a Class B2 Permitted Business and comparable or superior as to type, value and quality;
- (u) dispositions in connection with the Transaction;
- (v) sales, transfers or other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; *provided* that any cash or Cash Equivalents received in such sale, transfer or disposition is applied in accordance with the covenant set forth above under “— *Certain Covenants – Asset Sales*”; and
- (w) any disposal made with the prior written consent of the Issuer or the Borrower Security Trustee acting in accordance with the Class B2 Conditions.

“Bankruptcy Law” means (to the extent applicable) (a) the UK Insolvency Act; (b) Bankruptcy (Désastre) Jersey Law 1990; or (c) any other law of the Cayman Islands or any political subdivision thereof, Jersey, or any other jurisdiction relating to bankruptcy, insolvency, winding-up, liquidation, reorganisation or relief of debtors.

“Board of Directors” means:

- (a) with respect to a corporation, the board of directors or managers of the corporation or any committee thereof duly authorised to act on behalf of such board;
- (b) with respect to a partnership, the board of directors of the general partner of the partnership;
- (c) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and
- (d) with respect to any other person, the board or committee of such person serving a similar function.

“Borrower Finance Documents” means the Senior Finance Documents and the Class B Issuer/Borrower Loan Agreement.

“Borrower Secured Creditor” means:

- (a) the Borrower Security Trustee (in its own capacity and on behalf of the other Borrower Secured Creditors);
- (b) the Issuer as lender under the Issuer/Borrower Loan Agreements;
- (c) any Receiver appointed by the Borrower Security Trustee in respect of the Borrower Security;
- (d) the Borrower Account Bank under the Borrower Account Bank Agreement; and
- (e) each Additional Borrower Secured Creditor.

“Borrower Security Documents” means:

- (a) the Borrower Deed of Charge;
- (b) the Security Interest Agreement;
- (c) any Longleat Legal Charge;

- (d) the Woburn Deed of Charge;
- (e) the Woburn Legal Charge;
- (f) the Intercreditor Agreement and each deed of accession thereto, together with any agreement or deed supplemental to the Intercreditor Agreement;
- (g) any other document evidencing or creating security over any asset of an Obligor to secure any obligation of any Obligor to a Borrower Secured Creditor in respect of the Borrower Secured Liabilities;
- (h) any other document designated as a “*Borrower Security Document*” by the Obligor Group Agent and the Borrower Security Trustee;
- (i) or any of them, as applicable and as the context may so require.

“**Brookfield Affiliate**” means any person, entity, trust, partnership or fund which, directly or indirectly, controls, is controlled by or is under common control with (i) Brookfield Asset Management Inc. or Brookfield Property Partners L.P. or any of their respective Affiliates or (ii) any fund of which Brookfield Asset Management Inc. or Brookfield Property Partners L.P. or any of their respective Affiliates is a partner, member or manager which is controlled by or under common control with one or more general partners, members or managers of Brookfield Asset Management Inc. or Brookfield Property Partners L.P. or any of their respective Affiliates.

“**Capital Expenditure**” means expenditure which qualifies to be included in the cost of a tangible fixed asset under IFRS or other applicable accounting standards under which the Group prepares its consolidated financial statements.

“**Capital Stock**” of any Person means any and all the shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), the equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“**Capitalised Lease Obligation**” means an obligation that is required to be classified and accounted for as a capitalised lease for financial reporting purposes on the basis of IFRS, as in effect on the Third Closing Date and not giving effect to changes after the Third Closing Date. The amount of Financial Indebtedness represented by such obligation will be the capitalised amount of such obligation at the time any determination thereof is to be made as determined on the basis of IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“**Cash Equivalents**” means:

- (a) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the European Union (*provided* that such member state has a long-term rating of “A” or higher from S&P and “A” or higher from Fitch (or in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization)), Switzerland or Norway or, in each case, any agency or instrumentality thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than one year from the date of acquisition;
- (b) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers’ acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender party to a credit facility or by any bank or trust company (i) whose commercial paper is rated at least “A-1” or the equivalent thereof by S&P or at least “F1” or the equivalent thereof by Fitch (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (ii) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of £500.0 million;
- (c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) and (b) above entered into with any bank meeting the requirements specified in clauses (b) above;

- (d) commercial paper rated at the time of acquisition thereof at least “A-2” or the equivalent thereof by S&P or “F2” or the equivalent thereof by Fitch or the equivalent short-term rating of either S&P or Fitch or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;
- (e) readily marketable direct obligations issued by any state of the United States, any province of Canada, any member state of the European Union (*provided* that such member state has a long-term rating of “A” or higher from S&P and “A” or higher from Fitch (or in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization)), Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Fitch or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than one year from the date of acquisition;
- (f) bills of exchange issued in the United States, Canada, a member state of the European Union (*provided* that such member state has a long-term rating of “A” or higher from S&P and “A” or higher from Fitch (or in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization)), Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialised equivalent); and
- (g) interests in any investment company or money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (a) through (f) above.

“**Center Parcs Group**” means BSREP II Center Parcs Jersey 2 Limited and its subsidiaries.

“**Class A Further Notes**” means further notes issued by the Issuer in accordance with the Class A Conditions which will be consolidated and form a single series with any class of the Class A Notes.

“**Class A New Notes**” means new notes issued by the Issuer in accordance with the Class A Conditions which do not form a single series with any class of the Class A Notes.

“**Class B Compliance Certificate**” means a certificate substantially in the form of Schedule 3 (Form of Class B Compliance Certificate) to the Class B Issuer/Borrower Loan Agreement.

“**Class B FCF**” means, in relation to any period, the amount equal to the difference between:

- (a) the EBITDA of Topco and its Restricted Subsidiaries for such period; and
- (b) the aggregate of:
 - (i) any cash tax actually paid by Topco and its Restricted Subsidiaries during such period;
 - (ii) any increase in Topco and its Restricted Subsidiaries’ Working Capital for the relevant period (provided that, in the event that there has been a decrease in Topco and its Restricted Subsidiaries’ Working Capital, such decreased amount shall be deducted from the aggregate amount calculated under this clause (b) of the definition of Class B FCF);
 - (iii) an amount equal to the proportion of the Minimum Capital Maintenance Spend Amount required to be spent or reserved in relation to that period; and
 - (iv) the Owners’ Cost paid during such period.

“**Class B Finance Document**” means:

- (a) the Class B Issuer/Borrower Loan Agreement;

- (b) a Borrower Security Documents;
- (c) the Intercreditor Agreement;
- (d) Tax Deed of Covenant;
- (e) the First Supplemental Tax Deed of Covenant;
- (f) the Second Supplemental Tax Deed of Covenant; or
- (g) any other document relating to the Transaction designated in writing as such by the Issuer, the Borrower Security Trustee and the Borrowers.

“Class B Guarantee” means the Guarantee by each Guarantor of the Borrowers’ obligations under the Class B Issuer/Borrower Loan Agreement and the Class B Loans.

“Class B Lender” means the Issuer and any person which becomes a party (as lender) to the Class B Issuer/Borrower Loan Agreement in accordance with the terms thereof.

“Class B Loan Default” means any event which is, or after notice or passage of time or both would be, a Share Enforcement Event or a Class B Loan Event of Default, as the case may be.

“Class B Total Debt Service Charges” means, in respect of any relevant period, the amount equal to any scheduled amortisation of principal (whether paid or not) payable in respect of any Financial Indebtedness of Topco and its Restricted Subsidiaries and the Consolidated Interest Expense of Topco and its Restricted Subsidiaries.

“Class B2 Change of Control” means:

- (a) Topco becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any “person” or “group” of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Third Closing Date), other than one or more Permitted Holders, is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Third Closing Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of Topco, *provided* that for the purposes of this definition, (i) no Class B2 Change of Control shall be deemed to occur by reason of Topco becoming a Subsidiary of a Successor Parent and (ii) any Voting Stock of which any Permitted Holder is the “beneficial owner” (as so defined) shall not be included in any Voting Stock of which any such person or group is the “beneficial owner” (as so defined), unless that person or group is not an affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock;
- (b) following the Initial Public Offering of Topco or any Parent, during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of Topco or such Parent (together with any new directors whose election by the majority of such directors on such Board of Directors of Topco or such Parent or whose nomination for election by shareholders of Topco or such Parent, as applicable, was approved by a vote of the majority of such directors on the Board of Directors of Topco or such Parent then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) ceased for any reason to constitute the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of Topco or such Parent, then in office; or
- (c) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of Topco and its Restricted Subsidiaries taken as a whole to a Person, other than an Obligor or one or more Permitted Holders,

provided that, in each case, a Class B2 Change of Control shall only be deemed to have occurred if within the period beginning on the earlier to occur of (x) a public announcement of such proposed Change of Control and (y) such Change of Control, and ending 60 days from and including such date (or such longer period of time as the rating of the Class B2 Notes shall be under publicly announced

consideration by a Rating Agency, but not exceeding the date that a Rating Agency Confirmation has been obtained with respect to the Change of Control or the Rating Agency downgrades the then current rating of the Class B2 Notes), a downgrade of the then current rating of the Class B2 Notes has occurred.

“Class B2 Loan Step-Down Date” means the Loan Interest Payment Date falling in August 2020.

“Class B2 Permitted Business” means (a) any business, services or activities engaged in by any member of the Group on the Third Closing Date, and (b) any businesses, services and activities that are reasonably related, complementary, incidental, ancillary or similar to any of the foregoing, or are extensions or developments of any thereof, in which any member of the Group are engaged or propose to be engaged on the Third Closing Date.

“Collateral” means the rights, property and assets securing the Class B2 Loan and the Class B Guarantee as described in the Borrower Security Documents and any rights, property or assets over which a Lien has been granted to secure the Obligations of Topco and the Obligors under the Class B2 Loan, the Class B Guarantees and/or the Class B Issuer/Borrower Loan Agreement.

“Commodity Hedging Agreements” means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements) to which such Person is a party or a beneficiary.

“Consolidated Interest Expense” means, with respect to Topco and its Restricted Subsidiaries for any period, without duplication:

- (a) interest payable by Topco and its Restricted Subsidiaries for such period, whether in cash or accreted or capitalised, and to the extent such expense was deducted (and not added back) in computing EBITDA on its Financial Indebtedness, and excluding: (i) any amortisation of deferred financing debt issuance costs, commissions, fees and expenses; (ii) interest with respect to Financial Indebtedness of any Parent appearing upon the balance sheet Topco and its Restricted Subsidiaries solely by reason of push-down accounting under IFRS; and (iii) any expense associated with Subordinated Shareholder Funding; less
- (b) interest income for such period.

For the purposes of this definition, interest on a Capitalised Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by the Obligors to be the rate of interest implicit in such Capitalised Lease Obligation in accordance with IFRS.

“Consolidated Leverage” means the sum of the aggregate outstanding Financial Indebtedness of Topco and its Restricted Subsidiaries (excluding Hedging Obligations except to the extent provided in clause (iii) of the sixth paragraph of “— *Certain Covenants — Limitation on Financial Indebtedness*”) as of the relevant date of calculation on a consolidated basis in accordance with IFRS less any funds deposited in the Defeasance Account and the Cash Accumulation Account.

“Consolidated Leverage Ratio” means, as of any date of determination, the ratio of (x) Consolidated Leverage at such date to (y) the aggregate amount of EBITDA of Topco and its Restricted Subsidiaries for the period of the most recent four consecutive Accounting Periods ending prior to the date of such determination for which internal consolidated financial statements of Topco are available; *provided, however*, that for the purposes of calculating EBITDA for such period, if, as of such date of determination:

- (a) since the beginning of such period, Topco or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a *Sale*) or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is such a Sale, EBITDA for such period will be reduced by an amount equal to the EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the EBITDA (if negative) attributable thereto for such period; *provided* that if any such sale constitutes “discontinued operations” in accordance with the then applicable IFRS, EBITDA shall be reduced by an amount equal to the EBITDA (if positive) attributable to such operations for such period or increased by an amount equal to the EBITDA (if negative) attributable thereto for such period;

- (b) since the beginning of such period, Topco or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a “**Purchase**”), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, EBITDA for such period will be calculated after giving *pro forma* effect thereto as if such Purchase occurred on the first day of such period; and
- (c) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into Topco or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clauses (a) or (b) above if made by Topco or a Restricted Subsidiary since the beginning of such period, EBITDA for such period will be calculated after giving *pro forma* effect thereto as if such Sale or Purchase occurred on the first day of such period.

For the purposes of this definition and the definitions of EBITDA, Total Debt Service Charges, Consolidated Interest Expense, Fixed Charge Coverage Ratio and Taxes, (A) calculations will be as determined in good faith by a responsible financial or accounting officer of Topco (including in respect of synergies and cost savings) and (B) in determining the amount of Financial Indebtedness outstanding on any date of determination, *pro forma* effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Financial Indebtedness as if such transaction had occurred on the first day of the relevant period.

“**Consolidated Secured Leverage**” means the sum of the aggregate outstanding Secured Financial Indebtedness of Topco and its Restricted Subsidiaries (excluding Hedging Obligations except to the extent provided in clause (iii) of the sixth paragraph of “— *Certain Covenants — Limitation on Financial Indebtedness*”) as of the relevant date of calculation on a consolidated basis in accordance with IFRS less any funds deposited in the Defeasance Account and the Cash Accumulation Account.

“**Consolidated Secured Leverage Ratio**” means, as of any date of determination, the ratio of (i) Consolidated Secured Leverage at such date to (ii) the aggregate amount of EBITDA of Topco and its Restricted Subsidiaries for the period of the most recent four consecutive Accounting Periods ending prior to the date of such determination for which internal consolidated financial statements of Topco are available, in each case calculated with such *pro forma* and other adjustments as are consistent with the provisions set forth in the definition of Consolidated Leverage Ratio.

“**Contingent Obligations**” means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that, in each case, does not constitute Financial Indebtedness (“**primary obligations**”) of any other Person (the “**primary obligor**”), including any obligation of such Person, whether or not contingent:

- (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (b) to advance or supply funds:
 - (i) for the purchase or payment of any such primary obligation; or
 - (ii) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (c) (to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“**CPI**” means the Consumer Price Index as published by or on behalf of the UK government.

“**Credit Facility**” means, one or more debt facilities, instruments or arrangements Incurred (including commercial paper facilities and overdraft facilities) or commercial paper facilities or indentures or trust deeds or note purchase agreements, in each case, with banks, other institutions, funds or Investors, providing for revolving credit loans, term loans, performance guarantees, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured,

refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or other administrative agent or agents or trustees or other banks or institutions and whether provided under any credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantees and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “*Credit Facilities*” shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of Topco or the Borrowers as additional borrowers, issuers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

“**Currency Agreement**” means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

“**Defeasance Account**” has the meaning given to that term in the Borrower Account Bank Agreement.

“**Designated Non-Cash Consideration**” means the fair market value (as determined in good faith by Topco) of non-cash consideration received by Topco or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with “— *Asset Sales*”.

“**Designated Obligors**” means the Obligors specified as such in the Class A Issuer/Borrower Loan Agreement.

“**Designated Preference Shares**” means, with respect to Topco or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to Topco or a Subsidiary of Topco or an employee stock ownership plan or trust established by Topco or any such Subsidiary for the benefit of their employees to the extent funded by Topco or such Subsidiary) and (b) that is designated as Designated Preference Shares pursuant to an Officer’s Certificate of Topco at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (2) of the definition of Cumulative Credit.

“**Disinterested Director**” means, with respect to any Affiliate Transaction, a member of the Board of Directors of Topco having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of Topco shall not be deemed to have such a financial interest by reason of such member’s holding Capital Stock of Topco or any Parent or any options, warrants or other rights in respect of such Capital Stock.

“**Disqualified Stock**” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (a) matures or is mandatorily redeemable for cash or in exchange for Financial Indebtedness pursuant to a sinking fund obligation or otherwise;
- (b) is convertible or exchangeable for Financial Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of Topco or a Restricted Subsidiary); or
- (c) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Financial Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to 91 days after the earlier of (i) the Class B2 Note Expected Maturity Date or (ii) the date on which there are no Class B2 Notes outstanding; *provided, however*, that (A) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (B) any Capital

Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the issuer of such Capital Stock to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with “— *Certain Covenants — Class B2 Restricted Payments*”.

“**EBITDA**” means, for any relevant period, the combined operating profits of Topco and its Restricted Subsidiaries arising from ordinary activities for that period before taxation:

- (a) before deducting Total Debt Service Charges;
- (b) before taking into account any accrued interest owing to Topco and its Restricted Subsidiaries;
- (c) before taking into account any items treated as exceptional or unusual or non-recurring items;
- (d) before deducting any amount attributable to the amortisation of goodwill or intangible assets or acquisition costs or the depreciation of tangible assets;
- (e) before deducting any amount attributable to any movement in fair value of financial instruments held by Topco and its Restricted Subsidiaries;
- (f) before deducting amounts in respect of Owners’ Cost;
- (g) after deducting expenses Incurred in relation to the normal expenses of the Head Office and any other central costs; and
- (h) before taking into account the cost associated with the Transactions and financing contemplated by the Transaction Documents.

“**Equity Interests**” means any share capital listed pursuant to the definition of Equity Offering and all warrants, options or other rights to acquire share capital listed pursuant to the definition of Equity Offering (but excluding any debt security that is convertible into, or exchangeable for an Equity Offering).

“**Equity Offering**” means (a) a sale of Capital Stock of Topco (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions, or (b) the sale of Capital Stock or other securities by any Person, the proceeds of which are contributed as Subordinated Shareholder Funding or to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of Topco and/or any other Obligor.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“**Exchangeable Note Issue Date**” means 30 July 2015.

“**Excluded Contribution**” means Net Cash Proceeds or property or assets received by Topco as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding of Topco after the Third Closing Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by Topco or any Subsidiary of Topco for the benefit of its employees to the extent funded by Topco or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of Topco, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer’s Certificate of Topco.

“**Excluded Group**” means members of the wider Center Parcs Group which are not Obligors.

“**Facilities**” means each of the Class A1 Facility, the Class A2 Facility and the Class B2 Facility, and any Additional Facility.

“**fair market value**” wherever such term is used (except as otherwise specifically provided herein) may be conclusively established by means of an Officer’s Certificate or a resolution of the Board of Directors of Topco setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

“FCF DSCR Period” means, in relation to each Financial Covenant Test Date, the period starting on (and including) 12 months before such Financial Covenant Test Date and ending on (but excluding) such Financial Covenant Test Date.

“Financial Covenant Test Date” means each date which is seven Business Days before each Loan Interest Payment Date (commencing with the date which is seven Business Days before the Loan Interest Payment Date falling in August 2015), *provided* that any calculation required to be made on each Financial Covenant Test Date will be based on the Obligor Group’s management accounts in respect of the 12 months ending on the Accounting Period end date immediately preceding such Financial Covenant Test Date.

“Financial Indebtedness” means, with respect to any Person on any date of determination (without duplication):

- (a) the principal of indebtedness of such Person for borrowed money;
- (b) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) all reimbursement obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument would be treated as Financial Indebtedness;
- (d) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;
- (e) Capitalised Lease Obligations of such Person;
- (f) [reserved];
- (g) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);
- (h) the principal component of all Financial Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Financial Indebtedness is assumed by such Person; *provided, however*, that the amount of such Financial Indebtedness will be the lesser of (i) the fair market value of such asset at such date of determination (as determined in good faith by Topco) and (ii) the amount of such Financial Indebtedness of such other Persons;
- (i) Guarantees by such Person of the principal component of Financial Indebtedness of other Persons to the extent Guaranteed by such Person; and
- (j) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term Financial Indebtedness shall not include Subordinated Shareholder Funding, liabilities in respect of the Senior Pension Scheme or any lease, concession or licence of property (or Guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Third Closing Date, any prepayments or deposits received from clients or customers in the ordinary course of business, or as obligations under any licence, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Third Closing Date or in the ordinary course of business. The term Financial Indebtedness shall also not include any Financial Indebtedness owed by an Obligor to an entity which is or becomes a Non-Obligor Group Creditor pursuant to or under the Intercreditor Agreement.

The amount of Financial Indebtedness of any Person at any time in the case of a revolving credit facility or similar facility shall be the total amount of funds borrowed and then outstanding. The amount of Financial Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Class B Issuer/Borrower Loan Agreement, and (other than with respect to letters of credit or Guarantees or Financial Indebtedness specified in clauses (h) or (i) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS.

Notwithstanding the above provisions, in no event shall the following constitute Financial Indebtedness:

- (i) in connection with the purchase by Topco or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled, to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter;
- (ii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions, or similar claims, vacation obligations or contributions or social security or wage Taxes;
- (iii) Contingent Obligations Incurred in the ordinary course of business and accrued liabilities Incurred in the ordinary course of business that are not more than 90 days past due.

"First Supplemental Tax Deed of Covenant" means the deed of covenant in respect of certain additional tax matters relating to the Original Obligor Group dated 1 June 2015 and entered into between, among others, the entities named within Original Obligor Group and the Borrower Security Trustee.

"Fitch" means Fitch Ratings Ltd. or any of its affiliates, successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"Fixed Charge Coverage Ratio" means, with respect to Topco on any determination date, the ratio of (x) the aggregate amount of EBITDA of Topco and its Restricted Subsidiaries for the most recent four consecutive Accounting Periods ending immediately prior to such determination date for which internal consolidated financial statements are available to (y) the Fixed Charges of Topco and its Restricted Subsidiaries for such four consecutive Accounting Periods.

In the event that Topco or any Restricted Subsidiary Incurs, assumes, Guarantees, redeems, defeases, retires or extinguishes any Financial Indebtedness (other than Financial Indebtedness Incurred under any revolving credit facilities unless such Financial Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated, but on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the **"Fixed Charge Coverage Ratio Calculation Date"**), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such Incurrence, assumption, Guarantee, redemption, defeasance, retirement or extinguishment of Financial Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period; *provided, however*, that the *pro forma* calculation of Fixed Charges shall not give effect to (i) any Financial Indebtedness Incurred on the date of determination pursuant to the provisions described in the second paragraph under *"—Certain Covenants—Limitation on Financial Indebtedness"* (other than for the purpose of the calculation of the Fixed Charge Coverage Ratio under clause (v) thereunder) (but, for the avoidance of doubt, shall include any previously Incurred Financial Indebtedness) or (ii) the discharge on the date of determination of any Financial Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under *"—Certain Covenants—Limitation on Financial Indebtedness"*.

For the purposes of making the computation referred to above, any Investments, acquisitions, dispositions, mergers, consolidations and disposed operations that have been made by Topco or any of its Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date, shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the

beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into Topco or any of its Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation or disposed or discontinued operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Investment, acquisition, disposition, merger, consolidation or disposed operation had occurred at the beginning of the applicable four-quarter period. Any Person that is a Restricted Subsidiary on the Fixed Charge Coverage Calculation Date will be deemed to be a Restricted Subsidiary at all times during such four-quarter period. Any Person that is not a Restricted Subsidiary on the Fixed Charge Coverage Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period.

For the purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or chief accounting officer of Topco (including synergies and cost savings). If any Financial Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Financial Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Financial Indebtedness). Interest on a Capitalised Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of Topco to be the rate of interest implicit in such Capitalised Lease Obligation in accordance with IFRS. For the purposes of making the computation referred to above, interest on any Financial Indebtedness under a revolving credit facility computed with a *pro forma* basis shall be computed based upon the average daily balance of such Financial Indebtedness during the applicable period, except as set forth in the first paragraph of this definition. Interest on Financial Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as Topco may designate.

“Fixed Charges “means, with respect to any Person for any period, the sum of:

- (a) the Consolidated Interest Expense of such Person for such period;
- (b) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock during such period; and
- (c) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

“Gilt Rate” means, as of any prepayment date, the yield to maturity as of such prepayment date of United Kingdom government securities with a fixed maturity (as compiled by the Debt Management Office statistics that have become publicly available at least two Business Days in London prior to such prepayment date (or, if such statistics are no longer published, any publicly available source of similar market data)) most nearly equal to the period from such prepayment date to 28 August 2017; *provided, however*, that if the period from such prepayment date to 28 August 2017 is less than one year, the weekly average yield on actually traded United Kingdom government securities denominated in sterling adjusted to a fixed maturity of one year shall be used.

“Governmental Authority” means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

“Group” means Topco and its Subsidiaries.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Financial Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

- (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Financial Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

- (b) entered into primarily for the purposes of assuring in any other manner the obligee of such Financial Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), *provided, however*, that the term Guarantee will not include endorsements for collection or deposit in the ordinary course of business. The term Guarantee used as a verb has a corresponding meaning.

“Guarantor” means any Restricted Subsidiary that Guarantees the Class B2 Loan.

“Headlease” means any lease under which a Propco holds title to any part of the relevant Property.

“Head Office” means the office situated at One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP.

“Hedging Obligations” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement.

“Holiday Parks” means the business and operations of the holiday parks operated under the brand “Center Parcs” and located in Sherwood, Nottinghamshire; Longleat, Wiltshire; Elveden, Suffolk; and Whinfell, Cumbria, together with any other Holiday Park designated as such in writing by the Borrowers, the Issuer and the Borrower Security Trustee.

“Holdco” means CP Cayman Limited, an exempted company incorporated in the Cayman Islands with company registration number 165512.

“IFRS” means international accounting standards within the meaning of the IAS Regulation 1606/2002, to the extent applicable to the relevant financial statements as in effect on the date of any calculation or determination required hereunder. At any time after the Third Closing Date, Topco may elect to establish that IFRS shall mean IFRS as in effect on or prior to the date of such election; *provided* that any such election, once made, shall be irrevocable; *provided further* that it shall be at Topco’s sole discretion whether such election shall affect the classification of a lease obligation as a capitalised lease. Topco shall give notice of any such election made in accordance with this definition to the Borrower Security Trustee.

“Incur” means issue, create, assume, enter into any Guarantee of, Incur, extend or otherwise become liable for; *provided, however*, that any Financial Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary, and the terms **Incurred** and **Incurrence** have meanings correlative to the foregoing and any Financial Indebtedness pursuant to any of the Facilities or similar facility shall only be Incurred at the time any funds are borrowed thereunder.

“Independent Financial Advisor” means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided, however*, that such firm or appraiser is not an Affiliate of Topco.

“Initial Investors” means Brookfield Asset Management Inc. and the Brookfield Affiliates.

“Initial Public Offering” means an Equity Offering of common stock or other common Equity Interests of Topco or any Parent or any successor of Topco or any Parent (the **“IPO Entity”**) following which there is a Public Market and, as a result of which, the shares of common stock or other common Equity Interests of the IPO Entity in such offering are listed on an internationally recognised exchange or traded on an internationally recognised market.

“Interest Rate Agreement” means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

“Intermediate Holdco” means Center Parcs (Holdings 1) Limited, a company incorporated in England and Wales with registered number 07656429.

“Investment” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the

ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Financial Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet (excluding any notes thereto) prepared on the basis of IFRS; *provided*, however, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If Topco or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by Topco or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the third paragraph in “— *Certain Covenants — Class B2 Restricted Payments*”.

For the purposes of “— *Certain Covenants — Class B2 Restricted Payments*”:

- (a) “*Investment*” will include the portion (proportionate to Topco’s Equity Interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of Topco at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, Topco will be deemed to continue to have a permanent “*Investment*” in an Unrestricted Subsidiary in an amount (if positive) equal to (i) Topco’s “*Investment*” in such Subsidiary at the time of such redesignation less (ii) the portion (proportionate to Topco’s Equity Interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of Topco in good faith) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and
- (b) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of Topco.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at Topco’s option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

“**Investment Grade Securities**” means:

- (a) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);
- (b) securities issued or directly and fully Guaranteed or insured by a member of the European Union (*provided* that such member state has a long-term rating of “A” or higher from S&P and “A” or higher from Fitch (or in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization)), or any agency or instrumentality thereof (other than Cash Equivalents);
- (c) debt securities or debt instruments with a rating of “A” or higher from S&P or Fitch or the equivalent of such long term rating by such rating organisation or, if no rating of Fitch or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Rating Organization, but excluding any debt securities or instruments constituting loans or advances among Topco and its Subsidiaries; and
- (d) investments in any fund that invests exclusively in investments of the type described in clauses (a), (b) and (c) above, which fund may also hold cash and Cash Equivalents pending investment or distribution.

“**IPO Market Capitalisation**” means an amount equal to (a) the total number of issued and outstanding shares of common stock or common Equity Interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (b) the price per share at which such shares of common stock or common Equity Interests are sold in such Initial Public Offering.

“Issuer/Borrower Loan Agreements” means the Class A Issuer/Borrower Loan Agreement and the Class B Issuer/ Borrower Loan Agreement.

“Lease Document” means the lease documents dated 28 February 2012 entered into by CP Opco with each of CP Elveden Village Limited, Longleat Property Limited, CP Sherwood Village Limited and CP Whinell Village Limited and the Woburn Headlease.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement or any lease in the nature thereof.

“Longleat Headlease Interest” means the interests held by Longleat Propco under the two underleases and the lease relating to the Holiday Park known as Longleat.

“Longleat Legal Charge” means a charge by way of legal mortgage in respect of the Longleat Headlease Interest and the New Longleat Headlease Interest in the form set out in the Borrower Deed of Charge.

“Management Advances” means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, Topco or any Restricted Subsidiary or any Obligor:

- (a) (i) in respect of travel, entertainment or moving-related expenses Incurred in the ordinary course of business or (ii) for the purposes of funding any such person’s purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Group or any Parent with (in the case of this clause (ii)) the approval of the Board of Directors;
- (b) in respect of moving-related expenses Incurred in connection with any closing or consolidation of any facility or office; or
- (c) not exceeding £5.0 million in the aggregate outstanding at any time.

“Management Fees” means:

- (a) customary annual fees for the performance of monitoring services by the Permitted Holders or any of their respective Affiliates for Topco and its Restricted Subsidiaries; *provided* that such fees will not, in the aggregate, exceed the greater of £2.0 million and 1% of EBITDA per annum (exclusive of out-of-pocket expenses) (such fees, the **Owners’ Cost**); and
- (b) customary fees and related expenses for the performance of transaction, management, consulting, financial or other advisory services or underwriting, placement or other investment banking activities, including in connection with mergers, acquisitions, dispositions or joint ventures, by of the Permitted Holders or any of their respective Affiliates for Topco and its Restricted Subsidiaries, which payments in respect of this clause (b) have been approved by a majority of the Disinterested Directors of Topco.

“Management Investors” means the officers, directors, employees and other members of the management of or consultants to Parent, Topco or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of Topco, any Restricted Subsidiary or any Parent.

“Market Capitalisation” means an amount equal to (a) the total number of issued and outstanding shares of common stock or common Equity Interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (b) the arithmetic mean of the closing prices per share of such common stock or common Equity Interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

“Material Adverse Effect” means a material adverse effect on:

- (a) The consolidated business, assets or financial condition of the Group taken as whole;

- (b) the ability of an Obligor to perform any of its payment obligations under any of the applicable Class B Finance Documents (subject to any applicable grace periods) or comply with its financial covenant obligations under the Class A Issuer/Borrower Loan Agreement or the provisions described in “— *Certain Covenants — Class B Financial Covenant*”; or
- (c) the legality, validity or enforceability (subject to the legal reservations) of any of the Class B Finance Documents, in a manner which is prejudicial in any material respect to the interests of the Borrower Secured Creditors.

“Material Obligor” means each of the following entities:

- (a) each of the Borrowers;
- (b) any Obligor which:
 - (i) generates EBITDA representing 5% or more of the EBITDA (determined by reference to the most recent compliance certificate (and excluding for these purposes any intra-group items)) of the Obligor Group; or
 - (ii) has net assets representing 5% or more of the net assets (determined by reference to the most recent compliance certificate (and excluding for these purposes any intra-group items)) of the Obligor Group; and
- (c) an Obligor which directly owns an entity referred to in clauses (a) and/or (b) of this definition.

“Minimum Capital Maintenance Spend Amount” means £18.5 million per annum, subject to any adjustment as described in the Class A Issuer/Borrower Loan Agreement and “— *Certain Covenants — Class B Financial Covenant*”.

“Nationally Recognized Statistical Rating Organization” means a nationally recognized statistical rating organization within the meaning of Rule 436 under the Securities Act, or an affiliate performing substantially the same function in non-United States jurisdictions.

“Net Available Cash” from an Asset Sale means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or instalment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Financial Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Sale or received in any other non-cash form) therefrom, in each case net of:

- (a) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Sale;
- (b) all payments made on any Financial Indebtedness which is secured by any assets subject to such Asset Sale, in accordance with the terms of any Lien upon such assets, or which by applicable law will be repaid out of the proceeds from such Asset Sale;
- (c) all distributions and other payments required to be made to minority interest holders (other than any Parent, Topco or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Sale; and
- (d) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Sale and retained by Topco or any Restricted Subsidiary after such Asset Sale.

“Net Cash Proceeds”, with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

“New Equity Funds” means either:

- (a) the proceeds received by Topco from the issue of its share capital (other than Designated Preference Shares or Disqualified Stock), including any Equity Offering; or
- (b) any Subordinated Shareholder Funding.

“Non-Obligor Group Entity” means any company which is:

- (a) an Affiliate of the Group; but
- (b) not an Obligor.

“Note Event of Default” means a Class A Note Event of Default or a Class B Note Event of Default as defined in Condition 9 of the Class A Terms and Conditions and in Condition 9 in the Class B2 Terms and Conditions, respectively.

“Note Trustee” means a Class A Note Trustee or Class B Note Trustee, as applicable.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Financial Indebtedness.

“Obligor” means a Borrower or a Guarantor.

“Obligor Resignation Request” means the obligor resignation request in the form set out in the Class B Issuer/Borrower Loan Agreement.

“Officer” means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director, or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an “Officer” for the purposes of the Class B Issuer/Borrower Loan Agreement by the Board of Directors of such Person.

“Officer’s Certificate” means, with respect to any Person, a certificate signed by an Officer of such Person.

“Owners’ Cost” means an amount described under clause (a) of the definition of Management Fees.

“Parent” means any Person of which Topco at any time is or becomes a Subsidiary after the Third Closing Date and any holding companies established by any Permitted Holder for the purposes of holding its investment in any Parent.

“Parent Expenses” means:

- (a) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Class B Issuer/Borrower Loan Agreement or any other agreement or instrument relating to Financial Indebtedness of Topco or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;
- (b) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to Topco and its Subsidiaries;
- (c) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to Topco and its Subsidiaries;
- (d) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of Topco or any of its Restricted Subsidiaries, including in relation to transactions or potential transactions relating to Topco; (b) costs and expenses with respect to the ownership, directly or indirectly, by any Parent, (c) any taxes and other fees and expenses required to maintain

such Parent's corporate existence and to provide for other ordinary course operating costs, including customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of such Parent; and (d) to reimburse reasonable out of pocket expenses of the Board of Directors of such Parent;

- (e) other fees, expenses and costs relating directly or indirectly to activities of Topco and its Subsidiaries or any Parent or any other Person established for the purpose of or in connection with the Transaction Documents or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of Topco in an amount not to exceed £1.0 million in any financial year; and
- (f) expenses Incurred by any Parent in connection with any public offering or other sale of Capital Stock or Financial Indebtedness:
 - (i) where the net proceeds of such offering or sale are intended to be received by or contributed to Topco or a Restricted Subsidiary;
 - (ii) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or
 - (iii) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to Topco or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"Pari Passu Indebtedness" means Financial Indebtedness of Topco, the Borrowers (other than Financial Indebtedness of the Borrowers pursuant to the Class A Facility) or any Guarantor if such Guarantee ranks equally in right of payment to the Class B Guarantees which, in each case, is secured by Liens on assets of Topco.

"Pensions Report" means the actuarial valuation report dated as at 28 April 2011 issued in respect of the Senior Pension Scheme and prepared by Hymans Robertson LLP.

"Permitted Asset Swap" means the concurrent purchase and sale or exchange of assets used or useful in a Class B2 Permitted Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between Topco or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied as described in "*— Certain Covenants — Asset Sales*".

"Permitted Collateral Liens" means:

- (a) Liens on the Collateral that are Permitted Liens;
- (b) Liens to secure Financial Indebtedness permitted to be Incurred as described in the first paragraph of "*— Certain Covenants — Limitation on Financial Indebtedness*";
- (c) Liens to secure Financial Indebtedness that is permitted to be Incurred under clause (i) of the definition of Permitted Financial Indebtedness; and
- (d) Liens to secure Financial Indebtedness permitted to be Incurred under (1) clause (ii)(A) of the definition of Permitted Financial Indebtedness (to the extent such Guarantee is in respect of Financial Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (2) clause (iv)(A) and (C) of the definition of Permitted Financial Indebtedness (if the original Financial Indebtedness was so secured), (3) clauses (v)(a) (covering only the property and assets (to the extent constituting Collateral) of the acquired Person the Financial Indebtedness of which is so secured), (vi) and (vii) of the definition of Permitted Financial Indebtedness, (4) clause (v)(b) of the definition of Permitted Financial Indebtedness and that is Incurred by Topco, the Borrowers or an Obligor (*provided* that in the case of this clause (4), at the time of the acquisition or other transaction pursuant to which such Financial Indebtedness was Incurred (a) Topco would have been able to Incur £1.00 of additional Secured Financial Indebtedness pursuant to the first paragraph of the covenant entitled "*— Certain Covenants — Limitation on Financial Indebtedness*" after giving effect to the Incurrence of such Financial Indebtedness, calculated on a *pro forma* basis or (b) the Consolidated Secured Leverage Ratio would not be greater than it was immediately prior to

giving effect to such acquisition or other transaction on a *pro forma* basis) and the Refinancing Financial Indebtedness in respect thereof and (5) clause (xii) of the definition of Permitted Financial Indebtedness, in an aggregate amount not to exceed the greater of £45.0 million or 2.5% of Total Assets, less the aggregate principal amount of outstanding Financial Indebtedness of Restricted Subsidiaries that are not Obligors that was Incurred pursuant to clause (xii) of the definition of Permitted Financial Indebtedness, in each case calculated on a *pro forma* basis; *provided, further*, that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement.

“Permitted Holder” means (1) the Initial Investors and their Affiliates and any one or more Persons whose beneficial ownership constitutes or results in a Class B2 Change of Control in respect of which a Class B2 Change of Control Offer is made in accordance with the requirements of the Class B Issuer/Borrower Loan Agreement, (2) Senior Management, (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or Topco, acting in such capacity and/or (4) any Class B2 Noteholders whose beneficial ownership results from the enforcement of the Topco Security Documents.

“Permitted Investment” means (in each case, by Topco or any of its Restricted Subsidiaries):

- (a) Investments in (i) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or Topco or (ii) a Person (including the Capital Stock of any such Person) that is engaged in any Class B2 Permitted Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;
- (b) Investments in another Person if such Person is engaged in any Class B2 Permitted Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, Topco or a Restricted Subsidiary;
- (c) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (d) Investments in receivables owing to Topco or any Restricted Subsidiary created or acquired in the ordinary course of business;
- (e) Investments in payroll, travel, relocation and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (f) Management Advances;
- (g) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to Topco or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganisation or similar arrangement including upon the bankruptcy or insolvency of a debtor;
- (h) Investments (including deferred compensation) made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Sale, in each case, that was made as described in “— *Certain Covenants — Asset Sales*”;
- (i) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Third Closing Date;
- (j) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred as described in “— *Certain Covenants — Limitation on Financial Indebtedness*”;
- (k) Investments, taken together with all other Investments made pursuant to this clause (k) and at any time outstanding, in an aggregate amount at the time of such Investment not to exceed the greater of £45.0 million and 2.5% of Total Assets; *provided that*, if an Investment is made pursuant to this clause (k) in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described in “— *Certain Covenants — Class B2*

Restricted Payments", such Investment shall thereafter be deemed to have been made pursuant to clause (a) or (b) of the definition of Permitted Investments and not this clause (k);

- (l) Investments by Topco or any of its Restricted Subsidiaries in joint ventures or Unrestricted Subsidiaries having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (l) that are at the time outstanding not to exceed the greater of £18.0 million and 1.0% of Total Assets; *provided, however*, that if any Investment pursuant to this clause (l) is made in a Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary as described in "*— Certain Covenants — Class B2 Restricted Payments*", such Investment shall thereafter be deemed to have been made pursuant to clause (a) or (b) of the definition of Permitted Investments and not this clause (l);
- (m) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of Permitted Liens or made in connection with Liens permitted as described in "*— Certain Covenants — Limitations on Liens*";
- (n) any Investment to the extent made using Capital Stock of Topco (other than Disqualified Stock) or Capital Stock of any Parent as consideration;
- (o) any transaction to the extent constituting an Investment that is permitted and made as described in "*— Certain Covenants—Transactions with Affiliates*" (except those described in clauses (i), (iii), (vi), (viii), (ix) and (xii) of the third paragraph of that covenant);
- (p) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licences or leases of intellectual property, in any case, in the ordinary course of business and in accordance with the Class B Issuer/Borrower Loan Agreement;
- (q) Guarantees of Financial Indebtedness not prohibited as described in "*— Certain Covenants — Limitation on Financial Indebtedness*" and (other than with respect to Financial Indebtedness) Guarantees, keepwells and similar arrangements in the ordinary course of business;
- (r) Investments in the Class B2 Loan and any Additional Class B Loan;
- (s) any Investment in a Class B2 Permitted Business having an aggregate fair market value taken together with all other Investments made pursuant to this clause (s) that are at that time outstanding not to exceed the greater of (a) £45 million and (b) 2.5% of Total Assets (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided, however*, that if any Investment pursuant to this clause (s) is made in any Person that is not a Restricted Subsidiary of the Company at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (a) above and shall cease to have been made pursuant to this clause (s); and
- (t) Investments acquired after the Third Closing Date as a result of the acquisition by the Topco or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into Topco or any of its Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" after the Third Closing Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation.

"Permitted Liens" means, with respect to any Person:

- (a) Liens to secure Financial Indebtedness permitted to be Incurred as described in the first paragraph of "*— Certain Covenants — Limitation on Financial Indebtedness*";

- (b) Liens to secure Financial Indebtedness permitted to be Incurred under (i) clause (ii)(A) of the definition of Permitted Financial Indebtedness (to the extent such Guarantee is in respect of Financial Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Liens), (ii) clause (iv)(A) and (C) of the definition of Permitted Financial Indebtedness (if the original Financial Indebtedness was so secured) and (iii) clause (vi) of the definition of Permitted Financial Indebtedness;
- (c) Liens on assets or property of a Restricted Subsidiary that is not an Obligor securing Financial Indebtedness of any Restricted Subsidiary that is not an Obligor;
- (d) Liens to secure Financial Indebtedness that is permitted to be Incurred under clause (vii) of the definition of Permitted Financial Indebtedness covering only the assets acquired or financed by such Financial Indebtedness and any improvements or accessions to such assets and property;
- (e) Liens to secure Financial Indebtedness that is permitted under clause (xii) of the definition of Permitted Financial Indebtedness;
- (f) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion Guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licences, public or statutory obligations, trade obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, Guarantees of government or regulatory contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;
- (g) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;
- (h) Liens for taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;
- (i) Liens in favour of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Financial Indebtedness for borrowed money) issued pursuant to the request of and for the account of Topco or any of its Restricted Subsidiaries in the ordinary course of its business;
- (j) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licences, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of Topco and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Topco and its Restricted Subsidiaries;
- (k) leases, licences, subleases and sublicences of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;
- (l) Liens arising out of judgments, decrees, orders or awards not giving rise to a Share Enforcement Event or a Class B Loan Event of Default so long as any appropriate legal proceedings which may have been duly initiated in good faith for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired and for which appropriate reserves have been made if required under IFRS;

- (m) Liens arising by virtue of any statutory or common law provisions relating to bankers' Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;
- (n) Liens existing on, or provided for or required to be granted under written agreements existing on, the Third Closing Date;
- (o) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time Topco or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into Topco or any of its Restricted Subsidiaries); *provided, however*, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided, further*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;
- (p) Liens on assets or property of Topco or any of its Restricted Subsidiaries securing Financial Indebtedness or other obligations of Topco or such Restricted Subsidiary owing to Topco or another Restricted Subsidiary, or Liens in favour of Topco or any of its Restricted Subsidiaries;
- (q) Liens (other than Permitted Collateral Liens) securing Refinancing Financial Indebtedness Incurred to refinance Financial Indebtedness that was previously so secured, and permitted to be secured under the Class B Issuer/Borrower Loan Agreement; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Financial Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;
- (r) any interest or title of a lessor under any Capitalised Lease Obligation or operating lease;
- (s) (i) Liens or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which Topco or any of its Restricted Subsidiaries has easement rights or on any leased property and subordination or similar arrangements relating thereto and (ii) any condemnation or eminent domain proceedings affecting any real property;
- (t) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock, or assets owned by, of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (u) Liens on property or assets under construction (and related rights) in favour of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;
- (v) Liens on cash accounts securing Financial Indebtedness Incurred with local financial institutions in the ordinary course of business;
- (w) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts securing cash pooling arrangements;
- (x) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;
- (y) Liens in the ordinary course of business securing obligations (including Financial Indebtedness) which do not exceed the greater of £18 million or 1.0% of Total Assets at any one time outstanding;

- (z) Liens arising as a result of agreements to enter into a sale and leaseback transaction and not securing Financial Indebtedness, *provided* that such Lien shall not extend beyond the property that is the subject of such sale and leaseback transaction;
- (aa) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;
- (bb) Liens on any proceeds loan made by any Obligor in connection with any future Incurrence of Additional Class B Loan permitted under the Class B Issuer/Borrower Loan Agreement and securing such Additional Class B Loan; and (cc) any Lien granted in connection with any loan entered into in relation to the Head Office;
- (cc) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary; and
- (dd) Limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligation of such joint ventures.

“Permitted Post-Closing Reorganisation Paper” means the report dated 28 February 2012 setting out the steps to effect the proposed group reorganisation and signed for identification purposes by the Issuer and CP Opco.

“Permitted Topco Liens” means:

- (a) Liens securing the Topco Payment Undertaking;
- (b) Liens securing the Class B2 Loan;
- (c) Liens securing any Additional Class B Facility; and
- (d) Liens on the Topco Security arising from operation of law described in one or more of clauses (g), (h), (i), (j), (k), (l), (m), (n), (s), (t), (v), (w), (x), (y) and (bb) of the definition of Permitted Liens.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, limited liability company, government or any agency or political subdivision thereof or any other entity.

“Pre-Expansion European Union” means the European Union as of 1 January 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after 1 January 2004.

“Preferred Stock” as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“Property” means each of the Holiday Parks owned and operated (as at the Third Closing Date) by the Obligors as more fully described in Schedule 1 (Property) to the Borrower Deed of Charge and, where the context so requires, includes the buildings on such Property.

“Public Market” means any time after:

- (a) an Equity Offering has been consummated; and
- (b) shares of common stock or other common Equity Interests of the IPO Entity having a market value in excess of £50.0 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

“Public Offering” means any underwritten offering, including an Initial Public Offering, of shares of common stock or other common Equity Interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

“Purchase Money Obligations” means any Financial Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock) used in the business of Topco or any Restricted Subsidiary, and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

“Rating Agency” means Fitch or S&P and Rating Agencies means either of them.

“Rating Agency Confirmation” means in respect of a specified class or classes of Notes and any matter or proposed action, a confirmation from each of the Rating Agencies that the relevant matter or proposed action will not lead to a downgrade of (i) in relation to the Class A Notes, the then current rating of the relevant class or classes of Class A Notes provided that (in respect of the Class A2 Notes only), if the Class A2 Notes are then rated below the rating(s) assigned to them as of the Closing Date (in each case, the **“Issue Rating”**), the rating accorded by both Rating Agencies is no more than one notch below the corresponding Issue Rating(s) and (ii) in relation to any Class B Notes, the rating of the Class B Notes below the lower of the then current rating of the relevant class or classes of Class B Notes and the rating of the relevant class or classes of Class B Notes as of the issue date of such Class B Notes.

“Recalculated Class B FCF DSCR” means, in respect of a Financial Covenant Test Date, the Class B FCF DSCR as at that date recalculated on the assumption that the aggregate principal balance of the Class A Loans and the Class B2 Loan (on which Total Debt Service Charges were calculated) was:

- (a) the actual aggregate balance of the Class A Loans and the Class B Loans; less
- (b) the Class B Specified Amount, calculated (A) using the weighted average interest rate then applicable to the Class A Loans and the Class B Loans and (B) on the assumption that the principal balance of the Class A Loans and the Class B Loans had been reduced by an amount equal to the Class B Specified Amount as at the beginning of the relevant FCF DSCR Period.

“Refinancing Financial Indebtedness” means Financial Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Financial Indebtedness existing on the date of the Class B Issuer/Borrower Loan Agreement or Incurred in compliance with the Class B Issuer/Borrower Loan Agreement (including Financial Indebtedness of Topco that refinances Financial Indebtedness of any Restricted Subsidiary and Financial Indebtedness of any Restricted Subsidiary that refinances Financial Indebtedness of Topco or another Restricted Subsidiary) including Financial Indebtedness that refinances Refinancing Financial Indebtedness; *provided, however*, that:

- (a) the Refinancing Financial Indebtedness has a final Stated Maturity that is either (i) no earlier than the final Stated Maturity of the Financial Indebtedness being refinanced or (ii) after the Class B2 Note Expected Maturity Date;
- (b) such Refinancing Financial Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Financial Indebtedness being refinanced (plus, without duplication, any additional Financial Indebtedness Incurred to pay interest or premiums required by the instruments governing such Existing Financial Indebtedness and costs, expenses and fees Incurred in connection therewith); and
- (c) if the Financial Indebtedness being refinanced is expressly subordinated to the Class B2 Loan and Class B2 Notes, such Refinancing Financial Indebtedness is subordinated to the Class B2 Loan and Class B2 Notes on terms at least as favourable to the Issuer and the holders of Class B2 Notes, as applicable, as those contained in the documentation governing the Financial Indebtedness being refinanced;

provided, however, that Refinancing Financial Indebtedness shall not include Financial Indebtedness of Topco or a Restricted Subsidiary that refinances Financial Indebtedness of an Unrestricted Subsidiary.

Refinancing Financial Indebtedness in respect of any of the Facilities or any other Financial Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Facility or other Financial Indebtedness.

“Related Taxes” means:

- (a) any Taxes, including sales, use, transfer, rental, *ad valorem*, value added, stamp, property, consumption, franchise, licence, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by reference to the income, profits or gains of a Parent and (y) withholding Taxes imposed on payments made by any Parent), required to be paid (*provided* such Taxes are in fact paid) by any Parent by virtue of its:
 - (i) being organised or having Capital Stock outstanding (but not by virtue of owning stock or other Equity Interests of any corporation or other entity other than, directly or indirectly, the Group);
 - (ii) issuing or holding Subordinated Shareholder Funding;
 - (iii) being a holding company parent, directly or indirectly, of the Group;
 - (iv) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, Topco or any of its Subsidiaries; or
 - (v) having made any payment with respect to any of the items for which the company is permitted to make payments to any Parent pursuant to “—Certain Covenants—Class B2 Restricted Payments
- (b) if and for so long as Topco is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income, profits or gains for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Group would have been required to pay on a separate company basis or on a consolidated basis if the Group had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Group; *provided* that distributions shall be permitted in respect of the income, profits or gains of an Unrestricted Subsidiary only to the extent such Unrestricted Subsidiary distributed cash for such purpose to Topco or its Restricted Subsidiaries.

“Relevant Taxing Jurisdiction” means:

- (a) the United Kingdom or any political subdivision or Governmental Authority thereof or therein having power to tax;
- (b) any jurisdiction from or through which payment on any Class B2 Note or Class B2 Loan is made by the Issuer, the Borrower or Guarantors or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax; or
- (c) any other jurisdiction in which the Issuer, the Borrowers or Guarantors are incorporated or organised, engaged in business for tax purposes, residents for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax.

“Restricted Investment” means any Investment other than a Permitted Investment.

“Restricted Subsidiary” means any Subsidiary of Topco other than an Unrestricted Subsidiary.

“S&P” means Standard & Poor’s Investors Ratings Services or any of its affiliates, successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“SEC” means the U.S. Securities and Exchange Commission.

“Secured Finance Indebtedness” means, as of the relevant date of calculation, the principal amount of any Financial Indebtedness for borrowed money of Topco and its Restricted Subsidiaries that is secured by a first-priority Lien on the Collateral and that is Incurred under the first paragraph of the covenant described under “—Certain Covenants—Limitation on Financial Indebtedness” or clauses (i), (iv), (xii) and (xix) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Financial Indebtedness” or any Refinancing Financial Indebtedness in respect thereof that is secured by a first priority Lien on the Collateral.

“Securities Act” means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“Senior Finance Documents” means:

- (a) the Class A Issuer/Borrower Loan Agreement;
- (b) the Borrower Security Documents;
- (c) the Intercreditor Agreement;
- (d) the Tax Deed of Covenant;
- (e) the First Supplemental Tax Deed of Covenant;
- (f) the Second Supplemental Tax Deed of Covenant;
- (g) any Borrower Transaction Document other than the Class B Issuer/Borrower Loan Agreement; or
- (h) any other document designated in writing as such by the Issuer, the Borrower Security Trustee and the Obligor Group Agent.

“Senior Management” means the officers, directors, and other members of senior management of Topco or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of Topco or any Parent.

“Senior Pension Scheme” means the “*Center Parcs Senior Pension Scheme*”, being the defined benefit pension scheme operated by the Group, as described in the Pensions Report.

“Significant Subsidiary” means any Restricted Subsidiary that meets any of the following conditions:

- (a) Topco’s and its Restricted Subsidiaries’ investments in and advances to the Restricted Subsidiary exceed 5% of the total assets of Topco and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed financial year;
- (b) Topco’s and its Restricted Subsidiaries’ proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 5% of the total assets of Topco and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed financial year; or
- (c) Topco’s and its Restricted Subsidiaries’ equity in the income from continuing operations before income taxes, extraordinary items and the cumulative effect of a change in the accounting principles of the Restricted Subsidiary exceeds 5% of such income of Topco and its Restricted Subsidiaries on a consolidated basis for the most recently completed financial year.

“Stated Maturity” means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“Sterling Equivalent” means, with respect to any monetary amount in a currency other than sterling, at any time of determination thereof by Topco, the amount of sterling obtained by converting such currency other than sterling involved in such computation into sterling at the spot rate for the purchase of sterling with the applicable currency other than sterling as published in The Financial Times in the “Currency Rates” section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by Topco) on the date of such determination.

“Subordinated Indebtedness” means, with respect to any person, any Financial Indebtedness (whether outstanding on the Third Closing Date or thereafter Incurred) which is expressly subordinated in right of payment to the Class B2 Notes pursuant to a written agreement (including, without limitation, the Intercreditor Agreement).

“Subordinated Shareholder Funding” means, collectively, any funds provided to Topco by a Parent, any Affiliate of any Parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by a Parent, any

Affiliate of any Parent or any Permitted Holder or any Affiliate thereof, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided, however*, that such Subordinated Shareholder Funding:

- (a) does not mature or require any amortisation, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Class B2 Note Expected Maturity Date (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of Topco or any other funding meeting the requirements of this definition);
- (b) does not require, prior to the first anniversary of the Class B2 Note Expected Maturity Date, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;
- (c) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Class B2 Note Expected Maturity Date;
- (d) does not provide for or require any Lien over any asset of Topco or any other member of the Group;
- (e) is not secured by a Lien on any assets of Topco or a Restricted Subsidiary and is not Guaranteed by any Subsidiary of Topco;
- (f) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Class B2 Notes or the borrowings hereunder;
- (g) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the Class B2 Note Expected Maturity Date other than into or for Capital Stock (other than Disqualified Stock); and
- (h) pursuant to its terms or the terms of the Intercreditor Agreement is fully subordinated and junior in right of payment to the Class B2 Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

“Subsidiary” means, with respect to any Person:

- (a) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or
- (b) any partnership, joint venture, limited liability company or similar entity of which:
 - (i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and
 - (ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“Successor Parent” with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, “beneficially owned” (as defined below) by one or more Persons that “beneficially owned” (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately

prior to the first Person becoming a Subsidiary of such other Person. For the purposes hereof, “beneficially own” has the meaning correlative to the term “beneficial owner,” as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Third Closing Date).

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under a Borrower Finance Document.

“**Tax Deed of Covenant**” means the deed of covenant in respect of certain tax matters relating to the Group dated on or about the Closing Date and entered into between, among others, the Obligors and the Borrower Security Trustee, as amended by the First Supplemental Tax Deed Covenant.

“**Tax Reserve Account**” has the meaning given to that term in the Borrower Account Bank Agreement.

“**Taxes**” means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

“**Temporary Cash Investments**” means any of the following:

- (a) any investment in:
 - (i) direct obligations of, or obligations Guaranteed by, (i) the United States or Canada, (ii) any European Union member state (*provided* that such member state has a long-term rating of “A” or higher from S&P and “A” or higher from Fitch (or in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization)), (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by Topco or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state, or
 - (ii) direct obligations of any country recognised by the United States rated at least “A” by S&P or Fitch (or, in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (b) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers’ acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:
 - (i) any lender under any Credit Facility or Liquidity Facility,
 - (ii) any institution authorised to operate as a bank in any of the countries or member states referred to in clause (a)(i) above, or
 - (iii) any bank or trust company organised under the laws of any such country or member state or any political subdivision thereof,in each case, having capital and surplus aggregating in excess of £250.0 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least “A” by S&P or Fitch (or, in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;
- (c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) or (b) above entered into with a Person meeting the qualifications described in clauses (b) above;
- (d) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than Topco or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of “F2” (or higher) according to Fitch or

“A-2” (or higher) according to S&P (or, in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

- (e) bills of exchange issued in the United States, Canada, a member state of the European Union (*provided* that such member state has a long-term rating of “A” or higher from S&P and “A” or higher from Fitch (or in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization)), Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialised equivalent);
- (f) any money market deposit accounts issued or offered by a commercial bank organised under the laws of a country that is a member of the Organisation for Economic Co-operation and Development, in each case, having capital and surplus in excess of £250.0 million (or the foreign currency equivalent thereof) or whose long-term debt is rated at least “A” by S&P or Fitch (or, in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;
- (g) investment funds investing 95% of their assets in securities of the type described in clauses (a) through (f) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and
- (h) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

“**Total Assets**” means the consolidated total assets of Topco and its Restricted Subsidiaries in accordance with IFRS as shown on the most recent balance sheet of such Person.

“**Total Debt Service Charges**” means Class A Total Debt Service Charges or Class B Total Debt Service Charges.

“**Transactions**” has the meaning given to that term in these Listing Particulars.

“**Unrestricted Subsidiary**” means:

- (a) (i) any Subsidiary of Topco that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of Topco in the manner provided below); and (ii) any Subsidiary of an Unrestricted Subsidiary; and
- (b) notwithstanding the foregoing, any entity listed under Schedule 9 (List of Unrestricted Subsidiaries) of the Class B Issuer/Borrower Loan Agreement.

The Board of Directors of Topco may designate any Subsidiary of Topco (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

- (i) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Financial Indebtedness of, or own or hold any Lien on any property of, Topco or any other Subsidiary of Topco which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and
- (ii) such designation and the Investment of Topco in such Subsidiary complies with “*Certain Covenants — Class B2 Restricted Payments*”.

If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by Topco and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described in “*Certain Covenants — Class B2 Restricted Payments*” or under one or more clauses of the definition of Permitted Investments, as

determined by Topco. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Any such designation by the Board of Directors of Topco shall be evidenced to the Borrower Security Trustee by filing with the Borrower Security Trustee a resolution of the Board of Directors of Topco giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

If, at any time, any Unrestricted Subsidiary would fail to meet the requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for the purposes of the Class B Issuer/Borrower Loan Agreement and any Financial Indebtedness of such Subsidiary will be deemed to be Incurred as of such date and, if such Financial Indebtedness is not permitted to be Incurred as of such date under "*Certain Covenants — Limitation on Financial Indebtedness*", Topco will be in default of such covenant.

The Board of Directors of Topco may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation (1) no Default, Share Enforcement Event or Class B Loan Event of Default would result therefrom and (2) (x) the Fixed Charge Coverage Ratio would be greater than 2.0 to 1.0 or (y) the Fixed Charge Coverage Ratio would not be worse than it was immediately prior to giving effect to such designation, in each case, on a *pro forma* basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Borrower Security Trustee by promptly filing with the Borrower Security Trustee a copy of the resolution of the Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"**VAT**" means value added tax as provided for in the Value Added Tax Act 1994 or any other Tax of a similar nature whether of the UK or elsewhere.

"**Voting Stock**" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"**Woburn Deed of Charge**" means the deed of charge and assignment executed in favour of the Borrower Security Trustee by CP Woburn Opco dated 11 June 2015 and any other deed supplemental thereto

"**Woburn Headlease**" means the lease dated 24 December 2010 and made between (i) Woburn Estate Company Limited and Bedford Estates Nominees Limited and (ii) CP Opco for a term of 99 years in respect of the Woburn Site.

"**Woburn Legal Charge**" means a charge by way of legal mortgage in respect of the Woburn Headlease and the New Woburn Headlease Lease to the Woburn Deed of Charge.

"**Woburn Site**" means the site located in Warren Wood, Millbrook, Bedfordshire where a fifth holiday park has been developed by CP Woburn Opco.

"**Working Capital**" means the amount equal to the difference between the current assets and the current liabilities as shown in the management accounts to be published at the end of every fourth Accounting Period (excluding, when determining the amount of current liabilities, (i) any amounts in respect of interest costs payable by the Group; and (ii) any amounts in respect of Capital Expenditure required to be paid or reserved during such period).

BOOK-ENTRY, DELIVERY AND FORM

General

The Class B2 Notes sold to QIBs in reliance on Rule 144A will be represented by one or more global notes in registered form without interest coupons attached (the “**Rule 144A Global Note**”). The Class B2 Notes sold to persons who are not U.S. persons in offshore transactions in reliance on Regulation S will be represented by a global note in registered form without interest coupons attached (the “**Regulation S Global Note**” and, together with the Rule 144A Global Note, the “**Global Notes**”). The Global Notes have been deposited on the Third Closing Date, as applicable, with a common depository and registered in the name of the nominee of the common depository for the account of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Note (“**Rule 144A Book-Entry Interests**”) and ownership of interests in the Regulation S Global Note (the “**Regulation S Book-Entry Interests**” and, together with the Rule 144A Book-Entry Interests, the “**Book-Entry Interests**”) will be limited to persons that have accounts with Euroclear and/or Clearstream, or persons that hold interests through such participants.

Euroclear and Clearstream will hold interests in the Global Notes on behalf of their respective participants through customers’ securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive certificated form.

Book-Entry Interests will be shown on, and transfers thereof will only be effected through, records maintained in book-entry form by Euroclear and Clearstream and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive certificated form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Class B2 Notes are in global form, holders of Book-Entry Interests will not be considered the owners or “holders” of Class B2 Notes for any purpose.

By acquisition of a beneficial interest in a Regulation S Global Note, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. person, that it is located outside the United States and that, if it determines to transfer such beneficial interest prior to the expiration of the distribution compliance period (as such terms are defined in Rules 902 and 903 of Regulation S), deemed to include the 40-day period after the commencement of the offering of the Exchangeable Notes or the Exchangeable Note Issue Date, whichever is later (the “**distribution compliance period**”), it will transfer such interest only (a) to a person who is not a U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (b) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB, in each case in accordance with any applicable securities laws of any state of the United States. See “*Notice to Investors and Transfer Restrictions*”.

By acquisition of a beneficial interest in a Rule 144A Global Note, the purchaser thereof will be deemed to represent, among other things, that it is a QIB purchasing for its own account or the account of a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Trust Deeds. See “*Notice to Investors and Transfer Restrictions*”.

So long as the Class B2 Notes are held in global form, the common depositories for Euroclear and/or Clearstream, as applicable (or their respective nominees), will be considered the sole holders of the Global Notes for all purposes under the Note Trust Deed governing the Class B2 Notes. In addition, participants must rely on the procedures of Euroclear and/or Clearstream, and indirect participants must rely on the procedures of Euroclear, Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Class B2 Notes under the Note Trust Deed.

By acquiring a Class B2 Note (or interest therein), each purchaser and transferee is deemed to represent, warrant and covenant that (a) either (1) it is not a Plan and is not acting on behalf of any Plan or (2) its acquisition, holding and disposition of the Class B2 Note (or any interest therein) will not (A) constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or (B) result in a violation of any Similar Law, and (b) it will not transfer the Class B2 Note (or interest therein) to any transferee that is a Plan or any person acting on behalf of any Plan.

Neither the Issuer nor the Class B Note Trustee will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of Euroclear and Clearstream, if fewer than all the Class B2 Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate; *provided, however*, that no Book-Entry Interest of £100,000 principal amount or less may be redeemed in part.

Payments on Global Notes

The Issuer will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the common depositary or its nominee for Euroclear and/or Clearstream, which will distribute such payments to participants in accordance with their respective procedures. The Issuer will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under the captions "*Terms and Conditions of the Class B2 Notes—Taxes—Additional Amounts*". If any such deduction or withholding is required to be made, then, to the extent described under the captions "*Terms and Conditions of the Class B2 Notes—Taxes—Additional Amounts*", the Issuer will pay additional amounts as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. The Issuer expects that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Note Trust Deed, the Issuer, the Class B Note Trustee and the relevant Paying Agent will treat the registered holder of the Global Notes (e.g. Euroclear or Clearstream (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Class B Note Trustee or any of their respective Paying Agents has or will have any responsibility or liability for (1) any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, (2) Euroclear, Clearstream or any participant or indirect participant or (3) the records of the common depositary.

Each payment in respect of this Class B2 Regulation S Global Note will be made to the person shown as the holder of each such note in the Class B Register on the Clearing System Business Day before the due date for such payment (the Record Date) where "**Clearing System Business Day**" means a day on which each clearing system for which this Class B2 Regulation S Global Note is being held is open for business.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to the holders of interests in such Class B2 Notes in pounds sterling.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of Class B2 Notes (including the presentation of Class B2 Notes for exchange as described herein) only at the direction of one or more participants to whose account the Book-Entry Interests are credited and only in respect of such portion of the aggregate principal amount of Class B2 Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any

discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Note Trust Deed, each of Euroclear and Clearstream reserves the right, at the request of the holders of the Class B2 Notes, to exchange the Global Notes for definitive registered notes in certificated form (“**Definitive Notes**”) and to distribute Definitive Notes to its participants.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream rules and will be settled in immediately available funds. If a holder requires physical delivery of Definitive Notes for any reason, including to sell Class B2 Notes to persons in jurisdictions that require physical delivery of securities or to pledge such Class B2 Notes, such holder must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set out in the Note Trust Deed.

Each Global Note will have a legend to the effect set out under “*Notice to Investors and Transfer Restrictions.*” Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under “*Notice to Investors and Transfer Restrictions.*” Transfers of Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification to the effect that such transfer is being made in accordance with Regulation S or Rule 144A or any other exemption (if available) under the Securities Act.

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of Rule 144A Book-Entry Interests only upon delivery by the transferor of a written certification to the effect that such transfer is being made to a person who the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “*Notice to Investors and Transfer Restrictions*” and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange between a Regulation S Book-Entry Interest and a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease or increase, as applicable, in the principal amount of the Regulation S Global Note and a corresponding decrease or increase, as applicable, in the principal amount of the Rule 144A Global Note.

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Definitive Notes

Under the terms of the Note Trust Deed, owners of the Book-Entry Interests will receive Definitive Notes if:

- the Issuer has been notified that Euroclear or Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Class B Note Trustee is available; or
- if the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Offered Note represented by the Global Note in definitive form.

In such an event, the Class B Registrar will issue Definitive Notes, registered in the name or names and issued in denominations of £100,000 and integral multiples of £1,000 in excess thereof, requested by or on behalf of Euroclear, Clearstream, the Issuer (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Notes will bear the restrictive legend as provided in the Note Trust Deed, unless that legend is not required by such Note Trust Deed, or applicable law.

To the extent permitted by law, the Issuer, the Class B Note Trustee, any Paying Agent and the Class

B Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Class B2 Notes.

The Issuer will not impose any fees or other charges in respect of the Class B2 Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. None of the Issuer or the Joint Bookrunners is responsible for those operations or procedures.

We understand as follows with respect to Euroclear and Clearstream. Euroclear and Clearstream hold securities for participating organisations. They facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organisations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can act only on behalf of participants, who, in turn, act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement under the Book-Entry System

The Class B2 Notes represented by the Global Notes are expected to be listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market of the Irish Stock Exchange. Transfers of interests in the Global Notes between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of us, the Joint Bookrunners, the Class B Note Trustee or any Paying Agent will have any responsibility for the performance by Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

TAXATION

If you are a prospective investor, you should consult your tax advisor on the possible tax consequences of buying, holding or selling any Class B2 Notes under the laws of your country of citizenship, residence or domicile, including the effect of any local taxes applicable to you. The discussions that follow do not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase, hold or sell the Class B2 Notes. In particular, these discussions do not consider any specific facts or circumstances that may apply to you. The discussions that follow for each jurisdiction are based upon the applicable laws and interpretations thereof as in effect as of the date of these Listing Particulars. These tax laws and interpretations are subject to change, possibly with retroactive or retrospective effect.

U.S. TAXATION

Certain United States Federal Income Tax Considerations

The following discussion is a summary based on present law of certain U.S. federal income tax considerations relevant to the purchase, ownership and disposition of the Class B2 Notes. This discussion addresses only U.S. Holders who purchased the Exchangeable Notes in the original offering at the original offering price, exchanged Exchangeable Notes for Class B2 Notes and hold the Class B2 Notes as capital assets and use the U.S. dollar as their functional currency. This discussion is not a complete description of all U.S. tax considerations relating to the purchase, ownership and disposition of the Class B2 Notes. It does not address the tax treatment of investors subject to special rules, such as banks, dealers, traders that elect to mark-to-market, insurance companies, investors liable for the alternative minimum tax, U.S. expatriates, tax-exempt entities or persons holding the Class B2 Notes as part of a hedge, straddle, conversion or other integrated financial transaction or holding the Class B2 Notes in connection with a permanent establishment outside of the United States. It also does not address U.S. federal taxes other than income tax (e.g., estate and gift taxes), U.S. state and local, or non-U.S. tax considerations.

For purposes of this discussion, a “**U.S. Holder**” is a beneficial owner that is, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation or other business entity treated as a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source.

The U.S. federal income tax treatment of a partner in a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) that acquires or holds Class B2 Notes generally will depend upon the status of the partner and the activities of the partnership. Partners in a partnership that acquires or holds Class B2 Notes should consult their own tax advisors regarding the specific tax consequences to them of the partnership acquiring, owning and disposing of the Class B2 Notes.

Characterization of the Class B2 Notes

Although the proper characterization of the Class B2 Notes for U.S. federal income tax purposes is not entirely free from doubt, the Issuer intends to treat the Class B2 Notes as indebtedness for U.S. federal income tax purposes. This characterization is binding on all U.S. Holders unless the holder discloses on its U.S. federal income tax return that it is treating the Class B2 Notes in a manner inconsistent with the Issuer’s characterization. However, the Issuer’s characterization is not binding on the U.S. Internal Revenue Service (the “**IRS**”) or the courts, and no ruling is being requested or could be obtained from the IRS with respect to the proper characterization of the Class B2 Notes for U.S. federal income tax purposes. No assurance can be given that the IRS will not assert that the Class B2 Notes should be treated as equity interests in the Issuer rather than indebtedness nor that a court would not sustain that position if asserted. The following discussion assumes that the Class B2 Notes will be characterized as indebtedness for U.S. federal income tax purposes. Prospective purchasers of the Class B2 Notes should consult their own tax advisors regarding the consequences in the event that the Class B2 Notes are treated as equity for U.S. federal income tax purposes.

The rules applicable to debt instruments with payment contingencies are unclear. If the exercise of the Issuer’s option to redeem the Class B2 Notes and the exercise of the holders’ option to have their Class B2 Notes repurchased in the event of a Class B2 Change of Control are not remote, the Class B2 Notes could be treated as contingent payment debt instruments for U.S. federal income tax purposes. If the Class B2 Notes were so treated, all stated interest received by U.S. Holders would be treated as original issue discount (as described below) and U.S. Holders’ gain on a sale or other taxable disposition of the Class B2 Notes would be treated as

ordinary gain. The Issuer intends to take the position that the Class B2 Notes are not contingent payment debt instruments, but no assurance can be given that the IRS will not assert a contrary position. Prospective purchasers of the Class B2 Notes should consult their own tax advisors regarding the treatment of the Class B2 Notes as contingent payment debt instruments.

Class B2 Notes

Interest

Except as described below, interest on the Class B2 Notes, including Additional Amounts, if any, generally will be includible in the gross income of a U.S. Holder in accordance with its regular method of tax accounting. The interest on the Class B2 Notes generally will be ordinary income from sources outside the United States. Subject to applicable limitations, a U.S. Holder may claim a deduction or a foreign tax credit only for tax withheld at the appropriate rate.

Because the interest rate on the Class B2 Notes steps down on the Class B2 Note Step-Down Date, all Class B2 Notes will be treated as issued with Original Issue Discount (“**OID**”) which must be accrued into a U.S. Holder’s income on a constant yield to maturity basis whether or not such U.S. Holder receives cash payments. Generally, the Class B2 Notes will have OID to the extent that their stated redemption price at maturity exceeds their issue price. The issue price of the Class B2 Notes will be the fair market value of the Exchangeable Notes on the date the Exchangeable Notes were exchanged for the Class B2 Notes, less the amount of unpaid accrued interest on the Class B2 Notes on the Exchange Date (the “**pre-issuance accrued interest**”). The stated redemption price at maturity is the total of all payments due on a Class B2 Note other than payments of qualified stated interest. In general, qualified stated interest is interest that is unconditionally payable at least annually at a single fixed rate or, subject to certain conditions, one or more qualified floating rates. Interest payments on the Class B2 Notes will be qualified stated interest only to the extent of the interest rate payable after the Class B2 Note Step-Down Date (*i.e.*, the lowest rate of interest payable on the Class B2 Notes). Any interest in excess of this amount, including stated interest in excess of interest rate payable after the Class B2 Note Step-Down Date will be treated as OID whether paid before or after the Class B2 Note Step-Down Date. The redemption premium that the Issuer must offer to pay in a Class B2 Change of Control Offer following a Class B2 Change of Control is not part of the stated redemption price for this purpose because the Issuer does not believe that a Class B2 Change of Control is significantly more likely than not to occur. OID will be ordinary income from sources outside of the United States.

A U.S. Holder generally must include in income the sum of the “daily portions” of OID with respect to the Class B2 Note for each day during the taxable year or portion of the taxable year in which such holder held that Class B2 Note (“**accrued OID**”). The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID allocable to that accrual period. The “accrual period” for a debt instrument issued with OID may be of any length and may vary in length over the term of the debt instrument, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. OID for any accrual period will be determined in pounds sterling and then translated into U.S. dollars in the same manner as other interest income accrued by an accrual method U.S. Holder, as described above.

The amount of OID allocable to any accrual period other than the final accrual period is an amount equal to the excess, if any, of: (i) the product of the Class B2 Note’s “adjusted issue price” at the beginning of the accrual period and its yield to maturity, determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period, over (ii) the aggregate of all qualified stated interest allocable to the accrual period. OID allocable to a final accrual period is the difference between the amount payable at maturity, other than a payment of qualified stated interest, and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The “**adjusted issue price**” of a note at the beginning of any accrual period is equal to its issue price increased by the accrued OID for each prior accrual period, and reduced by any payments previously made on the note other than a payment of qualified stated interest (including payments of stated interest in excess of qualified stated interest).

A U.S. Holder may elect to include in gross income all yield on a Class B2 Note using a constant yield method. The constant yield election generally will apply only to the Class B2 Note with respect to which it is made, and it may not be revoked without the consent of the IRS.

A cash basis U.S. Holder receiving stated interest in pounds sterling must include in income a U.S. dollar amount based on the spot exchange rate on the date of receipt whether or not the payment is converted to U.S. dollars. An accrual basis U.S. Holder (and a cash basis U.S. Holder accruing OID) generally must include in income a U.S. dollar amount based on the average exchange rate during the accrual period (or, for an accrual period that spans two taxable years, the partial accrual period within each taxable year). Upon receipt of a payment of stated interest or OID in pounds sterling (including, upon the sale, redemption or other disposition of a Class B2 Note, the receipt of proceeds which include accrued OID and accrued, unpaid interest previously included in income), U.S. Holders that have accrued interest or OID will recognize exchange gain or loss equal to any difference between the U.S. dollar amount accrued and the U.S. dollar value of the payment received at the spot exchange rate on the date of receipt. Exchange gain or loss will be U.S. source ordinary income or loss.

An accrual basis U.S. Holder (and a cash basis U.S. Holder with respect to OID) may elect to translate accrued interest into U.S. dollars at the spot exchange rate on the last day of the accrual period (or, for an accrual period that spans two taxable years, in the case of the first partial period, the last day of the taxable year) or, with respect to interest received within five business days of the last day of an interest accrual period, the spot exchange rate on the date of receipt. Currency translation elections apply to all debt instruments that the electing U.S. Holder holds or acquires, and they cannot be revoked without the consent of the IRS.

For purposes of this discussion, the “**spot exchange rate**” generally means a rate that reflects a fair market rate of exchange available to the public for currency under a “spot contract” in a free market and involving representative amounts. A “**spot contract**” is a contract to buy or sell a currency other than the U.S. dollar on or before two business days following the date of the execution of the contract. If such a spot rate cannot be demonstrated, the IRS has the authority to determine the spot rate. The “**average rate**” for an accrual period (or partial period) is the average of the spot exchange rates for each business day of such period or other average exchange rate for the period reasonably derived and consistently applied by a U.S. Holder.

U.S. Holders should treat the amount of pre-issuance accrued interest as a separate amount purchased on the Exchange Date, rather than as part of the issue price of the Class B2 Notes, and they should treat a commensurate portion of the interest received on the first interest payment date as a return of the pre-issuance accrued interest they were treated as purchasing on the Exchange Date. A U.S. Holder generally would be required to recognize exchange gain or loss, as discussed below, in an amount equal to the difference, if any, between the U.S. dollar value of the pre-issuance accrued interest at the time of purchase and at the time the payment of such pre-issuance accrued interest is received, as determined at the spot rate in effect on each such date.

Sale, Redemption or other Disposition

A U.S. Holder generally will recognize gain or loss on the sale, redemption or other disposition of a Class B2 Note in an amount equal to the difference between the U.S. dollar value of the amount realized (less any accrued but unpaid interest, which will be taxable as ordinary interest income to the extent not previously included in income) and the U.S. Holder’s adjusted tax basis in the Class B2 Note, determined in U.S. dollars. The U.S. dollar amount realized will be the value of the pounds sterling received at the spot exchange rate on the date of disposition (or, if the Class B2 Notes are traded on an established securities exchange and the holder is a cash basis or an electing accrual basis U.S. Holder, the settlement date). A U.S. Holder’s adjusted tax basis in a Class B2 Note generally will be the U.S. dollar value of the fair market value of the Exchangeable Notes on the date the Exchangeable Notes were exchanged for Class B2 Notes, increased by the U.S. dollar amount of OID included in the U.S. Holder’s income with respect to the Class B2 Note and less (i) the amount of pre-issuance accrued interest on the Class B2 Notes on the Exchange Date and (ii) the U.S. dollar value of any OID payments (including stated interest in excess of qualified stated interest) and principal payments previously received by the holder.

Gain or loss on disposition of a Class B2 Note generally will be U.S. source and will, except to the extent of any foreign currency exchange gain or loss, be capital gain or loss. A U.S. Holder generally will recognize foreign currency exchange gain or loss on disposition of a Class B2 Note equal to the difference between the U.S. dollar value of the principal amount of the Class B2 Note on the date of acquisition and the date of disposition. Foreign currency exchange gain or loss cannot exceed overall gain or loss realized on disposition of the Class B2 Note. Any capital gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Class B2 Note for more than one year. The long-term capital gains of non-corporate U.S. Holders may be taxed at lower rates. Deductions for capital losses are subject to limitations.

Foreign Currency Exchange Gain or Loss

A U.S. Holder will have a tax basis in pounds sterling received as interest on the Notes equal to the U.S. dollar value of the pounds sterling received translated at the spot exchange rate on the date of receipt. A U.S. Holder will have a tax basis in pounds sterling received on the disposition of a Class B2 Note equal to the U.S. dollar amount realized. Any gain or loss realized by a U.S. Holder on a sale or other disposition of the pounds sterling generally will be U.S. source ordinary income or loss.

Medicare Tax on Net Investment Income

Certain non-corporate U.S. Holders whose income exceeds certain thresholds generally will be subject to a 3.8% surtax tax on their “net investment income” (which generally includes, among other things, interest and capital gain from the sale or other disposition of securities). Non-corporate U.S. Holders should consult their own tax advisors regarding the possible effect of such tax on their ownership and disposition of Class B2 Notes.

Class B2 Further Notes

The Issuer may issue Class B2 Further Notes in additional offerings and these Class B2 Further Notes may not be fungible with the Class B2 Notes for U.S. federal income tax purposes. Whether Class B2 Further Notes would be fungible depends on whether the issuance of Class B2 Further Notes would be treated as a qualified reopening for U.S. federal tax purposes. This determination will depend on the date when the Class B2 Further Notes are issued, the yield of the Class B2 Notes at that time (based on their fair market value), whether the Class B2 Notes were issued with OID and whether the Class B2 Notes are publicly traded or quoted at the time of the Class B2 Further Notes issuance. If issuance of the Class B2 Further Notes is not a qualified reopening, the Class B2 Further Notes may have OID (or a different amount of OID), which may adversely affect the market value of the Class B2 Notes, unless the Class B2 Further Notes can be distinguished from the Class B2 Notes.

Reportable Transactions

U.S. Treasury regulations meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under these U.S. Treasury regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a debt instrument or foreign currency received in respect of a debt instrument to the extent that such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of \$50,000, in the case of an individual holder and certain higher threshold amounts in the case of other holders. Prospective investors should consult their own tax advisors about the possibility of becoming subject to the reportable transactions rules.

Information reporting and backup withholding

Payments of interest and proceeds from the sale, redemption or other disposition of a Class B2 Note may be reported to the IRS unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding tax may apply to amounts subject to reporting if the holder fails to provide an accurate taxpayer identification number or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. A U.S. Holder can claim a credit against its U.S. federal income tax liability for the amount of any backup withholding tax and a refund of any excess. Prospective investors should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

Certain non-corporate U.S. Holders are required to report information with respect to their investment in Class B2 Notes not held through an account with a financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors regarding the possible implications of this new legislation on their investment in Class B2 Notes.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX

CONSEQUENCES TO IT OF AN INVESTMENT IN CLASS B2 NOTES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of the Class B2 Notes and is a summary of the Issuer's understanding of current United Kingdom law and HMRC published practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments of interest on the Class B2 Notes. The comments below may not apply to certain classes of person. The following is not exhaustive and does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Class B2 Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Payment of Interest on the Class B2 Notes

Payments of interest on the Class B2 Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Class B2 Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange. The Class B2 Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Main Market of the Irish Stock Exchange. Provided, therefore, that the Class B2 Notes remain so listed, interest on the Class B2 Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Class B2 Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Class B2 Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Class B2 Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that HMRC have not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In other cases, an amount must generally be withheld from payments of interest on the Class B2 Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

HMRC information gathering powers

HMRC have powers to obtain information and documents relating to the Class B2 Notes, including in relation to issues of and other transactions in the Class B2 Notes, interest, payments treated as interest and other payments derived from the Class B2 Notes. This may include details of the beneficial owners of the Class B2 Notes, of the persons for whom the Class B2 Notes are held and of the persons to whom payments derived from the Class B2 Notes are or may be paid. Information may be obtained from a range of persons including persons who effect or are a party to such transactions on behalf of others, registrars and administrators of such transactions, the registered holders of the Class B2 Notes, persons who make, receive or are entitled to receive payments derived from the Class B2 Notes and persons by or through whom interest and payments treated as interest are paid or credited. Information obtained by HMRC may be provided to tax authorities in other countries.

Certain Jersey taxation considerations

The following summary of the anticipated treatment of the Issuer and holders of the Class B2 Notes (other than residents of Jersey) is based on Jersey taxation law and practice as they are understood to apply at the date of this document and is subject to changes in such taxation law and practice. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice. Prospective investors in the Class B2 Notes should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of the Class B2 Notes under the laws of any jurisdiction in which they may be liable to taxation.

Taxation of the Issuer

The Issuer is not regarded as resident for tax purposes in Jersey. Therefore, the Issuer will not be liable to Jersey income tax other than on Jersey source income (except where such income is exempted from income tax pursuant to the Income Tax (Jersey) Law 1961, as amended) and payments in respect of the Class B2 Notes may be paid by the Issuer without withholding or deduction for or on account of Jersey income tax. The holders of the Class B2 Notes (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Class B2 Notes.

EU Savings Directive – Jersey

From 1 January 2015, paying agents established in Jersey must report to the Jersey Comptroller of Taxes details of all payments of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State. The Jersey Comptroller of Taxes will be required to provide to the tax authorities of the Member State in which such a beneficial owner is resident, details of such payments made to such beneficial owner.

This exchange of information system in Jersey is implemented by means of bilateral agreements with each of the Member States and the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005, as amended with reference to Guidance Notes issued by the Chief Minister's Department of the States of Jersey. Based on these provisions and what is understood to be the current practice of the Jersey tax authorities, the Issuer would not be obliged under those provisions to report to the Jersey Comptroller of Taxes payments of interest, or other similar income, made by it to a paying agent established outside Jersey.

Jersey, along with other dependent and associated territories, will consider the effect of the EU Amending Directive on the taxation of savings income in the context of existing bilateral agreements and domestic law. It is not expected that this will result in changes to the treatment of payments by the Issuer.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (referred to herein as the EU Savings Directive) Member States are required to provide to the tax authorities of another Member State details of payments of interest and other similar income paid or secured by a person established in a Member State to, or for, the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also apply a “look through approach” to payments made via certain persons, entities or legal arrangements (including trusts and partnerships), where certain conditions are satisfied, where an individual resident in a Member State is regarded as the beneficial owner of the payment for the purposes of the Directive. This approach may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is instead required (unless during such period it elects otherwise) to operate a withholding tax in relation to such payments (Luxembourg, which before 1 January 2015 also operated a withholding tax under the transitional rules, has now replaced such withholding tax with the information reporting regime described above). No withholding will be required where the Noteholder authorises the person making the payment to report the payment or presents a certificate from the relevant tax authority establishing exemption therefrom. The transitional period will end after agreement on exchange of information is reached between the EU and certain non-EU states.

A number of non-EU countries and territories, including Switzerland, have adopted equivalent measures (a withholding system in the case of Switzerland).

However, the European Commission has proposed the repeal of the EU Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the EU Amending Directive.

The attention of Noteholders is drawn to Condition 7 of the Terms and Conditions of the Class B2 Notes.

The proposed financial transaction tax

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common financial transaction tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”).

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Class B2 Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Class B2 Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Class B2 Notes are advised to seek their own professional advice in relation to the FTT.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of Class B2 Notes by (i) “employee benefit plans” that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), (ii) “plans” (including individual retirement accounts) as defined in and subject to Section 4975 of the Code, (iii) any plan, account or arrangement (including, without limitation, governmental, church and non-U.S. plans) that, while not subject to Title I of ERISA or Section 4975 of the Code, is subject to other federal, state, local or non-U.S. laws or regulations that are substantially similar to the foregoing provisions of ERISA and the Code (“**Similar Laws**”), and (iv) entities whose underlying assets are considered to include “plan assets” (within the meaning of ERISA or Similar Law) of any such plans, accounts and arrangements described in (i), (ii), (iii) or (iv) (each, a “**Plan**”). This summary is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Class B2 Notes on behalf of, or with the assets of, any Plan, consult with their own counsel to determine whether such Plan is subject to Title I of ERISA, Section 4975 of the Code or any other Similar Law, in which case you may be prohibited from purchasing, acquiring or holding the Class B2 Notes.

In analysing these considerations with your own counsel, prospective purchasers of the Class B2 Notes should consider, among other things, the discussion under “*Taxation*.” While such discussion assumes the Class B2 Notes will be treated as debt for U.S. federal income tax purposes, such characterisation is not entirely clear, and no assurances can be given that the IRS would not assert, or that a court would not uphold, a different characterisation of the Class B2 Notes.

General Fiduciary Considerations

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an “**ERISA Plan**”) and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation, direct or indirect, to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

When considering an investment in the Class B2 Notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any other Similar Law relating to the fiduciary’s duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other Similar Law.

Prohibited Transaction Considerations

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are “parties in interest,” within the meaning of Section 3(14) of ERISA, or “disqualified persons,” within the meaning of Section 4975 of the Code, unless a statutory or administrative exemption or exception is applicable to the transaction. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

The acquisition or holding of the Class B2 Notes by an ERISA Plan with respect to which the Issuer, Center Parcs and any of their affiliates are considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory or administrative exemption or exception. In this regard, the U.S. Department of Labor (the “**DOL**”) has issued prohibited transaction class exemptions (“**PTCEs**”) that may apply to the acquisition and holding of the Class B2 Notes. These exemptions include, without limitation, PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by an “independent qualified professional asset manager”), PTCE 95-60 (relating to investments by an insurance company general account), PTCE 96-23 (relating to transactions directed by an in-house asset manager) and PTCE 90-1 (relating to investments by insurance company pooled separate accounts). In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code could provide relief from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code for certain transactions between an ERISA Plan and non-fiduciary

service providers to the ERISA Plan; *provided that* neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any ERISA Plan involved in the transaction and provided further that the ERISA Plan pays no more than adequate consideration in connection with the transaction. There can be no assurance that any of the PTCEs or any other exemption or exception will be available with respect to any particular transaction involving the Class B2 Notes, or that, if any of the PTCEs or another exemption or exception is available, it will cover all aspects of any particular transaction.

Because of the foregoing, the Class B2 Notes should not be purchased, held or disposed of by any Plan or any person acting on behalf of any Plan, unless such purchase, holding or disposition, as applicable, would not constitute or result in a non-exempt prohibited transaction under ERISA, the Code or any other Similar Law.

Plan Asset Considerations

Regulations promulgated under ERISA by the DOL, as modified by Section 3(42) of ERISA (together, the “**Plan Asset Regulations**”), provide that when an ERISA Plan acquires an “equity interest” in an entity that is neither a “publicly offered security” nor a security issued by an investment company registered under the Investment Company Act, the ERISA Plan’s assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that equity participation in the entity by “benefit plan investors” is not “significant” or that the entity is an “operating company,” in each case as defined in the Plan Asset Regulations. For purposes of the Plan Asset Regulations, equity participation in an entity by benefit plan investors will not be significant if benefit plan investors hold, in the aggregate, less than 25% of the value of each class of equity interests of such entity, excluding equity interests held by any person (other than a “benefit plan investor”) who has discretionary authority or control with respect to the assets of the entity or who provides investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates of such person. For purposes of this 25% test, “benefit plan investors” include ERISA Plans and any entity whose underlying assets include, or are deemed for purposes of ERISA or the Code to include, their “plan assets” by reason of such plan’s investment in the entity under the Plan Asset Regulations, but exclude governmental, church and non-U.S. plans.

While the discussion under “*Taxation*” assumes the Class B2 Notes will be treated as debt for U.S. federal income tax purposes, such characterisation is not entirely clear, and no assurances can be given that the IRS would not assert, or that a court would not uphold, a different characterisation of the Class B2 Notes. In addition, it is anticipated that (i) the Class B2 Notes will not constitute “publicly offered securities” for purposes of the Plan Asset Regulations and (ii) the Issuer will not be an investment company registered under the Investment Company Act.

If the Issuer’s assets were deemed to be “plan assets” of an ERISA Plan holding the Class B2 Notes, this would result in, among other things, (i) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by the Issuer, and (ii) the possibility that certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA and/or Section 4975 of the Code and might have to be rescinded.

Because of the foregoing, the Class B2 Notes may not be purchased by, transferred to or otherwise held by any Plan or any person acting on behalf of any Plan, unless the acquisition, holding or disposition, as applicable, of the Class B2 Notes would not constitute or result in a non-exempt prohibited transaction under ERISA, the Code or any other Similar Law. In no case, however, shall benefit plan investors be authorised by the Issuer to subscribe for and purchase, in the aggregate, 25% or more of any class of equity interests of the Issuer. Any purported purchase, transfer or holding in violation of these limitations will be void. If such purchase or transfer is not treated as being void for any reason, the Class B2 Notes will automatically be transferred to a charitable trust for the benefit of a charitable beneficiary and the Plan will acquire no right in the Class B2 Notes.

Representations

Accordingly, each purchaser and holder of the Class B2 Notes (or any interest therein) will be deemed to have represented that (A) (i) it is not a Plan and is not acting on behalf of any Plan, or (ii) its acquisition, holding and disposition of the Class B2 Notes (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or under any other Similar Law for which an exemption is not available, and (B) it will not transfer the Class B2 Notes to any

transferee that is a Plan or any person acting on behalf of any Plan.

Any purported purchase, transfer, holding or disposition in violation of these representations will be void. If such purchase, transfer or disposition is not treated as being void for any reason, the Class B2 Notes will automatically be transferred to a charitable trust for the benefit of a charitable beneficiary and the purported holder will acquire no right in the Class B2 Notes.

LIMITATION ON VALIDITY AND ENFORCEABILITY OF THE SECURITY INTERESTS

Set out below is a summary of certain limitations on the enforceability of the security interests in each of the jurisdictions in which collateral is being provided. It is a summary only, and bankruptcy or insolvency proceedings or a similar event could be initiated in any of these jurisdictions. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Class B2 Notes and the security interests on the collateral.

Jersey Insolvency

The Issuer is incorporated under the laws of Jersey. In the event of an insolvency of the Issuer, insolvency proceedings may be initiated in Jersey. There are two principal regimes for corporate insolvency in Jersey: *désastre* and winding up (including just and equitable winding up and creditors' winding up). The principal type of insolvency procedure available to creditors under Jersey law is the application for an Act of the Royal Court of Jersey under the Bankruptcy (*Désastre*) (Jersey) Law 1990, as amended (the "Jersey Bankruptcy Law") declaring the property of a debtor to be "*en désastre*" (a "**declaration**"). On a declaration of *désastre*, title and possession of the property of the debtor vest automatically in the Viscount, an official of the Royal Court (the "**Viscount**"). With effect from the date of declaration, a creditor has no other remedy against the property or person of the debtor, and may not commence or, except with the consent of the Viscount of the Royal Court, continue any legal proceedings to recover the debt.

Additionally, the shareholders of a Jersey company (but not its creditors) can instigate a winding up of an insolvent company, which is known as a "creditors' winding up" pursuant to Chapter 4 of Part 21 of the Companies (Jersey) Law 1991, as amended (the "**Jersey Companies Law**"). On a creditors' winding up, a liquidator is nominated, usually by the shareholders. The creditors may approve such a liquidator or apply to appoint a different liquidator. The liquidator will stand in the shoes of the directors and administer the winding up, gather assets, make appropriate disposals of assets, settle claims and distribute assets as appropriate. After the commencement of the winding up, no action can be taken or continued against the company except with the leave of court. The shareholders must however give creditors 14 days' notice of the meeting to commence the creditors' winding up. The corporate state and capacity of the company continues until the end of the winding up procedure, when the company is dissolved. The Jersey Companies Law requires a creditor of a company (subject to appeal) to be bound by an arrangement entered into by the company and its creditors immediately before or in the course of its winding up if, *inter alia*, three quarters in number and value of the creditors acceded to the arrangement.

Transactions at an Undervalue

Under Article 17 of the Jersey Bankruptcy Law and Article 176 of the Jersey Companies Law, the court may, on the application of the Viscount (in the case of a company whose property has been declared "*en désastre*") or liquidator (in the case of a creditors' winding up, a procedure which is instigated by shareholders not creditors), set aside a transaction (including any guarantee or security interest) entered into by a company with any person (the "other party") at an undervalue. There is a five-year look-back period from the date of commencement of the winding up or declaration of "*désastre*" during which transactions are susceptible to examination pursuant to this rule (the "relevant time"). The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) those that define what constitutes a transaction at an undervalue, the operation of the relevant time and the effect of entering into such a transaction with a person connected with the company or with an associate of the company.

Preference

Under Article 17A of the Jersey Bankruptcy Law and Article 176A of the Jersey Companies Law, the court may, on the application of the Viscount (in the case of a company whose property has been declared "*en désastre*") or liquidator (in the case of a creditors' winding up), set aside a preference (including any guarantee or security interest) given by the company to any person (the "other party"). There is a 12-month look-back period from the date of commencement of the winding up or declaration of "*désastre*" during which transactions are susceptible to examination pursuant to this rule (the "relevant time"). The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) those that define what constitutes a preference, the operation of the relevant time and the effect of entering into a preference with a person connected with the company or with an associate of the company.

Extortionate Credit Transactions

Under Article 17C of the Jersey Bankruptcy Law and Article 179 of the Jersey Companies Law, the court may, on the application of the Viscount (in the case of a company whose property has been declared “*en désastre*”) or liquidator (in the case of a creditors’ winding up), set aside a transaction providing credit to the debtor company which is or was extortionate. There is a three-year look-back period from the date of commencement of the winding up or declaration of “*désastre*” during which transactions are susceptible to examination pursuant to this rule. The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) those that define what constitutes a transaction which is extortionate.

Disclaimer of Onerous Property

Under Article 15 of the Jersey Bankruptcy Law, the Viscount may within six months following the date of the declaration of *désastre* and under Article 171 of the Jersey Companies Law, a liquidator may within six months following the commencement of a creditors’ winding up, disclaim any onerous property of the company. “Onerous property” is defined to include any moveable property, a contract lease or other immovable property if it is situated outside of Jersey that is unsaleable or not readily saleable or is such that it might give rise to a liability to pay money or perform any other onerous act, and includes an unprofitable contract.

A disclaimer operates to determine, as of the date it is made, the “rights, interests and liabilities of the company in or in respect of the property disclaimed” but “does not, except so far as is necessary for the purpose of releasing the company from liability, affect the rights or liabilities of any other person.” A person sustaining loss or damage as a result of a disclaimer is deemed to be a creditor of the company to the extent of the loss or damage and shall have standing as a creditor in the *désastre* or creditors’ winding up. The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) in relation to the power to disclaim onerous property.

Fraudulent Dispositions

In addition to the Jersey statutory provisions referred to above, there are certain principles of Jersey customary law (for example, a Pauline action) under which dispositions of assets with the intention of defeating creditors’ claims may be set aside.

Security Over Non Jersey Situs Assets

Under the laws of Jersey, a person incorporated, resident or domiciled in Jersey is deemed to have capacity to grant security governed by foreign law over property situated outside Jersey, but to the extent that any floating charge is expressed to apply to any asset, property and undertaking of a person incorporated, resident or domiciled in Jersey such floating charge is not likely to be held valid and enforceable by the Courts of Jersey in respect of Jersey situs assets.

Administrators, Receivers and Statutory and Non-statutory Requests for Assistance

The Insolvency Act 1986 (either as originally enacted or as amended, including by the provisions of the Enterprise Act 2002) does not apply in Jersey and receivers, administrative receivers and administrators are not part of the laws of Jersey. Accordingly, the Courts of Jersey may not recognise the powers of an administrator, administrative receiver or other receiver appointed in respect of Jersey situs assets (although see below in the case of fixed charge receivers).

However, under Article 49(1) of the Jersey Bankruptcy Law, the Jersey court may assist the courts of prescribed countries and territories and, applying general principles of comity assist the courts in other jurisdictions, in all matters relating to the insolvency of any person to the extent that the Jersey court thinks fit. These prescribed jurisdictions include the United Kingdom. Further, in doing so, the Royal Court may have regard to the UNCITRAL model law, even though the model law has not been (and is unlikely to be) implemented as a separate law in Jersey.

If the request comes from a non-prescribed country, then common law and principles of comity will be considered by the Royal Court by virtue of its inherent jurisdiction. If insolvency proceedings have been commenced in another jurisdiction in relation to the company, the nature and extent of the cooperation from Jersey is likely to depend on the nature of the requesting country’s insolvency regime.

In the case of both statutory and non-statutory requests for assistance, it should not be assumed that the UNCITRAL provisions will automatically be followed. That is a matter for the discretion of the Royal Court. It

would also be wrong to assume for European countries that the position will be in accordance with EU Insolvency Regulation. Jersey does not form part of the European Community for the purposes of implementation of its directions. Accordingly, the EU Insolvency Regulation does not apply as a matter of Jersey domestic law and the automatic test of centre of main interests does not apply as a result.

Enforcement of Security and Security in Insolvency

Enforcement of a security interest against a Jersey company may be further limited by bankruptcy, insolvency, liquidation, dissolution, re-organisation or other laws of general application relating to or affecting the rights of creditors, and laws in relation to transactions at undervalue, preference, extortionate credit transactions, disclaimer of onerous property and fraudulent dispositions also apply in Jersey. Insolvency or bankruptcy alone will not render such security interest invalid or non-binding on the parties thereto or any liquidator of a Jersey company or the Viscount in a *désastre* of a Jersey company's property. This is subject to certain statutory exceptions, which include (but are not limited to):

- Article 159(4) of the Jersey Companies Law provides that after the commencement of a creditors' winding up of a Jersey company no action shall be taken or proceeded with against the company except by leave of the court and subject to such terms as that court may impose; and Article 10(1) of the Jersey Bankruptcy Law provides that with effect from the date of a declaration of *désastre* against a person (the "bankrupt"), a creditor shall not have any other remedy against the property or person of the bankrupt or commence or (except with the consent of the Viscount or by order of the court) continue any action or legal proceedings to recover such creditor's debt; and
- In the enforcement of foreign security in Jersey, the Courts of Jersey—properly applying the relevant provisions of foreign law—are likely to uphold (subject to the comments above) a claim that the relevant security interest (and other than in respect of any property or assets situated or deemed to be situated in Jersey) is binding on a Jersey company and any liquidator or other similar person having control of the assets of a Jersey company.

Cayman Islands Insolvency

Under Cayman Islands law, insolvency proceedings involve the appointment of a liquidator whose function it is to act as the agent of the company and: (i) to realise the company's unsecured assets; (ii) to identify the company's unsecured creditors and the amounts of their claims; and (iii) to distribute the proceeds of realisation of the company's unsecured assets (net of expenses and claims of preferred creditors) to the company's unsecured creditors *pro rata* and, after the creditors have been paid in full, to distribute the remaining balance (if any) to the company's shareholders. Cayman Islands legislation provides for three different procedural systems for winding-up companies, namely: (i) compulsory winding-up by order of the Cayman Island Court (the "**Court**"); (ii) voluntary winding-up initiated by a resolution of the shareholders or in accordance with the provisions of the company's articles of association; and (iii) voluntary winding-up originally initiated by a resolution of the shareholders that is subsequently made subject to the supervision of the Court. A petition to the Court for a winding up order may be made by the company itself or a creditor (including a contingent or prospective creditor) or shareholder of the company. A winding up order is usually sought by demonstrating to the Court that the company is unable to pay its debts, or because it is otherwise just and equitable to make a winding-up order. When considering inability to pay debts, Cayman Islands law requires that the Court have regard to the company's cash-flow position. When a winding up order is made by the Court in relevant circumstances, an automatic moratorium on proceedings against the company is imposed and proceedings may not be commenced or continued against the company except with the express permission of the Court. Dispositions of property, transfers of shares and alterations in the status of shareholders are void unless approved by the Court. The moratorium does not affect any valid contractual rights of set-off or subordination agreements acquired or entered into before the commencement of the liquidation. A secured creditor is entitled to enforce his security without the leave of the Court and without reference to the liquidator.

It is a rule of Cayman Islands insolvency law that all ordinary unsecured and unsubordinated creditors are treated equally irrespective of the nature of their claims. This is referred to as the *pari passu* rule. Local creditors (save in certain cases for a minimal category of statutorily preferred creditors, including statutory fees and very limited amounts owed to Cayman Islands employees) do not have any preference or priority over foreign creditors. This rule applies among ordinary unsecured and unsubordinated creditors existing as of the commencement of the liquidation or whose claims arise out of causes of action that accrued before the date of the commencement of the liquidation. These will include creditors whose claims against the company arise out of contract, common law and statutory torts, equitable claims, etc.

There are circumstances under Cayman Islands law in which the granting by a Cayman Islands company of security can be challenged. In most cases this will only arise if the company is placed into insolvency within a specified period (as set out in more detail below) following the granting of the security.

The following potential grounds for challenge may apply under Cayman Islands law in respects of Cayman Islands law governed security interests:

Voidable preferences

Pursuant to Section 145(1) of the Companies Law (as amended) (the "**Companies Law**"), a transaction will constitute a voidable preference in the following circumstances:

- (i) a conveyance or transfer of property (or charge thereon) or payment obligation was made, incurred, taken or suffered by the relevant company in favour of a creditor within 6 months immediately preceding the commencement of liquidation of the relevant company;
- (ii) at the time when the conveyance or transfer of property or payment obligation was made, incurred, taken or suffered, the relevant company was insolvent (that is, unable to pay its debts when they fell due pursuant to the applicable law); and
- (iii) the conveyance or transfer of property or payment obligation was made, incurred, taken or suffered with a view to giving the creditor a preference over other creditors. Please note that if the creditor is a "related party" (that is, an entity who has the ability to control the relevant company or exercise significant influence over the relevant company in making financial and operating decisions), the transfer of property or payment obligation will be deemed to have been made with a view to giving such a creditor a preference.

If the above criteria can be satisfied with respect to the transfer of property or payment obligation, the transaction will be invalid and a liquidator would be able to claw back the property or payment transferred.

Fraudulent dispositions

Under the Fraudulent Dispositions Law in respect of creditor actions and pursuant to Section 146 of the Companies Law in respect of liquidator actions, a transaction will constitute a disposition at an undervalue in the following circumstances:

- (i) a disposition (being any type of transfer, conveyance, assignment, lease, mortgage, pledge or other transaction by which any legal or equitable interest in property is created, transferred or extinguished) of property is made to a legal entity (either a person or a body corporate);
- (ii) the disposition was made by the relevant company at a undervalue (which means for no consideration or for consideration the value of which in money or monies worth is significantly less than the value of the property the subject of the disposition); and
- (iii) the disposition was made with an intent to defraud its creditors (that is, an intention to wilfully defeat an obligation or liability (which includes a contingent liability) owed to a creditor which existed on or prior to the date of the relevant disposition).

If the above criteria can be satisfied with respect to the disposition of property, the disposition shall be voidable at the instance of the liquidator (under Section 146 of the Companies Law) and/or by the creditor thereby prejudiced (under the Fraudulent Dispositions Law). No action or proceeding can be commenced by a liquidator or creditor seeking to establish that a disposition of property constituted a disposition made an undervalue more than 6 years after the date of relevant disposition. The burden of establishing the intent to defraud lies with the official liquidator and/or the creditor (as applicable).

Fraudulent trading

Section 147 of the Companies Law provides for a fraudulent trading provision.

Section 147 of the Companies Law provides that if in the course of winding up of the relevant company it appears that any business of the company has been carried on with an intent to defraud creditors of the company or creditors of any other person, or for any fraudulent purpose, the liquidator may apply to the Court seeking a declaration in respect of the conduct or fraudulent trading. Such order would be sought in respect of any persons who were knowingly parties to the carrying on of the business with an intent to defraud creditors of the company or creditors of any other person, or for any fraudulent purpose. Such persons would be liable to make such contributions (if any) to the company's assets as the Court thinks proper. It is notable that this form of order does not involve the imposition of liability for the company's debts as such, but enables the court to form a judgment as to the extent to which it is appropriate to require each participant in a company's fraudulent trading to contribute personally to the assets, so as to augment the funds available for distribution to unpaid creditors. Section 147 uses the term "persons" which enables liability to be imposed upon a wider circle of participants in any such activity than merely directors and officers. It should be noted further that Section 147 of the Companies Law imposes no restrictions in terms of the period of time prior to the company's winding up during which the events must have taken place in order for liability to be imposed.

Any application brought by a liquidator is brought on behalf of the relevant company's estate as a whole and not merely for the benefit of the individual creditors (in an insolvent liquidation) or individual members (in a solvent liquidation).

Constructive trusts

A liquidator may commence a proceeding against the directors of the relevant company for breach of fiduciary duty where, for example, the company (by its directors) knowingly divests itself of an asset at an undervalue in breach of the directors' duty to act in the best interests of the company. If the recipient who received the asset knew he/she/it was receiving it as a result of a breach of fiduciary duty, he/she/it may be subject to a constructive trust argument in respect of the asset – that is the recipient is holding the asset on trust for the company.

To the extent that the relevant company is approaching insolvency or is insolvent (that is, unable to pay their debts when they fall due), directors still owe their fiduciary duties to the relevant company but, in discharging such duties, they must have regard to the interests of the creditors of the relevant company. In such circumstances, the risk of a disposition of property being made in breach of the directors' fiduciary duties is heightened and a constructive trust may be imposed to the extent that the entity that receives the relevant property has knowledge that the directors have breached their fiduciary duties in making the disposition.

The imposition of a constructive trust will depend on the factual scenario regarding the relevant payments and the manner in which they were accepted, however, to the extent that it can be shown that the relevant company was acting in a commercially reasonable manner and in their best interests (respectively) and the recipients of such payments accepted such payments in good faith without knowledge of any breach of fiduciary duty, we would not consider the constructive trust head of relevance.

Equitable nature of mortgage over shares

The mortgage created by Topco over the shares of CP Cayman Limited to secure the obligations of Topco under the Topco Payment Undertaking is governed by the laws of the Cayman Islands and comprises an equitable not a legal mortgage. An equitable mortgage has certain disadvantages compared with a legal mortgage, including the fact that an earlier security will have priority and a subsequent third party purchaser for value or legal mortgagee of the shares mortgaged, who does not have notice of the equitable mortgage, will not be subject to it. The courts of the Cayman Islands will not recognise or enforce foreclosure (meaning the assumption by the mortgagee of beneficial ownership of the mortgaged property and the extinction of the mortgagor's equity of redemption therein) against the shares mortgaged pursuant to the mortgage over the shares in CP Cayman Limited in the absence of foreclosure proceedings against Topco in the courts of the Cayman Islands, or a judgment in respect of foreclosure proceedings against Topco in the courts of another jurisdiction which the courts of the Cayman Islands are prepared to enforce in accordance with the usual principles applicable to the enforcement of foreign judgments in the Cayman Islands.

Fixed security and recharacterisation risk

It is the essence of a fixed charge that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such

liberty is given to Topco, any charge constituted pursuant to the Topco Share Security Agreement entered into by Topco may operate as a floating, rather than a fixed, charge. Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the security granted thereunder would be regarded under the Cayman Islands law as a floating charge. Floating charges have certain weaknesses, including the following:

- (i) they have weak priority against purchasers and chargees (who are not on notice of any negative pledge contained in the floating charge) of the assets concerned and against lien holders, execution creditors and creditors with rights of set off;
- (ii) the claims of may be subject to prior claims of preferred creditors under Cayman law” above, they rank after certain preferred creditors, such as claims of employees and certain taxes on winding up; and
- (iii) they rank after fixed charges.

Preferred creditors

Under Cayman Islands law, upon an insolvency of a Cayman Islands company such as Topco, when applying the proceeds of assets subject to security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferred creditors will take priority over the claims of creditors holding the relevant security. On a winding up of Topco in the Cayman Islands:

- (a) claims by employees (if any) working in the Cayman Islands in respect of severance pay (subject to a maximum of twelve weeks final basic wage) are paid in priority to all other debts whether unsecured or secured (and whether that security is fixed or floating); and
- (b) the following debts are paid in priority to all unsecured debts or debts secured by a floating charge:
 - (i) any sum due by Topco to an employee, whether employed in the Cayman Islands or elsewhere, in respect of salaries, wages and gratuities accrued during the four months immediately preceding the liquidation;
 - (ii) any sum due and payable by Topco on behalf of an employee in respect of medical health insurance or pension fund contributions;
 - (iii) any sum due in respect of severance pay and earned vacation leave where the employee’s contract has been terminated as a result of the winding up;
 - (iv) any compensation payable to a workman in respect of injuries incurred at work pursuant to the Workmen’s Compensation Law of the Cayman Islands; and
 - (v) certain taxes due to the Cayman Islands Government comprising customs duties, stamp duty, licence fees, sums payable under the Companies Law of the Cayman Islands such as annual return fees, and sums payable under the Tourist Accommodation (Taxation) Law of the Cayman Islands.

Payment of dividends under Cayman Islands law

Under Cayman Islands law, dividends may only be declared by a Cayman Islands company out of funds legally available for distribution so long as the company has the ability to pay its debts as they fall due in the ordinary course of business.

European Union

Certain of the Guarantors of the Class B2 Notes are organised under the laws of a Member State of the European Union.

Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (the “**EU Insolvency Regulation**”), which applies within the European Union (other than Denmark and other than in respect of certain insurance, credit institution and investment undertakings), the courts of the Member State in which a company’s “centre of main interests” (as that term is used in Article 3(1) of the EU Insolvency Regulation) is

situated have jurisdiction to open main insolvency proceedings. The determination of where a company has its centre of main interests is a question of fact.

Although there is a presumption under Article 3(1) of the EU Insolvency Regulation that a company has its centre of main interests in the Member State in which it has its registered office in the absence of proof to the contrary, Preamble 13 of the EU Insolvency Regulation states that the centre of main interests of a “debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties.” The courts have taken into consideration a number of factors in determining the centre of main interests of a company, including in particular where board meetings are held, the location where the company conducts the majority of its business or has its head office and the location where the majority of the company’s creditors are established. A company’s centre of main interests may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to open main insolvency proceedings at the time of the filing of the insolvency petition.

The EU Insolvency Regulation applies to insolvency proceedings that are collective insolvency proceedings of the types referred to in Annex A to the EU Insolvency Regulation.

If the centre of main interests of a company is in one Member State (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open insolvency proceedings against that company only if such company has an “establishment” in the territory of such other Member State (such proceedings being referred to as “territorial insolvency proceedings”). An “establishment” is defined as a place of operations where the company carries on non-transitory economic activity with human means and goods. The effects of those insolvency proceedings opened in that other Member State are restricted to the assets of the company situated in such other Member State.

Where main proceedings have been opened in the Member State in which the company has its centre of main interests, any territorial insolvency proceedings opened subsequently in another Member State in which the company has an establishment are limited to “winding-up proceedings” listed in Annex B of the EU Insolvency Regulation (such subsequent territorial insolvency proceedings being referred to as “secondary proceedings”). Where main proceedings in the Member State in which the company has its centre of main interests have not yet been opened, territorial insolvency proceedings can be opened in another Member State where the company has an establishment only where either: (a) insolvency proceedings cannot be opened in the Member State in which the company’s centre of main interests is situated as a result of conditions laid down by that Member State’s law; or (b) the territorial insolvency proceedings are opened at the request of a creditor that is domiciled, habitually resident or has its registered office in the Member State in which the company has an establishment or whose claim arises from the operation of that establishment.

The courts of all Member States (other than Denmark) must recognise the judgment of the court opening main proceedings and, subject to any exceptions provided for in the EU Insolvency Regulation, that judgment will be given the same effect in the other Member States so long as no secondary proceedings have been opened there. The officeholder appointed by a court in a Member State that has jurisdiction to open main proceedings (because the company’s centre of main interests is there) may exercise the powers conferred on him by the law of that Member State in another Member State (such as to remove assets of the company from that other Member State), subject to certain limitations, so long as no insolvency proceedings have been opened in that other Member State or any preservation measure taken to the contrary further to a request to open insolvency proceedings in that other Member State where the company has assets.

England and Wales

Certain of the Guarantors of the Class B2 Notes are incorporated under the laws of England and Wales. Therefore, any main insolvency proceedings in respect of the such Guarantors would likely be commenced in England and conducted in accordance with the requirements of English insolvency laws. However, pursuant to the EU Insolvency Regulation, where an English company conducts business in another member state of the European Union, the jurisdiction of the English courts may be limited if the company’s “centre of main interests” is found to be in another Member State (please see “—European Union”). There are a number of factors that are taken into account to ascertain the centre of main interests. The centre of main interests should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. The place of the registered office of the company is presumed to be the centre of main interests in the absence of proof to the contrary. The point at which this issue falls to be determined is at the time that the relevant insolvency proceedings are opened.

Fixed and floating charges

There are a number of ways in which fixed charge security has an advantage over floating charge security: (a) an administrator appointed to a charging company can convert floating charge assets to cash and use such cash, or use cash subject to a floating charge, to meet administration expenses (which can include the costs of continuing to operate the charging company's business while in administration) in priority to the claims of the floating charge holder; (b) a fixed charge, even if created after the date of a floating charge, may have priority as against the floating charge over the charged assets; (c) general costs and expenses (including the liquidator's or administrator's remuneration) properly incurred in a winding up or administration are payable out of the company's assets (including the assets that are the subject of the floating charge) in priority to floating charge claims; (d) until the floating charge security crystallises, a company is entitled to deal with assets that are subject to floating charge security in the ordinary course of business, meaning that such assets can be effectively disposed of by the charging company so as to give a third-party good title to the assets free of the floating charge and so as to give rise to the risk of security being granted over such assets in priority to the floating charge security; (e) floating charge security is subject to certain challenges under English insolvency law; and (f) floating charge security is subject to the claims of preferential creditors (such as occupational pension scheme contributions and salaries owed to employees) and to ring-fencing (see "*Administration and Floating charges*").

Under English law there is a possibility that a court could recharacterise fixed security interests purported to be created by a security document as floating charges; the description given to security interests by the parties is not determinative. Whether security interests labelled as fixed will be upheld as fixed security interests rather than floating security interests will depend on, among other things, whether the chargee has the requisite degree of control over the relevant chargor's ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the chargee in practice. Where the chargor is free to deal with the secured assets without the consent of the chargee prior to crystallisation, the court is likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge in the security documents.

Administration and Floating charges

The relevant English insolvency statute empowers English courts to make an administration order in respect of an English company in certain circumstances. An administrator can also be appointed out of court by the company, its directors or the holder of a qualifying floating charge. During the administration, in general no proceedings or other legal process may be commenced or continued against the company in administration, or security enforced over that company's property, except with permission of the court or the consent of the administrator. Certain creditors of a company in administration may be able to realise their security over that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the administration moratorium in relation to a "security financial collateral agreement" (generally, cash or financial instruments such as shares, bonds or tradable capital market debt instruments) under the Financial Collateral Arrangements (No. 2) Regulations 2003. During the administration of a company, a creditor would not be able to enforce any security interest (other than security financial collateral arrangements) without the consent of the administrator or the permission of the court. In addition, other than in limited circumstances, no administrative receiver can be appointed by a secured creditor and in limited circumstances, the court can make an administration order, in preference to an administrator, if the court made an administration order, any administrative receiver must vacate office. Where the company is already in administration no other receiver over the assets of the company may be appointed without the consent of the administration or the permission of the Court (and no administrative receiver may be appointed).

An administrator, receiver (including administrative receiver) or liquidator of the company will be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security (after making full provision for preferential creditors and expenses (floating charge realisations)) for the benefit of unsecured creditors. Under current law, this applies to 50% of the first £10,000 of floating charge realisations and 20% of the remainder over £10,000, with a maximum aggregate cap of £600,000.

There are circumstances under English insolvency law in which the granting by an English company of security and guarantees can be challenged. In most cases this will only arise if the company is placed into administration or liquidation within a specified period (as set out in more detail below) following the granting of the guarantee or security.

The following potential grounds for challenge may apply under English law to guarantees and security interests.

Transaction at an Undervalue

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a security interest or a guarantee if such liquidator or administrator believes that the creation of such security interest or guarantee constituted a transaction at an undervalue. There will only be a transaction at an undervalue, if at the time of the transaction or as a result of the transaction, the English company was or becomes unable to pay its debts as a result of such transaction (as defined in the UK Insolvency Act 1986, as amended) and this is presumed in relation to any transaction or undervalue which is entered into by a company with a person who is connected with the company. The transaction can be challenged if the English company enters into liquidation or administration proceedings within a period of two years from the date the English company grants the security interest or the guarantee. A transaction might be subject to being set aside as a transaction at an undervalue if the company makes a gift to a person, if the company receives no consideration or if the company receives consideration of significantly less value, in money or money's worth, than the consideration given by such company. However, a court generally will not intervene if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit it. If the court determines that the transaction was a transaction at an undervalue, the court can make such order as it thinks fit to restore the position to what it would have been in if the transaction had not been entered into. In any proceedings, it is for the administrator or liquidator to demonstrate that the company was insolvent unless a beneficiary of the transaction was a connected person (as defined in the UK Insolvency Act 1986, as amended), in which case there is a presumption of insolvency and the connected person must demonstrate the solvency of the company in such proceedings.

Preference

Under English insolvency law, a liquidator or administrator of a company could apply to the court for an order to set aside the creation of a security interest or a guarantee if such liquidator or administrator believes that the creation of such security interest or such guarantee constituted a preference. There will only be a preference if, at the time the transaction was entered into, the company was unable to pay its debts (as defined in the UK Insolvency Act 1986 (as amended)) or the company becomes unable to pay its debts (as defined in the UK Insolvency Act 1986 (as amended)) as a consequence of its entry into the transaction. The transaction can be challenged if the company enters into liquidation or administration proceedings within a period of six months (if the beneficiary of the security or the guarantee is not a connected person) or two years (if the beneficiary is a connected person) from the date the company takes the decision to grant the security interest or the guarantee. A transaction will constitute a preference if it has the effect of putting a creditor of the company (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. If the court determines that the transaction constituted such a preference, the court has very wide powers for restoring the position to what it would have been if that preference had not been given, which could, in this case, include reducing payments under the Class B2 Notes (although there is protection for a third-party who enters into one of the transactions in good faith and without notice). However, for the court to do so, it must be shown that in deciding to give the preference the company was influenced by a desire to produce the preferential effect. In any proceedings, it is for the administrator or liquidator to demonstrate that the company was insolvent at the relevant time and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a connected person, in which case there is a presumption that the company was influenced by a desire to produce the preferential effect and the connected person must demonstrate in such proceedings that there was no such influence.

Transaction Defrauding Creditors

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purposes of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. An application to the court for an order to set aside the transaction may be made by an administrator, a liquidator the supervisor of a voluntary arrangement in certain circumstances and, subject to certain conditions, the Financial Conduct Authority, the Prudential Regulation Authority and the UK Pensions Regulator. In addition, any person

who is, or who is capable of being, prejudiced by the transaction may (with the permission of the court in the case of a company in administration or liquidation) also bring an application to set aside such transaction. There is no time limit in the English insolvency legislation within which the challenge must be made and the relevant company does not need to be insolvent at the time of the transaction. If the court determines that the transaction was a transaction defrauding creditors, the court can make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction. The relevant court order may affect the property of, or impose any obligation on, any person, whether or not he is the person with whom the transaction was entered into. However, such an order will not prejudice any interest in property which was acquired from a person other than the debtor in good faith, for value and without notice of the relevant circumstances and will not require a person who received a benefit from the transaction in good faith, for value and without notice of the relevant circumstances, to pay any sum unless such person was a party to the transaction.

Avoidance of Floating Charge

Under English insolvency law, if a company is unable to pay its debts at the time of (or as a result of) granting a floating charge, and the floating charge was granted within the specified period referred to below, then such floating charge can be avoided except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of (and the amount of such interest payable in respect of the money paid, services supplied in reduction/discharge in debt), the relevant company at the same time as or after the creation of the floating charge.

The requirement for the company to be insolvent at the time of (or as a result of) granting the floating charge does not apply where the floating charge is granted to a connected person. If the floating charge is granted to a connected person, and the floating charge was granted within the specified period referred to below, then the floating charge is invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of (and the amount of such interest payable in respect of the money paid, services supplied in reduction/discharge in debt), the relevant company at the same time as or after the creation of the floating charge, whether the relevant company is solvent or insolvent.

The granting of the floating charge can be challenged only if the relevant company enters into liquidation or administration proceedings within a period of 12 months (if the beneficiary is not a connected person) or two years (if the beneficiary is a connected person) from the date the relevant company grants the floating charge. However, if the floating charge qualifies as a “security financial collateral agreement” under the Financial Collateral Arrangements (No. 2) Regulations 2003, the floating charge will not be subject to challenge as described in this paragraph.

PLAN OF DISTRIBUTION

The Exchangeable Note Issuer and the Joint Bookrunners entered into a subscription agreement with respect to the Exchangeable Notes dated 22 July 2015 (the “**Subscription Agreement**”) and to which the Issuer and the Obligors acceded on the Third Closing Date, immediately following the consummation of the Acquisition. Pursuant to the Subscription Agreement, upon the terms and subject to the conditions contained therein, each Joint Bookrunner has agreed, severally and not jointly, to subscribe and pay for the aggregate principal amounts of the Exchangeable Notes as set out opposite its name below.

	Principal amount of the Exchangeable Notes
Deutsche Bank AG, London Branch	£224,000,000
Barclays Bank PLC	£112,000,000
HSBC Bank plc	£112,000,000
J. P. Morgan Securities plc	£112,000,000
Total	<hr/> £560,000,000

The Joint Bookrunners are entitled to fees and reimbursement of certain expenses pursuant to the Subscription Agreement.

The Subscription Agreement provides that the Exchangeable Note Issuer, and the Issuer and the Obligors upon accession to the Subscription Agreement, will indemnify the Joint Bookrunners against certain liabilities, including liabilities under the Securities Act, and will contribute to payments that the Joint Bookrunners may be required to make in respect thereof.

Delivery of the Exchangeable Notes was made against payment on the respective Exchangeable Notes on or about 30 July 2015, which was the sixth business day (as such term is used for purposes of Rule 15c6-1 of the Exchange Act) following the date of pricing of the Exchangeable Notes (this settlement cycle is being referred to as “T+6” (U.S.)). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise.

The Joint Bookrunners may engage in over-allotment, stabilising transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Over-allotment involves sales in excess of the offering size, which creates a short position for the relevant Joint Bookrunner. Stabilising transactions permit bidders to purchase the underlying security so long as the stabilising bids do not exceed a specified maximum. Covering transactions involve purchases of the Class B2 Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a broker or dealer when the Class B2 Notes originally sold by that broker or dealer are purchased in a stabilising or covering transaction to cover short positions.

In connection with the Offering, the Stabilising Manager, or a person acting on its behalf, may engage in transactions that stabilise, maintain or otherwise affect the price of the Class B2 Notes. Specifically, the Stabilising Manager, or persons acting on its behalf, may bid for and purchase Notes in the open markets to stabilise the price of the Class B2 Notes. The Stabilising Manager, or persons acting on its behalf, may also over-allot the Offering, creating a syndicate short position, and may bid for and purchase Class B2 Notes in the open market to cover the syndicate short position. In addition, the Stabilising Manager, or persons acting on its behalf, may bid for and purchase Notes in market making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilise or maintain the respective market price of the Class B2 Notes above market levels that may otherwise prevail. The Stabilising Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Class B2 Notes.

Selling Restrictions

United States

The Class B2 Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act.

Each Joint Bookrunner has agreed, severally and not jointly, that, except as permitted by the Subscription Agreement, it will not offer or sell the Class B2 Notes (a) as part of its distribution at any time or (b) otherwise until completion of the distribution compliance period, within the United States to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Class B2 Notes (other than a sale pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Class B2 Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Class B2 Notes are being offered and sold outside of the United States in reliance on Regulation S. The Subscription Agreement provides that the Joint Bookrunners may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of the relevant Class B2 Notes in the United States only to persons whom they reasonably believe are QIBs.

In addition, until 40 days after the commencement of the offering of the Exchangeable Notes, an offer or sale of Class B2 Notes within the United States by a dealer that is participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

These Listing Particulars do not constitute an offer to any person in the United States or to any U.S. person other than a QIB and to whom an offer has been made directly by one of the Joint Bookrunners or its relevant U.S. broker-affiliate. Distribution of these Listing Particulars to any person, other than a QIB or to a non-U.S. person outside the United States and those persons, if any, retained to advise such QIB or non-U.S. person outside the United States with respect thereto, is unauthorised, and any disclosure without the prior written consent of the Issuer of any of its contents to any person, other than to a QIB or to a non-U.S. person outside the United States and to those persons, if any, retained to advise such QIB or non-U.S. person outside the United States, is prohibited.

General

Each Joint Bookrunner has undertaken that it will not, directly or indirectly, offer or sell any Offered Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Exchangeable Notes by it will be made on the same terms.

Other relationships

The Class B Global Coordinator and Arranger and the Joint Bookrunners and their respective affiliates may have performed various financial advisory, investment banking and commercial banking services for, and may arrange loans and other non-public market financing for, and enter into derivative transactions with, Center Parcs (Holdings 1) Limited and/or their affiliates (including its shareholders, the Issuer, the Exchangeable Note Issuer and the other Obligors) and for which they may receive customary fees and expenses. The Class B Global Coordinator and Arranger and the Joint Bookrunners and their respective affiliates may provide such services in the future. Each of Deutsche Bank AG, London Branch and Barclays Bank PLC are agents and other lenders under the Liquidity Facility Agreement.

NOTICE TO INVESTORS AND TRANSFER RESTRICTIONS

Because of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale or other transfer offered hereby. For purposes of this section, (i) the term “Rule 144A Notes” shall mean both Class B2 Notes offered, sold or delivered within the United States in reliance on Rule 144A only to persons that are QIBs acting for their own account or for the account of another QIB (“Class B2 Rule 144A Notes”) and (ii) “Regulation S Notes” shall mean both Class B2 Notes offered, sold or delivered outside the United States only to persons who are not U.S. persons in offshore transactions in reliance on Regulation S (“Class B2 Regulation S Notes”).

Rule 144A Notes

Each purchaser or transferee of Rule 144A Notes, by accepting delivery of these Listing Particulars and the Class B2 Notes, will be deemed to have represented, agreed and acknowledged that:

1. It is (a) a QIB, (b) not a participant-directed employee plan, such as a 401(k) plan, (c) acquiring such Offered Notes for its own account, or for the account of one or more QIBs, and (d) aware, and each beneficial owner of such Class B2 Notes has been advised, that the seller or transferor of such Class B2 Notes to it may be relying on Rule 144A.
2. It will provide notice of these transfer restrictions to any subsequent transferees.
3. It understands that the Rule 144A Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction to a person that is not a U.S. person (within the meaning of Regulation S) in accordance with Rule 903 or Rule 904 of Regulation S, (c) pursuant to a registration statement that has become or been declared effective under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to another available exemption from the registration requirements of the Securities Act, and in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States.
4. It understands that the Rule 144A Notes, unless otherwise agreed between the Issuer and the Class B Note Trustee, in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION EXCEPT AS SET FORTH BELOW. THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, (I) REPRESENTS THAT IT IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (“**RULE 144A**”) UNDER THE SECURITIES ACT (A “QIB”) AND (II) AGREES THAT IT WILL (1) NOT OFFER, SELL, OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, (B) OUTSIDE THE UNITED STATES TO A PERSON THAT IS NOT A U.S. PERSON IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”), (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME OR BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND (2) GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO

REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

IF THE BENEFICIAL OWNER HEREOF IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S, SUCH BENEFICIAL OWNER HEREOF REPRESENTS THAT (1) IT IS A QIB; (2) IT IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN; AND (3) IT IS HOLDING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QIB.

EACH BENEFICIAL OWNER HEREOF OR OF ANY INTEREST HEREIN IS DEEMED TO REPRESENT, WARRANT AND AGREE THAT FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN (1) EITHER (A) IT IS NOT A PLAN (AS DEFINED BELOW) AND IS NOT ACTING ON BEHALF OF ANY PLAN OR (B) IT IS NOT AND IS NOT USING ASSETS OF A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”) (“SIMILAR LAW”) OR ANY ENTITY WHOSE ASSETS ARE TREATED AS ASSETS OF ANY SUCH PLAN, UNLESS THE ACQUISITION HOLDING AND DISPOSITION OF THIS NOTE OR ANY INTEREST HEREIN DOES NOT VIOLATE SECTION 406 OF ERISA, SECTION 4975 OF THE CODE OR ANY SIMILAR LAW AND WILL NOT SUBJECT THE ISSUER TO ANY SIMILAR LAW, AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS NOTE OR ANY INTEREST THEREIN TO ANY PERSON WITHOUT FIRST OBTAINING THESE SAME FOREGOING DEEMED REPRESENTATIONS, WARRANTIES AND AGREEMENTS. “BENEFIT PLAN INVESTORS” INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN TO WHICH SECTION 4975 OF THE CODE APPLIES, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS (EACH OF (1) AND (2) A “PLAN”), AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN’S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA (INCLUDING, FOR THIS PURPOSE, THE GENERAL ACCOUNT OF AN INSURANCE COMPANY, ANY OF THE UNDERLYING ASSETS OF WHICH CONSTITUTE “PLAN ASSETS” UNDER SECTION 401(c) OF ERISA, OR A WHOLLY OWNED SUBSIDIARY THEREOF).

5. At the time of its purchase and throughout the period in which it holds such Offered Notes or any interest therein: (1) either (a) it is not a Plan and is not acting on behalf of any Plan or (b) it is not and is not using assets of a benefit plan investor (as defined in Section 3(42) of ERISA), or a governmental, church or non-U.S. plan that is subject to any Similar Law or any entity whose assets are treated as assets of any such plan, unless the acquisition, holding and disposition of the Offered Notes or any interest therein (x) does not violate Section 406 of ERISA, Section 4975 of the Code or Similar Law, and (y) will not subject the Issuer to any such provision of ERISA or the Code or any Similar Law, and (2) it will not sell or otherwise transfer any such note or interest to any person without first obtaining these same foregoing deemed representations, warranties and agreements. Benefit plan investors include (1) any Plan, and (2) any entity whose underlying assets include plan assets by reason of a Plan’s investment in the entity pursuant to the Plan Asset Regulation issued by the United States Department of Labor, 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (including, for this purpose, the general account of an insurance company, any of the underlying assets of which constitute “plan assets” under section 401(c) of ERISA, or a wholly- owned subsidiary thereof). It acknowledges that the Issuer, the Obligors, the Class B Registrar, the Joint Bookrunners and their respective affiliates, and others will rely upon the truth and accuracy of the above acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Rule 144A Notes is no longer accurate, it shall promptly notify the Issuer, the Obligors and the Joint Bookrunners. If it is acquiring any Offered Notes as a fiduciary or agent for one or more investor accounts who are QIBs, it represents that it has sole investment discretion with respect to each such account, and that it has full power to make the above acknowledgements, representations and agreements on behalf of each such account.

The purchaser and any fiduciary causing it to acquire an interest in any Class B2 Notes agrees to indemnify and hold harmless the Issuer, the Obligors, the Joint Bookrunners, the Class B Note Trustee and their respective affiliates, from and against any cost, damage or loss incurred by any of them as a result of any of the foregoing representations and agreements being or becoming false.

In the event that the Issuer determines that any Class B2 Note is held by a benefit plan investor, the Issuer may cause a sale or transfer of such Class B2 Note. Any purported acquisition or transfer of any Class B2 Note or beneficial interest therein to an acquirer or transferee that does not comply with the requirements of this paragraph 5 shall be null and void *ab initio*.

Prospective purchasers are hereby notified that sellers of the Rule 144A Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser or transferor of Regulation S Notes, by accepting delivery of these Listing Particulars and the relevant Regulation S Notes, will be deemed to have represented, agreed and acknowledged that:

1. It is (a) not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or the Obligors or a person acting on behalf of such an affiliate.
2. It understands that the Regulation S Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Offered Notes except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB, (b) to a person that is not a U.S. person within the meaning of Regulation S in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (c) pursuant to a registration statement that has become or been declared effective under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to another available exemption from the registration requirements of the Securities Act, and, in each case, in accordance with any applicable securities laws of any state or other jurisdiction of the United States.
3. It understands that the Regulation S Notes will be evidenced by the Regulation S Global Notes. Before any interest in a Regulation S Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note, it will be required to provide to the Class B Transfer Agent with a written certification (in the form provided in Agency Agreement) as to compliance with applicable securities laws.
4. It understands that the Regulation S Notes, unless otherwise agreed between the Issuer and the Class B Note Trustee in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, AGREES THAT IT WILL: (1) PRIOR TO THE EXPIRATION OF THE 40-DAY PERIOD AFTER THE COMMENCEMENT OF THE OFFERING OF THE EXCHANGEABLE NOTES OR THE EXCHANGEABLE NOTE ISSUE DATE, WHICH EVER IS LATER, NOT OFFER, SELL, OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (A “**QIB**”) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, (B) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION TO A PERSON THAT IS NOT A U.S. PERSON IN ACCORDANCE

WITH RULE 903 OR RULE 904 OF REGULATION S, (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME OR BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND (2) GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

IF THE BENEFICIAL OWNER HEREOF IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S, SUCH BENEFICIAL OWNER HEREOF REPRESENTS THAT (1) IT IS A QIB; (2) IT IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN; AND (3) IT IS HOLDING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QIB.

EACH BENEFICIAL OWNER HEREOF OR OF ANY INTEREST HEREIN IS DEEMED TO REPRESENT, WARRANT AND AGREE THAT FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN (1) EITHER (A) IT IS NOT A PLAN (AS DEFINED BELOW) AND IS NOT ACTING ON BEHALF OF ANY PLAN OR (B) IT IS NOT AND IS NOT USING ASSETS OF A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”) (“SIMILAR LAW”) OR ANY ENTITY WHOSE ASSETS ARE TREATED AS ASSETS OF ANY SUCH PLAN, UNLESS THE ACQUISITION HOLDING AND DISPOSITION OF THIS NOTE OR ANY INTEREST HEREIN DOES NOT VIOLATE SECTION 406 OF ERISA, SECTION 4975 OF THE CODE OR ANY SIMILAR LAW AND WILL NOT SUBJECT THE ISSUER TO ANY SIMILAR LAW, AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS NOTE OR ANY INTEREST THEREIN TO ANY PERSON WITHOUT FIRST OBTAINING THESE SAME FOREGOING DEEMED REPRESENTATIONS, WARRANTIES AND AGREEMENTS. “BENEFIT PLAN INVESTORS” INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN TO WHICH SECTION 4975 OF THE CODE APPLIES, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS (EACH OF (1) AND (2) A “PLAN”), AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN’S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA (INCLUDING, FOR THIS PURPOSE, THE GENERAL ACCOUNT OF AN INSURANCE COMPANY, ANY OF THE UNDERLYING ASSETS OF WHICH CONSTITUTE “PLAN ASSETS” UNDER SECTION 401(c) OF ERISA, OR A WHOLLY OWNED SUBSIDIARY THEREOF).

5. At the time of its purchase and throughout the period in which it holds such Offered Notes or any interest therein: (1) either (a) it is not a Plan and is not acting on behalf of any Plan or (b) it is not and is not using assets of a “benefit plan investor” (as defined in Section 3(42) of ERISA), or a governmental, church or non-U.S. plan that is subject to any Similar Law or any entity whose assets are treated as assets of any such plan, unless the acquisition, holding and disposition of the Offered Notes or any interest therein (x) does not violate Section 406 of ERISA, section 4975 of the Code or Similar Law, and (y) will not subject the Issuer to any such provision of ERISA, the Code or any Similar Law, and (2) it will not sell or otherwise transfer any such note or interest to any person without first obtaining these same foregoing representations and warranties. Benefit plan investors include a Plan and any entity whose underlying assets include plan assets by reason of a Plan’s investment in the entity pursuant to the Plan Asset Regulation issued by the United States Department of Labor, 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (including, for this purpose, the general account of an insurance company, any of the underlying assets of which constitute “plan assets” under

section 401(c) of ERISA, or a wholly-owned subsidiary thereof). It acknowledges that the Issuer, the Obligors, the Class B Registrar, the Joint Bookrunners and their affiliates and others will rely upon the truth and accuracy of the above acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Offered Notes is no longer accurate, it shall promptly notify the Issuer, the Obligors and the Joint Bookrunners. If it is acquiring any Offered Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the above acknowledgements, representations and agreements on behalf of each account.

The purchaser and any fiduciary causing it to acquire an interest in any Class B Notes agrees to indemnify and hold harmless the Issuer, the Obligors, the Joint Bookrunners and the Class B Note Trustee and their respective affiliates, from and against any cost, damage or loss incurred by any of them as a result of any of the foregoing representations and agreements being or becoming false.

In the event that the Issuer determines that any Class B Note is held by a benefit plan investor, the Issuer may cause a sale or transfer of such Class B Note. Any purported acquisition or transfer of any Class B Note or beneficial interest therein to an acquirer or transferee that does not comply with the requirements of this paragraph 5 shall be null and void *ab initio*.

LEGAL MATTERS

Certain English law and U.S. federal law legal matters in connection with the offering of the Class B2 Notes have been opined upon for Center Parcs by Freshfields Bruckhaus Deringer LLP. Certain English law and U.S. federal law legal matters in connection with the offering of the Class B2 Notes have been opined upon for the Class B Global Coordinator and Arranger and the Joint Bookrunners by Allen & Overy LLP. Certain Jersey law legal matters have been opined upon for the Issuer and Center Parcs by Carey Olsen. Certain Cayman Islands law legal matters are have been opined upon for Center Parcs by Walkers. Certain Luxembourg law legal matters have been opined upon for Center Parcs by Arendt & Medernach SA.

INDEPENDENT AUDITORS

The consolidated financial statements of Center Parc (Holdings 1) Limited as at and for each of the 52-week periods ended 23 April 2015, 24 April 2014 and 25 April 2013, and the financial statements of CP Woburn Opco, as at and for each of the 52-week periods ended 23 April 2015, 24 April 2014 and 25 April 2013 included elsewhere in these Listing Particulars have been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their reports included elsewhere in these Listing Particulars.

PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants of England and Wales.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

The Issuer is not subject to the periodic reporting and other information requirements of the Exchange Act and the rules and regulations of the SEC. However, pursuant to the Note Trust Deed and for as long as the Class B2 Notes are outstanding, the Issuer will furnish certain periodic information to the Class B2 Noteholders.

So long as any Class B2 Notes are outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner or to the Class B Note Trustee, for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or the Class B Note Trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

SERVICE OF PROCESS AND ENFORCEMENT OF FOREIGN JUDGMENTS

The Issuer is a public limited liability company incorporated under the laws of Jersey. The assets of the Issuer are located outside of the United States. In addition, none of the directors or officers and other executives of the Issuer is a resident or citizen of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons, or to enforce against them judgments of U.S. federal or state courts predicated upon the civil liability provisions of U.S. federal or state securities laws or otherwise despite the fact that, pursuant to the terms of the Note Trust Deed, the Issuer has appointed, or will appoint, an agent for the service of process in New York.

If a judgment is obtained in a U.S. federal or state court against the Issuer investors will need to enforce such judgment in jurisdictions where the relevant company has assets. Even though the enforceability of U.S. federal or state court judgments outside the United States is described below for the jurisdictions in which the Issuer and its assets are located, you should consult with your own advisors in any pertinent jurisdictions as needed for advice on enforcing a judgment in those countries or elsewhere outside the United States.

Jersey

The Issuer is incorporated in Jersey. The United States and Jersey currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognised or enforceable in Jersey. In order to enforce any such U.S. judgment in Jersey, proceedings must first be initiated before a court of competent jurisdiction in Jersey. In such an action, a Jersey court would not generally reinvestigate the merits of the original matter decided by the U.S. court (subject to what is said below) and it would usually be possible to obtain summary judgment on such a claim (assuming that there is no good defence to it). Recognition and enforcement of a U.S. judgment by a Jersey court in such an action is conditional upon (among other things) the following:

- the U.S. court having had jurisdiction over the original proceedings according to Jersey conflicts of laws principles;
- the U.S. judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a definite sum of money (although there are circumstances where non-money judgments can also be enforced);
- the U.S. judgment not contravening Jersey public policy;
- the U.S. judgment not being for a sum payable in respect of taxes, or other charges of a like nature, or in respect of a penalty or fine;
- the U.S. judgment not having been arrived at by doubling, trebling or otherwise multiplying, a sum assessed as compensation for the loss or damages sustained and not being otherwise in breach of Section 5 of the United Kingdom Protection of Trading Interests Act 1980 (as extended to Jersey by the Protection of Trading Interests Act 1980 (Jersey) Order 1983);
- the U.S. judgment not having been obtained by fraud or in breach of Jersey principles of natural justice; and
- there not having been a prior inconsistent decision of a Jersey court in respect of the same matter.

Subject to the foregoing, investors may be able to enforce in Jersey judgments in civil and commercial matters that have been obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be recognised or enforceable in Jersey. In addition, it is questionable whether a Jersey court would accept jurisdiction and impose civil liability if the original action was commenced in Jersey, instead of the United States, and predicated solely upon U.S. federal securities laws.

England and Wales

The following discussion with respect to the enforceability of certain U.S. court judgments in England and Wales is based upon advice provided to us by our English legal advisors. The United States and the United Kingdom currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment of a U.S. federal or state court in relation to the obligations of the Issuer under the Note Trust Deed, the Subscription Agreement and the Class B2 Notes will not be automatically enforceable in England and Wales, but a final and conclusive judgment for a debt or definite sum of money may be enforced at common law in England and Wales *provided that* the party against whom the judgment was given properly submitted to the jurisdiction of the relevant courts (in accordance with English rules on the conflict of laws), and none of the following circumstances applies:

- the judgment was procured by fraud;
- judgment was given contrary to the English rules of natural justice, for example the defendant was deprived of notice of, or an adequate opportunity to take part in the proceedings, or substantial justice, in that the defendant did not have the opportunity to correct procedural irregularities under the laws of the court giving judgment;
- recognition of the judgment would be contrary to English public policy;
- recognition of the judgment would violate the Human Rights Act 1998;
- the judgment conflicts with an English judgment or a foreign judgment given earlier in time that is enforceable in an English court;
- the proceedings that resulted in the judgment were brought in breach of a binding arbitration agreement or a contractual choice of court agreement;
- enforcement of the judgment would involve the enforcement of a foreign penal (which involves payment to the State as distinct from an individual) or revenue or other public law; or
- enforcement of the judgment would contravene the Protection of Trading Interests Act 1980, Section 5 of which precludes, among other things, the enforcement in the United Kingdom of any judgment given by a court of an overseas country which is a judgment for multiple damages which exceed the compensatory element of the judgment award.

Subject to the foregoing, investors may be able to enforce in England and Wales judgments in civil and commercial matters that have been obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be enforceable in England and Wales.

In addition, an English court may decline to accept jurisdiction and impose civil liability if the original action was commenced in England and Wales, instead of the United States, and was predicated solely upon a law other than the law of England and Wales.

THE ISSUER OF THE CLASS B2 NOTES

Introduction

The Issuer, CPUK Finance Limited, was incorporated in Jersey on 20 July 2011. The Issuer was incorporated under the Companies (Jersey) Law 1991, as amended, as a limited liability company. Its registered number is 108635. The Issuer is and always intends to be resident in the United Kingdom only for tax purposes.

The registered office of the Issuer is at 47 Esplanade, St Helier, Jersey JE1 OBD where the Issuer's register of members is kept (telephone number 01534 510924). The memorandum and articles of association of the Issuer may be inspected at the registered office of the Issuer. The Issuer has unlimited corporate capacity under Jersey law.

The share capital of the Issuer is £10,000, divided into 10,000 ordinary shares of £1 each, two of which are issued and fully paid up. The entire issued share capital of the Issuer is held by, or on behalf of, the Issuer Parent on discretionary trust for charitable institutions. The Issuer has no subsidiaries.

Principal Activities

The Issuer was established as a special purpose vehicle and its principal activities are the issuing of the Notes, the acquiring, holding and managing of its rights and assets under the Issuer/Borrower Loan Agreements in connection with the execution and performance of the Transaction Documents, the execution and performance of all documents to which it is expressed to be a party and the exercise of related rights and powers and other activities reasonably incidental thereto.

Directors and Company Secretary

The current directors of the Issuer and their respective business addresses are:

Name	Nationality	Business Address	Other Principal Activities
Jonathan Eden Keighley.....	British	35 Great St. Helen's, London, EC3A 6AP	Group Chief Executive, Structured Finance Management Limited
Robert William Berry.....	British	35 Great St. Helen's, London, EC3A 6AP	Director, Structured Finance Management Limited
Claudia Wallace.....	British	35 Great St. Helen's, London, EC3A 6AP	Director, Structured Finance Management Limited

The Issuer has no employees.

The secretary of the Issuer is Structured Finance Management Offshore Limited. Structured Finance Management Offshore Limited is registered to act as a company secretary pursuant to the Financial Services (Jersey) Law 1998.

The directors receive no remuneration from the Issuer for their services. The directors do not hold any direct or indirect beneficial or economic interest in any of the shares of the Issuer. The directorship of each of Jonathan Eden Keighley, Robert Berry and Claudia Wallace is provided as part of the Issuer Corporate Services Provider's overall corporate administration service provided to the Issuer pursuant to the Issuer Corporate Services Agreement.

The directors of the Issuer may engage in other activities and have other directorships. As a matter of Jersey law, each director is under a duty to act honestly and in good faith with a view to the best interest of the Issuer, regardless of any other directorship he or she may hold.

Other than as directors of the Issuer Corporate Services Provider, the Issuer Parent and the Issuer Jersey Corporate Services Provider (in respect of Jonathan Keighley and Robert Berry only), none of the directors of the Issuer has any actual or potential conflict between their duties to the Issuer and their private interests or other duties listed above.

Issuer Corporate Services Provider

The Issuer Corporate Services Provider entered into the Issuer Corporate Services Agreement with, among others, the Issuer pursuant to which it provides corporate services to the Issuer. Pursuant to the terms of the Issuer Corporate Services Agreement, the Issuer (with the prior written consent of the Issuer Security

Trustee) may, upon an event of default by the Issuer Corporate Services Provider, at any time (with 30 days' prior notice) terminate the Issuer Corporate Services Provider's appointment and appoint (in accordance with the terms of the Issuer Corporate Services Agreement) a successor corporate services provider. Events of default in respect of the Issuer Corporate Services Provider include, among other things: (i) a default in the performance of any of the Issuer Corporate Services Provider's material covenants or obligations pursuant to the terms of the Issuer Corporate Services Agreement; and (ii) the occurrence of certain insolvency related events in relation to the Issuer Corporate Services Provider.

In addition, the Issuer Corporate Services Provider may resign by giving at least 90 days' notice to the Issuer and the Issuer Security Trustee. Regardless of the reason, the termination of the appointment of the Issuer Corporate Services Provider will not take effect until a successor corporate services provider has been appointed in its place. Upon the termination of its appointment, the Issuer Corporate Services Provider is required (subject to any legal or regulatory restrictions) to deliver all books of account, records, registers, correspondence and all documents relating to the affairs of, or belonging to the Issuer and held by the Issuer Corporate Services Provider in relation to its appointment to the successor corporate services provider. In no circumstances shall the Issuer Security Trustee be obliged to assume the obligations of the Issuer Corporate Services Provider.

The Issuer Corporate Services Agreement is governed by English law.

The Issuer Corporate Services Provider has agreed, pursuant to the terms of the Issuer Corporate Services Agreement dated on or about the Closing Date, to provide certain corporate administration services and directors to the Issuer. Fees are payable to the Issuer Corporate Services Provider thereunder.

Issuer Jersey Corporate Services Provider

The Issuer Jersey Corporate Services Provider entered into the Issuer Jersey Corporate Services Agreement with, among others, the Issuer pursuant to which it provides corporate services to the Issuer. Pursuant to the terms of the Issuer Jersey Corporate Services Agreement, the Issuer (with the prior written consent of the Issuer Security Trustee) may, upon (i) an event of default by the Issuer Jersey Corporate Services Provider, at any time (with 30 days' prior notice) and (ii) at any time by notice in writing upon the occurrence of certain insolvency related events in relation to the Issuer Jersey Corporate Services Provider terminate the Issuer Jersey Corporate Services Provider's appointment and appoint (in accordance with the terms of the Issuer Jersey Corporate Services Agreement) a successor corporate services provider. Events of default in respect of the Issuer Jersey Corporate Services Provider include, among other things a default in the performance of any of the Issuer Jersey Corporate Services Provider's material covenants or obligations pursuant to the terms of the Issuer Jersey Corporate Services Agreement.

In addition, the Issuer Jersey Corporate Services Provider may resign by giving at least 90 days' notice to the Issuer and the Issuer Security Trustee. Regardless of the reason, the termination of the appointment of the Issuer Jersey Corporate Services Provider will not take effect until a successor corporate services provider has been appointed in its place. Upon the termination of its appointment, the Issuer Jersey Corporate Services Provider is required (subject to any legal or regulatory restrictions) to deliver all books of account, records, registers, correspondence and all documents relating to the affairs of or belonging to the Issuer and held by the Issuer Jersey Corporate Services Provider in relation to its appointment to the successor corporate services provider and is required to take such further lawful action as the successor corporate services provider may reasonably request in order to enable such successor corporate services provider to perform its servicing duties. In no circumstances shall the Issuer Security Trustee be obliged to assume the obligations of the Issuer Jersey Corporate Services Provider.

The Issuer Jersey Corporate Services Agreement is governed by Jersey law.

The Issuer Jersey Corporate Services Provider has agreed, pursuant to the terms of the Issuer Jersey Corporate Services Agreement dated on or about the Closing Date, to provide certain corporate administration services to the Issuer. Fees are payable to the Issuer Jersey Corporate Services Provider thereunder.

Management and Control

The Issuer is managed and controlled in London, United Kingdom.

Financial Statements

The Issuer's audited financial statements and related notes as at and for each of the 52-week periods ended 23 April 2015 and 24 April 2014 are included elsewhere in these Listing Particulars.

Auditors

The auditor of the Issuer is PricewaterhouseCoopers LLP with a registered office at 1 Embankment Place, London WC2N 6RH, acting through its office at Donington Court, Pegasus Business Park, Herald Way, East Midlands, DE74 2UZ.

PricewaterhouseCoopers LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in Jersey.

Issuer Year End

The Issuer reports under 13 four-week periods. For the last three financial years the accounting reference date was 23 April 2015 for the financial year 2015, 24 April 2014 for the financial year 2014, and 25 April 2013 for the financial year 2013.

ISSUER PARENT

Introduction

Structured Finance Management Offshore Limited was incorporated in Jersey on 15 May 2002 (registered number 83135) as a limited liability company under the Companies (Jersey) Law 1991. The registered office of Structured Finance Management Offshore Limited is at 47 Esplanade, St Helier, Jersey JE1 OBD. The telephone number of Structured Finance Management Offshore Limited's registered office is 01534 510924.

The authorised share capital of Structured Finance Management Offshore Limited is £25,000 comprising 12,500 'A' ordinary shares of £1 each and 12,500 'B' ordinary shares of £1 each. The issued and paid up share capital of Structured Finance Management Offshore Limited is £25,000 comprising 12,500 'A' ordinary shares of £1 each and 12,500 'B' ordinary shares of £1 each as at the date of these Listing Particulars.

Principal Activities

The business of Structured Finance Management Offshore Limited is to provide corporate administration and management services to special purpose vehicles in structured finance transactions. Structured Finance Management Offshore Limited as trustee of The CPUK Finance Charitable Trust (being the Issuer Parent) holds the entire issued share capital of the Issuer (directly and indirectly through Crestbridge Corporate Nominees Limited (formerly Dominion Corporate Nominees Limited) as nominee of the Issuer Parent) being two fully paid up shares of £1.00 each.

Directors

The directors of the Issuer Parent and their respective addresses are:

Name	Business Address
Robert William Berry	35 Great St. Helen's, London EC3A 6AP
Susan Jill Fossey	47 Esplanade, St Helier, Jersey JE1 OBD
Jonathan Eden Keighley	35 Great St. Helen's, London EC3A 6AP
Elizabeth Ann Mills	47 Esplanade, St Helier, Jersey JE1 OBD
Fiona Kathryn Wilson	47 Esplanade, St Helier, Jersey JE1 OBD

The directors of the Issuer Parent may engage in other activities and have other directorships. As a matter of Jersey law, each director is under a duty to act honestly and in good faith with a view to the best interest of the Issuer Parent, regardless of any other directorship he or she may hold.

Other than as directors of the Issuer, the Issuer Corporate Services Provider and the Issuer Jersey Corporate Services Provider (in respect of Jonathan Keighley and Robert Berry only), none of the directors of the Issuer Parent has any actual or potential conflict between their duties to the Issuer Parent and their private interests or other duties as listed above.

PRINCIPAL OBLIGORS

CP OPCO

Introduction

Center Parcs (Operating Company) Limited, or CP Opco, was incorporated in England and Wales on 22 February 2002. CP Opco was incorporated under the Companies Act 1985, as amended, as a private limited company. Its registered number is 04379585.

CP Opco's registered office is at One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP where CP Opco's register of members is kept (telephone number 016 2382 1600). The memorandum and articles of association of CP Opco may be inspected at the registered office of CP Opco in physical form.

CP Opco is wholly owned by Center Parcs (Holdings 3) Limited, a private limited company incorporated in England and Wales and having its registered office at One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP (whose registered number is 07647130).

Principal Activities

CP Opco was established as a private limited company and its principal activities are to carry on all or any businesses of a general commercial company and to carry on any other business activity in connection or conjunction with such business, including the holding of its five subsidiaries.

Share Capital

The authorised share capital of CP Opco is £100, comprising 38,490,321 shares of £0.0000026 each. The issued and paid up share capital of CP Opco is £100 as at the date of these Listing Particulars.

Management and Control

CP Opco is managed and controlled in Newark, Nottinghamshire, United Kingdom.

The rights of Center Parcs (Holdings 3) Limited as sole shareholder of CP Opco are contained in the articles of association of CP Opco and CP Opco will be managed by its directors in accordance with those articles and with the provisions of English law.

Financial Statements

CP Opco's audited financial statements and related notes as at and for each of the 52-week periods ended 23 April 2015, 24 April 2014 and 25 April 2013 are included elsewhere in these Listing Particulars. CP Opco's audited financial statements for each of the 52-week periods ended 23 April 2015, 24 April 2014 and 25 April 2013 are available for inspection at the registered office of CP Opco in physical form.

Auditors

The auditors of CP Opco are PricewaterhouseCoopers LLP with a registered office at 1 Embankment Place, London WC2N 6RH acting through its office at Donington Court, Pegasus Business Park, Herald Way, East Midlands DE74 2UZ.

PricewaterhouseCoopers LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

CP WHINFELL VILLAGE LIMITED

Introduction

CP Whinfell Village Limited was incorporated in England and Wales on 2 June 2011. CP Whinfell Village Limited was incorporated under the Companies Act 2006, as amended, as a private limited company (whose registered number is 07656392).

CP Whinfell Village Limited's registered office is at One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP where CP Whinfell Village Limited's register of members is kept (telephone

number 016 2382 1600). The memorandum and articles of association of CP Whinfell Village Limited may be inspected at the registered office of CP Whinfell Village Limited.

CP Whinfell Village Limited is wholly owned by Center Parcs (Holdings 3) Limited, a private limited company incorporated in England and Wales and having its registered office at One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP (whose registered number is 07647130).

Principal Activities

CP Whinfell Village Limited was established as a private limited company and its principal activities are to carry on all or any businesses of a general commercial company and to carry on any other business activity in connection or conjunction with such business.

Share Capital

The issued and paid up share capital of CP Whinfell Village Limited is £2 as at the date of these Listing Particulars.

Management and Control

CP Whinfell Village Limited is managed and controlled in Newark, Nottinghamshire, United Kingdom.

Auditors

The auditor of CP Whinfell Village Limited is PricewaterhouseCoopers LLP with a registered office at 1 Embankment Place, London WC2N 6RH acting through its office at Donington Court, Pegasus Business Park, Herald Way, East Midlands DE74 2UZ.

PricewaterhouseCoopers LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

CP ELVEDEN VILLAGE LIMITED

Introduction

CP Elveden Village Limited was incorporated in England and Wales on 2 June 2011. CP Elveden Village Limited was incorporated under the Companies Act 2006, as amended, as a private limited company (whose registered number is 07656450).

CP Elveden Village Limited's registered office is at One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP where CP Elveden Village Limited's register of members is kept (telephone number 0162 382 1600). The memorandum and articles of association of CP Elveden Village Limited may be inspected at the registered office of CP Elveden Village Limited.

CP Elveden Village Limited is wholly owned by Center Pans (Holdings 3) Limited, a private limited company incorporated in England and Wales and having its registered office at One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP (whose registered number is 07647130).

Principal Activities

CP Elveden Village Limited was established as a private limited company and its principal activities are to carry on all or any businesses of a general commercial company and to carry on any other business activity in connection or conjunction with such business.

Share Capital

The issued and paid up share capital of CP Elveden Village Limited is £2 as at the date of these Listing Particulars.

Management and Control

CP Elveden Village Limited is managed and controlled in Newark, Nottinghamshire, United Kingdom.

Auditors

The auditor of CP Elveden Village Limited is PricewaterhouseCoopers LLP with a registered office at 1 Embankment Place, London WC2N 6RH acting through its office at Donington Court, Pegasus Business Park, Herald Way, East Midlands DE74 2UZ.

PricewaterhouseCoopers LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

CP SHERWOOD VILLAGE LIMITED

Introduction

CP Sherwood Village Limited was incorporated in England and Wales on 25 May 2011. CP Sherwood Village Limited was incorporated under the Companies Act 2006, as amended, as a private limited company (whose registered number is 07647072).

CP Sherwood Village Limited's registered office is at One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP where CP Sherwood Village Limited's register of members is kept (telephone number 0162 382 1600). The memorandum and articles of association of CP Sherwood Village Limited may be inspected at the registered office of CP Sherwood Village Limited.

CP Sherwood Village Limited is wholly owned by Center Pans (Holdings 3) Limited, a private limited company incorporated in England and Wales and having its registered office at One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP (whose registered number is 07647130).

Principal Activities

CP Sherwood Village Limited was established as a private limited company and its principal activities are to carry on all or any businesses of a general commercial company and to carry on any other business activity in connection or conjunction with such business.

Share Capital

The issued and paid up share capital of CP Sherwood Village Limited is £2 as at the date of these Listing Particulars.

Management and Control

CP Sherwood Village Limited is managed and controlled in Newark, Nottinghamshire, United Kingdom.

Auditors

The auditor of CP Sherwood Village Limited is PricewaterhouseCoopers LLP with a registered office at 1 Embankment Place, London WC2N 6RH acting through its office at Donington Court, Pegasus Business Park, Herald Way, East Midlands DE74 2UZ.

PricewaterhouseCoopers LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

LONGLEAT PROPERTY LIMITED

Introduction

Longleat Property Limited was incorporated in England and Wales on 22 February 2002. Longleat Property Limited was incorporated under the Companies Act 1985, as amended, as a private limited company (whose registered number is 04379589).

Longleat Property Limited's registered office is at One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP where Longleat Property Limited's register of members is kept (telephone number 0162 382 1600). The memorandum and articles of association of Longleat Property Limited may be inspected at the registered office of Longleat Property Limited.

Longleat Property Limited is wholly owned by CP Longleat Village Limited, a private limited company incorporated in England and Wales and having its registered office at One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP (whose registered number is 07656396).

Principal Activities

Longleat Property Limited was established as a private limited company and its principal activities are to carry on all or any businesses of a general commercial company and to carry on any other business activity in connection or conjunction with such business.

Share Capital

The authorised share capital of the Longleat Property Limited is £100, comprising 56,117,788 shares of £0.00000178 each. The issued and paid up share capital of the Longleat Property Limited is £100 as at the date of these Listing Particulars.

Management and Control

Longleat Property Limited is managed and controlled in Newark, Nottinghamshire, United Kingdom.

Auditors

The auditor of Longleat Property Limited is PricewaterhouseCoopers LLP with a registered office at 1 Embankment Place, London WC2N 6RH acting through its office at Donington Court, Pegasus Business Park, Herald Way, East Midlands DE74 2UZ.

PricewaterhouseCoopers LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

CP WOBURN (OPERATING COMPANY) LIMITED

Introduction

CP Woburn (Operating Company) Limited, or CP Woburn Opco, was incorporated in England and Wales on 2 June 2011. CP Woburn Opco was incorporated under the Companies Act 2006, as amended, as a private limited company (whose registered number is 07656412).

CP Woburn Opco's registered office is at One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP where CP Woburn Opco's register of members is kept (telephone number 0162 382 1600). The memorandum and articles of association of CP Woburn Opco may be inspected at the registered office of CP Woburn Opco.

CP Woburn Opco is wholly owned by Center Pares (Holdings 3) Limited, a private limited company incorporated in England and Wales and having its registered office at One Edison Rise, New Ollerton, Newark, Nottinghamshire NG22 9DP (whose registered number is 07647130).

Principal Activities

CP Woburn Opco was established as a private limited company and its principal activities are to carry on all or any businesses of a general commercial company and to carry on any other business activity in connection or conjunction with such business.

Share Capital

The issued and paid up share capital of CP Woburn Opco is £15,024 as at the date of these Listing Particulars.

Management and Control

CP Woburn Opco is managed and controlled in Newark, Nottinghamshire, United Kingdom.

Auditors

The auditor of CP Woburn Opco is PricewaterhouseCoopers LLP with a registered office at 1 Embankment Place, London WC2N 6RH acting through its office at Donington Court, Pegasus Business Park, Herald Way, East Midlands DE74 2UZ.

PricewaterhouseCoopers LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

LISTING AND GENERAL INFORMATION

Listing

Application has been made to the Irish Stock Exchange for the Class B2 Notes to be admitted to the Official List and trading on the Global Exchange Market after the Mandatory Exchange. The Issuer does not intend to provide to the public post-issuance transaction information regarding the securities to be admitted to trading or the performance of the underlying assets. For so long as the Class B2 Notes are listed on the Irish Stock Exchange and the rules of that exchange require, physical copies of the following documents may be inspected and obtained at the office of the Issuer at 47 Esplanade, St Helier, Jersey JE1 OBD, during normal business hours on any weekday:

- the organisational documents of the Issuer;
- the Issuer's audited consolidated financial statements as at and for each of the 52-week periods ended 23 April 2015 and 24 April 2014, and any interim financial statements published by us; and
- the Note Trust Deed relating to the Class B2 Notes.

The Issuer has appointed Arthur Cox Listing Services Limited as Irish listing agent with its address at Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland and HSBC Bank plc as Principal Paying Agent, registrar and transfer agent with its address at 8 Canada Square, London E14 5HQ, United Kingdom. The Class B Note Trustee is HSBC Corporate Trustee Company (UK) Limited with its address at 8 Canada Square, London E14 5HQ. The Class B2 Note Trustee is acting in its capacity of trustee for the holders of the Class B2 Notes and will provide such services to the holders of the Class B2 Notes as described in the Note Trust Deed. We reserve the right to change these appointments.

Application may be made to the Irish Stock Exchange to have the Class B2 Notes removed from listing on the Irish Stock Exchange, including if necessary to avoid any new withholding taxes in connection with the listing. No assurance can be given that this application will be granted, and we cannot assure you that an active trading market for the Class B2 Notes will develop.

So long as the Class B2 Notes are admitted to trading on the Irish Stock Exchange, the Class B2 Notes will be freely transferable and negotiable in accordance with the rules of the Irish Stock Exchange.

The estimated expenses related to admission to trading will be approximately £5,500.

Clearing Reference Numbers

The Class B2 Notes have been accepted for clearance through the facilities of Euroclear and Clearstream. The ISIN and Common Codes for the Class B2 Notes are as follows:

Note	ISIN	Common Code
Rule 144A Global Note.....	XS1262167429	126216742
Regulation S Global Note.....	XS1262167775	126216777

Interests of Natural and Legal Persons Involved in the Issuance of the Class B2 Notes

Save as discussed in "*Plan of Distribution*," so far as the Issuer is aware, no person involved in the offer of the Class B2 Notes has an interest material to such offer.

Incorporation of the Issuer

CPUK Finance Limited, a limited liability company incorporated under the laws of Jersey, has its registered office at 47 Esplanade, St Helier, Jersey JE1 OBD. The Issuer was incorporated in Jersey on 20 July 2011. The Issuer was registered by the Jersey registrar of companies in Jersey under registration number 108635 and its telephone number is 01534 510924.

Corporate Authority

The Issuer has obtained all necessary consents, approvals and authorisations in connection with

the issuance and performance of the Class B2 Notes.

Persons Responsible

The Issuer accepts responsibility for the information contained in these Listing Particulars. To the best of the Issuer's knowledge and belief, the information contained in these Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information. However, the information set forth under the headings "*Exchange Rate Information*," "*Summary*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Industry*" and "*Business*" includes extracts from information and data, including industry and market data, released by publicly available sources in the United Kingdom and elsewhere. While the Issuer accepts responsibility for the accurate extraction and summarisation of such information and data, the Issuer has not independently verified the accuracy of such information and data and does not accept further responsibility in respect thereof. As far as the Issuer is aware and able to ascertain from information published by such sources, no facts have been omitted which would render such information inaccurate or misleading.

Absence of Significant Changes

Since the date of its incorporation, the Issuer has not entered into any contract or arrangement not being in the ordinary course of business other than the transaction documents.

Saved as disclosed herein, there has been (a) no material adverse change in the financial position or prospects of the Issuer since 23 April 2015 and (b) no significant change in the trading or financial position of the Issuer since 23 April 2015.

Saved as disclosed herein, there has been (a) no material adverse change in the financial position or prospects of Center Parcs (Operating Company) Limited since 23 April 2015 and (b) no significant change in the trading or financial position of Center Parcs (Operating Company) Limited since 23 April 2015.

No Litigation

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened) of which the Issuer is aware, during the last 12 months, which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer or the Group.

Center Parcs (Operating Company) Limited has not been involved in any governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened) of which Center Parcs (Operating Company) Limited is aware, during the last 12 months, which may have, or have had in the recent past, significant effects upon the financial position or profitability of Center Parcs (Operating Company) Limited or the Group.

Third-Party Information

The information contained in these Listing Particulars which has been sourced from third parties has been correctly reproduced, and, as far as the Issuer is aware and able to ascertain from information published by that third-party, no facts have been omitted that could render the reproduced information inaccurate or misleading. See "*Industry and Market Information*."

Periodic Reporting Under the Exchange Act

The Issuer is not currently subject to the periodic reporting and other information requirements of the Exchange Act.

INDEX OF DEFINED TERMS

2013 financial year	xii	Borrower Pre-Enforcement Priorities of Payments	142
2014 financial year	xii	Borrower Priorities of Payments	142
2015 financial year	xii	Borrower Secured Creditor	23, 142, 294
Accession Deed	291	Borrower Secured Creditor Representative	142
Accounting Period	291	Borrower Secured Creditors	23
accrued OID	328	Borrower Secured Liabilities	142
Acquired Indebtedness	291	Borrower Secured Property	142
Acquisition	1, 9	Borrower Security	142
Acquisition Agreement	9	Borrower Security Documents	142, 294
Additional Amounts	141, 254	Borrower Security Trustee	22, 133
Additional Assets	291	Borrower Transaction Documents	143
Additional Class A Loan	291	Borrowers	14
Additional Class A Loan Amounts	141	Borrowing Liabilities	143
Additional Class A Note Amounts	141	Brookfield Affiliate	295
Additional Class B Facility	262	Brookfield Funds	4
Additional Class B Loan	291	business day	194, 205
Additional Class B Loan Amounts	141	Business Day	229
Additional Class B Note Amounts	141	Capital Expenditure	295
Additional Facility	291	Capital Stock	295
Additional Intercreditor Agreement	280	Capitalised Lease Obligation	295
Additional Non-Obligor Group Creditor	141	Cash Equivalents	295
Additional Non-Obligor Group Entity	291	Cash Management Agreement	25
Additional Notes	291	Cash Manager	26
Additional Obligor	141, 291	Center Parcs	ix
Additional Site	291	Center Parcs (Holdings 1) Limited	ix
Additional Site Entity	292	Center Parcs Group	ix
adjusted issue price	328	Class A Borrower Deed of Charge	133
ADR	xiii	Class A Conditions	48
Affected Secured Creditor	141	Class A Covenants	288
Affiliate	292	Class A Direction Request	143, 160
Affiliate Transaction	274	Class A Discharge Date	143
Agency Agreement	231	Class A Extraordinary Resolution	143
AIFM Regulation	68	Class A Facilities	23
Applicable Premium	292	Class A FCF DSCR	134
Appropriate Expert	186	Class A FCF DSCR Sequential Ratio Test	143
Article 405	ii	Class A Further Notes	296
Asset Sale	292	Class A Global Coordinator and Arranger	ix
Asset Sale Offer	272	Class A IBLA	132, 143
average rate	329	Class A Instructing Group	143, 161
Bankruptcy Law	294	Class A Issuer/Borrower Loan Agreement	23
Bidco	1	Class A Loan Acceleration Notice	144
Blackstone Funds	3	Class A Loan Enforcement Notice	144
Board of Directors	294	Class A Loan Event of Default	144
Book-Entry Interests	323	Class A Loan Expected Maturity Date	216
Borrower Account Bank	26	Class A Loan Potential Event of Default	144
Borrower Account Bank Agreement	25	Class A Loans	23, 132
Borrower Accounts	225	Class A Make-Whole Payments	144
Borrower Covenant to Pay	141	Class A New Notes	296
Borrower Deed of Charge	23, 133	Class A Note Acceleration Notice	144
Borrower Finance Documents	294	Class A Note Enforcement Notice	144
Borrower Post-Enforcement (Post-Acceleration) Priority of Payments	142, 202	Class A Note Event of Default	144
Borrower Post-Enforcement (Pre-Acceleration) Priority of Payment	142	Class A Note Trustee	22
Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments	201	Class A Noteholders	ix
Borrower Post-Enforcement Priorities of Payments	142	Class A Notes	132
		Class A Notes Refinancing	8
		Class A Restricted Payment	133
		Class A Restricted Payment Condition	134

Class A1 Facility	23	Class B Note Trustee.....	22, 229
Class A1 Loan.....	23	Class B Noteholders.....	22
Class A1 Notes.....	12	Class B Notes.....	ix, 145
Class A2 EMD	132, 144	Class B Paying Agent.....	229
Class A2 EMD Less One Year.....	144	Class B Payment Amount.....	222
Class A2 Facility	23	Class B Payment Business Day	242
Class A2 Loan.....	23, 132	Class B Register.....	232
Class A2 Loan Expected Maturity Date	132	Class B Registrar	231
Class A2 Lock-Up Period.....	144	Class B Specified Amount.....	257
Class A2 Notes.....	12	Class B Total Debt Service Charges	297
Class A3 EMD	132, 144	Class B Transfer Agent	231
Class A3 Facility	23	Class B Trigger Event	238
Class A3 Loan.....	23, 132	Class B Voting Matter.....	229
Class A3 Loan Expected Maturity Date	132	Class B Voting Notice.....	245
Class A3 Lock-Up Period.....	144	Class B2 Accrual Date	237
Class A3 Notes.....	12	Class B2 Change of Control	297
Class A4 EMD	132	Class B2 Change of Control Offer	255
Class A4 EMD	144	Class B2 Change of Control Payment	255
Class A4 Facility	23	Class B2 Change of Control Payment Date	256
Class A4 Loan.....	23, 132	Class B2 Conditions.....	231
Class A4 Loan Expected Maturity Date	132	Class B2 Definitive Notes	232
Class A4 Lock-Up Period.....	144	Class B2 Expected Maturity Date	1
Class A4 Notes.....	12	Class B2 Facility	14, 252
Class B Additional Notes.....	249	Class B2 Further Notes.....	249
Class B Basic Terms Modification.....	246	Class B2 Global Notes	232
Class B Call Option.....	216	Class B2 Interest Rate	16, 237, 253
Class B Call Option Notice.....	217, 250	Class B2 Loan.....	252
Class B Call Option Period.....	216	Class B2 Loan Deferred Interest Amount....	16, 254
Class B Call Option Purchase Price.....	216	Class B2 Loan Expected Maturity Date ..	1, 15, 254
Class B Call Option Trigger Event.....	216, 229	Class B2 Loan Step-Down Date	16, 298
Class B Compliance Certificate	296	Class B2 Note Expected Maturity Date.....	15
Class B Conditions	48	Class B2 Note Final Maturity Date	254
Class B Conditions Relevant Matter.....	144, 191	Class B2 Note Interest Rate	1
Class B Direction Request	144, 160	Class B2 Note Step-Down Date.....	1, 16
Class B Discharge Date	144	Class B2 Noteholder	232
Class B Extraordinary Resolution	144, 229	Class B2 Noteholders	22
Class B FCF.....	296	Class B2 Notes.....	229
Class B FCF DSCR.....	19, 257	Class B2 Notes.....	1, ix
Class B Finance Document.....	296	Class B2 Notes.....	231
Class B Global Coordinator and Arranger	ix	Class B2 Permitted Business	298
Class B Guarantee	297	Class B2 Redeemed Notes	239
Class B IBLA.....	145	Class B2 Regulation S Global Note	232
Class B IBLA Relevant Matter	145, 190	Class B2 Regulation S Notes	349
Class B Instructing Group.....	145, 162	Class B2 Restricted Payment.....	145, 263
Class B Issuer/Borrower Loan Agreement.....	15	Class B2 Restricted Payment Condition.....	145
Class B Lender.....	297	Class B2 Restricted Payment Conditions	263
Class B Loan Acceleration Notice.....	145	Class B2 Rule 144A Global Notes	232
Class B Loan Default.....	297	Class B2 Rule 144A Notes	349
Class B Loan Enforcement Notice	145	Class B2 Sterling Notes.....	250
Class B Loan Event of Default.....	283	Clearing System Business Day	324
Class B Loan Final Maturity Date.....	16, 145	Clearing Systems	232
Class B Loans	ix	Clearstream.....	232
Class B New Notes.....	249	Closing Date	ix, 229
Class B Note Acceleration Notice.....	244	Code	229
Class B Note Enforcement Notice.....	245	Collateral	298
Class B Note Event of Default	244	COMI	59
Class B Note Events of Default.....	191	Commission's Proposal	333
Class B Note Expected Maturity Date.....	145, 229	Commitment.....	145
Class B Note Final Maturity Date	145, 229	Commodity Hedging Agreements.....	298
Class B Note Step-Down Date	229	Common Depositary	232

Completion Date	9	ERISA	334
Conditions.....	145	ERISA Plan	334
Consolidated Interest Expense	298	EU Amending Directive.....	55
Consolidated Leverage	298	EU Insolvency Regulation.....	342
Consolidated Leverage Ratio	298	EU Savings Directive	55
Consolidated Secured Leverage	299	EUIR	59
Consolidated Secured Leverage Ratio.....	299	Euro Exchange Date.....	250
Contingent Obligations.....	299	Euro Exchange Notice.....	250
Court.....	339	Euroclear	232
covenant defeasance	289	Event of Default.....	148
Covenantor.....	25	Excess Proceeds	272
Covenantors	25	Exchange Act.....	vii, 301
CP Cayman Security Agreement.....	18, 145	Exchangeable Note Issue Date.....	1
CP Continental Europe	40	Exchangeable Note Issuer	1
CP Opco	xiv	Exchangeable Notes	1
CP Woburn Holdco	8	Excluded Contribution	301
CP Woburn Opco	xi	Excluded Group	301
CPI	5, 299	Facilities	301
CRA Regulation.....	ii	Facility Fees.....	148
CRD	68	fair market value	301
Credit Facility	299	Fairness Opinion	148
Creditors	145	FATCA.....	229
Cross-Acceleration	282	FCF DSCR Period.....	302
Cumulative Credit	263	FFI.....	230
Cumulative Interest Expense.....	264	Fifth Facility Fee.....	148
Currency Agreement	300	Final Discharge Date.....	148
Debt Document	146	Financial Adviser	148
Decision Period.....	146, 185	Financial Covenant Test Date.....	133, 302
declaration	337	Financial Indebtedness	302
Deemed Agreement.....	186	Financial year 2013.....	xii
Defeasance Account	300	Financial year 2014.....	xii
defeasance trust.....	290	Financial year 2015.....	xii
Deferred Interest Amount	1, 16, 237	Financing Transactions.....	10
Definitive Notes	325	First Facility Fee	149
Designated Accounts.....	146	First Supplemental Borrower Deed of Charge... 220	
Designated Non-Cash Consideration.....	300	First Supplemental Note Trust Deed	22, 229
Designated Obligors	300	First Supplemental Tax Deed of Covenant.. 25, 303	
Designated Preference Shares	300	Fitch	ii, 303
Determination Dissenting Creditor.....	146, 186	Fixed Charge Coverage Ratio.....	303
Determination Dissenting Notice	146, 186	Fixed Charge Coverage Ratio Calculation Date	303
Digital Roadmap	6	Fixed Charges	304
Direction	146	Foreign Obligors	61
Discretion Matter	146, 189	forward-looking statements	vii
Disinterested Director.....	300	Fourth Facility Fee	149
Disposal Intention Notice	216	FS Scheme	128
Disposed Entity	146, 214	FSMA.....	v
Disqualified Stock	300	FTT	333
Distress Event	146	General Matters	149
Distressed Disposal	147	Gilt Rate	304
distribution compliance period.....	323	Global Exchange Market.....	2
DOL	334	Global Notes	323
EBITDA	301	Governmental Authority.....	304
EEA.....	iv	GPP	128
Eligible Investments	229	Group	149, 304
Enforcement Action	147	Guarantee	304
English Obligors	23	Guarantee Liabilities	149
Enterprise Act	61	Guarantor.....	14, 305
Entrenched Rights	148	Guarantors	ix, 14
Equity Interests	301	Head Office	305
Equity Offering	301	Head Office Loan.....	49

Head Office Mortgage.....	49	Issuer Secured Creditors.....	24
Headlease.....	305	Issuer Secured Liabilities.....	151
Hedging Obligations.....	305	Issuer Secured Property.....	151, 245
HMRC	53	Issuer Security	151, 224
Holdco	234, 305	Issuer Security Documents	151
Holding Company	149	Issuer Security Trustee	22, 231
Holiday Parks.....	305	Issuer Transaction Account	225
IBLA	149	Issuer Transaction Document	151
ICA.....	141, 149	Issuer/Borrower Loan Agreements	ix, 307
ICA Proposal.....	149	Jersey Companies Law	337
IFRS	30, 305	Jersey Obligors	59
Incur	305	Joint Bookrunners	ii
Incurred	305	Lease Document	307
Incurrence	305	legal defeasance	289
Independent Financial Advisor	305	LF Event of Default	152
Initial Agreement	268	LF Finance Parties	152
Initial Borrowers	14	LF Instructing Group.....	152
Initial Investors	305	Liabilities.....	152
Initial Payment Date.....	16, 254	Lien	307
Initial Public Offering.....	305	Liquidity Facility	137
Insolvency Official.....	230	Liquidity Facility Agent.....	26, 152
Insolvency Proceedings	230	Liquidity Facility Agreement.....	24
Instructing Group	149, 161	Liquidity Facility Provider	26
Intercreditor Agreement.....	141	Liquidity Loan Drawing.....	137
Intercreditor Arrangements.....	141	Liquidity Standby Account.....	152
Interest Rate Agreement	305	Liquidity Subordinated Amounts.....	138
Intermediate Holdco	305	Loan Acceleration Notice.....	152
Intra-Obligor Group Creditor.....	149	Loan Enforcement Instruction Notice	153, 193
Intra-Obligor Group Liabilities	149	Loan Enforcement Notice.....	153
Intra-Topco Obligor Group Creditor	150	Loan Enforcement Period.....	153
Intra-Topco Obligor Group Liabilities.....	150	Loan Event of Default	153
Investment	305	Loan Interest Payment Dates	17
Investment Capex Reserve Account.....	169	Loan Interest Period	253
Investment Grade Securities	306	Loan Repayment Dates	48
IPO Market Capitalisation	306	Lock-Up Period	153
Irish Stock Exchange.....	2	Long Term Net Exposure Amount.....	286
IRS	327	Longleat Headlease Interest.....	307
Issue Rating	316	Longleat Headlease Transfer	284
Issuer	1	Longleat Legal Charge.....	153, 307
Issuer	229	LPA	153
Issuer Account	150	Luxembourg	vi
Issuer Account Bank.....	26	Maintenance Capex Reserve Account.....	153
Issuer Account Bank Agreement.....	25	Make-Whole	153
Issuer Accounts.....	150	Management Advances	307
Issuer Corporate Services Provider	22	Management Fees	307
Issuer Covenant to Pay	150	Management Investors	307
Issuer Deed of Charge	24, 231	Mandatory Exchange.....	1
Issuer Insolvency Event.....	230	Market Capitalisation	307
Issuer Jersey Corporate Services Agreement	150, 228	Master Definitions Schedule.....	231
Issuer Jersey Corporate Services Provider	22	Material Adverse Effect	307
Issuer Parent.....	23	Material Obligor	308
Issuer Post-Acceleration Priority of Payments..	150, 208	Member State.....	55
Issuer Pre-Acceleration Priority of Payments ...	150, 178	Minimum Capital Maintenance Spend Amount.	308
Issuer Priorities of Payments.....	150	Mintel.....	xiv
Issuer Profit Amount	150	Nationally Recognized Statistical Rating	
Issuer Secured Creditor.....	150	Organization	308
Issuer Secured Creditor Representative	151	Net Available Cash	308
		Net Cash Proceeds	308
		New Equity Funds.....	309
		New Longleat Opco Lease.....	284

Non-Obligor Group Creditor.....	153	Permitted Payments.....	264
Non-Obligor Group Entity.....	309	Permitted Post-Closing Reorganisation.....	286
Non-Obligor Group Liabilities.....	153	Permitted Post-Closing Reorganisation Paper ...	315
Note Acceleration Notice.....	153	Permitted Pre-Sale Reorganisation.....	285
Note Enforcement Notice.....	153	Permitted Topco Liens.....	315
Note Enforcement Period.....	153	Person.....	315
Note Event of Default.....	154, 309	Plan.....	334
Note Interest Payment Date.....	1, 17, 237	Plan Asset Regulations.....	335
Note Interest Period.....	237	Potential Loan Event of Default.....	155
Note Trust Deed.....	22, 229	Pre-Expansion European Union.....	315
Note Trustee.....	154, 309	Preferred Stock”.....	315
Noteholder Instructing Group.....	154, 161	Prefunding Account.....	155
Noteholders.....	154	pre-issuance accrued interest.....	328
Notes.....	ix	primary obligations.....	299
Obligations.....	309	primary obligor.....	299
Obligor.....	14, 309	Principal Paying Agent.....	22, 231
Obligor Accounts.....	154	Priorities of Payments.....	155
Obligor Group.....	14, 154	Property.....	315
Obligor Group Agent.....	154	Prospectus Directive.....	iv
Obligor Liabilities.....	154	PTCEs.....	334
Obligor Resignation Request.....	309	Public Market.....	315
Obligors.....	ix, 14	Public Offering.....	315
Offer Amount.....	272	Purchase.....	299
Offer Period.....	272	Purchase Date.....	272
Offered Notes.....	1	Purchase Money Obligations.....	316
Officer.....	309	Purchaser.....	9
Officer’s Certificate.....	309	PwC.....	xiv
Official List.....	2	QIB.....	2
Original Class A Facilities.....	23	QIBs.....	2
Original Class A Issuer/Borrower Loan Agreement.....	23	qualified investors.....	iv
Original Class A Notes.....	132	Rating Agencies.....	ii
Original Class B Facility.....	15	Rating Agency.....	ii, 316
Original Class B FCF DSCR.....	139	Rating Agency Confirmation.....	155, 316
Original Class B Issuer/Borrower Loan Agreement.....	15	Ratings Assessment.....	155
Original Class B Loan.....	15	Recalculated Class B FCF DSCR.....	316
Original Class B Noteholders.....	24	Receiver.....	155
Original Class B Notes.....	1, 231	Receiving Entity.....	155, 214
Original Class B Notes Dividend.....	10	Record Date.....	241
Original Note Trust Deed.....	22, 229	Redenomination Date.....	250
Original Obligor Group.....	154	Refinancing.....	9
Original Villages.....	1	Refinancing Financial Indebtedness.....	316
Other Liabilities.....	154	Regulation S.....	2
our.....	ix	Regulation S Book-Entry Interests.....	323
Owners’ Cost.....	307, 309	Regulation S Global Note.....	323
Parent.....	309	Regulation S Notes.....	iv
Parent Expenses.....	309	Related Taxes.....	316
Pari Passu Indebtedness.....	310	Relevant Action.....	67
Participating FFI.....	231	Relevant Costs.....	287
Paying Agents.....	231	Relevant Creditor(s).....	155, 192
Payment.....	155	Relevant Date.....	243
Payment Default.....	282	Relevant Disposal.....	216, 231
Pensions Report.....	310	Relevant Entity.....	162
Permitted Asset Swap.....	310	Relevant Financial Covenant Test Date.....	257
Permitted Collateral Liens.....	310	Relevant Implementation Date.....	iv
Permitted Financial Indebtedness.....	258	Relevant Liabilities.....	214
Permitted Holder.....	311	Relevant Member State.....	iv
Permitted Investment.....	311	relevant persons.....	v
Permitted Liens.....	312	Relevant Taxing Jurisdiction.....	317
		Reorganisation.....	8
		Representative.....	216

Requisite Rating.....	137
Restricted Group	ix
Restricted Investment	317
Restricted Payment.....	155
Restricted Payment Condition.....	156
Restricted Subsidiaries	ix
Restricted Subsidiary.....	317
RevPAL	xiii
Rule 144A.....	2
Rule 144A Book-Entry Interests	323
Rule 144A Global Note	323
Rule 144A Notes	iv
S&P	ii, 317
Sales Process.....	156, 199
SEC	ii, iv, 317
Second Class A Facilities	23
Second Class A Loans	23
Second Class A Notes.....	132
Second Closing Date	ix
Second Facility Fee	156
Second Issue Date	ix, 229
Second Supplemental Issuer Deed of Charge	156
Second Supplemental Note Trust Deed	22, 229
Second Supplemental Tax Deed of Covenant.....	25
Secured Creditor Representatives.....	156
Secured Creditors	156
Secured Finance Indebtedness	317
Secured Liabilities.....	156
Secured Property	156
Securities Act.....	2
Securities Prospectus Act, <i>Wertpapierprospektgesetz, WpPG</i>	v
Security and Security Interest	156
Security Interest Agreement.....	157, 223
Security Trustee	157
SEG	100
Selection Date	239
Sellers	9
Semi-Annual Investor Reporting Date.....	157
Senior Finance Documents	318
Senior Management.....	318
Senior Pension Scheme.....	318
Share Enforcement Event	281
Significant Subsidiary.....	318
Similar Laws	334
Solvency II Regulation	68
Sponsor.....	4
spot contract.....	329
spot exchange rate	329
SSP	42
Stabilisation Manager	iii
Standby Drawing.....	137
Stated Maturity.....	318
Sterling Equivalent.....	318
Subordinated Indebtedness	318
Subordinated Shareholder Funding	318
Subscription Agreement	347
Subsidiary	157, 319
Successor Parent	319
Target Companies	9
Tax Deduction	320
Tax Deed of Covenant.....	25, 320
Tax Liability	210
Tax Opinion.....	210
Tax Repayment Date.....	255
Tax Reserve Account	320
Taxes	242, 320
Temporary Cash Investments	320
Third Facility Fee.....	157
Topco	1
Topco Obligor Liabilities	157
Topco Obligors	ix, 157
Topco Payment Undertaking	1, 18, 157
Topco Secured Creditor.....	157
Topco Secured Liabilities.....	158
Topco Secured Property	158
Topco Security.....	18, 158
Topco Security Documents.....	158
Topco Security Enforcement Condition	158
Topco Security Enforcement Period	158
Topco Share Security	223
Topco Share Security Agreement	18, 158, 223
Topco Transaction Documents	158
Total Assets	321
Total Debt Service Charges	321
Transaction Documents.....	ix, 158, 231
Transaction Security.....	158
Transactions.....	10, 321
U.S. Holder.....	327
U.S. person	iv
UK RevPAR	5
Unaudited Pro Forma Combined Financial Information	xi
UNCITRAL Implementing Regulations.....	59
Unrestricted Subsidiaries.....	ix
Unrestricted Subsidiary	321
us.....	ix
VAT	159, 322
Viscount	337
Voting Date	245
Voting Stock.....	322
we.....	ix
Woburn Acquisition and Accession	8
Woburn Deed of Charge.....	23, 133, 322
Woburn Headlease	322
Woburn Headlease Transfer	286
Woburn Legal Charge	159, 322
Woburn Opco Lease.....	286
Woburn Phase 1	6, 109
Woburn Phase 2	7
Woburn Site.....	322
Woburn Village	1
Working Capital.....	322
Year 5 Step-Up Date	137
Year 5 Step-Up Margin	137

INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
Consolidated Financial Statements of Center Parcs (Holdings 1) Limited for the 52 weeks ended 23 April 2015	F-2
Consolidated Financial Statements of Center Parcs (Holdings 1) Limited for the 52 weeks ended 24 April 2014	F-34
Consolidated Financial Statements of Center Parcs (Holdings 1) Limited for the 52 weeks ended 25 April 2013	F-65
Financial Statements of CP Woburn (Operating Company) Limited for the 52 weeks ended 23 April 2015	F-98
Financial Statements of CP Woburn (Operating Company) Limited for the 52 weeks ended 24 April 2014	F-116
Financial Statements of CP Woburn (Operating Company) Limited for the 52 weeks ended 25 April 2013	F-132
Financial Statements of CPUK Finance Limited for the 52 weeks ended 23 April 2015	F-145
Financial Statements of CPUK Finance Limited for the 52 weeks ended 24 April 2014	F-158
Financial Statements of CPUK Finance Limited for the 52 weeks ended 25 April 2013	F-170
Financial Statements of Center Parcs (Operating Company) Limited for the 52 weeks ended 23 April 2015	F-182
Financial Statements of Center Parcs (Operating Company) Limited for the 52 weeks ended 24 April 2014	F-210
Financial Statements of Center Parcs (Operating Company) Limited for the 52 weeks ended 25 April 2013	F-236

Independent auditors' report to the members of Center Parcs (Holdings 1) Limited

Report on the financial statements

Our opinion

In our opinion:

- Center Parcs (Holdings 1) Limited's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 23 April 2015 and of the Group's profit and cash flows for the 52-week period (the "period") then ended;
- The Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- The Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

What we have audited

Center Parcs (Holdings 1) Limited's financial statements comprise:

- The balance sheets as at 23 April 2015;
- The Group income statement and Group statement of comprehensive income for the period then ended;
- The Group cash flow statement for the period then ended;
- The statements of changes in equity for the period then ended; and
- The notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted in the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In applying the financial reporting framework, the Directors have made a number of subjective judgments, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit; or
- Adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

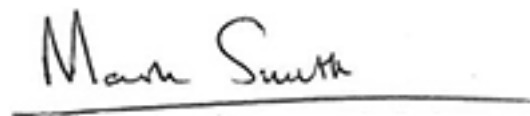
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- Whether the accounting policies are appropriate to the Group and Company's circumstances and have been consistently applied and adequately disclosed;
- The reasonableness of significant accounting estimates made by the Directors;
- The overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

A handwritten signature in black ink that reads "Mark Smith". The signature is written in a cursive style and is positioned above a horizontal line.

Mark Smith (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
3 June 2015

Center Parcs (Holdings 1) Limited
GROUP INCOME STATEMENT
FOR THE 52 WEEKS ENDED 23 APRIL 2015

Group Income Statement
For the 52 weeks ended 23 April 2015

	Note	2015			2014 (as restated)		
		Before exceptional and non- underlying items	Exceptional and non- underlying items	Total	Before exceptional and non- underlying items	Exceptional and non- underlying items	Total
		£m	£m	£m	£m	£m	£m
Revenue	2	319.6	—	319.6	314.6	—	314.6
Cost of sales		(86.5)	—	(86.5)	(84.3)	—	(84.3)
Gross profit		233.1	—	233.1	230.3	—	230.3
Administrative expenses		(85.4)	(6.3)	(91.7)	(83.5)	—	(83.5)
Adjusted EBITDA	2	147.7	(6.3)	141.4	146.8	—	146.8
Depreciation and amortisation		(32.6)	—	(32.6)	(31.0)	—	(31.0)
Owners' costs		(2.0)	—	(2.0)	(1.5)	—	(1.5)
Total administrative expenses		(120.0)	(6.3)	(126.3)	(116.0)	—	(116.0)
Operating profit	3	113.1	(6.3)	106.8	114.3	—	114.3
Movement in fair value of financial derivatives	13	—	16.8	16.8	—	—	—
Finance income	4	0.7	—	0.7	0.4	—	0.4
Finance expense	4	(96.5)	(4.3)	(100.8)	(94.1)	—	(94.1)
Profit before taxation		17.3	6.2	23.5	20.6	—	20.6
Taxation	5	0.1	(2.6)	(2.5)	(4.0)	—	(4.0)
Profit for the period attributable to equity shareholders		17.4	3.6	21.0	16.6	—	16.6

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement. The loss for the parent company for the period was £11.1 million (2014: loss of £11.1 million).

All amounts relate to continuing activities.

Cost of sales and Administrative expenses have been restated for the 52 weeks ended 24 April 2014 in order to more accurately reflect the nature of expenses incurred by the Group. Total costs of £53.0 million have been transferred from Administrative expenses to Cost of sales, principally in respect of payroll costs. This restatement has no impact on Adjusted EBITDA or operating profit.

The notes on pages 14 to 42 form part of these financial statements.

Center Parcs (Holdings 1) Limited
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 23 APRIL 2015

Group Statement of Comprehensive Income
For the 52 weeks ended 23 April 2015

	<u>Note</u>	<u>2015</u> <u>£m</u>	<u>2014</u> <u>£m</u>
Profit for the period		21.0	16.6
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	22	<u>(1.7)</u>	0.6
Other comprehensive income for the period		(1.7)	0.6
Tax relating to components of other comprehensive income	15	<u>0.3</u>	(0.1)
Total comprehensive income for the period		<u>19.6</u>	<u>17.1</u>

The notes on pages 14 to 42 form part of these financial statements.

Balance Sheets

	Note	Group		Company	
		As at	As at	As at	As at
		23 April 2015	24 April 2014	23 April 2015	24 April 2014
		£m	£m	£m	£m
Assets					
Non-current assets					
Goodwill	6	157.5	157.5	—	—
Other intangible assets	7	126.3	126.9	—	—
Property, plant and equipment	8	1,103.9	1,095.1	—	—
Investments in subsidiary undertakings	9	—	—	466.9	466.9
Deferred tax asset	15	14.1	15.1	—	—
		1,401.8	1,394.6	466.9	466.9
Current assets					
Inventories		2.8	2.9	—	—
Trade and other receivables	10	8.3	4.1	526.8	493.0
Current tax asset		4.3	3.1	—	—
Derivative financial instruments	13	16.8	—	—	—
Cash and cash equivalents		84.8	58.2	—	—
		117.0	68.3	526.8	493.0
Liabilities					
Current liabilities					
Borrowings	13	(0.3)	(0.3)	—	—
Trade and other payables	11	(136.3)	(114.6)	(702.7)	(657.8)
		(136.6)	(114.9)	(702.7)	(657.8)
Net current liabilities		(19.6)	(46.6)	(175.9)	(164.8)
Non-current liabilities					
Borrowings	13	(1,002.7)	(995.3)	—	—
Trade and other payables	12	(119.7)	(113.1)	—	—
Retirement benefit obligations	22	(2.7)	(0.9)	—	—
Deferred tax liability	15	(111.6)	(112.8)	—	—
		(1,236.7)	(1,222.1)	—	—
		145.5	125.9	291.0	302.1
Equity attributable to owners of the parent					
Equity share capital	16	—	—	—	—
Share premium	17	—	—	—	—
Other reserve	17	10.0	10.0	126.1	126.1
Retained earnings	17	135.5	115.9	164.9	176.0
Total equity		145.5	125.9	291.0	302.1

The financial statements on pages 10 to 42 were approved by the Board of Directors on 3 June 2015 and were signed on its behalf by:



M P Dalby
Director

The notes on pages 14 to 42 form part of these financial statements.

Center Parcs (Holdings 1) Limited
GROUP CASH FLOW STATEMENT

Group Cash Flow Statement

	Note	52 weeks ended 23 April 2015 £m	52 weeks ended 24 April 2014 £m
Cash flows from operating activities			
Operating profit		106.8	114.3
Depreciation and amortisation		32.6	31.0
Working capital and non-cash movements	18	9.1	2.8
Difference between the pension charge and contributions		0.1	0.1
Corporation tax paid		(1.2)	(2.0)
Net cash from operating activities		<u>147.4</u>	<u>146.2</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(38.9)	(34.5)
Purchase of intangible assets		(2.5)	(2.4)
Sale of property, plant and equipment		0.2	0.2
Net cash used in investing activities		<u>(41.2)</u>	<u>(36.7)</u>
Cash flows from financing activities			
Interest received		0.7	0.4
Interest paid		(80.1)	(80.1)
Repayment of external borrowings		(0.2)	(0.3)
Net cash used in financing activities		<u>(79.6)</u>	<u>(80.0)</u>
Net increase in cash and cash equivalents		26.6	29.5
Cash and cash equivalents at beginning of the period		58.2	28.7
Cash and cash equivalents at end of the period		<u>84.8</u>	<u>58.2</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash and cash equivalents		26.6	29.5
Cash outflow from movement in debt		0.2	0.3
Change in net debt resulting from cash flows		26.8	29.8
Non-cash movements and deferred issue costs		(7.6)	(4.1)
Movement in net debt in the period		19.2	25.7
Net debt at beginning of the period		(937.4)	(963.1)
Net debt at end of the period	19	<u>(918.2)</u>	<u>(937.4)</u>

The Company had no cash flows in the current or prior period.

The notes on pages 14 to 42 form part of these financial statements.

Center Parcs (Holdings 1) Limited
STATEMENTS OF CHANGES IN EQUITY

Statements of Changes in Equity

<u>Group</u>	<u>Share capital</u> £m	<u>Share premium</u> £m	<u>Other reserve</u> £m	<u>Retained earnings</u> £m	<u>Total equity</u> £m
At 24 April 2014	—	—	10.0	115.9	125.9
Comprehensive income					
Profit for the period	—	—	—	21.0	21.0
Other comprehensive income	—	—	—	(1.4)	(1.4)
At 23 April 2015	<u>—</u>	<u>—</u>	<u>10.0</u>	<u>135.5</u>	<u>145.5</u>
 <u>Group</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>
At 25 April 2013	—	199.9	10.0	(101.1)	108.8
Comprehensive income					
Profit for the period	—	—	—	16.6	16.6
Other comprehensive income	—	—	—	0.5	0.5
Transactions with owners					
Capital reduction	—	(199.9)	—	199.9	—
At 24 April 2014	<u>—</u>	<u>—</u>	<u>10.0</u>	<u>115.9</u>	<u>125.9</u>
 <u>Company</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>
At 24 April 2014	—	—	126.1	176.0	302.1
Comprehensive income					
Loss for the period	—	—	—	(11.1)	(11.1)
At 23 April 2015	<u>—</u>	<u>—</u>	<u>126.1</u>	<u>164.9</u>	<u>291.0</u>
 <u>Company</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>
At 25 April 2013	—	199.9	126.1	(12.8)	313.2
Comprehensive income					
Loss for the period	—	—	—	(11.1)	(11.1)
Transactions with owners					
Capital reduction	—	(199.9)	—	199.9	—
At 24 April 2014	<u>—</u>	<u>—</u>	<u>126.1</u>	<u>176.0</u>	<u>302.1</u>

The notes on pages 14 to 42 form part of these financial statements.

1. Accounting policies

General information

The Company is a limited company, which is incorporated and domiciled in the UK. The address of its registered office is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Basis of preparation

These consolidated financial statements for the 52 weeks ended 23 April 2015 (2014: 52 weeks ended 24 April 2014) have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) interpretations adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments and retirement benefit obligations. All accounting policies disclosed have been applied consistently to both periods presented.

The accounting reference date of Center Parcs (Holdings 1) Limited is 22 April.

Going concern

The Directors have assessed the financial positions of the Group and the Company in light of the net current liabilities positions at the end of the period. In assessing the going concern of the business they have considered the projected future trading and cash flows of the business. Using the evidence available to them they have concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Group will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

Basis of consolidation

On 28 February 2012 Center Parcs effected a corporate reorganisation under which Forest Holdco Limited and its subsidiary undertakings and CP Comet Holdings Limited and its subsidiary undertakings were combined into a single consolidated group headed by Center Parcs (Holdings 1) Limited. Before and after this reorganisation the entities were all under common control and hence the business combination was outside the scope of IFRS 3 'Business Combinations (revised)'.

The consolidated financial statements of Center Parcs (Holdings 1) Limited have been prepared under the principles of predecessor accounting, whereby an acquirer is not required to be identified, and all entities are included at their pre-combination carrying amounts. This accounting treatment results in differences on consolidation between consideration and the fair value of underlying net assets and this difference is included within equity as an other reserve.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements incorporate the results of CPUK Finance Limited, a company set up with the sole purpose of issuing debt secured on assets owned by the Group. The Directors of Center Parcs (Holdings 1) Limited consider this company meets the definition of a structured entity under IFRS 10 'Consolidated financial statements' and hence for the purpose of the consolidated financial statements it has been treated as a subsidiary undertaking. Details of this company are provided in note 26.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates are principally used in the following areas:

Property, plant and equipment: Useful lives of assets and residual values (see accounting policy)

Impairment test for goodwill: Growth and discount rates (note 6)

Other intangible assets: Useful lives of assets and residual values (see accounting policy)

Retirement benefits: Actuarial assumptions in respect of the defined benefit scheme (note 22)

Revenue

Revenue relates to villa rental income on holidays commenced during the period, together with other related income that primarily arises from on-village leisure, retail and food and beverage spend. Non-rental income is recognised when the related product or service is provided. All revenue is recorded net of VAT.

Payment for villa rental income is received in advance of holidays commencing, and is recorded as 'payments on account' within Trade and other payables until the holiday commences.

A number of trading units on each holiday village are operated by concession partners. Revenue due in respect of such units is recognised on a periodic basis as it is invoiced to the concession partner.

All revenue arises in the United Kingdom.

Cost of sales

Cost of sales comprise the cost of goods and services provided to guests. All costs to the point of sale, including direct employee costs, are included within cost of sales.

Operating segments

The operating segments set out in note 2 to the consolidated financial statements are consistent with the internal reporting provided to the Chief Operating Decision Maker, as defined by IFRS 8 'Operating Segments'. The Chief Operating Decision Maker has been identified as the Board of Directors.

Exceptional/non-underlying items

Exceptional/non-underlying items are defined as those that, by virtue of their nature, size or expected frequency, warrant separate disclosure in the financial statements in order to fully understand the underlying performance of the Group. Non-underlying items are those that are not directly related to the ongoing trade of the business or that are unrepresentative of ongoing performance.

Goodwill

Goodwill arising on acquisitions is capitalised and represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets and liabilities acquired. Goodwill is not amortised but is instead tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment is recognised immediately in the income statement. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Other intangible assets

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, which is generally considered to be four years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed four years.

Other purchased intangible assets

Other purchased intangible assets are capitalised at cost and are amortised over their useful economic lives. The Group's water boreholes are amortised on a straight-line basis over 13 years. The brand is not amortised as it is considered to have an indefinite life.

The water boreholes were transferred to property, plant and equipment during the period to better reflect the nature of the assets.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances

indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Property, plant and equipment

Management chose the cost basis under IAS 16 'Property, plant and equipment', rather than to apply the alternative (revaluation) treatment to all items of property, plant and equipment as its ongoing accounting policy. The cost of property, plant and equipment includes directly attributable costs. The Group elected to apply the optional exemption of IFRS 1 'First-time adoption of International Financial Reporting Standards' and, as such, the carrying value of properties that were previously held at fair value was treated as deemed cost at the date of adoption of IFRS.

Depreciation is provided on the cost of all property, plant and equipment (except assets in the course of construction), so as to write off the cost, less residual value, on a straight-line basis over the expected useful economic life of the assets concerned, using the following rates:

Installations	6.67%
Fixtures and fittings	14%
Motor vehicles	25%
Computer hardware	25%

Buildings are depreciated to residual value over 50 years. Land is not depreciated.

Useful lives and residual values are reviewed at each balance sheet date and revised where expectations are significantly different from previous estimates. In such cases, the depreciation charge for current and future periods is adjusted accordingly.

Maintenance expenditure

It is the policy of the Group to maintain its land and buildings to a high standard. Where maintenance expenditure increases the benefits that property, plant and equipment is expected to generate, this expenditure is capitalised. All other maintenance costs are charged to the income statement as incurred.

Leases

Leases are classified as finance leases if the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised at cost and depreciated over their useful lives. The capital element of future rentals is treated as a liability and the interest element is charged to the income statement over the period of the lease in proportion to the capital outstanding.

Rental payments on operating leases (net of any incentives received from the lessor and including minimum contractual rental increases) are charged to the income statement on a straight-line basis.

Investments in subsidiary undertakings

Investments are stated at cost, less any provision for permanent diminution in value. If there are indications of impairment, an assessment is made of the recoverable amount. An impairment loss is recognised in the income statement when the recoverable amount is lower than the carrying value.

Dividends receivable from investments in subsidiary undertakings are recognised in the income statement when approved by the shareholders of the company paying the dividend.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base. Deferred tax on properties assumes recovery through sale.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Inventories

The basis of valuation of inventories is the lower of cost on a first in first out basis and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory provisions are created where necessary to ensure that inventory is valued at the lower of cost and estimated net realisable value.

Financial instruments

The Group classifies its financial assets into two categories, being fair value through profit and loss, and loans and receivables. Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Other financial liabilities are carried at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Investments

The cost of investments, including loans to related parties, is their purchase cost together with any incremental costs of acquisition. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In deciding whether an impairment is required, the Directors consider the underlying value inherent in the investment. Provision is made against the cost of investments where, in the opinion of the Directors, there is an impairment in the value of the individual investment.

Trade receivables

Trade receivables are recognised initially at fair value. A provision for impairment of trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement.

Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and cash in hand.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Interest on borrowings is treated as an expense in the income statement, with the exception of interest costs incurred on the financing of major projects, which are capitalised within property, plant and equipment.

Early termination costs

Costs associated with the early repayment of borrowings are written off to the income statement as incurred.

Derivative financial instruments

The Group does not trade in derivative financial instruments. Derivative financial instruments have historically been used by the Group to manage its exposure to interest rates on long-term floating-rate borrowings. All derivative financial instruments are measured at the balance sheet date at their fair value. The Group does not currently hedge account for any derivatives. As such, any gain or loss on remeasurement is taken to the income statement.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Government grants

Government grants in respect of capital expenditure are categorised as accruals on receipt and are credited to the income statement over the useful life of the relevant property, plant and equipment. The government grant included in the balance sheet at the period end represents grants received to date, less the amount so far credited to the income statement.

Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting profit or loss, together with realised profits and losses arising during the period on the settlement of overseas assets and liabilities, are included in the trading results. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Employee benefits

Pensions

—Defined contribution pension scheme

Group employees can choose to be a member of a defined contribution pension scheme. A defined contribution pension scheme is a pension scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are charged to the income statement as incurred.

—Defined benefit pension scheme

A funded senior management defined benefit pension scheme also exists. A defined benefit pension scheme is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The surplus or liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates for high-quality corporate bonds, which have terms to maturity approximating the terms of the related pension liability.

Past-service costs are recognised immediately in the income statement. Remeasurement gains and losses are recognised in other comprehensive income.

Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Holiday pay

The Group recognises an appropriate liability for the cost of holiday entitlements not taken at the balance sheet date.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Other reserve

The other reserve in the consolidated financial statements represents the differences on consolidation arising on the adoption of predecessor accounting. This comprises the difference between consideration paid and the book value of net assets acquired in the transaction.

The other reserve in the Company financial statements represents the application of group reconstruction relief in accordance with section 612 of the Companies Act 2006, following the acquisition of certain subsidiaries in prior periods from fellow group companies.

New standards and interpretations

The following new accounting standards and interpretations are effective for the first time in the current period:

- A revision to IFRS 10 'Consolidated financial statements' in respect of investment entities.
- A revision to IFRS 12 'Disclosure of interests in other entities' in respect of investment entities.
- A revision to IAS 27 'Separate financial statements' in respect of investment entities.
- A revision to IAS 32 'Financial instruments: Presentation' in respect of offsetting assets and liabilities.
- IFRIC 21 'Levies'

These have not had a material impact on the financial statements of the Group and Company and are unlikely to have a material impact in the future.

The International Accounting Standards Board (IASB) and IFRIC have issued the following new or revised standards and interpretations with an effective date for financial periods beginning on or after the dates disclosed

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

below and therefore after the date of these financial statements. The IASB has also issued a number of minor amendments to standards as part of their annual improvement process.

IFRS 7	Financial instruments: Disclosures Mandatory effective date and transition disclosures (amendments to IFRS9 and IFRS7)	1 January 2015
IFRS 9	Financial instruments New accounting standard	1 January 2018
IFRS 10	Consolidated financial statements Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Investment entities: Applying the Consolidation Exception	1 January 2016 1 January 2016
IFRS 11	Joint Arrangements Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 12	Disclosure of Interests in Other Entities Investment entities: Applying the Consolidation Exception	1 January 2016
IFRS 14	Regulatory Deferral Accounts New accounting standard	1 January 2016
IFRS 15	Revenue from Contracts with Customers New accounting standard	1 January 2018
IAS 1	Presentation of Financial Statements Disclosure Initiative	1 January 2016
IAS 16	Property, Plant and Equipment Clarification of Acceptable Methods of Depreciation and Amortisation Agriculture: Bearer Plants	1 January 2016 1 January 2016
IAS 27	Separate Financial Statements Equity Method in Separate Financial Statements	1 January 2016
IAS 28	Investments in Associates and Joint Ventures Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Investment entities: Applying the Consolidation Exception	1 January 2016 1 January 2016
IAS 38	Intangible Assets Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016

The adoption of IFRS 9 'Financial Instruments' is expected to change the disclosure given in respect of financial instruments but not the amounts reported in the financial statements. The Directors do not anticipate that the adoption of any other standards and interpretations listed above will have a material impact on the Group or Company's financial statements in the period of initial application, although the assessment is ongoing.

2. Segmental reporting

52 weeks ended 23 April 2015	Sherwood Forest	Elveden Forest	Longleat Forest	Whinfell Forest	Central Services	Group
	£m	£m	£m	£m	£m	£m
Revenue	82.9	83.1	77.9	75.7	—	319.6
Adjusted EBITDA	45.6	43.8	39.9	38.3	(19.9)	147.7
Exceptional/non-underlying administrative expenses						(6.3)
Depreciation and amortisation						(32.6)
Owners' costs						(2.0)
Operating profit						106.8

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

52 weeks ended 24 April 2014	Sherwood Forest	Elveden Forest	Longleat Forest	Whinfell Forest	Central Services	Group
	£m	£m	£m	£m	£m	£m
Revenue	81.0	83.2	76.6	73.8	—	314.6
Adjusted EBITDA	44.5	44.8	39.5	37.3	(19.3)	146.8
Depreciation and amortisation						(31.0)
Owners' costs						(1.5)
Operating profit	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>114.3</u>

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker, as defined by IFRS 8 'Operating Segments'. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The operating segments are the four holiday villages that the business operates. In addition there are certain centralised administrative costs that cannot be allocated directly to an operating segment.

The primary profit measure used by the Chief Operating Decision Maker is Adjusted EBITDA, being earnings before interest, taxation, depreciation, amortisation, exceptional/non-underlying items and owners' costs (those costs payable to The Blackstone Group and associated entities).

The internal reporting does not disaggregate the balance sheet to each operating segment.

The split of revenue by business stream was £186.8 million (2014: £186.0 million) for accommodation and £132.8 million (2014: £128.6 million) for on-site spend. The split of gross profit was £169.2 million (2014: £169.2 million) for accommodation and £63.9 million (2014: £61.1 million) for on-site spend.

Exceptional/non-underlying administrative expenses are costs incurred in respect of the Group's ongoing review of its strategic options.

3. Operating profit

The following items have been included in arriving at the Group's operating profit:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Staff costs (note 21)	75.0	72.4
Cost of inventories	28.8	28.4
Depreciation of property, plant and equipment—owned assets (note 8)	30.6	28.8
Amortisation of intangible assets (note 7)	2.0	2.2
Operating lease rentals—land and buildings	0.8	0.6
Repairs and maintenance expenditure on property, plant and equipment	8.6	8.2
Services provided by the Group's auditors	1.6	0.2

During the period, the Group obtained the following services from the Group's auditors:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Charged to the income statement:		
Audit of the parent company, subsidiary and consolidated financial statements	0.2	0.2
Tax advisory services	—	0.1
Corporate finance services	1.0	—
Deferred costs in respect of the secured debt:		
Corporate finance services	0.4	—
	<u>1.6</u>	<u>0.3</u>

The Directors monitor the level of non-audit work undertaken by the auditors and ensure it is work which they are best suited to perform and does not present a risk to their independence and objectivity. The audit fee above includes £2,000 (2014: £2,000) for the audit of the parent company.

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

In addition to the above services, the Group's auditors act as auditor to the Center Parcs pension scheme. The appointment of auditors to the Group's pension scheme and fees paid in respect of those audits are agreed by the trustees of the scheme who act independently from the management of the Group. The aggregate fees paid to the auditors for these services during the period were £6,000 (2014: £5,000).

4. Net finance costs

	Group		Company	
	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m	£m	£m
Finance expense				
Interest payable on borrowings	(84.7)	(83.6)	—	—
Interest on unsecured loan notes	(11.1)	(10.1)	—	—
Interest payable to Group undertakings	—	—	(44.9)	(44.9)
Other interest and similar charges	(0.7)	(0.4)	—	—
Total finance expense before exceptional/non-underlying items	(96.5)	(94.1)	(44.9)	(44.9)
Accelerated amortisation of deferred issue costs (note 13)	(4.3)	—	—	—
Total finance expense	(100.8)	(94.1)	(44.9)	(44.9)
Finance income				
Bank interest receivable	0.7	0.4	—	—
Interest receivable from Group undertakings	—	—	33.8	33.8
Total finance income	0.7	0.4	33.8	33.8
Net finance costs	(100.1)	(93.7)	(11.1)	(11.1)

Interest payable on borrowings includes amortisation of deferred issue costs of £5.3 million (2014: £4.1 million).

5. Taxation

(a) Taxation

The Group tax charge is made up as follows:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Current tax:		
—Current year	(5.1)	(4.5)
—Adjustment in respect of prior periods	2.7	(1.4)
	(2.4)	(5.9)
Deferred tax:		
Origination and reversal of timing differences	(0.1)	1.9
Taxation (note 5(b))	(2.5)	(4.0)

The Company had a tax charge of £nil in the period (2014: £nil).

(b) **Factors affecting the tax charge**

Group

The tax assessed for the period is lower (2014: lower) than that resulting from applying the standard rate of corporation tax in the UK of 21% (2014: 23%). The difference is reconciled below:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Profit before taxation	23.5	20.6
Profit before taxation multiplied by the standard rate of corporation tax in the UK	4.9	4.7
Adjustments in respect of prior periods	(3.0)	13.8
Permanent differences and expenses not deductible for tax purposes	2.2	2.0
Impact of change in corporation tax rate	—	(12.0)
Indexation on future capital gains	(0.7)	(2.5)
Brought forward losses not previously recognised	(0.9)	(2.0)
Tax charge for the period (note 5(a))	<u>2.5</u>	<u>4.0</u>

Company

The tax assessed for the period is higher (2014: higher) than that resulting from applying the standard rate of corporation tax in the UK of 21% (2014: 23%). The difference is reconciled below:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Loss before taxation	(11.1)	(11.1)
Loss before taxation multiplied by the standard rate of corporation tax in the UK	(2.3)	(2.6)
Group relief not paid for	2.3	2.6
Tax charge for the period (note 5(a))	<u>—</u>	<u>—</u>

Change of corporation tax rate and factors that may affect future tax charges

The standard rate of corporation tax in the UK reduced from 21% to 20% with effect from 1 April 2015.

6. **Goodwill**

	Group £m
Cost and net book value	
At 23 April 2015, 24 April 2014 and 25 April 2013	<u>157.5</u>

Impairment test for goodwill

Goodwill is allocated to the Group's eight cash-generating units (CGUs), being the accommodation and on-site revenue streams at each of the four villages. Goodwill by revenue stream is presented below:

	2015 £m	2014 £m
Accommodation	141.8	141.8
On-site	15.7	15.7
	<u>157.5</u>	<u>157.5</u>

The Directors consider that the economic characteristics and future expectations are materially consistent across each of the villages within each revenue stream.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a one year period. Cash flows beyond the one year period are extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations

The key assumptions of the value-in-use calculation are EBITDA margin, perpetual growth rate and discount rate for each of on-site and accommodation. The long-term growth rate used is 2.5% (2014: 2.5%) in respect of both accommodation and on-site. The discount rate used is 7.73% (2014: 7.73%) in respect of both accommodation and on-site.

Management determine budgeted EBITDA margins based on past performance and expectations of market development. The growth rates used reflect management's expectations of the future market. Discount rates used are pre-tax and reflect the specific risks to the Group.

Based on the value-in-use calculations performed, the Directors have concluded that there is no impairment of goodwill. The Directors have performed sensitivity analysis using the full range of reasonable assumptions and no impairment triggers have been identified.

The Company has no goodwill.

7. Other intangible assets

<u>Group</u>	<u>Software</u> <u>£m</u>	<u>Brand</u> <u>£m</u>	<u>Water</u> <u>boreholes</u> <u>£m</u>	<u>Total</u> <u>£m</u>
Cost				
At 25 April 2014	10.6	121.2	3.2	135.0
Additions	2.5	—	—	2.5
Disposals	(2.8)	—	—	(2.8)
Reclassifications to property, plant and equipment	—	—	(3.2)	(3.2)
At 23 April 2015	10.3	121.2	—	131.5
Amortisation				
At 25 April 2014	6.2	—	1.9	8.1
Charge for the period	1.8	—	0.2	2.0
On disposals	(2.8)	—	—	(2.8)
On reclassifications to property, plant and equipment	—	—	(2.1)	(2.1)
At 23 April 2015	5.2	—	—	5.2
Net book amount at 24 April 2014	4.4	121.2	1.3	126.9
Net book amount at 23 April 2015	5.1	121.2	—	126.3

<u>Group</u>	<u>Software</u> <u>£m</u>	<u>Brand</u> <u>£m</u>	<u>Water</u> <u>boreholes</u> <u>£m</u>	<u>Total</u> <u>£m</u>
Cost				
At 26 April 2013	4.3	121.2	3.2	128.7
Additions	2.4	—	—	2.4
Disposals	(3.1)	—	—	(3.1)
Reclassifications from property, plant and equipment	7.0	—	—	7.0
At 24 April 2014	10.6	121.2	3.2	135.0
Amortisation				
At 26 April 2013	1.0	—	1.7	2.7
Charge for the period	2.0	—	0.2	2.2
On disposals	(3.1)	—	—	(3.1)
On reclassifications from property, plant and equipment	6.3	—	—	6.3
At 24 April 2014	6.2	—	1.9	8.1
Net book amount at 25 April 2013	3.3	121.2	1.5	126.0
Net book amount at 24 April 2014	4.4	121.2	1.3	126.9

The brand is considered to have an indefinite life due to the continued investment that is made in the guest facilities and the ongoing marketing campaigns of the business. An impairment review using the same assumptions as detailed in note 6 has been undertaken and no impairment was indicated (2014: £nil).

The Company has no other intangible assets.

8. Property, plant and equipment

<u>Group</u>	<u>Land and buildings</u> £m	<u>Installations</u> £m	<u>Fixtures and fittings</u> £m	<u>Motor vehicles and hardware</u> £m	<u>Assets in the course of construction</u> £m	<u>Total</u> £m
Cost						
At 25 April 2014	910.7	223.4	50.0	17.1	2.4	1,203.6
Additions	—	19.9	13.3	3.0	2.1	38.3
Disposals	—	—	(16.6)	(1.6)	—	(18.2)
Transfers	—	2.0	0.3	—	(2.3)	—
Reclassification of boreholes	3.2	—	—	—	—	3.2
At 23 April 2015	913.9	245.3	47.0	18.5	2.2	1,226.9
Depreciation						
At 25 April 2014	10.0	66.4	20.5	11.6	—	108.5
Charge for the period	1.5	15.6	11.7	1.8	—	30.6
On disposals	—	—	(16.6)	(1.6)	—	(18.2)
On reclassification of boreholes	2.1	—	—	—	—	2.1
At 23 April 2015	13.6	82.0	15.6	11.8	—	123.0
Net book amount at 24 April 2014 ...	900.7	157.0	29.5	5.5	2.4	1,095.1
Net book amount at 23 April 2015	900.3	163.3	31.4	6.7	2.2	1,103.9

<u>Group</u>	<u>Land and buildings</u> £m	<u>Installations</u> £m	<u>Fixtures and fittings</u> £m	<u>Motor vehicles and hardware</u> £m	<u>Assets in the course of construction</u> £m	<u>Total</u> £m
Cost						
At 26 April 2013	910.7	204.1	52.2	19.4	0.4	1,186.8
Additions	—	22.7	8.1	4.1	2.3	37.2
Disposals	—	(0.1)	(10.4)	(2.9)	—	(13.4)
Transfers	—	2.7	0.1	—	(2.8)	—
Reclassifications to software	—	(6.0)	—	(3.5)	2.5	(7.0)
At 24 April 2014	910.7	223.4	50.0	17.1	2.4	1,203.6
Depreciation						
At 26 April 2013	8.5	55.7	21.3	13.9	—	99.4
Charge for the period	1.5	14.4	9.6	3.3	—	28.8
On disposals	—	(0.1)	(10.4)	(2.9)	—	(13.4)
On reclassifications to software	—	(3.6)	—	(2.7)	—	(6.3)
At 24 April 2014	10.0	66.4	20.5	11.6	—	108.5
Net book amount at 25 April 2013 ...	902.2	148.4	30.9	5.5	0.4	1,087.4
Net book amount at 24 April 2014	900.7	157.0	29.5	5.5	2.4	1,095.1

The Company has no property, plant and equipment.

9. Investments in subsidiary undertakings

<u>Company</u>	<u>£m</u>
Cost and net book value	
At 23 April 2015, 24 April 2014 and 25 April 2013	466.9

The investment at 23 April 2015 relates to 100% of the ordinary shares of Center Parcs (Holdings 2) Limited, a company registered in England and Wales. The principal activity of Center Parcs (Holdings 2) Limited is that of an intermediate holding company. Center Parcs (Holdings 2) Limited made a profit of £nil (2014: £nil) for the period ended 23 April 2015 and had net assets at that date of £466.9 million (2014: £466.9 million).

The Directors believe that the carrying value of investments is supported by the recoverable amount of the investee.

10. Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	£m	£m	£m	£m
Amounts falling due within one year:				
Trade receivables	2.6	2.3	—	—
Amounts owed by related parties	—	0.1	—	—
Amounts owed by Group undertakings	—	—	526.8	493.0
Prepayments and accrued income	5.7	1.7	—	—
	<u>8.3</u>	<u>4.1</u>	<u>526.8</u>	<u>493.0</u>

The fair value of trade and other receivables are equal to their book value and no impairment provisions have been made (2014: £nil). Concentrations of credit risk with respect to trade receivables are limited due to the vast majority of customers paying in advance. As such there are no amounts past due as all amounts are current (2014: £nil).

Amounts owed by related parties are interest-free, unsecured and repayable on demand.

Amounts owed by Group undertakings include loans totalling £422.7 million (2014: £422.7 million) due from Center Parcs (Holdings 3) Limited and the associated unpaid interest. Interest is receivable at a rate of 8% per annum and is not compounded. Interest of £33.8 million (2014: £33.8 million) was receivable during the period. The figure above is shown net of an interest-free payable of £2.2 million (2014: £2.2 million) in respect of normal trading activities.

All amounts owed by Group undertakings are unsecured and repayable on demand.

11. Trade and other payables—current

	Group		Company	
	2015	2014	2015	2014
	£m	£m	£m	£m
Trade payables	7.3	6.7	—	—
Other tax and social security	12.1	10.7	—	—
Other payables	1.2	0.9	—	—
Amounts owed to related parties	9.9	0.5	—	0.2
Amounts owed to Group undertakings	—	—	702.7	657.6
Accruals	45.8	40.8	—	—
Payments on account	60.0	55.0	—	—
	<u>136.3</u>	<u>114.6</u>	<u>702.7</u>	<u>657.8</u>

Amounts owed to Group undertakings include loans of £561.2 million (2014: £561.2 million) due to other members of the Center Parcs (Holdings 1) Limited Group and the associated unpaid interest. Interest is payable at a rate of 8% per annum and is not compounded. Interest of £44.9 million (2014: £44.9 million) was payable during the period. The figure above is shown net of an interest-free receivable of £0.2 million (2014: £0.4 million) in respect of normal trading activities.

At the year end there were other amounts owed to Group undertakings of £0.4 million (2014: £0.4 million). These balances are interest-free.

All amounts owed to related parties and Group undertakings are unsecured and repayable on demand.

12. Trade and other payables—non-current

	Group	
	2015	2014
	£m	£m
Amounts owed to related parties	<u>119.7</u>	<u>113.1</u>

Of the total amounts owed to related parties, £119.7 million (2014: £108.6) represents £50.0 million of unsecured loan notes and the unpaid interest thereon. The loan notes are held by UK Parcs Holdings Sarl, a company registered in Luxembourg, and incur compound interest at a rate of 10% per annum. The loan notes are redeemable on 15 May 2016.

The remaining balance of £nil (2014: £4.5 million) represented a balance due to CP Woburn (Operating Company) Limited in respect of group relief surrendered to the Group by that company.

All amounts are unsecured and denominated in £ sterling.

The Company has no non-current trade and other payables.

13. Borrowings

	Group	
	2015	2014
	£m	£m
Current		
Secured mortgage due within one year	0.3	0.3
Non-current		
Secured mortgage	1.2	1.4
Securitised debt	1,001.5	993.9
	1,002.7	995.3

The Group has a mortgage secured over its head office which incurs interest at LIBOR plus 1.125% and matures in 2020. Annual repayments on this mortgage total £267,000. A one percentage point movement in interest rates would affect this interest charge by approximately £14,000 (2014: £17,000).

The securitised debt consists of the following:

	2015	2014
	£m	£m
Tranche A1	300.0	300.0
Tranche A2	440.0	440.0
Tranche B	280.0	280.0
Unamortised deferred issue costs	(18.5)	(26.1)
	1,001.5	993.9

The securitised debt represents a £1,020.0 million facility made available to the Group. The total facility was drawn down on 28 February 2012.

The tranche A1 notes had an expected maturity date of 28 February 2017 and a final maturity date of 28 February 2042. The interest rate to expected maturity was fixed at 4.811% and the interest rate from expected maturity to final maturity was fixed at 7.169%.

The tranche A2 notes have an expected maturity date of 28 February 2024 and a final maturity date of 28 February 2042. The interest rate to expected maturity is fixed at 7.239% and the interest rate from expected maturity to final maturity is fixed at 7.919%.

The tranche B notes have an expected maturity date of 28 February 2018 and a final maturity date of 28 February 2042. The interest rate to 28 February 2020 is fixed at 11.625% and the interest rate from 29 February 2020 to final maturity is fixed at 6.25%.

The tranche A1 notes were repaid, at the option of the Group, shortly after the financial year-end as set out in note 27; unamortised deferred issue costs relating to this tranche of the securitised debt of £4.3 million have been amortised on an accelerated basis to reflect this repayment profile. This accelerated amortisation has been classified as an exceptional/non-underlying finance expense in the income statement.

The tranche B debt is subordinated to the tranche A debt. Both include optional prepayment clauses permitting the Group to repay the debt in advance of the expected maturity date. All tranches of debt are subject to financial covenants. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenants.

The option to repay the B debt prior to maturity is considered to be a derivative financial instrument with a fair value of £16.8 million (2014: £nil), such fair value being estimated with reference to the yields of similar corporate bonds with comparable terms and credit ratings. The movement in the fair value has been recognised as an exceptional/non-underlying item in the income statement.

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

Interest of £11.8 million (2014: £12.0 million) was accrued in respect of the securitised debt at 23 April 2015.

The maturity of the Group's borrowings is as follows:

<u>Group</u>	<u>Less than one year</u>	<u>Two to five years</u>	<u>Greater than five years</u>	<u>Deferred issue costs</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
At 23 April 2015					
Secured mortgage	0.3	1.2	—	—	1.5
Securitised debt	—	580.0	440.0	(18.5)	1,001.5
Total borrowings	0.3	581.2	440.0	(18.5)	1,003.0
At 24 April 2014					
Secured mortgage	0.3	1.1	0.3	—	1.7
Securitised debt	—	580.0	440.0	(26.1)	993.9
Total borrowings	0.3	581.1	440.3	(26.1)	995.6

All amounts are denominated in £ sterling.

The Company has no borrowings.

14. Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the items below. As at 23 April 2015 and 24 April 2014 all of the Group's financial assets were categorised as loans and receivables, with the exception of derivative financial instruments which are carried at fair value through profit and loss. As at 23 April 2015 and 24 April 2014 all of the Group's financial liabilities were categorised as other financial liabilities.

	<u>Group</u>	
	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Financial assets		
Trade receivables	2.6	2.3
Other receivables	—	0.1
Derivative financial instruments	16.8	—
Cash and cash equivalents	84.8	58.2
	104.2	60.6
	<u>104.2</u>	<u>60.6</u>
	<u>Group</u>	
	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Financial liabilities		
Borrowings	1,003.0	995.6
Trade payables	7.3	6.7
Accruals	45.8	40.8
Other payables due within one year	11.1	1.4
Other payables due after more than one year	119.7	113.1
	1,186.9	1,157.6
	<u>1,186.9</u>	<u>1,157.6</u>

The only financial instruments held by the Company are other receivables of £526.8 million (2014: £493.0 million), which are categorised as loan and receivables, and other payables of £702.7 million (2014: £657.8 million) which are categorised as other financial liabilities.

Fair value hierarchy

IFRS 13 'Financial Instruments: Disclosures' requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

All of the Group's fair value measurements have been categorised as Level 2 and fair values are derived directly or indirectly from observable prices. There were no transfers between levels during the current or prior period.

Fair value of financial assets and financial liabilities

The fair value of the Group's securitised debt is:

	23 April 2015		24 April 2014	
	Book value	Fair value	Book value	Fair value
	£m	£m	£m	£m
Tranche A1	300.0	317.1	300.0	318.9
Tranche A2	440.0	580.7	440.0	541.1
Tranche B	280.0	315.0	280.0	313.6
	<u>1,020.0</u>	<u>1,212.8</u>	<u>1,020.0</u>	<u>1,173.6</u>

The fair value of all other financial assets and financial liabilities are approximately equal to their book values.

Maturity of financial liabilities

The non-discounted minimum future cash flows in respect of financial liabilities are:

<u>At 23 April 2015</u>	Unsecured loan notes	Securitised debt	Mortgage	Total
	£m	£m	£m	£m
In less than one year	132.8	78.8	0.3	211.9
In two to five years	—	786.9	1.3	788.2
In more than five years	—	567.4	0.2	567.6
	<u>132.8</u>	<u>1,433.1</u>	<u>1.8</u>	<u>1,567.7</u>

<u>At 24 April 2014</u>	Unsecured loan notes	Securitised debt	Mortgage	Total
	£m	£m	£m	£m
In less than one year	—	78.8	0.3	79.1
In two to five years	132.8	833.9	1.3	968.0
In more than five years	—	599.3	0.5	599.8
	<u>132.8</u>	<u>1,512.0</u>	<u>2.1</u>	<u>1,646.9</u>

The Company has no non-current financial liabilities.

Financial risk management

The Group finances its operations through a mixture of equity and borrowings as required. The Group has sought to reduce its cost of capital by refinancing and restructuring the Group's funding using the underlying asset value.

All tranches of the Group's secured debt are subject to financial covenants. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenants.

The overall policy in respect of interest rates is to reduce the Group's exposure to interest rate fluctuations, and the Group's primary source of borrowings is fixed interest rate loan notes.

The Group does not actively trade in derivative financial instruments.

Interest rate risk

The Group has a floating rate mortgage and fixed rate loan notes as its only external funding sources. As at 23 April 2015, 99% (24 April 2014: 99%) of the Group's external financial borrowings incurred interest at a fixed rate.

Liquidity risk

As at 23 April 2015, the Group held sufficient levels of cash to enable it to meet its medium-term working capital and funding obligations. Rolling forecasts of the Group's liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

Currency risk

The Group is exposed to limited currency risk through foreign currency transactions. The Group does not operate a hedging facility to manage currency risk as it is considered to be insignificant.

Credit risk

The Group borrows from well-established institutions with high credit ratings. The Group's cash balances are held on deposit with a number of UK banking institutions.

15. Deferred tax

	Group	
	2015	2014
	£m	£m
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	14.1	15.1
	<u>14.1</u>	<u>15.1</u>
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months	(111.6)	(112.8)
	<u>(111.6)</u>	<u>(112.8)</u>

Forecasts agreed by the Directors indicate that the deferred tax assets will be utilised in the foreseeable future against taxable profits.

The movement on the deferred tax account is:

	Group	
	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
At the beginning of the period	(97.7)	(99.5)
(Charged)/credited to the income statement	(0.1)	1.9
Credited/(charged) to the statement of comprehensive income	0.3	(0.1)
At the end of the period	<u>(97.5)</u>	<u>(97.7)</u>

Group	Land and buildings	Accelerated capital allowances	Short-term timing differences	Pension	Intangible assets	Total
	£m	£m	£m	£m	£m	£m
At 25 April 2014	(88.3)	12.6	2.3	0.2	(24.5)	(97.7)
Credited/(charged) to the income statement	1.2	(0.7)	(0.6)	—	—	(0.1)
Credited to the statement of comprehensive income	—	—	—	0.3	—	0.3
Transfer	(0.3)	—	—	—	0.3	—
At 23 April 2015	<u>(87.4)</u>	<u>11.9</u>	<u>1.7</u>	<u>0.5</u>	<u>(24.2)</u>	<u>(97.5)</u>

Group	Land and buildings	Accelerated capital allowances	Short-term timing differences	Pension	Intangible assets	Total
	£m	£m	£m	£m	£m	£m
At 26 April 2013	(85.5)	11.1	2.8	0.3	(28.2)	(99.5)
(Charged)/credited to the income statement	(2.8)	1.5	(0.5)	—	3.7	1.9
Charged to the statement of comprehensive income	—	—	—	(0.1)	—	(0.1)
At 24 April 2014	<u>(88.3)</u>	<u>12.6</u>	<u>2.3</u>	<u>0.2</u>	<u>(24.5)</u>	<u>(97.7)</u>

The Group has an unrecognised deferred tax asset of £7.7 million (2014: £8.7 million). This relates to carried forward tax losses in non-trading subsidiaries which are not forecast to be utilised in the foreseeable future.

Deferred tax is calculated at a rate of 20% (2014: 20%).

The Company has no deferred tax.

16. Equity share capital

	<u>Company</u>	
	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Allotted and fully paid		
4 ordinary shares of £1 each	—	—
	<u>—</u>	<u>—</u>

Management of capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt.

17. Share premium, other reserve and retained earnings

<u>Group</u>	<u>Other reserve</u>	<u>Retained earnings</u>
	<u>£m</u>	<u>£m</u>
At 25 April 2014	10.0	115.9
Profit for the period	—	21.0
Net movement on pension scheme	—	(1.4)
At 23 April 2015	<u>10.0</u>	<u>135.5</u>

<u>Group</u>	<u>Share premium</u>	<u>Other reserve</u>	<u>Retained earnings</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
At 26 April 2013	199.9	10.0	(101.1)
Profit for the period	—	—	16.6
Net movement on pension scheme	—	—	0.5
Capital reduction	(199.9)	—	199.9
At 24 April 2014	<u>—</u>	<u>10.0</u>	<u>115.9</u>

<u>Company</u>	<u>Other reserve</u>	<u>Retained earnings</u>
	<u>£m</u>	<u>£m</u>
At 25 April 2014	126.1	176.0
Loss for the period	—	(11.1)
At 23 April 2015	<u>126.1</u>	<u>164.9</u>

<u>Company</u>	<u>Share premium</u>	<u>Other reserve</u>	<u>Retained earnings</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
At 26 April 2013	199.9	126.1	(12.8)
Loss for the period	—	—	(11.1)
Capital reduction	(199.9)	—	199.9
At 24 April 2014	<u>—</u>	<u>126.1</u>	<u>176.0</u>

On 1 August 2013 the Company undertook a capital reduction. The impact of this was to reduce the share premium by £199.9 million and increase retained earnings by the same amount.

18. Working capital and non-cash movements

	Group	
	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Profit on disposal of property, plant and equipment	(0.2)	(0.2)
Decrease/(increase) in inventories	0.1	(0.1)
(Increase)/decrease in trade and other receivables	(4.2)	0.2
Increase in trade and other payables	13.4	2.9
	<u>9.1</u>	<u>2.8</u>

19. Analysis of net debt

	At 24 April 2014	Cash flow	Non-cash movements and deferred issue costs	At 23 April 2015
	£m	£m	£m	£m
Cash and cash equivalents				
Cash at bank and in hand	58.2	26.6	—	84.8
	<u>58.2</u>	<u>26.6</u>	<u>—</u>	<u>84.8</u>
Debt due within one year				
Mortgage	(0.3)	0.2	(0.2)	(0.3)
	<u>(0.3)</u>	<u>0.2</u>	<u>(0.2)</u>	<u>(0.3)</u>
Debt due after more than one year				
Mortgage	(1.4)	—	0.2	(1.2)
Securitised debt	(993.9)	—	(7.6)	(1,001.5)
	<u>(995.3)</u>	<u>—</u>	<u>(7.4)</u>	<u>(1,002.7)</u>
	<u>(937.4)</u>	<u>26.8</u>	<u>(7.6)</u>	<u>(918.2)</u>

	At 25 April 2013	Cash flow	Non-cash movements and deferred issue costs	At 24 April 2014
	£m	£m	£m	£m
Cash and cash equivalents				
Cash at bank and in hand	28.7	29.5	—	58.2
	<u>28.7</u>	<u>29.5</u>	<u>—</u>	<u>58.2</u>
Debt due within one year				
Mortgage	(0.3)	0.3	(0.3)	(0.3)
	<u>(0.3)</u>	<u>0.3</u>	<u>(0.3)</u>	<u>(0.3)</u>
Debt due after more than one year				
Mortgage	(1.7)	—	0.3	(1.4)
Securitised debt	(989.8)	—	(4.1)	(993.9)
	<u>(991.5)</u>	<u>—</u>	<u>(3.8)</u>	<u>(995.3)</u>
	<u>(963.1)</u>	<u>29.8</u>	<u>(4.1)</u>	<u>(937.4)</u>

Net debt excludes loans from related parties.

20. Capital commitments

At the balance sheet date, the Group had capital expenditure contracted for but not provided of £8.3 million (2014: £8.6 million).

The Company has no capital commitments.

21. Employees and Directors

	Group	
	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Staff costs during the period:		
Wages and salaries	68.1	65.7
Social security costs	4.0	3.9
Pension costs	2.9	2.8
	<u>75.0</u>	<u>72.4</u>

The monthly average number of people (including executive Directors) employed by the Group during the period was:

	Group	
	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
By activity:		
Leisure, retail and food and beverage	2,708	2,724
Housekeeping, technical and estate services	2,805	2,761
Administration	672	658
	<u>6,185</u>	<u>6,143</u>

Employee numbers include only those on contracts of service and hence exclude temporary workers.

Key management compensation

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Aggregate emoluments (including money purchase pension contributions)	<u>3.3</u>	<u>2.6</u>

Key management compensation encompasses the Directors and certain senior managers of the Group.

Directors' remuneration

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Aggregate emoluments (including money purchase pension contributions)	<u>1.5</u>	<u>1.4</u>

One Director (2014: one) has retirement benefits accruing under the Group's money purchase pension scheme, in respect of which the Group made contributions of £29,200 (2014: £28,300) in the period. In addition, retirement benefits are accruing to two Directors (2014: two) under the Group's defined benefit pension scheme.

Included in the above are the following amounts in respect of the highest paid Director, who is a member of the Group's defined benefit pension scheme:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Aggregate emoluments	0.7	0.7
Accrued pension at the end of the period	0.3	0.3

22. Pension commitments

Defined contribution pension scheme

The Group participates in the Center Parcs pension scheme, which is a defined contribution pension scheme with a contributory and a non-contributory membership level. Pension costs for the defined contribution scheme for the period ended 23 April 2015 were £2.3 million (2014: £2.4 million).

Accruals per note 11 include £0.3 million (2014: £0.3 million) in respect of defined contribution pension scheme costs.

Defined benefit pension scheme

The Group operates a funded defined benefit pension scheme for certain employees. Contributions are determined by an independent qualified actuary using assumptions on the rate of return on investments and rates of increases in salaries and benefits.

The last available actuarial valuation of the scheme at the balance sheet date was that performed on 1 August 2011. This was updated to 23 April 2015 by a qualified independent actuary. An actuarial valuation was performed as at 1 August 2014 but had not been received at the balance sheet date.

	<u>2015</u>	<u>2014</u>
Discount rate	3.20%	4.25%
Rate of increase in pensions in payment	3.00%	3.25%
Inflation	2.25%	2.50%
Rate of increase in salaries	2.25%	2.50%
Life expectancy from age 60, for a male:		
Currently age 60	31.6 years	31.8 years
Currently age 50	33.5 years	32.8 years

The amounts recognised in the balance sheet are determined as follows:

	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Present value of funded obligations	(16.5)	(12.7)
Fair value of plan assets	13.8	11.8
Net pension liability	<u>(2.7)</u>	<u>(0.9)</u>

At the balance sheet date, the present value of the defined benefit obligation was comprised as follows:

	<u>Number of</u>	<u>Liability</u>	<u>Duration</u>
	<u>members</u>	<u>split</u>	<u>(years)</u>
Active members	3	57%	22
Deferred members	6	36%	22
Pensioners	1	7%	17
Total	<u>10</u>	<u>100%</u>	<u>21</u>

The major categories of plan assets as a percentage of total plan assets are as follows:

	<u>2015</u>	<u>2014</u>
	<u>%</u>	<u>%</u>
Equity securities	54	64
Debt securities	42	36
Cash and cash equivalents	4	—

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

The movement in the defined benefit obligation over the period is as follows:

	Fair value of plan assets	Present value of obligation	Total
	£m	£m	£m
At 25 April 2014	11.8	(12.7)	(0.9)
Current service cost	—	(0.4)	(0.4)
Past service cost including curtailments	—	(0.2)	(0.2)
Interest income/(expense)	0.5	(0.5)	—
	<u>12.3</u>	<u>(13.8)</u>	<u>(1.5)</u>
Remeasurements:			
—Return on plan assets, excluding amount included in interest	1.0	—	1.0
—Loss from change in financial assumptions	—	(2.5)	(2.5)
—Loss from change in demographic assumptions	—	(0.1)	(0.1)
—Experience	—	(0.1)	(0.1)
	<u>1.0</u>	<u>(2.7)</u>	<u>(1.7)</u>
Employer contributions	0.5	—	0.5
Benefit payments from plan	—	—	—
At 23 April 2015	<u>13.8</u>	<u>(16.5)</u>	<u>(2.7)</u>

The impact of various changes in actuarial assumptions on the present value of the scheme obligation are set out below.

	Present value of obligation
	£m
0.5% decrease in discount rate	(18.3)
1 year increase in life expectancy	(17.0)
0.5% increase in salary increases	(16.8)
0.5% increase in inflation	(18.3)

	Fair value of plan assets	Present value of obligation	Total
	£m	£m	£m
At 26 April 2013	11.4	(12.8)	(1.4)
Current service cost	—	(0.4)	(0.4)
Interest income/(expense)	0.4	(0.4)	—
	<u>11.8</u>	<u>(13.6)</u>	<u>(1.8)</u>
Remeasurements:			
—Return on plan assets, excluding amount included in interest	0.3	—	0.3
—Gain from change in financial assumptions	—	0.3	0.3
	<u>0.3</u>	<u>0.3</u>	<u>0.6</u>
Employer contributions	0.3	—	0.3
Benefit payments from plan	(0.6)	0.6	—
At 24 April 2014	<u>11.8</u>	<u>(12.7)</u>	<u>(0.9)</u>

The current service cost and interest income/expense is recognised in the income statement. Remeasurements are recognised in other comprehensive income.

Expected contributions to the defined benefit pension scheme for the forthcoming financial year are £0.7 million.

23. Operating lease commitments

	Group	
	Land and buildings	
	2015	2014
	£m	£m
Commitments under non-cancellable operating leases due:		
Within one year	0.8	0.6
In more than one year but less than five years	3.1	2.6
In more than five years	41.6	34.8
	45.5	38.0

The Group has no other operating lease commitments.

The Company has no operating lease commitments.

24. Related parties

During the current and prior period the Group and Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and balances outstanding, are as follows:

Group	Balance at 25 April 2013	Movement in 52 weeks	Balance at 24 April 2014	Movement in 52 weeks	Balance at 23 April 2015
	£m	£m	£m	£m	£m
UK Parcs Holdings Sarl	(98.5)	(10.1)	(108.6)	(11.1)	(119.7)
CP Woburn (Operating Company) Limited	—	(4.5)	(4.5)	(5.2)	(9.7)
CP Cayman Midco 2 Limited	(0.9)	0.6	(0.3)	0.1	(0.2)
Funds advised by The Blackstone Group	(0.2)	—	(0.2)	0.2	—

UK Parcs Holdings Sarl, CP Woburn (Operating Company) Limited and CP Cayman Midco 2 Limited share an ultimate controlling party with the Group, being funds advised by The Blackstone Group.

The movements on the balance with UK Parcs Holdings Sarl represent interest payable.

The movements on the balance with CP Woburn (Operating Company) Limited represent payments due for group relief surrendered to the Group offset by the recharge of certain costs under a Management Services Agreement.

The movements on the balance with CP Cayman Midco 2 Limited represent repayments of the loan balance and interest payable. The balance due as at 23 April 2015 is interest-free.

Management charges of £2.0 million (2014: £1.5 million) were payable to The Blackstone Group and associated companies during the period.

Company

All of the related parties below are members of the Group headed by Center Parcs (Holdings 1) Limited, with the exception of funds advised by The Blackstone Group.

	Balance at 25 April 2013	Movement in 52 weeks	Balance at 24 April 2014	Movement in 52 weeks	Balance at 23 April 2015
	£m	£m	£m	£m	£m
CP Longleat Village Limited	(23.9)	(1.7)	(25.6)	(1.8)	(27.4)
CP Comet Holdings Limited	(12.3)	(0.9)	(13.2)	(1.0)	(14.2)
Center Parcs (Operating Company) Limited	(216.4)	(15.9)	(232.3)	(16.0)	(248.3)
Forest Midco Limited	(21.8)	(1.6)	(23.4)	(1.6)	(25.0)
Center Parcs (Jersey 1) Limited	(135.0)	(9.9)	(144.9)	(9.9)	(154.8)
Center Parcs Spa Division Holdings Limited	(0.1)	—	(0.1)	—	(0.1)
Center Parcs Limited	(9.6)	(0.7)	(10.3)	(0.7)	(11.0)
CP Comet Bidco Limited	(55.3)	(4.0)	(59.3)	(4.0)	(63.3)
Comet Refico Limited	(44.7)	(3.3)	(48.0)	(3.3)	(51.3)
Sun CP Newmidco Limited	(93.3)	(6.9)	(100.2)	(6.8)	(107.0)
Center Parcs (Holdings 3) Limited	459.2	33.8	493.0	33.8	526.8
Center Parcs Energy Services Limited	(0.3)	—	(0.3)	—	(0.3)
Funds advised by The Blackstone Group	(0.2)	—	(0.2)	0.2	—

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

The movements on the balance with Center Parcs (Holdings 3) Limited represent interest receivable.

The movement on the balance with Center Parcs (Operating Company) Limited in the 52 weeks ended 23 April 2015 represents interest payable of £15.8 million and amounts settled on behalf of the Company of £0.2m. The movement on the balance with Funds advised by The Blackstone Group represents the settlement of the balance due. All other movements represent interest payable.

25. Subsidiary undertakings

The share capitals of subsidiary undertakings, with minor exceptions, are designated as ordinary shares.

All subsidiary undertakings have been included in the consolidated financial statements, and the principal subsidiary undertakings are set out below. All shareholdings represent 100% of the equity and voting rights. All of the subsidiary undertakings listed are held by other subsidiary undertakings of the Company.

<u>Subsidiary undertaking</u>	<u>Activity</u>	<u>Country of incorporation</u>
Center Parcs (Operating Company) Limited	Operation of four holiday villages	England and Wales
CP Sherwood Village Limited	Investment property company	England and Wales
CP Elveden Village Limited	Investment property company	England and Wales
Longleat Property Limited	Investment property company	England and Wales
CP Whinfell Village Limited	Investment property company	England and Wales

26. Structured entity—CPUK Finance Limited

CPUK Finance Limited was incorporated in Jersey on 20 July 2011 and issued the securitised debt set out in note 13 to the financial statements. The summarised financial statements of CPUK Finance Limited are as follows:

<u>Income statement</u>	<u>52 weeks ended 23 April 2015</u>	<u>52 weeks ended 24 April 2014</u>
	<u>£m</u>	<u>£m</u>
Finance costs	(79.4)	(79.4)
Finance income	79.4	79.4
Profit for the period attributable to equity shareholders	<u>—</u>	<u>—</u>

The profit for the period attributable to equity shareholders represents total comprehensive income.

<u>Balance sheet</u>	<u>As at 23 April 2015</u>	<u>As at 24 April 2014</u>
	<u>£m</u>	<u>£m</u>
Assets		
Amounts due from Center Parcs (Holdings 1) Limited Group	1,020.0	1,020.0
Derivative financial instruments	16.8	—
Other receivables	11.8	12.0
Liabilities		
Securitised debt	(1,020.0)	(1,020.0)
Derivative financial instruments	(16.8)	—
Other payables	(11.8)	(12.0)
Total equity	<u>—</u>	<u>—</u>

<u>Cash flow statement</u>	<u>52 weeks ended 23 April 2015</u>	<u>52 weeks ended 24 April 2014</u>
	<u>£m</u>	<u>£m</u>
Financing activities		
Interest received	79.6	79.6
Interest paid	(79.6)	(79.6)
Net cash inflow from financing activities	<u>—</u>	<u>—</u>
Net increase in cash and cash equivalents	<u>—</u>	<u>—</u>

27. Events after the Balance Sheet date

On 22 May 2015 the Group announced the pricing of an aggregate of £490.0 million of New Class A senior notes, divided into £350.0 million 2.666% notes due to mature in February 2020 and £140.0 million 3.588% notes due to mature in August 2025. The proceeds of these new notes, along with existing cash resources available, will refinance the Class A1 notes, which are due to mature in 2017, and fund the acquisition of the equity share capital of CP Woburn (Operating Company) Limited. The refinancing is expected to complete on 11 June 2015.

On 2 June 2015 it was announced that a Brookfield-managed fund has agreed to acquire the parent company of the Center Parcs group, and consequently its subsidiary undertakings, from funds advised by The Blackstone Group. The transaction is due to complete by the end of July 2015.

28. Ultimate parent company and controlling parties

The immediate parent company is CP Cayman Limited, a company registered in the Cayman Islands. The ultimate parent company is CP Cayman Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling parties are funds advised by The Blackstone Group. No company in the United Kingdom consolidates the results of the Center Parcs (Holdings 1) Limited Group.

Independent auditors' report to the members of Center Parcs (Holdings 1) Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Group and Company's affairs as at 24 April 2014 and of the Group's profit and cash flows for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Center Parcs (Holdings 1) Limited comprise:

- Group and Company balance sheets as at 24 April 2014;
- the Group income statement and statement of comprehensive income for the period then ended;
- the Group cash flow statement for the period then ended;
- the Group and Company statements of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted in the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgments, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What at audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group and Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors;
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Andrew Lyon BSc FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
24 June 2014

Center Parcs (Holdings 1) Limited
GROUP INCOME STATEMENT
FOR THE 52 WEEKS ENDED 24 APRIL 2014

Group Income Statement
For the 52 weeks ended 24 April 2014

	Note	2014 £m	2013 £m
Revenue	2	314.6	303.5
Cost of sales		(31.3)	(31.4)
Gross profit		283.3	272.1
Administrative expenses		(136.5)	(132.1)
Adjusted EBITDA	2	146.8	140.0
Depreciation and amortisation		(31.0)	(27.2)
Owners' costs		(1.5)	(1.7)
Operating profit	3	114.3	111.1
Finance income	4	0.4	0.3
Finance expense	4	(94.1)	(92.8)
Profit before taxation		20.6	18.6
Taxation	5	(4.0)	0.6
Profit for the period attributable to equity shareholders		16.6	19.2

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement. The loss for the parent company for the period was £11.1 million (2013: loss of £11.1 million).

All amounts relate to continuing activities.

The notes on pages 13 to 42 form part of these financial statements.

Center Parcs (Holdings 1) Limited
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 24 APRIL 2014

Group Statement of Comprehensive Income
For the 52 weeks ended 24 April 2014

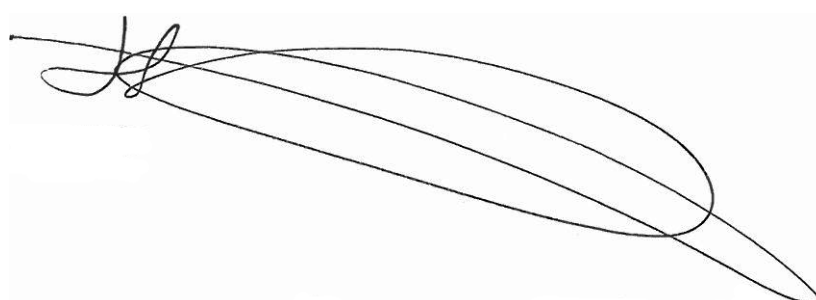
	<u>Note</u>	<u>2014</u> <u>£m</u>	<u>2013</u> <u>£m</u>
Profit for the period		<u>16.6</u>	<u>19.2</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	22	<u>0.6</u>	<u>(0.6)</u>
Other comprehensive income for the period		<u>0.6</u>	<u>(0.6)</u>
Tax relating to components of other comprehensive income	15	<u>(0.1)</u>	<u>0.1</u>
Total comprehensive income for the period		<u><u>17.1</u></u>	<u><u>18.7</u></u>

The notes on pages 13 to 42 form part of these financial statements.

Balance Sheets

	Note	Group		Company	
		As at	As at	As at	As at
		24 April 2014	25 April 2013	24 April 2014	25 April 2013
		£m	£m	£m	£m
Assets					
Non-current assets					
Goodwill	6	157.5	157.5	—	—
Other intangible assets	7	126.9	126.0	—	—
Property, plant and equipment	8	1,095.1	1,087.4	—	—
Investments in subsidiary undertakings	9	—	—	466.9	466.9
Deferred tax asset	15	11.5	14.2	—	—
		1,391.0	1,385.1	466.9	466.9
Current assets					
Inventories		2.9	2.8	—	—
Trade and other receivables	10	4.1	4.3	493.0	459.2
Current tax asset		3.1	—	—	—
Cash and cash equivalents		58.2	28.7	—	—
		68.3	35.8	493.0	459.2
Liabilities					
Current liabilities					
Borrowings	13	(0.3)	(0.3)	—	—
Trade and other payables	11	(114.6)	(106.4)	(657.8)	(612.9)
Current tax liability		—	(0.3)	—	—
		(114.9)	(107.0)	(657.8)	(612.9)
Net current liabilities		(46.6)	(71.2)	(164.8)	(153.7)
Non-current liabilities					
Borrowings	13	(995.3)	(991.5)	—	—
Trade and other payables	12	(113.1)	(98.5)	—	—
Retirement benefit obligations	22	(0.9)	(1.4)	—	—
Deferred tax liability	15	(109.2)	(113.7)	—	—
		(1,218.5)	(1,205.1)	—	—
		125.9	108.8	302.1	313.2
Equity attributable to owners of the parent					
Equity share capital	16	—	—	—	—
Share premium	17	—	199.9	—	199.9
Other reserve	17	10.0	10.0	126.1	126.1
Retained earnings	17	115.9	(101.1)	176.0	(12.8)
Total equity		125.9	108.8	302.1	313.2

The financial statements on pages 9 to 42 were approved by the Board of Directors on 24 June 2014 and were signed on its behalf by:



M P Dalby
Director

The notes on pages 13 to 42 form part of these financial statements.

Center Parcs (Holdings 1) Limited
GROUP CASH FLOW STATEMENT

Group Cash Flow Statement

	Note	52 weeks ended 24 April 2014 £m	52 weeks ended 25 April 2013 £m
Cash flows from operating activities			
Operating profit		114.3	111.1
Depreciation and amortisation		31.0	27.2
Working capital and non-cash movements	18	2.8	3.8
Difference between the pension charge and contributions		0.1	(0.1)
Corporation tax paid		(2.0)	(1.1)
Net cash from operating activities		<u>146.2</u>	<u>140.9</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(34.5)	(40.0)
Purchase of intangible assets		(2.4)	(2.1)
Sale of property, plant and equipment		0.2	0.1
Net cash used in investing activities		<u>(36.7)</u>	<u>(42.0)</u>
Cash flows from financing activities			
Issue costs paid on securitised debt		—	(1.7)
Interest received		0.4	0.3
Interest paid		(80.1)	(80.2)
Repayment of external borrowings		(0.3)	(0.3)
Net cash used in financing activities		<u>(80.0)</u>	<u>(81.9)</u>
Net increase in cash and cash equivalents		29.5	17.0
Cash and cash equivalents at beginning of the period		28.7	11.7
Cash and cash equivalents at end of the period		<u>58.2</u>	<u>28.7</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash and cash equivalents		29.5	17.0
Cash outflow from movement in debt		0.3	0.3
Change in net debt resulting from cash flows		29.8	17.3
Non-cash movements and deferred issue costs		(4.1)	(3.8)
Movement in net debt in the period		25.7	13.5
Net debt at beginning of the period		(963.1)	(976.6)
Net debt at end of the period	19	<u>(937.4)</u>	<u>(963.1)</u>

The Company had no cash flows in the current or prior period.

The notes on pages 13 to 42 form part of these financial statements.

Center Parcs (Holdings 1) Limited
STATEMENTS OF CHANGES IN EQUITY

Statements of Changes in Equity

<u>Group</u>	<u>Share capital</u> £m	<u>Share premium</u> £m	<u>Other reserve</u> £m	<u>Retained earnings</u> £m	<u>Total equity</u> £m
At 25 April 2013	—	199.9	10.0	(101.1)	108.8
Comprehensive income					
Profit for the period	—	—	—	16.6	16.6
Other comprehensive income	—	—	—	0.5	0.5
Transactions with owners					
Capital reduction	—	(199.9)	—	199.9	—
At 24 April 2014	<u>—</u>	<u>—</u>	<u>10.0</u>	<u>115.9</u>	<u>125.9</u>
 <u>Group</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>
At 26 April 2012	—	199.9	10.0	(119.8)	90.1
Comprehensive income					
Profit for the period	—	—	—	19.2	19.2
Other comprehensive expense	—	—	—	(0.5)	(0.5)
At 25 April 2013	<u>—</u>	<u>199.9</u>	<u>10.0</u>	<u>(101.1)</u>	<u>108.8</u>
 <u>Company</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>
At 25 April 2013	—	199.9	126.1	(12.8)	313.2
Comprehensive income					
Loss for the period	—	—	—	(11.1)	(11.1)
Transactions with owners					
Capital reduction	—	(199.9)	—	199.9	—
At 24 April 2014	<u>—</u>	<u>—</u>	<u>126.1</u>	<u>176.0</u>	<u>302.1</u>
 <u>Company</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>	 <u>£m</u>
At 26 April 2012	—	199.9	126.1	(1.7)	324.3
Comprehensive income					
Loss for the period	—	—	—	(11.1)	(11.1)
At 25 April 2013	<u>—</u>	<u>199.9</u>	<u>126.1</u>	<u>(12.8)</u>	<u>313.2</u>

The notes on pages 13 to 42 form part of these financial statements.

1. Accounting policies

General information

The Company is a limited company, which is incorporated and domiciled in the UK. The address of its registered office is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Basis of preparation

These consolidated financial statements for the 52 weeks ended 24 April 2014 (2013: 52 weeks ended 25 April 2013) have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) interpretations adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments and retirement benefit obligations. All accounting policies are consistent with the prior period.

The financial statements of Center Parcs (Holdings 1) Limited are typically drawn up to the Thursday nearest to its accounting reference date of 22 April.

Going concern

The Directors have assessed the financial position of the Group in light of the net current liabilities position at the end of the period. In assessing the going concern of the business they have considered the projected future trading and cash flows of the business. Using the evidence available to them they have concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Group will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

Basis of consolidation

On 28 February 2012 Center Parcs effected a corporate reorganisation under which Forest Holdco Limited and its subsidiary undertakings and CP Comet Holdings Limited and its subsidiary undertakings were combined into a single consolidated group headed by Center Parcs (Holdings 1) Limited. Before and after this reorganisation the entities were all under common control and hence the business combination was outside the scope of IFRS 3 'Business Combinations (revised)'.

The consolidated financial statements of Center Parcs (Holdings 1) Limited have been prepared under the principles of predecessor accounting, whereby an acquirer is not required to be identified, and all entities are included at their pre-combination carrying amounts. This accounting treatment results in differences on consolidation between consideration and the fair value of underlying net assets and this difference is included within equity as an other reserve.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

The consolidated financial statements incorporate the results of CPUK Finance Limited, a company set up with the sole purpose of issuing debt secured on assets owned by the Group. The Directors of Center Parcs (Holdings 1) Limited consider this company meets the definition of a special purpose entity under SIC 12 'Consolidation—Special Purpose Entities' and hence for the purpose of the consolidated financial statements it has been treated as a subsidiary undertaking. Details of this company are provided in note 26.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates are principally used in the following areas:

Property, plant and equipment: Useful lives of assets and residual values (see accounting policy)

Impairment test for goodwill: Growth and discount rates (note 6)

Other intangible assets: Useful lives of assets and residual values (see accounting policy)

Retirement benefits: Actuarial assumptions in respect of the defined benefit scheme (note 22)

Revenue

Revenue relates to villa rental income on holidays commenced during the period, together with other related income that primarily arises from on-village leisure, retail and food and beverage spend. Non-rental income is recognised when the related product or service is provided. All revenue is recorded net of VAT.

Payment for villa rental income is received in advance of holidays commencing, and is recorded as 'payments on account' within Trade and other payables until the holiday commences.

A number of trading units on each holiday village are operated by concession partners. Revenue due in respect of such units is recognised on a receivables basis.

All revenue arises in the United Kingdom.

Operating segments

The operating segments set out in note 2 to the consolidated financial statements are consistent with the internal reporting provided to the Chief Operating Decision Maker, as defined by IFRS 8 'Operating Segments'. The Chief Operating Decision Maker has been identified as the Board of Directors.

Exceptional items

Exceptional items are defined as those that, by virtue of their nature, size or expect frequency, warrant separate disclosure in the financial statements in order to fully understand the underlying performance of the Group.

Goodwill

Goodwill arising on acquisitions is capitalised and represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets and liabilities acquired. Goodwill is not amortised but is instead tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment is recognised immediately in the income statement. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Other intangible assets

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, which is generally considered to be four years.

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed four years.

Other purchased intangible assets

Other purchased intangible assets are capitalised at cost and are amortised over their useful economic lives. The Group's water boreholes are amortised on a straight-line basis over 13 years. The brand is not amortised as it is considered to have an indefinite life.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Property, plant and equipment

Management chose the cost basis under IAS 16 'Property, plant and equipment', rather than to apply the alternative (revaluation) treatment to all items of property, plant and equipment as its ongoing accounting policy. The cost of property, plant and equipment includes directly attributable costs. The Group elected to apply the optional exemption of IFRS 1 'First-time adoption of International Financial Reporting Standards' and, as such, the carrying value of properties that were previously held at fair value was treated as deemed cost at the date of adoption of IFRS.

Depreciation is provided on the cost of all property, plant and equipment (except assets in the course of construction), so as to write off the cost, less residual value, on a straight-line basis over the expected useful economic life of the assets concerned, using the following rates:

Installations	6.67%
Fixtures and fittings	14%
Motor vehicles	25%
Computer hardware	25%

Buildings are depreciated to residual value over 50 years. Land is not depreciated.

Useful lives and residual values are reviewed at each balance sheet date and revised where expectations are significantly different from previous estimates. In such cases, the depreciation charge for current and future periods is adjusted accordingly.

Maintenance expenditure

It is the policy of the Group to maintain its land and buildings to a high standard. Where maintenance expenditure increases the benefits that property, plant and equipment is expected to generate, this expenditure is capitalised. All other maintenance costs are charged to the income statement as incurred.

Leases

Leases are classified as finance leases if the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised at cost and depreciated over their useful lives. The capital element of future rentals is treated as a liability and the interest element is charged to the income statement over the period of the lease in proportion to the capital outstanding.

Rental payments on operating leases (net of any incentives received from the lessor and including minimum contractual rental increases) are charged to the income statement on a straight-line basis.

Investments in subsidiary undertakings

Investments are stated at cost, less any provision for permanent diminution in value. If there are indications of impairment, an assessment is made of the recoverable amount. An impairment loss is recognised in the income statement when the recoverable amount is lower than the carrying value.

Dividends receivable from investments in subsidiary undertakings are recognised in the income statement when approved by the shareholders of the company paying the dividend.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base. Deferred tax on properties assumes recovery through sale.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Inventories

The basis of valuation of inventories is the lower of cost on a first in first out basis and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory provisions are created where necessary to ensure that inventory is valued at the lower of cost and estimated net realisable value.

Financial instruments

The Group classifies its financial assets into two categories, being fair value through profit and loss, and loans and receivables. Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Other financial liabilities are carried at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Financial assets

The cost of investments, including loans to related parties, is their purchase cost together with any incremental costs of acquisition. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In deciding whether an impairment is required, the Directors consider the underlying value inherent in the investment. Provision is made against the cost of investments where, in the opinion of the Directors, there is an impairment in the value of the individual investment.

Trade receivables

Trade receivables are recognised initially at fair value. A provision for impairment of trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement.

Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and cash in hand.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Interest on borrowings is treated as an expense in the income statement, with the exception of interest costs incurred on the financing of major projects, which are capitalised within property, plant and equipment.

Early termination costs

Costs associated with the early repayment of borrowings are written off to the income statement as incurred.

Derivative financial instruments

The Group does not trade in derivative financial instruments. Derivative financial instruments have historically been used by the Group to manage its exposure to interest rates on long-term floating-rate borrowings. All derivative financial instruments are measured at the balance sheet date at their fair value. The Group does not currently hedge account for any derivatives. As such, any gain or loss on remeasurement is taken to the income statement.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Government grants

Government grants in respect of capital expenditure are categorised as accruals on receipt and are credited to the income statement over the useful life of the relevant property, plant and equipment. The government grant included in the balance sheet at the period end represents grants received to date, less the amount so far credited to the income statement.

Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting profit or loss, together with realised profits and losses arising during the period on the settlement of overseas assets and liabilities, are included in the trading results.

Employee benefits

Pensions

—Defined contribution pension scheme

Group employees can choose to be a member of a defined contribution pension scheme. A defined contribution pension scheme is a pension scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are charged to the income statement as incurred.

—Defined benefit pension scheme

A funded senior management defined benefit pension scheme also exists. A defined benefit pension scheme is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The surplus or liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates for high-quality corporate bonds, which have terms to maturity approximating the terms of the related pension liability.

Past-service costs are recognised immediately in the income statement. Remeasurement gains and losses are recognised in other comprehensive income.

Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Holiday pay

The Group recognises an appropriate liability for the cost of holiday entitlements not taken at the balance sheet date.

Share capital

Ordinary shares are classified as equity.

Other reserve

The other reserve in the consolidated financial statements represents the differences on consolidation arising on the adoption of predecessor accounting. This comprises the difference between consideration paid and the book value of net assets acquired in the transaction.

The other reserve in the Company financial statements represents the application of group reconstruction relief in accordance with section 612 of the Companies Act 2006, following the acquisition of certain subsidiaries in prior periods from fellow group companies.

New standards and interpretations

The only new accounting standards or interpretations effective in the current period are a revision to IAS 1 'Presentation of financial statements' in respect of the presentation of other comprehensive income, a revision to IAS 19 'Employee benefits' in respect of the measurement of termination benefits and a new accounting standard IFRS 13 'Fair value measurement', setting out a framework for measuring fair value and required disclosures. These have not had a material impact on the financial statements of the Group and Company and are unlikely to have a material impact in the future.

The audited consolidated financial statements for the period ended 25 April 2013 have not been restated for the adoption of IAS 19 revised as the impact is not significant to the result or financial position.

The International Accounting Standards Board (IASB) and IFRIC have issued the following new or revised standards and interpretations with an effective date for financial periods beginning on or after the dates disclosed below and therefore after the date of these financial statements. The IASB has also issued a number of minor amendments to standards as part of their annual improvement process.

IFRS 7	Financial instruments: Disclosures Mandatory effective date and transition disclosures (amendments to IFRS9 and IFRS7)	1 January 2015
IFRS 9	Financial instruments New accounting standard	1 January 2018
IFRS 10	Consolidated financial statements Investment entities	1 January 2014
IFRS 12	Disclosure of interests in other entities Investment entities	1 January 2014
IAS 27	Separate financial statements Investment entities	1 January 2014
IAS 32	Financial instruments: Presentation Offsetting financial assets and financial liabilities	1 January 2014
IFRIC 21	Levies	1 January 2014

The adoption of IFRS 9 ‘Financial Instruments’ is expected to change the disclosure given in respect of financial instruments but not the amounts reported in the financial statements. The Directors do not anticipate that the adoption of any other standards and interpretations listed above will have a material impact on the Group or Company’s financial statements in the period of initial application.

2. Segmental reporting

52 weeks ended 24 April 2014	Sherwood Forest	Elveden Forest	Longleat Forest	Whinfell Forest	Central Services	Group
	£m	£m	£m	£m	£m	£m
Revenue	81.0	83.2	76.6	73.8	—	314.6
Adjusted EBITDA	44.5	44.8	39.5	37.3	(19.3)	146.8
Depreciation and amortisation						(31.0)
Owners’ costs						(1.5)
Operating profit						114.3

52 weeks ended 25 April 2013	Sherwood Forest	Elveden Forest	Longleat Forest	Whinfell Forest	Central Services	Group
	£m	£m	£m	£m	£m	£m
Revenue	78.7	79.2	75.3	70.3	—	303.5
Adjusted EBITDA	42.6	42.1	39.1	34.9	(18.7)	140.0
Depreciation and amortisation						(27.2)
Owners’ costs						(1.7)
Operating profit						111.1

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker, as defined by IFRS 8 ‘Operating Segments’. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The operating segments are the four holiday villages that the business operates. In addition there are certain centralised administrative costs that cannot be allocated directly to an operating segment.

The primary profit measure used by the Chief Operating Decision Maker is Adjusted EBITDA, being earnings before interest, taxation, depreciation, amortisation, exceptional items and owners’ costs (those costs payable to The Blackstone Group and associated entities).

The internal reporting does not disaggregate the balance sheet to each operating segment.

The split of revenue was £186.0 million (2013: £179.3 million) for accommodation and £128.6 million (2013: £124.2 million) for on-site spend.

3. Operating profit

The following items have been included in arriving at the Group’s operating profit:

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Staff costs (note 21)	72.4	70.2
Cost of inventories	28.4	28.8
Depreciation of property, plant and equipment—owned assets (note 8)	28.8	25.4
Amortisation of intangible assets (note 7)	2.2	1.8
Operating lease rentals—land and buildings	0.6	0.6
Repairs and maintenance expenditure on property, plant and equipment	8.2	8.7
Services provided by the Group’s auditors	0.2	0.2

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

During the period, the Group obtained the following services from the Group's auditors:

	52 weeks ended 24 April 2014 £m	52 weeks ended 25 April 2013 £m
Charged to the income statement:		
Audit of the parent company, subsidiary and consolidated financial statements	0.2	0.2
Tax advisory services	0.1	—
	<u>0.3</u>	<u>0.2</u>

The Directors monitor the level of non-audit work undertaken by the auditors and ensure it is work which they are best suited to perform and does not present a risk to their independence and objectivity.

The audit fee above includes £2,000 (2013: £2,000) for the audit of the parent company.

In addition to the above services, the Group's auditors act as auditor to the Center Parcs pension scheme. The appointment of auditors to the Group's pension scheme and fees paid in respect of those audits are agreed by the trustees of the scheme who act independently from the management of the Group. The aggregate fees paid to the auditors for these services during the period were £5,000 (2013: £5,000).

4. Net finance costs

	Group		Company	
	52 weeks ended 24 April 2014 £m	52 weeks ended 25 April 2013 £m	52 weeks ended 24 April 2014 £m	52 weeks ended 25 April 2013 £m
Finance expense				
Interest payable on borrowings	(84.0)	(83.7)	—	—
Interest on unsecured loan notes	(10.1)	(9.1)	—	—
Interest payable to Group undertakings	—	—	(44.9)	(44.7)
Total finance expense	<u>(94.1)</u>	<u>(92.8)</u>	<u>(44.9)</u>	<u>(44.7)</u>
Finance income				
Bank interest receivable	0.4	0.3	—	—
Interest receivable from Group undertakings	—	—	33.8	33.6
Total finance income	<u>0.4</u>	<u>0.3</u>	<u>33.8</u>	<u>33.6</u>
Net finance costs	<u>(93.7)</u>	<u>(92.5)</u>	<u>(11.1)</u>	<u>(11.1)</u>

5. Taxation

(a) Taxation

The Group tax (charge)/credit is made up as follows:

	52 weeks ended 24 April 2014 £m	52 weeks ended 25 April 2013 £m
Current tax:		
—Current year	(4.5)	(1.4)
—Adjustment in respect of prior periods	(1.4)	—
	<u>(5.9)</u>	<u>(1.4)</u>
Deferred tax:		
Origination and reversal of timing differences	1.9	2.0
Taxation (note 5(b))	<u>(4.0)</u>	<u>0.6</u>

The Company had a tax charge of £nil in the period (2013: £nil).

(b) **Factors affecting the tax charge**

Group

The tax assessed for the period is lower (2013: lower) than that resulting from applying the standard rate of corporation tax in the UK of 23% (2013: 24%). The difference is reconciled below:

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Profit before taxation	20.6	18.6
Profit before taxation multiplied by the standard rate of corporation tax in the UK	4.7	4.5
Adjustments in respect of prior periods	13.8	2.2
Permanent differences and expenses not deductible for tax purposes	2.0	0.5
Impact of change in corporation tax rate	(12.0)	(4.5)
Indexation on future capital gains	(2.5)	(3.3)
Brought forward losses not previously recognised	(2.0)	—
Tax charge/(credit) for the period (note 5(a))	<u>4.0</u>	<u>(0.6)</u>

Company

The tax assessed for the period is higher (2013: higher) than that resulting from applying the standard rate of corporation tax in the UK of 23% (2013: 24%). The difference is reconciled below:

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Loss before taxation	(11.1)	(11.1)
Loss before taxation multiplied by the standard rate of corporation tax in the UK	(2.6)	(2.7)
Group relief not paid for	2.6	2.7
Tax charge for the period (note 5(a))	<u>—</u>	<u>—</u>

Change of corporation tax rate and factors that may affect future tax charges

The March 2013 Budget included legislation to reduce the main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. This legislation was substantively enacted for financial reporting purposes on 2 July 2013 and hence has been reflected in these financial statements.

6. **Goodwill**

	<u>Group</u> £m
Cost and net book value	
At 24 April 2014, 25 April 2013 and 26 April 2012	<u>157.5</u>

Impairment test for goodwill

Goodwill is allocated to the Group's eight cash-generating units (CGUs), being the accommodation and on-site revenue streams at each of the four villages. Goodwill by revenue stream is presented below:

	2014 £m	2013 £m
Accommodation	141.8	141.8
On-site	15.7	15.7
	<u>157.5</u>	<u>157.5</u>

The Directors consider that the economic characteristics and future expectations are materially consistent across each of the villages within each revenue stream.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a one year period. Cash flows beyond the one year period are extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations

The key assumptions of the value-in-use calculation are EBITDA margin, perpetual growth rate and discount rate for each of on-site and accommodation. The growth rate used is 2.5% (2013: 2.5%) in respect of both accommodation and on-site. The discount rate used is 7.73% (2013: 7.73%) in respect of both accommodation and on-site.

Management determine budgeted EBITDA margins based on past performance and expectations of market development. The growth rates used reflect management's expectations of the future market. Discount rates used are pre-tax and reflect the specific risks to the Group.

Based on the value-in-use calculations performed, the Directors have concluded that there is no impairment of goodwill. The Directors have performed sensitivity analysis using the full range of reasonable assumptions and no impairment triggers have been identified.

The Company has no goodwill.

7. Other intangible assets

<u>Group</u>	<u>Software</u> £m	<u>Brand</u> £m	<u>Water boreholes</u> £m	<u>Total</u> £m
Cost				
At 26 April 2013	4.3	121.2	3.2	128.7
Additions	2.4	—	—	2.4
Disposals	(3.1)	—	—	(3.1)
Reclassifications from property, plant and equipment	7.0	—	—	7.0
At 24 April 2014	10.6	121.2	3.2	135.0
Amortisation				
At 26 April 2013	1.0	—	1.7	2.7
Charge for the period	2.0	—	0.2	2.2
On disposals	(3.1)	—	—	(3.1)
On reclassifications from property, plant and equipment	6.3	—	—	6.3
At 24 April 2014	6.2	—	1.9	8.1
Net book amount at 25 April 2013	3.3	121.2	1.5	126.0
Net book amount at 24 April 2014	4.4	121.2	1.3	126.9

<u>Group</u>	<u>Software</u> £m	<u>Advance bookings</u> £m	<u>Brand</u> £m	<u>Repeat business</u> £m	<u>Water boreholes</u> £m	<u>Total</u> £m
Cost						
At 27 April 2012	6.0	7.1	121.2	20.4	3.2	157.9
Additions	2.1	—	—	—	—	2.1
Disposals	(3.8)	(7.1)	—	(20.4)	—	(31.3)
At 25 April 2013	4.3	—	121.2	—	3.2	128.7
Amortisation						
At 27 April 2012	3.2	7.1	—	20.4	1.5	32.2
Charge for the period	1.6	—	—	—	0.2	1.8
On disposals	(3.8)	(7.1)	—	(20.4)	—	(31.3)
At 25 April 2013	1.0	—	—	—	1.7	2.7
Net book amount at 26 April 2012	2.8	—	121.2	—	1.7	125.7
Net book amount at 25 April 2013	3.3	—	121.2	—	1.5	126.0

The brand is considered to have an indefinite life due to the continued investment that is made in the guest facilities and the ongoing marketing campaigns of the business. An impairment review using the same assumptions as detailed in note 6 has been undertaken and no impairment was indicated (2013: £nil). Amortisation has been charged through administrative expenses in the income statement.

The Company has no other intangible assets.

8. Property, plant and equipment

Group	Land and buildings	Installations	Fixtures and fittings	Motor vehicles and hardware	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 26 April 2013	910.7	204.1	52.2	19.4	0.4	1,186.8
Additions	—	22.7	8.1	4.1	2.3	37.2
Disposals	—	(0.1)	(10.4)	(2.9)	—	(13.4)
Transfers	—	2.7	0.1	—	(2.8)	—
Reclassifications to software	—	(6.0)	—	(3.5)	2.5	(7.0)
At 24 April 2014	910.7	223.4	50.0	17.1	2.4	1,203.6
Depreciation						
At 26 April 2013	8.5	55.7	21.3	13.9	—	99.4
Charge for the period	1.5	14.4	9.6	3.3	—	28.8
On disposals	—	(0.1)	(10.4)	(2.9)	—	(13.4)
On reclassifications to software	—	(3.6)	—	(2.7)	—	(6.3)
At 24 April 2014	10.0	66.4	20.5	11.6	—	108.5
Net book amount at 25 April 2013	902.2	148.4	30.9	5.5	0.4	1,087.4
Net book amount at 24 April 2014	900.7	157.0	29.5	5.5	2.4	1,095.1

Group	Land and buildings	Installations	Fixtures and fittings	Motor vehicles and hardware	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 27 April 2012	910.2	178.7	54.4	17.1	3.0	1,163.4
Additions	—	23.2	8.1	3.9	2.6	37.8
Disposals	—	—	(12.3)	(2.1)	—	(14.4)
Transfers	0.5	2.2	2.0	0.5	(5.2)	—
At 25 April 2013	910.7	204.1	52.2	19.4	0.4	1,186.8
Depreciation						
At 27 April 2012	7.0	43.3	24.8	13.3	—	88.4
Charge for the period	1.5	12.4	8.8	2.7	—	25.4
On disposals	—	—	(12.3)	(2.1)	—	(14.4)
At 25 April 2013	8.5	55.7	21.3	13.9	—	99.4
Net book amount at 26 April 2012	903.2	135.4	29.6	3.8	3.0	1,075.0
Net book amount at 25 April 2013	902.2	148.4	30.9	5.5	0.4	1,087.4

Depreciation has been charged through administrative expense in the income statement.

The Company has no property, plant and equipment.

9. Investments in subsidiary undertakings

<u>Company</u>	<u>£m</u>
Cost and net book value	
At 24 April 2014, 25 April 2013 and 26 April 2012	466.9

The investment at 24 April 2014 relates to 100% of the ordinary shares of Center Parcs (Holdings 2) Limited, a company registered in England and Wales. The principal activity of Center Parcs (Holdings 2) Limited is that of an intermediate holding company. Center Parcs (Holdings 2) Limited made a profit of £nil (2013: £nil) for the period ended 24 April 2014 and had net assets at that date of £466.9 million (2013: £466.9 million).

The Directors believe that the carrying value of investments is supported by the recoverable amount of the investee.

10. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	£m	£m	£m	£m
Amounts falling due within one year:				
Trade receivables	2.3	1.9	—	—
Amounts owed by related parties	0.1	0.2	—	—
Amounts owed by Group undertakings	—	—	493.0	459.2
Prepayments and accrued income	1.7	2.2	—	—
	4.1	4.3	493.0	459.2

The fair value of trade and other receivables are equal to their book value and no impairment provisions have been made (2013: £nil). Concentrations of credit risk with respect to trade receivables are limited due to the vast majority of customers paying in advance. As such there are no amounts past due as all amounts are current (2013: £nil).

Amounts owed by related parties are interest-free, unsecured and repayable on demand.

Amounts owed by Group undertakings include loans totalling £422.7 million (2013: £422.7 million) due from Center Parcs (Holdings 3) Limited and the associated unpaid interest. Interest is receivable at a rate of 8% per annum and is not compounded. Interest of £33.8 million (2013: £33.6 million) was receivable during the period. The figure above is shown net of an interest-free payable of £2.2 million (2013: £2.2 million) in respect of normal trading activities.

All amounts owed by Group undertakings are unsecured and repayable on demand.

11. Trade and other payables—current

	Group		Company	
	2014	2013	2014	2013
	£m	£m	£m	£m
Trade payables	6.7	4.6	—	—
Other tax and social security	10.7	9.8	—	—
Other payables	0.9	0.4	—	—
Amounts owed to related parties	0.5	1.1	0.2	0.2
Amounts owed to Group undertakings	—	—	657.6	612.7
Accruals	40.8	36.5	—	—
Payments on account	55.0	54.0	—	—
	114.6	106.4	657.8	612.9

Amounts owed to Group undertakings include loans of £561.2 million (2013: £561.2 million) due to other members of the Center Parcs (Holdings 1) Limited Group and the associated unpaid interest. Interest is payable at a rate of 8% per annum and is not compounded. Interest of £44.9 million (2013: £44.7 million) was payable during the period. The figure above is shown net of an interest-free receivable of £0.4 million (2013: £0.4 million) in respect of normal trading activities.

At the year end there were other amounts owed to Group undertakings of £0.4 million (2013: £0.4 million). These balances are interest-free.

All amounts owed to related parties and Group undertakings are unsecured and repayable on demand.

12. Trade and other payables—non-current

	Group	
	2014	2013
	£m	£m
Amounts owed to related parties	113.1	98.5

Of the total amounts owed to related parties, £108.6 million (2013: £98.5 million) represents £50.0 million of unsecured loan notes and the unpaid interest thereon. The loan notes are held by UK Parcs Holdings Sarl, a company registered in Luxembourg, and incur compound interest at a rate of 10% per annum. The loan notes are redeemable on 15 May 2016.

The remaining balance of £4.5 million (2013: £nil) represents a balance due to CP Woburn (Operating Company) Limited in respect of group relief surrendered to the Group by that company.

All amounts are unsecured and denominated in £ sterling.

The Company has no non-current trade and other payables.

13. Borrowings

	Group	
	2014	2013
	£m	£m
Current		
Secured mortgage due within one year	0.3	0.3
Non-current		
Secured mortgage	1.4	1.7
Securitised debt	993.9	989.8
	995.3	991.5

The Group has a mortgage secured over its head office which incurs interest at LIBOR plus 1.125% and matures in 2020. Annual repayments on this mortgage total £267,000. A one percentage point movement in interest rates would affect this interest charge by approximately £17,000 (2013: £20,000).

The securitised debt consists of the following:

	2014	2013
	£m	£m
Tranche A1	300.0	300.0
Tranche A2	440.0	440.0
Tranche B	280.0	280.0
Unamortised deferred issue costs	(26.1)	(30.2)
	993.9	989.8

The securitised debt represents a £1,020.0 million facility made available to the Group. The total facility was drawn down on 28 February 2012.

The tranche A1 notes have an expected maturity date of 28 February 2017 and a final maturity date of 28 February 2042. The interest rate to expected maturity is fixed at 4.811% and the interest rate from expected maturity to final maturity is fixed at 7.169%.

The tranche A2 notes have an expected maturity date of 28 February 2024 and a final maturity date of 28 February 2042. The interest rate to expected maturity is fixed at 7.239% and the interest rate from expected maturity to final maturity is fixed at 7.919%.

The tranche B notes have an expected maturity date of 28 February 2018 and a final maturity date of 28 February 2042. The interest rate to 28 February 2020 is fixed at 11.625% and the interest rate from 29 February 2020 to final maturity is fixed at 6.25%.

The tranche B debt is subordinated to the tranche A debt. Both include optional prepayment clauses permitting the Group to repay the debt in advance of the expected maturity date. All tranches of debt are subject to financial covenants. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenants.

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

Interest of £12.0 million (2013: £12.2 million) was accrued in respect of the securitised debt at 24 April 2014.

The maturity of the Group's borrowings is as follows:

Group	Less than one year £m	Two to five years £m	Greater than five years £m	Deferred issue costs £m	Total £m
At 24 April 2014					
Secured mortgage	0.3	1.1	0.3	—	1.7
Securitised debt	—	580.0	440.0	(26.1)	993.9
Total borrowings	0.3	581.1	440.3	(26.1)	995.6
At 25 April 2013					
Secured mortgage	0.3	1.1	0.6	—	2.0
Securitised debt	—	580.0	440.0	(30.2)	989.8
Total borrowings	0.3	581.1	440.6	(30.2)	991.8

All amounts are denominated in £ sterling.

The Company has no borrowings.

14. Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the items below. As at 24 April 2014 and 25 April 2013 all of the Group's financial assets were categorised as loans and receivables and all of the Group's financial liabilities were categorised as other financial liabilities. No financial assets or financial liabilities were carried at fair value through profit and loss.

	Group	
	2014 £m	2013 £m
Financial assets		
Trade receivables	2.3	1.9
Other receivables	0.1	0.2
Cash and cash equivalents	58.2	28.7
	60.6	30.8
Financial liabilities		
Borrowings	995.6	991.8
Trade payables	6.7	4.6
Accruals	40.8	36.5
Other payables due within one year	1.4	1.5
Other payables due after more than one year	113.1	98.5
	1,157.6	1,132.9

The only financial instruments held by the Company are other receivables of £493.0 million (2013: £459.2 million), which are categorised as loan and receivables, and other payables of £657.8 million (2013: £612.9 million) which are categorised as other financial liabilities.

Fair value hierarchy

IFRS 13 'Financial Instruments: Disclosures' requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

All of the Group's fair value measurements have been categorised as Level 2 and fair values are derived directly from observable prices. There were no transfers between levels during the current or prior period.

Fair value of financial assets and financial liabilities

The fair value of the Group's securitised debt is:

	24 April 2014		25 April 2013	
	Book value	Fair value	Book value	Fair value
	£m	£m	£m	£m
Tranche A1	300.0	318.9	300.0	326.4
Tranche A2	440.0	541.1	440.0	555.8
Tranche B	280.0	313.6	280.0	318.5
	1,020.0	1,173.6	1,020.0	1,200.7

The fair value of all other financial assets and financial liabilities are approximately equal to their book values.

Maturity of financial liabilities

The non-discounted minimum future cash flows in respect of non-current financial liabilities are:

<u>At 24 April 2014</u>	Unsecured loan notes	Securitised debt	Mortgage	Total
	£m	£m	£m	£m
In more than one year but not more than two years	—	78.8	0.3	79.1
In more than two years but not more than five years	132.8	833.9	1.3	968.0
In more than five years	—	599.3	0.5	599.8
	132.8	1,512.0	2.1	1,646.9

<u>At 25 April 2013</u>	Unsecured loan notes	Securitised debt	Mortgage	Total
	£m	£m	£m	£m
In more than one year but not more than two years	—	78.8	0.3	79.1
In more than two years but not more than five years	132.8	880.9	1.3	1,015.0
In more than five years	—	631.1	0.8	631.9
	132.8	1,590.8	2.4	1,726.0

The Company has no non-current financial liabilities.

Financial risk management

The Group finances its operations through a mixture of equity and borrowings as required. The Group has sought to reduce its cost of capital by refinancing and restructuring the Group's funding using the underlying asset value.

The overall policy in respect of interest rates is to reduce the Group's exposure to interest rate fluctuations, and the Group's primary source of borrowings is fixed interest rate loan notes.

The Group does not actively trade in derivative financial instruments.

Interest rate risk

The Group has a floating rate mortgage and fixed rate loan notes as its only external funding sources. As at 24 April 2014, 99% (25 April 2013: 99%) of the Group's external financial borrowings incurred interest at a fixed rate.

Liquidity risk

As at 24 April 2014, the Group held sufficient levels of cash to enable it to meet its medium-term working capital and funding obligations. Rolling forecasts of the Group's liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

Currency risk

The Group is exposed to limited currency risk through foreign currency transactions. The Group does not operate a hedging facility to manage currency risk as it is considered to be insignificant.

Credit risk

The Group borrows from well-established institutions with high credit ratings. The Group's cash balances are held on deposit with a number of UK banking institutions.

15. Deferred tax

	Group	
	2014	2013
	£m	£m
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	11.5	14.2
	<u>11.5</u>	<u>14.2</u>
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months	(109.2)	(113.7)
	<u>(109.2)</u>	<u>(113.7)</u>

The movement on the deferred tax account is:

	Group	
	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
At the beginning of the period	(99.5)	(101.6)
Credited to the income statement	1.9	2.0
(Charged)/credited to the statement of comprehensive income	(0.1)	0.1
At the end of the period	<u>(97.7)</u>	<u>(99.5)</u>

Group	Capital gains	Accelerated capital allowances	Short-term timing differences	Pension	Intangible assets	Total
	£m	£m	£m	£m	£m	£m
At 26 April 2013	(85.5)	11.1	2.8	0.3	(28.2)	(99.5)
(Charged)/credited to the income statement	(2.8)	1.5	(0.5)	—	3.7	1.9
Charged to the statement of comprehensive income	—	—	—	(0.1)	—	(0.1)
At 24 April 2014	<u>(88.3)</u>	<u>12.6</u>	<u>2.3</u>	<u>0.2</u>	<u>(24.5)</u>	<u>(97.7)</u>

Group	Capital gains	Accelerated capital allowances	Short-term timing differences	Pension	Intangible assets	Total
	£m	£m	£m	£m	£m	£m
At 27 April 2012	(92.4)	18.1	2.1	0.2	(29.6)	(101.6)
Credited/(charged) to the income statement	6.9	(7.0)	0.7	—	1.4	2.0
Credited to the statement of comprehensive income	—	—	—	0.1	—	0.1
At 25 April 2013	<u>(85.5)</u>	<u>11.1</u>	<u>2.8</u>	<u>0.3</u>	<u>(28.2)</u>	<u>(99.5)</u>

The Group has an unrecognised deferred tax asset of £8.7 million (2013: £12.3 million).

Deferred tax is calculated at a rate of 20% (2013: 23%).

The Company has no deferred tax.

16. Equity share capital

	Company	
	2014	2013
	£m	£m
Allotted and fully paid		
4 ordinary shares of £1 each	—	—

Management of capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt.

17. Share premium, other reserve and retained earnings

<u>Group</u>	<u>Share premium</u> £m	<u>Other reserve</u> £m	<u>Retained earnings</u> £m
At 26 April 2013	199.9	10.0	(101.1)
Profit for the period	—	—	16.6
Net movement on pension scheme	—	—	0.5
Capital reduction	(199.9)	—	199.9
At 24 April 2014	<u>—</u>	<u>10.0</u>	<u>115.9</u>

<u>Group</u>	<u>Share premium</u> £m	<u>Other reserve</u> £m	<u>Retained earnings</u> £m
At 27 April 2012	199.9	10.0	(119.8)
Profit for the period	—	—	19.2
Net movement on pension scheme	—	—	(0.5)
At 25 April 2013	<u>199.9</u>	<u>10.0</u>	<u>(101.1)</u>

<u>Company</u>	<u>Share premium</u> £m	<u>Other reserve</u> £m	<u>Retained earnings</u> £m
At 26 April 2013	199.9	126.1	(12.8)
Loss for the period	—	—	(11.1)
Capital reduction	(199.9)	—	199.9
At 24 April 2014	<u>—</u>	<u>126.1</u>	<u>176.0</u>

<u>Company</u>	<u>Share premium</u> £m	<u>Other reserve</u> £m	<u>Retained earnings</u> £m
At 27 April 2012	199.9	126.1	(1.7)
Loss for the period	—	—	(11.1)
At 25 April 2013	<u>199.9</u>	<u>126.1</u>	<u>(12.8)</u>

On 1 August 2013 the Company undertook a capital reduction. The impact of this was to reduce the share premium by £199.9 million and increase retained earnings by the same amount.

18. Working capital and non-cash movements

	<u>Group</u>	
	<u>52 weeks ended 24 April 2014</u> £m	<u>52 weeks ended 25 April 2013</u> £m
Profit on disposal of property, plant and equipment	(0.2)	(0.1)
Increase in inventories	(0.1)	—
Decrease in trade and other receivables	0.2	6.3
Increase/(decrease) in trade and other payables	2.9	(2.4)
	<u>2.8</u>	<u>3.8</u>

The Company has no working capital and non-cash movements.

19. Analysis of net debt

	At 25 April 2013	Cash flow	Non-cash movements and deferred issue costs	At 24 April 2014
	£m	£m	£m	£m
Cash and cash equivalents				
Cash at bank and in hand	<u>28.7</u>	29.5	—	<u>58.2</u>
	<u>28.7</u>	<u>29.5</u>	—	<u>58.2</u>
Debt due within one year				
Mortgage	<u>(0.3)</u>	0.3	(0.3)	<u>(0.3)</u>
	<u>(0.3)</u>	<u>0.3</u>	<u>(0.3)</u>	<u>(0.3)</u>
Debt due after more than one year				
Mortgage	<u>(1.7)</u>	—	0.3	<u>(1.4)</u>
Securitised debt	<u>(989.8)</u>	—	(4.1)	<u>(993.9)</u>
	<u>(991.5)</u>	<u>—</u>	<u>(3.8)</u>	<u>(995.3)</u>
	<u>(963.1)</u>	<u>29.8</u>	<u>(4.1)</u>	<u>(937.4)</u>

Net debt excludes loans from related parties.

20. Capital commitments

At the balance sheet date, the Group had capital expenditure contracted for but not provided of £8.6 million (2013: £6.9 million).

The Company has no capital commitments.

21. Employees and Directors

	Group	
	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Staff costs during the period:		
Wages and salaries	65.7	64.0
Social security costs	3.9	3.8
Pension costs	2.8	2.4
	<u>72.4</u>	<u>70.2</u>

The monthly average number of people (including executive Directors) employed by the Group during the period was:

	Group	
	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
By activity:		
Leisure, retail and food and beverage	2,233	2,211
Housekeeping, technical and estate services	2,590	2,510
Administration	603	582
	<u>5,426</u>	<u>5,303</u>

Employee numbers include only those on contracts of service and hence exclude temporary workers.

Key management compensation

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Aggregate emoluments (including money purchase pension contributions)	<u>2.6</u>	<u>2.7</u>

Key management compensation encompasses the Directors and certain senior managers of the Group.

Directors' remuneration

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Aggregate emoluments (including money purchase pension contributions)	<u>1.4</u>	<u>1.5</u>

One Director (2013: one) has retirement benefits accruing under the Group's money purchase pension scheme, in respect of which the Group made contributions of £28,300 (2013: £27,500) in the period. In addition, retirement benefits are accruing to two Directors (2013: two) under the Group's defined benefit pension scheme.

Included in the above are the following amounts in respect of the highest paid Director, who is a member of the Group's defined benefit pension scheme:

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Aggregate emoluments	0.7	0.8
Accrued pension at the end of the period	0.3	0.3

22. Pension commitments

Defined contribution pension scheme

The Group participates in the Center Parcs pension scheme, which is a defined contribution pension scheme with a contributory and a non-contributory membership level. Pension costs for the defined contribution scheme for the period ended 24 April 2014 were £2.4 million (2013: £2.1 million).

Accruals per note 11 include £0.3 million (2013: £0.3 million) in respect of defined contribution pension scheme costs.

Defined benefit pension scheme

The Group operates a funded defined benefit pension scheme for certain employees. Contributions are determined by an independent qualified actuary using assumptions on the rate of return on investments and rates of increases in salaries and benefits.

The last actuarial valuation of the scheme was performed on 1 August 2011. This was updated to 24 April 2014 by a qualified independent actuary.

	2014	2013
Discount rate	4.25%	3.90%
Rate of increase in pensions in payment	3.25%	3.00%
Inflation	2.50%	2.25%
Rate of increase in salaries	2.50%	2.25%
Life expectancy from age 60, for a male:		
Currently age 60	31.8 years	31.7 years
Currently age 50	32.8 years	32.7 years

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

The amounts recognised in the balance sheet are determined as follows:

	<u>2014</u>	<u>2013</u>
	<u>£m</u>	<u>£m</u>
Present value of funded obligations	(12.7)	(12.8)
Fair value of plan assets	11.8	11.4
Net pension liability	<u>(0.9)</u>	<u>(1.4)</u>

At the balance sheet date, the present value of the defined benefit obligation was comprised as follows:

	<u>Number of</u>	<u>Liability</u>	<u>Duration</u>
	<u>members</u>	<u>split</u>	<u>(years)</u>
Active members	4	66%	19
Deferred members	5	27%	23
Pensioners	1	7%	16
Total	<u>10</u>	<u>100%</u>	<u>20</u>

The major categories of plan assets as a percentage of total plan assets are as follows:

	<u>2014</u>	<u>2013</u>
	<u>%</u>	<u>%</u>
Equity securities	64	76
Debt securities	36	20
Cash and cash equivalents	—	4

The movement in the defined benefit obligation over the period is as follows:

	<u>Fair value</u>	<u>Present</u>	<u>Total</u>
	<u>of plan</u>	<u>value of</u>	<u></u>
	<u>assets</u>	<u>obligation</u>	<u></u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
At 26 April 2013	11.4	(12.8)	(1.4)
Current service cost	—	(0.4)	(0.4)
Interest income/(expense)	0.4	(0.4)	—
	<u>11.8</u>	<u>(13.6)</u>	<u>(1.8)</u>
Remeasurements:			
—Return on plan assets, excluding amount included in interest	0.3	—	0.3
—Gain from change in financial assumptions	—	0.3	0.3
	<u>0.3</u>	<u>0.3</u>	<u>0.6</u>
Employer contributions	0.3	—	0.3
Benefit payments from plan	(0.6)	0.6	—
At 24 April 2014	<u>11.8</u>	<u>(12.7)</u>	<u>(0.9)</u>

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

	Fair value of plan assets	Present value of obligation	Total
	£m	£m	£m
At 27 April 2012	9.3	(10.2)	(0.9)
Current service cost	—	(0.3)	(0.3)
Interest income/(expense)	0.5	(0.5)	—
	<u>9.8</u>	<u>(11.0)</u>	<u>(1.2)</u>
Remeasurements:			
—Return on plan assets, excluding amount included in interest	1.2	—	1.2
—Loss from change in financial assumptions	—	(1.4)	(1.4)
—Experience losses	—	(0.4)	(0.4)
	<u>1.2</u>	<u>(1.8)</u>	<u>(0.6)</u>
Employer contributions	0.4	—	0.4
Benefit payments from plan	—	—	—
At 25 April 2013	<u>11.4</u>	<u>(12.8)</u>	<u>(1.4)</u>

The current service cost and interest income/expense is recognised in the income statement. Remeasurements are recognised in other comprehensive income.

Expected contributions to the defined benefit pension scheme for the 52 weeks ending 23 April 2015 are £0.4 million.

23. Operating lease commitments

	Group	
	Land and buildings	
	2014	2013
	£m	£m
Commitments under non-cancellable operating leases due:		
Within one year	0.6	0.6
In more than one year but less than five years	2.6	2.6
In more than five years	34.8	35.4
	<u>38.0</u>	<u>38.6</u>

The Group has no other operating lease commitments.

The Company has no operating lease commitments.

24. Related parties

During the current and prior period the Group and Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and balance outstanding, are as follows:

	Balance at 25 April 2013	Movement in 52 weeks	Balance at 24 April 2014
<u>Group</u>	£m	£m	£m
UK Parcs Holdings Sarl	(98.5)	(10.1)	(108.6)
CP Woburn (Operating Company) Limited	—	(4.5)	(4.5)
CP Cayman Midco 2 Limited	(0.9)	0.6	(0.3)
Funds advised by The Blackstone Group	(0.2)	—	(0.2)
Tragus Group Limited	0.2	(0.1)	0.1

UK Parcs Holdings Sarl, CP Woburn (Operating Company) Limited and CP Cayman Midco 2 Limited share an ultimate controlling party with the Group, being funds advised by The Blackstone Group.

The movement on the balance with UK Parcs Holdings Sarl represent interest payable.

The movement on the balance with CP Woburn (Operating Company) Limited represents payment due for group relief surrendered to the Group.

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

The movement on the balance with CP Cayman Midco 2 Limited represents a repayment of the loan balance.

Management charges of £1.5 million (2013: £1.7 million) were payable to The Blackstone Group and associated companies during the period.

Certain food and beverage outlets on the villages are operated by Tragus Group Limited, a company with the same ultimate ownership as Center Parcs (Holdings 1) Limited. Concession income invoiced during the period totalled £4.5 million (2013: £4.4 million) and the movement in the balance represents ordinary trading activities.

	Balance at 26 April 2012	Movement in 52 weeks	Balance at 25 April 2013
	£m	£m	£m
UK Parcs Holdings Sarl	(89.4)	(9.1)	(98.5)
CP Woburn (Operating Company) Limited	5.9	(5.9)	—
CP Cayman Midco 2 Limited	(1.5)	0.6	(0.9)
Funds advised by The Blackstone Group	(0.2)	—	(0.2)
Tragus Group Limited	0.2	—	0.2

The movement on the balance with UK Parcs Holdings Sarl represented interest payable.

The movement on the balance with CP Woburn (Operating Company) Limited represented the settlement of the balance due.

The movement on the balance with CP Cayman Midco 2 Limited represented a repayment of the loan balance.

Company

All of the related parties below are members of the Group headed by Center Parcs (Holdings 1) Limited, with the exception of funds advised by The Blackstone Group.

	Balance at 25 April 2013	Movement in 52 weeks	Balance at 24 April 2014
	£m	£m	£m
CP Longleat Village Limited	(23.9)	(1.7)	(25.6)
CP Comet Holdings Limited	(12.3)	(0.9)	(13.2)
Center Parcs (Operating Company) Limited	(216.4)	(15.9)	(232.3)
Forest Midco Limited	(21.8)	(1.6)	(23.4)
Center Parcs (Jersey 1) Limited	(135.0)	(9.9)	(144.9)
Center Parcs Spa Division Holdings Limited	(0.1)	—	(0.1)
Center Parcs Limited	(9.6)	(0.7)	(10.3)
CP Comet Bidco Limited	(55.3)	(4.0)	(59.3)
Comet Refico Limited	(44.7)	(3.3)	(48.0)
Sun CP Newmidco Limited	(93.3)	(6.9)	(100.2)
Center Parcs (Holdings 3) Limited	459.2	33.8	493.0
Center Parcs Energy Services Limited	(0.3)	—	(0.3)
Funds advised by The Blackstone Group	(0.2)	—	(0.2)

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

The movement in the period on the balance with Center Parcs (Holdings 3) Limited represents interest receivable. All other movements represent interest payable.

	Balance at 26 April 2012	Movement in 52 weeks	Balance at 25 April 2013
	£m	£m	£m
CP Longleat Village Limited	(22.2)	(1.7)	(23.9)
CP Comet Holdings Limited	(5.6)	(6.7)	(12.3)
Center Parcs (Operating Company) Limited	(200.9)	(15.5)	(216.4)
Forest Midco Limited	(20.2)	(1.6)	(21.8)
Forest Refico Limited	(1.7)	1.7	—
Center Parcs (Jersey 1) Limited	(125.1)	(9.9)	(135.0)
Center Parcs Spa Division Holdings Limited	(0.1)	—	(0.1)
Center Parcs Limited	(8.9)	(0.7)	(9.6)
CP Comet Bidco Limited	(51.2)	(4.1)	(55.3)
Comet Refico Limited	(41.7)	(3.0)	(44.7)
Sun CP Newtopco Limited	0.3	(0.3)	—
Sun CP Newmidco Limited	(86.5)	(6.8)	(93.3)
Center Parcs (Holdings 3) Limited	421.8	37.4	459.2
Center Parcs Energy Services Limited	(0.3)	—	(0.3)
Funds advised by The Blackstone Group	(0.2)	—	(0.2)

The movements in the period on the balances with CP Longleat Village Limited, Forest Midco Limited, Center Parcs (Jersey 1) Limited, Center Parcs Limited, CP Comet Bidco Limited and Sun CP Newmidco Limited represented interest payable.

The movement in the period on the balance with CP Comet Holdings Limited represented interest payable of £0.7 million and a new loan of £6.0 million.

The movement in the period on the balance with Center Parcs (Operating Company) Limited represented interest payable of £15.9 million, offset by compensation for the transfer of a third party receivable of £0.4 million.

The movement in the period on the balance with Forest Refico Limited represented interest payable of £0.1 million, compensation for the transfer of a third party receivable of £0.4 million and the distribution of an intercompany receivable by that company of £2.2 million.

The movement in the period on the balance with Comet Refico Limited represented interest payable of £3.2 million and the waiver of an intercompany balance of £0.2 million.

The movement in the period on the balance with Sun CP Newtopco Limited represented the waiver of an intercompany balance.

The movement in the period on the balance with Center Parcs (Holdings 3) Limited represented interest receivable of £33.6 million and a new loan of £6.0 million, off-set by the distribution of an intercompany balance of £2.2 million.

25. Subsidiary undertakings

The share capitals of subsidiary undertakings, with minor exceptions, are designated as ordinary shares.

All subsidiary undertakings have been included in the consolidated financial statements, and the principal subsidiary undertakings are set out below. All shareholdings represent 100% of the equity and voting rights. All of the subsidiary undertakings listed are held by other subsidiary undertakings of the Company.

Subsidiary undertaking	Activity	Country of incorporation
Center Parcs (Operating Company) Limited	Operation of four holiday villages	England and Wales
CP Sherwood Village Limited	Investment property company	England and Wales
CP Elveden Village Limited	Investment property company	England and Wales
Longleat Property Limited	Investment property company	England and Wales
CP Whinfell Village Limited	Investment property company	England and Wales

26. Special purpose entity—CPUK Finance Limited

CPUK Finance Limited was incorporated in Jersey on 20 July 2011 and issued the securitised debt set out in note 13 to the financial statements. The summarised financial statements of CPUK Finance Limited are as follows:

<u>Income statement</u>	<u>52 weeks ended 24 April 2014</u>	<u>52 weeks ended 25 April 2013</u>
	£m	£m
Finance costs	(79.4)	(79.3)
Finance income	79.4	79.3
Profit for the period attributable to equity shareholders	<u>—</u>	<u>—</u>

The profit for the period attributable to equity shareholders represents total comprehensive income.

<u>Balance sheet</u>	<u>As at 24 April 2014</u>	<u>As at 25 April 2013</u>
	£m	£m
Assets		
Amounts due from Center Parcs (Holdings 1) Limited Group	1,020.0	1,020.0
Other receivables	12.0	12.2
Liabilities		
Securitised debt	(1,020.0)	(1,020.0)
Other payables	(12.0)	(12.2)
Total equity	<u>—</u>	<u>—</u>

<u>Cash flow statement</u>	<u>52 weeks ended 24 April 2014</u>	<u>52 weeks ended 25 April 2013</u>
	£m	£m
Financing activities		
Interest received	79.6	79.6
Interest paid	(79.6)	(79.6)
Net cash inflow from financing activities	<u>—</u>	<u>—</u>
Net increase in cash and cash equivalents	<u>—</u>	<u>—</u>

27. Ultimate parent company and controlling parties

The immediate parent company is CP Cayman Limited, a company registered in the Cayman Islands. The ultimate parent company is CP Cayman Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling parties are funds advised by The Blackstone Group. No company in the United Kingdom consolidates the results of the Center Parcs (Holdings 1) Limited Group.

Independent auditors' report to the members of Center Parcs (Holdings 1) Limited

We have audited the Group and parent company financial statements ("the financial statements") of Center Parcs (Holdings 1) Limited for the 52 weeks ended 25 April 2013 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Group and Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and parent company's affairs as at 25 April 2013 and of the Group's profit and the Group's and parent company's cash flows for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Lyon BSc FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
28 June 2013

Center Parcs (Holdings 1) Limited
GROUP INCOME STATEMENT
FOR THE 52 WEEKS ENDED 25 APRIL 2013

Group Income Statement
For the 52 weeks ended 25 April 2013

	Note	2013			2012		
		Before exceptional items	Exceptional items	Total	Before exceptional items	Exceptional items	Total
		£m	£m	£m	£m	£m	£m
Revenue	2	303.5	—	303.5	291.7	—	291.7
Cost of sales		(31.4)	—	(31.4)	(34.1)	—	(34.1)
Gross profit		272.1	—	272.1	257.6	—	257.6
Administrative expenses	3	(161.0)	—	(161.0)	(150.2)	(9.7)	(159.9)
Operating profit	4	111.1	—	111.1	107.4	(9.7)	97.7
Disposal of derivative financial instruments	5	—	—	—	—	(66.0)	(66.0)
Finance income	6	0.3	—	0.3	2.6	—	2.6
Finance expense	6	(92.8)	—	(92.8)	(78.1)	(4.1)	(82.2)
Profit/(loss) before taxation		18.6	—	18.6	31.9	(79.8)	(47.9)
Taxation	7	0.6	—	0.6	7.2	19.2	26.4
Profit/(loss) for the period attributable to equity shareholders		19.2	—	19.2	39.1	(60.6)	(21.5)
Underlying taxation:							
Taxation credit above		0.6			7.2		
Adjustments in respect of prior periods	7	2.2			(0.2)		
Deferred tax movements relating to property	19	(6.9)			(11.9)		
Underlying UK tax charge		(4.1)			(4.9)		
Underlying effective UK tax rate		22.0%			15.4%		

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement. The loss for the parent company for the period was £11.1 million (2012: loss of £1.7 million).

All amounts relate to continuing activities.

The notes on pages 11 to 43 form part of these financial statements.

Center Parcs (Holdings 1) Limited
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 25 APRIL 2013

Group Statement of Comprehensive Income
For the 52 weeks ended 25 April 2013

	<u>Note</u>	<u>2013</u>	<u>2012</u>
		<u>£m</u>	<u>£m</u>
Profit/(loss) for the period		19.2	(21.5)
Actuarial losses on retirement benefits	26	(0.6)	(2.1)
Tax relating to components of other comprehensive income	19	0.1	0.6
Other comprehensive expense for the period		(0.5)	(1.5)
Total comprehensive income/(expense) for the period		<u>18.7</u>	<u>(23.0)</u>

The notes on pages 11 to 43 form part of these financial statements.

Balance Sheets

	Note	Group		Company	
		As at	As at	As at	As at
		25 April 2013	26 April 2012	25 April 2013	26 April 2012
		£m	£m	£m	£m
Assets					
Non-current assets					
Goodwill	8	157.5	157.5	—	—
Other intangible assets	9	126.0	125.7	—	—
Property, plant and equipment	10	1087.4	1,075.0	—	—
Investments in subsidiary undertakings	11	—	—	466.9	466.9
Deferred tax asset	19	14.2	20.3	—	—
		1,385.1	1,378.5	466.9	466.9
Current assets					
Inventories	12	2.8	2.8	—	—
Trade and other receivables	13	4.3	10.7	459.2	422.1
Cash and cash equivalents	14	28.7	11.7	—	—
		35.8	25.2	459.2	422.1
Liabilities					
Current liabilities					
Borrowings	17	(0.3)	(0.3)	—	—
Trade and other payables	15	(106.4)	(113.0)	(612.9)	(564.7)
Current tax liability		(0.3)	—	—	—
		(107.0)	(113.3)	(612.9)	(564.7)
Net current liabilities		(71.2)	(88.1)	(153.7)	(142.6)
Non-current liabilities					
Borrowings	17	(991.5)	(988.0)	—	—
Trade and other payables	16	(98.5)	(89.4)	—	—
Retirement benefit obligations	26	(1.4)	(0.9)	—	—
Deferred tax liability	19	(113.7)	(122.0)	—	—
		(1,205.1)	(1,200.3)	—	—
		108.8	90.1	313.2	324.3
Equity attributable to owners of the parent					
Equity share capital	20	—	—	—	—
Share premium	21	199.9	199.9	199.9	199.9
Other reserve	21	10.0	10.0	126.1	126.1
Retained earnings	21	(101.1)	(119.8)	(12.8)	(1.7)
Total equity		108.8	90.1	313.2	324.3

The financial statements on pages 7 to 43 were approved by the Board of Directors on 28 June 2013 and were signed on its behalf by:



M P Dalby
Director

The notes on pages 11 to 43 form part of these financial statements.

Center Parcs (Holdings 1) Limited
GROUP CASH FLOW STATEMENT

Group Cash Flow Statement

	Note	52 weeks ended 25 April 2013 £m	52 weeks ended 26 April 2012 £m
Cash flows from operating activities			
Operating profit		111.1	97.7
Depreciation and amortisation		27.2	24.6
Working capital and non-cash movements	22	3.8	176.7
Difference between the pension charge and contributions		(0.1)	(0.2)
Corporation tax (paid)/received		(1.1)	1.5
Net cash from operating activities		<u>140.9</u>	<u>300.3</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(40.0)	(47.2)
Purchase of intangible assets		(2.1)	(1.4)
Sale of property, plant and equipment		0.1	29.0
Net cash used in investing activities		<u>(42.0)</u>	<u>(19.6)</u>
Cash flows from financing activities			
Proceeds from issue of securitised debt		—	1,020.0
Issue costs paid on securitised debt		(1.7)	(32.9)
Interest received		0.3	2.6
Interest paid		(80.2)	(62.4)
Repayment of external borrowings		(0.3)	(1,032.3)
Repayment of loans from related parties		—	(62.3)
Fees payable on exit of financial derivatives	5	—	(153.4)
Net cash used in financing activities		<u>(81.9)</u>	<u>(320.7)</u>
Net increase/(decrease) in cash and cash equivalents		17.0	(40.0)
Cash and cash equivalents at beginning of the period		11.7	51.7
Cash and cash equivalents at end of the period	14	<u>28.7</u>	<u>11.7</u>
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash and cash equivalents		17.0	(40.0)
Cash outflow from movement in debt		0.3	12.3
Change in net debt resulting from cash flows		17.3	(27.7)
Non-cash movements and deferred issue costs		(3.8)	34.0
Movement in net debt in the period		13.5	6.3
Net debt at beginning of the period		(976.6)	(982.9)
Net debt at end of the period	23	<u>(963.1)</u>	<u>(976.6)</u>

The Company had no cash flows in the current or prior period.

The notes on pages 11 to 43 form part of these financial statements.

Center Parcs (Holdings 1) Limited
STATEMENTS OF CHANGES IN EQUITY

Statements of Changes in Equity

<u>Group</u>	<u>Share capital</u> £m	<u>Share premium</u> £m	<u>Other reserve</u> £m	<u>Retained earnings</u> £m	<u>Total equity</u> £m
At 26 April 2012	—	199.9	10.0	(119.8)	90.1
Comprehensive income					
Profit for the period	—	—	—	19.2	19.2
Other comprehensive expense	—	—	—	(0.5)	(0.5)
At 25 April 2013	—	199.9	10.0	(101.1)	108.8
<u>Group</u>	<u>Share capital</u> £m	<u>Share premium</u> £m	<u>Other reserve</u> £m	<u>Retained earnings</u> £m	<u>Total equity</u> £m
At 28 April 2011	—	20.0	10.0	(96.8)	(66.8)
Transactions with owners					
Issue of shares	—	179.9	—	—	179.9
Comprehensive income					
Loss for the period	—	—	—	(21.5)	(21.5)
Other comprehensive expense	—	—	—	(1.5)	(1.5)
At 26 April 2012	—	199.9	10.0	(119.8)	90.1
<u>Company</u>	<u>Share capital</u> £m	<u>Share premium</u> £m	<u>Other reserve</u> £m	<u>Retained earnings</u> £m	<u>Total equity</u> £m
At 26 April 2012	—	199.9	126.1	(1.7)	324.3
Comprehensive income					
Loss for the period	—	—	—	(11.1)	(11.1)
At 25 April 2013	—	199.9	126.1	(12.8)	313.2
<u>Company</u>	<u>Share capital</u> £m	<u>Share premium</u> £m	<u>Other reserve</u> £m	<u>Retained earnings</u> £m	<u>Total equity</u> £m
At incorporation	—	—	—	—	—
Transactions with owners					
Issue of shares	—	199.9	126.1	—	326.0
Comprehensive income					
Loss for the period	—	—	—	(1.7)	(1.7)
At 26 April 2012	—	199.9	126.1	(1.7)	324.3

The notes on pages 11 to 43 form part of these financial statements.

1. Accounting policies

General information

The Company is a limited company, which is incorporated and domiciled in the UK. The address of its registered office is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Basis of preparation

These consolidated financial statements for the 52 weeks ended 25 April 2013 (2012: 52 weeks ended 26 April 2012) have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) interpretations adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments and retirement benefit obligations. All accounting policies are consistent with the prior period.

The financial statements of Center Parcs (Holdings 1) Limited are typically drawn up to the Thursday nearest to its accounting reference date of 22 April.

Going concern

The Directors have assessed the financial position of the Group in light of the net current liabilities position at the end of the period. In assessing the going concern of the business they have considered the projected future trading and cash flows of the business. Using the evidence available to them they have concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Group will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

Basis of consolidation

On 28 February 2012 Center Parcs effected a corporate reorganisation under which Forest Holdco Limited and its subsidiary undertakings and CP Comet Holdings Limited and its subsidiary undertakings were combined into a single consolidated group headed by Center Parcs (Holdings 1) Limited. Before and after this reorganisation the entities were all under common control and hence the business combination was outside the scope of IFRS 3 'Business Combinations (revised)'.

The consolidated financial statements of Center Parcs (Holdings 1) Limited have been prepared under the principles of predecessor accounting, whereby an acquirer is not required to be identified, and all entities are included at their pre-combination carrying amounts. This accounting treatment results in differences on consolidation between consideration and the fair value of underlying net assets and this difference is included within equity as an other reserve.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

The consolidated financial statements incorporate the results of CPUK Finance Limited, a company set up with the sole purpose of issuing debt secured on assets owned by the Group. The Directors of Center Parcs (Holdings 1) Limited consider this company meets the definition of a special purpose entity under SIC 12 'Consolidation—Special Purpose Entities' and hence for the purpose of the consolidated financial statements it has been treated as a subsidiary undertaking. Details of this company are provided in note 30.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates are principally used in the following areas:

<i>Property, plant and equipment:</i>	Useful lives of assets and residual values (see accounting policy)
<i>Impairment test for goodwill:</i>	Growth and discount rates (note 8)
<i>Other intangible assets:</i>	Useful lives of assets and residual values (see accounting policy)
<i>Retirement benefits:</i>	Actuarial assumptions in respect of the defined benefit scheme (note 26)

Revenue

Revenue relates to villa rental income on holidays commenced during the period, together with other related income that primarily arises from on-village leisure, retail and food and beverage spend. Non-rental income is recognised when the related product or service is provided. All revenue is recorded net of VAT.

Payment for villa rental income is received in advance of holidays commencing, and is recorded as 'payments on account' within Trade and other payables until the holiday commences.

A number of trading units on each holiday village are operated by concession partners. Revenue due in respect of such units is recognised on a receivables basis.

All revenue arises in the United Kingdom.

Operating segments

The operating segments set out in note 2 to the consolidated financial statements are consistent with the internal reporting provided to the Chief Operating Decision Maker, as defined by IFRS 8 'Operating Segments'. The Chief Operating Decision Maker has been identified as the Board of Directors.

Exceptional items

Exceptional items are defined as those that, by virtue of their nature, size or expect frequency, warrant separate disclosure in the financial statements in order to fully understand the underlying performance of the Group.

Goodwill

Goodwill arising on acquisitions is capitalised and represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets and liabilities acquired. Goodwill is not amortised but is instead tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment is recognised immediately in the income statement. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Other intangible assets

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, which is generally considered to be four years.

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed four years.

Other purchased intangible assets

Other purchased intangible assets, including patents, know-how, trademarks, licences and distribution rights, are capitalised at cost and are amortised over their useful economic lives using the following rates:

Advance bookings	the period to which the bookings relate
Repeat business	over a four year period
Water boreholes	straight-line basis over 13 years

The brand is not amortised as it is considered to have an indefinite life.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Where required, assets are discounted using an AAA corporate bond rate. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Property, plant and equipment

Management chose the cost basis under IAS 16 'Property, plant and equipment', rather than to apply the alternative (revaluation) treatment to all items of property, plant and equipment as its ongoing accounting policy. The cost of property, plant and equipment includes directly attributable costs. The Group elected to apply the optional exemption of IFRS 1 'First-time adoption of International Financial Reporting Standards' and, as such, the carrying value of properties that were previously held at fair value was treated as deemed cost at the date of adoption of IFRS.

Depreciation is provided on the cost of all property, plant and equipment (except assets in the course of construction), so as to write off the cost, less residual value, on a straight-line basis over the expected useful economic life of the assets concerned, using the following rates:

Installations	6.67%
Fixtures and fittings	14%
Motor vehicles	25%
Computer hardware	25%

Buildings are depreciated to residual value over 50 years. Land is not depreciated.

Useful lives and residual values are reviewed at each balance sheet date and revised where expectations are significantly different from previous estimates. In such cases, the depreciation charge for current and future periods is adjusted accordingly.

Maintenance expenditure

It is the policy of the Group to maintain its land and buildings to a high standard. Where maintenance expenditure increases the benefits that property, plant and equipment is expected to generate, this expenditure is capitalised. All other maintenance costs are charged to the income statement as incurred.

Leases

Leases are classified as finance leases if the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised at cost and depreciated over their useful lives. The capital element of future rentals is treated as a liability and the interest element is charged to the income statement over the period of the lease in proportion to the capital outstanding.

Rental payments on operating leases (net of any incentives received from the lessor and including minimum contractual rental increases) are charged to the income statement on a straight-line basis.

Investments in subsidiary undertakings

Investments are stated at cost, less any provision for permanent diminution in value. If there are indications of impairment, an assessment is made of the recoverable amount. An impairment loss is recognised in the income statement when the recoverable amount is lower than the carrying value.

Dividends receivable from investments in subsidiary undertakings are recognised in the income statement when approved by the shareholders of the company paying the dividend.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base. Deferred tax on properties assumes recovery through sale.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Inventories

The basis of valuation of inventories is the lower of cost on a first in first out basis and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory provisions are created where necessary to ensure that inventory is valued at the lower of cost and estimated net realisable value.

Financial instruments

The Group classifies its financial assets into two categories, being fair value through profit and loss, and loans and receivables. Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Other financial liabilities are carried at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Financial assets

The cost of investments, including loans to related parties, is their purchase cost together with any incremental costs of acquisition. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In deciding whether an impairment is required, the Directors consider the underlying value inherent in the investment. Provision is made against the cost of investments where, in the opinion of the Directors, there is an impairment in the value of the individual investment.

Trade receivables

Trade receivables are recognised initially at fair value. A provision for impairment of trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement.

Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and cash in hand.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Interest on borrowings is treated as an expense in the income statement, with the exception of interest costs incurred on the financing of major projects, which are capitalised within property, plant and equipment.

Issue costs of loans

The issue costs recognised in the income statement in respect of capital instruments are allocated over the terms of the instruments at a constant rate on the carrying amount.

Early termination costs

Costs associated with the early repayment of borrowings are written off to the income statement as incurred.

Derivative financial instruments

The Group does not trade in derivative financial instruments. Derivative financial instruments have historically been used by the Group to manage its exposure to interest rates on long-term floating-rate borrowings. All derivative financial instruments are measured at the balance sheet date at their fair value. The Group does not currently hedge account for any derivatives. As such, any gain or loss on remeasurement is taken to the income statement.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Government grants

Government grants in respect of capital expenditure are categorised as accruals on receipt and are credited to the income statement over the useful life of the relevant property, plant and equipment. The government grant included in the balance sheet at the period end represents grants received to date, less the amount so far credited to the income statement.

Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting profit or loss, together with realised profits and losses arising during the period on the settlement of overseas assets and liabilities, are included in the trading results.

Employee benefits

Pensions

—Defined contribution pension scheme

Group employees can choose to be a member of a defined contribution pension scheme. A defined contribution pension scheme is a pension scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are charged to the income statement as incurred.

—Defined benefit pension scheme

A funded senior management defined benefit pension scheme also exists. A defined benefit pension scheme is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The surplus or liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates for high-quality corporate bonds, which have terms to maturity approximating the terms of the related pension liability.

Past-service costs are recognised immediately in income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Comprehensive Income.

Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Holiday pay

The Group recognises an appropriate liability for the cost of holiday entitlements not taken at the balance sheet date.

Share capital

Ordinary shares are classified as equity.

Other reserve

The other reserve in the consolidated financial statements represents the differences on consolidation arising on the adoption of predecessor accounting. This comprises the difference between consideration paid and the book value of net assets acquired in the transaction.

The other reserve in the Company financial statements represents the application of group reconstruction relief in accordance with section 612 of the Companies Act 2006, following the acquisition of certain subsidiaries in the prior period from fellow group companies.

New standards and interpretations

The only new accounting standard or interpretation effective in the current period is a revision to IAS 12 'Income taxes' in respect of deferred tax and the recovery of underlying assets. This has not impacted, and is not likely to have a future impact on, the financial statements of the Group and Company.

The International Accounting Standards Board (IASB) and IFRIC have issued the following new or revised standards and interpretations with an effective date for financial periods beginning on or after the dates disclosed below and therefore after the date of these financial statements. The IASB has also issued a number of minor amendments to standards as part of their annual improvement process.

IFRS 1	First time adoption of International Financial Reporting Standards	
	Government loans	1 January 2013
IFRS 7	Financial instruments: Disclosures	
	Disclosures—offsetting financial assets and financial liabilities	1 January 2013
	Mandatory effective date and transition disclosures (amendments to IFRS9 and IFRS7)	1 January 2015
IFRS 9	Financial instruments	
	New accounting standard	1 January 2015
IFRS 10	Consolidated financial statements	
	New accounting standard	1 January 2013
	Investment entities	1 January 2014
IFRS 11	Joint arrangements	
	New accounting standard	1 January 2013
IFRS 12	Disclosure of interests in other entities	
	New accounting standard	1 January 2013
	Investment entities	1 January 2014
IFRS 13	Fair value measurement	
	New accounting standard	1 January 2013
IAS 1	Presentation of financial statements	
	Presentation of other comprehensive income	1 July 2012
IAS 19	Employee benefits	
	Remeasurement impacts and termination benefits	1 January 2013
IAS 27	Separate financial statements	
	Investment entities	1 January 2014
IAS 28	Investments in associates and joint ventures	
	Amended standard replacing IAS 28 'Investments in associates'	1 January 2013
IAS 32	Financial instruments: Presentation	
	Offsetting financial assets and financial liabilities	1 January 2014
IFRIC 20	Stripping costs in the production of a surface mine	1 January 2013

The adoption of IFRS 9 'Financial Instruments' is expected to change the disclosure given in respect of financial instruments but not the amounts reported in the financial statements. The Directors do not anticipate that the adoption of any other standards and interpretations listed above will have a material impact on the Group or Company's financial statements in the period of initial application.

2. Segmental reporting

52 weeks ended 25 April 2013	Sherwood Forest	Elveden Forest	Longleat Forest	Whinfell Forest	Central Services	Group
	£m	£m	£m	£m	£m	£m
Revenue	78.7	79.2	75.3	70.3	—	303.5
Adjusted EBITDA	42.6	42.1	39.1	34.9	(18.7)	140.0
Depreciation and amortisation						(27.2)
Owners' costs						(1.7)
Exceptional items						—
Operating profit						111.1

52 weeks ended 26 April 2012	Sherwood Forest	Elveden Forest	Longleat Forest	Whinfell Forest	Central Services	Group
	£m	£m	£m	£m	£m	£m
Revenue	75.9	75.2	72.8	67.8	—	291.7
Adjusted EBITDA	40.9	39.3	37.3	33.5	(17.4)	133.6
Depreciation and amortisation						(24.6)
Owners' costs						(1.6)
Exceptional items						(9.7)
Operating profit						97.7

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker, as defined by IFRS 8 'Operating Segments'. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The operating segments are the four holiday villages that the business operates. In addition there are certain centralised administrative costs that cannot be allocated directly to an operating segment.

The primary profit measure used by the Chief Operating Decision Maker is Adjusted EBITDA, being earnings before interest, taxation, depreciation, amortisation, exceptional items and owners' costs (those costs payable to The Blackstone Group and associated entities).

The internal reporting does not disaggregate the balance sheet to each operating segment.

The split of revenue was £179.3 million (2012: £169.2 million) for accommodation and £124.2 million (2012: £122.5 million) for on-site spend. On-site revenue was impacted by the transfer of certain trading units to concession partners during the prior period. The impact on revenue of these transfers, which only affected the first half of the year, was approximately £2.7 million.

3. Exceptional items

	Group	
	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Redundancy costs	—	0.8
Legal dispute	—	15.7
Profit on disposal of property, plant and equipment	—	(8.5)
Other exceptional items	—	1.7
	—	9.7

4. Operating profit

The following items have been included in arriving at the Group's operating profit:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Staff costs (note 25)	70.2	68.7
Cost of inventories (note 12)	28.8	30.4
Depreciation of property, plant and equipment—owned assets (note 10)	25.4	22.7
Amortisation of intangible assets (note 9)	1.8	1.9
Operating lease rentals—land and buildings	0.6	0.6
Repairs and maintenance expenditure on property, plant and equipment	8.7	7.6
Services provided by the Group's auditors	<u>0.2</u>	<u>0.2</u>

During the period, the Group obtained the following services from the Group's auditors:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Charged to the income statement:		
Audit of the parent company, subsidiary and consolidated financial statements	0.2	0.2
Deferred issue costs in respect of the securitised debt (note 17):		
Corporate finance services	<u>—</u>	<u>2.8</u>
	<u>0.2</u>	<u>3.0</u>

The Directors monitor the level of non-audit work undertaken by the auditors and ensure it is work which they are best suited to perform and does not present a risk to their independence and objectivity.

The audit fee above includes £15,000 (2012: £15,000) for the audit of the parent company.

5. Disposal of derivative financial instruments

	Group
	52 weeks ended 25 April 2013
	52 weeks ended 26 April 2012
	£m
Loss on disposal of derivative financial instruments	<u>—</u>
	<u>(66.0)</u>

Following the refinancing on 28 February 2012 (note 17), all of the Group's derivative financial instruments were settled at a total cost of £153.4 million. The carrying value at that date was £87.4 million.

The Company has no derivative financial instruments.

6. Net finance costs

	Group		Company	
	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m	£m	£m
Finance expense				
Interest payable on borrowings	(83.7)	(67.4)	—	—
Interest on unsecured loan notes	(9.1)	(11.1)	—	—
Fees on early loan settlement treated as an exceptional item	—	(4.1)	—	—
Interest payable to Group undertakings	—	—	(44.7)	(6.8)
Less: interest capitalised	—	0.4	—	—
Total finance expense	<u>(92.8)</u>	<u>(82.2)</u>	<u>(44.7)</u>	<u>(6.8)</u>
Finance income				
Bank interest receivable	0.3	0.1	—	—
Other interest receivable	—	2.5	—	—
Interest receivable from Group undertakings	—	—	33.6	5.1
Total finance income	<u>0.3</u>	<u>2.6</u>	<u>33.6</u>	<u>5.1</u>
Net finance costs	<u><u>(92.5)</u></u>	<u><u>(79.6)</u></u>	<u><u>(11.1)</u></u>	<u><u>(1.7)</u></u>

Prior to the refinancing of the Group on 28 February 2012, a securitised structure was in place under which the Group was entitled to 50% of the interest differential resulting from the securitisation. During the prior period £2.5 million of such interest was receivable, and fees of £4.1 million were payable on the exit of this financing.

The interest rate applied in determining the amount of interest capitalised in the prior period was approximately 5%.

7. Taxation

(a) Taxation

The Group tax credit is made up as follows:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Current tax:		
—Current year	(1.4)	—
—Adjustment in respect of prior periods	—	0.2
	<u>(1.4)</u>	<u>0.2</u>
Deferred tax:		
Origination and reversal of timing differences	2.0	26.2
Taxation (note 7(b))	<u><u>0.6</u></u>	<u><u>26.4</u></u>

The Company had a tax charge of £nil in the period (2012: £nil).

(b) **Factors affecting the tax charge**

Group

The tax assessed for the period is higher (2012: lower) than that resulting from applying the standard rate of corporation tax in the UK of 24% (2012: 26%). The difference is reconciled below:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Profit/(loss) before taxation	18.6	(47.9)
Profit/(loss) before taxation multiplied by the standard rate of corporation tax in the UK ..	4.5	(12.5)
Adjustments in respect of prior periods	2.2	(0.2)
Short-term timing differences	—	0.5
Permanent differences and expenses not deductible for tax purposes	0.5	4.2
Capital allowances in excess of depreciation	—	(14.4)
Impact of change in corporation tax rate	(4.5)	(8.5)
Capital gains	(3.3)	(4.2)
Tax losses carried forward	—	8.7
Tax credit for the period (note 7(a))	<u>(0.6)</u>	<u>(26.4)</u>

Company

The tax assessed for the period is higher (2012: higher) than that resulting from applying the standard rate of corporation tax in the UK of 24% (2012: 26%). The difference is reconciled below:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Loss before taxation	(11.1)	(1.7)
Loss before taxation multiplied by the standard rate of corporation tax in the UK ...	(2.7)	(0.4)
Group relief not paid for	2.7	0.4
Tax charge for the period (note 7(a))	<u>—</u>	<u>—</u>

Change of corporation tax rate and factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 24% to 23% with effect from 1 April 2013 was included in the Finance Act 2012. This announcement was substantively enacted at the balance sheet date and hence has been reflected in these financial statements.

Further reductions to the UK corporation tax rate have been announced which propose to reduce the rate to 21% from 1 April 2014 and 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements. The effect of these proposed changes would be to reduce the net deferred tax liability at the balance sheet date by £8.7 million (using a tax rate of 21%) or £13.0 million (using a tax rate of 20%). These decreases in the deferred tax liability would increase profit by the same amount.

8. **Goodwill**

	Group £m
Cost and net book value	
At 28 April 2011, 26 April 2012 and 25 April 2013	<u>157.5</u>

Impairment test for goodwill

Goodwill is allocated to the Group's eight cash-generating units (CGUs), being the accommodation and on-site revenue streams at each of the four villages. Goodwill by revenue stream is presented below:

	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Accommodation	141.8	141.8
On-site	15.7	15.7
	<u>157.5</u>	<u>157.5</u>

The Directors consider that the economic characteristics and future expectations are materially consistent across each of the villages within each revenue stream.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a one year period. Cash flows beyond the one year period are extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations

The key assumptions of the value-in-use calculation are EBITDA margin, perpetual growth rate and discount rate for each of on-site and accommodation. The growth rate used is 2.5% (2012: 2.5%) in respect of both accommodation and on-site. The discount rate used is 7.73% (2012: 7.73%) in respect of both accommodation and on-site.

Management determine budgeted EBITDA margins based on past performance and expectations of market development. The growth rates used reflect management's expectations of the future market. Discount rates used are pre-tax and reflect the specific risks to the Group.

Based on the value-in-use calculations performed, the Directors have concluded that there is no impairment of goodwill. The Directors have performed sensitivity analysis using the full range of reasonable assumptions and no impairment triggers have been identified.

The Company has no goodwill.

9. Other intangible assets

<u>Group</u>	<u>Software</u>	<u>Advance bookings</u>	<u>Brand</u>	<u>Repeat business</u>	<u>Water boreholes</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Cost						
At 27 April 2012	6.0	7.1	121.2	20.4	3.2	157.9
Additions	2.1	—	—	—	—	2.1
Disposals	(3.8)	(7.1)	—	(20.4)	—	(31.3)
At 25 April 2013	<u>4.3</u>	<u>—</u>	<u>121.2</u>	<u>—</u>	<u>3.2</u>	<u>128.7</u>
Amortisation						
At 27 April 2012	3.2	7.1	—	20.4	1.5	32.2
Charge for the period	1.6	—	—	—	0.2	1.8
Disposals	(3.8)	(7.1)	—	(20.4)	—	(31.3)
At 25 April 2013	<u>1.0</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1.7</u>	<u>2.7</u>
Net book amount at 26 April 2012	<u>2.8</u>	<u>—</u>	<u>121.2</u>	<u>—</u>	<u>1.7</u>	<u>125.7</u>
Net book amount at 25 April 2013	<u><u>3.3</u></u>	<u><u>—</u></u>	<u><u>121.2</u></u>	<u><u>—</u></u>	<u><u>1.5</u></u>	<u><u>126.0</u></u>

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

<u>Group</u>	<u>Software</u> £m	<u>Advance</u> <u>bookings</u> £m	<u>Brand</u> £m	<u>Repeat</u> <u>business</u> £m	<u>Water</u> <u>boreholes</u> £m	<u>Total</u> £m
Cost						
At 29 April 2011	6.8	7.1	121.2	20.4	3.2	158.7
Additions	1.4	—	—	—	—	1.4
Disposals	(2.2)	—	—	—	—	(2.2)
At 26 April 2012	<u>6.0</u>	<u>7.1</u>	<u>121.2</u>	<u>20.4</u>	<u>3.2</u>	<u>157.9</u>
Amortisation						
At 29 April 2011	3.8	7.1	—	20.4	1.2	32.5
Charge for the period	1.6	—	—	—	0.3	1.9
Disposals	(2.2)	—	—	—	—	(2.2)
At 26 April 2012	<u>3.2</u>	<u>7.1</u>	<u>—</u>	<u>20.4</u>	<u>1.5</u>	<u>32.2</u>
Net book amount at 28 April 2011	<u>3.0</u>	<u>—</u>	<u>121.2</u>	<u>—</u>	<u>2.0</u>	<u>126.2</u>
Net book amount at 26 April 2012	<u>2.8</u>	<u>—</u>	<u>121.2</u>	<u>—</u>	<u>1.7</u>	<u>125.7</u>

The brand is considered to have an indefinite life due to the continued investment that is made in the guest facilities and the ongoing marketing campaigns of the business. An impairment review using the same assumptions as detailed in note 8 has been undertaken and no impairment was indicated (2012: £nil). Amortisation has been charged through administrative expenses in the income statement.

The Company has no other intangible assets.

10. Property, plant and equipment

<u>Group</u>	<u>Land and</u> <u>buildings</u> £m	<u>Installations</u> £m	<u>Fixtures</u> <u>and fittings</u> £m	<u>Motor</u> <u>vehicles and</u> <u>hardware</u> £m	<u>Assets in the</u> <u>course of</u> <u>construction</u> £m	<u>Total</u> £m
Cost						
At 27 April 2012	910.2	178.7	54.4	17.1	3.0	1,163.4
Additions	—	23.2	8.1	3.9	2.6	37.8
Disposals	—	—	(12.3)	(2.1)	—	(14.4)
Transfers	0.5	2.2	2.0	0.5	(5.2)	—
At 25 April 2013	<u>910.7</u>	<u>204.1</u>	<u>52.2</u>	<u>19.4</u>	<u>0.4</u>	<u>1,186.8</u>
Depreciation						
At 27 April 2012	7.0	43.3	24.8	13.3	—	88.4
Charge for the period	1.5	12.4	8.8	2.7	—	25.4
Disposals	—	—	(12.3)	(2.1)	—	(14.4)
At 25 April 2013	<u>8.5</u>	<u>55.7</u>	<u>21.3</u>	<u>13.9</u>	<u>—</u>	<u>99.4</u>
Net book amount at 26 April 2012	<u>903.2</u>	<u>135.4</u>	<u>29.6</u>	<u>3.8</u>	<u>3.0</u>	<u>1,075.0</u>
Net book amount at 25 April 2013	<u>902.2</u>	<u>148.4</u>	<u>30.9</u>	<u>5.5</u>	<u>0.4</u>	<u>1,087.4</u>

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

<u>Group</u>	<u>Land and buildings</u> £m	<u>Installations</u> £m	<u>Fixtures and fittings</u> £m	<u>Motor vehicles and hardware</u> £m	<u>Assets in the course of construction</u> £m	<u>Total</u> £m
Cost						
At 29 April 2011	905.0	152.9	58.3	15.7	11.4	1,143.3
Additions	6.4	24.5	6.3	2.4	12.3	51.9
Disposals	(1.6)	—	(10.2)	(1.2)	(18.8)	(31.8)
Transfers	0.4	1.3	—	0.2	(1.9)	—
At 26 April 2012	910.2	178.7	54.4	17.1	3.0	1,163.4
Depreciation						
At 29 April 2011	5.5	32.7	26.7	12.2	—	77.1
Charge for the period	1.5	10.6	8.3	2.3	—	22.7
Disposals	—	—	(10.2)	(1.2)	—	(11.4)
At 26 April 2012	7.0	43.3	24.8	13.3	—	88.4
Net book amount at 28 April 2011	899.5	120.2	31.6	3.5	11.4	1,066.2
Net book amount at 26 April 2012	903.2	135.4	29.6	3.8	3.0	1,075.0

Depreciation has been charged through administrative expense in the income statement.

The Company has no property, plant and equipment.

11. Investments in subsidiary undertakings

<u>Company</u>	<u>£m</u>
Cost and net book value	
At 25 April 2013 and 27 April 2012	466.9
<u>Company</u>	<u>£m</u>
Cost and net book value	
At 29 April 2011	—
Additions	613.1
Disposals	(146.2)
At 26 April 2012	466.9

The investment at 25 April 2013 relates to 100% of the ordinary shares of Center Parcs (Holdings 2) Limited, a company registered in England and Wales. The principal activity of Center Parcs (Holdings 2) Limited is that of an intermediate holding company. Center Parcs (Holdings 2) Limited made a profit of £nil (2012: £nil) for the period ended 25 April 2013 and had net assets at that date of £466.9 million (2012: £466.9 million).

During the prior period the Company acquired 100% of the issued share capital of Forest Holdco Limited at a cost of £146.2 million. The Company transferred the entire issued share capital of Forest Holdco Limited in exchange for an issuance of shares in Center Parcs (Holdings 2) Limited with a value of £146.2 million. In addition, the Company subscribed for further shares in Center Parcs (Holdings 2) Limited in exchange for the assignment of certain debts. The total consideration was £320.7 million.

The Directors believe that the carrying value of investments is supported by the recoverable amount of the investee.

12. Inventories

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Consumables	1.3	1.3
Goods held for resale	1.5	1.5
	2.8	2.8

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

The Group consumed £28.8 million of inventories during the period (2012: £30.4 million) which has been charged to cost of sales in the income statement.

The Company has no inventories.

13. Trade and other receivables

	Group		Company	
	2013	2012	2013	2012
Amounts falling due within one year:	£m	£m	£m	£m
Trade receivables	1.9	2.3	—	—
Amounts owed by related parties	0.2	6.1	—	—
Amounts owed by Group undertakings	—	—	459.2	422.1
Prepayments and accrued income	2.2	2.3	—	—
	<u>4.3</u>	<u>10.7</u>	<u>459.2</u>	<u>422.1</u>

The fair value of trade and other receivables are equal to their book value and no impairment provisions have been made (2012: £nil). Concentrations of credit risk with respect to trade receivables are limited due to the vast majority of customers paying in advance. As such there are no amounts past due as all amounts are current (2012: £nil).

Amounts owed by related parties are interest-free, unsecured and repayable on demand.

Amounts owed by Group undertakings include loans totalling £422.7 million (2012: £416.7 million) due from Center Parcs (Holdings 3) Limited and the associated unpaid interest. Interest is receivable at a rate of 8% per annum and is not compounded. Interest of £33.6 million (2012: £5.1 million) was receivable during the period. The figure above is shown net of an interest-free payable of £2.2 million (2012: £nil) in respect of normal trading activities.

At 26 April 2012 there were other amounts owed by Group undertakings of £0.3 million. This was due from Sun CP Newtopco Limited and was interest-free. This balance was settled during the current period.

All amounts owed by Group undertakings are unsecured and repayable on demand.

14. Cash and cash equivalents

	Group	
	2013	2012
	£m	£m
Cash at bank and in hand	28.7	11.7

The Company has no cash and cash equivalents.

15. Trade and other payables—current

	Group		Company	
	2013	2012	2013	2012
	£m	£m	£m	£m
Trade payables	4.6	5.8	—	—
Other tax and social security	9.8	13.7	—	—
Other payables	0.4	2.1	—	0.1
Amounts owed to related parties	1.1	1.7	0.2	0.2
Amounts owed to Group undertakings	—	—	612.7	564.4
Accruals	36.5	37.1	—	—
Payments on account	54.0	52.6	—	—
	<u>106.4</u>	<u>113.0</u>	<u>612.9</u>	<u>564.7</u>

Amounts owed to Group undertakings include loans of £561.2 million (2012: £557.2 million) due to other members of the Center Parcs (Holdings 1) Limited Group and the associated unpaid interest. Interest is payable at a rate of 8% per annum and is not compounded. Interest of £44.7 million (2012: £6.8 million) was payable during the periods. The figure above is shown net of an interest-free receivable of £0.4 million (2012: £nil) in respect of normal trading activities.

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

At the year end there were other amounts owed to Group undertakings of £0.4 million (2012: £0.4 million). These balances are interest-free.

All amounts owed to related parties and Group undertakings are unsecured and repayable on demand.

16. Trade and other payables—non-current

	Group	
	2013	2012
	£m	£m
Amounts owed to related parties	98.5	89.4

Amounts owed to related parties are in respect of £50.0 million of unsecured loan notes and the unpaid interest thereon. The loan notes are held by UK Parcs Holdings Sarl, a company registered in Luxembourg, and incur compound interest at a rate of 10% per annum. The loan notes are redeemable on 15 May 2016.

All amounts are unsecured and denominated in £ sterling.

The Company has no non-current trade and other payables.

17. Borrowings

	Group	
Current	2013	2012
	£m	£m
Secured mortgage due within one year	0.3	0.3
Non-current	2013	2012
	£m	£m
Secured mortgage	1.7	2.0
Securitised debt	989.8	986.0
	991.5	988.0

The Group has a mortgage secured over its head office which incurs interest at LIBOR plus 1.125% and matures in 2020. Annual repayments on this mortgage total £267,000. A one percentage point movement in interest rates would affect this interest charge by approximately £20,000 (2012: £23,000).

The securitised debt consists of the following:

	2013	2012
	£m	£m
Tranche A1	300.0	300.0
Tranche A2	440.0	440.0
Tranche B	280.0	280.0
Unamortised deferred issue costs	(30.2)	(34.0)
	989.8	986.0

The securitised debt represents a £1,020.0 million facility made available to the Group. The total facility was drawn down on 28 February 2012.

The tranche A1 notes have an expected maturity date of 28 February 2017 and a final maturity date of 28 February 2042. The interest rate to expected maturity is fixed at 4.811% and the interest rate from expected maturity to final maturity is fixed at 7.169%.

The tranche A2 notes have an expected maturity date of 28 February 2024 and a final maturity date of 28 February 2042. The interest rate to expected maturity is fixed at 7.239% and the interest rate from expected maturity to final maturity is fixed at 7.919%.

The tranche B notes have an expected maturity date of 28 February 2018 and a final maturity date of 28 February 2042. The interest rate to 28 February 2020 is fixed at 11.625% and the interest rate from 29 February 2020 to final maturity is fixed at 6.25%.

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

The tranche B debt is subordinated to the tranche A debt. Both include optional prepayment clauses permitting the Group to repay the debt in advance of the expected maturity date. All tranches of debt are subject to financial covenants. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenants.

Interest of £12.2 million (2012: £12.5 million) was accrued in respect of the securitised debt at 25 April 2013.

The maturity of the Group's borrowings is as follows:

<u>Group</u>	<u>Less than one year</u>	<u>Two to five years</u>	<u>Greater than five years</u>	<u>Deferred issue costs</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
At 25 April 2013					
Secured mortgage	0.3	1.1	0.6	—	2.0
Securitised debt	—	580.0	440.0	(30.2)	989.8
Total borrowings	0.3	581.1	440.6	(30.2)	991.8
At 26 April 2012					
Secured mortgage	0.3	1.1	0.9	—	2.3
Securitised debt	—	300.0	720.0	(34.0)	986.0
Total borrowings	0.3	301.1	720.9	(34.0)	988.3

All amounts are denominated in £ sterling.

The Company has no borrowings.

18. Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the items below. As at 25 April 2013 and 26 April 2012 all of the Group's financial assets were categorised as loans and receivables and all of the Group's financial liabilities were categorised as other financial liabilities. No financial assets or financial liabilities were carried at fair value through profit and loss.

<u>Financial assets</u>	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Trade receivables	1.9	2.3
Other receivables	0.2	6.1
Cash and cash equivalents	28.7	11.7
	30.8	20.1
<u>Financial liabilities</u>	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Borrowings	991.8	988.3
Trade payables	4.6	5.8
Accruals	36.5	37.1
Other payables due within one year	1.5	3.8
Other payables due after more than one year	98.5	89.4
	1,132.9	1,124.4

The only financial instruments held by the Company are other receivables of £459.2 million (2012: £422.1 million), which are categorised as loan and receivables, and other payables of £612.9 million (2012: £564.7 million) which are categorised as other financial liabilities.

Fair value hierarchy

IFRS 7 'Financial Instruments: Disclosures' requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All of the Group's fair value measurements have been categorised as Level 2 in both the current and prior periods. There were no transfers between levels during the current or prior periods.

Fair value of financial assets and financial liabilities

The fair value of the Group's securitised debt as at 25 April 2013 is:

	Book value	Fair value
	£m	£m
Tranche A1	300.0	326.4
Tranche A2	440.0	555.8
Tranche B	280.0	318.5
	<u>1,020.0</u>	<u>1,200.7</u>

Given the proximity of the Group's prior period end to the refinancing that occurred on 28 February 2012, the fair value of the securitised debt at 26 April 2012 was not considered to be materially different to its book value.

The fair value of all other financial assets and financial liabilities are approximately equal to their book values.

Maturity of financial liabilities

The non-discounted minimum future cash flows in respect of non-current financial liabilities are:

<u>At 25 April 2013</u>	Unsecured loan notes	Securitised debt	Mortgage	Total
	£m	£m	£m	£m
In more than one year but not more than two years	—	78.8	0.3	79.1
In more than two years but not more than five years	132.8	880.9	1.3	1,015.0
In more than five years	—	631.1	0.8	631.9
	<u>132.8</u>	<u>1,590.8</u>	<u>2.4</u>	<u>1,726.0</u>

<u>At 26 April 2012</u>	Unsecured loan notes	Securitised debt	Mortgage	Total
	£m	£m	£m	£m
In more than one year but not more than two years	—	78.8	0.3	79.1
In more than two years but not more than five years	132.8	615.4	1.3	749.5
In more than five years	—	975.5	1.1	976.6
	<u>132.8</u>	<u>1,669.7</u>	<u>2.7</u>	<u>1,805.2</u>

The Company has no non-current financial liabilities.

Financial risk management

The Group finances its operations through a mixture of equity and borrowings as required. The Group has sought to reduce its cost of capital by refinancing and restructuring the Group's funding using the underlying asset value.

The overall policy in respect of interest rates is to reduce the Group's exposure to interest rate fluctuations, and the Group's primary source of borrowings is fixed interest rate loan notes.

The Group does not actively trade in derivative financial instruments.

Interest rate risk

The Group has a floating rate mortgage and fixed rate loan notes as its only external funding sources. As at 25 April 2013, 99% (26 April 2012: 99%) of the Group's external financial borrowings incurred interest at a fixed rate.

Liquidity risk

As at 25 April 2013, the Group held sufficient levels of cash to enable it to meet its medium-term working capital and funding obligations. Rolling forecasts of the Group's liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

Currency risk

The Group is exposed to limited currency risk through foreign currency transactions. The Group does not operate a hedging facility to manage currency risk as it is considered to be insignificant.

Credit risk

The Group borrows from well-established institutions with high credit ratings. The Group's cash balances are held on deposit with a number of UK banking institutions.

19. Deferred tax

	Group	
	2013	2012
	£m	£m
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	14.2	20.3
	14.2	20.3
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months	(113.7)	(122.0)
	(113.7)	(122.0)

The movement on the deferred tax account is:

	Group	
	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
At the beginning of the period	(101.7)	(128.5)
Credited to the income statement	2.1	26.2
Credited to the statement of comprehensive income	0.1	0.6
At the end of the period	(99.5)	(101.7)

Group	Capital gains	Accelerated capital allowances	Short-term timing differences	Pension	Intangible assets	Total
	£m	£m	£m	£m	£m	£m
At 27 April 2012	(92.4)	18.0	2.1	0.2	(29.6)	(101.7)
Credited/(charged) to the income statement	6.9	(6.9)	0.7	—	1.4	2.1
Credited to the statement of comprehensive income	—	—	—	0.1	—	0.1
At 25 April 2013	(85.5)	11.1	2.8	0.3	(28.2)	(99.5)

Group	Capital gains	Accelerated capital allowances	Short-term timing differences	Pension	Intangible assets	Total
	£m	£m	£m	£m	£m	£m
At 29 April 2011	(104.3)	(0.6)	8.7	(0.3)	(32.0)	(128.5)
Credited/(charged) to the income statement	11.9	18.6	(6.6)	(0.1)	2.4	26.2
Credited to the statement of comprehensive income	—	—	—	0.6	—	0.6
At 26 April 2012	(92.4)	18.0	2.1	0.2	(29.6)	(101.7)

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

The Group has an unrecognised deferred tax asset of £nil (2012: £8.7 million) in respect of non-trading losses carried forward that management do not anticipate being utilised in the foreseeable future.

Deferred tax is calculated at a rate of 23% (2012: 24%).

The Company has no deferred tax.

20. Equity share capital

	<u>Company</u>	
	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Allotted and fully paid		
4 ordinary shares of £1 each	—	—

During the prior period the Company issued one £1 share at incorporation for consideration of £1. A further £1 share was issued on 28 February 2012, in consideration for the entire issued share capital of Forest Holdco Limited. Forest Holdco Limited was subsequently transferred to Center Parcs (Holdings 2) Limited. This share was issued at a premium of £20.0 million and the acquisition of the company gave rise to an other reserve of £126.1 million following the application of group reconstruction relief. On the same day a further 2 shares were issued in exchange for the novation and assignment of certain Group balances totalling £179.9 million. This gave rise to a share premium of £179.9 million.

Management of capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt.

21. Share premium, other reserve and retained earnings

<u>Group</u>	<u>Share premium</u> <u>£m</u>	<u>Other reserve</u> <u>£m</u>	<u>Retained earnings</u> <u>£m</u>
At 27 April 2012	199.9	10.0	(119.8)
Profit for the period	—	—	19.2
Net movement on pension scheme	—	—	(0.5)
At 25 April 2013	<u>199.9</u>	<u>10.0</u>	<u>(101.1)</u>
 <u>Group</u>	 <u>Share premium</u> <u>£m</u>	 <u>Other reserve</u> <u>£m</u>	 <u>Retained earnings</u> <u>£m</u>
At 29 April 2011	20.0	10.0	(96.8)
Loss for the period	—	—	(21.5)
Net movement on pension scheme	—	—	(1.5)
Issue of shares (note 20)	179.9	—	—
At 26 April 2012	<u>199.9</u>	<u>10.0</u>	<u>(119.8)</u>
 <u>Company</u>	 <u>Share premium</u> <u>£m</u>	 <u>Other reserve</u> <u>£m</u>	 <u>Retained earnings</u> <u>£m</u>
At 27 April 2012	199.9	126.1	(1.7)
Loss for the period	—	—	(11.1)
At 25 April 2013	<u>199.9</u>	<u>126.1</u>	<u>(12.8)</u>
 <u>Company</u>	 <u>Share premium</u> <u>£m</u>	 <u>Other reserve</u> <u>£m</u>	 <u>Retained earnings</u> <u>£m</u>
At incorporation	—	—	—
Loss for the period	—	—	(1.7)
Issue of shares (note 20)	199.9	126.1	—
At 26 April 2012	<u>199.9</u>	<u>126.1</u>	<u>(1.7)</u>

22. Working capital and non-cash movements

	Group	
	52 weeks ended	52 weeks ended
	25 April 2013	26 April 2012
	£m	£m
Profit on disposal of property, plant and equipment	(0.1)	(8.6)
Decrease in inventories	—	1.0
Decrease/(increase) in trade and other receivables	6.3	(5.2)
(Decrease)/increase in trade and other payables	(2.4)	9.6
Issue of shares settled via assignment of intercompany amounts	—	179.9
	<u>3.8</u>	<u>176.7</u>

The Company has no working capital and non-cash movements.

23. Analysis of net debt

	At 26 April 2012	Cash flow	Non-cash movements and deferred issue costs	At 25 April 2013
	£m	£m	£m	£m
Cash and cash equivalents				
Cash at bank and in hand	11.7	17.0	—	28.7
	<u>11.7</u>	<u>17.0</u>	<u>—</u>	<u>28.7</u>
Debt due within one year				
Mortgage	(0.3)	0.3	(0.3)	(0.3)
	<u>(0.3)</u>	<u>0.3</u>	<u>(0.3)</u>	<u>(0.3)</u>
Debt due after more than one year				
Mortgage	(2.0)	—	0.3	(1.7)
Securitised debt	(986.0)	—	(3.8)	(989.8)
	<u>(988.0)</u>	<u>—</u>	<u>(3.5)</u>	<u>(991.5)</u>
	<u>(976.6)</u>	<u>17.3</u>	<u>(3.8)</u>	<u>(963.1)</u>

Net debt excludes loans from related parties.

24. Capital commitments

At the balance sheet date, the Group had capital expenditure contracted for but not provided of £6.9 million (2012: £2.8 million).

The Company has no capital commitments.

25. Employees and Directors

	Group	
	52 weeks ended	52 weeks ended
	25 April 2013	26 April 2012
	£m	£m
Staff costs during the period:		
Wages and salaries	64.0	63.0
Social security costs	3.8	3.8
Pension costs	2.4	1.9
	<u>70.2</u>	<u>68.7</u>

Redundancy costs of £nil (2012: £0.8 million) are included above and have been treated as exceptional costs per note 3 to the financial statements.

The monthly average number of people (including executive Directors) employed by the Group during the period was:

	Group	
	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
By activity:	Number	Number
Leisure, retail and food and beverage	2,211	2,214
Housekeeping, technical and estate services	2,510	2,449
Administration	582	571
	5,303	5,234

Employee numbers include only those on contracts of service and hence exclude temporary workers.

Key management compensation

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Aggregate emoluments (including money purchase pension contributions)	2.7	2.3

Key management compensation encompasses the Directors and certain senior managers of the Group.

Directors' remuneration

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Aggregate emoluments (including money purchase pension contributions)	1.5	1.3

One Director (2012: one) has retirement benefits accruing under the Group's money purchase pension scheme, in respect of which the Group made contributions of £27,500 (2012: £26,000) in the period. In addition, retirement benefits are accruing to two Directors (2012: two) under the Group's defined benefit pension scheme.

Included in the above are the following amounts in respect of the highest paid Director, who is a member of the Group's defined benefit pension scheme:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Aggregate emoluments	0.8	0.6
Accrued pension at the end of the period	0.3	0.2

26. Pension commitments

Defined contribution pension scheme

The Group participates in the Center Parcs pension scheme, which is a defined contribution pension scheme with a contributory and a non-contributory membership level. Pension costs for the defined contribution scheme for the period ended 25 April 2013 were £2.1 million (2012: £1.8 million).

Accruals per note 15 include £0.3 million (2012: £0.2 million) in respect of defined contribution pension scheme costs.

Defined benefit pension scheme

The Group operates a funded defined benefit pension scheme for certain employees. Contributions are determined by an independent qualified actuary using assumptions on the rate of return on investments and rates of increases in salaries and benefits.

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

The contributions made by the Group during the period amounted to £0.4 million (2012: £0.3 million).

The last actuarial valuation of the scheme was performed on 1 August 2011. This was updated to 25 April 2013 by a qualified independent actuary.

	<u>2013</u>	<u>2012</u>
Discount rate	3.90%	4.60%
Rate of increase in pensions in payment	3.00%	3.00%
Inflation	2.25%	2.25%
Rate of increase in salaries	2.25%	2.25%
Life expectancy from age 60, for a male:		
Currently age 60	31.7 years	31.6 years
Currently age 50	32.7 years	32.6 years

The amounts recognised in the balance sheet are as follows:

	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Present value of funded obligations	(12.8)	(10.2)
Fair value of plan assets	11.4	9.3
Net pension liability	<u>(1.4)</u>	<u>(0.9)</u>

The major categories of plan assets as a percentage of total plan assets are as follows:

	<u>2013</u>	<u>2012</u>
	<u>%</u>	<u>%</u>
Equities	76	79
Index linked bonds	15	17
Corporate bonds	5	—
Cash	<u>4</u>	<u>4</u>

The amounts recognised in the income statement are as follows:

	<u>52 weeks ended 25 April 2013</u>	<u>52 weeks ended 26 April 2012</u>
	<u>£m</u>	<u>£m</u>
Current service cost	0.3	0.3
Interest cost	0.5	0.4
Expected return on plan assets	(0.5)	(0.6)
Total included within staff costs	<u>0.3</u>	<u>0.1</u>

Staff costs are included within administrative expenses in the income statement.

Changes in the present value of the defined benefit obligation are as follows:

	<u>52 weeks ended 25 April 2013</u>	<u>52 weeks ended 26 April 2012</u>
	<u>£m</u>	<u>£m</u>
Opening defined benefit obligation	10.2	8.2
Current service cost	0.3	0.3
Interest cost	0.5	0.4
Actuarial losses	1.8	1.3
Closing defined benefit obligation	<u>12.8</u>	<u>10.2</u>

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

Changes in the fair value of plan assets are as follows:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Opening fair value of plan assets	9.3	9.2
Expected return on plan assets	0.5	0.6
Actuarial gains/(losses)	1.2	(0.8)
Contributions by employer	0.4	0.3
Closing fair value of plan assets	11.4	9.3

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the end of the reporting period. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Cumulative actuarial gains and losses recognised in the statement of comprehensive income are as follows:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Opening balance	(1.2)	0.9
Total loss	(0.6)	(2.1)
Closing balance	(1.8)	(1.2)

The actual loss on plan assets was £1.8 million (2012: loss on plan assets of £0.2 million).

History of experience gains and losses:

	2013	2012	2011	2010	2009
	£m	£m	£m	£m	£m
Experience adjustments arising on plan assets	1.2	(0.8)	0.1	2.0	(2.2)
Experience adjustments arising on scheme liabilities	1.8	1.3	(1.2)	1.9	(1.0)
Present value of scheme liabilities	(12.8)	(10.2)	(8.2)	(8.7)	(6.1)
Fair value of plan assets	11.4	9.3	9.2	8.2	5.4
(Deficit)/surplus	(1.4)	(0.9)	1.0	(0.5)	(0.7)

The contributions expected to be paid during the financial period ended 24 April 2014 amounts to £0.4 million.

27. Operating lease commitments

	Group	
	Land and buildings	
	2013	2012
	£m	£m
Commitments under non-cancellable operating leases due:		
Within one year	0.6	0.6
In more than one year but less than five years	2.6	2.6
In more than five years	35.4	36.0
	38.6	39.2

The Group has no other operating lease commitments.

The Company has no operating lease commitments.

28. Related parties

During the current and prior period the Group and Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and balance outstanding, are as follows:

Group

	Balance at 26 April 2012	Movement in 52 weeks	Balance at 25 April 2013
	£m	£m	£m
UK Parcs Holdings Sarl	(89.4)	(9.1)	(98.5)
CP Woburn (Operating Company) Limited	5.9	(5.9)	—
CP Cayman Midco 2 Limited	(1.5)	0.6	(0.9)
Funds advised by The Blackstone Group	(0.2)	—	(0.2)

UK Parcs Holdings Sarl, CP Woburn (Operating Company) Limited and CP Cayman Midco 2 Limited share an ultimate controlling party with the Group, being funds advised by The Blackstone Group.

The movement on the balance with UK Parcs Holdings Sarl represent interest payable.

The movement on the balance with CP Woburn (Operating Company) Limited represents the settlement of the balance due.

The movement on the balance with CP Cayman Midco 2 Limited represents a repayment of the loan balance.

Management charges of £1.7 million (2012: £1.6 million) were payable to The Blackstone Group and associated companies during the period.

Certain food and beverage outlets on the villages are operated by Tragus Group Limited, a company with the same ultimate ownership as Center Parcs (Holdings 1) Limited. The balance due from this company at the period end was £0.2 million (2012: £0.2 million). Concession income invoiced during the period, including VAT, totalled £4.4 million (2012: £4.5 million).

	Balance at 28 April 2011	Movement to 28 February 2012	Assignment of balances	Movement to 26 April 2012	Balance at 26 April 2012
	£m	£m	£m	£m	£m
Forest Luxco Sarl	(25.5)	(2.8)	28.3	—	—
CP Cayman Limited	(33.7)	—	33.7	—	—
UK Parcs Holdings Sarl	(81.1)	(6.9)	—	(1.4)	(89.4)
CP Woburn (Operating Company) Limited	—	—	—	5.9	5.9
CP Cayman Midco 2 Limited	—	—	—	(1.5)	(1.5)
Funds advised by The Blackstone Group ...	(0.2)	—	—	—	(0.2)

On 28 February 2012 a deed of declaration was signed under which Center Parcs (Holdings 1) Limited became the counterparty for certain group debts within the Center Parcs group of companies.

The movement to 28 February 2012 on the balance with Forest Luxco Sarl represented interest payable.

The movements on the balance with UK Parcs Holdings Sarl represented interest payable.

The movement on the balance with CP Woburn (Operating Company) Limited represented a balance outstanding following the sale of certain property, plant and equipment to that company, together with the recharge of appropriate costs.

The movement on the balance with CP Cayman Midco 2 Limited represented a loan of £1.8 million made during the period, and a repayment of £0.3 million.

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

Company

All of the related parties below are members of the Group headed by Center Parcs (Holdings 1) Limited, with the exception of funds advised by The Blackstone Group.

	Balance at 26 April 2012	Movement in 52 weeks	Balance at 25 April 2013
	£m	£m	£m
CP Longleat Village Limited	(22.2)	(1.7)	(23.9)
CP Comet Holdings Limited	(5.6)	(6.7)	(12.3)
Center Parcs (Operating Company) Limited	(200.9)	(15.5)	(216.4)
Forest Midco Limited	(20.2)	(1.6)	(21.8)
Forest Refico Limited	(1.7)	1.7	—
Center Parcs (Jersey 1) Limited	(125.1)	(9.9)	(135.0)
Center Parcs Spa Division Holdings Limited	(0.1)	—	(0.1)
Center Parcs Limited	(8.9)	(0.7)	(9.6)
CP Comet Bidco Limited	(51.2)	(4.1)	(55.3)
Comet Refico Limited	(41.7)	(3.0)	(44.7)
Sun CP Newtopco Limited	0.3	(0.3)	—
Sun CP Newmidco Limited	(86.5)	(6.8)	(93.3)
Center Parcs (Holdings 3) Limited	421.8	37.4	459.2
Center Parcs Energy Services Limited	(0.3)	—	(0.3)
Funds advised by The Blackstone Group	(0.2)	—	(0.2)
	<u> </u>	<u> </u>	<u> </u>

The movements in the period on the balances with CP Longleat Village Limited, Forest Midco Limited, Center Parcs (Jersey 1) Limited, Center Parcs Limited, CP Comet Bidco Limited and Sun CP Newmidco Limited represent interest payable.

The movement in the period on the balance with CP Comet Holdings Limited represents interest payable of £0.7 million and a new loan of £6.0 million.

The movement in the period on the balance with Center Parcs (Operating Company) Limited represents interest payable of £15.9 million, offset by compensation for the transfer of a third party receivable of £0.4 million.

The movement in the period on the balance with Forest Refico Limited represents interest payable of £0.1 million, compensation for the transfer of a third party receivable of £0.4 million and the distribution of an intercompany receivable by that company of £2.2 million.

The movement in the period on the balance with Comet Refico Limited represents interest payable of £3.2 million and the waiver of an intercompany balance of £0.2 million.

The movement in the period on the balance with Sun CP Newtopco Limited represents the waiver of an intercompany balance.

The movement in the period on the balance with Center Parcs (Holdings 3) Limited represents interest receivable of £33.6 million and a new loan of £6.0 million, off-set by the distribution of an intercompany balance of £2.2 million.

Center Parcs (Holdings 1) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

All of the related parties below are members of the Group headed by Center Parcs (Holdings 1) Limited, with the exception of Forest Luxco Sarl, CP Cayman Limited and funds advised by The Blackstone Group. Forest Luxco Sarl and CP Cayman Limited have the same ultimate parent company as Center Parcs (Holdings 1) Limited.

	Movement to 28 February 2012	Group reorganisation	Movement to 26 April 2012	Balance at 26 April 2012
	£m	£m	£m	£m
CP Longleat Village Limited	—	(21.9)	(0.3)	(22.2)
CP Comet Holdings Limited	0.2	(5.7)	(0.1)	(5.6)
Center Parcs (Operating Company) Limited	—	(198.5)	(2.4)	(200.9)
Forest Midco Limited	—	(20.0)	(0.2)	(20.2)
Forest Refico Limited	—	(1.7)	—	(1.7)
Center Parcs (Jersey 1) Limited	—	(123.6)	(1.5)	(125.1)
Center Parcs Spa Division Holdings Limited	—	(0.1)	—	(0.1)
Center Parcs Limited	—	(8.8)	(0.1)	(8.9)
CP Comet Bidco Limited	—	(50.6)	(0.6)	(51.2)
Comet Refico Limited	(1.7)	(39.2)	(0.8)	(41.7)
Sun CP Newtopco Limited	—	0.3	—	0.3
Sun CP Newmidco Limited	2.0	(87.4)	(1.1)	(86.5)
Center Parcs (Holdings 2) Limited	(320.7)	320.7	—	—
Center Parcs (Holdings 3) Limited	117.9	298.8	5.1	421.8
Center Parcs Energy Services Limited	—	(0.3)	—	(0.3)
Forest Luxco Sarl	28.3	(28.3)	—	—
CP Cayman Limited	33.7	(33.7)	—	—
Funds advised by The Blackstone Group	(0.2)	—	—	(0.2)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

On 28 February 2012 a deed of declaration was signed under which Center Parcs (Holdings 1) Limited became the counterparty for certain group debts within the Center Parcs group of companies.

The movements post 28 February 2012 on the balances with CP Longleat Village Limited, CP Comet Holdings Limited, Center Parcs (Operating Company) Limited, Forest Midco Limited, Center Parcs (Jersey 1) Limited, Center Parcs Limited, CP Comet Bidco Limited and Sun CP Newmidco Limited represented interest payable.

The movement post 28 February 2012 on the balance with Comet Refico Limited represented interest payable of £0.5 million and the assignment of balances of £0.3 million.

The movement post 28 February 2012 on the balance with Center Parcs (Holdings 3) Limited represented interest receivable.

The movement to 28 February 2012 on the balances with CP Comet Holdings Limited, Comet Refico Limited, Sun CP Newmidco Limited, Center Parcs (Holdings 2) Limited, Center Parcs (Holdings 3) Limited, Forest Luxco Sarl, CP Cayman Limited and funds advised by The Blackstone Group represented the assignment of certain balances.

29. Subsidiary undertakings

The share capitals of subsidiary undertakings, with minor exceptions, are designated as ordinary shares.

All subsidiary undertakings have been included in the consolidated financial statements, and the principal subsidiary undertakings are set out below. All shareholdings represent 100% of the equity and voting rights. All of the subsidiary undertakings listed are held by subsidiary undertakings of the Company.

Subsidiary undertaking	Activity	Country of incorporation
Center Parcs (Operating Company) Limited	Operation of four holiday villages	England and Wales
CP Sherwood Village Limited	Investment property company	England and Wales
CP Elveden Village Limited	Investment property company	England and Wales
Longleat Property Limited	Investment property company	England and Wales
CP Whinfell Village Limited	Investment property company	England and Wales

30. Special purpose entity—CPUK Finance Limited

CPUK Finance Limited was incorporated in Jersey on 20 July 2011 and issued the securitised debt set out in note 17 to the financial statements. The summarised financial statements of CPUK Finance Limited are as follows:

<u>Income statement</u>	<u>52 weeks ended 25 April 2013</u>	<u>Period ended 26 April 2012</u>
	£m	£m
Finance costs	(79.3)	(12.5)
Finance income	79.3	12.5
Profit for the period attributable to equity shareholders	<u>—</u>	<u>—</u>

The profit for the period attributable to equity shareholders represents total comprehensive income.

<u>Balance sheet</u>	<u>As at 25 April 2013</u>	<u>As at 26 April 2012</u>
	£m	£m
Assets		
Amounts due from Center Parcs (Holdings 1) Limited Group	1,020.0	1,020.0
Other receivables	12.2	12.5
Liabilities		
Securitised debt	(1,020.0)	(1,020.0)
Other payables	(12.2)	(12.5)
Total equity	<u>—</u>	<u>—</u>

<u>Cash flow statement</u>	<u>52 weeks ended 25 April 2013</u>	<u>Period ended 26 April 2012</u>
	£m	£m
Investing activities		
Loans advanced	—	(1,020.0)
Net cash outflow from investing activities	<u>—</u>	<u>(1,020.0)</u>
Financing activities		
Proceeds from issue of securitised debt	—	1,020.0
Interest received	79.6	—
Interest paid	(79.6)	—
Net cash inflow from financing activities	<u>—</u>	<u>1,020.0</u>
Net increase in cash and cash equivalents	<u>—</u>	<u>—</u>

31. Ultimate parent company and controlling parties

The immediate parent company is CP Cayman Limited, a company registered in the Cayman Islands. The ultimate parent company is CP Cayman Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling parties are funds advised by The Blackstone Group. No company in the United Kingdom consolidates the results of the Center Parcs (Holdings 1) Limited Group.

Independent auditors' report to the members of CP Woburn (Operating Company) Limited

Report on the financial statements

Our opinion

In our opinion, CP Woburn (Operating Company) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 23 April 2015 and of its loss and cash flows for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

CP Woburn (Operating Company) Limited's financial statements comprise:

- the Balance Sheet as at 23 April 2015;
- the Income Statement for the period then ended;
- the Cash Flow Statement for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

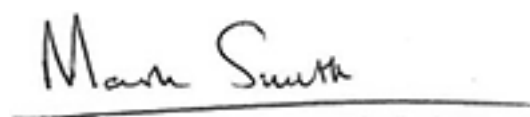
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

A handwritten signature in black ink that reads "Mark Smith". The signature is written in a cursive style and is positioned above a horizontal line.

Mark Smith (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
3 June 2015

CP Woburn (Operating Company) Limited
INCOME STATEMENT
FOR THE 52 WEEKS ENDED 23 APRIL 2015

Income Statement
For the 52 weeks ended 23 April 2015

	Note	52 weeks ended 23 April 2015			52 weeks ended 24 April 2014
		Before exceptional and non-underlying items	Exceptional and non-underlying items	Total	
		£m	£m	£m	
Revenue		65.6	1.7	67.3	—
Cost of sales		(16.8)	(2.8)	(19.6)	—
Gross profit/(loss)		48.8	(1.1)	47.7	—
Administrative expenses		(16.3)	(2.5)	(18.8)	(12.1)
Adjusted EBITDA		32.5	(3.6)	28.9	(12.1)
Depreciation and amortisation		(7.8)	(0.6)	(8.4)	—
Total administrative expenses		(24.1)	(3.1)	(27.2)	(12.1)
Operating profit/(loss)	2	24.7	(4.2)	20.5	(12.1)
Movement in fair value of financial derivatives	10	0.2	—	0.2	0.5
Finance expense	4	(19.4)	(2.1)	(21.5)	(0.1)
Profit/(loss) before taxation		5.5	(6.3)	(0.8)	(11.7)
Taxation	5	(4.7)	(3.1)	(7.8)	10.4
Profit/(loss) for the period attributable to equity shareholders	14	0.8	(9.4)	(8.6)	(1.3)

All amounts relate to continuing activities.

The Company has no recognised income or expenses other than the loss for the period above and so no Statement of Comprehensive Income is presented.

Exceptional/non-underlying items relate to losses incurred by the Company for the eight-week period ended 19 June 2014, covering the final phase of the development build and a three-week trial break period. This is not considered representative of any on-going performance of Woburn Village.

The notes on pages 13 to 29 form part of these financial statements.

CP Woburn (Operating Company) Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 23 APRIL 2015

Statement of Changes in Equity
For the 52 weeks ended 23 April 2015

	Attributable to owners of the parent			
	Share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m
At 24 April 2014	—	1.2	(4.5)	(3.3)
Comprehensive expense				
Loss for the period	—	—	(8.6)	(8.6)
At 23 April 2015	<u>—</u>	<u>1.2</u>	<u>(13.1)</u>	<u>(11.9)</u>

	Attributable to owners of the parent			
	Share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m
At 25 April 2013	—	0.8	(3.2)	(2.4)
Comprehensive expense				
Loss for the period	—	—	(1.3)	(1.3)
Transactions with owners				
Issue of shares	—	0.4	—	0.4
At 24 April 2014	<u>—</u>	<u>1.2</u>	<u>(4.5)</u>	<u>(3.3)</u>

The notes on pages 13 to 29 form part of these financial statements.

Balance Sheet
At 23 April 2015

	Note	23 April 2015 £m	24 April 2014 £m
Assets			
Non-current assets			
Intangible assets	6	1.0	—
Property, plant and equipment	7	297.7	287.3
Derivative financial instruments	10	—	0.3
		<u>298.7</u>	<u>287.6</u>
Current assets			
Inventories		0.7	0.4
Trade and other receivables	8	12.2	6.8
Deferred tax asset	12	—	3.1
Cash and cash equivalents		19.2	5.6
		<u>32.1</u>	<u>15.9</u>
Liabilities			
Current liabilities			
Borrowings	10	—	(4.6)
Trade and other payables	9	(24.6)	(28.1)
Derivative financial instruments	10	—	(0.5)
		<u>(24.6)</u>	<u>(33.2)</u>
Net current assets/(liabilities)		<u>7.5</u>	<u>(17.3)</u>
Non-current liabilities			
Borrowings	10	(310.9)	(273.6)
Deferred tax liability	12	(7.2)	—
Net liabilities		<u>(11.9)</u>	<u>(3.3)</u>
Equity			
Ordinary shares	13	—	—
Share premium	14	1.2	1.2
Retained earnings	14	(13.1)	(4.5)
Total equity		<u>(11.9)</u>	<u>(3.3)</u>

The financial statements on pages 9 to 29 were approved by the board of Directors on 3 June 2015 and were signed on its behalf by:



P Inglett
Director

The notes on pages 13 to 29 form part of these financial statements.

CP Woburn (Operating Company) Limited
CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 23 APRIL 2015

Cash Flow Statement
for the 52 weeks ended 23 April 2015

	<u>Note</u>	52 weeks ended 23 April 2015 £m	52 weeks ended 24 April 2014 £m
Operating activities			
Operating profit/(loss)		20.5	(12.1)
Depreciation and amortisation		8.4	—
Working capital and non-cash movements	15	6.3	11.9
Net cash in/(out)flow from operating activities		<u>35.2</u>	<u>(0.2)</u>
Investing activities			
Purchase of property, plant and equipment		(29.8)	(163.4)
Purchase of intangible assets		(1.3)	—
Net cash outflow from investing activity		<u>(31.1)</u>	<u>(163.4)</u>
Financing activities			
Proceeds from issue of ordinary shares		—	0.4
Interest paid		(7.0)	—
Repayment of external borrowings		(2.1)	—
Repayment of related party loans		(2.5)	—
Proceeds from external borrowings		20.8	118.8
Proceeds from related party loans		0.3	43.0
Net cash inflow from financing activities		<u>9.5</u>	<u>162.2</u>
Net increase/(decrease) in cash and cash equivalents		<u>13.6</u>	<u>(1.4)</u>
Cash and cash equivalents at beginning of the period		5.6	7.0
Cash and cash equivalents at end of the period		<u>19.2</u>	<u>5.6</u>
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash and cash equivalents		13.6	(1.4)
Cash inflow from movement in net debt		(18.7)	(118.8)
Movement in net debt in the period		(5.1)	(120.2)
Net debt at beginning of the period		(134.3)	(14.1)
Net debt at end of the period		<u>(139.4)</u>	<u>(134.3)</u>

Net debt consists of cash and external borrowings.

The notes on pages 13 to 29 form part of these financial statements.

1. Accounting policies

General information

The Company is a limited company, which is incorporated and domiciled in the UK. The address of its registered office is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations adopted by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies are consistent with the prior period.

Basis of preparation

The financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of derivative financial instruments.

The Company’s accounting reference date is 22 April.

Going concern

The Directors have received written confirmation from both the parent company, CP Woburn Holdco Sarl, and, with effect from the completion date of the refinancing described in note 19, Center Parcs (Holdings 1) Limited, that they will afford the Company sufficient financial support as necessary to allow it to satisfy its liabilities as they fall due, for a period of at least 12 months from the date of signing these financial statements. On this basis the financial statements have been prepared on the going concern basis.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates are principally used in the following areas:

Property, plant and equipment: Useful lives of assets and residual values (see accounting policy)

Intangible assets: Useful lives of assets and residual values (see accounting policy)

Revenue

Revenue relates to villa rental income on holidays commenced during the period, together with other related income that primarily arises from on-village leisure, retail and food and beverage spend. Non-rental income is recognised when the related product or service is provided. All revenue is recorded net of VAT.

Payment for villa rental income is received in advance of holidays commencing, and is recorded as ‘payments on account’ within Trade and other payables until the holiday commences.

A number of trading units on the holiday village are operated by concession partners. Revenue due in respect of such units is recognised on a periodic basis as it is invoiced to the concession partner.

All revenue arises in the United Kingdom.

Cost of sales

Cost of sales comprise the cost of goods and services provided to guests. All costs to the point of sale, including direct employee costs, are included within cost of sales.

Operating segments

The Company has a single operating segment, being the Woburn Center Parcs holiday village.

Exceptional/non-underlying items

Exceptional/non-underlying items are defined as those that, by virtue of their nature, size or expected frequency, warrant separate disclosure in the financial statements in order to fully understand the underlying performance of the Company. Non-underlying items are those that are not directly related to the ongoing trade of the business or that are unrepresentative of ongoing performance.

Intangible assets

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, which is generally considered to be four years.

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed four years.

Property, plant and equipment

Depreciation is provided on the cost of all property, plant and equipment (except assets in the course of construction), so as to write off the cost, less residual value, on a straight-line basis over the expected useful economic life of the assets concerned, using the following rates:

Installations	6.67%
Fixtures and fittings	14%
Motor vehicles	25%
Computer hardware	25%

Buildings are depreciated to residual value over 50 years. Land is not depreciated.

Useful lives and residual values are reviewed at each balance sheet date and revised where expectations are significantly different from previous estimates. In such cases, the depreciation charge for current and future periods is adjusted accordingly.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the year in which they are incurred.

Maintenance expenditure

It is the policy of the Company to maintain its land and buildings to a high standard. Where maintenance expenditure increases the benefits that property, plant and equipment is expected to generate, this expenditure is capitalised. All other maintenance costs are charged to the income statement as incurred.

Leases

Leases are classified as finance leases if the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised at cost and depreciated over their useful lives. The capital element of future rentals is treated as a liability and the interest element is charged to the income statement over the period of the lease in proportion to the capital outstanding.

Rental payments on operating leases (net of any incentives received from the lessor and including minimum contractual rental increases) are charged to the income statement on a straight-line basis.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Inventories

The basis of valuation of inventories is the lower of cost on a first in first out basis and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory provisions are created where necessary to ensure that inventory is valued at the lower of cost and estimated net realisable value.

Financial instruments

The Company classifies its financial assets into two categories, being fair value through profit and loss, and loans and receivables. Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Other financial liabilities are carried at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Trade receivables

Trade receivables are recognised initially at fair value. A provision for impairment of trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement.

Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and cash in hand.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Interest on borrowings is treated as an expense in the income statement, with the exception of interest costs incurred on the financing of major projects, which are capitalised within property, plant and equipment.

Early termination costs

Costs associated with the early repayment of borrowings are written off to the income statement as incurred.

Derivative financial instruments

The Company does not trade in derivative financial instruments. Derivative financial instruments (interest rate swaps and caps) are used by the Company to manage its exposure to interest rates on long-term floating-rate

borrowings. All derivative financial instruments are measured at the balance sheet date at their fair value. The Company does not currently hedge account for any derivatives. As such, any gain or loss on remeasurement is taken to the income statement.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting profit or loss, together with realised profits and losses arising during the period on the settlement of overseas assets and liabilities, are included in the trading results. Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

New standards and interpretations

A number of new standards, amendments and interpretations have been issued by the International Accounting Standards Board with effective dates both prior to and post 23 April 2015. None of these have had, or are expected to have, a significant impact on the financial statements of the Company.

2. Operating profit/(loss)

Operating profit/(loss) is stated after charging the following:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Staff costs (note 3)	15.4	5.0
Cost of inventories	5.7	—
Depreciation of property, plant and equipment—owned assets (note 7)	8.1	—
Amortisation of intangible assets (note 6)	0.3	—
Operating lease rental—land and buildings	0.6	0.5
Repairs and maintenance expenditure on property, plant and equipment	1.8	—

Auditors' remuneration of £20,000 (2014: £8,000) was incurred during the period.

3. Employees and Directors

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Staff costs for the Company during the period:		
Wages and salaries	14.5	4.7
Social security costs	0.8	0.2
Pension costs	0.1	0.1
	<u>15.4</u>	<u>5.0</u>

Included in the above is £nil in respect of staff costs recharged from a related company (2014: £0.6 million).

CP Woburn (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

The monthly average number of people (including executive Directors) employed by the Company during the period was:

	52 weeks ended 23 April 2015 Number	52 weeks ended 24 April 2014 Number
By activity		
Leisure, food and beverage and retail	609	122
Administration	98	39
Housekeeping, technical and estate services	565	123
	<u>1,272</u>	<u>284</u>

Employee numbers include only those on contracts of service and hence exclude temporary workers.

The Directors received no remuneration from the Company (2014: £nil).

4. Finance expense

	52 weeks ended 23 April 2015 £m	52 weeks ended 24 April 2014 £m
Interest payable on loans from Group undertaking	16.2	13.1
Bank loan interest and commitment fees payable	6.7	7.1
Less: Interest capitalised	(1.4)	(20.1)
	<u>21.5</u>	<u>0.1</u>

The interest rate applied in determining the amount of interest capitalised in the period was approximately 9.6% (2014: 9.6%).

Included within the total finance expense for the 52 weeks ended 23 April 2015 are pre-opening losses of £2.1 million which have been treated as an exceptional/non-underlying item.

5. Taxation

(a) Taxation

The tax (charge)/credit is made up as follows:

	52 weeks ended 23 April 2015 £m	52 weeks ended 24 April 2014 £m
Current tax:		
—Current year	5.2	4.5
—Adjustment in respect of prior periods	(2.7)	2.8
	<u>2.5</u>	<u>7.3</u>
Deferred tax:		
—Origination and reversal of timing differences	(10.3)	3.1
	<u>(7.8)</u>	<u>10.4</u>

(b) Factors affecting the tax (charge)/credit

The tax assessed for the period is higher (2014: lower) than that resulting from applying the standard rate of corporation tax in the UK of 21% (2014: 23%). The difference is reconciled below:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Loss before taxation	(0.8)	(11.7)
Loss before taxation multiplied by the standard rate of corporation tax	(0.2)	(2.7)
Adjustment in respect of prior periods	7.3	(3.6)
Expenses disallowable for tax purposes	1.0	—
Impact of change in corporation tax rate	(0.3)	0.5
Capitalised interest	—	(4.6)
Tax charge/(credit) for the period (note 5(a))	7.8	(10.4)

Change of corporation tax rate and factors that may affect future tax charges

The standard rate of corporation tax in the UK reduced from 21% to 20% with effect from 1 April 2015.

6. Intangible assets

	Software £m
Cost	
At 25 April 2014	—
Additions	1.3
At 23 April 2015	1.3
Amortisation	
At 25 April 2014	—
Charge for the period	0.3
At 23 April 2015	0.3
Net book amount at 24 April 2014	—
Net book amount at 23 April 2015	1.0

7. Property, plant and equipment

	Land and buildings £m	Installations £m	Fixtures and fittings £m	Motor Vehicles and hardware £m	Assets in the course of construction £m	Total £m
Cost						
At 24 April 2014	—	—	—	—	287.3	287.3
Additions	1.3	1.9	12.0	3.3	—	18.5
Transfers	208.4	78.3	—	0.6	(287.3)	—
At 23 April 2015	209.7	80.2	12.0	3.9	—	305.8
Depreciation						
At 24 April 2014	—	—	—	—	—	—
Charge	—	5.5	1.7	0.9	—	8.1
At 23 April 2015	—	5.5	1.7	0.9	—	8.1
Net book amount						
At 23 April 2015	209.7	74.7	10.3	3.0	—	297.7
Cost and net book amount						
At 25 April 2013	—	—	—	—	113.0	113.0
Additions	—	—	—	—	174.3	174.3
At 24 April 2014	—	—	—	—	287.3	287.3

8. Trade and other receivables

	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Trade receivables	1.2	—
Amounts owed by related parties	9.7	4.5
Prepayments and accrued income	0.6	0.4
Other receivables	0.7	1.9
	<u>12.2</u>	<u>6.8</u>

The fair value of trade and other receivables are equal to their book value.

9. Trade and other payables

	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Trade payables	1.1	11.3
Other tax and social security	1.9	0.2
Other payables	0.6	0.9
Accruals	7.5	9.1
Payments on account	13.5	6.6
	<u>24.6</u>	<u>28.1</u>

The fair value of trade and other payables are equal to their book value.

10. Borrowings

	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Current		
Loan from parent undertaking	—	2.5
Bank borrowings	—	2.1
	<u>—</u>	<u>4.6</u>

The loan from parent undertaking was unsecured, interest-free and repayable on demand.

The bank borrowings were in respect of a VAT facility entered into on 28 February 2012. Under the terms of this facility short-term funding was supplied to finance VAT due to suppliers prior to its recovery from HMRC. Interest was payable on amounts drawn under this facility at a rate of 3-month LIBOR plus 4.25%. The total facility was £10.0 million and a commitment fee of 2.125% was payable on the undrawn amount.

	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Non-current		
Loans from parent undertaking	152.3	135.8
Bank borrowings	158.6	137.8
	<u>310.9</u>	<u>273.6</u>

The loans from parent undertaking are unsecured and repayable on 28 February 2022. Interest is payable at a fixed rate of 8% per annum on loans of £2.1 million (2014: £1.6 million) and at 12% per annum on the remainder. Interest on all loans from parent undertaking are rolled up into the outstanding balance.

The bank borrowings are in respect of drawdowns on a term loan entered into on 28 February 2012. The total facility is repayable on 28 February 2017; an option was taken up during the period to extend the repayment date from its original date of 28 February 2015. This loan financed the costs of building the holiday village at Woburn. Interest was payable on amounts drawn under the facility at a rate of 3-month LIBOR plus 4.25% until 5 September 2014 after which interest was payable at a rate of 3-month LIBOR plus 3.00%. The total facility is £158.6 million (2014: £165.0 million) and a commitment fee of 2.125% was payable on the undrawn amount.

CP Woburn (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

The maturity of the Company's borrowings is as follows:

	Less than 1 year £m	2-5 years £m	Greater than 5 years £m	Total £m
As at 23 April 2015				
Loans from parent undertaking	—	—	152.3	152.3
Bank borrowings	—	158.6	—	158.6
	<u>—</u>	<u>158.6</u>	<u>152.3</u>	<u>310.9</u>
As at 24 April 2014				
Loans from parent undertaking	2.5	—	135.8	138.3
Bank borrowings	2.1	137.8	—	139.9
	<u>4.6</u>	<u>137.8</u>	<u>135.8</u>	<u>278.2</u>

All of the above amounts are denominated in £ sterling.

The non-discounted minimum future cash flows in respect of financial liabilities are:

	Loan from parent undertaking £m	Bank borrowings £m	Total £m
As at 23 April 2015			
In less than one year	—	4.8	4.8
In two to five years	—	162.6	162.6
In more than five years	330.9	—	330.9
	<u>330.9</u>	<u>167.4</u>	<u>498.3</u>
As at 24 April 2014			
In less than one year	—	144.8	144.8
In more than five years	330.2	—	330.2
	<u>330.2</u>	<u>144.8</u>	<u>475.0</u>

Derivative financial instruments

On 7 December 2012 the Company entered into interest rate swaps with a nominal value of £158.3 million. These swaps were effective from 15 February 2013 and matured on 27 February 2015. These instruments fixed 3-month LIBOR at a rate of 0.9%.

At the balance sheet date these interest rate swaps had a fair value of £nil (2014: liability of £0.5 million).

On 7 December 2012 the Company also entered into interest rate caps with a nominal value of £165.0 million. These caps are effective from 27 February 2015 and mature on 28 February 2017. These instruments cap 3-month LIBOR at 3.5%.

At the balance sheet date these interest rate caps had a fair value of £nil (2014: asset of £0.3 million).

The net movement on the fair value of interest rate swaps and caps has been treated as income in the income statement.

The Company's borrowings were refinanced on xx May 2015 as set out in note 19.

11. Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Fair value through profit and loss		Loans and receivables		Total	
	2015	2014	2015	2014	2015	2014
	£m	£m	£m	£m	£m	£m
Assets						
Trade receivables	—	—	1.2	—	1.2	—
Other receivables	—	—	0.7	1.9	0.7	1.9
Derivatives	—	0.3	—	—	—	0.3
Cash	—	—	19.2	5.6	19.2	5.6
	—	0.3	21.1	7.5	21.1	7.8
	==	==	==	==	==	==
	Fair value through profit and loss		Other financial liabilities		Total	
	2015	2014	2015	2014	2015	2014
	£m	£m	£m	£m	£m	£m
Liabilities						
Trade payables	—	—	1.1	11.3	1.1	11.3
Accruals	—	—	7.5	9.1	7.5	9.1
Other payables	—	—	0.6	0.9	0.6	0.9
Borrowings	—	—	310.9	278.2	310.9	278.2
Derivatives	—	0.5	—	—	—	0.5
	—	0.5	320.1	299.5	320.1	300.0
	==	==	==	==	==	==

Fair value of financial assets and financial liabilities

The fair values of financial assets and liabilities are approximately equal to their book values.

Fair value hierarchy

IFRS 13 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All of the Company's fair value measurements have been categorised as Level 2 and fair values are derived directly from observable prices. There were no transfers between levels during the current or prior period.

Fixed rate interest

At the balance sheet date, all of the Company's borrowings were at fixed rates of interest.

12. Deferred taxation

	2015	2014
	£m	£m
Deferred tax assets		
Deferred tax assets to be recovered in less than 12 months	—	3.1
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months	(7.2)	—

CP Woburn (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

The movement on the deferred tax account is shown below:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
At the beginning of the period	3.1	—
(Charged)/credited to the income statement	(10.3)	3.1
At the end of the period	(7.2)	3.1

The deferred tax liability is in respect of accelerated capital allowances (2014: the deferred tax asset related to pre-trading losses).

13. Share capital

	2015 £m	2014 £m
Allotted and fully paid		
15,026 (2014: 15,025) ordinary shares of £1 per share	—	—

During the period the Company issued the following shares:

6 November 2014: One share for consideration of £3,000 creating a share premium of £2,999.

During the prior period the Company issued the following shares:

17 May 2013: One share for consideration of £40,000 creating a share premium of £39,999.

14 June 2013: One share for consideration of £50,000 creating a share premium of £49,999.

10 July 2013: One share for consideration of £80,000 creating a share premium of £79,999.

12 August 2013: One share for consideration of £60,000 creating a share premium of £59,999.

6 September 2013: One share for consideration of £60,000 creating a share premium of £59,999.

28 September 2013: One share for consideration of £3,270 creating a share premium of £3,269.

4 October 2013: One share for consideration of £50,000 creating a share premium of £49,999.

5 November 2013: One share for consideration of £82,021 creating a share premium of £82,020.

26 March 2014: One share for consideration of £3,000 creating a share premium of £2,999.

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt.

14. Share premium and retained earnings

	Share premium £m	Retained earnings £m
At 24 April 2014	1.2	(4.5)
Loss for the period	—	(8.6)
At 23 April 2015	1.2	(13.1)

	Share premium £m	Retained earnings £m
At 25 April 2013	0.8	(3.2)
Loss for the period	—	(1.3)
Issue of shares	0.4	—
At 24 April 2014	1.2	(4.5)

15. Working capital and non-cash movements

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Increase in inventories	(0.3)	(0.4)
Increase in trade and other receivables	(2.9)	(0.3)
Increase in trade and other payables	9.5	12.6
	<u>6.3</u>	<u>11.9</u>

16. Related party transactions

The following movements on accounts with related parties occurred in the periods reported in these financial statements:

	Balance at 25 April 2013	Movement in 52 weeks	Balance at 24 April 2014	Movement in 52 weeks	Balance at 23 April 2015
	£m	£m	£m	£m	£m
CP Woburn Holdco Sarl	(82.2)	(56.1)	(138.3)	(14.0)	(152.3)
Center Parcs (Operating Company) Limited	—	4.5	4.5	5.2	9.7

The Company's immediate parent company is CP Woburn Holdco Sarl. Center Parcs (Operating Company) Limited is a related party company with the same ultimate controlling party as the Company.

The movement on the balance with CP Woburn Holdco Sarl in the 52 weeks ended 23 April 2015 represents a new loan from that company of £0.3 million and accrued interest of £16.2 million, offset by the repayment of a loan of £2.5 million. The movement in the 52 weeks ended 24 April 2014 represented loans from that company of £43.0 million and accrued interest of £13.1 million.

The movements on the balance with Center Parcs (Operating Company) Limited represent payments due for group relief surrendered by the Company offset by the recharge of certain costs under a Management Services Agreement.

17. Operating leases

Commitments under non-cancellable leases are due as follows:

	Land and buildings 2015	2014
	£m	£m
Within one year	0.6	0.6
In more than one year but less than five years	2.2	2.2
In more than five years	50.7	51.3
	<u>53.5</u>	<u>54.1</u>

The Company has no other operating leases.

18. Capital commitments

At the balance sheet date, the Company had capital expenditure contracted for but not provided of £0.6 million (2014: £10.8 million).

19. Events after the Balance Sheet date

On 22 May 2015 Center Parcs (Holdings 1) Limited announced the pricing of an aggregate of £490.0 million of New Class A senior notes, divided into £350.0 million 2.666% notes due to mature in February 2020 and £140.0 million 3.588% notes due to mature in August 2025. The proceeds of these new notes, along with existing cash resources available, will refinance that group's Class A1 notes, which are due to mature in 2017, and fund the acquisition of the equity share capital of CP Woburn (Operating Company) Limited. The refinancing is expected to complete on 11 June 2015.

On 2 June 2015 it was announced that a Brookfield-managed fund has agreed to acquire the parent company of the Center Parcs group, and consequently its subsidiary undertakings, from funds advised by The Blackstone Group. The transaction is due to complete by the end of July 2015.

20. Ultimate parent company and controlling parties

The immediate parent company during the 52 weeks ended 23 April 2015 was CP Woburn Holdco Sarl, a company registered in Luxembourg. The ultimate parent company was CP Cayman Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling parties were funds advised by The Blackstone Group. No company consolidates the results of CP Woburn (Operating Company) Limited.

Following the completion of the refinancing described in note 19, the immediate parent company will be Center Parcs (Holdings 3) Limited, a company registered in England and Wales. The ultimate parent company will remain CP Cayman Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling parties will remain funds advised by The Blackstone Group. The largest and smallest group of which the company will be a member and for which group accounts are drawn up will be Center Parcs (Holdings 1) Limited.

Independent auditors' report to the members of CP Woburn (Operating Company) Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 24 April 2014 and of its loss and cash flows for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by CP Woburn (Operating Company) Limited, comprise:

- balance sheet as at 24 April 2014;
- the income statement for the period then ended;
- the cash flow statement for the period then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted in the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

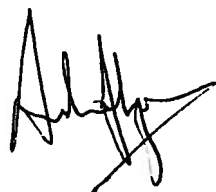
Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Director's Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Andrew Lyon BSc FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

24 June 2014

CP Woburn (Operating Company) Limited
INCOME STATEMENT
FOR THE 52 WEEKS ENDED 24 APRIL 2014

Income Statement
For the 52 weeks ended 24 April 2014

	Note	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
		£m	£m
Administrative expenses		(12.1)	(2.2)
Operating loss	2	(12.1)	(2.2)
Finance income	4	0.5	—
Finance expense	4	(0.1)	(0.8)
Loss before taxation		(11.7)	(3.0)
Taxation	5	10.4	—
Loss for the period attributable to equity shareholders	13	(1.3)	(3.0)

All amounts relate to continuing activities.

The Company has no recognised income or expenses other than the loss for the period above and so no Statement of Comprehensive Income is presented.

The notes on pages 10 to 26 form part of these financial statements.

CP Woburn (Operating Company) Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 24 APRIL 2014

Statement of Changes in Equity
For the 52 weeks ended 24 April 2014

	Attributable to owners of the parent			
	Share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m
At 25 April 2013	—	0.8	(3.2)	(2.4)
Comprehensive income				
Loss for the period	—	—	(1.3)	(1.3)
Transactions with owners				
Issue of shares	—	0.4	—	0.4
At 24 April 2014	<u>—</u>	<u>1.2</u>	<u>(4.5)</u>	<u>(3.3)</u>

	Attributable to owners of the parent			
	Share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m
At 26 April 2012	—	0.4	(0.2)	0.2
Comprehensive income				
Loss for the period	—	—	(3.0)	(3.0)
Transactions with owners				
Issue of shares	—	0.4	—	0.4
At 25 April 2013	<u>—</u>	<u>0.8</u>	<u>(3.2)</u>	<u>(2.4)</u>

The notes on pages 10 to 26 form part of these financial statements.

CP Woburn (Operating Company) Limited
BALANCE SHEET
AT 24 APRIL 2014

Balance Sheet
At 24 April 2014

	Note	24 April 2014 £m	25 April 2013 £m
Assets			
Non-current assets			
Property, plant and equipment	6	287.3	113.0
Derivative financial instruments	9	0.3	0.3
		<u>287.6</u>	<u>113.3</u>
Current assets			
Inventories		0.4	—
Trade and other receivables	7	6.8	2.0
Cash and cash equivalents		5.6	7.0
Deferred tax asset	11	3.1	—
		<u>15.9</u>	<u>9.0</u>
Liabilities			
Current liabilities			
Trade and other payables	8	(28.1)	(20.4)
Borrowings	9	(4.6)	(3.5)
Derivative financial instruments	9	(0.5)	—
		<u>(33.2)</u>	<u>(23.9)</u>
Net current liabilities		<u>(17.3)</u>	<u>(14.9)</u>
Non-current liabilities			
Borrowings	9	(273.6)	(99.8)
Derivative financial instruments	9	—	(1.0)
Net liabilities		<u>(3.3)</u>	<u>(2.4)</u>
Equity			
Ordinary shares	12	—	—
Share premium	13	1.2	0.8
Retained earnings	13	(4.5)	(3.2)
Total equity		<u>(3.3)</u>	<u>(2.4)</u>

The financial statements on pages 6 to 26 were approved by the board of Directors on 24 June 2014 and were signed on its behalf by:



P Inglett
Director

The notes on pages 10 to 26 form part of these financial statements.

CP Woburn (Operating Company) Limited
CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 24 APRIL 2014

**Cash Flow Statement
for the 52 weeks ended 24 April 2014**

	<u>Note</u>	<u>52 weeks ended 24 April 2014 £m</u>	<u>52 weeks ended 25 April 2013 £m</u>
Operating activities			
Operating loss		(12.1)	(2.2)
Working capital and non-cash movements	14	<u>11.9</u>	<u>(7.1)</u>
Net cash outflow from operating activities		<u>(0.2)</u>	<u>(9.3)</u>
Investing activities			
Purchase of property, plant and equipment		(176.5)	(48.5)
Net cash outflow from investing activity		<u>(176.5)</u>	<u>(48.5)</u>
Financing activities			
Proceeds from issue of ordinary shares		0.4	0.4
Proceeds from borrowing		<u>174.9</u>	<u>57.4</u>
Net cash inflow from financing activities		<u>175.3</u>	<u>57.8</u>
Net decrease in cash and cash equivalents		(1.4)	—
Cash and cash equivalents at beginning of the period		<u>7.0</u>	<u>7.0</u>
Cash and cash equivalents at end of the period		<u><u>5.6</u></u>	<u><u>7.0</u></u>

The notes on pages 10 to 26 form part of these financial statements.

1. Accounting policies

General information

The Company is a limited company, which is incorporated and domiciled in the UK. The address of its registered office is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations adopted by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies are consistent with the prior period.

Basis of preparation

The financial statements have been prepared under the historical cost convention and on a going concern basis.

The accounts of CP Woburn (Operating Company) Limited are typically drawn up to the Thursday nearest to its accounting reference date of 22 April.

Going concern

The Directors have received confirmation that the parent company, CP Woburn Holdco Sarl, will provide sufficient support to the Company to allow it to meet its debts and capital commitments as they fall due for a period of at least 12 months from the date of signing these financial statements. On this basis the financial statements have been prepared on the going concern basis.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revenue

Villa rental income will be recognised when holidays commence. Non-rental income will be recognised when the related product or service is provided.

Payment for villa rental income is received in advance of holidays commencing, and is recorded as ‘payments on account’ within Trade and other payables until the holiday commences.

Property, plant and equipment

The cost of property, plant and equipment includes directly attributable costs. Depreciation is not provided on assets in the course of construction.

Capitalisation of interest

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the year in which they are incurred.

Leases

Leases are classified as finance leases if the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised at cost and depreciated over their useful lives. The capital element of future rentals is treated as a liability and the interest element is charged to the income statement over the period of the lease in proportion to the capital outstanding.

Rental payments on operating leases (net of any incentives received from the lessor and including minimum contractual rental increases) are charged to the income statement on a straight-line basis.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Inventories

The basis of valuation of inventories is the lower of cost on a first in first out basis and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory provisions are created where necessary to ensure that inventory is valued at the lower of cost and estimated net realisable value.

Financial instruments

The Company classifies its financial assets into two categories, being fair value through profit and loss, and loans and receivables. Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Other financial liabilities are carried at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and cash in hand.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Derivative financial instruments

The Company does not trade in derivative financial instruments. Derivative financial instruments (interest rate swaps and caps) are used by the Company to manage its exposure to interest rates on long-term floating-rate

borrowings. All derivative financial instruments are measured at the balance sheet date at their fair value. The Company does not currently hedge account for any derivatives. As such, any gain or loss on remeasurement is taken to the income statement.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

New standards and interpretations

New accounting standards or interpretations effective in the current period are as follows:

- A revision to IAS 1 ‘Presentation of financial statements’ in respect of the presentation of other comprehensive income;
- A revision to IAS 19 ‘Employee benefits’ in respect of the remeasurement of termination benefits; and
- A new accounting standard IFRS 13 ‘Fair value measurement’, setting out a framework for measuring fair value and required disclosures.

These have not impacted, and are not likely to have a future impact on, the financial statements of the Company.

The adoption of IFRS 9 ‘Financial Instruments’, which is expected to be enacted in 2018, is expected to change the disclosure given in respect of financial instruments but not the amounts reported in the financial statements. In addition, the International Accounting Standards Board and IFRIC have issued a number of further standards and interpretations with an effective date after the date of these financial statements. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company’s financial statements in the period of initial application.

2. Operating loss

Operating loss is stated after charging the following:

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Staff costs (note 3)	5.0	0.9
Operating lease rental—land and buildings	0.5	0.5

Auditors’ remuneration of £8,000 (2013: £5,000) was incurred during the period.

3. Employees and Directors

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Staff costs for the Company during the period:		
Wages and salaries	4.7	0.9
Social security costs	0.2	—
Pension costs	0.1	—
	<u>5.0</u>	<u>0.9</u>

Included in the above is £0.6 million in respect of staff costs recharged from a related company (2013: £0.8 million).

CP Woburn (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

The monthly average number of people (including executive Directors) employed by the Company during the period was:

	52 weeks ended 24 April 2014 Number	52 weeks ended 25 April 2013 Number
By activity		
Leisure, food and beverage and retail	293	—
Administration	49	1
Housekeeping, technical and estate services	269	—
	<u>611</u>	<u>1</u>

The Directors received no remuneration from the Company (2013: £nil).

4. Finance expense and income

	52 weeks ended 24 April 2014 £m	52 weeks ended 25 April 2013 £m
Finance expense		
Interest payable on loans from Group undertaking	13.1	6.7
Bank loan interest and commitment fees payable	7.1	4.2
Less: Interest capitalised	(20.1)	(10.8)
Movement in fair value of derivative financial instruments	—	0.7
	<u>0.1</u>	<u>0.8</u>
Finance income		
Movement in fair value of derivative financial instruments (note 9)	(0.5)	—
	<u>(0.5)</u>	<u>—</u>
Net finance (income)/expense	<u>(0.4)</u>	<u>0.8</u>

The interest rate applied in determining the amount of interest capitalised in the period was approximately 9.6% (2013: 12%).

5. Taxation

(a) Taxation

The tax credit is made up as follows:

	52 weeks ended 24 April 2014 £m	52 weeks ended 25 April 2013 £m
Current tax:		
—Current year	4.5	—
—Adjustment in respect of prior periods	2.8	—
	<u>7.3</u>	<u>—</u>
Deferred tax:		
Origination and reversal of timing differences	3.1	—
	<u>10.4</u>	<u>—</u>

(b) Factors affecting the tax credit

The tax assessed for the period is lower (2013: higher) than that resulting from applying the standard rate of corporation tax in the UK of 23% (2013: 24%). The difference is reconciled below:

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Loss before taxation	(11.7)	(3.0)
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 23% (2013: 24%)	(2.7)	(0.7)
Adjustment in respect of prior periods	(3.6)	—
Impact of change in corporation tax rate	0.5	—
Capitalised interest	(4.6)	—
Losses carried forward not recognised as a deferred tax asset	—	0.7
Tax credit for the period (note 5(a))	(10.4)	—

Change of corporation tax rate and factors that may affect future tax charges

The March 2013 Budget included legislation to reduce the main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. This legislation was substantively enacted for financial reporting purposes on 2 July 2013.

6. Property, plant and equipment

<u>Cost and net book value</u>	<u>Assets in the course of construction</u>
	£m
At 26 April 2012	38.4
Additions	74.6
At 25 April 2013	113.0
Additions	174.3
At 24 April 2014	287.3

7. Trade and other receivables

	2014	2013
	£m	£m
Amounts owed by related parties	4.5	—
Prepayments and accrued income	0.4	0.2
Other receivables	1.9	1.8
	6.8	2.0

The fair value of trade and other receivables is equal to their book value.

8. Trade and other payables

	2014	2013
	£m	£m
Trade payables	11.3	11.4
Other tax and social security	0.2	—
Other payables	0.9	—
Accruals	9.1	9.0
Payments on account	6.6	—
	28.1	20.4

The fair value of trade and other payables are equal to their book value.

9. Borrowings

<u>Current</u>	<u>24 April 2014</u>	<u>25 April 2013</u>
	<u>£m</u>	<u>£m</u>
Loan from parent undertaking	2.5	1.9
Bank borrowings	2.1	1.6
	<u>4.6</u>	<u>3.5</u>

The loan from parent undertaking is unsecured, interest-free and repayable on demand.

The bank borrowings are in respect of a VAT facility entered into on 28 February 2012. Under the terms of this facility short-term funding is supplied to finance VAT due to suppliers prior to its recovery from HMRC. Interest is payable on amounts drawn under this facility at a rate of 3-month LIBOR plus 4.25%. The total facility is £10.0 million and a commitment fee of 2.125% is payable on the undrawn amount.

<u>Non-current</u>	<u>24 April 2014</u>	<u>25 April 2013</u>
	<u>£m</u>	<u>£m</u>
Loans from parent undertaking	135.8	80.3
Bank borrowings	137.8	19.5
	<u>273.6</u>	<u>99.8</u>

The loans from parent undertaking are unsecured and repayable on 28 February 2022. Interest is payable at a fixed rate of 12% per annum and is rolled up into the outstanding balance.

The bank borrowings are in respect of drawdowns on a term loan entered into on 28 February 2012. The total facility is repayable on 28 February 2015, although the Company has the option to extend this to 28 February 2017. This loan is in place to finance the costs of building the holiday village at Woburn. Interest is payable on amounts drawn under the facility at a rate of 3-month LIBOR plus 4.25%. The total facility is £165.0 million and a commitment fee of 2.125% is payable on the undrawn amount.

The maturity of the Company's borrowings is as follows:

	<u>Less than 1 year £m</u>	<u>2 – 5 years £m</u>	<u>Greater than 5 years £m</u>	<u>Total £m</u>
As at 24 April 2014				
Loan from parent undertaking	2.5	—	135.8	138.3
Bank borrowings	2.1	137.8	—	139.9
	<u>4.6</u>	<u>137.8</u>	<u>135.8</u>	<u>278.2</u>
As at 25 April 2013				
Loan from parent undertaking	1.9	—	80.3	82.2
Bank borrowings	1.6	19.5	—	21.1
	<u>3.5</u>	<u>19.5</u>	<u>80.3</u>	<u>103.3</u>

All of the above amounts are denominated in £ sterling.

The non-discounted minimum future cash flows in respect of non-current liabilities are:

	<u>Loan from parent undertaking £m</u>	<u>Bank borrowings £m</u>	<u>Total £m</u>
As at 24 April 2014			
In more than two years but not more than five years	—	144.4	144.4
In more than five years	263.5	—	263.5
	<u>263.5</u>	<u>144.4</u>	<u>407.9</u>

CP Woburn (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

<u>As at 25 April 2013</u>	<u>Loan from parent undertaking</u>	<u>Bank borrowings</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
In more than two years but not more than five years	—	31.2	31.2
In more than five years	175.1	—	175.1
	<u>175.1</u>	<u>31.2</u>	<u>206.3</u>

Derivative financial instruments

On 7 December 2012 the Company entered into interest rate swaps with a nominal value of £158.3 million. These swaps were effective from 15 February 2013 and mature on 27 February 2015. These instruments fix 3-month LIBOR at a rate of 0.9%.

At the balance sheet date these interest rate swaps had a fair value of £(0.5) million (2013: liability of £1.0 million).

On 7 December 2012 the Company also entered into interest rate caps with a nominal value of £165.0 million. These caps are effective from 27 February 2015 and mature on 28 February 2017. These instruments cap 3-month LIBOR at 3.5%.

At the balance sheet date these interest rate caps had a fair value of £0.3 million (2013: asset of £0.3 million).

The net movement, since inception, on the fair value of interest rate swaps and caps has been treated as an expense in the income statement.

10. Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	<u>Fair value through profit and loss</u>		<u>Loans and receivables</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Assets						
Other receivables	—	—	1.9	1.8	1.9	1.8
Derivatives	0.3	0.3	—	—	0.3	0.3
Cash	—	—	5.6	7.0	5.6	7.0
	<u>0.3</u>	<u>0.3</u>	<u>7.5</u>	<u>8.8</u>	<u>7.8</u>	<u>9.1</u>
	<u>Fair value through profit and loss</u>		<u>Other financial liabilities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Liabilities						
Trade payables	—	—	11.3	11.4	11.3	11.4
Accruals	—	—	9.1	9.0	9.1	9.0
Other payables	—	—	0.9	—	0.9	—
Borrowings	—	—	278.2	103.3	278.2	103.3
Derivatives	0.5	1.0	—	—	0.5	1.0
	<u>0.5</u>	<u>1.0</u>	<u>299.5</u>	<u>123.7</u>	<u>300.0</u>	<u>124.7</u>

Fair value of financial assets and financial liabilities

The fair values of financial assets and liabilities are approximately equal to their book values.

Fair value hierarchy

IFRS 13 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

CP Woburn (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

All of the Company's fair value measurements have been categorised as Level 2 and fair values are derived directly from observable prices. There were no transfers between levels during the current or prior period.

Fixed rate interest

At the balance sheet date, all of the Company's borrowings were at fixed rates of interest.

11. Deferred taxation

	<u>2014</u>	<u>2013</u>
	<u>£m</u>	<u>£m</u>
Deferred tax assets		
Deferred tax assets to be recovered in less than 12 months	3.1	—

The movement on the deferred tax account is shown below:

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	<u>£m</u>	<u>£m</u>
At the beginning of the period	—	—
Credited to the income statement	3.1	—
At the end of the period	<u><u>3.1</u></u>	<u><u>—</u></u>

The deferred tax asset relates to pre-trading losses.

The Company has an unrecognised deferred tax asset of £nil (2013: £0.7 million).

12. Share capital

	<u>2014</u>	<u>2013</u>
	<u>£m</u>	<u>£m</u>
Allotted and fully paid		
15,025 (2013: 15,016) ordinary shares of £1 per share	—	—

During the period the Company issued the following shares:

17 May 2013: One share for consideration of £40,000 creating a share premium of £39,999.
14 June 2013: One share for consideration of £50,000 creating a share premium of £49,999.
10 July 2013: One share for consideration of £80,000 creating a share premium of £79,999.
12 August 2013: One share for consideration of £60,000 creating a share premium of £59,999.
6 September 2013: One share for consideration of £60,000 creating a share premium of £59,999.
28 September 2013: One share for consideration of £3,270 creating a share premium of £3,269.
4 October 2013: One share for consideration of £50,000 creating a share premium of £49,999.
5 November 2013: One share for consideration of £82,021 creating a share premium of £82,020.
26 March 2014: One share for consideration of £3,000 creating a share premium of £2,999.

During the prior period the Company issued the following shares:

4 May 2012: One share for consideration of £40,000 creating a share premium of £39,999.
21 June 2012: One share for consideration of £40,000 creating a share premium of £39,999.
14 August 2012: One share for consideration of £60,000 creating a share premium of £59,999.
26 September 2012: One share for consideration of £2,910 creating a share premium of £2,909.
16 October 2012: One share for consideration of £40,000 creating a share premium of £39,999.
7 November 2012: One share for consideration of £30,000 creating a share premium of £29,999.
3 January 2013: One share for consideration of £20,000 creating a share premium of £19,999.
15 January 2013: One share for consideration of £25,000 creating a share premium of £24,999.
14 February 2013: One share for consideration of £22,014 creating a share premium of £22,013.
21 March 2013: One share for consideration of £30,000 creating a share premium of £29,999.
26 March 2013: One share for consideration of £2,910 creating a share premium of £2,909.
18 April 2013: One share for consideration of £35,000 creating a share premium of £34,999.

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt.

13. Share premium and retained earnings

	<u>Share premium</u>	<u>Retained earnings</u>
	<u>£m</u>	<u>£m</u>
At 25 April 2013	0.8	(3.2)
Loss for the period	—	(1.3)
Issue of shares	0.4	—
At 24 April 2014	<u>1.2</u>	<u>(4.5)</u>

	<u>Share premium</u>	<u>Retained earnings</u>
	<u>£m</u>	<u>£m</u>
At 26 April 2012	0.4	(0.2)
Loss for the period	—	(3.0)
Issue of shares	0.4	—
At 25 April 2013	<u>0.8</u>	<u>(3.2)</u>

14. Working capital and non-cash movements

	<u>52 weeks ended</u>	<u>52 weeks ended</u>
	<u>24 April 2014</u>	<u>25 April 2013</u>
	<u>£m</u>	<u>£m</u>
Increase in inventories	(0.4)	—
Increase in trade and other receivables	(0.3)	(1.2)
Increase/(decrease) in trade and other payables	<u>12.6</u>	<u>(5.9)</u>
	<u>11.9</u>	<u>(7.1)</u>

15. Related party transactions

The following movements on accounts with related parties occurred in the periods reported in these financial statements:

	<u>Balance at</u>	<u>Movement to</u>	<u>Balance at</u>	<u>Movement to</u>	<u>Balance at</u>
	<u>26 April 2012</u>	<u>25 April 2013</u>	<u>25 April 2013</u>	<u>24 April 2014</u>	<u>24 April 2014</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
CP Woburn Holdco Sarl	(39.3)	(42.9)	(82.2)	(56.1)	(138.3)
Center Parcs (Operating Company)					
Limited	(5.9)	5.9	—	4.5	4.5

The Company's immediate parent company is CP Woburn Holdco Sarl. Center Parcs (Operating Company) Limited is a related party company with the same ultimate controlling party as the Company.

The movements on the balance with CP Woburn Holdco Sarl represent loans from that company.

The movement on the balance with Center Parcs (Operating Company) Limited for the 52 weeks ended 25 April 2013 represented the settlement of the balance due. The movement in the 52 weeks ended 24 April 2014 represents payment due for group relief surrendered to that company.

16. Operating leases

Commitments under non-cancellable leases are due as follows:

	Land and buildings	
	2014	2013
	£m	£m
Within one year	0.6	0.5
In more than one year but less than five years	2.2	2.0
In more than five years	51.3	41.9
	<u>54.1</u>	<u>44.4</u>

The Company has no other operating leases.

17. Capital commitments

At the balance sheet date, the Company had capital expenditure contracted for but not provided of £10.8 million (2013: £143.2 million).

18. Ultimate parent company and controlling parties

The immediate parent company is CP Woburn Holdco Sarl, a company registered in Luxembourg. The ultimate parent company is CP Cayman Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling parties are funds advised by The Blackstone Group. No company consolidates the results of CP Woburn (Operating Company) Limited.

Independent auditors' report to the members of CP Woburn (Operating Company) Limited

We have audited the financial statements of CP Woburn (Operating Company) Limited for the 52 weeks ended 25 April 2013 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 25 April 2013 and of its loss and cash flows for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



David Teager (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

28 June 2013

CP Woburn (Operating Company) Limited
INCOME STATEMENT
FOR THE 52 WEEKS ENDED 25 APRIL 2013

Income Statement
For the 52 weeks ended 25 April 2013

	Note	52 weeks ended 25 April 2013	Period from 2 June 2011 to 26 April 2012
		£m	£m
Administrative expenses		(2.2)	(0.2)
Operating loss	2	(2.2)	(0.2)
Finance expense	4	(0.8)	—
Loss before taxation		(3.0)	(0.2)
Taxation	5	—	—
Loss for the period attributable to equity shareholders	13	(3.0)	(0.2)

All amounts relate to continuing activities.

The Company has no recognised income or expenses other than the loss for the period above and so no Statement of Comprehensive Income is presented.

The notes on pages 10 to 21 form part of these financial statements.

CP Woburn (Operating Company) Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 25 APRIL 2013

Statement of Changes in Equity
For the 52 weeks ended 25 April 2013

	Attributable to owners of the parent			
	Share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m
At 26 April 2012	—	0.4	(0.2)	0.2
Comprehensive income				
Loss for the period	—	—	(3.0)	(3.0)
Transactions with owners				
Issue of shares	—	0.4	—	0.4
At 25 April 2013	<u>—</u>	<u>0.8</u>	<u>(3.2)</u>	<u>(2.4)</u>

	Attributable to owners of the parent			
	Share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m
At 2 June 2011	—	—	—	—
Comprehensive income				
Loss for the period	—	—	(0.2)	(0.2)
Transactions with owners				
Issue of shares	—	0.4	—	0.4
At 26 April 2012	<u>—</u>	<u>0.4</u>	<u>(0.2)</u>	<u>0.2</u>

The notes on pages 10 to 21 form part of these financial statements.

CP Woburn (Operating Company) Limited
BALANCE SHEET
AT 25 APRIL 2013

Balance Sheet
At 25 April 2013

	Note	25 April 2013 £m	26 April 2012 £m
Assets			
Non-current assets			
Property, plant and equipment	6	113.0	38.4
Derivative financial instruments	10	0.3	—
		<u>113.3</u>	<u>38.4</u>
Current assets			
Trade and other receivables	7	2.0	0.8
Cash and cash equivalents	8	7.0	7.0
		<u>9.0</u>	<u>7.8</u>
Liabilities			
Current liabilities			
Trade and other payables	9	(20.4)	(6.7)
Borrowings	10	(3.5)	(0.1)
		<u>(23.9)</u>	<u>(6.8)</u>
Net current (liabilities)/assets		<u>(14.9)</u>	<u>1.0</u>
Non-current liabilities			
Borrowings	10	(99.8)	(39.2)
Derivative financial instruments	10	(1.0)	—
Net (liabilities)/assets		<u>(2.4)</u>	<u>0.2</u>
Equity			
Ordinary shares	12	—	—
Share premium	13	0.8	0.4
Retained earnings	13	(3.2)	(0.2)
Total equity		<u>(2.4)</u>	<u>0.2</u>

The financial statements on pages 6 to 21 were approved by the board of Directors on 28 June 2013 and were signed on its behalf by:



P Inglett
Director

The notes on pages 10 to 21 form part of these financial statements.

CP Woburn (Operating Company) Limited
CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 25 APRIL 2013

**Cash Flow Statement
for the 52 weeks ended 25 April 2013**

	Note	52 weeks ended 25 April 2013 £m	Period from 2 June 2011 to 26 April 2012 £m
Operating activities			
Operating loss		(2.2)	(0.2)
Working capital and non-cash movements	14	(7.1)	5.9
Net cash (out)/inflow from operating activities		(9.3)	5.7
Investing activities			
Purchase of property, plant and equipment		(48.5)	(38.4)
Net cash outflow from investing activity		(48.5)	(38.4)
Financing activities			
Issue of share capital		0.4	0.4
Proceeds from borrowing		57.4	39.3
Net cash inflow from financing activities		57.8	39.7
Net increase in cash and cash equivalents		—	7.0
Cash and cash equivalents at beginning of the period		7.0	—
Cash and cash equivalents at end of the period	8	7.0	7.0

The notes on pages 10 to 21 form part of these financial statements.

1. Accounting policies

General information

The Company is a limited company, which is incorporated and domiciled in the UK. The address of its registered office is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations adopted by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies are consistent with the prior period.

Basis of preparation

The financial statements have been prepared under the historical cost convention and on a going concern basis.

The accounts of CP Woburn (Operating Company) Limited are typically drawn up to the Thursday nearest to its accounting reference date of 22 April.

Going concern

The Directors have received confirmation that the parent company, CP Woburn Holdco Sarl, will provide sufficient support to the Company to allow it to meet its debts and capital commitments as they fall due for a period of at least 12 months from the date of signing these financial statements. On this basis the financial statements have been prepared on the going concern basis.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Financial instruments

The Company classifies its financial instruments into two categories: Financial assets at fair value through profit and loss, and loans and receivables. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Capitalisation of interest

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the year in which they are incurred.

Property, plant and equipment

The cost of property, plant and equipment includes directly attributable costs. Depreciation is not provided on assets in the course of construction.

Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and cash in hand.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Derivative financial instruments

The Company does not trade in derivative financial instruments. Derivative financial instruments (interest rate swaps and caps) are used by the Company to manage its exposure to interest rates on long-term floating-rate borrowings. All derivative financial instruments are measured at the balance sheet date at their fair value.

The Company does not currently hedge account for any derivatives. As such, any gain or loss on remeasurement is taken to the income statement.

New standards and interpretations

The adoption of IFRS 9 'Financial Instruments' is expected to change the disclosure given in respect of financial instruments but not the amounts reported in the financial statements. In addition, the International Accounting Standards Board and IFRIC have issued a number of further standards and interpretations with an effective date after the date of these financial statements. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial application.

2. Operating loss

Auditors' remuneration of £5,000 (2012: £3,000) was incurred during the period.

3. Employees

The Company had a monthly average of one employee during the period (2012: none). Payroll costs incurred during the period were £78,000 (2012: £nil), being salaries of £62,000, social security of £10,000 and pension costs of £6,000. In addition, the Company incurred £784,000 (2012: £34,000) in respect of staff costs recharged from a related company.

The Directors received no remuneration from the Company (2012: £nil).

CP Woburn (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

4. Finance expense

	52 weeks ended 25 April 2013	Period from 2 June 2011 to 26 April 2012
	£m	£m
Interest payable on loans from Group undertaking	6.7	0.7
Bank loan interest and commitment fees payable	4.2	—
Less: Interest capitalised	(10.8)	(0.7)
	0.1	—
Movement in fair value of derivative financial instruments (note 10)	0.7	—
	0.8	—

The interest rate applied in determining the amount of interest capitalised in the period was approximately 12% (2012: 12%).

5. Taxation

(a) Taxation

The tax charge for the period is £nil (2012: £nil).

(b) Factors affecting the tax charge

The tax assessed for the period is higher (2012: higher) than that resulting from applying the standard rate of corporation tax in the UK of 24% (2012: 26%). The difference is reconciled below:

	52 weeks ended 25 April 2013	Period from 2 June 2011 to 26 April 2012
	£m	£m
Loss before taxation	(3.0)	(0.2)
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 24% (2012: 26%)	(0.7)	(0.1)
Losses carried forward not recognised as deferred tax asset	0.7	0.1
Tax charge for the period (note 5(a))	—	—

The Company has losses of approximately £3.2 million (2012: £0.2 million) to utilise against future profits. The Company has not recognised these as a deferred tax asset.

Change of corporation tax rate and factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 24% to 23% with effect from 1 April 2013 was included in the Finance Act 2012. This announcement was substantively enacted at the balance sheet date and hence has been reflected in these financial statements.

Further reductions to the UK corporation tax rate have been announced which propose to reduce the rate to 21% from 1 April 2014 and 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements.

6. Property, plant and equipment

	Assets in the course of construction £m
Cost and net book value	
At 2 June 2011	—
Additions	38.4
At 26 April 2012	38.4
Additions	74.6
At 25 April 2013	113.0

7. Trade and other receivables

	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Trade receivables	—	0.1
Prepayments and accrued income	0.2	0.2
Other receivables	1.8	0.5
	<u>2.0</u>	<u>0.8</u>

The fair value of trade and other receivables is equal to their book value.

8. Cash and cash equivalents

	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Cash at bank and in hand	7.0	7.0

Cash and cash equivalents are categorised as loans and receivables.

9. Trade and other payables

	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Trade payables	11.4	0.7
Amounts due to related parties	—	5.9
Accruals	9.0	0.1
	<u>20.4</u>	<u>6.7</u>

The fair value of trade and other payables are equal to their book value.

10. Borrowings

<u>Current</u>	<u>25 April 2013</u>	<u>26 April 2012</u>
	<u>£m</u>	<u>£m</u>
Loan from parent undertaking	1.9	0.1
Bank borrowings	1.6	—
	<u>3.5</u>	<u>0.1</u>

The loan from parent undertaking is unsecured, interest-free and repayable on demand.

The bank borrowings are in respect of a VAT facility entered into on 28 February 2012. Under the terms of this facility short-term funding is supplied to finance VAT due to suppliers prior to its recovery from HMRC. Interest is payable on amounts drawn under this facility at a rate of 3-month LIBOR plus 4.25%. The total facility is £10.0 million and a commitment fee of 2.125% is payable on the undrawn amount.

<u>Non-current</u>	<u>25 April 2013</u>	<u>26 April 2012</u>
	<u>£m</u>	<u>£m</u>
Loans from parent undertaking	80.3	39.2
Bank borrowings	19.5	—
	<u>99.8</u>	<u>39.2</u>

The loans from parent undertaking are unsecured and repayable on 28 February 2022. Interest is payable at a fixed rate of 12% per annum and is rolled up into the outstanding balance.

The bank borrowings are in respect of drawdowns on a term loan entered into on 28 February 2012. The total facility is repayable on 28 February 2015, although the Company has the option to extend this to 28 February 2017. This loan is in place to finance the costs of building the holiday village at Woburn. Interest is payable on amounts drawn under the facility at a rate of 3-month LIBOR plus 4.25%. The total facility is £165.0 million and a commitment fee of 2.125% is payable on the undrawn amount.

CP Woburn (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

The maturity of the Company's borrowings is as follows:

	<u>Less than 1 year</u> £m	<u>2 – 5 years</u> £m	<u>Greater than 5 years</u> £m	<u>Total</u> £m
As at 25 April 2013				
Loan from parent undertaking	1.9	—	80.3	82.2
Bank borrowings	1.6	19.5	—	21.1
	<u>3.5</u>	<u>19.5</u>	<u>80.3</u>	<u>103.3</u>
As at 26 April 2012				
Loan from parent undertaking	0.1	—	39.2	39.3

All of the above amounts are denominated in £ sterling.

The non-discounted minimum future cash flows in respect of non-current liabilities are:

	<u>Loan from parent undertaking</u> £m	<u>Bank borrowings</u> £m	<u>Total</u> £m
As at 25 April 2013			
In more than one year but not more than two years	—	2.2	2.2
In more than two years but not more than five years	—	31.2	31.2
In more than five years	175.1	—	175.1
	<u>175.1</u>	<u>33.4</u>	<u>208.5</u>
As at 26 April 2012			
In more than one year but not more than two years	—	—	—
In more than two years but not more than five years	—	—	—
In more than five years	86.4	86.4	86.4
	<u>86.4</u>	<u>86.4</u>	<u>86.4</u>

Derivative financial instruments

On 7 December 2012 the Company entered into interest rate swaps with a nominal value of £158.3 million. These swaps were effective from 15 February 2013 and mature on 27 February 2015. These instruments fix 3-month LIBOR at a rate of 0.9%.

At the balance sheet date these interest rate swaps had a fair value of £(1.0) million.

On 7 December 2012 the Company also entered into interest rate caps with a nominal value of £165.0 million. These caps are effective from 27 February 2015 and mature on 28 February 2017. These instruments cap 3-month LIBOR at 3.5%.

At the balance sheet date these interest rate caps had a fair value of £0.3 million.

The net movement, since inception, on the fair value of interest rate swaps and caps has been treated as an expense in the income statement.

11. Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Fair value through profit and loss		Loans and receivables		Total	
	2013	2012	2013	2012	2013	2012
	£m	£m	£m	£m	£m	£m
Assets						
Trade receivables	—	—	—	0.1	—	0.1
Other receivables	—	—	1.8	0.5	1.8	0.5
Derivatives	0.3	—	—	—	0.3	—
Cash	—	—	7.0	7.0	7.0	7.0
	<u>0.3</u>	<u>—</u>	<u>8.8</u>	<u>7.6</u>	<u>9.1</u>	<u>7.6</u>
	Fair value through profit and loss		Other financial liabilities		Total	
	2013	2012	2013	2012	2013	2012
	£m	£m	£m	£m	£m	£m
Liabilities						
Trade payables	—	—	11.4	0.7	11.4	0.7
Accruals	—	—	9.0	0.1	9.0	0.1
Other payables	—	—	—	5.9	—	5.9
Borrowings	—	—	103.3	39.3	103.3	39.3
Derivatives	1.0	—	—	—	1.0	—
	<u>1.0</u>	<u>—</u>	<u>123.7</u>	<u>46.0</u>	<u>124.7</u>	<u>46.0</u>

Fair value of financial assets and financial liabilities

The fair values of financial assets and liabilities are approximately equal to their book values.

Fair value hierarchy

IFRS 7 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All of the Company's fair value measurements have been categorised as Level 2. There were no transfers between levels during the period.

Fixed rate interest

At the balance sheet date, all of the Company's borrowings were at fixed rates of interest.

12. Share capital

	2013	2012
	£m	£m
Allotted and fully paid		
15,015 (2012: 15,003) ordinary shares of £1 per share	—	—

CP Woburn (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

During the period the Company issued the following shares:

4 May 2012: One share for consideration of £40,000 creating a share premium of £39,999.
21 June 2012: One share for consideration of £40,000 creating a share premium of £39,999.
14 August 2012: One share for consideration of £60,000 creating a share premium of £59,999.
26 September 2012: One share for consideration of £2,910 creating a share premium of £2,909.
16 October 2012: One share for consideration of £40,000 creating a share premium of £39,999.
7 November 2012: One share for consideration of £30,000 creating a share premium of £29,999.
3 January 2013: One share for consideration of £20,000 creating a share premium of £19,999.
15 January 2013: One share for consideration of £25,000 creating a share premium of £24,999.
14 February 2013: One share for consideration of £22,014 creating a share premium of £22,013.
21 March 2013: One share for consideration of £30,000 creating a share premium of £29,999.
26 March 2013: One share for consideration of £2,910 creating a share premium of £2,909.
18 April 2013: One share for consideration of £35,000 creating a share premium of £34,999.

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt.

13. Share premium and retained earnings

	<u>Share premium</u>	<u>Retained earnings</u>
	<u>£m</u>	<u>£m</u>
At 26 April 2012	0.4	(0.2)
Loss for the period	—	(3.0)
Issue of shares	0.4	—
At 25 April 2013	<u>0.8</u>	<u>(3.2)</u>

	<u>Share premium</u>	<u>Retained earnings</u>
	<u>£m</u>	<u>£m</u>
At 2 June 2011	—	—
Loss for the period	—	(0.2)
Issue of shares	0.4	—
At 26 April 2012	<u>0.4</u>	<u>(0.2)</u>

14. Working capital and non-cash movements

	<u>52 weeks ended</u>	<u>Period from</u>
	<u>25 April 2013</u>	<u>2 June 2011 to</u>
	<u>£m</u>	<u>£m</u>
Increase in trade and other receivables	(1.2)	(0.8)
(Decrease)/increase in trade and other payables	(5.9)	6.7
	<u>(7.1)</u>	<u>5.9</u>

15. Related party transactions

The following movements on accounts with related parties occurred in the periods reported in these financial statements:

	<u>Movement</u>	<u>Balance</u>	<u>Movement</u>	<u>Balance</u>
	<u>to 26 April</u>	<u>at 26 April</u>	<u>to 25 April</u>	<u>at 25 April</u>
	<u>2012</u>	<u>2012</u>	<u>2013</u>	<u>2013</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
CP Woburn Holdco Sarl	(39.3)	(39.3)	(42.9)	(82.2)
Center Parcs (Operating Company) Limited	(5.9)	(5.9)	5.9	—

CP Woburn (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

The Company's immediate parent company is CP Woburn Holdco Sarl. Center Parcs (Operating Company) Limited is a related party company with the same ultimate controlling party as the Company.

The movements on the balance with CP Woburn Holdco Sarl represent loans from that company.

The movements on the balance with Center Parcs (Operating Company) Limited represent a balance due following the sale of certain property, plant and equipment to that company, together with the recharge of appropriate costs, and the subsequent settlement of the balance due.

16. Operating leases

Commitments under non-cancellable leases are due as follows:

	Land and buildings	
	2013	2012
	£m	£m
Within one year	0.5	0.5
In more than one year but less than five years	2.0	2.0
In more than five years	41.9	42.4
	<u>44.4</u>	<u>44.9</u>

The Company has no other operating leases.

17. Capital commitments

At the balance sheet date, the Company had capital expenditure contracted for but not provided of £143.2 million.

18. Ultimate parent company and controlling parties

The immediate parent company is CP Woburn Holdco Sarl, a company registered in Luxembourg. The ultimate parent company is CP Cayman Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling parties are funds advised by The Blackstone Group. No company consolidates the results of CP Woburn (Operating Company) Limited.

Independent auditors' report to the members of CUK Finance Limited

Report on the financial statements

Our opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 23 April 2015 and of its result and cash flows for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

This opinion is to be read in the context of what we say below.

What we have audited

The financial statements for the period ended 23 April 2015, which are prepared by CUK Finance Limited, comprise:

- the Balance Sheet as at 23 April 2015;
- the Income statement for the period then ended;
- the Cash Flow Statement for the period then ended;
- the Statement in Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of the significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and *International Financial Reporting Standards (IFRSs) as adopted by the European Union*.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Mark Smith
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants
Birmingham

3 June 2015

CPUK Finance Limited
INCOME STATEMENT
FOR THE 52 WEEKS ENDED 23 APRIL 2015

Income Statement
for the 52 weeks ended 23 April 2015

	Note	52 weeks ended 23 April 2015 £m	52 weeks ended 24 April 2014 £m
Operating profit	2	—	—
Finance expense	4	(79.4)	(79.4)
Finance income	5	79.4	79.4
Profit before taxation		—	—
Taxation	6	—	—
Profit for the period attributable to equity shareholders		—	—

All amounts relate to continuing activities.

The Company has no recognised income or expenses other than the result for the period above and so no Statement of Comprehensive Income is presented.

The notes on pages 11 to 20 form part of these financial statements.

CPUK Finance Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 23 APRIL 2015

**Statement of Changes in Equity
for the 52 weeks ended 23 April 2015**

	Attributable to owners of the parent		
	Share capital	Retained earnings	Total
	£m	£m	£m
At 25 April 2013	—	—	—
At 24 April 2014	—	—	—
At 23 April 2015	—	—	—

The notes on pages 11 to 20 form part of these financial statements.

CPUK Finance Limited
BALANCE SHEET
AT 23 APRIL 2015

Balance Sheet
At 23 April 2015

	<u>Note</u>	<u>23 April 2015</u>	<u>24 April 2014</u>
		<u>£m</u>	<u>£m</u>
Assets			
Non-current assets			
Trade and other receivables	7	1,020.0	1,020.0
		1,020.0	1,020.0
Current assets			
Trade and other receivables	7	11.8	12.0
Derivative financial instruments	10	16.8	—
		28.6	12.0
Liabilities			
Current liabilities			
Trade and other payables	8	(11.8)	(12.0)
Derivative financial instruments	10	(16.8)	—
Net current assets		—	—
Non-current liabilities			
Borrowings	10	(1,020.0)	(1,020.0)
Net assets		—	—
Equity			
Ordinary shares	11	—	—
Retained earnings	12	—	—
Total equity		—	—

The financial statements on pages F-147 to F-157 were approved by the Board of Directors on 3 June 2015 and were signed on its behalf by:



Claudia Wallace
Director

The notes on pages 11 to 20 form part of these financial statements.

CPUK Finance Limited
CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 23 APRIL 2015

**Cash Flow Statement
for the 52 weeks ended 23 April 2015**

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Operating activities		
Operating profit	—	—
Net cash flow from operating activities	<u>—</u>	<u>—</u>
Investing activities		
Interest received	79.6	79.6
Net cash inflow from investing activities	<u>79.6</u>	<u>79.6</u>
Financing activities		
Interest paid	(79.6)	(79.6)
Net cash outflow from financing activities	<u>(79.6)</u>	<u>(79.6)</u>
Net movement in cash and cash equivalents	<u>—</u>	<u>—</u>
Reconciliation of net cash flow to movement in net debt		
Movement in cash and cash equivalents in the period	—	—
Cash inflow from movement in net debt	—	—
Movement in net debt in the period	—	—
Net debt at beginning of the period	<u>(1,020.0)</u>	<u>(1,020.0)</u>
Net debt at end of the period	<u><u>(1,020.0)</u></u>	<u><u>(1,020.0)</u></u>

The notes on pages 11 to 20 form part of these financial statements.

1. Accounting policies

General information

The Company was incorporated under the Companies (Jersey) Law 1991, as amended, as a public limited liability company. The address of its registered office is 47 Esplanade, St Helier, Jersey, JE1 0BD. The Company is resident in the UK for tax purposes.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations adopted by the European Union (EU) and with those parts of the Companies (Jersey) Law 1991 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies are consistent with the prior period.

Basis of preparation

The financial statements have been prepared under the historical cost convention, fair value requirements and on a going concern basis.

The Company’s accounting reference date is 22 April.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Financial instruments

The Company classifies its financial assets into two categories, being fair value through profit and loss, and loans and receivables. Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Other financial liabilities are carried at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and cash in hand.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution

Dividend distributions to the Company’s shareholders are recognised as a liability in the Company’s financial statements in the period in which the dividends are approved by the Company’s shareholders. Interim dividends are recognised when paid.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities. The Company is resident in the UK for tax purposes and is subject to The Taxation of Securitisation Companies Regulations.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Derivative financial instruments

The Company does not trade in derivative financial instruments. All derivative financial instruments are measured at the balance sheet date at their fair value. Any asset or liability in respect of derivative financial instruments is ultimately recognised by the Group and hence any gain or loss on remeasurement is recorded in the income statement of the relevant entity.

New standards and interpretations

A number of new standards, amendments and interpretations have been issued by the International Accounting Standards Board with effective dates both prior to and post 23 April 2015. None of these have had, or are expected to have, a significant impact on the financial statements of the Company.

2. Operating costs

All operating costs incurred by the Company are recovered, by way of an ongoing facility fee arrangement, from the Group under the Issuer/Borrower Loan Agreement. Operating costs include audit fees of £7,000 (2014: £7,000) which were recharged to the Group.

3. Directors' emoluments and Employees

The Company has no employees (2014: none). No salaries or wages have been paid to employees, including the Directors, during the period (2014: £nil).

4. Finance expense

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Interest payable on securitised debt	79.4	79.4

5. Finance income

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Interest receivable from related parties	79.4	79.4

6. Taxation

The Company is resident in the UK for tax purposes and is subject to The Taxation of Securitisation Companies Regulations.

(a) Taxation

The tax charge for the period is £nil (2014: £nil).

(b) Factors affecting the tax charge

The tax assessed for the current and prior period is the same as that resulting from applying the standard rate of corporation tax in the UK of 21% (2014: 23%).

Change of corporation tax rate and factors that may affect future tax charges

The standard rate of corporation tax in the UK reduced from 21% to 20% with effect from 1 April 2015.

7. Trade and other receivables

	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Non-current assets		
Amounts owed by related parties	<u>1,020.0</u>	<u>1,020.0</u>
Current assets		
Prepayments and accrued income	<u>11.8</u>	<u>12.0</u>

Amounts owed by related parties represent the loans advanced to members of the Center Parcs (Holdings 1) Limited group of companies (the “Group”). The loans are secured against the assets of those companies and comprise three tranches with differing terms:

Tranche A1

Total value of £300.0 million and had an expected maturity date of 28 February 2017 and a final maturity date of 28 February 2042. Interest is charged at 4.811% until expected maturity and 7.169% thereafter.

Tranche A2

Total value of £440.0 million with an expected maturity date of 28 February 2024 and a final maturity date of 28 February 2042. Interest is charged at 7.239% until expected maturity and 7.919% thereafter.

Tranche B

Total value of £280.0 million with an expected maturity date of 28 February 2018 and a final maturity date of 28 February 2042. Interest is charged at 11.625% until expected maturity and 6.25% thereafter.

Prepayments and accrued income represents interest receivable on these loan notes from members of the Group.

The tranche A1 notes will be repaid shortly after the financial year-end as set out in note 14.

8. Trade and other payables

	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Accruals	<u>11.8</u>	<u>12.0</u>

Accruals relate to the interest payable on the Notes. The fair value of accruals are equal to their book value.

9. Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

<u>At 23 April 2015</u>	<u>Fair value through profit and loss</u> £m	<u>Loans and receivables</u> £m	<u>Total</u> £m
Assets as per the balance sheet			
Amounts owed by related parties	—	1,020.0	1,020.0
Derivative financial instruments	16.8	—	16.8
	<u>16.8</u>	<u>1,020.0</u>	<u>1,036.8</u>

<u>At 24 April 2014</u>	<u>Fair value through profit and loss</u> £m	<u>Loans and receivables</u> £m	<u>Total</u> £m
Assets as per the balance sheet			
Amounts owed by related parties	—	1,020.0	1,020.0

<u>At 23 April 2015</u>	<u>Fair value through profit and loss</u> £m	<u>Other financial liabilities</u> £m	<u>Total</u> £m
Liabilities as per the balance sheet			
Borrowings	—	1,020.0	1,020.0
Accruals	—	11.8	11.8
Derivative financial instruments	16.8	—	16.8
	<u>16.8</u>	<u>1,031.8</u>	<u>1,048.6</u>

<u>At 24 April 2014</u>	<u>Other financial liabilities</u> £m	<u>Total</u> £m
Liabilities as per the balance sheet		
Borrowings	1,020.0	1,020.0
Accruals	12.0	12.0
	<u>1,032.0</u>	<u>1,032.0</u>

Fair value hierarchy

IFRS 13 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All of the Company's fair value measurements have been categorised as Level 2 and fair values are derived directly from observable prices. There were no transfers between levels during the current or prior period.

Fair value of financial assets and financial liabilities

The fair values of the Company's financial assets and liabilities as at 23 April 2015 are:

	<u>Book value</u> £m	<u>Fair value</u> £m
Financial assets		
Amounts owed by related parties	1,020.0	1,212.8
Financial liabilities		
Borrowings	(1,020.0)	(1,212.8)

CPUK Finance Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

The fair values of the Company's financial assets and liabilities as at 24 April 2014 were:

	<u>Book value</u> £m	<u>Fair value</u> £m
Financial assets		
Amounts owed by related parties	1,020.0	1,173.6
Financial liabilities		
Borrowings	(1,020.0)	(1,173.6)

Maturity of financial liabilities

The non-discounted minimum future cash flows in respect of financial liabilities are:

<u>Securitised debt</u>	<u>2015</u> £m	<u>2014</u> £m
Repayable:		
In less than one year	78.8	78.8
In two to five years	786.9	833.9
In more than five years	567.4	599.3
	<u>1,433.1</u>	<u>1,512.0</u>

10. Borrowings

<u>Securitised debt</u>	<u>2015</u> £m	<u>2014</u> £m
Repayable within two to five years		
Tranche A1	300.0	300.0
Tranche B	280.0	280.0
	<u>580.0</u>	<u>580.0</u>
Repayable after more than five years:		
Tranche A2	440.0	440.0
	<u>1,020.0</u>	<u>1,020.0</u>

On 28 February 2012 the Company issued the following tranches of fixed rate loan notes ("Notes"). The assets of the Group were provided as security for the debt, and the funds raised were advanced to the Group. Total fees of £34.6 million were incurred by the Group in respect of the issuance of Notes. These costs were borne by the Group and were not recharged to CPUK Finance Limited.

Tranche A1

Total value of £300.0 million with an expected maturity date of 28 February 2017 and a final maturity date of 28 February 2042. Interest is charged at 4.811% until expected maturity and 7.169% thereafter.

On 22 May 2015 the Group announced the pricing of an aggregate of £490.0 million of New Class A senior notes, divided into £350.0 million 2.666% notes due to mature in February 2020 and £140.0 million 3.588% notes due to mature in August 2025. The proceeds of these new notes, along with existing cash resources available, will refinance the Class A1 notes, which are due to mature in 2017, and fund the acquisition of the equity share capital of CP Woburn (Operating Company) Limited. The refinancing is expected to complete on 11 June 2015.

Tranche A2

Total value of £440.0 million with an expected maturity date of 28 February 2024 and a final maturity date of 28 February 2042. Interest is charged at 7.239% until expected maturity and 7.919% thereafter.

Tranche B

Total value of £280.0 million with an expected maturity date of 28 February 2018 and a final maturity date of 28 February 2042. Interest is charged at 11.625% until expected maturity and 6.25% thereafter.

The tranche B debt is subordinated to the tranche A debt. Both include optional prepayment clauses permitting the Company to repay the debt in advance of the expected maturity date. All tranches of debt are subject to a financial covenant. There was significant headroom on the covenants as at 23 April 2015. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenant.

As all tranches have fixed interest rates, the Company is not exposed to interest rate fluctuations. All amounts are denominated in £ sterling.

Derivative financial instruments related to securitised debt

The option to repay the B debt prior to maturity is considered to be a derivative financial instrument with a fair value of £16.8 million (2014: £nil), such fair value being estimated with reference to the yields of similar corporate bonds with comparable terms and credit ratings. The movement in the fair value is recognised in the income statement of the Group.

11. Share capital

	2015	2014
	£m	£m
Issued and fully paid		
2 ordinary shares of £1 each	—	—

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, and sell assets to reduce debt or borrow additional debt.

12. Retained earnings

	£m
At 25 April 2013	—
At 24 April 2014	—
At 23 April 2015	—

13. Related party transactions

The following movements on accounts with related parties occurred in the periods reported in these financial statements:

	Balance at 24 April 2014	Interest received	Interest receivable	Balance at 23 April 2015
	£m	£m	£m	£m
Center Parcs (Operating Company) Limited	340.1	(26.2)	26.2	340.1
CP Sherwood Village Limited	181.5	(14.0)	14.0	181.5
CP Elveden Village Limited	168.9	(13.0)	12.9	168.8
Longleat Property Limited	151.6	(11.7)	11.7	151.6
CP Whinfell Village Limited	189.9	(14.7)	14.6	189.8

	Balance at 25 April 2013	Interest received	Interest receivable	Balance at 24 April 2014
	£m	£m	£m	£m
Center Parcs (Operating Company) Limited	340.2	(26.3)	26.2	340.1
CP Sherwood Village Limited	181.5	(14.0)	14.0	181.5
CP Elveden Village Limited	168.9	(12.9)	12.9	168.9
Longleat Property Limited	151.7	(11.7)	11.6	151.6
CP Whinfell Village Limited	189.9	(14.7)	14.7	189.9

All of the above companies are members of the Group.

14. Events after the Balance Sheet date

On 22 May 2015 the Group announced the pricing of an aggregate of £490.0 million of New Class A senior notes, divided into £350.0 million 2.666% notes due to mature in February 2020 and £140.0 million 3.588% notes due to

mature in August 2025. The proceeds of these new notes, along with existing cash resources available, will refinance the Class A1 notes, which are due to mature in 2017, and fund the acquisition of the equity share capital of CP Woburn (Operating Company) Limited. The refinancing is expected to complete on 11 June 2015.

On 2 June 2015 it was announced that a Brookfield-managed fund has agreed to acquire the parent company of the Center Parc group, and consequently its subsidiary undertakings, from funds advised by The Blackstone Group. The transaction is due to complete by the end of July 2015.

15. Controlling parties

The issued share capital of the Company is held by, or on behalf of, Structured Finance Management Offshore Limited, acting in its capacity as Trustee of the CPUK Finance Charitable Trust, on a discretionary trust basis for the benefit of charitable purposes. Structured Finance Management Offshore Limited is the immediate and ultimate parent company.

The consolidated financial statements of Center Parc (Holdings 1) Limited incorporate the results of the Company. This is the largest and smallest group that includes the results of CPUK Finance Limited in its group accounts. The Directors of both CPUK Finance Limited and Center Parc (Holdings 1) Limited consider that the Company meets the definition of a special purpose entity under SIC 12 'Consolidation—Special Purpose Entities' and hence for the purpose of the consolidated financial statements it has been treated as a subsidiary undertaking.

A copy of the Center Parc (Holdings 1) Limited financial statements can be obtained on application to The Company Secretary, One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Independent auditors' report to the members of CPUK Finance Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 24 April 2014 and of its result for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by CPUK Finance Limited, comprise:

- balance sheet as at 24 April 2014;
- the income statement for the period then ended;
- the statement of changes in equity for the period then ended;
- the cash flow statement for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted in the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions on other matters prescribed by the Companies (Jersey) Law 1991

In our opinion, the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Director's Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Andrew Lyon BSc FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

13 June 2014

CPUK Finance Limited
INCOME STATEMENT
FOR THE 52 WEEKS ENDED 24 APRIL 2014

Income Statement
for the 52 weeks ended 24 April 2014

	Note	52 weeks ended 24 April 2014 £m	52 weeks ended 25 April 2013 £m
Operating profit	2	—	—
Finance expense	4	(79.4)	(79.3)
Finance income	5	79.4	79.3
Profit before taxation		—	—
Taxation	6	—	—
Profit for the period attributable to equity shareholders		—	—

All amounts relate to continuing activities.

The Company has no recognised income or expenses other than the result for the period above and so no Statement of Comprehensive Income is presented.

The notes on pages 10 to 18 form part of these financial statements.

CPUK Finance Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 24 APRIL 2014

**Statement of Changes in Equity
for the 52 weeks ended 24 April 2014**

	Attributable to owners of the parent		
	Share capital	Retained earnings	Total
	£m	£m	£m
At 26 April 2012	—	—	—
At 25 April 2013	—	—	—
At 24 April 2014	<u>—</u>	<u>—</u>	<u>—</u>

The notes on pages 10 to 18 form part of these financial statements.

CPUK Finance Limited
BALANCE SHEET
AT 24 APRIL 2014

Balance Sheet
At 24 April 2014

	Note	24 April 2014 £m	25 April 2013 £m
Assets			
Non-current assets			
Trade and other receivables	7	<u>1,020.0</u>	<u>1,020.0</u>
		1,020.0	1,020.0
Current assets			
Trade and other receivables	7	<u>12.0</u>	<u>12.2</u>
		12.0	12.2
Liabilities			
Current liabilities			
Trade and other payables	8	<u>(12.0)</u>	<u>(12.2)</u>
		—	—
Net current assets			
Non-current liabilities			
Borrowings	10	<u>(1,020.0)</u>	<u>(1,020.0)</u>
		—	—
Net assets			
Equity			
Ordinary shares	11	<u>—</u>	<u>—</u>
Retained earnings	12	<u>—</u>	<u>—</u>
		—	—
Total equity		<u>—</u>	<u>—</u>

The financial statements on pages F-160 to F-169 were approved by the Board of Directors on 13 June 2014 and were signed on its behalf by:



Claudia Wallace
Director

The notes on pages 10 to 18 form part of these financial statements.

CPUK Finance Limited
CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 24 APRIL 2014

**Cash Flow Statement
for the 52 weeks ended 24 April 2014**

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Operating activities		
Operating profit	—	—
Net cash flow from operating activities	<u>—</u>	<u>—</u>
Investing activities		
Interest received	79.6	79.6
Net cash inflow from investing activities	<u>79.6</u>	<u>79.6</u>
Financing activities		
Interest paid	(79.6)	(79.6)
Net cash outflow from financing activities	<u>(79.6)</u>	<u>(79.6)</u>
Net movement in cash and cash equivalents	<u>—</u>	<u>—</u>
Reconciliation of net cash flow to movement in net debt		
Movement in cash and cash equivalents in the period	—	—
Cash inflow from movement in net debt	—	—
Movement in net debt in the period	—	—
Net debt at beginning of the period	<u>(1,020.0)</u>	<u>(1,020.0)</u>
Net debt at end of the period	<u><u>(1,020.0)</u></u>	<u><u>(1,020.0)</u></u>

The notes on pages 10 to 18 form part of these financial statements.

1. Accounting policies

General information

The Company was incorporated under the Companies (Jersey) Law 1991, as amended, as a public limited liability company. The address of its registered office is 47 Esplanade, St Helier, Jersey, JE1 0BD. The Company is resident in the UK for tax purposes.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations adopted by the European Union (EU) and with those parts of the Companies (Jersey) Law 1991 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies are consistent with the prior period.

Basis of preparation

The financial statements have been prepared under the historical cost convention, fair value requirements and on a going concern basis.

The accounts of CPUK Finance Limited are typically drawn up to the Thursday nearest to its accounting reference date of 22 April.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Financial instruments

The Company classifies its financial assets into two categories, being fair value through profit and loss, and loans and receivables. Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Other financial liabilities are carried at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and cash in hand.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution

Dividend distributions to the Company’s shareholders are recognised as a liability in the Company’s financial statements in the period in which the dividends are approved by the Company’s shareholders. Interim dividends are recognised when paid.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

New standards and interpretations

New accounting standards or interpretations effective in the current period are as follows:

- A revision to IAS 1 'Presentation of financial statements' in respect of the presentation of other comprehensive income;
- A revision to IAS 19 'Employee benefits' in respect of the remeasurement of termination benefits; and
- A new accounting standard IFRS 13 'Fair value measurement', setting out a framework for measuring fair value and required disclosures.

These have not significantly impacted, and are not likely to have a future impact on, the financial statements of the Company.

The adoption of IFRS 9 'Financial Instruments', which is expected to be enacted in 2018, is expected to change the disclosure given in respect of financial instruments but not the amounts reported in the financial statements. In addition, the International Accounting Standards Board and IFRIC have issued a number of further standards and interpretations with an effective date after the date of these financial statements. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial application.

2. Operating costs

All operating costs incurred by the Company are recovered, by way of an ongoing facility fee arrangement, from the Group under the Issuer/Borrower Loan Agreement. Operating costs include audit fees of £7,000 (2013: £7,000) which were recharged to the Group.

3. Directors and employees

The Company has no employees (2013: none) and services required are contracted from third parties. No salaries or wages have been paid to employees, and the Directors received no remuneration from the Company in respect of qualifying services rendered to the Company during the period (2013: £nil).

4. Finance expense

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Interest payable on securitised debt	79.4	79.3

5. Finance income

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Interest receivable from related parties	79.4	79.3

6. Taxation

The Company is resident in the UK for tax purposes.

(a) Taxation

The tax charge for the period is £nil (2013: £nil).

(b) Factors affecting the tax charge

The tax assessed for the current and prior period is the same as that resulting from applying the standard rate of corporation tax in the UK of 23% (2013: 24%).

Change of corporation tax rate and factors that may affect future tax charges

The March 2013 Budget included legislation to reduce the main rate of corporation tax from 23% to 21% with effect from 1 April 2014, and to 20% with effect from 1 April 2015. This legislation was substantively enacted for financial reporting purposes on 2 July 2013.

7. Trade and other receivables

	2014	2013
	£m	£m
Non-current assets		
Amounts owed by related parties	1,020.0	1,020.0
Current assets		
Prepayments and accrued income	12.0	12.2

Amounts owed by related parties represent the loans advanced to members of the Center Parcs (Holdings 1) Limited group of companies (the “Group”). The loans are secured against the assets of those companies and comprise three tranches with differing terms:

Tranche A1

Total value of £300.0 million with an expected maturity date of 28 February 2017 and a final maturity date of 28 February 2042. Interest is charged at 4.811% until expected maturity and 7.169% thereafter.

Tranche A2

Total value of £440.0 million with an expected maturity date of 28 February 2024 and a final maturity date of 28 February 2042. Interest is charged at 7.239% until expected maturity and 7.919% thereafter.

Tranche B

Total value of £280.0 million with an expected maturity date of 28 February 2018 and a final maturity date of 28 February 2042. Interest is charged at 11.625% until expected maturity and 6.25% thereafter.

Prepayments and accrued income represents interest receivable on these loan notes from members of the Group.

8. Trade and other payables

	2014	2013
	£m	£m
Accruals	12.0	12.2

Accruals relate to the interest payable on the Notes. The fair value of accruals are equal to their book value.

9. Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

<u>At 24 April 2014 and 25 April 2013</u>	<u>Loans and receivables</u> £m	<u>Total</u> £m
Assets as per the balance sheet		
Amounts owed by related parties	1,020.0	1,020.0
<u>At 24 April 2014</u>	<u>Other financial liabilities</u> £m	<u>Total</u> £m
Liabilities as per the balance sheet		
Borrowings	1,020.0	1,020.0
Accruals	12.0	12.0
	<u>1,032.0</u>	<u>1,032.0</u>
<u>At 25 April 2013</u>	<u>Other financial liabilities</u> £m	<u>Total</u> £m
Liabilities as per the balance sheet		
Borrowings	1,020.0	1,020.0
Accruals	12.2	12.2
	<u>1,032.2</u>	<u>1,032.2</u>

Fair value hierarchy

IFRS 13 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All of the Company's fair value measurements have been categorised as Level 2 and fair values are derived directly from observable prices. There were no transfers between levels during the current or prior period.

Fair value of financial assets and financial liabilities

The fair values of the Company's financial assets and liabilities as at 24 April 2014 are:

	<u>Book value</u> £m	<u>Fair value</u> £m
Financial assets		
Amounts owed by related parties	1,020.0	1,173.6
Financial liabilities		
Borrowings	(1,020.0)	(1,173.6)

The fair values of the Company's financial assets and liabilities as at 25 April 2013 were:

	<u>Book value</u> £m	<u>Fair value</u> £m
Financial assets		
Amounts owed by related parties	1,020.0	1,200.7
Financial liabilities		
Borrowings	(1,020.0)	(1,200.7)

Maturity of financial liabilities

The non-discounted minimum future cash flows in respect of non-current financial liabilities are:

<u>Securitised debt</u>	<u>2014</u>	<u>2013</u>
	<u>£m</u>	<u>£m</u>
Repayable:		
In more than one year but not more than two years	78.8	78.8
In more than two years but not more than five years	833.9	880.9
In more than five years	599.3	631.1
	<u>1,512.0</u>	<u>1,590.8</u>

10. Borrowings

<u>Securitised debt</u>	<u>2014</u>	<u>2013</u>
	<u>£m</u>	<u>£m</u>
Repayable within two to five years		
Tranche A1	300.0	300.0
Tranche B	280.0	280.0
	580.0	580.0
Repayable after more than five years:		
Tranche A2	440.0	440.0
	<u>1,020.0</u>	<u>1,020.0</u>

On 28 February 2012 the Company issued the following tranches of fixed rate loan notes (“Notes”). The assets of the Group were provided as security for the debt, and the funds raised were advanced to the Group.

Total fees of £34.6 million were incurred by the Group in respect of the issuance of Notes. These costs were borne by the Group and were not recharged to CPUK Finance Limited.

Tranche A1

Total value of £300.0 million with an expected maturity date of 28 February 2017 and a final maturity date of 28 February 2042. Interest is charged at 4.811% until expected maturity and 7.169% thereafter.

Tranche A2

Total value of £440.0 million with an expected maturity date of 28 February 2024 and a final maturity date of 28 February 2042. Interest is charged at 7.239% until expected maturity and 7.919% thereafter.

Tranche B

Total value of £280.0 million with an expected maturity date of 28 February 2018 and a final maturity date of 28 February 2042. Interest is charged at 11.625% until expected maturity and 6.25% thereafter.

The tranche B debt is subordinated to the tranche A debt. Both include optional prepayment clauses permitting the Company to repay the debt in advance of the expected maturity date. All tranches of debt are subject to a financial covenant. There was significant headroom on the covenants as at 24 April 2014. The Directors have assessed future compliance and significant headroom is forecast. As such they do not foresee any breach of the financial covenant.

As all tranches have fixed interest rates, the Company is not exposed to interest rate fluctuations.

All amounts are denominated in £ sterling.

11. Share capital

	<u>2014</u>	<u>2013</u>
	<u>£m</u>	<u>£m</u>
Issued and fully paid		
2 ordinary shares of £1 each	—	—

Management of capital

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, and sell assets to reduce debt or borrow additional debt.

12. Retained earnings

	<u>£m</u>
At 26 April 2012	—
At 25 April 2013	—
At 24 April 2014	—

13. Related party transactions

The following movements on accounts with related parties occurred in the periods reported in these financial statements:

	<u>Balance at 25 April 2013</u>	<u>Interest received</u>	<u>Interest receivable</u>	<u>Balance at 24 April 2014</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Center Parcs (Operating Company) Limited	340.2	(26.3)	26.2	340.1
CP Sherwood Village Limited	181.5	(14.0)	14.0	181.5
CP Elveden Village Limited	168.9	(12.9)	12.9	168.9
Longleat Property Limited	151.7	(11.7)	11.6	151.6
CP Whinfell Village Limited	189.9	(14.7)	14.7	189.9

	<u>Balance at 26 April 2012</u>	<u>Interest received</u>	<u>Interest receivable</u>	<u>Balance at 25 April 2013</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Center Parcs (Operating Company) Limited	340.3	(26.2)	26.1	340.2
CP Sherwood Village Limited	181.6	(14.0)	13.9	181.5
CP Elveden Village Limited	168.9	(13.0)	13.0	168.9
Longleat Property Limited	151.7	(11.7)	11.7	151.7
CP Whinfell Village Limited	190.0	(14.7)	14.6	189.9

All of the above companies are members of the Group.

14. Controlling parties

The issued share capital of the Company is held by, or on behalf of, Structured Finance Management Offshore Limited, acting in its capacity as Trustee of the CPUK Finance Charitable Trust and holding the shares on a discretionary trust basis for the benefit of certain charities.

The consolidated financial statements of Center Parcs (Holdings 1) Limited incorporate the results of the Company. This is the largest and smallest group that includes the results of CPUK Finance Limited in its group accounts. The Directors of both CPUK Finance Limited and Center Parcs (Holdings 1) Limited consider that the Company meets the definition of a special purpose entity under SIC 12 ‘Consolidation—Special Purpose Entities’ and hence for the purpose of the consolidated financial statements the Company has been treated as a subsidiary undertaking.

A copy of the Center Parcs (Holdings 1) Limited financial statements can be obtained on application to The Company Secretary, One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Independent auditors' report to the members of CPUK Finance Limited

We have audited the financial statements of CPUK Finance Limited for the 52 weeks ended 25 April 2013 which comprises the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 25 April 2013 and of its result and cash flows for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Opinion on other matters

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Andrew Lyon BSc FCA
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants
East Midlands

2 July 2013

CPUK Finance Limited
INCOME STATEMENT
FOR THE 52 WEEKS ENDED 25 APRIL 2013

Income Statement
for the 52 weeks ended 25 April 2013

	Note	52 weeks ended 25 April 2013 £m	Period from 20 July 2011 to 26 April 2012 £m
Operating profit	2	—	—
Finance expense	4	(79.3)	(12.5)
Finance income	5	79.3	12.5
Profit before taxation		—	—
Taxation	6	—	—
Profit for the period attributable to equity shareholders		—	—

All amounts relate to continuing activities.

The Company has no recognised income or expenses other than the result for the period above and so no Statement of Comprehensive Income is presented.

The notes on pages 10 to 18 form part of these financial statements.

CPUK Finance Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 25 APRIL 2013

**Statement of Changes in Equity
for the 52 weeks ended 25 April 2013**

	Attributable to owners of the parent		
	Share capital	Retained earnings	Total
	£m	£m	£m
Transactions with owners			
Shares issued on incorporation	—	—	—
At 26 April 2012	—	—	—
At 25 April 2013	—	—	—
	==	==	==

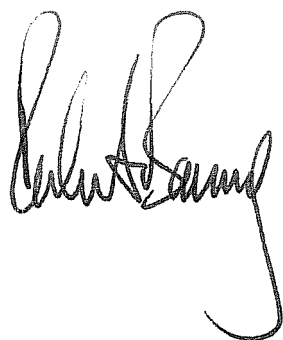
Share capital of £2 was issued on incorporation.

The notes on pages 10 to 18 form part of these financial statements.

Balance Sheet
At 25 April 2013

	<u>Note</u>	<u>25 April 2013</u> £m	<u>26 April 2012</u> £m
Assets			
Non-current assets			
Trade and other receivables	7	<u>1,020.0</u>	<u>1,020.0</u>
		<u>1,020.0</u>	<u>1,020.0</u>
Current assets			
Trade and other receivables	7	<u>12.2</u>	<u>12.5</u>
		<u>12.2</u>	<u>12.5</u>
Liabilities			
Current liabilities			
Trade and other payables	8	<u>(12.2)</u>	<u>(12.5)</u>
Net current assets		<u>—</u>	<u>—</u>
Non-current liabilities			
Borrowings	10	<u>(1,020.0)</u>	<u>(1,020.0)</u>
Net assets		<u>—</u>	<u>—</u>
Equity			
Ordinary shares	11	<u>—</u>	<u>—</u>
Retained earnings	12	<u>—</u>	<u>—</u>
Total equity		<u>—</u>	<u>—</u>

The financial statements on pages F-171 to F-181 were approved by the Board of Directors on 2 July 2013 and were signed on its behalf by:



Robert Berry
Director

The notes on pages 10 to 18 form part of these financial statements.

CPUK Finance Limited
CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 25 APRIL 2013

**Cash Flow Statement
for the 52 weeks ended 25 April 2013**

	<u>Note</u>	<u>52 weeks ended 25 April 2013 £m</u>	<u>Period from 20 July 2011 to 26 April 2012 £m</u>
Operating activities			
Operating profit		—	—
Net cash flow from operating activities		<u>—</u>	<u>—</u>
Investing activities			
Loans advanced to related parties	7	—	(1,020.0)
Interest received		<u>79.6</u>	—
Net cash in/(out)flow from investing activities		<u>79.6</u>	<u>(1,020.0)</u>
Financing activities			
Proceeds from issue of securitised debt instruments	10	—	1,020.0
Interest paid		<u>(79.6)</u>	—
Net cash (out)/inflow from financing activities		<u>(79.6)</u>	<u>1,020.0</u>
Net movement in cash and cash equivalents		<u>—</u>	<u>—</u>
Reconciliation of net cash flow to movement in net debt			
Movement in cash and cash equivalents in the period		—	—
Cash inflow from movement in net debt		<u>—</u>	<u>(1,020.0)</u>
Movement in net debt in the period		—	(1,020.0)
Net debt at beginning of the period		<u>(1,020.0)</u>	—
Net debt at end of the period		<u>(1,020.0)</u>	<u>(1,020.0)</u>

The notes on pages 10 to 18 form part of these financial statements.

1. Accounting policies

General information

The Company was incorporated under the Companies (Jersey) Law 1991, as amended, as a public limited liability company. The address of its registered office is 47 Esplanade, St Helier, Jersey, JE1 0BD. The Company is resident in the UK for tax purposes.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations adopted by the European Union (EU) and with those parts of the Companies (Jersey) Law 1991 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies are consistent with the prior period.

Basis of preparation

The financial statements have been prepared under the historical cost convention, fair value requirements and on a going concern basis.

The accounts of CPUK Finance Limited are typically drawn up to the Thursday nearest to its accounting reference date of 22 April.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Financial instruments

The Company classifies its financial assets into two categories, being fair value through profit and loss, and loans and receivables. Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Other financial liabilities are carried at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Financial assets

The cost of investments, including loans to associated companies, is their purchase cost together with any incremental costs of acquisition.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In deciding whether an impairment is required, the Directors consider the underlying value inherent in the investment. Provision is made against the cost of investments where, in the opinion of the Directors, there is an impairment in the value of the individual investment.

Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and cash in hand.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Early termination costs

Costs associated with the early repayment of borrowings are written off to the income statement as incurred.

New standards and interpretations

The only new accounting standard or interpretation effective in the current period is a revision to IAS 12 'Income taxes' in respect of deferred tax and the recovery of underlying assets. This has not impacted, and is not likely to have a future impact on, the financial statements of the Company.

The adoption of IFRS 9 'Financial Instruments' is expected to change the disclosure given in respect of financial instruments but not the amounts reported in the financial statements. In addition, the International Accounting Standards Board and IFRIC have issued a number of further standards and interpretations with an effective date after the date of these financial statements. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial application.

2. Operating costs

All operating costs incurred by the Company are recovered, by way of an ongoing facility fee arrangement, from the Group under the Issuer/Borrower Loan Agreement. Operating costs include audit fees of £7,000 (2012: £7,000) which were recharged to the Group.

3. Employees

The Company has no employees (2012: none). No salaries or wages have been paid to employees, including the Directors, during the period (2012: £nil).

4. Finance expense

	52 weeks ended 25 April 2013	Period ended 26 April 2012
	£m	£m
Interest payable on securitised debt	79.3	12.5

5. Finance income

	52 weeks ended 25 April 2013	Period ended 26 April 2012
	£m	£m
Interest receivable from related parties	79.3	12.5

6. Taxation

The Company is resident in the UK for tax purposes.

(a) Taxation

The tax charge for the period is £nil (2012: £nil).

(b) Factors affecting the tax charge

The tax assessed for the current and prior period is the same as that resulting from applying the standard rate of corporation tax in the UK of 24% (2012: 26%).

Change of corporation tax rate and factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 24% to 23% with effect from 1 April 2013 was included in the Finance Act 2012. This announcement was substantively enacted at the balance sheet date and hence has been reflected in these financial statements.

Further reductions to the UK corporation tax rate have been announced which propose to reduce the rate to 21% from 1 April 2014 and 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements.

7. Trade and other receivables

	2013 £m	2012 £m
Non-current assets		
Amounts owed by related parties	1,020.0	1,020.0
Current assets		
Prepayments and accrued income	12.2	12.5

Amounts owed by related parties represent the loans advanced to members of the Center Parcs (Holdings 1) Limited group of companies (the “Group”). The loans are secured against the assets of those companies and comprise three tranches with differing terms:

Tranche A1

Total value of £300.0 million with an expected maturity date of 28 February 2017 and a final maturity date of 28 February 2042. Interest is charged at 4.811% until expected maturity and 7.169% thereafter.

Tranche A2

Total value of £440.0 million with an expected maturity date of 28 February 2024 and a final maturity date of 28 February 2042. Interest is charged at 7.239% until expected maturity and 7.919% thereafter.

Tranche B

Total value of £280.0 million with an expected maturity date of 28 February 2018 and a final maturity date of 28 February 2042. Interest is charged at 11.625% until expected maturity and 6.25% thereafter.

Prepayments and accrued income represents interest receivable on these loan notes from members of the Group.

8. Trade and other payables

	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Accruals	12.2	12.5

Accruals relate to the interest payable on the Notes.

9. Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

<u>At 25 April 2013 and 26 April 2012</u>	<u>Loans and receivables</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>
Assets as per the balance sheet		
Amounts owed by related parties	1,020.0	1,020.0
	<u>1,020.0</u>	<u>1,020.0</u>

<u>At 25 April 2013</u>	<u>Other financial liabilities</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>
Liabilities as per the balance sheet		
Borrowings	1,020.0	1,020.0
Accruals	12.2	12.2
	<u>1,032.2</u>	<u>1,032.2</u>

<u>At 26 April 2012</u>	<u>Other financial liabilities</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>
Liabilities as per the balance sheet		
Borrowings	1,020.0	1,020.0
Accruals	12.5	12.5
	<u>1,032.5</u>	<u>1,032.5</u>

Fair value hierarchy

IFRS 7 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All of the Company's fair value measurements have been categorised as Level 2. There were no transfers between levels during the period.

Fair value of financial assets and financial liabilities

The fair values of the Company's financial assets and liabilities as at 25 April 2013 are:

	<u>Book value</u> £m	<u>Fair value</u> £m
Financial assets		
Amounts owed by related parties	1,020.0	1,200.7
Financial liabilities		
Borrowings	(1,020.0)	(1,200.7)

Given the proximity of the Company's prior period end to the transaction that occurred on 28 February 2012, the fair values of the financial assets and liabilities at 26 April 2012 were not considered to be materially different to their book values.

Maturity of financial liabilities

The non-discounted minimum future cash flows in respect of non-current financial liabilities are:

<u>Securitised debt</u>	<u>2013</u> £m	<u>2012</u> £m
Repayable:		
In more than one year but not more than two years	78.8	78.8
In more than two years but not more than five years	880.9	615.4
In more than five years	631.1	975.5
	<u>1,590.8</u>	<u>1,669.7</u>

10. Borrowings

<u>Securitised debt</u>	<u>2013</u> £m	<u>2012</u> £m
Repayable within two to five years		
Tranche A1	300.0	300.0
Tranche B	280.0	—
	<u>580.0</u>	300.0
Repayable after more than five years:		
Tranche A2	440.0	440.0
Tranche B	—	280.0
	<u>440.0</u>	720.0
	<u>1,020.0</u>	<u>1,020.0</u>

On 28 February 2012 the Company issued the following tranches of fixed rate loan notes ("Notes"). The assets of the Group were provided as security for the debt, and the funds raised were advanced to the Group.

Total fees of £34.6 million were incurred by the Group in respect of the issuance of Notes. These costs were borne by the Group and were not recharged to CPUK Finance Limited.

Tranche A1

Total value of £300.0 million with an expected maturity date of 28 February 2017 and a final maturity date of 28 February 2042. Interest is charged at 4.811% until expected maturity and 7.169% thereafter.

Tranche A2

Total value of £440.0 million with an expected maturity date of 28 February 2024 and a final maturity date of 28 February 2042. Interest is charged at 7.239% until expected maturity and 7.919% thereafter.

Tranche B

Total value of £280.0 million with an expected maturity date of 28 February 2018 and a final maturity date of 28 February 2042. Interest is charged at 11.625% until expected maturity and 6.25% thereafter.

The tranche B debt is subordinated to the tranche A debt. Both include optional prepayment clauses permitting the Company to repay the debt in advance of the expected maturity date. All tranches of debt are subject to a financial covenant. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenant.

As all tranches have fixed interest rates, the Company is not exposed to interest rate fluctuations.

All amounts are denominated in £ sterling.

11. Share capital

	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Issued and fully paid		
2 ordinary shares of £1 each	—	—

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, and sell assets to reduce debt or borrow additional debt.

12. Retained earnings

	<u>£m</u>
At 20 July 2011	—
At 26 April 2012	—
At 25 April 2013	—

13. Related party transactions

The following movements on accounts with related parties occurred in the periods reported in these financial statements:

	<u>Balance at 26 April 2012</u>	<u>Interest paid</u>	<u>Interest receivable</u>	<u>Balance at 25 April 2013</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Center Parcs (Operating Company) Limited	340.3	(26.2)	26.1	340.2
CP Sherwood Village Limited	181.6	(14.0)	13.9	181.5
CP Elveden Village Limited	168.9	(13.0)	13.0	168.9
Longleat Property Limited	151.7	(11.7)	11.7	151.7
CP Whinfell Village Limited	190.0	(14.7)	14.6	189.9

	<u>Balance at 20 July 2011</u>	<u>Loans</u>	<u>Interest receivable</u>	<u>Balance at 26 April 2012</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Center Parcs (Operating Company) Limited	—	336.2	4.1	340.3
CP Sherwood Village Limited	—	179.4	2.2	181.6
CP Elveden Village Limited	—	166.9	2.0	168.9
Longleat Property Limited	—	149.8	1.9	151.7
CP Whinfell Village Limited	—	187.7	2.3	190.0

All of the above companies are members of the Group.

14. Controlling parties

The issued share capital of the Company is held by, or on behalf of, Structured Finance Management Offshore Limited, acting in its capacity as Trustee of the CPUK Finance Charitable Trust, on a discretionary trust basis for the benefit of charitable purposes. Structured Finance Management Offshore Limited is the immediate and ultimate parent company.

CPUK Finance Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

The consolidated financial statements of Center Parcs (Holdings 1) Limited incorporate the results of the Company. This is the largest and smallest group that includes the results of CPUK Finance Limited in its group accounts. The Directors of both CPUK Finance Limited and Center Parcs (Holdings 1) Limited consider that the Company meets the definition of a special purpose entity under SIC 12 'Consolidation—Special Purpose Entities' and hence for the purpose of the consolidated financial statements it has been treated as a subsidiary undertaking.

A copy of the Center Parcs (Holdings 1) Limited financial statements can be obtained on application to The Company Secretary, One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Independent auditors' report to the members of Center Parcs (Operating Company) Limited

Report on the financial statements

Our opinion

In our opinion, Center Parcs (Operating Company) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 23 April 2015 and of its profit and cash flows for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Center Parcs (Operating Company) Limited's financial statements comprise:

- the Balance Sheet as at 23 April 2015;
- the Income Statement and Statement of Comprehensive Income for the period then ended;
- the Cash Flow Statement for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

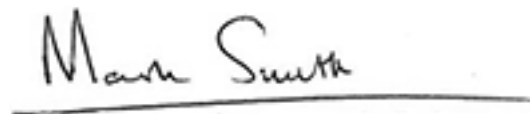
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

A handwritten signature in dark ink, reading "Mark Smith", is positioned above a solid horizontal line.

Mark Smith (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
3 June 2015

Center Parcs (Operating Company) Limited
INCOME STATEMENT
FOR THE 52 WEEKS ENDED 23 APRIL 2015

Income Statement
For the 52 weeks ended 23 April 2015

	Note	52 weeks ended 23 April 2015	As restated 52 weeks ended 24 April 2014
		£m	£m
Revenue		319.6	314.6
Cost of sales		<u>(86.5)</u>	<u>(84.3)</u>
Gross profit		233.1	230.3
Administrative expenses			
Before exceptional/non-underlying administrative expenses		(189.0)	(181.8)
Exceptional/non-underlying administrative expenses		(6.3)	—
Total administrative expenses		<u>(195.3)</u>	<u>(181.8)</u>
Operating profit	3	37.8	48.5
Finance expense			
Before exceptional/non-underlying finance expense		(28.5)	(28.1)
Exceptional/non-underlying finance expense		(1.4)	—
Total finance expense	4	<u>(29.9)</u>	<u>(28.1)</u>
Finance income	4	16.5	16.3
Exceptional/non-underlying movement in fair value of financial derivatives	12	<u>5.5</u>	—
Profit before taxation		29.9	36.7
Taxation	5	<u>(0.6)</u>	<u>(7.0)</u>
Profit for the period attributable to equity shareholders	15	<u>29.3</u>	<u>29.7</u>

All amounts derive from continuing activities.

Cost of sales and administrative expenses have been restated for the 52 weeks ended 24 April 2014 in order to more accurately reflect the nature of expenses incurred by the Company. Total costs of £53.0 million have been transferred from administrative expenses to cost of sales, principally in respect of payroll costs. This restatement has had no impact on operating profit.

Exceptional/non-underlying administrative expenses are costs incurred in respect of the Group's ongoing review of its strategic options.

Center Parcs (Operating Company) Limited
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 23 APRIL 2015

Statement of Comprehensive Income
For the 52 weeks ended 23 April 2015

	<u>Note</u>	<u>52 weeks ended 23 April 2015</u>	<u>52 weeks ended 24 April 2014</u>
		<u>£m</u>	<u>£m</u>
Profit for the financial period		<u>29.3</u>	<u>29.7</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	18	<u>(1.7)</u>	<u>0.6</u>
Other comprehensive income for the period		<u>(1.7)</u>	<u>0.6</u>
Tax relating to components of other comprehensive income	10	<u>0.3</u>	<u>(0.1)</u>
Total comprehensive income for the period		<u><u>27.9</u></u>	<u><u>30.2</u></u>

Center Parcs (Operating Company) Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 23 APRIL 2015

Statement of Changes in Equity
For the 52 weeks ended 23 April 2015

	Attributable to owners of the parent			
	Share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m
At 24 April 2014	—	—	325.2	325.2
Comprehensive income				
Profit for the period	—	—	29.3	29.3
Other comprehensive income	—	—	(1.4)	(1.4)
At 23 April 2015	—	—	353.1	353.1

	Attributable to owners of the parent			
	Share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m
At 25 April 2013	—	—	295.0	295.0
Comprehensive income				
Profit for the period	—	—	29.7	29.7
Other comprehensive income	—	—	0.5	0.5
At 24 April 2014	—	—	325.2	325.2

Center Parcs (Operating Company) Limited
BALANCE SHEET
AT 23 APRIL 2015

Balance Sheet
At 23 April 2015

	Note	23 April 2015 £m	24 April 2014 £m
Assets			
Non-current assets			
Goodwill	7	244.1	244.1
Other intangible assets	7	5.1	4.4
Property, plant and equipment	6	219.0	218.3
Investments	8	5.5	5.5
Trade and other receivables	9	2.8	2.8
Deferred tax asset	10	11.4	9.2
		<u>487.9</u>	<u>484.3</u>
Current assets			
Inventories		2.8	2.9
Trade and other receivables	9	272.6	251.1
Current tax asset		4.3	3.1
Derivative financial instruments	12	5.5	—
Cash and cash equivalents		84.6	58.0
		<u>369.8</u>	<u>315.1</u>
Liabilities			
Current liabilities			
Borrowings	12	(0.3)	(0.3)
Trade and other payables	11	(170.4)	(139.5)
		<u>(170.7)</u>	<u>(139.8)</u>
Net current assets		<u>199.1</u>	<u>175.3</u>
Non-current liabilities			
Borrowings	12	(331.2)	(329.0)
Trade and other payables	11	—	(4.5)
Retirement benefit obligations	18	(2.7)	(0.9)
		<u>(333.9)</u>	<u>(334.4)</u>
Net assets		<u>353.1</u>	<u>325.2</u>
Equity			
Ordinary shares	14	—	—
Retained earnings	15	353.1	325.2
Total equity		<u>353.1</u>	<u>325.2</u>

The financial statements on pages 9 to 49 were approved by the board of Directors on 3 June 2015 and were signed on its behalf by:



P Inglett
Director

Center Parcs (Operating Company) Limited
CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 23 APRIL 2015

Cash Flow Statement
For the 52 weeks ended 23 April 2015

	Note	52 weeks ended 23 April 2015 £m	52 weeks ended 24 April 2014 £m
Operating activities			
Operating profit		37.8	48.5
Depreciation and amortisation	3	39.4	35.9
Working capital and non-cash movements	16	17.9	10.1
Difference between the pension charge and contributions		0.1	0.1
Corporation tax paid		(1.2)	(2.0)
Net cash inflow from operating activities		<u>94.0</u>	<u>92.6</u>
Investing activities			
Sale of property, plant and equipment		0.2	0.2
Purchase of intangible assets – software		(2.5)	(2.4)
Purchase of property, plant and equipment		(38.9)	(34.5)
Net cash outflow from investing activities		<u>(41.2)</u>	<u>(36.7)</u>
Financing activities			
Interest received		0.7	0.4
Interest paid		(26.7)	(26.7)
Repayment of external borrowings		(0.2)	(0.3)
Net cash outflow from financing activities		<u>(26.2)</u>	<u>(26.6)</u>
Net movement in cash and cash equivalents		<u>26.6</u>	29.3
Cash and cash equivalents at beginning of the period		58.0	28.7
Cash and cash equivalents at end of the period		<u>84.6</u>	<u>58.0</u>

1 Accounting policies

General information

Center Parcs (Operating Company) Limited operates short break holiday villages in Nottinghamshire, Cumbria, Wiltshire and Suffolk.

The Company is a limited company, which is incorporated and domiciled in the UK. The address of its registered office is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations endorsed by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies disclosed have been applied consistently to both periods presented.

Basis of preparation

The financial statements have been prepared as a going concern under the historical cost convention.

The Company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates are principally used in the following areas:

Property, plant and equipment: Useful lives of assets and residual values (see accounting policy).

Impairment test for goodwill: Growth and discount rates (note 7).

Other intangible assets: Useful lives of assets and residual values (see accounting policy).

Retirement benefits: Actuarial assumptions in respect of the defined benefit pension scheme (note 18).

Revenue

Revenue relates to one continuing activity, being the provision of short break holidays.

Revenue relates to villa rental income on holidays commenced during the period, together with other related income that primarily arises from on-village leisure, retail and food and beverage spend. Non-rental income is recognised when the related product or service is provided. All revenue is recorded net of VAT.

Payment for villa rental income is paid in advance of holidays commencing, and is recorded as ‘payments on account’ within Trade and other payables until the holiday commences.

A number of trading units on each holiday village are operated by concession partners. Revenue due in respect of such units is recognised on a periodic basis as it is invoiced to the concession partner.

All revenue arises in the United Kingdom.

Cost of sales

Cost of sales comprise the cost of goods and services provided to guests. All costs to the point of sale, including direct employee costs, are included within cost of sales.

Exceptional/non-underlying items

Exceptional items are defined as those items that, by virtue of their nature, size or expected frequency, warrant separate disclosure in the financial statements in order to fully understand the underlying performance of the Company. Non-underlying items are those that are not directly related to the ongoing trade of the business or that are unrepresentative of ongoing performance.

Goodwill

Goodwill arising on acquisitions is capitalised and represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets and liabilities acquired. Goodwill is not amortised but is instead tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment is recognised immediately in the income statement. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Other intangible assets

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, which is generally considered to be four years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed four years.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where required, assets are discounted using an AAA corporate bond rate. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Leases

Leases are classified as finance leases if the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised at cost and depreciated over their useful lives. The capital element of future rentals is treated as a liability and the interest element is charged to the income statement over the period of the lease in proportion to the capital outstanding.

Rental payments on operating leases (net of any incentives received from the lessor and including minimum contractual rental increases) are charged to the income statement on a straight-line basis.

Property, plant and equipment

Management chose the cost basis under IAS 16 'Property, plant and equipment', rather than to apply the alternative (revaluation) treatment to all items of property, plant and equipment as its ongoing accounting policy. The cost of property, plant and equipment includes directly attributable costs.

Depreciation is provided on the cost of all property, plant and equipment (except assets in the course of construction), so as to write off the cost, less residual value, on a straight-line basis over the expected useful economic life of the assets concerned, using the following rates:

Leasehold improvements	2.5% or by equal instalments over the period of the lease held on the land and buildings, whichever is the shorter
Installations	6.67% or by equal instalments over the period of the lease held on the land and buildings, whichever is the shorter
Fixtures and fittings	14% or by equal instalments over the period of the lease held on the land and buildings, whichever is the shorter
Computer equipment	25%
Motor vehicles	25%

Useful lives and residual values are reviewed at each balance sheet date and revised where expectations are significantly different from previous estimates. In such cases, the depreciation charge for current and future periods is adjusted accordingly.

Maintenance expenditure

It is the policy of the Company to maintain its leasehold land and buildings to a high standard. Where maintenance expenditure increases the benefits that property, plant and equipment is expected to generate, this expenditure is capitalised. All other maintenance costs are charged to the income statement as incurred.

Investments in subsidiary undertakings

Investments are stated at cost, less any provision for permanent diminution in value. If there are indications of impairment, an assessment is made of the recoverable amount. An impairment loss is recognised in the income statement when the recoverable amount is lower than the carrying value.

Dividends receivable from investments in subsidiary undertakings are recognised in the income statement when approved by the shareholders of the company paying the dividend.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Inventories

The basis of valuation of inventories is the lower of cost on a first in first out basis and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory provisions are created where necessary to ensure that inventory is valued at the lower of cost and estimated net realisable value.

Financial instruments

The Company classifies its financial assets into two categories, being fair value through profit and loss, and loans and receivables. Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Other financial liabilities are carried at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Investments

The cost of investments, including loans to related parties, is their purchase cost together with any incremental costs of acquisition. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In deciding whether an impairment is required, the Directors consider the underlying value inherent in the investment. Provision is made against the cost of investments where, in the opinion of the Directors, there is an impairment in the value of the individual investment.

Trade receivables

Trade receivables are recognised initially at fair value. A provision for impairment of trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement.

Long-term receivables

Where the effect is material, long-term receivables are discounted using an appropriate pre-tax discount rate.

Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and in hand.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Early termination costs

Costs associated with the early repayment of borrowings are written off to the income statement as incurred.

Derivative financial instruments

The Company does not trade in derivative financial instruments. All derivative financial instruments are measured at the balance sheet date at their fair value. The Company does not currently hedge account for any derivatives. As such, any gain or loss on remeasurement is taken to the income statement.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Government grants

Government grants in respect of capital expenditure are categorised as accruals on receipt and are credited to the income statement over the useful life of the relevant property, plant and equipment. The government grant included in the balance sheet at the period end represents grants received to date, less the amount so far credited to the income statement.

Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting profit or loss, together with realised profits and losses arising during the period on the settlement of overseas assets and liabilities, are included in the trading results. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Employee benefits

Pensions

—Defined contribution pension scheme

Company employees can choose to be a member of a defined contribution pension scheme. A defined contribution pension scheme is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are charged to the income statement as incurred.

—Defined benefit pension scheme

A funded senior management defined benefit pension scheme also exists. A defined benefit pension scheme is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The surplus or liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates for high-quality corporate bonds which have terms to maturity approximating the terms of the related pension liability.

Past-service costs are recognised immediately in the income statement. Remeasurement gains and losses are recognised in other comprehensive income.

Profit-sharing and bonus plans

The Company recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Holiday pay

The Company recognises an appropriate liability for the cost of holiday entitlements not taken at the balance sheet date.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

New standards and interpretations

A number of new standards, amendments and interpretations have been issued by the International Accounting Standards Board with effective dates both prior to and post 23 April 2015. None of these have had, or are expected to have, a significant impact on the financial statements of the Company.

2 Financial risk management

The Company finances its operations through a mixture of equity and borrowings as required. The Company has sought to reduce its cost of capital by refinancing and restructuring the Company's funding using the underlying asset value.

All tranches of the Company's secured debt are subject to financial covenants. The Director have assessed future compliance and at this time do not foresee any breach of the financial covenants.

The overall policy in respect of interest rates is to reduce the exposure to interest rate fluctuations, and the Company's primary source of borrowings is fixed interest rate loan notes.

The Company does not actively trade in derivative financial instruments.

Interest rate risk

The Company has a floating rate mortgage and fixed rate loan notes as its only external funding sources. As at 23 April 2015, 99% (2014: 99%) of the Company's external borrowings incurred interest at a fixed rate.

Liquidity risk

At 23 April 2015, the Company held sufficient levels of cash to enable it to meet its medium-term working capital and funding obligations. Rolling forecasts of the Company's liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

Currency risk

The Company is exposed to limited currency risk through foreign currency transactions. The Company does not operate a hedging facility to manage currency risk as it is considered to be insignificant.

Credit risk

The Company borrows from well-established institutions with high credit ratings. The Company's cash balances are held on deposit with a number of UK banking institutions.

3 Operating profit

Operating profit is stated after charging the following:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Staff costs (note 17)	75.0	72.4
Cost of inventories	28.8	28.4
Depreciation of property, plant and equipment (note 6)	37.6	33.9
Amortisation of intangible assets (note 7)	1.8	2.0
Operating lease rentals—land and buildings	64.3	62.7
Repairs and maintenance expenditure	8.6	8.2
Services provided by the Company's auditors	1.6	0.3

During the period, the Company obtained the following services from the Group's auditors:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Charged to the income statement:		
Audit of the Company and certain Group undertakings	0.2	0.2
Tax advisory services	—	0.1
Corporate finance services	1.0	—
Deferred costs in respect of the secured debt:		
Corporate finance services	0.4	—
	<u>1.6</u>	<u>0.3</u>

In addition to the above services, the Company's auditors act as auditor to the Center Parcs pension scheme. The appointment of auditors to the Company's pension scheme and fees paid in respect of those audits are agreed by the trustees of the scheme who act independently from the management of the Company. The aggregate fees paid to the auditors for these services during the period were £6,000 (2014: £5,000). The Directors monitor the level of non-audit work undertaken by the auditors and ensure it is work which they are best suited to perform and does not present a risk to their independence and objectivity.

Exceptional/non-underlying administrative expenses of £6.3 million are costs incurred in respect of the Group's ongoing review of its strategic options.

4 Net finance costs

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Finance costs		
Bank interest and similar charges	28.5	28.1
Exceptional/non-underlying accelerated amortisation of deferred issue costs (note 12)	1.4	—
Total finance expense	29.9	28.1
Finance income		
Bank interest receivable	(0.7)	(0.4)
Interest on loans to Group undertakings	(15.8)	(15.9)
Total finance income	(16.5)	(16.3)
Net finance costs	<u>13.4</u>	<u>11.8</u>

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

5 Taxation

(a) Taxation

The tax charge is made up as follows:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Current tax:		
—Current period	5.2	4.5
—Adjustments in respect of prior periods	(2.7)	1.4
	2.5	5.9
Deferred tax:		
Origination and reversal of temporary differences	(1.9)	1.1
Taxation (note 5(b))	<u>0.6</u>	<u>7.0</u>

(b) Factors affecting the tax charge

The tax assessed for the period is lower (2014: lower) than that resulting from applying the standard rate of corporation tax in the UK of 21% (2014: 23%). The difference is reconciled below:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Profit before taxation	<u>29.9</u>	<u>36.7</u>
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 21% (2014: 23%)	6.3	8.4
Adjustment in respect of prior periods	(3.9)	1.4
Permanent differences and expenses not deductible for tax	2.2	2.2
Group relief not paid for	(4.0)	(6.6)
Impact of change in corporation tax rate	—	1.6
Tax charge for the period (note 5(a))	<u>0.6</u>	<u>7.0</u>

Change of corporation tax rate and factors that may affect future tax charges

The standard rate of corporation tax in the UK reduced from 21% to 20% with effect from 1 April 2015.

6 Property, plant and equipment

	Leasehold improvements	Installations	Fixtures & fittings	Motor vehicles & hardware	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 25 April 2013	69.6	204.2	52.2	19.3	0.4	345.7
Additions	—	22.6	8.1	4.1	2.3	37.1
Disposals	—	(0.1)	(10.4)	(2.9)	—	(13.4)
Transfers	—	2.7	0.1	—	(2.8)	—
Reclassifications	—	(6.0)	—	(3.5)	2.5	(7.0)
At 24 April 2014	<u>69.6</u>	<u>223.4</u>	<u>50.0</u>	<u>17.0</u>	<u>2.4</u>	<u>362.4</u>
Depreciation						
At 25 April 2013	27.9	66.9	21.2	13.9	—	129.9
Charge	3.1	17.7	9.8	3.3	—	33.9
On disposals	—	(0.1)	(10.4)	(2.9)	—	(13.4)
On reclassifications	—	(3.6)	—	(2.7)	—	(6.3)
At 24 April 2014	<u>31.0</u>	<u>80.9</u>	<u>20.6</u>	<u>11.6</u>	<u>—</u>	<u>144.1</u>
Net book amount						
At 24 April 2014	<u>38.6</u>	<u>142.5</u>	<u>29.4</u>	<u>5.4</u>	<u>2.4</u>	<u>218.3</u>
Cost						
At 24 April 2014	69.6	223.4	50.0	17.0	2.4	362.4
Additions	—	19.9	13.3	3.0	2.1	38.3
Disposals	—	—	(16.6)	(1.6)	—	(18.2)
Transfers	—	2.0	0.3	—	(2.3)	—
At 23 April 2015	<u>69.6</u>	<u>245.3</u>	<u>47.0</u>	<u>18.4</u>	<u>2.2</u>	<u>382.5</u>
Depreciation						
At 24 April 2014	31.0	80.9	20.6	11.6	—	144.1
Charge	3.1	20.3	12.4	1.8	—	37.6
On disposals	—	—	(16.6)	(1.6)	—	(18.2)
At 23 April 2015	<u>34.1</u>	<u>101.2</u>	<u>16.4</u>	<u>11.8</u>	<u>—</u>	<u>163.5</u>
Net book amount						
At 23 April 2015	<u>35.5</u>	<u>144.1</u>	<u>30.6</u>	<u>6.6</u>	<u>2.2</u>	<u>219.0</u>

Depreciation has been charged through administrative expenses in the income statement.

7 Goodwill and other intangible assets

	<u>Goodwill</u>	<u>Software</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Cost			
At 25 April 2013	263.9	4.3	268.2
Additions	—	2.4	2.4
Disposals	—	(3.1)	(3.1)
Reclassifications	—	7.0	7.0
At 24 April 2014	<u>263.9</u>	<u>10.6</u>	<u>274.5</u>
Amortisation			
At 25 April 2013	19.8	1.0	20.8
Charge	—	2.0	2.0
On disposals	—	(3.1)	(3.1)
On reclassifications	—	6.3	6.3
At 24 April 2014	<u>19.8</u>	<u>6.2</u>	<u>26.0</u>
Net book amount			
At 24 April 2014	<u>244.1</u>	<u>4.4</u>	<u>248.5</u>
Cost			
At 24 April 2014	263.9	10.6	274.5
Additions	—	2.5	2.5
Disposals	—	(2.8)	(2.8)
At 23 April 2015	<u>263.9</u>	<u>10.3</u>	<u>274.2</u>
Amortisation			
At 24 April 2014	19.8	6.2	26.0
Charge	—	1.8	1.8
On disposals	—	(2.8)	(2.8)
At 23 April 2015	<u>19.8</u>	<u>5.2</u>	<u>25.0</u>
Net book amount			
At 23 April 2015	<u>244.1</u>	<u>5.1</u>	<u>249.2</u>

Amortisation has been charged through administrative expenses in the income statement.

Impairment test for goodwill

Goodwill is allocated to the Company's eight cash-generating units (CGUs), being the accommodation and on-site revenue streams at each of the four villages. Goodwill by business stream is presented below:

	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Accommodation	<u>219.8</u>	219.8
On-site	<u>24.3</u>	24.3
	<u>244.1</u>	<u>244.1</u>

The Directors consider that the economic characteristics and future expectations are materially consistent across each of the villages within each business stream.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a one year period. Cash flows beyond the one year period are extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations:

The key assumptions of the value in use calculation are EBITDA margin, perpetual growth rate and discount rate for each of on-site and accommodation. The long-term growth rate used is 2.5% (2014: 2.5%) in respect of both accommodation and on-site. The discount rate used is 7.73% (2014: 7.73%) in respect of both accommodation and on-site.

Management determine budgeted EBITDA margins based on past performance and expectations of market development. The growth rates used reflect management's expectations of the future market. Discount rates used are pre-tax and reflect the specific risks to the Company.

The Directors have performed sensitivity analysis using the full range of reasonable assumptions and no impairment triggers have been identified.

Based on the value-in-use calculations performed, the Directors have concluded that there is no impairment of goodwill.

8 Investments

	Investments in Group undertakings
	£m
Cost	
As at 23 April 2015 and 24 April 2014	<u>5.5</u>

The Company held the following investments at 23 April 2015:

<u>Name of undertaking</u>	<u>Country of incorporation</u>	<u>Nature of business</u>	<u>Proportion of voting rights held</u>	<u>Types of share capital</u>
Center Parcs Limited	England and Wales	Employee services provider	100%	Ordinary

The Directors believe that the carrying value of investments in subsidiary undertakings is supported by the underlying net assets of the investee.

Center Parcs Limited made a pre-tax profit of £0.7 million for the 52 weeks ended 23 April 2015 (2014: profit of £0.7 million) and its net assets at that date were £11.3 million (24 April 2014: £10.6 million).

9 Trade and other receivables

	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
<i>Amounts due within one year:</i>		
Trade receivables	2.6	2.4
Amounts owed by Group undertakings	253.4	236.3
Amounts owed by related parties	—	0.1
Prepayments and accrued income	16.6	12.3
	<u>272.6</u>	<u>251.1</u>
<i>Amounts due after more than one year:</i>		
Rental deposits	2.8	2.8

A £2.9 million rental deposit was paid on the inception of the Longleat lease, repayable to the Company in the final year of the lease. The fair value of the rental deposit above is calculated with reference to AAA Corporate Bond rates.

Amounts owed by Group undertakings include a loan of £198.5 million (2014: £198.5 million) due from Center Parcs (Holdings 1) Limited and the associated unpaid interest. Interest is receivable at a rate of 8% per annum and is not compounded.

The remaining amounts owed by Group undertakings are trading balances and do not attract interest.

All amounts owed by Group undertakings are unsecured and repayable on demand.

The fair value of trade and other receivables is equal to its book value and no impairment provisions have been made (2014: £nil). Concentrations of credit risk with respect to trade receivables are limited due to the vast majority of customers paying in advance. As such there are no amounts past due as all amounts are current (2014: £nil).

All of the amounts above are denominated in £ sterling.

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

10 Deferred tax

	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	<u>11.4</u>	<u>9.2</u>

The movement on the deferred tax account is shown below:

	<u>52 weeks ended 23 April 2015</u>	<u>52 weeks ended 24 April 2014</u>
	<u>£m</u>	<u>£m</u>
At the beginning of the period	9.2	10.4
Credited/(charged) to the income statement	1.9	(1.1)
Credited/(charged) to the statement of comprehensive income	0.3	(0.1)
At the end of the period	<u>11.4</u>	<u>9.2</u>

	<u>Depreciation in excess of capital allowances</u>	<u>Pension</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
As at 25 April 2013	10.1	0.3	10.4
Charged to the income statement	(1.1)	—	(1.1)
Charged to the statement of comprehensive income	—	(0.1)	(0.1)
As at 24 April 2014	9.0	0.2	9.2
Credited to the income statement	1.9	—	1.9
Credited to the statement of comprehensive income	—	0.3	0.3
As at 23 April 2015	<u>10.9</u>	<u>0.5</u>	<u>11.4</u>

11 Trade and other payables

	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
<i>Amounts due within one year:</i>		
Trade payables	7.3	6.7
Other tax and social security	12.1	10.7
Other payables	1.2	0.9
Amounts owed to Group undertakings	34.5	23.5
Amounts owed to related parties	9.9	0.3
Accruals	45.4	42.4
Payments on account	60.0	55.0
	<u>170.4</u>	<u>139.5</u>
<i>Amounts due after more than one year:</i>		
Amounts owed to related parties	<u>—</u>	<u>4.5</u>

Amounts owed to Group undertakings are trading balances and do not attract interest. These balances are unsecured and repayable on demand.

Included within accruals is £0.4 million (2014: £0.4 million) of outstanding government grants in respect of the Center Parcs Head Office.

12 Borrowings

	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Current		
Secured mortgage due within one year	<u>0.3</u>	<u>0.3</u>
	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Non-current		
Secured mortgage	1.2	1.4
Securitised debt	<u>330.0</u>	<u>327.6</u>
	<u>331.2</u>	<u>329.0</u>

The securitised debt is part of an overall £1,020.0 million facility made available to the Group. The loans detailed below represent the issue proceeds loaned on to the Company from CPUK Finance Limited, a related party which issued bonds on the external markets. The terms of the loans from CPUK Finance Limited are identical to the terms of the external borrowings.

The securitised debt consists of:

<u>Non-current</u>	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Class A1 loan	98.9	98.9
Class A2 loan	145.0	145.0
Class B loan	92.3	92.3
Unamortised debt costs	<u>(6.2)</u>	<u>(8.6)</u>
Loans	<u>330.0</u>	<u>327.6</u>

The Company's financial risk management policy is detailed in note 2. The maturity of the Company's borrowings are as follows:

	<u>Less than</u>	<u>2-5 years</u>	<u>Greater</u>	<u>Unamortised</u>	<u>Total</u>
	<u>1 year</u>	<u>£m</u>	<u>than</u>	<u>fees</u>	<u>£m</u>
	<u>£m</u>	<u>£m</u>	<u>5 years</u>	<u>£m</u>	<u>£m</u>
As at 23 April 2015					
Secured mortgage	0.3	1.2	—	—	1.5
Securitised debt	—	191.2	145.0	(6.2)	330.0
Total borrowings	<u>0.3</u>	<u>192.4</u>	<u>145.0</u>	<u>(6.2)</u>	<u>331.5</u>
As at 24 April 2014					
Secured mortgage	0.3	1.1	0.3	—	1.7
Securitised debt	—	191.2	145.0	(8.6)	327.6
Total borrowings	<u>0.3</u>	<u>192.3</u>	<u>145.3</u>	<u>(8.6)</u>	<u>329.3</u>

All of the above amounts are denominated in £ sterling.

Mortgage

The Company has a mortgage secured over its head office which incurs interest at LIBOR plus 1.125% and matures in 2020. Annual repayments on this mortgage total £0.3 million. A one percentage point movement in interest rates would affect this charge by approximately £14,000 (2014: £17,000).

Securitised debt

At 23 April 2015 the securitised debt was part of an overall £1,020.0 million facility made available to the Group. The total facility was drawn down on 28 February 2012. Details of the tranches of the debt are as follows:

	<u>Interest rate to Expected Maturity Date</u>	<u>Interest rate from Expected Maturity Date to Final Maturity Date</u>	<u>Expected Maturity Date</u>	<u>Final Maturity Date</u>
Tranche A1	4.811%	7.169%	28 February 2017	28 February 2042
Tranche A2	7.239%	7.919%	28 February 2024	28 February 2042

	<u>Interest rate to February 2020</u>	<u>Interest rate from February 2020</u>	<u>Expected Maturity Date</u>	<u>Final Maturity Date</u>
Tranche B	11.625%	6.25%	28 February 2018	28 February 2042

The tranche B debt is subordinated to the tranche A debt. Both include optional prepayment clauses permitting the Company to repay the debt in advance of the expected maturity date. All tranches of debt are subject to financial covenants. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenant.

The option to repay the B debt prior to maturity is considered to be a derivative financial instrument with a fair value of £5.5 million (2014: £nil). The fair value has been estimated with reference to the yields of similar corporate bonds with comparable terms and credit ratings. The movement in fair value has been recognised as an exceptional/non-underlying item in the income statement.

The derivative financial instrument recognised by the Group is £16.8 million and this has been apportioned to the individual borrowers in line with the tranche B debt held by each entity.

As all tranches have fixed interest rates, the Company is not exposed to interest rate fluctuations. Interest of £3.8 million (2014: £3.9 million) was accrued in respect of the loans in the period.

The tranche A1 notes will be repaid, at the option of the Group, shortly after the financial year-end as set out in note 23; unamortised deferred issue costs relating to this tranche of the securitised debt have been amortised on an accelerated basis to reflect this repayment profile. This accelerated amortisation has been classified as an exceptional/non-underlying finance expense of £1.4 million in the income statement.

13 Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below. The Company's financial assets are categorised as loans and receivables, with the exception of derivative financial instruments which are carried at fair value through profit and loss. The Company's financial liabilities were categorised as other financial liabilities.

	<u>2015 £m</u>	<u>2014 £m</u>
Financial assets		
Trade receivables	2.6	2.4
Other receivables	256.2	239.2
Cash and cash equivalents	84.6	58.0
Derivative financial instruments	5.5	—
	<u>348.9</u>	<u>299.6</u>
Financial liabilities		
Borrowings	331.5	329.3
Trade payables	7.3	6.7
Accruals	45.4	42.4
Other payables	45.6	29.2
	<u>429.8</u>	<u>407.6</u>

Fair value hierarchy

IFRS 7 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All of the Company's fair value measurements have been categorised as Level 2 and fair values are derived directly or indirectly from observable prices. There were no transfers between levels during the current or prior period.

Fair value of financial assets and financial liabilities

The fair value of the Company's gross securitised debt (before unamortised debt costs) at 23 April 2015 was £399.7 million (2014: £386.8 million). The fair value of other financial assets and liabilities of the Company are approximately equal to their book value.

Maturity of financial liabilities

The non-discounted minimum future cash flows in respect of financial liabilities was:

<u>As at 23 April 2015</u>	<u>Mortgage</u>	<u>Loan notes</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
In less than one year	0.3	26.0	26.3
In two to five years	1.3	259.4	260.7
In more than five years	0.2	187.0	187.2
	<u>1.8</u>	<u>472.4</u>	<u>474.2</u>
 <u>As at 24 April 2014</u>	 <u>Mortgage</u>	 <u>Loan notes</u>	 <u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
In less than one year	0.3	26.0	26.3
In two to five years	1.3	274.8	276.1
In more than five years	0.5	197.5	198.0
	<u>2.1</u>	<u>498.3</u>	<u>500.4</u>

14 Share capital

	<u>2015</u>	<u>2014</u>
	<u>£m</u>	<u>£m</u>
Allotted and fully paid		
38,490,321 'A' ordinary shares of £100/38,490,321 each	<u>—</u>	<u>—</u>

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt.

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

15 Retained earnings

	<u>£m</u>
As at 24 April 2014	325.2
Profit for the period	29.3
Net movement on pension scheme	(1.4)
As at 23 April 2015	<u>353.1</u>
	<u>£m</u>
As at 25 April 2013	295.0
Profit for the period	29.7
Net movement on pension scheme	0.5
As at 24 April 2014	<u>325.2</u>

16 Working capital and non-cash movements

	<u>52 weeks ended 23 April 2015</u>	<u>52 weeks ended 24 April 2014</u>
	<u>£m</u>	<u>£m</u>
Profit on disposal of property, plant and equipment	(0.2)	(0.2)
Decrease/(increase) in inventories	0.1	(0.1)
Increase in trade and other receivables	(5.4)	(1.3)
Increase in trade and other payables	23.4	11.7
	<u>17.9</u>	<u>10.1</u>

17 Employees and Directors

	<u>52 weeks ended 23 April 2015</u>	<u>52 weeks ended 24 April 2014</u>
	<u>£m</u>	<u>£m</u>
Staff costs for the Company during the period:		
Wages and salaries	68.1	65.7
Social security costs	4.0	3.9
Pension costs	2.9	2.8
	<u>75.0</u>	<u>72.4</u>

The monthly average number of people (including executive Directors) employed by the Company during the period was:

	<u>52 weeks ended 23 April 2015</u>	<u>52 weeks ended 24 April 2014</u>
	<u>Number</u>	<u>Number</u>
By activity		
Leisure, food and retail	2,708	2,724
Administration	672	658
Housekeeping, technical and estate services	2,805	2,761
	<u>6,185</u>	<u>6,143</u>

Key management compensation:

	<u>52 weeks ended 23 April 2015</u>	<u>52 weeks ended 24 April 2014</u>
	<u>£m</u>	<u>£m</u>
Aggregate emoluments (including money purchase pension contributions)	<u>3.3</u>	<u>2.6</u>

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

Key management compensation encompasses the Directors and certain senior managers of the Company.

	52 weeks ended 23 April 2015 £m	52 weeks ended 24 April 2014 £m
Directors		
Aggregate emoluments (including money purchase pension contributions)	<u>1.5</u>	<u>1.4</u>

One Director (2014: one) has retirement benefits accruing under the Company's money purchase pension scheme, in respect of which the Company made contributions of £29,200 (2014: £28,300). In addition, retirement benefits are accruing to two Directors (2014: two) under the Company's defined benefit pension scheme.

	52 weeks ended 23 April 2015 £m	52 weeks ended 24 April 2014 £m
Included in the above are amounts in respect of the highest paid Director, who is a member of the defined benefit pension scheme:		
Aggregate emoluments	<u>0.7</u>	0.7
Accrued pension at end of period	<u>0.3</u>	<u>0.3</u>

18 Pension commitments

Defined contribution pension scheme

The Company participates in the Center Parcs pension scheme, which is a defined contribution pension scheme with a contributory and a non-contributory membership level. Pension costs for the defined contribution scheme for the period ended 23 April 2015 were £2.3 million (2014: £2.4 million).

Accruals per note 11 include £0.3 million (2014: £0.3 million) in respect of defined contribution pension scheme costs.

Defined benefit pension scheme

The Company operates a funded defined benefit pension scheme for certain employees. Contributions are determined by an independent qualified actuary using assumptions on the rate of return on investments and rates of increases in salaries and benefits.

The latest actuarial valuation of the scheme was performed on 1 August 2011. This was updated to 23 April 2015 by a qualified independent actuary. An actuarial valuation was performed as at 1 August 2014 but had not been received at the balance sheet date.

The principal assumptions used were:

	2015	2014
Discount rate	3.20%	4.25%
Rate of increase in pensions in payment	3.00%	3.25%
Inflation	2.25%	2.50%
Rate of increase in salaries	2.25%	2.50%
Life expectancy from age 60, for a male:		
• Currently age 60	31.6 years	31.8 years
• Currently age 50	33.5 years	32.8 years

The amounts recognised in the balance sheet are determined as follows:

	2015 £m	2014 £m
Present value of funded obligations	(16.5)	(12.7)
Fair value of plan assets	13.8	11.8
Net pension liability	<u>(2.7)</u>	<u>(0.9)</u>

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

At the balance sheet date, the present value of the defined benefit obligation was comprised as follows:

	<u>Number of members</u>	<u>Liability split</u>	<u>Duration (years)</u>
Active members	3	57%	22
Deferred members	6	36%	22
Pensioners	1	7%	17
Total	<u>10</u>	<u>100%</u>	<u>21</u>

The major categories of plan assets as a percentage of total plan assets are as follows:

	<u>2015</u>	<u>2014</u>
Equity securities	<u>54%</u>	64%
Debt securities	<u>42%</u>	36%
Cash	<u>4%</u>	—

The movement in the defined benefit obligation over the period is as follows:

	<u>Fair value of plan assets</u>	<u>Present value of obligation</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
At 25 April 2014	<u>11.8</u>	<u>(12.7)</u>	<u>(0.9)</u>
Current service cost	—	(0.4)	(0.4)
Past service cost including curtailments	—	(0.2)	(0.2)
Interest income/(expense)	<u>0.5</u>	<u>(0.5)</u>	<u>—</u>
	<u>12.3</u>	<u>(13.8)</u>	<u>(1.5)</u>
Remeasurements			
—Return on plan assets, excluding amount included in interest	1.0	—	1.0
—Loss from change in financial assumptions	—	(2.5)	(2.5)
—Loss from change in demographic assumptions	—	(0.1)	(0.1)
—Experience	<u>—</u>	<u>(0.1)</u>	<u>(0.1)</u>
	<u>1.0</u>	<u>(2.7)</u>	<u>(1.7)</u>
Employer contributions	0.5	—	0.5
Benefits payable from plan	<u>—</u>	<u>—</u>	<u>—</u>
At 23 April 2015	<u>13.8</u>	<u>(16.5)</u>	<u>(2.7)</u>

The impact of various changes in actuarial assumptions on the present value of the scheme obligation are set out below.

	<u>Present value of obligation</u>
	<u>£m</u>
0.5% decrease in discount rate	(18.3)
1 year increase in life expectancy	(17.0)
0.5% increase in salary increases	(16.8)
0.5% increase in inflation	<u>(18.3)</u>

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

	Fair value of plan assets	Present value of obligation	Total
	£m	£m	£m
At 26 April 2013	11.4	(12.8)	(1.4)
Current service cost	—	(0.4)	(0.4)
Interest income/(expense)	0.4	(0.4)	—
	11.8	(13.6)	(1.8)
Remeasurements			
—Return on plan assets, excluding amount included in interest	0.3	—	0.3
—Gain from change in financial assumptions	—	0.3	0.3
	0.3	0.3	0.6
Employer contributions	0.3	—	0.3
Benefits payable from plan	(0.6)	0.6	—
At 24 April 2014	11.8	(12.7)	(0.9)

The current service cost and interest income/expense is recognised in the income statement. Remeasurements are recognised in other comprehensive income.

Expected contributions to the defined benefit pension scheme for the forthcoming financial year are £0.7 million.

19 Operating lease commitments

	2015		2014	
	Land and buildings	Other	Land and buildings	Other
	£m	£m	£m	£m
Commitments under non-cancellable operating leases due:				
Within one year	65.5	—	64.5	—
Later than one year and less than five years	218.9	—	233.6	—
After five years	1,309.7	—	1,344.5	—
	1,594.1	—	1,642.6	—

The leases held on the Sherwood Forest, Elveden Forest and Whinfell Forest land and buildings expire in February 2047 and the lease held on the Longleat Forest land and buildings expires in November 2017. The lease on the Longleat Forest land and buildings is expected to be extended in the near future.

20 Capital commitments

At the balance sheet date, the Company had capital expenditure contracted for but not provided of £8.3 million (2014: £8.6 million).

21 Related party transactions

During the period the Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and balances outstanding, are as follows:

	Balance at 24 April 2014	Movement in 52 weeks	Balance at 23 April 2015
	£m	£m	£m
Center Parcs (Jersey) 1 Limited	(0.1)	—	(0.1)
Sun CP Newmidco Limited	1.1	—	1.1
Longleat Property Limited	(7.3)	(4.9)	(12.2)
Center Parcs (Holdings 1) Limited	232.3	16.0	248.3
CP Sherwood Village Limited	(4.8)	(2.9)	(7.7)
CP Elveden Village Limited	(8.5)	(3.2)	(11.7)
CP Whinfell Village Limited	2.4	0.4	2.8
SPV2 Limited	0.3	0.7	1.0
Center Parcs Limited	0.2	—	0.2
CP Woburn (Operating Company) Limited	(4.5)	(5.2)	(9.7)
CP Cayman Midco 2 Limited	(0.3)	0.1	(0.2)

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 23 APRIL 2015

All of the above companies are part of the group headed by Center Parcs (Holdings 1) Limited with the exception of CP Woburn (Operating Company) Limited and CP Cayman Midco 2 Limited. These companies have the same ultimate ownership as Center Parcs (Operating Company) Limited but are not part of the Center Parcs (Holdings 1) Limited Group.

The movement on the balance with Longleat Property Limited represents rent invoiced of £16.9 million, off-set by the payment of interest and commitment fees on that company's behalf of £11.7 million and other trading activities of £0.3 million.

The movement on the balance with Center Parcs (Holdings 1) Limited represents interest receivable of £15.8 million and amounts settled on behalf of that company of £0.2 million.

The movement on the balance with CP Sherwood Village Limited represents rent invoiced of £17.2 million, off-set by the payment of interest and commitment fees on that company's behalf of £14.0 million and other trading activities of £0.3 million.

The movement on the balance with CP Elveden Village represents rent invoiced of £16.6 million, off-set by the payment of interest and commitment fees on that company's behalf of £13.0 million and other trading activities of £0.4 million.

The movement on the balance with CP Whinfell Village represents rent invoiced of £14.7 million, off-set by the payment of interest and commitment fees on that company's behalf of £14.7 million and other trading activities of £0.4 million.

The movement on the balance with SPV2 Limited represents funds advanced to that company of £0.8 million, off-set by the transfer of a receivable of £0.1 million.

The movement on the balance with CP Woburn (Operating Company) Limited represents payment due for group relief surrendered to the Company offset by the recharge of certain costs under a Management Services Agreement.

The movement on the balance with CP Cayman Midco 2 Limited represents repayments of the loan balance and interest payable. The balance due as at 23 April 2015 is interest-free.

Management charges of £2.0 million (2014: £1.5 million) were payable to The Blackstone Group and associated companies during the period.

	Balance at 25 April 2013	Movement in 52 weeks	Balance at 24 April 2014
	£m	£m	£m
Center Parcs (Jersey) 1 Limited	(0.1)	—	(0.1)
Sun CP Newmidco Limited	0.9	0.2	1.1
Longleat Property Limited	(2.7)	(4.6)	(7.3)
Center Parcs (Holdings 1) Limited	216.4	15.9	232.3
CP Sherwood Village Limited	(2.0)	(2.8)	(4.8)
CP Elveden Village Limited	(5.3)	(3.2)	(8.5)
CP Whinfell Village Limited	2.1	0.3	2.4
SPV2 Limited	(0.1)	0.4	0.3
Center Parcs Limited	—	0.2	0.2
CP Woburn (Operating Company) Limited	—	(4.5)	(4.5)
CP Cayman Midco 2 Limited	(0.9)	0.6	(0.3)

The movement on the balance with Sun CP Newmidco Limited represented trading activities.

The movement on the balance with Longleat Property Limited represented rent invoiced of £16.3 million, off-set by the payment of interest and commitment fees on that company's behalf of £11.7 million.

The movement on the balance with Center Parcs (Holdings 1) Limited represented interest receivable.

The movement on the balance with CP Sherwood Village Limited represented rent invoiced of £16.8 million, off-set by the payment of interest and commitment fees on that company's behalf of £14.0 million.

The movement on the balance with CP Elveden Village represented rent invoiced of £16.2 million, off-set by the payment of interest and commitment fees on that company's behalf of £13.0 million.

The movement on the balance with CP Whinfell Village represented rent invoiced of £14.4 million, off-set by the payment of interest and commitment fees on that company's behalf of £14.7 million.

The movement on the balance with SPV2 Limited represented funds advanced to that company of £0.5 million, offset by the transfer of a receivable of £0.1 million.

The movement on the balance with Center Parcs Limited represented a cash transfer.

The movement on the balance with CP Woburn (Operating Company) Limited represented payment due for group relief surrendered to the Company.

The movement on the balance with CP Cayman Midco 2 Limited represented repayments to that company.

22 Contingent liabilities

The Company, along with all other members of the Group headed by Center Parcs (Holdings 1) Limited is an obligor in securing the external borrowings of £1,020.0 million.

23 Events after the balance sheet date

The Company is a wholly owned member of the Group headed by Center Parcs (Holdings 1) Limited. The Company's affairs are managed as part of the overall Group. The external borrowings detailed in note 12 are part of an overall facility totalling £1,020.0 million which is managed at a Group level; the Company, as well as other wholly owned members of the Group, is allocated a portion of the overall facility.

On 22 May 2015 the Group announced the pricing of an aggregate of £490.0 million of New Class A senior notes, divided into £350.0 million 2.666% notes due to mature in February 2020 and £140.0 million 3.588% notes due to mature in August 2025. The proceeds of these new notes, along with existing cash resources available, will refinance the Class A1 notes, which are due to mature in 2017, and fund the acquisition of the equity share capital of CP Woburn (Operating Company) Limited. The refinancing is expected to complete on 11 June 2015.

On 2 June 2015 it was announced that a Brookfield-managed fund has agreed to acquire the parent company of the Center Parcs group, and consequently its subsidiary undertakings, from funds advised by The Blackstone Group. The transaction is due to complete by the end of July 2015.

24 Ultimate parent company and controlling parties

The immediate parent company is Center Parcs (Holdings 3) Limited, a company registered in England and Wales. The ultimate parent company is CP Cayman Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling parties are funds advised by The Blackstone Group. The largest and smallest group of which the company is a member and for which group accounts are drawn up is Center Parcs (Holdings 1) Limited.

A copy of the Center Parcs (Holdings 1) Limited financial statements can be obtained on application to The Company Secretary, One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Independent auditors' report to the members of Center Parcs (Operating Company) Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 24 April 2014 and of its profit and cash flows for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Center Parcs (Operating Company) Limited, comprise:

- balance sheet as at 24 April 2014;
- the income statement and statement of comprehensive income for the period then ended;
- the cash flow statement for the period then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted in the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Andrew Lyon BSc FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
24 June 2014

Center Parcs (Operating Company) Limited
INCOME STATEMENT
FOR THE 52 WEEKS ENDED 24 APRIL 2014

Income Statement
for the 52 weeks ended 24 April 2014

	<u>Note</u>	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
		£m	£m
Revenue		314.6	303.5
Cost of sales		(31.2)	(31.4)
Gross profit		283.4	272.1
Administrative expenses		(234.9)	(223.4)
Operating profit	3	48.5	48.7
Finance expense		(28.1)	(28.0)
Finance income		16.3	16.7
Net finance costs	4	(11.8)	(11.3)
Profit before taxation		36.7	37.4
Taxation	5	(7.0)	(8.0)
Profit for the period attributable to equity shareholders	15	29.7	29.4

All amounts derive from continuing activities.

Center Parks (Operating Company) Limited
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 24 APRIL 2014

**Statement of Comprehensive Income
for the 52 weeks ended 24 April 2014**

	<u>Note</u>	<u>52 weeks ended 24 April 2014</u>	<u>52 weeks ended 25 April 2013</u>
		<u>£m</u>	<u>£m</u>
Profit for the financial period		<u>29.7</u>	<u>29.4</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	18	<u>0.6</u>	<u>(0.6)</u>
Other comprehensive income for the period		<u>0.6</u>	<u>(0.6)</u>
Tax relating to components of other comprehensive income	10	<u>(0.1)</u>	<u>0.1</u>
Total comprehensive income for the period		<u><u>30.2</u></u>	<u><u>28.9</u></u>

Center Parcs (Operating Company) Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 24 APRIL 2014

**Statement of Changes in Equity
for the 52 weeks ended 24 April 2014**

	Attributable to owners of the parent			
	Share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m
At 25 April 2013	—	—	295.0	295.0
Comprehensive income				
Profit for the period	—	—	29.7	29.7
Other comprehensive income	—	—	0.5	0.5
At 24 April 2014	—	—	325.2	325.2

	Attributable to owners of the parent			
	Share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m
At 26 April 2012	—	—	266.1	266.1
Comprehensive income				
Profit for the period	—	—	29.4	29.4
Other comprehensive income	—	—	(0.5)	(0.5)
At 25 April 2013	—	—	295.0	295.0

Center Parcs (Operating Company) Limited
BALANCE SHEET
AT 24 APRIL 2014

**Balance Sheet
at 24 April 2014**

	Note	24 April 2014 £m	25 April 2013 £m
Assets			
Non-current assets			
Goodwill	7	244.1	244.1
Other intangible assets	7	4.4	3.3
Property, plant and equipment	6	218.3	215.8
Investments	8	5.5	5.5
Trade and other receivables	9	2.8	2.8
Deferred tax asset	10	9.2	10.4
		<u>484.3</u>	<u>481.9</u>
Current assets			
Inventories		2.9	2.8
Trade and other receivables	9	251.1	233.9
Cash and cash equivalents		58.0	28.7
Current tax asset		3.1	—
		<u>315.1</u>	<u>265.4</u>
Liabilities			
Current liabilities			
Borrowings	12	(0.3)	(0.3)
Trade and other payables	11	(139.5)	(122.3)
Current tax liability		—	(0.3)
		<u>(139.8)</u>	<u>(122.9)</u>
Net current assets		<u>175.3</u>	<u>142.5</u>
Non-current liabilities			
Borrowings	12	(329.0)	(328.0)
Trade and other payables	11	(4.5)	—
Retirement benefit obligations	18	(0.9)	(1.4)
		<u>(334.4)</u>	<u>(329.4)</u>
Net assets		<u>325.2</u>	<u>295.0</u>
Equity			
Ordinary shares	14	—	—
Retained earnings	15	325.2	295.0
Total equity		<u>325.2</u>	<u>295.0</u>

The financial statements on pages 9 to 49 were approved by the board of Directors on 24 June 2014 and were signed on its behalf by:



P Inglett
Director

Center Parcs (Operating Company) Limited
CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 24 APRIL 2014

**Cash Flow Statement
for the 52 weeks ended 24 April 2014**

	<u>Note</u>	52 weeks ended 24 April 2014 £m	52 weeks ended 25 April 2013 £m
Operating activities			
Operating profit		48.5	48.7
Depreciation and amortisation	3	35.9	29.9
Working capital and non-cash movements	16	10.1	10.2
Difference between the pension charge and contributions		0.1	(0.1)
Corporation tax paid		(2.0)	(1.1)
Net cash inflow from operating activities		<u>92.6</u>	<u>87.6</u>
Investing activities			
Sale of property, plant and equipment		0.2	0.1
Purchase of intangible assets—software		(2.4)	(2.1)
Purchase of property, plant and equipment		(34.5)	(40.1)
Net cash outflow from investing activities		<u>(36.7)</u>	<u>(42.1)</u>
Financing activities			
Interest received		0.4	0.3
Interest paid		(26.7)	(26.8)
Repayment of external borrowings		(0.3)	(0.3)
Issue costs paid on securitised debt		—	(1.7)
Net cash outflow from financing activities		<u>(26.6)</u>	<u>(28.5)</u>
Net movement in cash and cash equivalents		29.3	17.0
Cash and cash equivalents at beginning of the period		<u>28.7</u>	<u>11.7</u>
Cash and cash equivalents at end of the period		<u>58.0</u>	<u>28.7</u>

1 Accounting policies

General information

Center Parcs (Operating Company) Limited operates short break holiday villages in Nottinghamshire, Cumbria, Wiltshire and Suffolk.

The Company is a limited company, which is incorporated and domiciled in the UK. The address of its registered office is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations endorsed by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies are consistent with the prior period.

Basis of preparation

The financial statements have been prepared as a going concern under the historical cost convention.

The accounts of Center Parcs (Operating Company) Limited are typically drawn up to the Thursday nearest to its accounting reference date of 22 April.

The Company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates are principally used in the following areas:

Property, plant and equipment: Useful lives of assets and residual values (see accounting policy).

Impairment test for goodwill: Growth and discount rates (note 7).

Other intangible assets: Useful lives of assets and residual values (see accounting policy).

Retirement benefits: Actuarial assumptions in respect of the defined benefit pension scheme (note 18).

Revenue

Revenue relates to one continuing activity, being the provision of short break holidays.

Revenue relates to villa rental income on holidays commenced during the period, together with other related income that primarily arises from on-village leisure, retail and food and beverage spend. Non-rental income is recognised when the related product or service is provided. All revenue is recorded net of VAT.

Payment for villa rental income is paid in advance of holidays commencing, and is recorded as ‘payments on account’ within Trade and other payables until the holiday commences.

A number of trading units on each holiday village are operated by concession partners. Revenue due in respect of such units is recognised on a receivables basis.

All revenue arises in the United Kingdom.

Exceptional items

Exceptional items are defined as those items that, by virtue of their nature, size or expected frequency, warrant separate disclosure in the financial statements in order to fully understand the underlying performance of the Company.

Goodwill

Goodwill arising on acquisitions is capitalised and represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets and liabilities acquired. Goodwill is not amortised but is instead tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment is recognised immediately in the income statement. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Other intangible assets

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, which is generally considered to be four years.

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed four years.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where required, assets are discounted using an AAA corporate bond rate. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Property, plant and equipment

Management chose the cost basis under IAS 16 'Property, plant and equipment', rather than to apply the alternative (revaluation) treatment to all items of property, plant and equipment as its ongoing accounting policy. The cost of property, plant and equipment includes directly attributable costs.

Depreciation is provided on the cost of all property, plant and equipment (except assets in the course of construction), so as to write off the cost, less residual value, on a straight-line basis over the expected useful economic life of the assets concerned, using the following rates:

Leasehold improvements	2.5% or by equal instalments over the period of the lease held on the land and buildings, whichever is the shorter
Installations	6.67% or by equal instalments over the period of the lease held on the land and buildings, whichever is the shorter
Fixtures and fittings	14% or by equal instalments over the period of the lease held on the land and buildings, whichever is the shorter
Computer equipment	25%
Motor vehicles	25%

Useful lives and residual values are reviewed at each balance sheet date and revised where expectations are significantly different from previous estimates. In such cases, the depreciation charge for current and future periods is adjusted accordingly.

Maintenance expenditure

It is the policy of the Company to maintain its leasehold land and buildings to a high standard. Where maintenance expenditure increases the benefits that property, plant and equipment is expected to generate, this expenditure is capitalised. All other maintenance costs are charged to the income statement as incurred.

Leases

Leases are classified as finance leases if the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised at cost and depreciated over their useful lives. The capital element of future rentals is treated as a liability and the interest element is charged to the income statement over the period of the lease in proportion to the capital outstanding.

Rental payments on operating leases (net of any incentives received from the lessor and including minimum contractual rental increases) are charged to the income statement on a straight-line basis.

Investments in subsidiary undertakings

Investments are stated at cost, less any provision for permanent diminution in value. If there are indications of impairment, an assessment is made of the recoverable amount. An impairment loss is recognised in the income statement when the recoverable amount is lower than the carrying value.

Dividends receivable from investments in subsidiary undertakings are recognised in the income statement when approved by the shareholders of the company paying the dividend.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Inventories

The basis of valuation of inventories is the lower of cost on a first in first out basis and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory provisions are created where necessary to ensure that inventory is valued at the lower of cost and estimated net realisable value.

Financial instruments

The Company classifies its financial assets into two categories, being fair value through profit and loss, and loans and receivables. Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Other financial liabilities are carried at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no

intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Financial assets

The cost of investments, including loans to related parties, is their purchase cost together with any incremental costs of acquisition. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In deciding whether an impairment is required, the Directors consider the underlying value inherent in the investment. Provision is made against the cost of investments where, in the opinion of the Directors, there is an impairment in the value of the individual investment.

Trade receivables

Trade receivables are recognised initially at fair value. A provision for impairment of trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement.

Long-term receivables

Where the effect is material, long-term receivables are discounted using an appropriate pre-tax discount rate.

Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and in hand.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Early termination costs

Costs associated with the early repayment of borrowings are written off to the income statement as incurred.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Government grants

Government grants in respect of capital expenditure are categorised as accruals on receipt and are credited to the income statement over the useful life of the relevant property, plant and equipment. The government grant included in the balance sheet at the period end represents grants received to date, less the amount so far credited to the income statement.

Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting profit or loss, together with realised profits and losses arising during the period on the settlement of overseas assets and liabilities, are included in the trading results.

Employee benefits

Pensions

—Defined contribution pension scheme

Company employees can choose to be a member of a defined contribution pension scheme. A defined contribution pension scheme is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are charged to the income statement as incurred.

—Defined benefit pension scheme

A funded senior management defined benefit pension scheme also exists. A defined benefit pension scheme is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The surplus or liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates for high-quality corporate bonds which have terms to maturity approximating the terms of the related pension liability.

Past-service costs are recognised immediately in the income statement. Remeasurement gains and losses are recognised in other comprehensive income.

Profit-sharing and bonus plans

The Company recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Holiday pay

The Company recognises an appropriate liability for the cost of holiday entitlements not taken at the balance sheet date.

Share capital

Ordinary shares are classified as equity.

New standards and interpretations

New accounting standards or interpretations effective in the current period are as follows:

- A revision to IAS 1 'Presentation of financial statements' in respect of the presentation of other comprehensive income;
- A revision to IAS 19 'Employee benefits' in respect of the remeasurement of termination benefits; and
- A new accounting standard IFRS 13 'Fair value measurement', setting out a framework for measuring fair value and required disclosures.

These have not significantly impacted, and are not likely to have a future impact on, the financial statements of the Company.

The audited financial statements for the period ended 25 April 2013 have not been restated for the adoption of IAS 19 revised as the impact is not significant to the result or financial position.

The adoption of IFRS 9 'Financial Instruments', which is expected to be enacted in 2018, is expected to change the disclosure given in respect of financial instruments but not the amounts reported in the financial statements. In addition, the International Accounting Standards Board and IFRIC have issued a number of further standards and interpretations with an effective date after the date of these financial statements. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial application.

2 Financial risk management

The Company finances its operations through a mixture of equity and borrowings as required. The Company has historically sought to reduce its cost of capital by refinancing and restructuring the Company's funding using the underlying asset value.

The overall policy in respect of interest rates is to reduce the exposure to interest rate fluctuations.

The Company does not actively trade in derivative financial instruments.

Interest rate risk

The Company has a floating rate mortgage and fixed rate loan notes as its only external funding sources. As at 24 April 2014, 99% (2013: 99%) of the Company's external borrowings incurred interest at a fixed rate.

Liquidity risk

At 24 April 2014, the Company held sufficient levels of cash to enable it to meet its medium-term working capital and funding obligations. Rolling forecasts of the Company's liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

Currency risk

The Company is exposed to limited currency risk through foreign currency transactions. The Company does not operate a hedging facility to manage currency risk as it is considered to be insignificant.

Credit risk

The Company borrows from well-established institutions with high credit ratings. The Company's cash balances are held on deposit with a number of UK banking institutions.

3 Operating profit

Operating profit is stated after charging the following:

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Staff costs (note 17)	72.4	70.2
Cost of inventories (recognised in cost of sales)	28.4	28.8
Depreciation of property, plant and equipment (note 6)	33.9	28.3
Amortisation of intangible assets (note 7)	2.0	1.6
Operating lease rentals—land and buildings	62.7	60.4
Repairs and maintenance expenditure on property, plant and equipment	8.2	8.7
Services provided by the Company's auditors	0.2	0.2

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

During the period, the Company obtained the following services from the Group's auditors:

	52 weeks ended 24 April 2014 £m	52 weeks ended 25 April 2013 £m
Charged to the income statement		
Audit of the Company and certain Group undertakings	0.2	0.2
Tax advisory services	0.1	—
	<u>0.3</u>	<u>0.2</u>

In addition to the above services, the Company's auditors act as auditor to the Center Parcs pension scheme. The appointment of auditors to the Company's pension scheme and fees paid in respect of those audits are agreed by the trustees of the scheme who act independently from the management of the Company. The aggregate fees paid to the auditors for these services during the period were £5,000 (2013: £5,000).

The Directors monitor the level of non-audit work undertaken by the auditors and ensure it is work which they are best suited to perform and does not present a risk to their independence and objectivity.

4 Net finance costs

	52 weeks ended 24 April 2014 £m	52 weeks ended 25 April 2013 £m
Finance costs		
Bank interest and similar charges	28.1	28.0
Total finance expense	<u>28.1</u>	<u>28.0</u>
Finance income		
Bank interest receivable	(0.4)	(0.3)
Interest on loans to Group undertakings	(15.9)	(15.9)
Revaluation of rental deposits to fair value	—	(0.5)
Total finance income	<u>(16.3)</u>	<u>(16.7)</u>
Net finance costs	<u>11.8</u>	<u>11.3</u>

5 Taxation

(a) Taxation

The tax charge is made up as follows:

	52 weeks ended 24 April 2014 £m	52 weeks ended 25 April 2013 £m
Current tax:		
—Current period	4.5	1.4
—Prior periods	1.4	—
	<u>5.9</u>	<u>1.4</u>
Deferred tax:		
Origination and reversal of temporary differences	1.1	6.6
Taxation (note 5(b))	<u>7.0</u>	<u>8.0</u>

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

(b) **Factors affecting the tax charge**

The tax assessed for the period is lower (2013: lower) than that resulting from applying the standard rate of corporation tax in the UK of 23% (2013: 24%). The difference is reconciled below:

	52 weeks ended 24 April 2014	52 weeks ended 25 April 2013
	£m	£m
Profit before taxation	36.7	37.4
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 23% (2013: 24%)	8.4	9.0
Adjustment in respect of prior periods	1.4	2.7
Permanent differences and expenses not deductible for tax	2.2	1.1
Group relief not paid for	(6.6)	(5.3)
Impact of change in corporation tax rate	1.6	0.5
Tax charge for the period (note 5(a))	7.0	8.0

Change of corporation tax rate and factors that may affect future tax charges

The March 2013 Budget included legislation to reduce the main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. This legislation was substantively enacted for financial reporting purposes on 2 July 2013 and hence has been reflected in these financial statements.

6 Property, plant and equipment

	Leasehold improvements	Installations	Fixtures & fittings	Motor vehicles & hardware	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 26 April 2012	69.1	178.7	54.4	17.1	3.0	322.3
Additions	—	23.3	8.1	3.8	2.6	37.8
Disposals	—	—	(12.3)	(2.1)	—	(14.4)
Transfers	0.5	2.2	2.0	0.5	(5.2)	—
At 25 April 2013	69.6	204.2	52.2	19.3	0.4	345.7
Depreciation						
At 26 April 2012	24.8	53.1	24.8	13.3	—	116.0
Charge	3.1	13.8	8.7	2.7	—	28.3
On disposals	—	—	(12.3)	(2.1)	—	(14.4)
At 25 April 2013	27.9	66.9	21.2	13.9	—	129.9
Net book amount						
At 25 April 2013	41.7	137.3	31.0	5.4	0.4	215.8
Cost						
At 25 April 2013	69.6	204.2	52.2	19.3	0.4	345.7
Additions	—	22.6	8.1	4.1	2.3	37.1
Disposals	—	(0.1)	(10.4)	(2.9)	—	(13.4)
Transfers	—	2.7	0.1	—	(2.8)	—
Reclassifications	—	(6.0)	—	(3.5)	2.5	(7.0)
At 24 April 2014	69.6	223.4	50.0	17.0	2.4	362.4
Depreciation						
At 25 April 2013	27.9	66.9	21.2	13.9	—	129.9
Charge	3.1	17.7	9.8	3.3	—	33.9
On disposals	—	(0.1)	(10.4)	(2.9)	—	(13.4)
On reclassifications	—	(3.6)	—	(2.7)	—	(6.3)
At 24 April 2014	31.0	80.9	20.6	11.6	—	144.1
Net book amount						
At 24 April 2014	38.6	142.5	29.4	5.4	2.4	218.3

Depreciation has been charged through administrative expenses in the income statement.

7 Goodwill and other intangible assets

	<u>Goodwill</u> <u>£m</u>	<u>Software</u> <u>£m</u>	<u>Total</u> <u>£m</u>
Cost			
At 26 April 2012	263.9	8.1	272.0
Additions	—	2.1	2.1
Disposals	—	(5.9)	(5.9)
At 25 April 2013	<u>263.9</u>	<u>4.3</u>	<u>268.2</u>
Amortisation			
At 26 April 2012	19.8	5.3	25.1
Charge	—	1.6	1.6
On disposals	—	(5.9)	(5.9)
At 25 April 2013	<u>19.8</u>	<u>1.0</u>	<u>20.8</u>
Net book amount			
At 25 April 2013	<u>244.1</u>	<u>3.3</u>	<u>247.4</u>
Cost			
At 25 April 2013	263.9	4.3	268.2
Additions	—	2.4	2.4
Disposals	—	(3.1)	(3.1)
Reclassifications	—	7.0	7.0
At 24 April 2014	<u>263.9</u>	<u>10.6</u>	<u>274.5</u>
Amortisation			
At 25 April 2013	19.8	1.0	20.8
Charge	—	2.0	2.0
On disposals	—	(3.1)	(3.1)
On reclassifications	—	6.3	6.3
At 24 April 2014	<u>19.8</u>	<u>6.2</u>	<u>26.0</u>
Net book amount			
At 24 April 2014	<u>244.1</u>	<u>4.4</u>	<u>248.5</u>

Amortisation has been charged through administrative expenses in the income statement.

Impairment test for goodwill

Goodwill is allocated to the Company's eight cash-generating units (CGUs), being the accommodation and on-site revenue streams at each of the four villages. Goodwill by business stream is presented below:

	<u>2014</u> <u>£m</u>	<u>2013</u> <u>£m</u>
Accommodation	<u>219.8</u>	219.8
On-site	<u>24.3</u>	24.3
	<u>244.1</u>	<u>244.1</u>

The Directors consider that the economic characteristics and future expectations are materially consistent across each of the villages within each business stream.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a one year period. Cash flows beyond the one year period are extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations:

The key assumptions of the value in use calculation are EBITDA margin, perpetual growth rate and discount rate for each of on-site and accommodation. The growth rate used is 2.5% (2013: 2.5%) in respect of both on-site and accommodation. The discount rate used is 7.73% (2013: 7.73%) in respect of both on-site and accommodation.

Management determine budgeted EBITDA margins based on past performance and expectations of market development. The growth rates used reflect management's expectations of the future market. Discount rates used are pre-tax and reflect the specific risks to the Company.

The Directors have performed sensitivity analysis using the full range of reasonable assumptions and no impairment triggers have been identified.

Based on the value-in-use calculations performed, the Directors have concluded that there is no impairment of goodwill.

8 Investments

	Investments in Group undertakings £m
Cost	
As at 24 April 2014 and 25 April 2013	<u>5.5</u>

The Company held the following investments at 24 April 2014:

<u>Name of undertaking</u>	<u>Country of incorporation</u>	<u>Nature of business</u>	<u>Proportion of voting rights held</u>	<u>Types of share capital</u>
Center Parcs Limited	England and Wales	Employee services provider	100%	Ordinary

The Directors believe that the carrying value of investments in subsidiary undertakings is supported by the underlying net assets of the investee.

Center Parcs Limited made a pre-tax profit of £0.7 million for the 52 weeks ended 24 April 2014 (2013: profit of £0.7 million) and its net assets at that date were £10.6 million (25 April 2013: £9.9 million).

9 Trade and other receivables

	<u>2014</u> £m	<u>2013</u> £m
<i>Amounts due within one year:</i>		
Trade receivables	2.4	1.9
Amounts owed by Group undertakings	236.3	219.4
Amounts owed by related parties	0.1	0.2
Prepayments and accrued income	12.3	12.4
	<u>251.1</u>	<u>233.9</u>
<i>Amounts due after more than one year:</i>		
Rental deposits	<u>2.8</u>	<u>2.8</u>

A £2.9 million rental deposit was paid on the inception of the Longleat lease, repayable to the Company in the final year of the lease. The fair value of the rental deposit above is calculated with reference to AAA Corporate Bond rates. Rental deposits in respect of the Sherwood and Whinfell properties were repaid to the Company during the prior period.

Amounts owed by Group undertakings include a loan of £198.5 million (2013: £198.5 million) due from Center Parcs (Holdings 1) Limited and the associated unpaid interest. Interest is receivable at a rate of 8% per annum and is not compounded.

The remaining amounts owed by Group undertakings are trading balances and do not attract interest.

All amounts owed by Group undertakings are unsecured and repayable on demand.

The fair value of trade and other receivables is equal to its book value and no impairment provisions have been made (2013: £nil). Concentrations of credit risk with respect to trade receivables are limited due to the vast majority of customers paying in advance. As such there are no amounts past due as all amounts are current (2013: £nil).

All of the amounts above are denominated in £ sterling.

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

10 Deferred tax

	<u>2014</u>	<u>2013</u>
	<u>£m</u>	<u>£m</u>
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	<u>9.2</u>	<u>10.4</u>
Deferred tax liabilities		
Deferred tax liability to be utilised after more than 12 months	<u>—</u>	<u>—</u>

The movement on the deferred tax account is shown below:

	<u>52 weeks ended 24 April 2014</u>	<u>52 weeks ended 25 April 2013</u>
	<u>£m</u>	<u>£m</u>
At the beginning of the period	10.4	16.9
Charged to the income statement	(1.1)	(6.6)
(Charged)/credited to the statement of comprehensive income	<u>(0.1)</u>	<u>0.1</u>
At the end of the period	<u>9.2</u>	<u>10.4</u>

	<u>Depreciation in excess of capital allowances £m</u>	<u>Pension £m</u>	<u>Total £m</u>
As at 26 April 2012	16.7	0.2	16.9
Charged to the income statement	(6.6)	—	(6.6)
Credited to the statement of comprehensive income	<u>—</u>	<u>0.1</u>	<u>0.1</u>
As at 25 April 2013	10.1	0.3	10.4
Charged to the income statement	(1.1)	—	(1.1)
Charged to the statement of comprehensive income	<u>—</u>	<u>(0.1)</u>	<u>(0.1)</u>
As at 24 April 2014	<u>9.0</u>	<u>0.2</u>	<u>9.2</u>

11 Trade and other payables

	<u>2014</u>	<u>2013</u>
	<u>£m</u>	<u>£m</u>
<i>Amounts due within one year:</i>		
Trade payables	6.7	4.6
Other tax and social security	10.7	9.8
Other payables	0.9	0.4
Amounts owed to Group undertakings	23.5	13.0
Amounts owed to related parties	0.3	0.9
Accruals	42.4	39.6
Payments on account	<u>55.0</u>	<u>54.0</u>
	<u>139.5</u>	<u>122.3</u>
<i>Amounts due after more than one year:</i>		
Amounts owed to related parties	<u>4.5</u>	<u>—</u>

Amounts owed to Group undertakings are trading balances and do not attract interest. These balances are unsecured and repayable on demand.

Included within accruals is £0.4 million (2013: £0.4 million) of outstanding government grants in respect of the Center Parcs Head Office.

12 Borrowings

	<u>2014</u> £m	<u>2013</u> £m
Current		
Secured mortgage due within one year	<u>0.3</u>	<u>0.3</u>
	<u>2014</u> £m	<u>2013</u> £m
Non-current		
Secured mortgage	1.4	1.7
Securitised debt	<u>327.6</u>	<u>326.3</u>
	<u>329.0</u>	<u>328.0</u>

The securitised debt is part of an overall £1,020.0 million facility made available to the Group. The loans detailed below represent the issue proceeds loaned on to the Company from CPUK Finance Limited, a related party which issued bonds on the external markets. The terms of the loans from CPUK Finance Limited are identical to the terms of the external borrowings.

The securitised debt consists of:

	<u>2014</u> £m	<u>2013</u> £m
Non-current		
Class A1 loan	98.9	98.9
Class A2 loan	145.0	145.0
Class B loan	92.3	92.3
Unamortised debt costs	(8.6)	(9.9)
Loans	<u>327.6</u>	<u>326.3</u>

Total fees incurred on the securitised debt were £34.6 million of which £11.4 million was borne by Center Parcs (Operating Company) Limited. The remaining costs were incurred on behalf of other members of the Center Parcs (Holdings 1) Limited group of companies and subsequently recharged.

The Company's financial risk management policy is detailed in note 2. The maturity of the Company's borrowings are as follows:

	<u>Less than 1 year</u> £m	<u>2 – 5 years</u> £m	<u>Greater than 5 years</u> £m	<u>Unamortised fees</u> £m	<u>Total</u> £m
As at 25 April 2013					
Secured mortgage	0.3	1.1	0.6	—	2.0
Securitised debt	—	191.2	145.0	(9.9)	326.3
Total borrowings	<u>0.3</u>	<u>192.3</u>	<u>145.6</u>	<u>(9.9)</u>	<u>328.3</u>
As at 24 April 2014					
Secured mortgage	0.3	1.1	0.3	—	1.7
Securitised debt	—	191.2	145.0	(8.6)	327.6
Total borrowings	<u>0.3</u>	<u>192.3</u>	<u>145.3</u>	<u>(8.6)</u>	<u>329.3</u>

All of the above amounts are denominated in £ sterling.

Mortgage

The Company has a mortgage secured over its head office which incurs interest at LIBOR plus 1.125% and matures in 2020. Annual repayments on this mortgage total £0.3 million. A one percentage point movement in interest rates would affect this charge by approximately £17,000 (2013: £20,000).

Securitised debt

At 24 April 2014 the securitised debt was part of an overall £1,020.0 million facility made available to the Group. The total facility was drawn down on 28 February 2012. Details of the tranches of the debt are as follows:

	<u>Interest rate to Expected Maturity Date</u>	<u>Interest rate from Expected Maturity Date to Final Maturity Date</u>	<u>Expected Maturity Date</u>	<u>Final Maturity Date</u>
Tranche A1	4.811%	7.169%	28 February 2017	28 February 2042
Tranche A2	7.239%	7.919%	28 February 2024	28 February 2042
	<u>Interest rate to February 2020</u>	<u>Interest rate from February 2020</u>	<u>Expected Maturity Date</u>	<u>Final Maturity Date</u>
Tranche B	11.625%	6.25%	28 February 2018	28 February 2042

The tranche B debt is subordinated to the tranche A debt. Both include optional prepayment clauses permitting the Company to repay the debt in advance of the expected maturity date. All tranches of debt are subject to a financial covenant. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenant.

As all tranches have fixed interest rates, the Company is not exposed to interest rate fluctuations. Interest of £3.9 million (2013: £4.0 million) was accrued in respect of the loans in the period.

13 Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

<u>At 24 April 2014</u>	<u>Loans and receivables</u> £m
Assets as per the balance sheet	
Trade receivables	2.4
Other receivables	239.2
Cash and cash equivalents	58.0
	<u>299.6</u>
<u>At 25 April 2013</u>	<u>Loans and receivables</u> £m
Assets as per the balance sheet	
Trade receivables	1.9
Other receivables	222.4
Cash and cash equivalents	28.7
	<u>253.0</u>
<u>At 24 April 2014</u>	<u>Other financial liabilities</u> £m
Liabilities as per the balance sheet	
Borrowings	329.3
Trade payables	6.7
Accruals	42.4
Other payables	29.2
	<u>407.6</u>

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

<u>At 25 April 2013</u>	<u>Other financial liabilities</u> £m
Liabilities as per the balance sheet	
Borrowings	328.3
Trade payables	4.6
Accruals	39.6
Other payables	14.3
	<u>386.8</u>

Fair value hierarchy

IFRS 7 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All of the Company's fair value measurements have been categorised as Level 2 and fair values are derived directly from observable prices. There were no transfers between levels during the current or prior period.

Fair value of financial assets and financial liabilities

The fair value of the Company's gross securitised debt (before unamortised debt costs) at 24 April 2014 was £386.8 (2013: £395.7 million). The fair value of other financial assets and liabilities of the Company are approximately equal to their book value.

Maturity of financial liabilities

The non-discounted minimum future cash flows in respect of non-current financial liabilities was:

<u>As at 24 April 2014</u>	<u>Mortgage</u> £m	<u>Loan notes</u> £m	<u>Total</u> £m
In more than one year but not more than two years	0.3	26.0	26.3
In more than two years but not more than five years	1.3	274.8	276.1
In more than five years	0.5	197.5	198.0
	<u>2.1</u>	<u>498.3</u>	<u>500.4</u>

<u>As at 25 April 2013</u>	<u>Mortgage</u> £m	<u>Loan notes</u> £m	<u>Total</u> £m
In more than one year but not more than two years	0.3	26.0	26.3
In more than two years but not more than five years	1.3	290.3	291.6
In more than five years	0.8	208.0	208.8
	<u>2.4</u>	<u>524.3</u>	<u>526.7</u>

14 Share capital

	<u>2014</u> £m	<u>2013</u> £m
Allotted and fully paid		
38,490,321 'A' ordinary shares of £100/38,490,321 each	<u>—</u>	<u>—</u>

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt.

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

15 Retained earnings

	<u>£m</u>
As at 25 April 2013	295.0
Profit for the period	29.7
Net movement on pension scheme	0.5
As at 24 April 2014	<u>325.2</u>
	<u>£m</u>
As at 26 April 2012	266.1
Profit for the period	29.4
Net movement on pension scheme	(0.5)
As at 25 April 2013	<u>295.0</u>

16 Working capital and non-cash movements

	<u>52 weeks ended 24 April 2014</u>	<u>52 weeks ended 25 April 2013</u>
	<u>£m</u>	<u>£m</u>
Increase in inventories	(0.1)	—
(Increase)/decrease in trade and other receivables	(1.3)	5.6
Increase in trade and other payables	11.7	4.7
Profit on disposal of property, plant and equipment	(0.2)	(0.1)
	<u>10.1</u>	<u>10.2</u>

17 Employees and Directors

	<u>52 weeks ended 24 April 2014</u>	<u>52 weeks ended 25 April 2013</u>
	<u>£m</u>	<u>£m</u>
Staff costs for the Company during the period:		
Wages and salaries	65.7	64.0
Social security costs	3.9	3.8
Pension costs	2.8	2.4
	<u>72.4</u>	<u>70.2</u>

The monthly average number of people (including executive Directors) employed by the Company during the period was:

	<u>52 weeks ended 24 April 2014</u>	<u>52 weeks ended 25 April 2013</u>
	<u>Number</u>	<u>Number</u>
By activity		
Leisure, food and retail	2,233	2,211
Administration	603	582
Housekeeping, technical and estate services	2,590	2,510
	<u>5,426</u>	<u>5,303</u>

Key management compensation:

	<u>52 weeks ended 24 April 2014</u>	<u>52 weeks ended 25 April 2013</u>
	<u>£m</u>	<u>£m</u>
Aggregate emoluments (including money purchase pension contributions)	<u>2.6</u>	<u>2.7</u>

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

Key management compensation encompasses the Directors and certain senior managers of the Company.

<u>Directors</u>	<u>52 weeks ended 24 April 2014</u> £m	<u>52 weeks ended 25 April 2013</u> £m
Aggregate emoluments (including money purchase pension contributions)	<u>1.4</u>	<u>1.5</u>

One Director (2013: one) has retirement benefits accruing under the Company's money purchase pension scheme, in respect of which the Company made contributions of £28,300 (2013: £27,500). In addition, retirement benefits are accruing to two Directors (2013: two) under the Company's defined benefit pension scheme.

	<u>52 weeks ended 24 April 2014</u> £m	<u>52 weeks ended 25 April 2013</u> £m
Included in the above are amounts in respect of the highest paid Director, who is a member of the defined benefit pension scheme:		
Aggregate emoluments	<u>0.7</u>	0.8
Accrued pension at end of period	<u>0.3</u>	<u>0.3</u>

18 Pension commitments

Defined contribution pension scheme

The Company participates in the Center Parcs pension scheme, which is a defined contribution pension scheme with a contributory and a non-contributory membership level. Pension costs for the defined contribution scheme for the period ended 24 April 2014 were £2.4 million (2013: £2.1 million).

Accruals per note 11 include £0.3 million (2013: £0.3 million) in respect of defined contribution pension scheme costs.

Defined benefit pension scheme

The Company operates a funded defined benefit pension scheme for certain employees. Contributions are determined by an independent qualified actuary using assumptions on the rate of return on investments and rates of increases in salaries and benefits.

The latest actuarial valuation of the scheme was performed on 1 August 2011. This was updated to 24 April 2014 by a qualified independent actuary.

The principal assumptions used were:

	<u>2014</u>	<u>2013</u>
Discount rate	4.25%	3.90%
Rate of increase in pensions in payment	3.25%	3.00%
Inflation	2.50%	2.25%
Rate of increase in salaries	2.50%	2.25%
Life expectancy from age 60, for a male:		
• Currently age 60	31.8 years	31.7 years
• Currently age 50	32.8 years	32.7 years

The amounts recognised in the balance sheet are determined as follows:

	<u>2014</u> £m	<u>2013</u> £m
Present value of funded obligations	(12.7)	(12.8)
Fair value of plan assets	11.8	11.4
Net pension liability	<u>(0.9)</u>	<u>(1.4)</u>

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

At the balance sheet date, the present value of the defined benefit obligation was comprised as follows:

	<u>Number of members</u>	<u>Liability split</u>	<u>Duration (years)</u>
Active members	4	66%	19
Deferred members	5	27%	23
Pensioners	1	7%	16
Total	<u>10</u>	<u>100%</u>	<u>20</u>

The major categories of plan assets as a percentage of total plan assets are as follows:

	<u>2014</u>	<u>2013</u>
Equity securities	64%	76%
Debt securities	36%	20%
Cash	<u>—</u>	<u>4%</u>

The movement in the defined benefit obligation over the period is as follows:

	<u>Fair value of plan assets</u>	<u>Present value of obligation</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
At 26 April 2013	<u>11.4</u>	<u>(12.8)</u>	<u>(1.4)</u>
Current service cost	—	(0.4)	(0.4)
Interest income/(expense)	0.4	(0.4)	—
	<u>11.8</u>	<u>(13.6)</u>	<u>(1.8)</u>
Remeasurements			
—Return on plan assets, excluding amount included in interest	0.3	—	0.3
—Gain from change in financial assumptions	—	0.3	0.3
	<u>0.3</u>	<u>0.3</u>	<u>0.6</u>
Employer contributions	0.3	—	0.3
Benefits payable from plan	(0.6)	0.6	—
At 24 April 2014	<u>11.8</u>	<u>(12.7)</u>	<u>(0.9)</u>

	<u>Fair value of plan assets</u>	<u>Present value of obligation</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
At 27 April 2012	<u>9.3</u>	<u>(10.2)</u>	<u>(0.9)</u>
Current service cost	—	(0.3)	(0.3)
Interest income/(expense)	0.5	(0.5)	—
	<u>9.8</u>	<u>(11.0)</u>	<u>(1.2)</u>
Remeasurements			
—Return on plan assets, excluding amount included in interest	1.2	—	1.2
—Loss from change in financial assumptions	—	(1.4)	(1.4)
—Experience losses	—	(0.4)	(0.4)
	<u>1.2</u>	<u>(1.8)</u>	<u>(0.6)</u>
Employer contributions	0.4	—	0.4
Benefits payable from plan	—	—	—
At 25 April 2013	<u>11.4</u>	<u>(12.8)</u>	<u>(1.4)</u>

The current service cost and interest income/expense is recognised in the income statement. Remeasurements are recognised in other comprehensive income.

Expected contributions to the defined benefit pension scheme for the 52 weeks ended 23 April 2015 are £0.4 million.

19 Operating lease commitments

	2014		2013	
	Land and buildings	Other	Land and buildings	Other
	£m	£m	£m	£m
Commitments under non-cancellable operating leases due:				
Within one year	64.5	—	62.7	—
Later than one year and less than five years	233.6	—	244.6	—
After five years	1,344.5	—	1,355.4	—
	1,642.6	—	1,662.7	—

The leases held on the Sherwood Forest, Elveden Forest and Whinfell Forest land and buildings expire in February 2047 and the lease held on the Longleat Forest land and buildings expires in November 2017. The lease on the Longleat Forest land and buildings is expected to be extended in the near future.

20 Capital commitments

At the balance sheet date, the Company had capital expenditure contracted for but not provided of £8.6 million (2013: £6.9 million).

21 Related party transactions

During the period the Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and balances outstanding, are as follows:

	Balance at 25 April 2013	Movement in 52 weeks	Balance at 24 April 2014
	£m	£m	£m
Center Parcs (Jersey) 1 Limited	(0.1)	—	(0.1)
Sun CP Newmidco Limited	0.9	0.2	1.1
Longleat Property Limited	(2.7)	(4.6)	(7.3)
Center Parcs (Holdings 1) Limited	216.4	15.9	232.3
CP Sherwood Village Limited	(2.0)	(2.8)	(4.8)
CP Elveden Village Limited	(5.3)	(3.2)	(8.5)
CP Whinfell Village Limited	2.1	0.3	2.4
SPV2 Limited	(0.1)	0.4	0.3
Center Parcs Limited	—	0.2	0.2
CP Woburn (Operating Company) Limited	—	(4.5)	(4.5)
CP Cayman Midco 2 Limited	(0.9)	0.6	(0.3)

All of the above companies are part of the group headed by Center Parcs (Holdings 1) Limited with the exception of CP Woburn (Operating Company) Limited and CP Cayman Midco 2 Limited. These companies have the same ultimate ownership as Center Parcs (Operating Company) Limited but are not part of the Center Parcs (Holdings 1) Limited Group.

Certain food and beverage outlets on the villages are operated by Tragus Group Limited, a company with the same ultimate ownership as Center Parcs (Operating Company) Limited. The balance due from this company at the period end was £0.1 million (2013: £0.2 million). Concession income received during the period totalled £4.5 million (2013: £4.4 million).

The movement on the balance with Sun CP Newmidco Limited represents trading activities.

The movement on the balance with Longleat Property Limited represents rent invoiced of £16.3 million, off-set by the payment of interest and commitment fees on that company's behalf of £11.7 million.

The movement on the balance with Center Parcs (Holdings 1) Limited represents interest receivable.

The movement on the balance with CP Sherwood Village Limited represents rent invoiced of £16.8 million, off-set by the payment of interest and commitment fees on that company's behalf of £14.0 million.

The movement on the balance with CP Elveden Village represents rent invoiced of £16.2 million, off-set by the payment of interest and commitment fees on that company's behalf of £13.0 million.

The movement on the balance with CP Whinfell Village represents rent invoiced of £14.4 million, off-set by the payment of interest and commitment fees on that company's behalf of £14.7 million.

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 24 APRIL 2014

The movement on the balance with SPV2 Limited represents funds advanced to that company of £0.5 million, off-set by the transfer of a receivable of £0.1 million.

The movement on the balance with Center Parcs Limited represents a cash transfer.

The movement on the balance with CP Woburn (Operating Company) Limited represents payment due for group relief surrendered to the Company.

The movement on the balance with CP Cayman Midco 2 Limited represents repayments to that company.

Management charges of £1.5 million (2013: £1.7 million) were payable to the Blackstone group during the period.

	Balance at 26 April 2012	Movement in 52 weeks	Balance at 25 April 2013
	£m	£m	£m
Center Parcs (Jersey) 1 Limited	(0.1)	—	(0.1)
Sun CP Newmidco Limited	0.6	0.3	0.9
Longleat Property Limited	0.3	(3.0)	(2.7)
Center Parcs (Holdings 1) Limited	200.9	15.5	216.4
CP Sherwood Village Limited	(0.5)	(1.5)	(2.0)
CP Elveden Village Limited	(3.3)	(2.0)	(5.3)
CP Whinfell Village Limited	0.7	1.4	2.1
SPV2 Limited	—	(0.1)	(0.1)
CP Woburn (Operating Company) Limited*	5.9	(5.9)	—
CP Cayman Midco 2 Limited*	(1.5)	0.6	(0.9)

The movement on the balance with Sun CP Newmidco Limited represented a cash transfer of £0.5 million and trading activities of £0.7 million, off-set by the transfer of a receivable of £0.9 million.

The movement on the balance with Longleat Property Limited represented rent invoiced of £15.9 million, off-set by the payment of interest and commitment fees on that company's behalf of £11.7 million, the transfer of a liability of £0.7 million and the revaluation of the rent deposit of £0.5 million.

The movement on the balance with Center Parcs (Holdings 1) Limited represented interest receivable of £15.9 million, off-set by the transfer of a receivable of £0.4 million

The movement on the balance with CP Sherwood Village Limited represented rent invoiced of £16.3 million, off-set by the payment of interest and commitment fees on that company's behalf of £14.0 million and the transfer of a liability of £0.8 million.

The movement on the balance with CP Elveden Village Limited represented rent invoiced of £15.7 million, off-set by the payment of interest and commitment fees on that company's behalf of £12.9 million and the transfer of a liability of £0.8 million.

The movement on the balance with CP Whinfell Village Limited represented rent invoiced of £13.9 million, off-set by the payment of interest and commitment fees on that company's behalf of £14.6 million and the transfer of a liability of £0.7 million.

The movement on the balance with SPV2 Limited represented the transfer of a receivable.

The movement on the balance with CP Woburn (Operating Company) Limited represented the settlement of the balance due.

The movement on the balance with CP Cayman Midco 2 Limited represented repayments to that company.

22 **Contingent liabilities**

The Company, along with all other members of the Group headed by Center Parcs (Holdings 1) Limited is an obligor in securing the external borrowings of £1,020.0 million as detailed in note 12.

23 **Ultimate parent company and controlling parties**

The immediate parent company is Center Parcs (Holdings 3) Limited, a company registered in England and Wales. The ultimate parent company is CP Cayman Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling parties are funds advised by The Blackstone Group. The largest and smallest group of which the company is a member and for which group accounts are drawn up is Center Parcs (Holdings 1) Limited.

A copy of the Center Parcs (Holdings 1) Limited financial statements can be obtained on application to The Company Secretary, One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Independent auditors' report to the members of Center Parcs (Operating Company) Limited

We have audited the financial statements of Center Parcs (Operating Company) Limited for the 52 weeks ended 25 April 2013 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 25 April 2013 and of its profit and cash flows for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Lyon BSc FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
28 June 2013

Center Parcs (Operating Company) Limited
INCOME STATEMENT
FOR THE 52 WEEKS ENDED 25 APRIL 2013

Income Statement
for the 52 weeks ended 25 April 2013

	Note	52 weeks ended 25 April 2013 £m	52 weeks ended 26 April 2012 £m
Revenue		303.5	291.7
Cost of sales		(31.4)	(34.1)
Gross profit		272.1	257.6
Administrative expenses excluding exceptional items		(223.4)	(213.0)
Operating profit before exceptional items		48.7	44.6
Exceptional items	3	—	39.0
Operating profit	4	48.7	83.6
Finance expense		(28.0)	(11.1)
Finance income		16.7	4.6
Net finance costs	5	(11.3)	(6.5)
Profit before taxation		37.4	77.1
Taxation	6	(8.0)	19.8
Profit for the period attributable to equity shareholders	18	29.4	96.9

Total administrative expenses in the period, including exceptional items, were £223.4 million (2012: £174.0 million).

All amounts derive from continuing activities.

Center Parks (Operating Company) Limited
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 25 APRIL 2013

**Statement of Comprehensive Income
for the 52 weeks ended 25 April 2013**

	<u>Note</u>	<u>52 weeks ended 25 April 2013</u>	<u>52 weeks ended 26 April 2012</u>
		£m	£m
Profit for the financial period		29.4	96.9
Other comprehensive income			
Actuarial losses on retirement benefits	21	(0.6)	(2.1)
Taxation on the above	13	0.1	0.6
Other comprehensive income for the period		(0.5)	(1.5)
Total comprehensive income for the period attributable to owners of the parent		<u>28.9</u>	<u>95.4</u>

Center Parcs (Operating Company) Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 25 APRIL 2013

**Statement of Changes in Equity
for the 52 weeks ended 25 April 2013**

	Attributable to owners of the parent			
	Share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m
At 26 April 2012	—	—	266.1	266.1
Comprehensive income				
Profit for the period	—	—	29.4	29.4
Other comprehensive income	—	—	(0.5)	(0.5)
At 25 April 2013	—	—	295.0	295.0

	Attributable to owners of the parent			
	Share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m
At 28 April 2011	—	—	170.7	170.7
Comprehensive income				
Profit for the period	—	—	96.9	96.9
Other comprehensive income	—	—	(1.5)	(1.5)
At 26 April 2012	—	—	266.1	266.1

Center Parcs (Operating Company) Limited
BALANCE SHEET
AT 25 APRIL 2013

**Balance Sheet
at 25 April 2013**

	Note	25 April 2013 £m	26 April 2012 £m
Assets			
Non-current assets			
Goodwill	8	244.1	244.1
Other intangible assets	8	3.3	2.8
Property, plant and equipment	7	215.8	206.3
Investments	9	5.5	5.5
Trade and other receivables	11	2.8	2.3
Deferred tax asset	13	10.4	16.9
		<u>481.9</u>	<u>477.9</u>
Current assets			
Inventories	10	2.8	2.8
Trade and other receivables	11	233.9	222.3
Cash and cash equivalents	12	28.7	11.7
		<u>265.4</u>	<u>236.8</u>
Liabilities			
Current liabilities			
Borrowings	15	(0.3)	(0.3)
Trade and other payables	14	(122.3)	(120.4)
Current tax liability		(0.3)	—
		<u>(122.9)</u>	<u>(120.7)</u>
Net current assets		142.5	116.1
Non-current liabilities			
Borrowings	15	(328.0)	(327.0)
Retirement benefit obligations	21	(1.4)	(0.9)
		<u>(329.4)</u>	<u>(327.9)</u>
Net assets		<u>295.0</u>	<u>266.1</u>
Equity			
Ordinary shares	17	—	—
Retained earnings	18	295.0	266.1
Total equity		<u>295.0</u>	<u>266.1</u>

The financial statements on pages 7 to 50 were approved by the board of Directors on 28 June 2013 and were signed on its behalf by:



P Inglett
Director

Center Parcs (Operating Company) Limited
CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 25 APRIL 2013

**Cash Flow Statement
for the 52 weeks ended 25 April 2013**

	<u>Note</u>	52 weeks ended 25 April 2013 £m	52 weeks ended 26 April 2012 £m
Operating activities			
Operating profit		48.7	83.6
Depreciation and amortisation	4	29.9	31.3
Working capital and non-cash movements	19	10.2	(231.3)
Difference between the pension charge and contributions		(0.1)	(0.2)
Corporation tax (paid)/received		(1.1)	1.5
Net cash in/(out)flow from operating activities		87.6	(115.1)
Investing activities			
Sale of property, plant and equipment		0.1	28.9
Purchase of intangible assets—software		(2.1)	(1.4)
Purchase of property, plant and equipment		(40.1)	(47.2)
Net cash outflow from investing activities		(42.1)	(19.7)
Financing activities			
Interest received		0.3	0.2
Interest paid		(26.8)	(0.2)
Repayment of external borrowings		(0.3)	(0.3)
Repayment of loans from Group undertakings		—	(195.7)
Proceeds from issue of securitised debt	15	—	336.2
Issue costs paid on securitised debt	15	(1.7)	(32.9)
Net cash (out)/inflow from financing activities		(28.5)	107.3
Net movement in cash and cash equivalents		17.0	(27.5)
Cash and cash equivalents at beginning of the period		11.7	39.2
Cash and cash equivalents at end of the period	12	28.7	11.7

1 Accounting policies

General information

Center Parcs (Operating Company) Limited operates short break holiday villages in Nottinghamshire, Cumbria, Wiltshire and Suffolk.

The Company is a limited company, which is incorporated and domiciled in the UK. The address of its registered office is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations endorsed by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies are consistent with the prior period.

Basis of preparation

The financial statements have been prepared as a going concern under the historical cost convention.

The accounts of Center Parcs (Operating Company) Limited are typically drawn up to the Thursday nearest to its accounting reference date of 22 April.

The Company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates are principally used in the following areas:

<i>Property, plant and equipment:</i>	Useful lives of assets and residual values (see accounting policy).
<i>Other intangible assets:</i>	Useful lives of assets and residual values (see accounting policy).
<i>Rental deposits:</i>	Determination of the fair value of rental deposits (note 11).
<i>Retirement benefits:</i>	Actuarial assumptions in respect of the defined benefit pension scheme (note 21).

Revenue recognition

Revenue relates to one continuing activity, being the provision of short break holidays.

Revenue relates to villa rental income on holidays commenced during the period and other income, primarily arising from on-village leisure, retail and food and beverage spend, and is shown after the deduction of value added tax. Non-rental income is recognised when the related product or service is provided.

Villa rental income is paid in advance of the holiday commencing and is treated as ‘payments received on account’ until the holiday commences and it is recognised in the income statement.

Revenue due from concessions is recognised on a receivable basis.

All of the Company’s business is performed in the United Kingdom.

Goodwill

Goodwill arising on acquisitions is capitalised and represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets and liabilities acquired. Goodwill is not amortised but is instead tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment is recognised immediately in the income statement. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Other intangible assets

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, which is generally considered to be four years.

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed four years.

Financial instruments

The Company classifies its financial assets into two categories, being fair value through profit and loss, and loans and receivables. Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments and re-evaluates this designation at each reporting date.

Other financial liabilities are carried at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Financial assets

The cost of investments, including loans to associated companies, is their purchase cost together with any incremental costs of acquisition.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In deciding whether an impairment is required, the Directors consider the underlying value inherent in the investment. Provision is made against the cost of investments where, in the opinion of the Directors, there is an impairment in the value of the individual investment.

Investments in subsidiary undertakings

Investments are stated at cost, less any provision for permanent diminution in value. If there are indications of impairment, an assessment is made of the recoverable amount. An impairment loss is recognised in the income statement when the recoverable amount is lower than the carrying value.

Dividends receivable from investments in subsidiary undertakings are recognised in the income statement when approved by the shareholders of the company paying the dividend.

Maintenance expenditure

It is the policy of the Company to maintain the leasehold land and buildings to a high standard, as expected by our guests. Where maintenance expenditure increases the benefits that property, plant and equipment is expected to generate, this expenditure is capitalised. All other maintenance costs are charged to the income statement as incurred.

Leases

Leases are classified as finance leases if the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised at cost and depreciated over their useful lives. The capital element of future rentals is treated as a liability and the interest element is charged to the income statement over the period of the lease in proportion to the capital outstanding.

Rental payments on operating leases (net of any incentives received from the lessor and including minimum contractual rental increases) are charged to the income statement on a straight-line basis.

Property, plant and equipment

Management chose the cost basis under IAS 16 rather than apply the alternative (revaluation) treatment to all items of property, plant and equipment as its ongoing accounting policy. The cost of property, plant and equipment includes directly attributable costs.

Depreciation is provided on the cost of all property, plant and equipment (except assets in the course of construction), so as to write off the cost of property, plant and equipment, less residual value, on a straight line basis over the expected useful economic life of the assets concerned, using the following rates:

Leasehold improvements	2.5% or by equal instalments over the period of the lease held on the land and buildings, whichever is the shorter
Installations	6.67% or by equal instalments over the period of the lease held on the land and buildings, whichever is the shorter
Fixtures and fittings	14%
Computer equipment	25%
Motor vehicles	25%

Useful lives and residual values are reviewed at each balance sheet date and revised where expectations are significantly different from previous estimates. In such cases, the depreciation charge for current and future periods is adjusted accordingly.

Government grants

Government grants in respect of capital expenditure are categorised as accruals on receipt and are credited to the income statement over the useful life of the relevant property, plant and equipment. The government grant shown in the balance sheet at the period end represents grants received to date, less the amount so far credited to profit.

Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank, cash in hand and overnight deposits.

Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an

asset's fair value less costs to sell and value in use. Where required, assets are discounted using an AAA corporate bond rate. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Inventories

The basis of valuation of inventories is the lower of cost on a first in first out basis and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory provisions are created where necessary to ensure that inventory is valued at the lower of cost and estimated net realisable value.

Trade receivables

Trade receivables are recognised initially at fair value. A provision for impairment of trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement.

Long-term receivables

Where the effect is material, long-term receivables are discounted using an appropriate pre-tax discount rate.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are included in equity as a deduction, net of tax, from the proceeds.

Exceptional items

Exceptional items are defined as those items that, by virtue of their nature, size or expected frequency, warrant separate disclosure in the financial statements in order to fully understand the underlying performance of the Company.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Employee benefits

Pensions

—Defined contribution pension scheme

Company employees can choose to be a member of a defined contribution pension scheme. A defined contribution pension scheme is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient

assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are charged to the income statement as incurred.

—Defined benefit pension scheme

A funded senior management defined benefit pension scheme also exists. A defined benefit pension scheme is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The surplus or liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates for high-quality corporate bonds which have terms to maturity approximating the terms of the related pension liability.

Past-service costs are recognised immediately in income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Comprehensive Income.

Profit-sharing and bonus plans

The Company recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Holiday pay

The Company recognises an appropriate liability for the cost of holiday entitlements not taken at the balance sheet date.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting profit or loss, together with realised profits and losses arising during the period on the settlement of overseas assets and liabilities, are included in the trading results.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transactions costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Early termination costs

Costs associated with the early repayment of borrowings are written off to the income statement as incurred.

New standards and interpretations

The adoption of IFRS 9 'Financial Instruments' is expected to change the disclosure given in respect of financial instruments but not the amounts reported in the financial statements. In addition, the International Accounting Standards Board and IFRIC have issued a number of further standards and interpretations with an effective date after the date of these financial statements. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial application.

2 Financial risk management

The Company finances its operations through a mixture of shareholders' funds, bank and other borrowings and loan notes as required. The Company has historically sought to reduce its cost of capital by refinancing and restructuring the Company's funding using the underlying asset value.

The overall policy in respect of interest rates is to reduce the exposure to floating rates.

The Company currently has no derivative financial instruments. It is not the Company's policy to actively trade in derivative financial instruments.

Interest rate risk

The Company has a floating rate mortgage and fixed rate loan notes as its only external funding sources. The Company does not have a definitive stance on the balance between fixed and floating rate debt. As at 25 April 2013, 99% of the Company's external borrowings incurred interest at a fixed rate.

Liquidity risk

At 25 April 2013, the Company held in place sufficient cash levels to ensure that the Company has available funds to meet its medium-term working capital and funding obligations.

Currency risk

The Company is exposed to limited currency risk through foreign currency transactions. The Company does not operate a hedging facility to manage the currency risks as they are considered to be insignificant.

Credit risk

The Company borrows from well-established institutions with high credit ratings. The Company's cash balances are held on deposit with UK banking institutions.

3 Exceptional items

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Redundancy costs	—	0.8
Legal dispute	—	15.7
Profit on disposal of certain property, plant and equipment to a related party	—	(8.4)
Release of rental accruals	—	(47.5)
Other exceptional items	—	0.4
	—	(39.0)
	<u>—</u>	<u>—</u>

4 Operating profit

Operating profit is stated after charging the following:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Staff costs (note 20)	70.2	68.7
Cost of inventories (recognised in cost of sales)	28.8	30.4
Depreciation of property, plant and equipment (note 7)	28.3	29.6
Amortisation of intangible assets (note 8)	1.6	1.7
Operating lease rentals—land and buildings	60.4	56.8
Repairs and maintenance expenditure on property, plant and equipment	8.7	7.6
Services provided by the Company's auditors	0.2	0.2

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

During the period, the Company obtained the following services from the Group's auditors:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Charged to the income statement		
Audit of the Company and certain Group undertakings	<u>0.1</u>	<u>0.2</u>
Deferred debt issue costs (note 15)		
Corporate finance services	<u>—</u>	<u>2.8</u>
	<u><u>0.1</u></u>	<u><u>3.0</u></u>

In addition to the above services, the Company's auditors act as auditor to the Center Parcs pension scheme. The appointment of auditors to the Company's pension scheme and fees paid in respect of those audits are agreed by the trustees of the scheme who act independently from the management of the Company. The aggregate fees paid to the auditors for these services during the period were £5,000 (2012: £4,750).

The Directors monitor the level of non-audit work undertaken by the auditors and ensure it is work which they are best suited to perform and does not present a risk to their independence and objectivity.

5 Net finance costs

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Finance costs		
Bank interest and similar charges	28.0	4.5
Interest on loans from Group undertakings	—	7.0
Less: interest capitalised	—	(0.4)
Total finance expense	<u>28.0</u>	<u>11.1</u>
Finance income		
Bank interest receivable	(0.3)	(0.2)
Interest on loans to Group undertakings	(15.9)	(2.4)
Revaluation of rental deposits to fair value	(0.5)	(2.0)
Total finance income	<u>(16.7)</u>	<u>(4.6)</u>
Net finance costs	<u><u>11.3</u></u>	<u><u>6.5</u></u>

The interest rate applied in determining the amount of interest capitalised in the prior period was approximately 5%.

6 Taxation

(a) Taxation

The tax charge/(credit) is made up as follows:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Current tax:		
—Current period	1.4	—
—Adjustment in respect of prior periods	—	(0.2)
	<u>1.4</u>	<u>(0.2)</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>6.6</u>	<u>(19.6)</u>
Taxation (note 6(b))	<u><u>8.0</u></u>	<u><u>(19.8)</u></u>

The adjustment in respect of prior periods represents finalisation of group relief claims for prior years with other Group companies and related parties.

(b) Factors affecting the tax charge

The tax assessed for the period is lower (2012: lower) than that resulting from applying the standard rate of corporation tax in the UK of 24% (2012: 26%). The difference is reconciled below:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Profit before taxation	37.4	77.1
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 24% (2012: 26%)	9.0	20.0
Adjustment in respect of prior periods—corporation tax	—	(0.2)
Adjustment in respect of prior periods—deferred tax	2.7	—
Depreciation in excess of capital allowances	—	(17.1)
Permanent differences and expenses not deductible for tax	1.1	5.0
Group relief not paid for	(5.3)	(29.2)
Impact of change in corporation tax rate	0.5	1.7
Tax charge/(credit) for the period (note 6(a))	8.0	(19.8)

Change of corporation tax rate and factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 24% to 23% with effect from 1 April 2013 was included in the Finance Act 2012. The announcement was substantively enacted at the balance sheet date and hence has been reflected in these financial statements.

Further reductions to the UK corporation tax rate have been announced which propose to reduce the rate to 21% from 1 April 2014 and 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements.

7

Property, plant and equipment

	Leasehold improvements	Installations	Fixtures & fittings	Motor vehicles & hardware	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 28 April 2011	63.8	152.9	58.3	15.7	11.4	302.1
Additions	6.4	24.5	6.3	2.4	12.3	51.9
Disposals	(1.5)	—	(10.2)	(1.2)	(18.8)	(31.7)
Transfers	0.4	1.3	—	0.2	(1.9)	—
At 26 April 2012	69.1	178.7	54.4	17.1	3.0	322.3
Depreciation						
At 28 April 2011	19.9	39.0	26.7	12.2	—	97.8
Depreciation charge	4.9	14.1	8.3	2.3	—	29.6
Depreciation on disposals	—	—	(10.2)	(1.2)	—	(11.4)
At 26 April 2012	24.8	53.1	24.8	13.3	—	116.0
Net book amount						
At 26 April 2012	44.3	125.6	29.6	3.8	3.0	206.3
Cost						
At 26 April 2012	69.1	178.7	54.4	17.1	3.0	322.3
Additions	—	23.3	8.1	3.8	2.6	37.8
Disposals	—	—	(12.3)	(2.1)	—	(14.4)
Transfers	0.5	2.2	2.0	0.5	(5.2)	—
At 25 April 2013	69.6	204.2	52.2	19.3	0.4	345.7
Depreciation						
At 26 April 2012	24.8	53.1	24.8	13.3	—	116.0
Depreciation charge	3.1	13.8	8.7	2.7	—	28.3
Depreciation on disposals	—	—	(12.3)	(2.1)	—	(14.4)
At 25 April 2013	27.9	66.9	21.2	13.9	—	129.9
Net book amount						
At 25 April 2013	41.7	137.3	31.0	5.4	0.4	215.8

Depreciation has been charged through administrative expenses in the income statement.

8 Goodwill and other intangible assets

	<u>Goodwill</u>	<u>Software</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Cost			
At 28 April 2011	263.9	8.9	272.8
Additions	—	1.4	1.4
Disposals	—	(2.2)	(2.2)
At 26 April 2012	<u>263.9</u>	<u>8.1</u>	<u>272.0</u>
Amortisation			
At 28 April 2011	19.8	5.8	25.6
Charge	—	1.7	1.7
On disposals	—	(2.2)	(2.2)
At 26 April 2012	<u>19.8</u>	<u>5.3</u>	<u>25.1</u>
Net book amount			
At 26 April 2012	<u>244.1</u>	<u>2.8</u>	<u>246.9</u>
Cost			
At 26 April 2012	263.9	8.1	272.0
Additions	—	2.1	2.1
Disposals	—	(5.9)	(5.9)
At 25 April 2013	<u>263.9</u>	<u>4.3</u>	<u>268.2</u>
Amortisation			
At 26 April 2012	19.8	5.3	25.1
Charge	—	1.6	1.6
On disposals	—	(5.9)	(5.9)
At 25 April 2013	<u>19.8</u>	<u>1.0</u>	<u>20.8</u>
Net book amount			
At 25 April 2013	<u>244.1</u>	<u>3.3</u>	<u>247.4</u>

Amortisation has been charged through administrative expenses in the income statement.

Impairment test for goodwill

Goodwill is allocated to the Company's eight cash-generating units (CGUs), being the accommodation and on-site revenue streams at each of the four villages. Goodwill by business stream is presented below:

	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Accommodation	<u>219.8</u>	219.8
On-site	<u>24.3</u>	24.3
	<u>244.1</u>	<u>244.1</u>

The Directors consider that the economic characteristics and future expectations are materially consistent across each of the villages within each business stream.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a one year period. Cash flows beyond the one year period are extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations:

The key assumptions of the value in use calculation are EBITDA margin, perpetual growth rate and discount rate for each of on-site and accommodation. The growth rate used is 2.5% (2012: 2.5%) in respect of both on-site and accommodation. The discount rate used is 7.73% (2012: 7.73%) in respect of both on-site and accommodation.

Management determine budgeted EBITDA margins based on past performance and expectations of market development. The growth rates used reflect management's expectations of the future market. Discount rates used are pre-tax and reflect the specific risks to the Company.

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

The Directors have performed sensitivity analysis using the full range of reasonable assumptions and no impairment triggers have been identified.

Based on the value-in-use calculations performed, the Directors have concluded that there is no impairment of goodwill.

9 Investments

	Investments in Group undertakings £m
Cost	
As at 25 April 2013 and 26 April 2012	5.5

The Company held the following investments at 25 April 2013:

<u>Name of undertaking</u>	<u>Country of incorporation</u>	<u>Nature of business</u>	<u>Proportion of voting rights held</u>	<u>Types of share capital</u>
Center Parcs Limited	England and Wales	Employee services provider	100%	Ordinary

The Directors believe that the carrying value of investments in subsidiary undertakings is supported by the underlying net assets of the investee.

Center Parcs Limited made a pre-tax profit of £0.7 million for the 52 weeks ended 25 April 2013 (2012: profit of £0.1 million) and its net assets at that date were £9.9 million (26 April 2012: £9.2 million).

10 Inventories

	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Consumables	1.3	1.3
Goods held for resale	1.5	1.5
	<u>2.8</u>	<u>2.8</u>

The Company consumed £28.8 million of inventories during the period (2012: £30.4 million) which has been charged to cost of sales in the income statement.

11 Trade and other receivables

	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
<i>Amounts due within one year:</i>		
Trade receivables	1.9	2.3
Amounts owed by Group undertakings	219.4	202.2
Amounts owed by related parties	0.2	6.1
Prepayments and accrued income	12.4	11.7
	<u>233.9</u>	<u>222.3</u>
<i>Amounts due after more than one year:</i>		
Rental deposits	<u>2.8</u>	<u>2.3</u>

A £2.9 million rental deposit was paid on the inception of the Longleat lease, repayable to the Company in the final year of the lease. The fair value of the rental deposit above is calculated with reference to AAA Corporate Bond rates. Rental deposits in respect of the Sherwood and Whinfell properties were repaid to the Company during the prior period.

Amounts owed by Group undertakings include a loan of £198.5 million (2012: £198.5 million) due from Center Parcs (Holdings 1) Limited and the associated unpaid interest. Interest is receivable at a rate of 8% per annum and is not compounded. Interest of £15.9 million (2012: £2.4 million) was receivable during the period.

The remaining amounts owed by Group undertakings are trading balances and do not attract interest.

All amounts owed by Group undertakings are unsecured and repayable on demand.

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

The fair value of trade and other receivables is equal to its book value and no impairment provisions have been made (2012: £nil). Concentrations of credit risk with respect to trade receivables are limited due to the vast majority of customers paying in advance. As such there are no amounts past due as all amounts are current (2012: £nil).

All of the amounts above are denominated in £ sterling.

12 Cash and cash equivalents

	<u>2013</u>	<u>2012</u>
	£m	£m
Cash at bank and in hand	28.7	11.7

13 Deferred tax

	<u>2013</u>	<u>2012</u>
	£m	£m
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	10.4	16.9
Deferred tax liabilities		
Deferred tax liability to be utilised after more than 12 months	—	—

The movement on the deferred tax account is shown below:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
At the beginning of the period	16.9	(3.3)
(Charged)/credited to the income statement	(6.6)	19.6
Credited to the statement of comprehensive income	0.1	0.6
At the end of the period	10.4	16.9

	Depreciation in excess of capital allowances	Short-term timing differences	Pension	Total
	£m	£m	£m	£m
As at 28 April 2011	(3.7)	0.7	(0.3)	(3.3)
Credited/(charged) to the income statement	20.4	(0.7)	(0.1)	19.6
Credited to the statement of comprehensive income	—	—	0.6	0.6
As at 26 April 2012	16.7	—	0.2	16.9
Charged to the income statement	(6.6)	—	—	(6.6)
Credited to the statement of comprehensive income	—	—	0.1	0.1
As at 25 April 2013	10.1	—	0.3	10.4

14 Trade and other payables

	<u>2013</u>	<u>2012</u>
	£m	£m
Trade payables	4.6	5.9
Other tax and social security	9.8	11.6
Other payables	0.4	2.1
Amounts owed to Group undertakings	13.0	5.9
Amounts owed to related parties	0.9	1.5
Accruals	39.6	40.8
Payments received on account	54.0	52.6
	122.3	120.4

Amounts owed to Group undertakings are trading balances and do not attract interest. These balances are unsecured and repayable on demand.

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

Included within accruals is £0.4 million (2012: £0.5 million) of outstanding government grants in respect of the Center Parcs Head Office.

15 Borrowings

	<u>2013</u> £m	<u>2012</u> £m
Current		
Secured mortgage due within one year	<u>0.3</u>	0.3
Non-current		
Secured mortgage	1.7	2.0
Securitised debt	<u>326.3</u>	325.0
	<u><u>328.0</u></u>	<u><u>327.0</u></u>

The securitised debt is part of an overall £1,020.0 million facility made available to the Group. The loans detailed below represent the issue proceeds loaned on to the Company from CPUK Finance Limited, a related party which issued bonds on the external markets. The terms of the loans from CPUK Finance Limited are identical to the terms of the external borrowings.

The securitised debt consists of:

	<u>2013</u> £m	<u>2012</u> £m
Non-current		
Class A1 loan	98.9	98.9
Class A2 loan	145.0	145.0
Class B loan	92.3	92.3
Unamortised debt costs	<u>(9.9)</u>	(11.2)
Loans	<u><u>326.3</u></u>	<u><u>325.0</u></u>

Total fees incurred on the securitised debt were £34.6 million of which £11.4 million was borne by Center Parcs (Operating Company) Limited. The remaining costs were incurred on behalf of other members of the Center Parcs (Holdings 1) Limited group of companies and subsequently recharged.

Included within the total of £34.6 million are accrued expenses of £nil (2012: £1.7 million).

The Company's financial risk management policy is detailed in note 2. The maturity of the Company's borrowings are as follows:

	<u>Less than 1 year</u> £m	<u>2 –5 years</u> £m	<u>Greater than 5 years</u> £m	<u>Unamortised fees</u> £m	<u>Total</u> £m
As at 26 April 2012					
Secured mortgage	0.3	1.1	0.9	—	2.3
Securitised debt	<u>—</u>	<u>98.9</u>	<u>237.3</u>	<u>(11.2)</u>	<u>325.0</u>
Total borrowings	<u>0.3</u>	<u>100.0</u>	<u>238.2</u>	<u>(11.2)</u>	<u>327.3</u>
As at 25 April 2013					
Secured mortgage	0.3	1.1	0.6	—	2.0
Securitised debt	<u>—</u>	<u>191.2</u>	<u>145.0</u>	<u>(9.9)</u>	<u>326.3</u>
Total borrowings	<u><u>0.3</u></u>	<u><u>192.3</u></u>	<u><u>145.6</u></u>	<u><u>(9.9)</u></u>	<u><u>328.3</u></u>

All of the above amounts are denominated in £ sterling.

Mortgage

The Company has a mortgage secured over its head office which incurs interest at LIBOR plus 1.125% and matures in 2020. Annual repayments on this mortgage total £0.3 million. A one percentage point movement in interest rates would affect this charge by approximately £20,000 (2012: £23,000).

Securitised debt

At 25 April 2013 the securitised debt was part of an overall £1,020.0 million facility made available to the Group. The total facility was drawn down on 28 February 2012. Details of the tranches of the debt are as follows:

	<u>Interest rate to Expected Maturity Date</u>	<u>Interest rate from Expected Maturity Date to Final Maturity Date</u>	<u>Expected Maturity Date</u>	<u>Final Maturity Date</u>
Tranche A1	4.811%	7.169%	28 February 2017	28 February 2042
Tranche A2	7.239%	7.919%	28 February 2024	28 February 2042
	<u>Interest rate to February 2020</u>	<u>Interest rate from February 2020</u>	<u>Expected Maturity Date</u>	<u>Final Maturity Date</u>
Tranche B	11.625%	6.25%	28 February 2018	28 February 2042

The tranche B debt is subordinated to the tranche A debt. Both include optional prepayment clauses permitting the Company to repay the debt in advance of the expected maturity date. All tranches of debt are subject to a financial covenant. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenant.

As all tranches have fixed interest rates, the Company is not exposed to interest rate fluctuations. Interest of £4.0 million (2012: £4.3 million) was accrued in respect of the loans in the period.

16 Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

<u>At 25 April 2013</u>	<u>Loans and receivables</u> £m
Assets as per the balance sheet	
Trade receivables	1.9
Other receivables	222.4
Cash and cash equivalents	28.7
	<u>253.0</u>
<u>At 26 April 2012</u>	<u>Loans and receivables</u> £m
Assets as per the balance sheet	
Trade receivables	2.3
Other receivables	210.6
Cash and cash equivalents	11.7
	<u>224.6</u>
<u>At 25 April 2013</u>	<u>Other financial liabilities</u> £m
Liabilities as per the balance sheet	
Borrowings	328.3
Trade payables	4.6
Accruals	39.6
Other payables	14.3
	<u>386.8</u>

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

<u>At 26 April 2012</u>	<u>Other financial liabilities</u> £m
Liabilities as per the balance sheet	
Borrowings	327.3
Trade payables	5.9
Accruals	40.8
Other payables	9.5
	<u>383.5</u>

Fair value hierarchy

IFRS 7 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All of the Company's fair value measurements have been categorised as Level 2 in both the current and prior periods. There were no transfers between levels during the current or prior periods.

Fair value of financial assets and financial liabilities

The fair value of the Company's gross securitised debt (before unamortised debt costs) at 25 April 2013 was £395.7 million. Given the proximity of the Company's prior period end to the transaction that occurred on 28 February 2012, the fair value of borrowings at 26 April 2012 was not considered to be materially different to the book value. The fair value of other financial assets and liabilities of the Company are approximately equal to their book value.

Maturity of financial liabilities

The non-discounted minimum future cash flows in respect of non-current financial liabilities was:

<u>As at 25 April 2013</u>	<u>Mortgage</u> £m	<u>Loan notes</u> £m	<u>Total</u> £m
In more than one year but not more than two years	0.3	26.0	26.3
In more than two years but not more than five years	1.3	290.3	291.6
In more than five years	0.8	208.0	208.8
	<u>2.4</u>	<u>524.3</u>	<u>526.7</u>
 <u>As at 26 April 2012</u>	 <u>Mortgage</u>	 <u>Loan notes</u>	 <u>Total</u>
	£m	£m	£m
In more than one year but not more than two years	0.3	26.0	26.3
In more than two years but not more than five years	1.3	202.8	204.1
In more than five years	1.1	321.5	322.6
	<u>2.7</u>	<u>550.3</u>	<u>553.0</u>

17 Share capital

	<u>2013</u> £m	<u>2012</u> £m
Allotted and fully paid		
38,490,321 'A' ordinary shares of £100/38,490,321 each	—	—

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt.

18 Retained earnings

	<u>£m</u>
As at 26 April 2012	266.1
Profit for the period	29.4
Net movement on pension scheme	(0.5)
As at 25 April 2013	<u>295.0</u>
	<u>£m</u>
As at 28 April 2011	170.7
Profit for the period	96.9
Net movement on pension scheme	(1.5)
As at 26 April 2012	<u>266.1</u>

19 Working capital and non-cash movements

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	<u>£m</u>	<u>£m</u>
Decrease in inventories	—	1.0
Decrease/(increase) in trade and other receivables	5.6	(144.0)
Increase/(decrease) in trade and other payables	4.7	(103.1)
Proceeds from disposal of investments settled through intercompany loan account	—	0.2
Issue costs paid on securitised debt recharged via intercompany account	—	23.2
Profit on disposal of property, plant and equipment	(0.1)	(8.6)
	<u>10.2</u>	<u>(231.3)</u>

20 Employees and Directors

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	<u>£m</u>	<u>£m</u>
Staff costs for the Company during the period:		
Wages and salaries	64.0	63.0
Social security costs	3.8	3.8
Pension costs	2.4	1.9
	<u>70.2</u>	<u>68.7</u>

Redundancy costs of £nil (2012: £0.8 million), which have been treated as exceptional costs per note 3, are included above.

The monthly average number of people (including executive Directors) employed by the Company during the period was:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	<u>Number</u>	<u>Number</u>
By activity		
Leisure, food and retail	2,211	2,214
Administration	582	571
Housekeeping, technical and estate services	2,510	2,449
	<u>5,303</u>	<u>5,234</u>

Key management compensation:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Aggregate emoluments (including money purchase pension contributions)		2.3

Key management compensation encompasses the Directors and certain senior managers of the Company.

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Directors		
Aggregate emoluments (including money purchase pension contributions)		1.3

One Director (2012: one) has retirement benefits accruing under the Company's money purchase pension scheme, in respect of which the Company made contributions of £28,000 (2012: £26,000). In addition, retirement benefits are accruing to two Directors (2012: two) under the Company's defined benefit pension scheme.

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Included in the above are amounts in respect of the highest paid Director, who is a member of the defined benefit pension scheme:		
Aggregate emoluments		0.6
Accrued pension at end of period	0.3	0.2

21 Pension commitments

Defined contribution pension scheme

The Company participates in the Center Parcs pension scheme, which is a defined contribution pension scheme with a contributory and a non-contributory membership level.

Pension costs for the defined contribution scheme were as follows:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Defined contribution scheme	2.1	1.8

An accrual of £0.3 million (2012: £0.2 million) existed in respect of pension costs at 25 April 2013.

Defined benefit pension scheme

The Company operates a funded defined benefit pension scheme for certain employees. Contributions are determined by an independent qualified actuary using assumptions on the rate of return on investments and rates of increases in salaries and benefits.

The contributions made by the Company during the period amounted to £0.4 million (2012: £0.3 million).

The latest actuarial valuation of the scheme was performed on 1 August 2011. This was updated to 25 April 2013 by a qualified independent actuary.

The principal assumptions used were:

	2013	2012
Discount rate	3.90%	4.60%
Rate of increase in pensions in payment	3.00%	3.00%
Inflation	2.25%	2.25%
Rate of increase in salaries	2.25%	2.25%
Life expectancy from age 60, for a male:		
• Currently age 60	31.7 years	31.6 years
• Currently age 50	32.7 years	32.6 years

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

The amounts recognised in the balance sheet are as follows:

	<u>2013</u>	<u>2012</u>
	<u>£m</u>	<u>£m</u>
Present value of funded obligations	(12.8)	(10.2)
Fair value of plan assets	11.4	9.3
Net pension liability	<u>(1.4)</u>	<u>(0.9)</u>

The major categories of plan assets as a percentage of total plan assets are as follows:

	<u>2013</u>	<u>2012</u>
Equities	76%	79%
Index linked bonds	15%	17%
Corporate bonds	5%	—
Cash	4%	4%

The amounts recognised in the income statement are as follows:

	<u>52 weeks ended 25 April 2013</u>	<u>52 weeks ended 26 April 2012</u>
	<u>£m</u>	<u>£m</u>
Current service cost	0.3	0.3
Interest cost	0.5	0.4
Expected return on plan assets	(0.5)	(0.6)
Total included within staff costs	<u>0.3</u>	<u>0.1</u>

Staff costs are shown within administrative expenses in the income statement.

Changes in the present value of the defined benefit obligation are as follows:

	<u>52 weeks ended 25 April 2013</u>	<u>52 weeks ended 26 April 2012</u>
	<u>£m</u>	<u>£m</u>
Opening defined benefit obligation	10.2	8.2
Current service cost	0.3	0.3
Interest cost	0.5	0.4
Actuarial losses	1.8	1.3
Closing defined benefit obligation	<u>12.8</u>	<u>10.2</u>

Changes in the fair value of plan assets are as follows:

	<u>52 weeks ended 25 April 2013</u>	<u>52 weeks ended 26 April 2012</u>
	<u>£m</u>	<u>£m</u>
Opening fair value of plan assets	9.3	9.2
Expected return on plan assets	0.5	0.6
Actuarial gains/(losses)	1.2	(0.8)
Contributions by employer	0.4	0.3
Closing fair value of plan assets	<u>11.4</u>	<u>9.3</u>

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the end of the reporting period. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

Cumulative actuarial gains and losses recognised in the statement of comprehensive income:

	52 weeks ended 25 April 2013	52 weeks ended 26 April 2012
	£m	£m
Opening balance	(1.2)	0.9
Total loss	(0.6)	(2.1)
Closing balance	(1.8)	(1.2)

The actual loss on plan assets was £1.8 million (2012: loss on plan assets of £0.2 million).

History of experience gains and losses

	2013	2012	2011	2010	2009
	£m	£m	£m	£m	£m
Experience adjustments arising on plan assets	1.2	(0.8)	0.1	2.0	(2.2)
Experience adjustments arising on scheme liabilities	1.8	1.3	(1.2)	1.9	(1.0)
Present value of scheme liabilities	(12.8)	(10.2)	(8.2)	(8.7)	(6.1)
Fair value of plan assets	11.4	9.3	9.2	8.2	5.4
(Deficit)/surplus	(1.4)	(0.9)	1.0	(0.5)	(0.7)

The contribution expected to be paid during the financial period ended 24 April 2014 amounts to £0.4 million.

22 Operating lease commitments

	2013		2012	
	Land and buildings	Other	Land and buildings	Other
	£m	£m	£m	£m
Commitments under non-cancellable operating leases due:				
Within one year	62.7	—	60.4	—
Later than one year and less than five years	244.6	—	246.5	—
After five years	1,355.4	—	1,367.1	—
	1,662.7	—	1,674.0	—

The leases held on the Sherwood Forest, Elveden Forest and Whinfell Forest land and buildings expire in February 2047 and the lease held on the Longleat Forest land and buildings expires in November 2017.

23 Capital commitments

At the balance sheet date, the Company had capital expenditure contracted for but not provided of £6.9 million (2012: £2.8 million).

24 Related party transactions

During the period the Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and balances outstanding, are as follows:

	Balance at 26 April 2012	Movement in 52 weeks	Balance at 25 April 2013
	£m	£m	£m
Center Parcs (Jersey) 1 Limited	(0.1)	—	(0.1)
Sun CP Newmidco Limited	0.6	0.3	0.9
Longleat Property Limited	0.3	(3.0)	(2.7)
Center Parcs (Holdings 1) Limited	200.9	15.5	216.4
CP Sherwood Village Limited	(0.5)	(1.5)	(2.0)
CP Elveden Village Limited	(3.3)	(2.0)	(5.3)
CP Whinfell Village Limited	0.7	1.4	2.1
SPV2 Limited	—	(0.1)	(0.1)
CP Woburn (Operating Company) Limited*	5.9	(5.9)	—
CP Cayman Midco 2 Limited*	(1.5)	0.6	(0.9)

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

All of the above companies are part of the group headed by Center Parcs (Holdings 1) Limited with the exception of those marked *. These companies have the same ultimate ownership as Center Parcs (Operating Company) Limited but are not part of the Center Parcs (Holdings 1) Limited Group.

Certain food and beverage outlets on the villages are operated by Tragus Group Limited, a company with the same ultimate ownership as Center Parcs (Operating Company) Limited. The balance due from this company at the period end was £0.2 million (2012: £0.2 million). Concession income received during the period, inclusive of VAT, totalled £4.4 million (2012: £4.5 million).

The movement on the balance with Sun CP Newmidco Limited represents a cash transfer of £0.5 million and trading activities of £0.7 million, off-set by the transfer of a receivable of £0.9 million.

The movement on the balance with Longleat Property Limited represents rent invoiced of £15.9 million, offset by the payment of interest and commitment fees on that company's behalf of £11.7 million, the transfer of a liability of £0.7 million and the revaluation of the rent deposit of £0.5 million.

The movement on the balance with Center Parcs (Holdings 1) Limited represents interest receivable of £15.9 million, offset by the transfer of a receivable of £0.4 million

The movement on the balance with CP Sherwood Village Limited represents rent invoiced of £16.3 million, offset by the payment of interest and commitment fees on that company's behalf of £14.0 million and the transfer of a liability of £0.8 million.

The movement on the balance with CP Elveden Village Limited represents rent invoiced of £15.7 million, offset by the payment of interest and commitment fees on that company's behalf of £12.9 million and the transfer of a liability of £0.8 million.

The movement on the balance with CP Whinfell Village Limited represents rent invoiced of £13.9 million, offset by the payment of interest and commitment fees on that company's behalf of £14.6 million and the transfer of a liability of £0.7 million.

The movement on the balance with SPV2 Limited represents the transfer of a receivable.

The movement on the balance with CP Woburn (Operating Company) Limited represents the settlement of the balance due.

The movement on the balance with CP Cayman Midco 2 Limited represents repayments to that company.

Management charges of £1.7 million (2012: £1.6 million) were payable to the Blackstone group during the period.

	Balance at 28 April 2011	Movement to 28 February 2012	Group reorganisation	Movement post 28 February 2012	Balance at 26 April 2012
	£m	£m	£m	£m	£m
Center Parcs (Jersey) 1 Limited	(171.1)	(6.6)	177.7	(0.1)	(0.1)
Forest Holdco Limited	—	(0.1)	0.1	—	—
Center Parcs (UK) Group Limited	27.9	(0.4)	(27.5)	—	—
Center Parcs Limited	(9.2)	—	9.2	—	—
Forest Bidco Limited	5.0	—	(5.0)	—	—
Forest Refico Limited	23.4	302.2	(325.6)	—	—
Forest Midco Limited	(20.7)	—	20.7	—	—
Sun CP Newmidco Limited	(49.1)	(6.3)	55.4	0.6	0.6
Sun CP Newtopco Limited	(0.5)	—	0.5	—	—
Comet Refico Limited	(5.3)	96.3	(91.0)	—	—
CP (Sherwood Property) Limited	2.0	(2.0)	—	—	—
Longleat Property Limited	2.3	2.4	(2.4)	(2.0)	0.3
CP (Oasis Property) Limited	2.2	(2.2)	—	—	—
Center Parcs (Holdings 1) Limited	—	—	198.5	2.4	200.9
CP Sherwood Village Limited	—	6.4	(3.5)	(3.4)	(0.5)
CP Elveden Village Limited	—	3.3	(3.3)	(3.3)	(3.3)
CP Whinfell Village Limited	—	6.8	(3.7)	(2.4)	0.7
Forest Luxco Sarl*	0.1	—	(0.1)	—	—
CP Woburn (Operating Company) Limited*	—	—	—	5.9	5.9
CP Cayman Midco 2 Limited*	—	—	—	(1.5)	(1.5)

On 28 February 2012 a deed of declaration was signed under which Center Parcs (Holdings 1) Limited became the counterparty for certain group debts within the Center Parcs group of companies.

Center Parcs (Operating Company) Limited
NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)
FOR THE 52 WEEKS ENDED 25 APRIL 2013

The movement to 28 February 2012 on the balance with Center Parcs (Jersey 1) Limited represented interest payable on an intra-group loan. The movement post 28 February 2012 represented a cash transfer.

The movement to 28 February 2012 on the balance with Forest Holdco Limited represented a cash transfer.

The movement to 28 February 2012 on the balance with Center Parcs (UK) Group Limited represented a cash transfer.

The movement to 28 February 2012 on the balance with Forest Refico Limited represented a loan to that company of £294.8 million and interest and bank fees paid on that company's behalf of £9.3 million, off-set by interest payable of £0.4 million and a cash transfer of £1.5 million.

The movement to 28 February 2012 on the balance with Sun CP Newmidco Limited represented a cash transfer of £7.1 million, off-set by ordinary trading activities. The movement to 26 April 2012 represented ordinary trading activities.

The movement to 28 February 2012 on the balance with Comet Refico Limited represented a loan to that company of £97.5 million, off-set by a cash transfer of £1.2 million.

The movement to 28 February 2012 on the balance with CP (Sherwood Property) Limited represented the net of an increase in the value of the rent deposit of £0.9 million and its subsequent transfer to CP Sherwood Village Limited.

The movement to 28 February 2012 on the balance with Longleat Property Limited represented £2.9 million of fees paid on that company's behalf in relation to debt raised during the period, off-set by rental due of £0.5 million. The movement post 28 February 2012 represented rental due of £4.2 million, off-set by further fees of £2.1 million and the increase in the fair value of the rent deposit of £0.1 million.

The movement to 28 February 2012 on the balance with CP (Oasis Property) Limited represented the net of an increase in the value of the rent deposit of £1.0 million and its subsequent transfer to CP Whinfell Village Limited.

The movement post 28 February 2012 on the balance with Center Parcs (Holdings 1) Limited represented interest receivable.

The movement to 28 February 2012 on the balance with CP Sherwood Village Limited represented £3.5 million of fees paid on that company's behalf in relation to the debt raised during the period, and the rent deposit receivable of £2.9 million. The movement post 28 February 2012 represented rent invoiced of £6.0 million less further fees paid of £2.6 million.

The movement to 28 February 2012 on the balance with CP Elveden Village Limited represented £3.3 million of fees paid on that company's behalf in relation to the debt raised during the period. The movement post 28 February 2012 represented rent invoiced of £5.7 million less further fees paid of £2.4 million.

The movement to 28 February 2012 on the balance with CP Whinfell Village Limited represented £3.7 million of fees paid on that company's behalf in relation to the debt raised during the period, and the rent deposit receivable of £3.1 million. The movement post 28 February 2012 represented rent invoiced of £5.1 million less further fees paid of £2.7 million.

The movement post 28 February 2012 on the balance with CP Woburn (Operating Company) Limited represented a balance due following the sale of certain property, plant and equipment to that company, together with the recharge of appropriate costs.

The movement post 28 February 2012 on the balance with CP Cayman Midco 2 Limited represented a loan from that company.

In addition to the above, a loan was received from CPUK Finance Limited of £336.2 million. This company was set up with the sole purpose of issuing debt secured on assets owned by the Center Parcs group of companies.

25 Contingent liabilities

The Company, along with all other members of the Group headed by Center Parcs (Holdings 1) Limited is an obligor in securing the external borrowings of £1,020.0 million as detailed in note 15.

26 Ultimate parent company and controlling parties

The immediate parent company is Center Parcs (Holdings 3) Limited, a company registered in England and Wales. The ultimate parent company CP Cayman Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling parties are funds advised by The Blackstone Group. The largest and smallest group of which the company is a member and for which group accounts are drawn up is Center Parcs (Holdings 1) Limited.

A copy of the Center Parcs (Holdings 1) Limited financial statements can be obtained on application to The Company Secretary, One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

REGISTERED OFFICE OF THE ISSUER
CPUK Finance Limited
47 Esplanade
St Helier, Jersey JE1 0BD

CLASS B GLOBAL COORDINATOR AND ARRANGER AND JOINT BOOKRUNNER
Deutsche Bank AG, London Branch
1 Great Winchester Street
London EC2N 2DB

JOINT BOOKRUNNERS

Barclays Bank PLC
5 The North Colonnade
London E14 4BB

HSBC Bank plc
8 Canada Square
London E14 5HQ

J.P. Morgan Securities plc
25 Bank Street
London E14 5JP

**CLASS B NOTE TRUSTEE,
ISSUER SECURITY TRUSTEE AND
BORROWER SECURITY TRUSTEE**
HSBC Corporate Trustee Company (UK) Limited
8 Canada Square
London E14 5HQ

PRINCIPAL PAYING AGENT
HSBC Bank plc
8 Canada Square
London E14 5HQ

LISTING AGENT
Arthur Cox Listing Services Limited
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

AUDITOR TO THE ISSUER AND CERTAIN OBLIGORS
PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Herald Way
East Midlands
DE74 2UZ

LEGAL ADVISORS

To the Issuer and the Obligors
as to U.S. and English Law
Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS

**To the Class B Global Coordinator
and Arranger and Joint
Bookrunners**
as to U.S. and English law
Allen & Overy LLP
One Bishops Square
London E1 6AD

**To the Class B Note Trustee, Issuer
Security Trustee
and Borrower Security Trustee**
as to English law
Allen & Overy LLP
One Bishops Square
London E1 6AD

To Topco
as to Cayman Islands Law
Walkers
190 Elgin Avenue
George Town
Grand Cayman KY1-9001
Cayman Islands

To the Issuer and the Obligors
as to Jersey Law
Carey Olsen
47 Esplanade
St Helier, Jersey JE1 0BD



CPUK Finance Limited

£560,000,000 7.000% Class B2 Fixed Rate Secured Notes due 2042

10 August 2015

Class B Global Coordinator and Arranger

Deutsche Bank

Joint Bookrunners

Deutsche Bank

Barclays

HSBC

J.P. Morgan