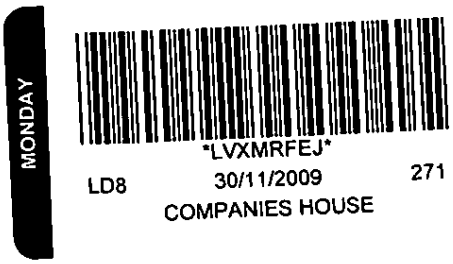
AIT ENTERPRISES HOLDINGS LIMITED

FINANCIAL STATEMENTS

For the Period ended
31 JANUARY 2009



Company 6511607

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The directors present their report together with the audited financial statements for the period ended 31 January 2009.

Principal activity

The company was incorporated on 21 February 2008.

The principal activity of the company is that of an investment holding company.

Business review and key performance indicators

There was a loss for the period after taxation amounting to £5,243,803. The directors did not pay a dividend during the period.

Directors

The present membership of the Board is set out below.

M Al Fayed (appointed 21 February 2008)
J Byrne (appointed 21 February 2008)
A Tanna (appointed 21 February 2008)
M Ward (appointed 21 February 2008)

Other people who served during the period were:
7Side Nominees Limited (resigned 21 February 2008)
J McArthur (resigned 12 January 2009)
O Fayed (appointed 21 February 2008, resigned 3 March 2009)

No director has had a material interest, directly or indirectly, at any time during the period in any contract significant to the business, except as disclosed in note 13.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 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.

Statement of directors' responsibilities (continued)

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Grant Thornton UK LLP, were appointed auditors to the company and having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Act.

BY ORDER OF THE BOARD

S Dean
Secretary
31 July 2009

Registered Office:
87 - 135 Brompton Road
Knightsbridge
London, SW1X 7XL

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF AIT ENTERPRISES HOLDINGS LIMITED

We have audited the financial statements of AIT Enterprises Holdings Limited for the period ended 31 January 2009 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 15. 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 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 auditor

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and 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 United Kingdom auditing standards 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 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.

REPORT OF THE AUDITOR TO THE MEMBERS OF AIT ENTERPRISES HOLDINGS LIMITED

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 company's affairs as at 31 January 2009 and of its loss for the period 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 for the period ended 31 January 2009.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

LONDON
31 July 2009

Basis of Preparation

The financial statements are the first statutory financial statements for the company for the period from 21 February 2008 to 31 January 2009.

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom applicable accounting standards.

The company has a deficit of shareholders funds at 31 January 2009. The directors consider it appropriate for these financial statements to be prepared on a going concern basis as the company's parent undertaking has indicated that it will not call for repayment of amounts due to the group undertakings without first ensuring that the company has adequate funds to meet its obligations as they fall due.

The principal accounting policies of the company are set out below.

AIT Enterprises Holdings Limited is a wholly owned subsidiary of AIT UK Holdings Limited which produces Group accounts in accordance with the Companies Act 1985. Consequently the company has taken advantage of the exemption permitted by section 228 of the Act from producing Group accounts. These accounts therefore present information about the company and not about its group.

AIT UK Holdings Limited produces a consolidated cash flow statement in accordance with Financial Reporting Standard No 1 (FRS1). Consequently the company has taken advantage of the exemption in FRS1 from producing a cash flow statement.

Investments

Investments are included at cost less provision for impairment where appropriate.

AIT ENTERPRISES HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT

For the period ended 31 JANUARY 2009

	Note	50 weeks ended 31 January 2009 £'000
Exceptional item	1	(4,300)
Operating loss		(4,300)
Interest payable	2	(1,311)
Loss on ordinary activities before taxation		(5,611)
Tax on loss on ordinary activities	3	367
Loss on ordinary activities after taxation	11	(5,244)

All transactions arise from continuing operations.

There were no recognised gains or losses other than the loss for the financial period.

The accompanying accounting policies and notes form an integral part of these financial statements.

	Note	At 31 January 2009 £'000
Fixed assets		
Investments	4	**16,100**
Current assets		
Debtors	5	**-**
		-
Creditors: amounts falling due within one year	6	**(1,311)**
Net current liabilities		**(1,311)**
Total assets less current liabilities		**14,789**
Creditors: amounts falling due after more than one year	7	**(20,400)**
Provisions for liabilities	8	**367**
Net liabilities		**(5,244)**
Capital and reserves		
Called up share capital	9	-
Profit and loss account	10	**(5,244)**
Shareholders' deficit	11	**(5,244)**

The financial statements were approved by the Board of Directors on 31 July 2009.

A Tanna - Director

The accompanying accounting policies and notes form an integral part of these financial statements.

1 Exceptional item

	50 weeks ended 31 January 2009 £'000
Impairment of investment	4,300

The valuation of the company's investment in AIT Enterprises Limited is primarily based on the market valuation of its Harrods Aviation Limited subsidiary business adjusted for other assets and liabilities of the group. A review of the estimated valuation of the investment has resulted in an impairment charge of £4.3m being charged to the profit and loss account.

2 Net interest payable

	50 weeks ended 31 January 2009 £'000
Interest payable:	
Amounts owed to related party	(1,311)

3 Tax on loss on ordinary activities

The tax credit is based on the loss for the period and represents:

	50 weeks ended 31 January 2009 £'000
Current tax	
Group relief	-
Deferred tax	
Origination and reversal of timing differences	367
Total tax for the period	**367**

Factors affecting the tax charge for period

The current period corporation tax assessed for the period is lower than the standard rate of corporation tax of 28% (2008: 30%) for the following reasons:	
Loss on ordinary activities before tax	(5,611)
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28 %	1,571
Effect of:	
Income and expenses assessed/relieved on a cash basis	(367)
Impairment provision not deductible for tax purposes	(1,204)
Current tax for the period	-

4 Investments included in fixed assets

	Unlisted investments £'000
Cost	
Acquisitions of ordinary shares in subsidiaries	20,400
At 31 January 2009	20,400
Impairment provision	
Provided in the period (note 1)	(4,300)
At 31 January 2009	(4,300)
Net book amount	
At 31 January 2009	**16,100**

On 1 April 2008, the company acquired 1,000 ordinary shares of £1 each of AIT Enterprises Limited for consideration of £20,400,000.

The above acquisition was financed via an interest bearing loan from the seller, AIT Property Holdings Limited.

The company has the following wholly owned (100% of equity and voting rights) trading and non-trading subsidiary undertakings.

Principal subsidiaries

Name	Country of registration	Principal activity
AIT Enterprises Limited*	England and Wales	Holding company
Air Harrods Limited	England and Wales	Non-scheduled air transport
Harrods Aviation Limited	England and Wales	Aircraft handling and maintenance service
Harrods Aviation Holdings Limited	England and Wales	Holding company
Harrods Leisure Holdings Limited	England and Wales	Holding company
Harrods Leisure Limited	Isle of Man	Non-trading

*The whole of the issued ordinary share capital in this company is owned directly by the company. The whole of the ordinary shares capital in the other companies is held by intermediate holding companies.

In addition to the companies shown in the above list, the company also holds investments in other subsidiary undertakings which are not material. Details of all subsidiary undertakings will be annexed to the company's next annual return in compliance with section 231 of the Companies Act 1985.

5 Debtors

	At 31 January 2009 £
Sundry debtors	100

6 Creditors: amounts falling due within one year

	At 31 January 2009 £'000
Interest payable on amounts owed to related party	1,311

7 Creditors: amounts falling due after more than one year

	At 31 January 2009 £'000
Amounts owed to related party	20,400

During the period, the company was granted a loan from AIT Property Holdings Limited, which is under the common control of the company's ultimate parent undertaking. The debt is interest bearing and is repayable with not less than 13 months notice in writing by the lender.

8 Deferred taxation

Deferred taxation assets in the financial statements are set out below. There were no unprovided amounts of deferred taxation at 21 February 2008 or 31 January 2009.

	At 31 January 2009 £
Transferred to profit and loss account	367
At 31 January 2009	367

Deferred taxation provided in the financial statements is set out below:

Depreciation in advances of capital allowances	
Other timing differences	367
	367

9 Share capital

	At 31 January 2009 £
Authorised:	
1,000 ordinary shares of £1 each	1,000
Issued and fully paid:	
100 ordinary shares of £1 each	100

Allotments during the period

On 21 February 2008, the company made an allotment of 100 ordinary shares of £1 each at £1 per share.

10 Reserves

	Profit and loss account £'000
Loss for the period	(5,244)
At 31 January 2009	(5,244)

11 Reconciliation of movements in shareholders' deficit

	2009 £'000
Loss for the period	(5,244)
Issue of shares	-
Shareholders' deficit at 31 January 2009	(5,244)

12 Capital commitments

The company had no capital commitments at 31 January 2009.

13 Contingent assets/liabilities

There were no contingent liabilities at 31 January 2009.

14 Transactions with directors /and other related parties

During the period the company entered into transactions with AIT Property Holdings Limited, which is under the control of the company's ultimate controlling party. The transactions and balances with this entity are not considered to be material except as described below.

During the period, the company purchased 1,000 ordinary shares of AIT Enterprises Limited from AIT Property Holdings Limited for consideration of £20.4 million. The acquisition was financed via an interest bearing loan from AIT Property Holdings Limited, which is under the common control of the company's ultimate parent undertaking. The debt is repayable with not less than 13 months notice in writing by the lender. At the period end, the loan outstanding was £20.4 million, and interest outstanding was £1.3 million.

15 Controlling related parties

The Company's immediate parent undertaking is AIT UK Holdings Limited, a company registered in England and Wales. The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by AIT UK Holdings Limited. The group accounts will be filed with the Registrar of Companies in due course.

The ultimate parent undertaking is Mafco Holdings Limited, a company incorporated in Bermuda. All interests in the company continue to be controlled and held for the benefit of the Fayed family.