

Company Registration No. 05171663 (England and Wales)

OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2008

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OCEAN PARTNERS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Dimitrije Aksentijevic Jeff Beck Walter Cimowsky Alan Paterson Siva Pillay Paul Smith Ad van Halder
Secretary	Siva Pillay
Company number	05171663
Registered office	30-36 King Street Maidenhead Berkshire SL6 1EF
Auditors	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR
Solicitors	Denton Wilde Sapte Solicitors 1 Fleet Place London EC4M 7WS

OCEAN PARTNERS HOLDINGS LIMITED

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OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

The directors present their annual report with the audited financial statements of the company and the group for the year ended 30 September 2008.

Principal activities and review of the business

The Ocean Partners group of companies entered its fourth period of trading with a sound balance sheet and a satisfactory core group of customers and suppliers. The parent company's business is to co-ordinate the trading and investment activities of the companies in the Ocean group which act, in the main, as principals in the trading of metal ores, concentrates and refined metal, primarily copper, lead and zinc.

The price of metals has decreased in the year under review, and this is reflected, in the main, by the fall in turnover with volumes broadly similar to the previous period.

The group's physical trading covers copper concentrates, lead and zinc ores together with other non-ferrous metals. The operation is split between the United Kingdom and USA, with the US office additionally providing a large element of administrative support. The group's strong sourcing capacity was able to satisfy good demand across the range of metals.

Principal risks and uncertainties

Financial instruments of significance to Ocean Partners Holdings Limited comprise primary financial instruments (mainly cash, borrowings, debtors and creditors) and derivative financial instruments (mainly London Metal Exchange (LME) contracts and foreign exchange contracts).

The main financial risks to which the group is exposed are market risk, counterparty risk and liquidity risk.

Market risk is the risk that movements in metal prices or foreign exchange rates will cause fluctuations in the values of, or cash flows arising from, financial assets and liabilities, and from other contracts for the future delivery of metal. Exposures to metal price movements and foreign exchange rate fluctuations are restricted by the imposition of trading position limits by the Ocean Partners board, and by the use of LME contracts and foreign exchange contracts.

Credit control policies are approved centrally, including the use of credit limits, volume of business limits and the margining of customers, which are used to mitigate the risk of loss.

The risk that adequate funding is not available to the company to meet its commitments associated with financial instruments is liquidity risk. The group plans its future business in conjunction with its borrowing facilities to avoid liquidity problems, and maintains relationships with lenders to ensure facility levels, including facilities for the derivatives noted above. These are adequate and can be adjusted to address any changes in the group's requirements.

OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT - (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

Key financial highlights

The key financial highlights are as follows:

	2008 US\$'000	2007 US\$'000
Gross profit (Page 6)	31,224	43,957
Staff costs (Page 22)	8,534	13,286
Profit for the year after tax (Page 6)	7,852	14,839
Average number of staff (Page 22)	45	29

Results and dividends

The group made a profit for the year after tax and minority interests of US\$7.852m (2007 - US\$14.839m).

During the year an interim dividend of US\$5,500 per ordinary share was paid (2007 - US\$3,000 per ordinary share). The directors do not recommend payment of a final dividend (2007 - \$Nil)

Outlook for the year ahead

In the current market circumstances, it is unlikely that trading volumes can be maintained at the level of previous years. Equally, it is unlikely that profitability can be maintained at the extraordinary levels achieved over the past few years. However, the company has a sound financial position and is therefore well placed to survive the current turmoil which may well bring new opportunities as other companies struggle.

Charitable contributions

It is the group's policy to allocate a proportion of its profits each year to charitable organisations. The staff contribute to the decision-making process, and donations are paid during the year following that allocation. During the year ended 30 September 2008, the group made charitable contributions totalling US\$540,689 (2007: US\$174,611) of which US\$431,272 (2007: US\$48,108) was paid to UK charitable organisations.

Directors

The following directors have held office since 1 October 2007:

Dimitrije Aksentijevic
Jeff Beck (Chairman)
Walter Cimowsky
Alan Paterson
Siva Pillay
Paul Smith
Ad van Halder

OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT – (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Citroen Wells be reappointed auditors of the group and the company will be put to the Annual General Meeting.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board:


Siva Pillay
Secretary

22 Jan 2009

OCEAN PARTNERS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF OCEAN PARTNERS HOLDINGS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2008

We have audited the group and parent company financial statements (the "financial statements") of Ocean Partners Holdings Limited for the year ended 30 September 2008 which comprise the group Profit and Loss Account, the group and company Balance sheets, the group Cash Flow Statement and the related notes set out on pages 6 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

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

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

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

Basis of audit opinion

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

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

OCEAN PARTNERS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OCEAN PARTNERS HOLDINGS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2008

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 September 2008 and of the profit of the group for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Citroen Wells

Chartered Accountants
Registered Auditor

27/1/09

Devonshire House
1 Devonshire Street
London
W1W 5DR

OCEAN PARTNERS HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Notes	2008 US\$'000	2007 US\$'000
Turnover	3	737,895	1,017,490
Cost of sales		(706,671)	(973,533)
Gross profit		31,224	43,957
Administrative expenses		(17,564)	(16,769)
Operating profit	4	13,660	27,188
Interest receivable and similar income	5	3,939	3,999
Interest payable and similar charges	5	(5,446)	(6,251)
Profit on ordinary activities before taxation		12,153	24,936
Tax on profit on ordinary activities	6	(4,301)	(10,097)
Profit on ordinary activities after taxation and for the financial period	17	7,852	14,839
Minority interests	18	-	-
Profit for financial year	17	7,852	14,839

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

OCEAN PARTNERS HOLDINGS LIMITED

BALANCE SHEETS

AT 30 SEPTEMBER 2008

	Notes	2008		2007	
		Consolidated	Company	Consolidated	Company
		US\$'000	US\$'000	US\$'000	US\$'000
Fixed assets					
Tangible assets	7	2,006	-	489	-
Investments	8	2,545	120	2,541	118
		<u>4,551</u>	<u>120</u>	<u>3,030</u>	<u>118</u>
Current assets					
Stocks	9	36,295	-	80,365	-
Debtors: amounts falling due within one year	10	71,881	8,980	86,715	2,847
Debtors: amounts falling due after more than one year	10	-	-	1,836	1,836
Current asset investments	11	129	129	129	129
Cash at bank and in hand		27,148	12	31,561	2,422
		<u>135,453</u>	<u>9,121</u>	<u>200,606</u>	<u>7,234</u>
Creditors: amounts falling due within one year	12	(104,234)	(7,847)	(170,022)	(3,611)
		<u>31,219</u>	<u>1,274</u>	<u>30,584</u>	<u>3,623</u>
Net current assets					
		<u>35,770</u>	<u>1,394</u>	<u>33,614</u>	<u>3,741</u>
Total assets less current liabilities					
		<u>35,770</u>	<u>1,394</u>	<u>33,614</u>	<u>3,741</u>
Creditors: amounts falling due after more than one year					
Bank loans and overdrafts	13	-	-	(1,125)	(1,125)
		<u>35,770</u>	<u>1,394</u>	<u>32,489</u>	<u>2,616</u>
Net assets					
		<u>35,770</u>	<u>1,394</u>	<u>32,489</u>	<u>2,616</u>
Capital and reserves					
Called up share capital	16	1	1	1	1
Share premium	17	2,714	2,714	2,443	2,443
Profit and loss account	17	33,051	(1,321)	30,045	172
		<u>35,766</u>	<u>1,394</u>	<u>32,489</u>	<u>2,616</u>
Shareholders' funds	17				
		<u>35,766</u>	<u>1,394</u>	<u>32,489</u>	<u>2,616</u>
Minority interests	18	4	-	-	-
		<u>35,770</u>	<u>1,394</u>	<u>32,489</u>	<u>2,616</u>
Total capital employed					
		<u>35,770</u>	<u>1,394</u>	<u>32,489</u>	<u>2,616</u>

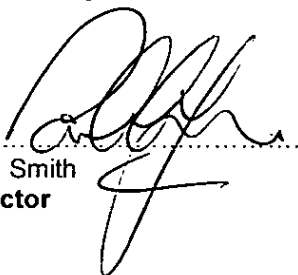
OCEAN PARTNERS HOLDINGS LIMITED

BALANCE SHEETS

AT 30 SEPTEMBER 2008

Approved by the Board and authorised for issue on 22/1/2009

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Paul Smith
Director



OCEAN PARTNERS HOLDINGS LIMITED

CONSOLIDATED CASHFLOW STATEMENT AT 30 SEPTEMBER 2008

		2008	2007
	Note	US\$'000	US\$'000
Net cash inflow/(outflow) from operating activities	22 i)	54,051	(23,433)
Returns on investments and servicing of finance			
Interest received		3,939	3,999
Interest paid		(5,446)	(6,251)
Net cash inflow/(outflow) from operating activities, return on investments and servicing of finance		52,544	(25,685)
Taxation		(6,852)	(9,573)
Capital expenditure			
Payments to acquire tangible fixed assets		(1,993)	(143)
Payments to acquire fixed asset investments		(4)	(2,541)
Cash inflows/(outflows) before use of liquid resources and financing		43,695	(37,942)
Equity dividends paid		(4,846)	(2,586)
Financing		38,849	(40,528)
Issue of ordinary share capital		271	269
Increase/(decrease) in cash in the year	22ii)	39,120	(40,259)

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with the applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiaries for the year ended 30 September 2008.

1.4 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Turnover is recognised on the passing of risks and rewards of ownership. To the extent that weights or assays are not determined at the balance sheet date, provisional amounts are used.

Forward matched commitments that are estimated losses are provided for at the balance sheet date. Forward matched commitments that are estimated profits are not recorded in the results at the balance sheet date.

Profit is recognised on sales if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account, turnover and related costs. Where provisional weights and assays have been used, an appropriate retention is made until such amounts are finally determined and agreed.

1.5 Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life. Provision is made for any impairment.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit (Note 15).

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are written off over their estimated useful lives on a straight line basis. Expected useful lives are as follows:-

Computer equipment & software	3 - 5 years
Fixtures, fittings & equipment	3 - 5 years
Mineral properties, buildings, land and leasehold improvements	5 -15 years
Motor vehicles	3 years

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

1. Accounting policies (continued)

1.7 Stock

Stock is stated at the lower of cost and net realisable value where cost includes materials and direct related costs. Net realisable value is based on estimated selling price, less further costs expected to be incurred to disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

1.8 Pensions

The company operates a defined contribution pension plan. The cost to the company is a percentage of the employee's salary and is charged to the profit and loss account as incurred. Differences between contributions payable in the period and contributions actually paid are shown within either accruals or prepayments on the balance sheet.

1.9 Deferred taxation

The profit and loss account charge is calculated at current rates of corporation tax and overseas tax on the taxable profits for the year. Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.10 Currency

The financial statements have been prepared in U.S. Dollars instead of sterling as this is the functional currency of the company.

1.11 Foreign currency translation

Transactions denominated in foreign currencies are translated at the rate ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date, except when these items are covered by foreign exchange contracts, when the contracted rate is used. Differences on translation are included in the profit and loss account.

1.12 Prepayments and accrued income

All costs and credits pertaining to shipments where no transfer of title has occurred are held on the balance sheet as part of the prepayments and accrued income balance.

1.13 Financial instruments

Derivative instruments utilised by the Group are forward and future metal contracts for copper, zinc, lead, gold and silver as well as forward and future foreign currency contracts. Such instruments are used for hedging purposes to alter the risk profile of an underlying exposure of the Group in line with the Group's risk management policies. The Group does not hold or issue derivative financial instruments for speculative purposes.

For a forward or future contract to be treated as a hedge the instrument must be related to physical contracts. It must involve the same or similar quantities and time periods as the hedged item and must also reduce the risk of price movements on the Group's operations. Gains and losses arising on these contracts are only recognised in the profit and loss account at the same time as the underlying hedged transaction.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

1. Accounting policies – (continued)

1.13 Financial instruments –(continued)

If an instrument ceases to be accounted for as a hedge, for example because the underlying hedged position is eliminated, the instrument is marked to market and any resulting profit or loss recognised at that time.

1.14 Investments

Investments are stated at cost less provision for diminution in value or impairment, if applicable.

1.15 Share-based payments

The difference in value of shares issued at less than market value to employees is recognised as an expense representing the fair value of services received in exchange for these shares.

The company recognises the impact of the charge in the profit and loss account with a corresponding adjustment to shareholders' funds (Note 17).

2. Profit and loss account

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit after corporation tax for the year was US\$3,352,926 (2007: US\$2,652,733).

3. Turnover and Segment Information

The group is primarily run from two locations – Maidenhead, Berkshire, UK and Wilton, Connecticut, USA. While the underlying business of the two locations is similar, these are managed separately and the following information is therefore provided:

			2008		2007
	UK	USA	Adjustments on consolidation	Total	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Turnover	575,241	166,928	(4,274)	737,895	1,017,490
Profit before taxation	2,400	12,917	(3,164)	12,153	24,936
Net assets	13,838	21,160	772	35,770	32,489

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

3. Turnover and Segment Information – (continued)

The geographical analysis of the Group's turnover during the period was as follows:-

	2008 US\$'000	2007 US\$'000
Europe	116,636	110,907
North America	15,916	50,421
Asia	593,862	798,803
Africa	2,054	6,982
Other including commissions	9,427	50,377
Total	737,895	1,017,490

4. Operating profit

	2008 US\$'000	2007 US\$'000
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Operating profit is stated after charging:

Auditors' remuneration:

Fees payable to the company's auditor for the audit of the company's annual accounts	35	30
Tax services to the company	10	6
Audit services to group companies	65	56
Other services to group companies	92	79
Depreciation of tangible assets	476	184
Loss on disposal of tangible assets	-	8
Loss on foreign exchange transactions	158	-

and after crediting:

Amortisation of goodwill	-	(2,121)
(Profit) on foreign exchange transactions	-	(11)

5. Interest receivable and payable

	2008 US\$'000	2007 US\$'000
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Interest receivable and similar income:

Bank and other similar income	3,939	3,999
	3,939	3,999

Interest payable and similar charges:

Bank loans and overdrafts	4,300	4,684
Letters of credit discounting and similar charges	1,146	1,567
	5,446	6,251

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

6. Taxation

	2008 US\$'000	2007 US\$'000
Current tax		
U.K. corporation tax	-	2,309
Foreign tax	5,508	7,788
Adjustment for prior years	(1,207)	-
Current tax charge	4,301	10,097
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	12,153	24,936
Profit on ordinary activities before taxation multiplied by standard rates of U.K. corporation tax of 28% and 30% (2007 – 30%)	3,524	7,481
Effects of:		
Adjustments to previous period	(1,207)	-
Other tax adjustments	39	352
Higher tax rates on overseas earnings	1,945	2,264
	777	2,616
Current tax charge	4,301	10,097

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

7. Tangible fixed assets

Group	Fixtures, fittings & equipment US\$'000	Mineral properties, buildings, land and leasehold improvements US\$'000	Computer equipment & software US\$'000	Motor vehicles US\$'000	Total US\$'000
Cost					
At 1 October 2007	223	15	509	68	815
Additions	1,284	519	69	121	1,993
Disposals	-	-	(4)	-	(4)
At 30 September 2008	1,507	534	574	189	2,804
Depreciation					
At 1 October 2007	68	8	220	30	326
Charge for the year	257	54	123	42	476
Disposals	-	-	(4)	-	(4)
At 30 September 2008	325	62	339	72	798
Net book value					
At 30 September 2008	1,182	472	235	117	2,006
At 30 September 2007	155	7	289	38	489

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

8. Fixed asset investments

	Group US\$'000	Company US\$'000
Cost		
At 1 October 2007	2,541	118
Additions	4	2
At 30 September 2008	2,545	120

Subsidiary	Country of Incorporation	Description of holding	Percentage held	Business nature
Ocean Partners UK Ltd.	Great Britain	Ordinary shares	100%	Trading
Ocean Partners Investments Ltd.	Great Britain	Ordinary shares	100%	Investment
Ocean Partners USA, Inc.	USA	Ordinary shares	100%	Trading
Ocean Partners Canada Ltd.	Canada	Ordinary shares	100%	Trading
OPH Cyprus Ltd.	Cyprus	Ordinary shares	100%	Trading
Ocean Partners Peru S.A.C.	Peru	Ordinary shares	100%	Trading
Okyanus Mineral Madencilik Sanayi Ve Ticaret Anonim Sirketi	Turkey	Ordinary shares	90%	Mining
Ocean Partners Zambia Ltd.	Zambia	Ordinary shares	100%	Trading
Ocean Partners Australia Pty Ltd.	Australia	Ordinary shares	100%	Dormant
Ocean Partners Mexico	Mexico	Ordinary shares	100%	Dormant

During the year, the group acquired, through its subsidiary Ocean Partners Investments Limited ("OPIL"), a 90% holding in Okyanus Mineral Madencilik Sanayi Ve Ticaret Anonim Sirketi a company incorporated in Turkey.

Other Significant Holdings	Country of Incorporation	Description of holding	Percentage held	Business nature
Canakkale Madencilik Limited Sirketi	Turkey	Ordinary shares	25%	Mining

The investment in Canakkale Madencilik Limited Sirketi has been treated as a trade investment as the Ocean Holdings Group does not exert a significant influence over the company's operating and financial policies.

9. Stocks

Stocks comprise metal ores, concentrates and refined metal, where title has transferred to the group and which are held for resale.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

10. Debtors

	2008 US\$'000	2007 US\$'000
Group		
Trade debtors	69,038	81,162
Other debtors	2,366	2,588
Prepayments and accrued income	477	4,801
	<u>71,881</u>	<u>88,551</u>
Company		
Amounts owed by subsidiary undertakings	8,943	2,737
Other debtors	37	1,946
	<u>8,980</u>	<u>4,683</u>

Group and Company

Amounts falling due after more than one year and included in the debtors above are:

	2008 US\$'000	2007 US\$'000
Other debtors	-	1,836

11. Current asset investments

	Group 2008 US\$'000	Company 2008 US\$'000
Cost		
At 1 October 2007 and at 30 September 2008	<u>129</u>	<u>129</u>

At 30 September 2008, the value of the current asset investments were in excess of their book cost.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

12. Creditors: amounts falling due within one year

	2008 US\$'000	2007 US\$'000
Group		
Bank loans and overdrafts	17,609	60,017
Trade creditors	63,263	79,264
Corporation tax payable	945	3,500
Accruals and deferred income	22,417	27,241
	<u>104,234</u>	<u>170,022</u>
Company		
Bank loans	-	3,375
Amounts owed to subsidiary undertakings	7,668	2
Corporation tax payable	-	21
Accruals and deferred income	179	213
	<u>7,847</u>	<u>3,611</u>

At 30 September 2008, the group had utilised bank facilities totalling \$17.609 million. The bank facilities are subject to a number of covenants and are secured by liens and charges over the assets of the company.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

13. Creditors: amounts falling due after more than one year

Group and Company	2008 US\$'000	2007 US\$'000
Bank loans	-	1,125
Analysis of loans		
Wholly repayable within five years	-	4,500
Included in current liabilities	-	(3,375)
	-	1,125
Loan maturity analysis		
In more than one year but not more than two years	-	1,125

14. Pension costs

The group operates a defined contribution pension plan for employees. Funds are deposited with financial institutions into an account for each employee. The institutions manage those funds on behalf of the employee. Funds are deposited for each pay period.

15. Negative goodwill

	2008 US\$'000
Negative goodwill at 1 October 2007 and at 30 September 2008	(6,881)
Amortisation of negative goodwill at 1 October 2007 and at 30 September 2008	(6,881)
Net book value at 30 September 2008	-
Net book value at 30 September 2007	-

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

16. Share capital

	2008 US\$	2007 US\$
Authorised:		
1,250 Ordinary Shares of US\$1 each	1,250	1,250
Allotted and fully paid:		
881/875 Ordinary Shares of US\$1 each	881	875

On 31 January 2008, 6 US\$1 shares were issued at a premium of \$45,198 per share.

17. Reconciliation of movement in shareholders' funds

	Issued Share Capital US\$'000	Share premium US\$'000	Profit and loss account US\$'000	Total equity shareholders' funds US\$'000
Group				
Balance at 1 October 2007	1	2,443	30,045	32,489
Shares issued in the year	-	271	-	271
Profit for the financial year	-	-	7,852	7,852
Equity dividends paid	-	-	(4,846)	(4,846)
Balance at 30 September 2008	1	2,714	33,051	35,766
Company				
Balance at 1 October 2007	1	2,443	172	2,616
Shares issued in the year	-	271	-	271
Profit for the financial year	-	-	3,353	3,353
Equity dividends paid	-	-	(4,846)	(4,846)
Balance at 30 September 2008	1	2,714	(1,321)	1,394

The Company's profit and loss account shows a deficit as at 30th September 2008. The directors confirm that, having relied upon interim accounting information, a dividend was paid in April 2008 from distributable reserves available at that time. The directors undertake to make no further distributions until such time as there are reserves available for the purpose.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

18. Minority interests

	2008 US\$'000	2008 US\$'000	2007 US\$'000
Acquisition of subsidiary undertaking		4	-
Loss on ordinary activities after taxation	(62)		
Provision against loss on ordinary activities after taxation	62		
	<u> </u>	<u> </u>	<u> </u>
		4	-
		<u> </u>	<u> </u>

19. Directors' emoluments

	2008 US\$'000	2007 US\$'000
Emoluments	4,452	8,208
Pension costs	549	716
	<u> </u>	<u> </u>
	5,001	8,924
	<u> </u>	<u> </u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	934	1,637
Pension costs	28	225
	<u> </u>	<u> </u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

20. Employees

	2008 US\$'000	2007 US\$'000
Number of employees		
The average monthly number of employees (including directors) during the year was:		
Trading	8	7
Administrative	13	13
Financial	12	9
Production	12	-
	<u>45</u>	<u>29</u>
Employment costs		
Wages and salaries	7,301	11,391
Social security costs	393	996
Pension costs	840	823
Cost of employment share issue	-	76
	<u>8,534</u>	<u>13,286</u>

21. Transactions with directors

During the year the group paid Pillay & Associates Limited, a company controlled by Siva Pillay \$136,936 in respect of professional services rendered (2007 - \$173,000). At the year end the group owed Paul Smith \$10,825 in respect of expenses incurred on behalf of the group (2007 - \$Nil).

22. Notes to cash flow statements

i) Reconciliation of operating profit to net cash inflow/(outflow) from operating activities.

	2008 US\$'000	2007 US\$'000
Operating profit	13,660	27,188
Depreciation of tangible fixed assets	476	184
Amortisation of negative goodwill	-	(2,121)
Loss on sale of fixed assets	-	8
Cost of employment share issue	-	76
Decrease/(Increase) in stocks	44,070	(40,062)
Decrease/(Increase) in debtors	16,670	(17,586)
(Decrease)/Increase in creditors	(20,825)	8,880
	<u>54,051</u>	<u>(23,433)</u>
Net cash inflow/(outflow) from operating activities		

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

22. Notes to cash flow statements (continued)

ii) Reconciliation of net cash flow to movement in net funds (note iii)

	US\$'000
Increase in cash in the year	39,120
Net funds at 1 October 2007	(29,581)
Net funds at 30 September 2008	9,539

(iii) Analysis of net funds

	1 October 2007 \$'000	Cashflow US\$'000	Other non- cash movements US\$'000	30 September 2008 US\$'000
Cash in hand, at bank (including overnight deposits)	31,561	(4,413)	-	27,148
Bank loans and overdrafts	(56,642)	39,033	-	(17,609)
Debt due within one year	(3,375)	3,375	-	-
Debt due after one year	(1,125)	1,125	-	-
Total	(29,581)	39,120	-	9,539

23. Dividends

	2008 US\$'000	2007 US\$'000
Ordinary interim paid	4,846	2,600