

Alvarez & Marsal Financial Industry Advisory Services LLP

Members' report and financial statements

For the period from 26 June 2008 to 31 December 2008



Alvarez & Marsal Financial Industry Advisory Services LLP

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Alvarez & Marsal Financial Industry Advisory Services LLP

LLP Information

Designated members	Alvarez & Marsal FIAS Europe Holdings Limited Alvarez & Marsal Europe Holdings Limited
LLP number	OC338317
Registered office	Tower Bridge House St. Katharine's Way London E1W 1DD
Independent auditors	Mazars LLP Tower Bridge House St. Katharine's Way London E1W 1DD
Business address	1st Floor One Finsbury Circus London EC2M 7EB

Alvarez & Marsal Financial Industry Advisory Services LLP

Members' report

For the period ended 31 December 2008

The members present their report and financial statements for the period from the formation of the LLP on 26 June 2008 to 31 December 2008.

Principal activities

The principal activity of the LLP is the provision of business and management consultancy services.

Business review and future developments

The LLP has operated profitably during the period under review and has recruited new members and employees to expand, develop and enhance its client and contact portfolios and its reputation within the United Kingdom and European markets.

During this period the key performance indicators used by the members to assess the success of the business have included regular monitoring of cash balances and collections, overheads, head count and staff costs, pitches made and new business won.

The members are satisfied with the results for the period and intend to continue to pursue the LLP's activities and to further develop and exploit the growing reputation that the LLP enjoys in the market place.

Branches outside the United Kingdom

The LLP does not operate any branches outside the United Kingdom.

Designated members

The following designated members have held office since 26 June 2008:

Alvarez & Marsal FIAS Europe Holdings Limited	(appointed 31 December 2008)
Alvarez & Marsal Europe Holdings Limited	(appointed 31 December 2008)
Alvarez & Marsal Europe LLP	(appointed 26 June 2008, resigned 31 December 2008)
Alvarez & Marsal Nominees Limited	(appointed 26 June 2008, resigned 31 December 2008)

Members' interests and policy on members' drawings

The partners have agreed a Members' Drawings Plan. Any profits or losses not allocated to other members under the Members' Drawings Plan at 31 December 2008 have been allocated to Alvarez & Marsal Europe LLP.

On 31 December 2008, Alvarez & Marsal Europe LLP transferred its interest in the LLP to Alvarez & Marsal FIAS Europe Holdings Limited. In accordance with the LLP Agreement, any future profits or losses not allocated under the Members' Drawings Plan and all capital profits and losses will be allocated to Alvarez & Marsal FIAS Europe Holdings Limited.

Alvarez & Marsal FIAS Europe Holdings Limited has made a capital contribution to the LLP of €1,025 (£1,000). The capital contribution of all other members is £250 each. There is no interest on members' capital and current account balances.

No amounts have been transferred from members' capital to debts due to members during the period to 31 December 2008.

Alvarez & Marsal Financial Industry Advisory Services LLP

Members' report - continued

For the period ended 31 December 2008

Employee involvement

The members recognise the importance of employee involvement established by good communications and working relationships. Employees are kept well informed about the progress and position of both the LLP and the group as a whole by regular departmental meetings and electronic briefings.

Employment policies

It is LLP policy to afford equal opportunities to all employees and job applicants. No employee or job applicant is less favourably treated than another on the grounds of their sex, sexual orientation, age, marital status, religion, race, nationality, ethnic or national origin, colour or disability and all appointments and promotions are determined solely by merit.

It is also LLP policy to encourage and assist in the employment, training, re-training and career development of disabled persons where possible, having regard to their suitability for a particular vacancy and the nature of the LLP's activities. In the event that employees become disabled during employment, the LLP will, where possible, continue their employment and arrange appropriate training.

Financial instruments and financial risk management

The LLP's activities expose it to a variety of financial risks including foreign exchange risk, interest rate risk and credit risk. The LLP participates in policies developed and implemented for the group as a whole by the ultimate parent undertaking to monitor and control these risks.

Given the size of the LLP, the members have not delegated the responsibility of monitoring financial risk management to a sub-committee. The LLP's finance department implements the policies set by the members.

Credit risk

The group has implemented policies that require customers to make retainer payments before new accounts are accepted.

The group has in place a risk management programme that seeks to limit adverse effects on financial performance by monitoring levels of debt finance and the related finance costs when applicable. The LLP does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the members.

Foreign exchange risk

The LLP operates in a number of currencies and is exposed to exchange rate fluctuations. This risk is assessed on an ongoing basis. The LLP does not use derivative financial instruments to manage currency exchange movements and, as such, no hedge accounting is applied.

Interest rate cash flow risk

The group holds interest bearing assets including LLP bank balances that receive interest income at a variable rate. The risks arising from holding such assets are regularly reviewed by the members.

Alvarez & Marsal Financial Industry Advisory Services LLP

Members' report - continued

For the period ended 31 December 2008

Statement of members' responsibilities in respect to the financial statements

The Limited Liability Partnerships Regulations 2001 (LLP Regulations 2001) enacted under the Limited Liability Partnerships Act 2000 require the members to prepare financial statements for each financial period which give a true and fair view of the state of the LLP's affairs and of its profit or loss for the period. In preparing these financial statements, the members 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

Under the LLP Regulations 2001, the members are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the LLP and which enable them to ensure that the financial statements comply with those regulations. The members have a general responsibility for safeguarding the assets of the LLP and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The responsibilities are exercised by the designated members on behalf of the members.

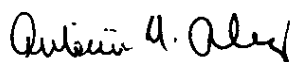
Auditors

Mazars LLP has expressed willingness to continue in office.

Statement of disclosure to auditors

- (a) so far as the members are aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) the members have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the members



Antonio M Alvarez III
Director – Alvarez & Marsal FIAS Europe Holdings Limited

Date: 23 October 2009

Alvarez & Marsal Financial Industry Advisory Services LLP

Independent auditors' report

To the members of Alvarez & Marsal Financial Industry Advisory Services LLP

We have audited the financial statements of Alvarez & Marsal Financial Industry Advisory Services LLP ('the LLP') for the period from 26 June 2008 to 31 December 2008, which comprise the profit and loss account, the balance sheet, the cash flow statement, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the LLP's members, as a body, in accordance with Section 235 of the Companies Act 1985 as applied to LLPs. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the members of the LLP as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As described in the statement of members' responsibilities, the members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985 as applied to LLPs. We also report to you if, in our opinion, the LLP has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the members' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

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

Alvarez & Marsal Financial Industry Advisory Services LLP

Independent auditors' report

To the members of Alvarez & Marsal Financial Industry Advisory Services LLP

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 LLP's affairs at 31 December 2008 and its profit for the period then ended;
- the information given in the Members' Report is consistent with the financial statements; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, as applicable to LLPs.

Mazars LLP

Mazars LLP

Chartered Accountants and Registered Auditors

Tower Bridge House
St. Katharine's Way
London E1W 1DD

Date: *29 October 2009*

Alvarez & Marsal Financial Industry Advisory Services LLP

Profit and loss account

For the period from 26 June 2008 to 31 December 2008

		2008
	Notes	€
Turnover	2	4,335,355
Administrative expenses		(1,774,909)
Operating profit	3	2,560,446
Interest payable and similar charges		-
Interest receivable and similar income		-
Profit on ordinary activities before taxation		2,560,446
Tax on profit on ordinary activities	6	-
Profit for the financial period before members' remuneration and profit shares		2,560,446
Members' remuneration charged as an expense	7	(2,560,446)
Profit for the financial period available for discretionary division among members	11	-

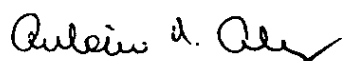
The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.
The notes on pages 11 to 16 form an integral part of these financial statements

Alvarez & Marsal Financial Industry Advisory Services LLP**Balance sheet****As at 31 December 2008**

	Notes	€	2008 €
Fixed assets			
Tangible assets	8		1,783
Current assets			
Debtors	9	4,273,455	
Cash at bank and in hand		-	
		<u>4,273,455</u>	
Creditors: amounts falling due within one year	10	<u>(4,273,700)</u>	
Net current liabilities			<u>(245)</u>
Net assets attributable to members			<u>1,538</u>
REPRESENTED BY:			
Members' capital classified as a liability under FRS 25	11		1,538
Other amounts	11		-
Net assets attributable to members			<u>1,538</u>
TOTAL MEMBERS' INTERESTS			
Members' capital	11		1,538
Amounts due from members	11		(1,538)
TOTAL MEMBERS' INTERESTS	11		<u>-</u>

The financial statements were approved and authorised for issue by the Members of Alvarez & Marsal Financial Industry Advisory Services LLP and were signed on their behalf by:



Antonio Alvarez III
Director – Alvarez & Marsal FIAS Europe Holdings Limited

Date: 23 October 2009

The notes on pages 11 to 16 form an integral part of these financial statements

Alvarez & Marsal Financial Industry Advisory Services LLP

Cash flow statement

For the period from 26 June 2008 to 31 December 2008

		2008	
	Notes	€	€
Net cash inflow from operating activities	1	2,560,868	
Returns on investment and servicing of finance			
Interest paid			-
Capital expenditure and financial investment			
Purchase of tangible fixed assets			(1,960)
Transactions with members			
Contributions by members		1,538	
Members' drawings		(2,560,446)	
			(2,558,908)
Net cash flow before management of liquid resources and financing			-
Financing			-
Increase in cash in the period			-

Alvarez & Marsal Financial Industry Advisory Services LLP

Notes to the cash flow statement

For the from 26 June 2008 to 31 December 2008

1 Reconciliation of operating profit to net cash inflow from operating activities **2008**
€

Operating profit	2,560,446
Depreciation of tangible fixed assets	177
(Increase) in debtors	(4,273,455)
Increase in creditors	<u>4,273,700</u>

Net cash inflow from operating activities **2,560,868**

2 Major non-cash transactions

There were no material non-cash transactions during the period.

Alvarez & Marsal Financial Industry Advisory Services LLP

Notes to the financial statements

For the period ended 31 December 2008

1 Accounting Policies

1.1 Accounting convention and basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including the revised Statement of Recommended Practice, "Accounting by Limited Liability Partnerships", published in March 2006.

1.2 Going concern

At 31 December 2008 the LLP's current liabilities exceeded its current assets. However, group undertakings have indicated that they will continue to provide sufficient financial support as is necessary to enable the LLP to meet its liabilities as they fall due and to continue its activities for the foreseeable future. The members are therefore of the view that it is appropriate to prepare financial statements on a going concern basis.

1.3 Turnover and revenue recognition

Turnover represents amounts receivable for services rendered to clients net of VAT and trade discounts.

In accordance with Application Note G to Financial Reporting Standard 5 "Reporting the Substance of Transactions" and UITF 40 "Revenue Recognition and Service Contracts", revenue is recognised at the point in time when the LLP has the right to receive payment for its services. Unbilled time is included in accrued income. Fees billed in advance are included in accruals and deferred income.

1.4 Members' remuneration

Profits of the LLP for all accounting periods are automatically allocated between members in accordance with the provisions of the LLP Agreement. As required by the revised Statement of Recommended Practice, "Accounting by Limited Liability Partnerships", published in March 2006, the allocation of the LLP's profits is recognised on the face of the Profit and Loss Account as "members' remuneration charged as an expense".

Profits allocated to members in excess of amounts drawn are carried forward in the balance sheet as liabilities owed to members. Amounts drawn by members in excess of allocated profits are carried forward in the balance sheet as assets due from members. A provision is made against members' balances which are not legally recoverable in accordance with the LLP Agreement.

1.5 Pensions

Members of the LLP are required to make their own provisions for pensions from their profit shares.

The LLP contributes to defined contribution pension policies held individually by employees. Contributions to employees' policies are charged to the profit and loss account as and when they fall due.

1.6 Taxation

The taxable profits of Alvarez & Marsal Financial Industry Advisory Services LLP are assessed on the members personally. The LLP is not therefore liable to tax on trading profits or investment income and no provision is made in the financial statements for the members' personal taxation and deferred taxation liabilities.

Alvarez & Marsal Financial Industry Advisory Services LLP

Notes to the financial statements (continued)

For the period ended 31 December 2008

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows: -

Plant and machinery	over 3 years
Fixtures, fittings and equipment	over 3 years

Residual value is calculated on prices prevailing at the date of acquisition.

1.8 Foreign currency translation

The financial statements have been prepared in Euro as this is the functional currency of the LLP.

Non-monetary assets and liabilities denominated in foreign currencies are translated into Euro at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

The principal exchange rates used at the balance sheet date were £1 = €1.025 and US\$1 = €0.7114.

2 Turnover

The members consider the LLP's activities represent a single class of business. The total turnover of the LLP for the period has been derived from its principal activities wholly undertaken in Europe.

3 Operating profit

2008
€

Operating profit is stated after charging/(crediting):

Auditors' remuneration -- audit	10,291
Auditors' remuneration -- other services	801
Loss on foreign exchange transactions	17,276
Operating lease rentals -- land and buildings	3,163
Depreciation of tangible fixed assets	177

Alvarez & Marsal Financial Industry Advisory Services LLP

Notes to the financial statements (continued)

For the period ended 31 December 2008

4 Information in relation to members 2008 No.

The average number of members during the period was	3
	<u>€</u>

The amount of profit attributable to the member with the largest entitlement was	1,906,095
	<u>€</u>

5 Staff Costs

2008
€

Wages and salaries	95,690
Social security costs	10,015
Pension costs	<u>-</u>
	<u>105,705</u>

The average number of persons employed by the LLP during the period was 3.

6 Tax on profit on ordinary activities

The taxable profits of Alvarez & Marsal Financial Industry Advisory Services LLP are assessed on the members. The LLP is not therefore liable to tax on trading profits or investment income and does not have a tax charge in the profit and loss account.

7 Members' remuneration charged as an expense

Profits of the LLP for all accounting periods are automatically allocated between members in accordance with the provisions of the LLP Agreement. As required by the revised Statement of Recommended Practice, "Accounting by Limited Liability Partnerships", published in March 2006, the allocation of the LLP's profits is recognised on the face of the Profit and Loss Account as "members' remuneration charged as an expense".

Alvarez & Marsal Financial Industry Advisory Services LLP

Notes to the financial statements (continued)

For the period ended 31 December 2008

8	Tangible fixed assets	<i>Plant and machinery</i> €
	<i>Cost</i>	
	Additions and at 31 December 2008	1,960
	<i>Depreciation</i>	
	Charge for the period and at 31 December 2008	177
	<i>Net book value</i>	
	At 31 December 2008	<u>1,783</u>
9	Debtors	2008 €
	Due within one year	
	Trade debtors	-
	Amounts due from members	1,538
	Amounts owing by group undertakings	1,499,209
	Other debtors	3,505
	Prepayments and accrued income	<u>2,769,203</u>
		<u>4,273,455</u>
10	Creditors: amounts falling due within one year	2008 €
	Trade creditors	490
	Amounts owed to group undertakings	4,184,125
	Other tax and social security	25,636
	Accruals and deferred income	<u>63,449</u>
		<u>4,273,700</u>

Alvarez & Marsal Financial Industry Advisory Services LLP

Notes to the financial statements (continued) For the period ended 31 December 2008

11 Members' interests

	2008			
	Members' capital	Loans and other debts due to/ (from) members	Members' other interests	Total
	€	€	€	€
Capital introduced by members	1,538	-	-	1,538
Advances to the partners	-	(1,538)	-	(1,538)
Profit for the financial period available for division among members	-	-	2,560,446	2,560,446
Drawings	-	-	(2,560,446)	(2,560,446)
Total members' interests at 31 December 2008	1,538	(1,538)	-	-
Amount due to members, included in creditors	-	-	-	-
Amount due from members, included in debtors	-	1,538	-	1,538
Net assets attributable to members	1,538	-	-	1,538

Amounts owed to members rank pari passu with unsecured creditors in the event of winding up. Members' other interests including loans and other debts due to members rank after unsecured creditors.

The amount of capital each member is required to subscribe is determined by the members and under the Members Agreement a member can only withdraw capital when he or she ceases to be a member.

12 Capital commitments

As at 31 December 2008, the LLP had no capital commitments.

Alvarez & Marsal Financial Industry Advisory Services LLP

Notes to the financial statements (continued)

For the period ended 31 December 2008

13 Related party disclosures

During the period the LLP has entered into the following material transactions with its parent and fellow subsidiary undertakings:

Name	Nature of transaction	€
Alvarez & Marsal Europe LLP	Receipt of administration support services	7,072
Alvarez & Marsal Europe LLP	Receipt of expertise and staffing support	478,294
Alvarez & Marsal Italia Srl	Receipt of expertise and staffing support and business referrals	125,433
Alvarez & Marsal France Societe en Commandite Simple	Receipt of expertise and staffing support	216,763
Alvarez & Marsal Middle East Limited	Receipt of expertise and staffing support	160,699
Alvarez & Marsal Deutschland GmbH	Receipt of expertise and staffing support	86,892
Alvarez & Marsal Dispute Analysis & Forensic Services Europe LLP	Receipt of expertise and staffing support	43,300
Alvarez & Marsal Holdings LLC	Receipt of business referrals, administration and management support services	270,279

The LLP occupies premises that are leased by Alvarez & Marsal Europe LLP, a fellow subsidiary of Alvarez & Marsal Europe Holdings Limited. The share of the rental cost, borne by the LLP during the period to 31 December 2008, was €3,163.

The LLP has also received financing, when appropriate, from its ultimate parent company and fellow subsidiaries.

At 31 December 2008 the following amounts were owed by / (to) group undertakings:

Name	€
Alvarez & Marsal Dispute Analysis & Forensic Services LLP	80,771
Alvarez & Marsal North America LLC	1,418,438
Alvarez & Marsal Holdings LLC	(1,580,443)
Alvarez & Marsal Europe LLP	(2,496,960)
Alvarez & Marsal Middle East Limited	(19,613)
Alvarez & Marsal France Societe en Commandite Simple	(30,344)
Alvarez & Marsal Deutschland GmbH	(8,046)
Alvarez & Marsal Italia Srl	(46,218)
Alvarez & Marsal Asia Limited	(2,501)

These balances are interest free and repayable on demand.

14 Controlling parties

During the period the LLP's parent undertaking and immediate controlling party was Alvarez & Marsal Europe LLP. On 31 December 2008 Alvarez & Marsal Europe LLP transferred its interests in Alvarez & Marsal Financial Industry Advisory Services LLP to the LLP's designated corporate member, Alvarez & Marsal FIAS Europe Holdings Limited, a company registered in England & Wales.

The parent undertaking of the group which includes the partnership and for which group financial statements are prepared is Alvarez & Marsal Europe Holdings Limited.

The ultimate parent company is Alvarez & Marsal Holdings LLC, a company incorporated in U.S.A. The ultimate controlling parties are Antonio C Alvarez II and Bryan P Marsal.